



## 2 Top Canadian Energy Stocks to Buy and Hold Forever

### Description

Investors looking for top energy stocks for exposure right now really have their work cut out for them. What was once a deep-value sector is starting to look fairly valued. [Dividend yields](#) are down, as the stock prices of many of these energy players continue to take off.

For those invested in the space, that's not such a bad thing. However, for investors looking to put fresh capital to work, this environment can be a difficult one to operate in.

That said, there remain some great long-term investing options at these levels. Here are two of my top picks right now in the energy sector.

### Top energy stocks: Northland Power

One of the top energy stocks I'm looking at right now is **Northland Power** ([TSX:NPI](#)). Unlike most traditional energy stocks that investors look at, Northland Power primarily focuses on generating clean and green power.

Indeed, this Toronto-based company has a global portfolio of assets. Northland's portfolio includes natural gas-based power plants, solar farms, and onshore and offshore wind farms. The major focus of Northland Power is on the offshore wind asset class.

Having a green portfolio of assets is an attractive feature for a stock you plan to hold for the long term. Along with this, NPI also pays a monthly dividend. Currently, this stock [yields a reasonable 3.1%](#) at the time of writing.

Northland Power has been a top-notch growth stock in the past. Indeed, this is also a company with a great growth strategy moving forward. Accordingly, I remain bullish on Northland as a clean energy holding right now.

## Enbridge

Among the energy stocks I'm keeping an eye on right now is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). This company isn't only attractive from a yield perspective. (A 6.3% yield is certainly worth considering). Rather, Enbridge is an energy stock with excellent capital-appreciation potential from here as well.

On a relative basis, Enbridge's yield remains high. Should the company continue to raise its dividend in the years to come, as the company says it will, this is a stock that should move higher alongside its dividend distributions.

Enbridge's core pipeline business provides a steady stream of cash flows to fund its growth projects, as well as its dividend. Accordingly, I view Enbridge as a stable long-term holding for investors seeking a high-yielding option in the energy space.

The company's recent results further this thesis. The company produced \$1.2 billion in adjusted earnings compared to \$1 billion the year prior. A 20% growth rate on the bottom line is meaningful. Additionally, the company's distributable cash flow swelled to \$2.3 billion, from \$2.1 billion the year prior. This is the metric that many investors look to, with regards to Enbridge being able to make good on its commitments to shareholders.

Both Enbridge and Northland provide investors with an excellent mix of yield and capital-appreciation potential. Accordingly, these two energy stocks ought to make every investor's watch list right now.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:ENB (Enbridge Inc.)
3. TSX:NPI (Northland Power Inc.)

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1. chrismacdona1d
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**Author**

chrismacdona1d

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