



4 Great Value Buys for Income and Growth

Description

The **S&P/TSX Composite Index** remains above 21,000 points despite the dip to start the week. Although nine of the 11 primary sectors are in negative territory year-to-date, investors looking for income and growth have four [excellent choices](#) this month.

Positive industry outlook

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is preparing for a super cycle as most analysts predict more room for oil prices to go higher in 2022. The \$79.55 billion independent energy company announced last month a 23% increase in capital expenditures versus 2021. It expects to produce between 1.27 million and 1.32 million barrels of oil equivalent per day (boepd) from the \$4.3 billion CAPEX this year.

Management said the upward production guidance was due to the continuing recovery of oil and gas prices and a [better macroeconomic outlook](#). At \$67.60 per share, CNQ is up 26.47% and still surging. Based on analysts' forecasts, the maximum potential upside in 12 months is 33.1%.

The overall return to would-be investors should be higher if you factor in the 3.44% dividend. CNQ is likely to attract ESG investors as it leverages technology and innovation to reduce its environmental footprint.

Impressive year-over-year growth

TFI International ([TSX:TFII](#))([NYSE:TFII](#)) had robust financial results last year, but not yet including the contribution of recently acquired **UPS** Ground Freight. In 2021, total revenue, operating income, and net income increased 91%, 113.4%, and 141% versus 2020.

Its Chairman, President and CEO, Alain Bédard, said, “It is gratifying to see all our business segments delivering year-over-year growth in revenues and operating income.” Performance-wise, the industrial stock has a total return of 230.75% (48.89% CAGR) in the last 3.01 years.

Market analysts are bullish and expect the \$11.38 billion company to cement its position as the leader in North America’s transportation and logistics industry. They forecast the price of \$122.30 to climb as much as 45.2% (\$177.61) in one year. TFI also pays a modest 1.08% dividend.

Ongoing network expansion

Parkland Corp. ([TSX:PKI](#)) has an awesome growth potential on top of the decent 3.57% dividend yield. The \$5.27 billion distributor and refiner of fuel and petroleum products is on a buying binge. Its convenience retail network and proprietary food offer expansion is ongoing.

Donna Sanker, Parkland Canada’s president, likewise announced plans to build the ‘Electric Charging Destination of the Future.’ It should also set a new standard for electric vehicle (EV) charging and customer experience. The energy stock appears [undervalued](#) vis-à-vis the business outlook.

The 12-month average price target of market analysts is \$50 (+44.6%), so Parkland’s current share price of \$34.58 is a good entry point.

Regulated utility assets

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) trades at only \$17.90 per share and pays an attractive 4.77% dividend. The \$12.02 billion company is a reliable income provider because of its regulated distribution and transmission utility assets.

The utility stock deserves to be in your watchlist because it has yet to realize its full potential. However, the five-year dividend growth (8.85%), three-year earnings growth (80.32%), and upside potential (16.6%) are compelling reasons to invest in AQN.

Value-for-money

Canadian Natural Resources and TFI International are no-brainers buys for their industry-leading positions. Meanwhile, expect Parkland and Algonquin to create more shareholder value with their growth projects and business expansion plans.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:CNQ (Canadian Natural Resources)

3. NYSE:TFII (TFI International)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:PKI (Parkland Fuel Corporation)
7. TSX:TFII (TFI International)

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