

## Better Dividend Stock Today: BCE Inc. (TSX:BCE) or Emera Inc. (TSX:EMA)?

### Description

Canadian stocks have enjoyed a broad rebound in January. The **S&P/TSX Composite Index** has climbed 7.2% this month as of close on January 21. US indexes have also rebounded nicely in early 2019, but investors should be cognizant of potential risks throughout the year. Many equities on the TSX are now giving off overbought signals, which means that [investors may want to take profits](#) and reinvest in what few discounts remain.

Those with a conservative bent may also find themselves in a solid position right now. Today we'll look at two stocks that boast attractive income. Which is the better one to own this year?

#### **BCE** ([TSX:BCE](#))([NYSE:BCE](#))

BCE stock has climbed 3.2% in 2019 as of close on January 21. Shares are up 4.1% over a three-month span. Back in late November I'd discussed why BCE was a [must-own stock](#) for investors on the hunt for income in 2019.

BCE stock struggled throughout much of 2018, as did other telecom and utility stocks. The promise of rate tightening and rising bond yields had threatened to topple equities that had been income favourites since the financial crisis. However, volatility late last year sparked a dovish call from central banks. The Bank of Canada held on the 1.75% benchmark rate in January, and some odds makers are expecting a total pause from the BoC and the US Federal Reserve this year.

Telecoms like BCE will be the beneficiary of an increasingly dovish environment. The stock currently boasts a quarterly dividend of \$0.755 per share, which represents an attractive 5.4% yield. BCE has achieved dividend-growth for 10 consecutive years. The stock last boasted an RSI of 56 as of close on January 21, which comes at decent value in comparison to other pricey options on the TSX today.

#### **Emera** ([TSX:EMA](#))

Emera stock has climbed 3.6% in 2019 as of close on January 21. Shares have surged 14% over the past three months.

Emera is a Halifax-based utility, and the stock also performed poorly through much of 2018 before benefitting from a late rally. In the third quarter, Emera reported adjusted income of \$191 million, or \$0.82 per share compared to \$118 million or \$0.55 per share in the prior year. Operating cash flow in the year-to-date period increased 29% to \$1.23 billion.

Like BCE, Emera also benefits from a wide economic moat. The stock last paid out a quarterly dividend of \$0.5875 per share, representing a 5.1% yield. Emera has achieved dividend growth for 12 consecutive years. The company has committed to a capital investment plan that will extend into 2021 and announced the sale of three of its natural gas-fired power plants in late 2018 in order to cut debt.

Emera stock last had an RSI of 60, which puts it closer to overbought territory than some investors

may like.

### Which is the better buy today?

BCE looks like the better buy ahead of the release of its fourth quarter and full-year results in early February. The stock boasts a higher dividend yield and shares are slightly less pricey than Emera's right now, at least if we go by RSI.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:EMA (Emera Incorporated)

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### Date

2025/08/27

### Date Created

2019/01/22

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