



2 Canadian Energy Stocks With Dividends Over 6%

Description

Canadian energy stocks put up a stellar performance for several months amid the post-pandemic boom. However, the rally has come to an abrupt end ever since the U.S. Federal Reserve announced a considerable interest rate hike a few weeks ago. Weakness in the energy sector combined with other macroeconomic factors to trigger a substantial pullback across the board for Canadian stocks.

The growing possibility of a recession has led to worries about the demand for energy products. If people cannot afford to buy energy products, it could mean bad news for Canadian energy stocks. However, it is possible that the concerns over future demand might be overblown. Global economic activity has picked up pace, as the world moves into a post-pandemic era.

The energy sector could regain momentum in the coming weeks. The recent dip in energy stocks has inflated yields for the top [dividend stocks](#) in the industry. Let's look at two of the top high-yielding energy stocks you could consider investing in to capture inflated dividend yields.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a \$110.09 billion market capitalization giant in the Canadian energy industry. Headquartered in Calgary, Enbridge owns and operates an extensive network of midstream assets that transport hydrocarbons across Canada and the U.S.

The pandemic rebound for the energy industry drastically improved its financial performance in the last few quarters, leading to a significant boost in its valuation.

Enbridge stock trades for \$54.36 per share at writing, and it boasts a juicy 6.33% dividend yield. The company has put up a stellar performance for several quarters and looks poised to continue delivering shareholder dividends in the near term. Its share price drop could make it attractive for investors seeking high-yielding dividends and capital gains potential.

Freehold Royalties

Freehold Royalties ([TSX:FRU](#)) is a \$1.92 billion market capitalization company headquartered in Calgary. It acquires and manages oil and gas royalties. Long-term investors interested in generating passive income might find Freehold Royalties stock an attractive investment due to its monthly shareholder distributions.

Freehold Royalties stock trades for \$12.74 per share at writing and boasts a juicy 7.54% dividend yield. The company's strategy to boost its economic growth in the coming years could see its valuation regain momentum in the stock market in the long term. It could be worth adding to your portfolio at current levels.

Foolish takeaway

Investing in the stock market, especially amid such a harsh economic environment, entails a significant degree of capital risk. Dividend investing could be a way to mitigate some of the impact of market volatility, because it can help you create a passive-income stream through your investment portfolio.

Provided that the energy sector does not experience the much-feared decline in demand in the coming weeks, the top dividend stocks in the industry could make for excellent investments. Income-seeking investors can lock in high dividend yields and possibly capture capital gains for wealth growth when valuations improve.

Enbridge stock and Freehold Royalties stock could be excellent investments for this purpose.

CATEGORY

1. Energy Stocks
2. Investing

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2. TSX:ENB (Enbridge Inc.)
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Author

adamothonman

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