# TFSA Investors: 2 Dividend Stocks I'd Buy Today

## Description

Investing in high-quality dividend stocks should be the key part of your saving strategy by using your Tax-Free Saving Account (TFSA).

Dividend stocks, if you pick the right ones, will help you slowly build your savings and provide stability to your income. But the trick here is to go for the companies that have solid business models and that command dominant positions in their industries.

**Enbridge Inc.** (TSX:ENB)(NYSE:ENB) and **Suncor Energy Inc.** (TSX:SU)(NYSE:SU) are two terrific dividend stocks I would buy today. These stocks provide good value to TFSA investors who are in it for a long haul. Let's find out about these companies and see why they deserve your attention.

**Enbridge**

Operating the world's longest crude oil and liquids transportation system, Enbridge plays a crucial role in North America's energy markets. The company is a leader in gathering, transportation, processing, and storage of natural gas in North America, serving about 3.5 million retail customers in Ontario, Quebec, New Brunswick, and New York State.



The reach and depth of its services make Enbridge one of the best dividend stocks available to investors. When you talk about dividends, reliability is very important. For your income portfolio, you want to buy and hold stocks for a long time, and you don't want companies in your portfolio that suddenly stop paying dividends.

Enbridge has a solid track record on these metrics. It has been sending dividend cheques to its shareholders every year since 1953. This long history suggests Enbridge's business is strong enough to ride through economic cycles, recessions, and sudden drops in energy prices.

After ~14% drop in its share price in one month to $44.52, Enbridge's valuation has become attractive for long-term investors. Its stock currently pays a juicy 5.48%, or a $2.44-a-share yearly dividend, which the company plans to increase by 10-12% each year through 2024.

**Suncor**

Suncor is the largest oil sands player in Canada. Unlike Enbridge, its stock has been more exposed to variation in oil prices. But Suncor has very diversified assets, such as gas stations and refineries. This diversification helps Suncor fare much better than its peers when oil prices are depressed.

On the income-producing metrics, Suncor is not far behind Enbridge. Currently, the company pays 2.8% annual dividend yield after a 15% rally in its share price during the past three months. Its dividend payout has grown to $0.32 a share from $0.05 a share a decade ago.

Suncor also has a long track record of paying dividends. The oil giant has been sending dividend cheques to its shareholders for about quarter of a century.

**Which one is better?**

Selecting one of these gems is a tough call. Enbridge is not a pure oil play, and you can hold it without worrying too much about oil prices. Suncor, however, has more exposure to oil, but the company has emerged much stronger and more efficient from the prolonged weakness in oil prices. I would buy both stocks, but if you have to pick one, then I would go for Enbridge.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:SU (Suncor Energy Inc.)



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