



Canadian Stocks You Should Be Ready to Buy

Description

Given that energy stocks fell victim to market conditions again in 2020, it wasn't the best sector for investors as the global pandemic sapped demand and brought down oil prices. However, this year is an entirely different story.

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) endured the fallout from COVID-19. Neither one slashed their dividends to preserve the balance sheet. Both Canadian stocks remain the top money-makers in 2021. Investors should be ready to buy them to partake of generous dividend payouts.

Top monthly income stock

An opportunity was lost when Pembina Pipeline didn't bag **Inter Pipeline** that eventually went to **Brookfield Infrastructure Partners**. However, the setback didn't diminish its attractiveness in the energy universe. Moreover, the energy stock is a cut above the rest of the [dividend stocks](#) because it's still **TSX's** top monthly dividend-paying stock.

Brookfield Infrastructure hasn't outperformed its nemesis year to date (+15.48% versus +33.01%) despite its win. TC Energy has a bigger market capitalization than Pembina and is three years older (70 years in the business). Similarly, Pembina's dividend yield is superior to the global infrastructure company, 6.54% as against 3.57%. Any investment amount will double in 11 years compared to 20 years for Brookfield Infrastructure.

Pembina has locked in [three significant partnerships](#), notwithstanding the deal that got away. The \$21.17 billion company is an active partner in the upcoming world-scale carbon transportation and sequestration system, Cedar liquefied natural gas (LNG) facility, and an oil conduit project.

Some market analysts think Pembina is undervalued. They see dividend growth on the horizon due to numerous new assets going into service soon. The current share price of \$38.49 is a good entry point.

Earnings and cash flow visibility

TC Energy has a bigger market capitalization than Pembina and is three years older too (70 years in the business). The two companies are partners in the aforementioned carbon transportation and sequestration system.

While this \$57.52 billion energy infrastructure company ranks only 14th in dividend growth streaks (DGR), the current dividend yield is an eye-popping 5.93%. The [21 consecutive years](#) of dividend increases should give you the confidence to invest in TC Energy.

Management believes TC Energy's competitive advantages are the portfolio of complementary infrastructure assets and secured growth projects worth \$21 billion. Both would support the company's target of between 5% and 7% annual dividend growth.

I would include financial strength, given the \$1.7 billion net cash provided by operations in Q2 2021. The \$299 million decline in net income versus Q2 2020 isn't a cause for concern. Due to future growth prospects, TC Energy President and CEO François Poirier remains upbeat about earnings and cash flow visibility.

Like Pembina, TC Energy doesn't lack growth catalysts. The largest energy storage facility that will bring enormous savings to electricity customers in Ontario will soon rise. The company is the Department of National Defence's partner in the Ontario Pumped Storage Project.

TC Energy is also the partner of privately-held Irving Oil on a made-in-Canada project. The two firms will work together on several projects that focus on decarbonizing current assets and will also employ emerging technologies.

Eternal money-makers

Pembina Pipeline and TC Energy are dead-even when it comes to dividend safety and investment income reliability. Take advantage of the energy boom, but don't take too long to decide. Whichever one you choose will reward you with growth and income in 2021 and beyond.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. cliew

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/23

Date Created

2021/08/23

Author

cliew

default watermark

default watermark