2 Energy Stocks (With Dividends) to Add to Your TFSA This Week

Description

As the stock market roller-coaster ride continues with a sudden spike in volatility, traders and short-term investors are getting worried. However, the ongoing market uncertainties are unlikely to have any major impact on the long-term growth outlook of most fundamental strong stocks. That's why it's always a good idea for investors to keep buying cheap dividend stocks on a dip and holding them for the long term. In addition, if you use your TFSA (Tax-Free Savings Account) to invest in stocks, you won't have to worry about paying taxes on the returns that you get on your investments. In this article, I'll highlight two of the best Canadian energy stocks that TFSA holders can buy right now and expect solid returns on their investments.

Enbridge stock

If you're a long-term stock investor from Canada, it's very likely that you already have **Enbridge** (TSX:ENB)(NYSE:ENB) stock in your TFSA. In case you don't, it might be the right time for you to buy this reliable dividend stock right now.

In one of my recent articles last week, I'd highlighted why ENB stock is a must-buy after its Q1 earnings event on May 6. Notably, the Calgary-based energy infrastructure giant has consistently been reporting solid double-digit YoY (year-over-year) revenue growth for the last four quarters. In Q1, its top line stood at $15.1 billion — up 23.9% from a year ago and nearly 11% higher than analysts' estimates. The recent rise in the demand and prices of energy products also helped the company sequentially expand its profit margin. In the last quarter, its adjusted net profit margin stood at 11.3% compared to 11% in the previous quarter.

Apart from its well-established energy transportation business, Enbridge has recently increased its focus on advancing both conventional and low-carbon energy investments, which could help it further accelerate its financial growth in the long run. In addition, ENB's attractive dividend yield of 6.1% makes it a must-buy for TFSA holders right now. Despite falling by 3.3% last week, its stock currently trades with more than 15% year-to-date gains.

Suncor Energy stock

Suncor Energy (TSX:SU)(NYSE:SU) could be another top energy stock for TFSA investors to consider buying right now. It currently offers a dividend yield of around 3.8%. While this dividend stock fell by nearly 2% last week, it still trades with solid 51% year-to-date gains at $46.92 per share.

Suncor released its March quarter results on May 9, beating analysts' top- and bottom-line estimates by a wide margin. The company's total revenue rose by 56% YoY in the first quarter to $13.5 billion amid a favourable energy price environment. Similarly, its adjusted earnings for the quarter jumped by 292% YoY to $1.92 per share in Q1, crushing estimates of around $1.55 per share.

As Suncor continues to progress on its $2 billion of free funds flow program, its management expects the company's downstream profitability in the ongoing year to reach an all-time high. This could be one of the reasons Street analysts expect its earnings to jump to around $6.60 per share in 2022 from just $2.56 in 2021. I expect these high expectations and its consistently improving financial growth trends to keep Suncor's stock soaring, making it worth buying for TFSA investors.

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