



## Hurry! 2 Top Canadian Stocks Available for a 5-8% Discount

### Description

The stock market has started its holiday season rally after the September correction. Two stocks are still available at a 5-10% discount from their 2021 high.

- **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#))
- **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#))

Energy stocks are not eye candy for investors seeking growth. But they are currently in the recovery rally that can bring up to 10% growth in the next three months. What makes me bullish is the return of travel demand and the reopening of factories. In the coming holiday season, energy stocks will see a 15-month pent-up demand worldwide. Look at it like 15 months of business happening in the next three to five months.

Let's take one stock at a time.

### Suncor Energy stock

I recommended buying Suncor in [September](#) when it was trading around \$23, a 25% dip from its post-pandemic high of \$31. And the stock has already surged 24% in less than a month. It has the potential to surge another 7-8% and cross the \$31 mark. The increase in oil demand makes me confident about this stock.

The West Texas Intermediate (WTI) crude price [topped](#) \$80, its highest since 2014, and this is the beginning of the pent-up demand. The surge in U.S. oil demand is good news for Suncor and other Canadian oil companies, as 48% of U.S. crude oil imports come from Canada.

Suncor is one of the biggest beneficiaries as it is the largest integrated oil company in Canada. It not only extracts oil but also refines it into petroleum. During the pandemic, Suncor made some aggressive cost cuts to make its operations more efficient. The high oil prices and pent-up demand will boost its profits. The company plan to use this cash to increase the dividend at a compound annual growth rate (CAGR) of 25% through 2025.

## TC Energy stock

Just now, I talked about U.S. oil demand and its importance to Canadian companies. When speaking of oil exports, pipelines flash in front of my eyes. Pipelines are the fastest and most cost-efficient way to transport oil and natural gas, especially when the quantity is in bulk. However, they have been under fire for environmental reasons.

TC Energy took a burn from the environmentalists as it was forced to cancel its decade-long, multi-million dollar Keystone XL pipeline project. You can't deny the fact that the very design of the project was flawed, and all the patchwork TC Energy did to the pipeline didn't help.

As a pipeline company, TC Energy earns toll money for transmitting oil and natural gas and uses this cash to make new pipelines. The delays and court cases had already made the Keystone XL way over budget. It was a money-eating monster, and TC Energy got rid of it in mid-2021. Instead of becoming bullish on the end of further cash drain, investors turned bearish and mourned the loss of the project.

But the renewed oil demand has revived investor confidence, and TC Energy stock surged 5.74% in the last 20 days. That's pretty good growth for a [dividend stock](#) like TC Energy. There is more than 4-5% upside left if the stock reaches its post-pandemic high of \$65.

## Final thoughts

Oil stocks have already climbed the rally I was expecting, making them a not-so-good buy if you are looking for growth. But they continue to be a good investment dividend-wise.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:SU (Suncor Energy Inc.)
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

#### **PP NOTIFY USER**

1. arosenberg
2. pujatayal

#### **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

#### **Date**

2025/08/22

#### **Date Created**

2021/10/11

#### **Author**

pujatayal

default watermark

default watermark