



2 Oil Stocks With Top-Notch Dividends

Description

The Canadian energy sector also started experiencing a pullback in recent weeks after keeping the **S&P/TSX Composite Index** afloat for the better part of a year. The strength of the energy sector fell victim to the panic created by the U.S. Federal Reserve's monumental interest rate hike.

The recent-most meeting by the U.S. Fed brought with it an announcement of a 75-basis-point interest rate hike — the likes of which hasn't been seen since 1994.

Increasing interest rates is a measure necessary to control inflation levels. Unfortunately, raising the interest rates takes time to have an impact on inflationary conditions. Between high costs for everything and a more challenging borrowing environment, fears of a recession permeated markets. Investors began fleeing risk, offloading investments in equity markets for safer asset classes, including energy stocks.

While the energy sector decline led to a significant pullback for the broader equity markets in Canada, it did create an opportunity for income-seeking investors. Today, I will discuss two high-quality oil stocks that pay their shareholder dividends. You could consider adding these stocks to your investment portfolio to lock in [high-yielding dividends](#) for your self-directed portfolio.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is a \$76.60 billion market capitalization giant in the Canadian oil and natural gas industry. The company produces 1.6 million barrels of oil equivalent and boasts 11.5 billion boe proven and probable crude oil and natural gas reserves. The company generates stable cash flows due to the high demand for its products.

Canadian Natural Resources stock trades for \$64.73 per share at writing, and it boasts a juicy 4.63% dividend yield. The Canadian Dividend Aristocrat has been increasing its shareholder dividends for the last 22 years, including a 28% dividend hike earlier this year.

The company continues to reduce its debt and improve its balance sheet. Canadian Natural Resources

stock looks like a good buy for income-seeking investors after its 25.63% decline from its May 2022 levels.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a \$111.98 billion market capitalization multinational pipeline company headquartered in Calgary. Enbridge owns and operates an extensive pipeline network responsible for transporting a significant portion of all the traditional energy products used in the U.S. and Canada. It plays a critical role in the region's economy.

Enbridge stock trades for \$54.51 per share at writing, and it boasts a juicy 6.31% dividend yield. It is down by 8.46% from its June 7, 2022, levels. It is also a Canadian Dividend Aristocrat, making it a reliable dividend stock to consider. Enbridge stock has increased its shareholder dividends for the last 27 years, and analysts anticipate a 3-5% dividend growth in the next few years.

Foolish takeaway

Canadian Natural Resources stock and Enbridge stock are leading entities in their respective segments in the Canadian energy industry. With several consecutive quarters of excellent financial performances by both publicly traded companies, the prospect of investors being rewarded their shareholder dividends remains high.

The recent decline in the energy sector has caused share prices to slump and inflated dividend yields. If you have some cash that you want to put to work to create a passive-income stream, you could consider adding Enbridge stock and CNQ stock to your investment portfolio.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/07/05

Date Created

2022/07/11

Author

adamothonman

default watermark

default watermark