



Enbridge Stock vs. TC Energy: Better Buy for Dividends?

Description

The stock market continues to make vicious moves, with big-tech earnings wreaking havoc on the portfolios of many. Undoubtedly, 2022 has been one of the most painful years for investors. Mad Money host Jim Cramer is nearly in tears over **Meta Platforms'** post-earnings plunge of more than 25%. Investing certainly seems like a punishing game. For those who fail to put in ample due diligence, the type of punishment doled out by Mr. Market could be severe.

For [beginner investors](#) willing to brave the carnage, though, this type of violent bear market is perfect for setting your future self up for prosperous gains. It's really hard to go against the grain or ignore your emotion, especially if you're down big in a position. Investing was never meant to be a euphoric endeavour. At times, it can be painful. But importantly, investors should never lose sight of the long-term picture. As someone wise once put it, it's always darkest before dawn.

Large dividends can help investors through times like these

Though it seems like a bad time to deploy capital into any asset these days, I'd argue that now is the perfect time to get greedy while most others are hitting the panic button. With the bear market in stocks and pullback in bonds, few portfolios have been spared. Even holders of cash haven't been left unscathed with the absurd amount of inflation that could linger into the new year.

Amidst profound uncertainties, investors should seek comfort with stocks of dividend-paying companies that can continue to make good on their commitments in times of recession. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) stock are two energy firms with incredibly resilient dividends that are as growthy as they are well-covered.

Indeed, the energy patch has been a bright spot in what's been a dire year for nearly everything else. As the page turns on the year and recession approaches, I'd look for such market leaders to continue holding steady.

Enbridge

Enbridge stock is a pipeline darling that can be relied upon for consistent dividend payments in most types of market conditions. The 6.5% dividend yield continues to be a draw for income investors. The stock is only down 11% (at writing) from its high. Enbridge has been a solid relative outperformer after many years of being stuck in a bear market of its own.

Though it's impossible to tell what's next for the energy sector, I do view the major pipeline firms as more utility-like in nature. Handsome payouts, dividend growth, and the firm's slight push into renewable power projects are all great reasons to pay up a lofty 22 times trailing price-to-earnings (P/E) multiple in this rocky environment.

Enbridge may not be [cheap](#). But with a resilient operating cash flow stream and some of the most shareholder-friendly people at the helm, the stock is definitely worth considering. Of most firms with yields north of 6%, Enbridge is a standout.

TC Energy

With a 5.98% dividend yield, TC Energy stock is a slightly less bountiful midstream energy firm than Enbridge. Though the yield is lower, the stock seems like a much better value at 18.9 times trailing P/E. Indeed, the recent 25% slip in the stock has made TRP a far choppier ride than the likes of an Enbridge. Regardless, TC Energy has a lot going for it, as it looks to grow further into Mexico.

Finally, TC Energy's recent move into renewables is encouraging. The firm recently announced a \$146 million investment in a Calgary-based solar power project. Such an effort may be just a drop in the bucket but marks a critical turning point for a firm as it looks to reduce its carbon footprint.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media

7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. cleona
2. joefrenette

Category

1. Dividend Stocks
2. Investing

Date

2025/07/19

Date Created

2022/10/28

Author

joefrenette

default watermark

default watermark