



## Looking for Income? Enbridge Inc. Now Has a Dividend Yield Over 5%

### Description

With a current dividend yield of 5.2% and a stable, reliable history, **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) is a great stock for investors who are looking for stability, reliability, capital preservation, and income.

The recently announced third-quarter earnings results were below expectations (EPS of \$0.39 versus expectations of \$0.43), but management reaffirmed that they will meet their guidance for the year, so this seems to be a blip and nothing to worry about for the long-term investor.

Enbridge shares have [underperformed recently](#) and were down 5% after the earnings release.

In my view, the weakness in the stock price gives investors an opportunity to get into the stock ahead of its 2017 Investor Day, at which time the company will announce its plans going forward with respect to the dividend, calming investors' concerns with regard to the possibility of an equity issue.

It will essentially increase visibility, which is something that I think investors are looking for, because we always like visibility; it helps us feel that there is less risk. At this time, management expects the dividend to increase at a 10-12% cumulative average growth rate from 2017 to 2024.

Since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, and a 10-12% increase expected in 2017.

The company has confirmed that it will solidify plans for the dividend policy at their Investor Day in December.

With Enbridge, we can expect continued synergies from the Spectra acquisition, seasonal strength in the fourth quarter, and possible asset dispositions to act as catalysts for the shares.

Enbridge has a low-risk, conservative business model. Its dividend-payout ratio is currently very conservative at just over 60% of adjusted cash flow from operations.

With a dividend yield of 4.8%, **Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)) is another stock that is

ideal for investors looking for safe, stable income.

A pure-play energy infrastructure company with assets that deliver stable, reliable results, Pembina has increased its dividend 5% annually, and this year it instituted a 6.25% increase in April and a 5.9% increase in October.

The [combination of Pembina and Veresen](#) effectively increases the size and scale of Pembina. The combined company is one of Canada's largest energy infrastructure companies with a \$24 billion market capitalization.

This more diversified company means more growth opportunities going forward. In fact, there is approximately \$2 billion in growth expected to come into service by the end of 2017/beginning of 2018.

And all this is expected to translate into an 8-10% adjusted cash flow per share growth.

In summary, we are presented here with two stable and growing companies that offer very attractive dividend yields for your portfolio.

## **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
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