



Passive Income: 1 Unstoppable Canadian Dividend Stock to Own Forever

Description

The stock market roller-coaster ride doesn't seem to end soon as macroeconomic uncertainties continue to haunt investors. After consistently rising for four consecutive sessions, the **TSX Composite Index** turned negative again on Tuesday this week, after much hotter-than-expected U.S. inflation data came out. High inflationary pressures are expected to encourage the Federal Reserve to continue taking aggressive policy measures in the coming months.

One Canadian dividend stock to own forever

While the main Canadian stock market index has slipped by 7.4% in 2022 so far, some [fundamentally strong dividend stocks](#) are still holding up really well, defying bear market gravity. Apart from strong regular returns from such stocks, investors can also earn regular dividends, which could be considered a great source of easy passive income. Let's take a closer look at one of the best Canadian dividend stocks I find worth owning forever.

Suncor Energy stock

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is a Calgary-based integrated energy firm with a [market cap](#) of about \$57.5 billion. The company primarily focuses on crude oil refining operations along with the distribution of refined and petrochemical products. While Suncor stock has seen an 18.5% correction in the last three months, it still trades with 31.4% year-to-date gains at \$41.60 per share. At the current market price, Suncor's stock has an attractive dividend yield of around 4.5%, and it distributes its dividend payouts every quarter.

A recent dip in crude oil prices is one of the main reasons for a recent correction in this dividend stock, as lower oil prices might trim its profits in the ongoing quarter. Nonetheless, the long-term price outlook for energy products remains strong amid strong demand and constrained supply, which could help this unstoppable stock recover fast.

Focus on debt reduction and share buybacks

With the help of a rise in its annual production, strong energy demand, and commodity price environment, Suncor Energy [reported](#) a solid 45% YoY increase in its total revenue to \$39.1 billion in 2021. With this, the company registered a solid post-pandemic recovery in its bottom line, as its adjusted earnings for the year stood at \$2.56 per share, reflecting a massive improvement over its adjusted net loss of \$1.47 per share in 2020.

In the last couple of years, Suncor Energy has increased its focus on strengthening its balance sheet by debt reduction, which would ultimately help the company expand its profitability and deliver higher returns to investors. In 2021, the company reduced its net debt by \$ 3.7 billion or 18% YoY (year over year) to \$16.1 billion. As a result of its management's confidence in Suncor's ability to generate healthy cash flows, the energy firm returned a total of \$3.9 billion to shareholders last year, including its dividend payouts of \$1.6 billion and share repurchases worth \$2.3 billion.

Bottom line

Given its strong operational performance, Suncor Energy continues to maintain a robust financial growth trend in 2022. This is one of the reasons why analysts expect its earnings in the ongoing year to be around \$9.60 per share, reflecting an outstanding 275% YoY improvement. These positive fundamental factors, along with an expectation of a recovery in oil prices, make this Canadian dividend stock worth buying now to hold for the long term.

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