



2 TSX Pipeline Stocks With Dividend Yields Over 5%

Description

The **S&P/TSX Composite Index** continues to climb back past all-time highs this earnings season. As company after company beats earnings expectations, investors believe that a rebound could well and truly be underway. And that includes with some of the biggest pipeline stocks offering solid dividends.

With the TSX today up 5% in the last two weeks, and over 20% year to date, it's a hot time to get in on the market. Earnings reports are yet to come out, which could mean now is a great time to get them for a deal and lock in solid dividends.

One of the top pipeline stocks at 52-week highs

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) continues to trade at [52-week highs](#), although still short of all-time highs from a few years back. Yet there are multiple reasons Motley Fool investors should consider this stock on the TSX today, with earnings being a top reason.

During the last earnings report, Pembina stock reported the adjusted EBITDA guidance range updated to between \$3.3 and \$3.4 billion, with second quarter EBITDA of \$778 million. Further, it received a \$350 million termination fee from the end of its arrangement with **Inter Pipeline**.

In its place, the \$23 billion company created a partnership with **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) back in June to develop the Alberta Carbon Grid. This grid would transport 20 million tonnes of carbon annually when fully operational, leveraging existing pipelines and creating long-term growth.

Pembina is one of the pipeline stocks looking to edge towards the future. That means making strategic partnerships to lower carbon emissions and, within a few decades, move towards a more sustainable future, including sustainable funds. But right now, it remains a strong company supported by long-term contracts.

Shares of Pembina stock are up 47% year to date and 5% since the beginning of October. Meanwhile, it offers an unshaking dividend yield of 5.98%, delivered monthly. That yield has grown at a compound annual growth rate (CAGR) of 4.91% over the last decade. A \$20,000 investment in Pembina stock

would give Motley Fool investors \$1,192 in dividends each year on the TSX today.

Get more from the future of pipeline stocks

As I mentioned, the other side of this new deal is TC Energy. But in the case of TC Energy, it goes even further than using existing pipelines. The company is investing in renewable energy on a [massive](#) scale, recently announcing a new wind farm project in Alberta.

The \$65.7 billion company also trades at 52-week highs, up 35% year to date and 10% in the last month. In fact, it's zeroing in on all-time highs not seen since January 2020. But that's good news for Motley Fool investors who can still pick it up with more room to grow ahead of earnings on Nov. 5.

Last quarter's earnings were strong, with net income coming in at \$982 million, and EBITDA of \$2.2 billion. Meanwhile, it offers a 5.23% dividend yield that's increased at a CAGR of 7.91% over the last decade. A \$20,000 investment in TC Energy would give Motley Fool investors \$1,037 in [passive income](#) on the TSX today.

Foolish takeaway

Again, TC Energy remains in a long-term partnership with Pembina stock. These two pipeline stocks are looking towards the future of energy, and both have rewarded shareholders in the process. These pipeline stocks remain valuable for those seeking a long-term investment that will pass out significant income for decades.

CATEGORY

1. Energy Stocks
2. Investing

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