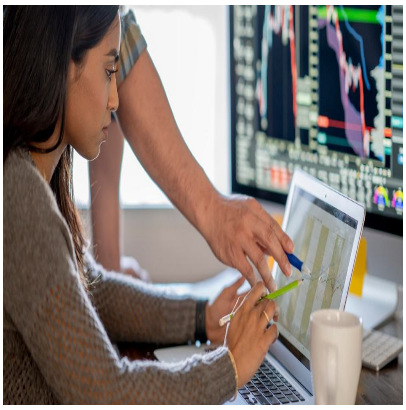

Market Pullback: 2 Top TSX Stocks to Buy Now and Own for 22 Years

Description

The stock market is finally giving TFSA and RRSP investors a chance to buy top TSX stocks at cheap prices.

Canadian Natural Resources

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) is a giant in the Canadian energy sector with a market capitalization of $59 billion. The company owns a diversified portfolio of energy assets, including oil sands, conventional heavy oil, conventional light oil, offshore oil, natural gas, and natural gas liquids.

CNRL is the sole owner of most of its operations. This gives it flexibility to move capital quickly to take advantage of changing commodity and to get the best return possible on its capital investments.

The rebound in oil and gas prices after the 2020 crash has resulted in a revenue and profits windfall for CNRL. The company is using the excess cash flow to reduce net debt and buy back stock. CNRL also recently increased the dividend by 25%. The board also maintained the dividend hike it put in place in early 2020, showing confidence in the stability of the balance sheet and the capacity of the business to generate decent cash flow, despite the market challenges. The large natural gas operations performed well last year, helping offset the dip in the oil segment.

CNRL has increased its dividend for 22 straight years. The historical compound annual dividend-growth rate is about 20%. That makes CNRL one of the top dividend-growth stocks on the **TSX Index**.

The stock looks undervalued at 10 times trailing 12-month earnings. Investors who buy CNRL stock today can pick up a solid 4.7% dividend yield.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) has a $29 billion secured capital program in place that is mostly funded by cash from operations. This means steady growth is on the way for the company and investors don’t have to worry about large equity sales or significant new debt being issued to get the projects done.

TC Energy will have $7 billion in new assets put in service this year. EBITDA is expected to grow by an average annual rate of 5% through 2026. The board intends to raise the dividend by an annual rate of 3-5%.

TC Energy is evaluating other longer-term growth opportunities including new hydrogen facilities and carbon-sequestration hubs.

The stock is down to $58 per share from $68 a few weeks ago. The pullback is due to the board’s decision to reduce its dividend-growth outlook as a result of some delays and added costs on the Coastal GasLink project that will bring natural gas from northeastern British Columbia to a new liquified natural gas (LNG) export terminal on the B.C. coast.

The dip in the share price looks overdone. Investors who buy the stock now can pick up a 6% dividend yield.

The bottom line on cheap stocks to buy now

CNRL and TC Energy are top dividend stocks that offer attractive and growing payouts for TFSA and RRSP investors. If you have some cash to invest for next year, these stocks look undervalued at their current prices and deserve to be on your 2022 buy list today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TRP (Tc Energy)
3. TSX:CNQ (Canadian Natural Resources Limited)
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
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Investing

Date
2025/08/21
Date Created
2021/12/15
Author
aswalker