Buy Alert: 3 Cash-Rich TSX Picks to Buy Today

Description

Financial markets are continuing to swing wildly. Thus, taking on more risk right now may seem like a silly thing to do. That said, risk assets have been outperforming in recent months. Therefore, some investors have regained their previous risk-on attitude. They are looking for high-risk, high-reward stocks.

This article is for those investors. As always, please ensure to diversify your portfolio and only hold a small percentage of such stocks at any given time.

Suncor

Suncor Energy (TSX:SU)(NYSE:SU) is a high-risk, high-reward option for investors. This is due mainly to the fundamentals of oil and gas sector, particularly in Canada. Despite oil prices which appear to be stabilizing, the entire sector has sold off.

This is, in part, due to lack of investor interest in this space. The environmental, social, and governance (ESG) investing theme remains strong. Suncor's exposure to heavy Canadian oil is not bullish for long-term investors.

That said, Suncor's business model is quite integrated. This company is probably the only Canadian pick I'd recommend investors considering Canada's oil patch for this reason. The scale of Suncor's operations and the fact most capital expenditures have already been made has given Suncor a relative cost advantage. This operational upside makes Suncor attractive at these levels, at least for a trade.

Inter Pipeline

The energy infrastructure space is when I'm generally bullish on. That is a key reason why **Inter Pipeline** (TSX:IPL) makes my lists. While I generally prefer **Enbridge** to its peers, Inter Pipeline has a unique set of assets. These assets make the company more leveraged play on the sector. This means more upside in good times, and vice versa. So, trade accordingly.

The big overhang with Inter Pipeline stock has been its multi-billion-dollar polypropylene (plastics) factory that has continued to work on developing, despite COVID-related uncertainty. **Pembina Pipeline** also had a similar plant in discussions. However, the company has since sheltered the project, to the applause the financial markets.

Concerns around the financing and construction of the Heartland facility in Alberta remain high. This is especially true amid cash flow concerns, which have driven a dividend cut of around 70% recently. For those bullish on pipelines in general and believe Inter pipeline's management team can right the ship, this pick is for you.

H&R REIT

Another company that has significantly cut its dividend (by 50%) recently, **H&R REIT** (TSX:HR.UN) is yet another "go big or go home" play. The company has a strong management team, is highly diversified, and is one of the oldest REITs in Canada.

That said, H&R's large retail/mall real estate portfolio is keeping many investors up at night, as we all ponder how the COVID-19 pandemic may have structurally decimated brick-and-mortar retail for good this time. Similarly, office real estate exposure is high for H&R, with Encana's building in Calgary. Encana just moved his head office to the U.S., which is now a sore spot, given a large lease accounted for roughly 12% of ROI previously.

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2025/07/21
Date Created
2020/07/09
Author
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