



## The 4 Best Dividend Stocks to Buy in Canada This December

### Description

The cold winds of winter spell the start of flu season, and with flu season came a [new variant](#) of COVID-19. The virus mutated faster than expected, creating doubts as to whether the current vaccine is effective against it. This sense of doubt and uncertainty pulled the TSX Composite Index down 5%. When in doubt, take solace in dividend stocks.

### Four dividend stocks to buy in December

As [Warren Buffett](#) says, “Be fearful when others are greedy and greedy when others are fearful.” I say grab this opportunity and buy four dividend stocks in December before they rebound.

- **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#))
- **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))
- **BCE** ([TSX:BCE](#))([NYSE:BCE](#))
- **Canadian Utilities** ([TSX:CU](#))

Three out of four stocks are related to energy, as these stocks enjoy high demand for heating solutions in cold weather.

### Suncor Energy stock

The threat of the Omicron variant created uncertainty in the stock market, and Suncor was not immune to it. The stock fell over 9% in the last few days of November, creating an opportunity to buy a hot oil stock at a discount and lock in a 5.43% dividend yield. The world is currently going through [an energy crisis](#), as oil companies are reluctant to increase supply over fears that another pandemic could once again create a demand crunch. Another lockdown, if any, could pull down Suncor stock, as demand from its major consumer, airlines, falls.

But the future pandemic waves are likely to be shorter than the first wave, as counties are equipped to deal with such health crises. The slump and recovery and supply chain issues will keep oil prices

volatile, and Suncor would give you exposure to this volatility. And one way to make money from volatility is to buy the dip sell the rally.

## Enbridge stock

Enbridge is another beneficiary of the energy crisis. The stock dipped 11% since November. This is a good time to lock in a 6.98% dividend yield. The pipeline operator is geared for a seasonal rally, as cold weather increases demand for natural gas — the main source of heating. Pandemic or no pandemic, Enbridge could see a surge in volumes that flow through its pipes. Even last year, the stock surged 10% between December 24, 2020, and February 4, when the second wave came, and the government re-imposed lockdown.

This is the right time to buy the stock, as Enbridge will announce the 2022 dividend on December 7. At that time, you could see a major movement in the stock price, depending on the level of dividend growth.

## Canadian Utilities stock

Canadian Utilities shares a similar situation as Enbridge. The utility stock has dipped over 5% since November 1, increasing its dividend yield to 5.13%. Thanks to the cold winters of Canada, natural gas demand will surge on the runway to Christmas. Natural gas pipeline and storage will run at full capacity to provide heating solutions to homes and offices.

Before the pandemic, the stock surged 8.75% between December 20, 2019, and February 2020. I expect to see a similar growth pattern this winter, too.

## BCE stock

Amid the energy stocks, I suggest having a more stable stock, like BCE, which pays dividends from telecom subscriptions. The 5G rollout and the growing broadband usage could bode well for the stock. BCE has a 5.48% dividend yield. Although the company is channeling a significant portion of its cash flow on capital expenditures, it is likely to maintain its current dividend rate. BCE could give your portfolio some stability during the pandemic.

## Foolish takeaway

While you invest in these stocks today, note that they can fall further in the event of a market crash due to the virus. Do not panic-sell or book losses. The above companies have sound balance sheets to withstand another pandemic and enough cash flow to pay dividends, even during a crisis.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
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## **Date**

2025/08/23

## **Date Created**

2021/12/03

## **Author**

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