



3 Energy Stocks That Pay Massive Dividends

Description

Are you looking for quality energy stocks that pay massive dividends?

If so, the Canadian stock market has just what you are looking for. The TSX Index is full to the brim with energy stocks, and many of them pay high dividends. This year, oil prices are on the rise. Supply chain issues and the Ukraine war are taking prices to levels not seen since 2014. The result of this has been strength in oil prices in the futures markets as well as rising dividend payouts. This year, we have seen many TSX energy stocks raise their dividends, with the result being that yields have gone up, despite the higher stock prices.

In this article, I'll explore three TSX energy stocks that pay massive dividends.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a major [Canadian pipeline stock](#) and natural gas utility that yields 6%. Its yield has, at times, been as high as 7.5%, but this year's strong capital gains have taken the yield lower. It's still far above average.

Enbridge's main business activity is to ship oil across North America. It charges energy companies fees to transport their goods. It doesn't sell oil directly. Because of this, Enbridge doesn't profit off rising oil prices as much as integrated energy companies do. However, it benefits indirectly. First, higher oil prices mean that ENB's clients have more ability to absorb fee increases should ENB choose to pursue them. Second, higher prices can signal more demand. So, this company is pretty well positioned for today's high-oil price economy.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is another high-yield Canadian pipeline stock. It yields 5.4%. Pembina is not as big as Enbridge, but it has a more diversified business. It has a marketing division in which it buys and sells crude oil, natural gas, and other commodities. This business unit

makes more money off of higher oil prices than the pipeline division does. Pipelines don't necessarily make more money when oil prices go up, but oil sellers always do.

Pembina's [most recent quarter](#) was pretty strong. In its fourth quarter, PPL delivered 56% growth in revenue, positive net income, and 20% growth in adjusted operating cash flow. Those are pretty solid results. And they should continue into the first quarter, with the strong demand for oil now being observed.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is an integrated energy company. It extracts and refines crude oil and sells it at its Petro-Canada gas stations. It also sells crude oil wholesale to buyers in the United States. This is a very lucrative business when oil prices are high. In its most recent quarter, Suncor grew its cash flow by 157% year over year, because of the strong oil prices that prevailed in the fourth quarter. This quarter, oil prices are far higher than they were then.

So, Suncor has a pretty good chance of beating on earnings when its fourth-quarter release comes out. If it does, then its stock will likely rise, as investors these days are very bullish on profitable energy companies.

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1. Energy Stocks
2. Investing

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
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