



## Here Is Why Enbridge (TSX:ENB) Is a Strong Buy Ahead of Earnings

### Description

**Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) has run into several [problems](#) lately. Most notably, the firm's completion of its Line 3 Replacement Project was once again delayed, much to the dismay of investors. While part of the newly renovated pipeline is already in service, Enbridge is still not sure whether it will be granted approval to continue with its project.

Despite these headwinds, however, Enbridge's shares have been doing relatively well recently, gaining about 4% over the past month (at writing), which compares favourably to the industry's average over the same period.

### Why Enbridge is still in good shape

Many expected shares of Enbridge to sink even further once the new delay on its Line 3 Replacement Project were announced. While the firm did suffer some market losses because of these delays, these are now in the rear-view mirror. One reason for this may be the positive outlook many analysts have for the energy company's earnings.

Enbridge is set to release its financial results early next month, and many analysts expect the firm to post considerable year-over-year growth in its bottom line, perhaps hovering around the 30%-40% increase from the comparable period of the previous quarter.

This would, of course, be excellent news for investors. Sure, things can still go awry for Enbridge. The oil and natural gas transportation company could post earnings that fall short of what analysts are expecting.

However, one of the main reasons that Enbridge continues to garner such enthusiasm is that it has a highly adaptable and dependable portfolio of revenue sources. It would take something much more catastrophic to derail what the company has been able to build.

Enbridge benefits from the strong barriers to entry inherent in its industry. It takes a considerable amount of funds, not to mention years of approval processes and the building of the proper facilities to even be ready to benefit from the midstream business.

Thus, any energy company that is (relatively) solidly established is at a decided advantage. But Enbridge isn't just any other midstream company, and the following facts are evidence enough of this: the firm delivers more than three million barrels of crude oil and liquids every day, transports 25% of the crude oil produced in North America and is responsible for 34% of total U.S. crude oil imports.

## Why you should buy

Enbridge may not be in the best shape at the moment, but the firm is an ideal stock pick for investors playing the long game. With solidly established footprints across North America in an industry that is here to stay, the company will continue generating solid earnings for years, which it will undoubtedly use to continue showering its shareholders with cash by way of dividends.

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