



2 TSX Stocks to Watch in December 2021

Description

It has undoubtedly been an eventful start of winter for **TSX** stocks. [Technology stocks](#) were sliding in September but they were replaced by fast-rising oil stocks. October comes and tech stocks recovered quickly. However, then cyclical stocks started to fade. As we enter November, technology stocks are once again under pressure and the market seems uncertain whether it can climb higher into the end of the year.

TSX stocks are up, but keep some cash in reserve

Frankly, nobody knows what is in store for the future. When stock markets are at a peak (like they are today), keep some excess cash in case a correction occurs. However, if you want to invest, only invest with a long-time horizon. Volatility has returned to TSX stocks, so it is not unforeseeable you could be up or down by 10% in a position in a day or a week.

Think long-term

If you believe in the fundamentals of a stock, the market will elevate it over a long period of time. Trust your instincts and make sure you are acting with reason, not emotions. Given this [volatility](#), here are two TSX stocks with different catalysts to watch as we head into December 2021.

This TSX tech stock may be up for sale

On Monday, *Bloomberg* released [an article](#) stating that Canadian tech staple, **Enghouse Systems** ([TSX:ENGH](#)) may be putting itself up for sale. At the stock market opening, Enghouse stock shot up almost 10%. However, it has pared back some of those gains.

It has been a volatile year for this TSX stock. After a very strong year in 2020, the company has struggled to post any growth. Likewise, its acquisition pipeline has slowed due to high valuations, pandemic-related travel, and due diligence restrictions.

Regardless, this TSX stock has continued to spew out a ton of free cash from its current businesses. Today, Enghouse's balance sheet has around \$200 million of net cash. With a slightly depressed valuation, it certainly could be an attractive acquisition candidate for private equity, a pension plan, or a company like **Brookfield Business Partners** looking for high-yielding software assets.

Enghouse CEO Steve Sadler is approaching 70 years old. Alongside, Pierre Lassonde, Mr. Sadler owns a large stake in the business. With markets near all-time highs, now may be an opportune time for them to cash out on this TSX stock. Regardless of what happens, this is a high-quality business and certainly worth holding on to see what unfolds as we come to the end of the year.

Could new leadership change this dividend stock's trajectory?

In other news, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) announced that its long-time CEO Mick Dilger is stepping down. The company said he was departing to pursue other opportunities. However, the speedy exit is somewhat unusual and abrupt.

Mr. Dilger helped the midstream and pipeline company aggressively expand over the past few years, especially through acquisition. It acquired Veresen, the Cochin Pipeline, and recently attempted to take over Inter Pipeline. Today, its infrastructure enterprise spans across Canada and the United States. Pembina is one of the largest energy infrastructure stocks on the TSX.

Current CFO Scott Burrows will assume the CEO role in the interim while the company completes a formal replacement process. Clearly, the market was a little shocked because the stock dropped a few percentage points.

As it searches out a new leader, this will certainly be one TSX dividend stock to watch in December. Given that much of the current leadership team is intact, chances are good that Pembina continues its post-pandemic recovery course.

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3. TSX:PPL (Pembina Pipeline Corporation)

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