



3 Energy Stocks to Buy on the TSX Pullback Today

Description

The selloff on the **TSX** this week has been some of the worst the market has seen since fall of 2020. This came from the spread of the Delta variant of COVID-19, leading to a fear of further economic slowdowns.

While the world worries the economy may have peaked, there is increasing worry that we will begin to see stagflation. This occurs when the economy slows to a halt, even as inflation rises. This is already starting with energy stocks experiencing issues from the Organization of Petroleum Exporting Countries (OPEC+). The Delta variant has put pressure on output, and OPEC+ increased the limits for five countries, leading to a further drop in crude prices.

While analysts believe this drop is only temporary, energy continues to be a volatile industry. In fact, many expect it to grow by 6.6% in 2021 alone. But Motley Fool investors can still find growth with these three energy stocks on the TSX today.

Enbridge

One of the best places to put your cash today is with pipeline stocks. And above the rest continues to be **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge stock has seen a massive increase in demand as of late. While this may slow with recent lockdowns, it shouldn't come to a crashing halt, as it did before. Instead, it's likely Enbridge stock and its \$10 billion in growth projects this year will be under increased use.

Shares of Enbridge stock are already up 25% in the last year, and analysts expect a potential average upside of 11% for the next 12 months. But Enbridge stock remains cheap, offering a price-to-earnings (P/E) ratio of 15.45 as of writing, and is just above oversold territory at 37. Meanwhile, Motley Fool investors can lock in a [dividend yield](#) of 6.93% — one that's risen by a compound annual growth rate (CAGR) of 14.32% in the last decade.

Suncor

If you want growth from oil and gas, then you'll want to consider **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Suncor stock hasn't had the greatest few years, with production cuts and COVID-19 [wreaking havoc](#). Yet it's still one of the best energy stocks out there thanks to its diverse revenue streams. It's the largest fully integrated oil and gas company in the country. This makes it a strong investment for Motley Fool investors to consider ahead of a full economic recovery.

Shares of Suncor stock continue to be oversold, sitting at 30.84 on the relative strength index (RSI). That's even with shares up 17% in the last year. However, that's after a drop in the last few months, as oil and gas remain volatile. But long-term holders should look forward to more than just growth from energy stocks like Suncor stock. In this case, you can also look forward to a dividend increase after the company slashed it last year. As of writing, you can still pick up a 3.17% yield, which has risen at a CAGR of 10.6% in the last decade.

Algonquin Power

If those two companies scare you with the potential downfall of energy stocks, then you can still consider **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). The company is indeed involved with oil and gas. However, it's also a utility company that's been growing through acquisition at an alarming rate.

Shares of Algonquin are up just 7% in the last year, coming down with the pullback recently in energy stocks. However, Motley Fool investors can therefore pick up the stock on the TSX today with a P/E ratio of just 10.41. Plus, they can get a [dividend yield](#) of 4.48% that's risen by a CAGR of 12.4%! The company's shares may be a bit rollercoaster-like, but its fundamentals and financials are sound. This is the perfect stock for any portfolio — but especially those looking into energy stocks on the TSX today.

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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