



TFSA Investors: Double Your Income With These 2 Dividend-Growth Stocks

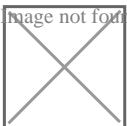
Description

As businesses in the energy sector are forced to accept the lower energy pricing environment, many sit on more debt than they'd like and reluctantly watch as their stocks are battered down.

Yet, there are well-capitalized Dividend Aristocrats with many years of dividend increases in the space. Specifically, the recent corrections in the stocks of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) create attractive buying opportunities. Not to mention, they offer big starting yields to boot.

TFSA's are perfect for buying Suncor and Enbridge to get juicy dividends or to take advantage of the stock volatility and take profit opportunistically — both dividends received and realized capital gains will be tax free!

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Suncor Energy

Suncor's integrated business and strong balance sheet set it apart from many struggling energy companies. It can optimize profits along the energy value chain from the ground to the gas station.

As a case in point, [Suncor](#) can upgrade the commodity to higher-priced light oil and refined products. In the past quarter, it attained a new Q2 record by generating \$3 billion in funds from operations, which was 5% higher year over year and 10% higher per share, thanks to share buybacks.

Suncor's trailing 12-month free cash flow payout ratio of less than 32% indicates solid coverage for its dividend. Therefore, not surprisingly, SU stock has a dividend-growth streak of 16 years with a 10-year dividend-growth rate of 22%.

SU stock has fallen 30% in the last year and now trades at a cheap valuation. Its dividend yield is

appetizing at 4.4%. Additionally, the average price target of \$53.40 across 25 analysts suggests an incredible upside potential of +40% in the blue-chip name.

Enbridge

[Enbridge](#) is North America's largest energy infrastructure company. Delays in the Line 3 Replacement Project has dragged down the stock.

Nevertheless, the company is essential to the everyday lives of North Americans, as it transports about 25% and 20%, respectively, of the continent's crude oil and gas.

The recent dip in the stock allows investors to pick up the stock at an attractive valuation for an elevated yield. At \$44.40 per share as of writing, ENB stock is good for a yield of 6.6%.

The regulated or contracted nature of its cash flow combined with its roughly 66% payout of its distributable cash flow makes Enbridge a reliable cash cow and dividend grower. ENB stock has increased its dividend for 23 consecutive years with a 10-year dividend-growth rate of 15%.

Should the Line 3 Replacement Project get the green light from the Minnesota Public Utilities Commission, there should be a great rebound in the stock.

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kayng

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