



## Is Now the Time to Be Pushing “All-In” on Enbridge (TSE:ENB) Stock?

### Description

Shares in **Enbridge Inc** (TSE:ENB)([NYSE:ENB](#)) have shot up more than 16% so far in January.

But does that help – or hurt – the case for going all in on the shares of Canada’s largest energy infrastructure company these days?

Even after this month’s surge, the ENB stock is still yielding investors a very respectable 6.16% annual dividend yield.

For those who may be less familiar with the market averages, that yield is considerably higher – nearly three times higher in fact – than the average yield you’ll find on most **S&P 500 stocks**.

When you consider management’s fairly aggressive plans to hike the companies at least a couple more times over the next few years, the yield only starts to look more attractive.

Enbridge is backed by some pretty large “take-or-pay” contracts with some of the country’s largest energy names.

With these take-or-pay contracts, Enbridge’s customers have basically already committed to a certain level of payment regardless of whether they actually use the Enbridge pipelines or not.

So the dividend looks pretty solid, but do you go all in right now?

Personally, I wouldn’t.

I like the company long term, after all it plays a key role in our country’s economy, so you can probably rest assured that it won’t be flying off the radar anytime soon.

But almost for those exact same reasons I would tend to “average in” on a company like this, potentially even following a standard [dollar-cost averaging approach](#).

Over the next 10 years, I feel pretty confident in the direction of Enbridge stock, but I don't look at the shares as being something I need to be jumping all over.

Back at the beginning of 2016, Enbridge shares were trading for at one point under \$35 on the TSX, and last year they dipped below \$40 for a short period.

So while I don't have a crystal ball in front of me (I wish I did!), I'm willing to play the patience game with this one right now.

For investors who aren't so concerned about quarter-to-quarter earnings reports and monthly swings in the value of their portfolios, maybe it makes sense to initiate or even add to a position in the company right now in order to take advantage of the 6.15% yield while planning to continuously add to the position as the company's plans for future dividend increases becomes clearer.

Enbridge is a great Canadian company no question, and as an investment, it has performed extremely well for Canadians over the years.

I'm just not sure that you won't be able to find [something else better](#) out there that will be a bit timelier in terms of generating capital gains for your Tax-Free Savings Account (TFSA) or even your registered retirement account.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

## Date

2025/07/25

## Date Created

2019/01/24

## Author

jphillips

default watermark

default watermark