



## 1 TSX Index Dividend Stock to Power Up Your TFSA

### Description

I've talked up the following energy stock before in connection with TFSAs, and the reason is relatively straightforward: it's a solid stock with plenty of defensive properties, while also paying a regular dividend. With some growth ahead of it as well, it seems to tick all of the boxes for a TFSA stock to buy and hold on to for the long term. Let's go through some of the data that's out there for this stock and see why it's my hot tip for a [TFSA buy](#) today as well as one of the heroes of the TSX index.

Savings accounts are a great way to get started if you're investing for the first time or if you want to pad out a personal portfolio of investment options; the TFSA is the most obvious savings account, and there are options for retirement funds as well, such as RRSPs and RRIAs. The following oil and gas superstar ticker has a decently valued share price today and pays a decent and reliable dividend to boot. Let's take a look at the stats and see how it sizes up.

### Suncor Energy ([TSX:SU](#))([NYSE:SU](#))

[Suncor Energy](#) has made its way into many a domestic portfolio and onto many a TSX index stock watch list, purely by dint of being a quality stock with a reliable dividend. While dividend stocks are sometimes classed as being on the pricier end of the investment spectrum in terms of returns, Suncor Energy displays consistently good valuation. We'll see this shortly when we start going through some of its market variables.

A meaty \$70 billion market cap puts this in the defensive camp when it comes to stability, while a one-year past earnings growth of 37.4% beats the Canadian oil and gas industry average of 15.6% for the same time frame as well as its own five-year average past earnings growth of 4.6%.

A 0.9 times growth PEG ratio is just below parity with that increase in earnings, making this a fairly well-priced stock in this regard. Comparative debt of 36.4% of net worth is suitably low for a risk-shy investor in the TSX index. So far, this is shaping up to be a decent Canadian stock worthy of any savings account. But there's more data to sift through and make sense of yet, so let's persevere.

## Value, quality, and momentum

Suncor Energy's dividend yield of 3.3% may not be big and flashy, but it beats some higher yields on the TSX index on sturdiness and reliability. Stable, increasing dividends over the last 10 years make this a scrutable and solid choice for a long-term savings account. Other key indicators of attractive valuation include a soothing P/E of 14.4 times earnings and sober P/B of 1.5 times book.

Looking at quality, it has to be said that a past year ROE of 11% could be higher; however, its most recent EPS of \$3.03 is very positive, and a 16.5% expected annual growth in earnings makes this one of the better energy stocks on the TSX index in terms of outlook.

For the short-term trader, a beta of 1.42 indicates slightly high volatility, though it's certainly nowhere near the buck and kick of a FAANG or weed stock. Suncor Energy has shed 0.7% in the last five days, and its share price is discounted by 2% compared to its future cash flow value — not exactly exciting in terms of oscillating share prices.

All of the above point to a steady rolling ticker perfect for a long-term savings account. While that lack of momentum may bore a capital gains investor looking to trade over the short term, it's precisely this level of fiscal tedium that makes Suncor Energy a good pick for risk-shy TSX index investors who want a low-maintenance portfolio packed with passive-income stocks.

## The bottom line

If you're looking for a defensive passive-income energy stock on the TSX index to buy and hold for the long term, Suncor Energy would fit the bill nicely. It's close to its buy limit, though, so if you want to lock in that value and a yield of 3.3%, you'd better snap it up before it trades ex-dividend.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

**Date**

2025/09/16

**Date Created**

2018/11/21

**Author**

vhetherington

default watermark

default watermark