



## RRSP investors: Is it Time to Buy Enbridge Inc.?

### Description

Canadian savers are searching for attractive stocks to put inside their self-directed RRSP portfolios.

Let's take a look at **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) to see if it deserves to be on your buy list right now.

### Pullback

Enbridge is down more than 7% in 2017 and is now trading at lows not seen since early September last year.

Ongoing struggles in the energy sector are part of the issue, as is resistance to major pipeline projects.

Enbridge had big hopes for its Northern Gateway project, which would have carried oil from Alberta to the Pacific coast, but strong resistance from communities along the route proved to be too difficult to overcome.

Ottawa then put the final nail in the coffin last fall when it rejected the project in favour of a competitor's proposal.

### Growth

The Northern Gateway setback was a big blow, but Enbridge has several other projects on the go, especially now that its \$37 billion acquisition of Spectra Energy is complete.

Spectra brings a strong backlog of development projects as well as strategic natural gas pipeline infrastructure and utility assets to complement Enbridge's heavy focus on liquids pipelines.

The newly combined company has a secured growth capital program of \$27 billion, and significant longer-term projects under consideration.

Through the end of 2017, Enbridge expects to complete \$11 billion in projects. Another \$4 billions should be finished next year.

As the new assets begin to generate revenue, Enbridge expects cash flow to increase enough to support dividend hikes of at least 10% per year through 2024.

Management has already raised the distribution by 15% in 2017. At the time of writing, investors can pick up a yield of 4.7%.

### **Should you buy?**

Enbridge has a long track record of dividend growth, and that trend is set to continue.

The company is now the largest energy infrastructure player in Canada the United States, which gives it substantial clout to make additional strategic acquisitions.

If you have a long-term investing perspective and use dividends to buy additional shares inside your RRSP, Enbridge is starting to look like an attractive buy at the current price.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **POST TAG**

1. Editor's Choice

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aswalker

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