



## Enbridge Inc (TSX:ENB) at \$50: Buy, Sell or Hold?

### Description

It seemed like forever, but **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) has finally broken through the \$50 price point and the resistance that it had been facing for a long time. You have to go back to 2017 for the last time the stock has been able to stay consistently above \$50, and so it's no small feat for the share price to finally be showing some strength again.

The big question, however, is whether the stock is going to keep going up and investors should be buying, or whether it's a time to hold or possibly even sell the share.

### The stock has been rallying along with the markets

Since Christmas, Enbridge has seen its share price climb 26% after dropping below \$40. Rising oil prices and a [new Alberta government](#) are a couple of reasons investors have become more bullish on pipelines and Enbridge stock, and it could be the beginning of more upward price movement.

The stock still trades at a good price-to-book multiple of 1.6, although its price-to-earnings ratio of 34 is a bit high given the lack of growth we've seen from Enbridge lately. As well as Enbridge has done this year, it may be running out of room to climb, as even another 10% rise in price would put it over \$55, and the stock hasn't seen consistency at that level since early 2017. The stock will need something positive for investors to hang their hats on and drive the price further up.

### Earnings coming up

The company is expected to release its first-quarter earnings on May 10, and a good performance for the last three months could be just what the stock needs to get investors excited about Enbridge again. The challenge is knowing what to expect as the company's results have been very volatile over the past five quarters. Twice during that time, net income was over \$1.1 billion, but it has also been as low as \$4 million.

Earnings look like they could be a coin flip as to whether the results will be good or not for Enbridge, as

pipeline-related issues will likely still drag the company's results; until we see more progress on that front, I wouldn't be terribly optimistic about its performance. However, more activity among other players in the industry could have also helped generate some good results for Enbridge.

## Bottom line

While it's good news to see the stock finally reach \$50 at writing, it may not stay there for long. However, if you're looking for a long-term investment then Enbridge is a great option and its [dividend](#) will be a great way to add to your portfolio's value.

In the short term, I still see the possibility of more volatility and uncertainty, at least up until the next federal election, which will have major consequences for Enbridge and the oil and gas industry in Canada. For that reason, I'd be looking to hold onto the stock until we see those results.

Either way, Enbridge is a good stock to have in your portfolio. While it might be a little risky, it's proven that over the long term it can withstand the adversity in the industry.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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