



Oil Rally: 2 Hot Energy Stocks With Solid Dividends to Buy Today

Description

Market uncertainties continue to keep stocks from most sectors highly volatile on the **TSX** this year. While worries about high inflation and the possibilities of rising interest rates triggered a massive selloff in high-growth stocks at the start of 2022, the ongoing Russia-Ukraine war has added to investors' worries. Given these uncertainties, investors with a low-risk appetite may want to consider buying some stocks with safe dividends from the energy sector.

Buy energy stocks in Canada

Most energy stocks are outperforming the broader market this year, as crude oil prices continue to climb. Directly investing your hard-earned money in oil producers' shares may expose you to risks from commodity market volatility. That's why it could be a relatively safer approach to rather invest in energy infrastructure stocks that could continue to yield [handsome returns in the long term](#), as the demand for energy products remains strong. Let's take a closer look at two such hot energy infrastructure stocks to buy now with solid dividends.

Enbridge stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the largest energy infrastructure company in North America, with a market cap of about \$115 billion. This energy company is responsible for a large portion of North America's crude oil supply and gas transmission in the United States. ENB stock is currently trading with 14.6% year-to-date gains at \$56.62 per share.

As the COVID-19-driven shutdowns and restrictions badly hurt the demand for energy products, its revenue fell sharply in 2020. On the positive side, reopening economies drove a consistent rise in the demand for energy products last year. That's why Enbridge has consistently been beating analysts' revenue estimates for the last three quarters.

In 2021, its total revenue [increased](#) by 20.4% YoY (year over year), and its adjusted earnings rose by 13.2% to \$2.74 per share. Given the ongoing strength in demand, Street analysts expect Enbridge to

maintain a double-digit earnings growth in 2022 as well. Moreover, this energy stock also pays solid dividends to its investors as its dividend yield currently stands at 6.1%.

Pembina Pipeline stock

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is another reliable energy infrastructure company headquartered in Calgary, Alberta. In 2022 so far, this amazing energy stock has risen by 23% to \$47.18 per share.

The company's financial growth is likely to accelerate in the ongoing year, as the demand for energy products across its key markets remains strong amid the ongoing post-pandemic economic recovery. This could be one of the key reasons why analysts see a 25% increase in its 2022 EBITDA, while its earnings are expected to jump by nearly 50% YoY. Apart from strong demand, rising oil prices are also likely to help Pembina Pipeline expand its profit margin in the coming quarters. Given these positive factors, I expect this Canadian energy stock to continue soaring in the coming quarters as well.

While Enbridge pays dividends each quarter, Pembina Pipeline rewards its loyal investors with reliable monthly dividends, which could also help you [generate passive income each month](#). At the time of writing, PPL stock's dividend yield stands at 5.4%.

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2. NYSE:PBA (Pembina Pipeline Corporation)
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