



## New Investors: Enbridge (TSX:ENB) Is a Star Stock to Buy and Hold Forever

### Description

If any single stock can be hailed as a hero in today's choppy economic climate, **Enbridge** ([TSX:ENB](#)) ([NYSE:ENB](#)) may just be that stock. It's come through a terrible few weeks to lift the **TSX** index higher in the face of adversity. It's also had a run of good luck, with the Trans Mountain Pipeline getting the thumbs up.

Thanks to a confluence of events exacerbated by the Sino-American trade war and other U.S.-international tensions, Enbridge fell off a cliff at the end of May and continued falling until a couple of weeks ago. Now, with the gradual recovery of oil prices and the breakthrough in the Trans Mountain Pipeline negotiations, Enbridge has a chance to regain some lost ground.

### There's upside potential in them there hills

The oil and gas sector was given a boost last week when the federal government finally got around to giving the Trans Mountain Pipeline the green light. While there's an argument to be made against holding pipelines in a portfolio with potential hamstrings like the Bill C-69 discussion and long-range environmental concerns, it has to be said that, even with the push toward renewables, there's [still a profit to be made from oil and gas infrastructure](#).

The main reason to buy Enbridge stock? That dividend. It's tailor made for a TFSA, RRSP, RRIF, or any other permutation of the alphabet you can think of. Currently rewarding shareholders with a chunky 6.33% yield, the midstream giant has gone on record to promise at least a 10% hike within the next few years.

This combined with a solid record of payments that investors can pore over at their leisure adds up to the kind of long-term peace of mind required of a forever stock.

One of the things I like about Enbridge is that its partnerships are contractually fixed for the long term, meaning that income is assured. This allows Enbridge to take some risks, but more important, it means that the general long-range investor looking to line a tax-free savings account has less to worry about than if they bought shares in an energy company flying by the seat of its pants. The fact that the Trans

Mountain pipeline has the all-clear only makes this position so much stronger.

Another reason why Enbridge should interest new investors is that [its assets are surprisingly diversified](#). Beyond its core of oil and gas pipeline operations, Enbridge also operates renewable energy plants across not only North America, but also Europe, concentrating on wind power. This makes it a strong choice for energy investors looking for exposure to renewables and a good way to hedge one's bets in the energy space with a single stock.

## The bottom line

With the promise of stable growth in dividends and a sizeable and assured market share, Enbridge is a great starter stock — one to buy and hold for the long-term. The energy infrastructure giant deserves a place in a TFSA or retirement plan, offering reliable passive income that will grow as time goes by.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
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