



## 3 Top TSX Energy Stocks to Buy for Growth and Income

### Description

Thanks to improved energy demand and higher price realizations, Canadian energy stocks recovered significantly from the pandemic lows. While energy stocks rose higher, I expect the uptrend to sustain owing to the favourable industry outlook.

I believe energy stocks have the potential to outperform the benchmark index in the coming quarters on the back of higher commodity prices. I expect increased levels of economic activities and an improved operating environment to drive volumes and prices in the foreseeable future.

As the financial performance of energy stocks improves, let's focus on three stocks that have the potential to deliver stellar total shareholder returns.

### Suncor Energy

Shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) rebounded from the pandemic lows owing to a steep rise in crude oil prices amid a recovery in energy demand. The favourable industry trends and higher price realizations boosted its financials, reflected through its higher funds from operations in the most recent quarter.

While the recent weakness in WTI prices creates short-term challenges, I'm upbeat about Suncor's long-term prospects. Its integrated assets, favourable revenue mix, and an expected increase in production volumes provide a solid foundation for growth. I expect Suncor to continue to deliver solid financials on the back of increased energy demand, higher prices, lower debt, and cost-optimization efforts. Furthermore, Suncor is likely to accelerate share repurchases and pay regular dividends owing to its higher cash-generation abilities.

Overall, Suncor stock offers a good [growth and income](#) opportunity for investors and currently offers a dividend yield of 3.5%.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is another top energy stock that has recovered sharply owing to the economic expansion and recovery in the prices of the commodities it transports. While Enbridge stock trended higher over the past year, I maintain a bullish outlook.

Its high-quality asset base, diverse revenue streams, contractual arrangements, and recovery in mainline volumes could continue to drive its financial performance and, in turn, its stock price. Furthermore, its secured capital program, growth opportunities in the renewable business, and focus on cost efficiencies augur well for growth.

I'm equally optimistic about Enbridge's ability to enhance its shareholders' returns through higher dividend payments. Notably, it has raised dividends for 26 years in a row and remains on track to increase it further in the coming years. Meanwhile, it offers a high yield of 6.7%.

## Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is one of the [top bets](#) in the energy space for growth and income. Thanks to the higher realized prices for commodities and improved energy demand, Pembina stock has gained over 36% this year. Further, Pembina has consistently rewarded its shareholders with a monthly dividend and raised it annually by around 5% in the last decade.

I believe Pembina's highly contracted business, exposure to diverse commodities, and newly secured growth projects bode well for its future growth. Further, recovery in energy demand, higher volumes, improved pricing, and operating efficiencies will likely drive its profitability and future cash flows. Owing to its contractual framework and stable fee-based cash flows, Pembina Pipeline could continue to deliver strong total shareholder returns with safe payouts in the coming years. At current price levels, Pembina offers a stellar dividend yield of 6.5%.

### 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.)

### 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. kduncombe
2. snahata

#### **Category**

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

#### **Date**

2025/07/22

#### **Date Created**

2021/08/30

#### **Author**

snahata

default watermark

default watermark