Now Is Definitely the Time to Buy Enbridge Inc. Stock on the Dip!

Description

First there was the risk that buying shares in **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) would have you falling into the "value trap." Then there were the dangers of trying to catch a falling knife.

But finally, are we not at the point where now is the perfect opportunity to buy Enbridge shares on the dip?

Understanding the new landscape for Enbridge

Last year, Enbridge completed the $37 billion acquisition of its Houston-based peer Spectra Energy in a move that would create the largest energy infrastructure company in North America.

The transformative move effectively goes a long way to diversifying Enbridge's operations from being focused on crude liquids to now involving more of a balance that includes Spectra's dry natural gas assets.

But $37 billion is a hefty price tag, even for a company as large as Enbridge with a market capitalization approaching $88 billion.

What that means is that Enbridge, which has long been known — and heralded — for a steady stream of dividend increases may soon adopt a different profile in the investment community.

The company has managed to increase its payout by 9.7% on average over the past 10 years, which is certainly no small task.

But even with the company's largest project ever — the Line 3 Replacement — coming online in the next few years, investors shouldn't expect the pace of former divided hikes to continue.

That doesn't mean Enbridge still isn't a good — or even great — investment

It just means the company is going through a transition from being a growth company to more of a traditional pipeline utility, like, for example, **Pembina Pipeline Corp.**

But let's not forget that even with the likelihood of slower growth standing ahead of the company, those shares are yielding a very attractive 6.2% today. That's the best dividend yield that has been on offer for Enbridge in more than 10 years!

It's obvious that the market has by now fully adjusted to the "new Enbridge," and now is your time to strike while the iron is hot.

Shares hit a new 52-week low just last week but rebounded strongly heading into the weekend, up 3.7% in Thursday's trading.

Enbridge shares traded as high as $50 on the Toronto Stock Exchange as recently as early January.

Even if shares just recovered back to those levels, it would mean a very nice 25% return in your investment account, not to mention that 6.2% dividend paying you while you wait.

Bottom line

"Patience is a virtue" is an old adage, but it's also very applicable to investing.

If you'd managed to hold off on buying Enbridge long enough to get to this point, good on you, but you might want to start thinking about making your move now.

This could just be the "once-in-a-generation" opportunity for you to get in on this Canadian blue chip.

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