

Here's a Dividend Stock That You Can't Afford Not to Own!

Description

Every once in a while, there's an opportunity of a lifetime to purchase shares of a sound business that has taken a temporary hit on the chin. Such opportunities don't come around often, but when they do, and you can recognize them, it's a good idea to load up on shares while they're trading at a vast discount to their intrinsic value.

Backing up the truck on a single security isn't without its risks, however. You've got to be sure that your investment thesis is sound and that you've taken into consideration the issues that could derail your thesis and the conditions that would convince you to throw in the towel on your bet before things turn too sour for your liking.

Consider **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), a market darling stock for many years until it fell off a cliff in the spring of 2015. Available cash flow from operations (ACFFO) was trending down, and many pundits were concerned about management's questionable decision to keep up its dividend growth (10% in annual dividend hikes over the next three years), when it would have been more responsible to use the cash for [paying back debt](#) or financing its long-term growth initiatives.

Although many are growing pessimistic on Enbridge, I think the shares are overly beaten up and could be ripe to surge in a few years after the Line 3 replacement becomes operational. In addition, the \$37 billion Spectra acquisition will open many doors to growth thanks to its high-quality natural gas assets, which are a nice addition alongside Enbridge's liquids pipelines.

The regulated nature of the pipeline business has allowed many investors to reap major rewards from Enbridge's rock-solid cash flow stream. Years of above-average stock price appreciation along with a generous and growing dividend has made Enbridge a market darling stock for income and growth investors alike. Although the stock has hit a brick wall, I think investors should stay the course and add to their positions while they wait for long-term growth projects to come to fruition.

The stock has a juicy ~6.3% dividend yield that's nearly 3% more than the company's five-year historical average yield. Those who are patient will have a chance to lock in a [massive dividend](#) that will continue to grow in spite of further setbacks. Enbridge is still a king in energy transportation, and those with a long-term mindset and the patience to ride out tough times will be the ones to profit profoundly over the next five years as the company returns to form.

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Author

joefrenette

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