



The 2 Best Investments in Canada Today

Description

The Bank of Canada worries about controlling the rising inflation and supply chain bottlenecks, yet the [stock market continues to roll](#) this month. Canada's primary equities benchmark posted a new record high on November 12, 2021, advancing 186.5 points to close at 21,768.50.

TSX's year-to-date gain is 24.9% and might soon eclipse the overall return of 29.72% in 1999. It was the index's second-best yearly performance after 2009 (+30.69%). Energy is the [hottest sector](#) so far, with nearly an 81% gain. The real estate (+30.92%) and financial (+30.75%) sectors are the second and third top performers and the only sectors after energy with more than 30% gains.

If you were to invest today, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) are the top two picks. An industry stalwart and a Big Five bank form a formidable combo for risk-averse, long-term investors.

Energy demand growth is back

There are plenty of surprises this earnings season, and Enbridge is one of the companies that delivered impressive results. After three quarters in 2021, the \$106.6 billion pipeline giant saw its adjusted earnings rise 10.9% to \$4.17 billion versus the same period in 2020. The year-over-year growth as reported in Q3 2021 was 23.2%.

Enbridge's president and CEO Al Monaco said, "The return of energy demand growth to its pre-pandemic trend, coupled with underinvestment in conventional energy and the recent rise in global energy prices, underscores the criticality of affordable, reliable and secure energy supply for consumers."

Monaco emphasized, "Our low-risk business model continues to generate predictable results and execution on our strategic priorities is driving solid cash flow growth and per-share results ... 2021 continues to be a strong catalyst year for Enbridge."

With \$10 billion worth of capital coming into service this year, management is confident it will drive

cash flow growth in all its businesses. Also, Enbridge estimates \$5 to \$6 billion of annual investable capacity to redeploy into the business. The share price is \$50.70 (+33.39% year to date), while the dividend yield is 6.59% if you initiate a position right now.

Purpose-driven growth

Canada's banking industry is a bedrock of stability. The Big Five banks, including the fifth-largest lender, have dividend track records of more than 100 years. CIBC started paying dividends in 1868, so the record is now 153 years. At \$150.07 per share, the dividend offer is 3.89%. This bank stock is also the top performer among its peers, with its 42.48% year-to-date gain.

The \$67.54 billion bank owns the distinction of reporting a 321% growth in net income in Q2 fiscal 2021 versus Q2 fiscal 2020. In the quarter ended April 30, 2021, CIBC had \$3.5 billion equity (CET1 capital) in reserve. A dividend yield could be higher soon since the banking regulator has lifted its restrictions on dividend increases.

Management will report CIBC's Q4 fiscal 2021 and full-year fiscal 2021 results on December 3, 2021. In the nine months ended July 31, 2021, net income reached \$5 billion, or an 80.33% increase compared to the same period in fiscal 2020. Its president and CEO Victor Dodig said, "We continue to deliver purpose-driven growth across all of our business units."

Invest now

Enbridge and CIBC are rock-solid investment choices this year-end, whether you're old or new to [dividend investing](#).

CATEGORY

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

POST TAG

1. Editor's Choice

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
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Date

2025/08/24

Date Created

2021/11/16

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