



## Get Some Certainty in This Uncertain Market With These 2 Dividend Stocks

### Description

The market keeps falling in what may seem like a non-stop assault on our savings.

But wait.

Let's take a step back and put things into perspective.

Looking at the market since the summer months may be daunting, but looking at it from a longer-term perspective is more reassuring.

While I do believe that the next few years will be more difficult for stocks, mostly due to rising interest rates, there are still places to make money.

Let's look forward to two [energy stocks](#) that continue to crank out solid results and are well-positioned to continue to increase their dividends going forward.

**Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#))

Suncor Energy stock is currently paying a dividend of \$1.44 per share for a dividend yield of 3.4%.

Make no mistake, this is going up and is destined to continue its history of [dividend increases](#) and shareholder wealth creation.

Suncor's 10-year compound annual growth rate in dividends is 22%.

So Suncor's value proposition lies in the fact that it is an integrated energy company.

This means that it is involved in the extraction, refining, and marketing of oil, making it immune to the widening Canadian oil differential.

In fact, this integrated business model has resulted in a cash windfall for the company, as its downstream business benefits from pricing strength and increased production.

With Suncor's access to markets and its penetration into the premium U.S. Gulf Coast markets, this effectively means that its oil production going through its own refineries are exposed to Brent or WTI pricing.

So Suncor reported a strong 27% increase in funds from operations in its third quarter, as the company benefitted from strong downstream results.

With expected free cash flow of almost \$3 billion in 2018, Suncor is well positioned.

This continued strong free cash flow generation means that Suncor is well positioned to continue to increase its dividend, and management has publicly stated its intention to do so.

### **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#))

For more than 65 years, TransCanada has been developing and maintaining energy infrastructure while handsomely rewarding shareholders.

With a current dividend yield of 5.21%, it's hard to find a safer income stream at these levels than this.

Since 2000, TransCanada stock has provided shareholders with a 13% average annual return while delivering yearly dividend increases, which brought the dividend per share from \$0.80 to \$2.76.

Strong growth indeed.

The recent approval of LNG Canada's proposal to build the LNG plant is another driver for the stock going forward in that it has resulted in the company moving forward on its Coastal GasLink natural gas pipeline, which will have a positive effect on investor sentiment toward TransCanada stock as well.

TransCanada currently has above average, visible growth, and an infrastructure presence that should ensure strong growth well into the future.

Investors can expect continued dividend growth of 8% to 10% through to 2021.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:TRP (TC Energy Corporation)

### **PARTNER-FEEDS**

1. Msn
2. Newscred

3. Sharewise
4. Yahoo CA

**Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**Date**

2025/09/11

**Date Created**

2018/11/21

**Author**

karenjennifer

default watermark

default watermark