2 TSX Energy Stocks That Pay Massive Dividends

Description

WTI crude oil prices remain above the US$100-per-barrel price range, as geopolitical tensions continue to plague global oil supplies with uncertainty. Rising crude oil prices mean that you have to pay a lot more at the gas station to fill up your car. However, the rising cost can also translate to better investment returns if you have invested in energy stocks.

Are you looking for high-quality energy stocks that also pay massive shareholder dividends? Dividend investing is a gift that keeps on giving, and the **TSX** boasts several high-yielding energy stocks that you can consider investing in for your self-directed portfolio.

Today, I will discuss two TSX dividend stocks that pay high dividends, despite rising valuations on the stock market.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is a $56.62 billion market capitalization integrated energy company headquartered in Calgary. The company specialized in producing synthetic crude oil through its oil sands operations. It also boasts refinery operations that allow Suncor to sell finished petroleum products to Petro-Canada gas stations. It extracts enough crude oil to sell to wholesale buyers based across the border in the U.S.

The company's business does well when oil prices rise. Its recent-most quarter saw its cash flows increase by over 157% compared to the same quarter last year. Oil prices are slated to remain strong in the coming months, and its share price could see a significant boost. At writing, Suncor stock trades for $39.42 per share, and it boasts a juicy 4.26% dividend yield. With its cash flows secure, Suncor could be an attractive investment for dividend-seeking investors.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is another major Canadian energy stock. Headquartered in Calgary, the $114.09 billion market capitalization multi-national pipeline company boasts an extensive pipeline network. Its primary business is transporting oil across North America, and it accounts for transporting a significant portion of all the oil consumed in the region.

Rising oil prices do not have a direct impact on its cash flows. However, higher oil prices have an indirect positive impact, because its clients in the energy industry have a greater demand for its services during such conditions. An increase in demand could also warrant fee hikes for its services, which its clients can afford amid rising oil prices.

Enbridge stock trades for $56.31 per share at writing, and it boasts a juicy 6.11% dividend yield.

Foolish takeaway

Oil prices are rising this year, as supply chain issues and Russia's invasion of Ukraine keep elevating energy prices to higher levels amid market volatility. While it might mean you have to contend with higher living costs, the strength in oil prices can translate to better investment returns.

It is crucial to allocate your investment capital to well-established companies with a reputation for regularly paying shareholder dividends. Suncor Energy stock and Enbridge stock are two reliable dividend stocks that could be ideal for this purpose.

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Date
2025/07/05
Date Created
2022/03/18
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