# Income Investors: 3 Reasons to Buy Enbridge Inc. Stock Today

## Description

If you're an income investor searching for a high-yield dividend stock then **Enbridge Inc.** (TSX:ENB)( NYSE:ENB) could be one of your best bets in today's market.



Enbridge stock has fallen about 13% so far this year, pressured by a variety of reasons, including the Bank of Canada's drive to hike interest rates, political uncertainty hitting North American markets, and a general dismal outlook for energy companies.

But amid this general selloff, we've seen some of the finest businesses being painted with the same brush, and Enbridge is certainly one of the them.

Enbridge operates the world's longest crude oil and liquids transportation system which insulates it from the cyclical nature of the commodity markets. The company is a leader in gathering, transportation, processing and storage of natural gas in North America, serving about 3.5 million retail customers in Ontario, Quebec, New Brunswick and New York State.

Here are the top three reasons which I think make this top dividend stock a very attractive buy.

**1.Yield**

Enbridge's yield is near 5% which is a much higher than its average 5-year yield of about 3% and the industry average of 2.75%. For investors, this is a very opportune time to pick this very juicy dividend yield when other asset classes offer very minimum rates.

**2. Dividend growth**

When you are deciding which dividend stock offers a better value for your dollar, one of the most important factors to look for is the dividend growth. This is important because you want to make sure your investment is keeping up with the cost of living and doesn't losing its value with a rising rate of inflation.

On this metrics, Enbridge has done a great job. During the past five years, its dividend payout grew ~17% against the industry average of 13%.

The company plans to continue with this growth trend by increasing its dividend payout 10-12% each year through 2024 as it produces more cash from some big-ticket infrastructure projects following its acquisition of Spectra Energy.

**3. Earnings growth**

Just focusing on dividends and ignoring the future earning potential may land you in a trouble. After all, future dividend hikes come from growing profits and the company's ability to generate more cash from its assets.

Being a stable and reliable dividend payer, Enbridge is in a growth mode, as well. Since its last year's merger with Spectra Energy, the combined company's project pipeline has expanded substantially, with $26 billion of secured growth projects in execution and another $48 billion of projects under development.

The benefit of this merger was reflected in Enbridge's second-quarter earnings when its profit more than tripled to $919 million, or $0.56 per share, from $301 million, $0.33 a share a year earlier.



**Investors takeaway**

The current weakness in Enbridge stock opens a window of opportunity for income investors to make this top dividend stock a part of your portfolio. Trading near $50 a share, Enbridge is very close to the 52-week low.

The company has paid dividends to shareholders every year since 1953. This superb history should be enough to satisfy wary investors that they can rely on Enbridge's dividend cheques during the times of war, recessions, and financial crises.

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