



## Dividend Investors: Should Enbridge Inc. or BCE Inc. Be in Your Portfolio?

### Description

Canadians are constantly searching for top-quality dividend stocks.

Let's take a look at **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) to see if one is a better bet right now.

#### Enbridge

Enbridge came under pressure last year as investors bailed out of any stock associated with the energy sector. Producers really took it on the chin, but the pipeline companies also got hit in anticipation of slowing demand for infrastructure.

In the near term, the concern is warranted, but Enbridge has a strong backlog of projects to keep it busy until the market recovers. In fact, the company expects to complete roughly \$18 billion in new projects over the next three years.

As those assets go into service, revenue and cash flow should increase enough to support dividend growth of at least 8% through 2019. If the energy rout lingers, Enbridge is large enough that it can drive revenue growth through acquisitions.

The stock is up 18% in 2016, but still trades below the highs of last year. Investors who buy today can pick up a 3.9% yield.

#### BCE

BCE enjoys a dominant position in a market with few serious competitors and massive barriers to entry. Consumers might not be overly happy about that, but it is great news for investors, and there is little reason to believe things will change. If anything, BCE is fortifying its position even more.

How?

BCE has grown from being a boring telephone company to a media and communications giant.

The addition of sports teams, a television network, specialty channels, and radio stations raised eyebrows among the old guard who have owned the stock for decades, but the move into media is proving to be timely as the boundaries between phone, radio, and TV continue to blur.

Canadians want access to their favourite content across multiple platforms 24/7. BCE can provide that service, and having its fingers in the pie all along the value chain helps the company tighten its hold on the market.

BCE continues to invest in the latest technology. Its Fibe TV and high speed internet service is helping fend off resellers, and the move to acquire **Manitoba Telecom Services** sets the company up for a push into western Canada.

BCE is trading near record highs, so investors have to be careful chasing the name at the current level. Despite the rally, the stock offers a dividend yield of 4.4%.

### Which should you buy?

Both stocks are solid holdings for any dividend portfolio.

If you are simply looking for the best yield, go with BCE. However, for those willing to endure a bit of the energy volatility in exchange for a shot at some decent upside in the stock price, Enbridge might be the more attractive pick right now.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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