



3 TSX Pipeline Giants Are Top Picks in the Current Crisis

Description

The global crisis brought about by the war in Eastern Europe is deepening. A full embargo by the West on Russian oil and gas could drive prices higher. Industry analysts warn that its [impact on the world economy](#) could be seismic because the void it will create is difficult to fill or replace.

Economists at the **National Bank of Canada** say commodity powerhouses can help replace key exports. Canada, for example, is a key exporter not only of crude oil natural gas but also aluminum, gold, iron, lumber, and wheat. According to the bank's economists, Warren Lovely and Alpa Atha, it's a clear opportunity for Canada.

However, Environment Minister Stephen Guilbeault, said the country can't do much in the short term to increase oil and gas supplies. Canada needs more pipeline infrastructure. Meanwhile, three pipeline operators are on the radars of investors. If you're investing to have uninterrupted [income streams](#) amid this crisis, they are the top picks today.

Long-term cash flows

A utility-like business model and [strong dividend](#) are the compelling reasons to invest in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The \$114.46 billion energy infrastructure company has four blue-chip franchises that deliver essential conventional and low-carbon energy supply.

Prominent among Enbridge's assets is the Liquids Pipeline franchise. The pipeline network transports 67% of Canada's crude exports. It also transports more than 25% of U.S. Gulf Coast crude exports. Moreover, this business segment generates highly predictable long-term cash flows. At \$56.51 per share (+16.17% year to date), this top-tier energy stock pays a lucrative 6.08% dividend.

Diversified, irreplaceable assets

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) leverages the size and scale of its energy network and trading platform to maintain its leading position in North America's oil and gas midstream industry. Its natural

gas pipeline is 93,300 kilometres long, while the oil and liquids pipeline stretches 4,900 kilometres.

Besides the pipelines, the \$69.99 billion company has ownership interests in seven power generation facilities in Canada. TC Energy's competitive advantages are its diversified and irreplaceable energy infrastructure assets. Management expects its critical energy infrastructure to be around for decades and generate significant in-corridor growth potential.

TC is a dividend aristocrat owing to its dividend growth streak of 21 consecutive years. Current investors are up 21.28% year to date. The energy stock trades at \$71.35 per share with a corresponding dividend yield of 5%.

Integrated value chain

Pembina Pipeline's ([TSX:PPL](#))([NYSE:PBA](#)) robust portfolio of new opportunities enhance shareholder value. Its proven business strategy and excellent track record of profitable growth are the selling points. The \$25.49 billion transportation and midstream services provider operates in key market hubs in Canada and the United States.

The Pipeline Division (18,000 kilometres) consists of conventional, oil sands, and transmission pipelines. These assets provide linkages between Pembina's upstream and downstream assets across North America. Pembina has an integrated value chain because it also has gas gathering and processing facilities, logistics services, and export terminals.

Income investors love Pembina for its monthly dividend payments. At \$46.32 per share (+21.98% year to date), you can partake of the lucrative 5.34% dividend.

Top-of-mind

A full embargo on Russian oil could unsettle the global market tremendously. The consequence is that oil prices would be unpredictable. For investors, pipeline stocks should be top-of-mind at this time.

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2. Investing

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