# 2 Reliable Canadian Dividend Stocks That Look Oversold Today

## Description

Stock markets continue to hit new highs, but some of Canada's best dividend picks are not participating in the rally.

Let's take a look at **BCE Inc.** (TSX:BCE)(NYSE:BCE) and **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) to see why they might be attractive today.



**BCE**

BCE had a busy 2017, and investors should see the benefits of the activity this year.

The company purchased Manitoba Telecom Services in early 2017 in a move that secured a strong base in central Canada and bumped the giant into top spot in the Manitoba market.

Later in the year, BCE announced its takeover of AlarmForce. The deal closed in the first week of January and provided BCE with additional services to sell to its large customer base.

In addition, BCE recently launched Lucky Mobile. The new low-cost postpaid mobile service puts BCE back into the segment and should help drive revenue growth along with the other new assets.

BCE's stock has fallen from a 2017 high of about $63 to the current price of $57.60 per share. The pullback is likely connected to market concern over rising interest rates.

Higher interest rates can trigger a shift of funds from dividend stocks to fixed-income alternatives. While some flow is possible, the recent impact on BCE's stock looks a bit overdone.

Investors who buy the stock today can secure a 5% yield.

**Enbridge**

Enbridge bought Spectra Energy for $37 billion last year in a deal that added strategic gas assets and created North America's largest energy infrastructure company.

Spectra also provided a nice boost to the capital plan, and Enbridge hopes to complete $22 billion in new projects through the end of 2020.

As the new assets go into service, revenue and cash flow should increase enough to support dividend growth of at least 10% per year over that time frame.

The stock fell through most of 2017, but it has rebounded off the low of about $44 per share to $49.50.

Debt fears were part of the story, given the trend for rising interest rates, but Enbridge plans to sell $10 billion in non-core assets, with $3 billion targeted for sale in 2018.

The proceeds will be used to strengthen the balance sheet.

At the time of writing, investors can pick up a solid 5.4% yield from this stock with strong dividend growth on the way.

**The bottom line**

Both companies are market leaders and pay dividends that should be very safe. If you are looking for above-average yield from top-quality companies, BCE and Enbridge should be attractive today for a buy-and-hold portfolio.



**CATEGORY**

1. Dividend Stocks
2. Investing

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aswalker