# New Investors: Enbridge (TSX:ENB) Is a Must-Have +6% Dividend Stock for Your Holiday Wish List

### Description

It's easy to see why big-name stocks attract so much attention from newcomers, with one of the most searched for terms on the internet being "investing for beginners" followed closely by "energy stocks." Below you will find one of the hottest commodities on the TSX index — a Canadian superstar stock that often ranks high in walkthroughs of how to invest in the number one domestic stock market.



I'm going to take a look at the data for one of the best stocks to buy right now and outline one of the quickest ways to make money trading stocks on the TSX index. If you want to see how to start investing in energy stocks the (relatively) risk-free way, read on!

## Enbridge (TSX:ENB)(NYSE:ENB)

This is one of the top TSX stocks to watch and often comes up in lists of must-have Canadian stocks. Enbridge is defensive, with a merry market cap of $78 billion. It has seen a one-year past earnings loss of 39.2%, but its overall five-year average past earnings growth of 32% is what we should focus on here, given the extreme turbulence of the last year.

A PEG of 0.9 times growth indicates great value in terms of growth, though a high comparative debt level of 88.2% of net worth shows that this ticker is not without risk.

## With a high P/E, is Enbridge good value for money?

A P/E of 44.5 times earnings may have some value investors scratching their heads, but the fact is that this chunky ratio tells us more about the desirability of this ticker than it does its true value: we've already seen a low PEG, while a P/B of 1.5 times book indicates middling value in terms of assets. A dividend yield of 6.85% is probably where the focus should remain here, which investors can lock in by buying at today's prices.

Quality and momentum indicators are the two other main factors that drive investment choices on the

TSX index. Though a ROE of 3% is low, a 49.1% expected annual growth in earnings should have growth investors interested and places Enbridge on the list of “nice” stocks this holiday season (steering clear, of course, of “naughty” stocks).

In terms of momentum, Enbridge is about as dull as they come on the TSX index — and that’s a good thing to see in a stock that you will want to buy and hold for the long term. In terms of share price, it’s gained a scant 0.61% in the last five days (low, while remaining positive), while its industry-trailing beta of 0.8 highlights low volatility; meanwhile, its share price is discounted by a very tedious 10% against its future cash flow value. In short, if this ticker were a colour, it would be the most vanilla shade of beige.

## The bottom line

As outlined above, passive income through dividends is one of the most popular ways to make money with stocks, with energy stocks being one of the top sectors of investment in Canada. Going through the data above, it’s easy to see why Enbridge is one of the best stocks on the TSX index and a strong buy for your holiday portfolio wish list.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners



**TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

**PARTNER-FEEDS**

1. Msn
2. Newscred
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