



Buy These 2 Dividend Stocks As Oil Soars

Description

Oil prices have predictably surged after U.S. President Donald Trump decided to torpedo the [Iranian nuclear agreement](#) on May 8. The Trump administration has vowed to re-impose sanctions and has also said that there will be additional sanctions announced later on. U.S. representatives moved quickly to warn their European allies that they should wind down business operations in Iran over the next 180 days.

China and India, two countries that take in most Iranian oil, are reportedly unlikely to reduce Iranian oil imports going forward. Many experts are predicting a shuffle in Iranian exports as resistance has also emerged against Trump's move among European allies. Oil prices reached above the \$71 mark on May 9. Saudi Arabia, which stands out as one of Iran's top geopolitical foes, has vowed to make up for lost Iranian supply going forward.

Canadian energy stocks have been a [big beneficiary](#) of the rally. Let's look at two top options today that offer attractive dividends going forward.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge is a Calgary-based company in the oil and gas industry. It is the largest energy infrastructure company in North America. Enbridge has encountered challenge after challenge in recent months, and its stock price has suffered as a result. However, the oil rally has had a positive impact on its stock in May. The company released its first-quarter results on May 10.

Enbridge reported adjusted earnings of \$1.37 billion, or \$0.82 per share compared to \$0.57 in Q1 2017. The company delivered record quarterly average throughput on the Liquid Mainline System. The Line 3 Replacement Project is continuing, but Enbridge will be forced to wait out a Minnesota Public Utilities Commission decision expected in Q2 2018. It also announced the monetization of \$3.2 billion in assets in order to increase financial flexibility going forward.

Enbridge hiked its quarterly dividend by 10% to \$0.671 per share, representing a 6% dividend yield. The company has delivered dividend growth for 23 consecutive years.

Encana Corp. (TSX:ECA)(NYSE:ECA)

Encana is a Calgary-based oil and gas producer. Shares have soared 25% month-over-month as of close on May 10. The stock has climbed 14% year over year. The company released its first-quarter results on May 1.

Encana reported cash from operating activities of \$381 million compared to \$106 million in Q1 2017. Total liquids production reached 145,200 barrels per day, which represented a 31% increase from the prior year. Encana also declared a dividend of \$0.015 per share, representing a 0.4% dividend yield.

Until 2019, Encana estimates that it will realize oil pricing roughly equivalent to WTI. Encana continues to be a solid bet amid geopolitical developments that have driven oil prices upward. **The Goldman Sachs Group Inc.** recently released a report projecting that WTI could rise above the \$80 mark in the summer. This is all good news for Encana, which is a tempting buy even after its terrific spring rally.

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