



Market Correction: 2 Top TSX Dividend Stocks to Buy Now

Description

The pullback in the stock market is giving investors a chance to buy some top **TSX** dividend stocks at [undervalued](#) prices.

Suncor

Suncor ([TSX:SU](#))([NYSE:SU](#)) trades near \$31 per share at the time of writing compared to the recent high of more than \$34. The sudden plunge in the price of oil on November 26 due to new COVID-19 fears triggered heavy profit-taking in the oil sector.

The market is concerned that the spread of a new COVID-19 variant could cause new global travel restrictions and lockdowns, which would hit demand for jet fuel and gasoline.

West Texas Intermediate (WIT) oil now trades for less than US\$70 per barrel, down from the October high of around US\$85. The market was due for a correction as the U.S. and other governments recently announced plans to release strategic reserves to bring down prices.

Despite the plunge, Suncor is still generating very high margins at the current price. Investors will have to watch the impact on fuel consumption, but the sell-off appears overdone and fears about new global lockdowns might prove to be overblown. Suncor operates refineries and gas stations as well as its production facilities.

The board raised the dividend by 100% when the Q3 2021 earnings results came out. Suncor is also buying back up to 7% of its outstanding common stock under the current share buyback plan. The company is on track to meet its 2025 debt reduction target by the end of this year, so the balance sheet is in much better shape than it was in 2020.

Investors who buy the stock now can pick up a 5.4% dividend yield.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is on track to put \$7 billion of new projects into service in 2021 and continues to progress its \$22 billion secured capital program.

The company is primarily a natural gas transmission and storage business with more than 93,000 km of natural gas pipelines in Canada, the United States, and Mexico. Oil pipelines and power generation are also part of the mix.

TC Energy knows it has to be part of the energy transition process and is positioned well to be a key player in the hydrogen market. The company has already announced two partnerships to establish hydrogen production facilities. TC Energy is also exploring the development of a carbon sequestration site in the Canadian energy patch.

The company reported strong Q3 2021 results and intends to raise the dividend by 3-5% per year while still investing heavily in new growth opportunities. While the stock has come under pressure due to some challenges on its Coastal GasLink pipeline project, those should get resolved in the coming months.

TC Energy looks cheap at the current share price of \$61 and provides a 5.7% dividend yield.

The bottom line on cheap stocks to buy now

Suncor and TC Energy are leaders in their sectors. The stocks appear oversold right now pay attractive dividends with above-average yields. If you have some cash to put to work in a Tax-Free Savings Account (TFSA) or RRSP portfolio, these stocks deserve to be on your radar.

CATEGORY

1. Energy Stocks
2. 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. aswalker

Category

1. Energy Stocks
2. Investing

Date

2025/08/22

Date Created

2021/11/29

Author

aswalker

default watermark

default watermark