



## 3 Top TSX Energy Stocks Under \$50 to Buy Right Now

### Description

Thanks to the improving global energy demand and higher price realizations, Canadian energy stocks have significantly recovered from their pandemic lows. Despite the growth, I see further upside from current levels, reflecting increased economic activities, volumes, and commodity prices.

With a favourable industry outlook, I have shortlisted three energy stocks that could outpace the benchmark index in the coming years and are priced under \$50. Moreover, they offer healthy dividend yields at current price levels.

### Enbridge

The economic expansion and recovery in commodity prices led to a strong buying in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock. The company has witnessed increased utilization of its assets, while its mainline volumes also improved.

I believe Enbridge's diversified assets position it well to capitalize on improving industry fundamentals and will likely drive its distributable cash flows. Furthermore, higher mainline volumes, momentum in the core business, and multi-billion-dollar capital program bode well for future growth. I am equally optimistic about its renewable business and its focus on cost-optimization initiatives, which could drive its future cash flows.

Besides capital growth, investors will likely benefit from Enbridge's robust dividend payments. It has consistently paid dividends for over 66 years and raised it annually by 10% for over two-and-a-half decades. Thanks to its diverse cash flow streams and contractual framework, I believe Enbridge could continue to deliver higher dividend payments to its shareholders in the coming years. At current levels, Enbridge offers a high yield of 6.8%.

### Pembina Pipeline

Like Enbridge, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is another [top bet in the energy space](#). The stock has gained over 36% this year, thanks to higher realized prices for commodities and higher demand.

Looking ahead, I believe higher volumes, increased pricing, and cost-saving initiatives could continue to drive its profitability and push its stock price higher. Furthermore, a solid backlog of growth projects, new projects, and contractual framework bodes well for growth. Pembina also looks attractive on valuation. With a forward EV/EBITDA of 10.7, Pembina's valuation looks well within reach and is lower than its historical average.

Pembina Pipeline has consistently rewarded its shareholders with a monthly dividend and has raised it annually by over 5% in the last decade. Thanks to its robust fee-based cash flows, the company could continue to bolster its investors' returns through higher dividend payments. Currently, it offers a safe dividend yield of 6.3%.

## Suncor Energy

Investors could also add **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock to their portfolios. While its stock recovered from the pandemic lows, it is still trading well below its pre-COVID levels, making it an [attractive long-term bet](#).

I believe improved energy demand and higher average realized prices could continue to drive Suncor's financials in the coming quarters and, in turn, drive its stock higher.

Meanwhile, Suncor's integrated assets, favourable revenue mix, and higher production provide a solid foundation for future growth. Further, its lower cost base and focus on debt reduction are likely to cushion its earnings and cash flows. Suncor's strong cash position and improved financials indicate that it will likely boost shareholders' returns through regular dividend payments and share repurchases. Currently, Suncor offers a decent yield of 3.6%.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:SU (Suncor Energy Inc.)

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