



Toronto-Dominion Bank vs. Enbridge Inc.: Which Is More Attractive Today?

Description

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) are two of Canada's top companies.

Let's see if one is a better pick for your portfolio right now.

TD

TD has a long history of winning customer service awards, but the recent media coverage on the company has investors wondering if trouble might be ahead.

What's going on?

According to a series of *CBC* articles, some TD employees have claimed they have not always acted in the best interest of the company's customers.

The issue appears to stem from pressures to hit sales targets.

TD's stock is down about 5% as a result, and the market is trying to decide if there is going to be an impact on the company's earnings.

Over the long haul, this is probably just a minor speed bump. However, it's possible that TD's staff will be less aggressive in their sales tactics in the near term, and that could lead to lower revenue in the coming quarters.

Whether or not this will happen, or if any change in behaviour will have a material effect, is the big question. As a result, investor fear could keep the stock under pressure until the next quarterly results come out.

TD has enjoyed a nice rally in the past six months, so the recent pullback really isn't that significant.

The bank remains one of the country's most attractive companies, and the large U.S. presence provides a nice hedge against any turmoil in the home market.

The current dividend yield is 3.6%.

Enbridge

Enbridge recently closed its \$37 billion purchase of Spectra Energy in a deal that creates North America's largest energy infrastructure business.

Investors should be all smiles, as the company now has \$27 billion in near-term projects under development and another \$48 billion with a longer-term horizon.

Cash flow is expected to rise at a healthy clip as the new assets are completed and go into service, and Enbridge is targeting annual dividend growth of at least 10% through 2024.

The current distribution provides a yield of 4.2%.

Is one more attractive?

Both TD and Enbridge should be solid buy-and-hold stocks for any portfolio.

In the near term, there is a chance investors could see a better entry point for TD, as the media storm is still brewing, and the bank sector overall is due to take a breather. If the stock pulls back significantly, investors should consider the move as an opportunity to buy.

Enbridge provides a higher yield and likely offers better dividend growth over the medium term, so I would probably make the pipeline company the first pick today.

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2. NYSE:TD (The Toronto-Dominion Bank)
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