



2 Outstanding Dividend Stocks to Be Crazy Rich in 2021

Description

After facing troubles due to the COVID-19 woes, the broader market has started 2021 on a strong note. The **S&P/TSX Composite Index** has risen by 5.6% this year so far. However, the good news is that many great Canadian stocks still look undervalued in 2021. Some of these stocks could yield outstanding returns in the long term. That's why adding these stocks to your portfolio in 2021 will ensure that you're on the path to multiplying your invested money at a fast pace.

Let's take a closer look at two such [amazing stocks](#) to buy right now. Both of these companies also reward their investors with high dividends.

TC Energy stock

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a Canadian energy company that focuses on developing energy infrastructure. It currently has a market cap of \$51 billion. Due to low energy demand amid the pandemic, the company's sales fell in the first two quarters of 2020. Nonetheless, its revenues rose by 2% YoY (year over year) in the third quarter to \$3.2 billion as oil demand improved.

The company will report its fourth-quarter earnings results on February 18. Analysts expect an over 5% YoY jump in TC Energy revenue for the quarter. Despite demand issues, the company's profitability continued to be strong last year. Its full-year 2020 net profit margin is estimated to expand to 31.4% from 29.1% in the previous year. Similarly, TC Energy's adjusted net profit is expected to rise by 6.4% in 2020.

Last month, the United States president Joe Biden [revoked](#) a presidential permit for TC Energy's Keystone XL project. Former president Donald Trump signed the previous presidential permit in March 2020 for a cross-border oil pipeline between the U.S. and Canada. While this development came as a setback for the company, it immediately decided to advance its other similar projects worth \$25 billion.

These projects would drive strong financial growth and help the company raise its dividends by 8-10% in 2021. TC Energy stock already has a strong 5.9% dividend yield.

Enbridge stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) another great high-dividend Canadian energy stock. It currently has a market cap of around \$92 billion. Apart from energy services, Enbridge makes most of its revenue from liquids pipelines and gas transmission and midstream segments. On January 29, the company got a critical regulatory approval for building its Michigan-based Great Lakes Tunnel project.

The company reported lower revenue last year due to low energy demand. However, its profitability also improved — Just like TC Energy — even during this tough period. Enbridge will report its full-year 2020 results later this week on Friday. Analysts expect its adjusted net profit margin to be around 12.4% in 2020 — much stronger than 10.7% in 2019.

Enbridge stock currently has an outstanding 7.3% dividend yield at its current market price.

Final thoughts

After last year's weakness, the overall energy demand and the oil prices have already started sharply recovering. As the global economy continues to recover, the energy demand would surge further. This trend is likely to drive the shares of these two low-risk energy businesses higher. That's why these two high dividend Canadian stocks are perfect to buy in 2021.

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