



Best Dividend Stocks In Canada: Enbridge or Suncor?

Description

Two of the most popular stocks in Canada are **Suncor Energy Inc** ([TSX:SU](#))([NYSE:SU](#)) and **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)). This makes sense, as these are some of the biggest and best companies in Canada. Because these stocks are so big, they naturally pay dividends. So which of these is the best dividend stock in Canada?

When looking at [dividend stocks](#), there are different qualities to look for. Some investors may be concerned about the dividend first and foremost. So it's important for high yields and safe and resilient cash flows to underpin the dividend.

Other investors may want stocks that pay dividends but are still looking for companies that can grow their operations and shareholder value as well.

It all depends on what you're looking for out of dividend stock to decide which Canadian stocks are the best ones for your portfolio. Once you know what you're looking for, you can decide whether Enbridge or Suncor is the better buy.

A tonne of recovery potential

Suncor stock continues to offer investors incredible [value](#), making it a top buy today. It's a popular stock because it's one of the biggest and best dividend stocks in the Canadian energy industry.

Unlike Enbridge stock, its dividend isn't as safe and resilient. However, it offers a lot more potential to grow, especially today as the [energy stocks](#) continue to recover from the effects of the pandemic.

What's really attractive about Suncor, though, is that although it's not as robust as a stock like Enbridge, it still has resilient operations due to its impressive vertical integration.

So although it had to trim its dividend during the pandemic, it never had to suspend it altogether. Today the dividend yields 3.3%.

The combination of growth and resiliency, plus its dividend, makes it one of the best energy stocks in Canada. Of the nine analysts that cover Suncor, eight have a buy rating. Plus, its average target price is \$34.50.

So when you consider that recovery potential and the 3.3% dividend, Suncor is one of the best dividend stocks in Canada today.

One of the best dividend stocks in Canada

Between the two, Suncor is the better [growth stock](#) today. However, Enbridge is not just the better dividend stock between the two. It's one of the best dividend stocks in Canada.

Enbridge is a company that's at the heart of the North American economy. The company transports roughly a quarter of all the oil in North America and 20% of all gas consumed in the United States. This makes Enbridge extremely important, which is why it's such a reliable business.

It will never be completely unaffected by the energy industry. However, Enbridge has done such a great job diversifying its operations that it can weather downturns, especially in the energy industry, exceptionally well.

So while other companies, including Suncor stock, were trimming or suspending their dividends through the pandemic, Enbridge increased its dividend.

The dividend aristocrat has posted 26 years of consecutive dividend increases. That goes to show why Enbridge is easily one of the best dividend stocks in Canada.

Bottom line

Because the oil industry is still recovering and Suncor stock trades down more than 35% from its \$40 pre-pandemic price, Suncor may have more upside in the immediate future.

That doesn't mean Enbridge isn't worth an investment either, though. The stock is also fairly undervalued, and also offers an incredibly safe dividend that grows each year and yields more than 7.1% today.

So both stocks offer some of the best value in Canada, which is the best dividend stock for you, though, all depends on what it is you're looking for.

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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