



## Is it Time Investors Started Thinking About Parting Ways With These 2 Canadian Large-Cap Stocks?

### Description

Shares in two of Canada's largest energy companies are off to a spectacular start to the new year; there's no question about it.

But on the heels of nearly 20% gains through less than the first two months of 2019, is it time you thought about parting ways with stock in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))?

Both companies play large and even dominant roles in [Canada's energy markets](#) and both boast strong to even stellar balance sheets to boot, so there's no reason to believe that the end is near for either of these two energy giants long term.

But that's just it. These are what you would call "mega-cap" stocks. Suncor currently trades at a market capitalization of just over \$70 billion, while Enbridge is even larger, just a shade shy of the \$100 billion mark.

And while there's certainly truth to the adage of there being "safety in numbers," there's likewise truth to the adage of the "law of large numbers," which says that as companies get increasingly bigger, it becomes that much more difficult for those companies to sustain the pace of growth they have previously enjoyed.

SU stock gained 18.65% through the first six weeks or so of trading in 2019, and ENB stock gained 19.96% over the same stretch. Even though I still happen to like both of these companies' prospects over a long time horizon, I have to scratch my head and wonder if investors holding stock in both companies would want to consider taking a bit of risk off the table, locking in those gains.

Not hurting that argument, mind you, is that ENB stock is now up against its 52-week high. That would suggest (to me, at least) that it may take a bigger push to get ENB shares above those levels.

And Suncor, while it's still \$10 or so below its 52-week-high watermark, is also not far off the company's all-time high.

When you factor in that the price of crude oil today trades well below its all-time highs, it seems to me that it suggests both of these two stocks are not exactly trading on the most firm of footing.

Sure, those investing with a longer time horizon in mind and who are wary of "over-trading" their accounts may be better off staying the course and sitting tight.

Both stocks pay shareholders solid dividends with SU stock currently yielding 3.71% annually, and ENB stock yielding 6.11% per year.

But thanks to the sell-off markets experienced in the fourth quarter of last year, I think there are even [better opportunities](#) out there for investors right now on a risk-reward basis.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:SU (Suncor Energy Inc.)

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