TFSA Investors: Pick Up This Top Dividend Stock While its Shares Are Down

Description

Enbridge (TSX:ENB)(NYSE:ENB) is a favourite of income-oriented investors, and with good reason. The energy firm is one of the largest in North America and pays healthy (and growing) dividends.

However, Enbridge has seen its share of drama over the past few months. First, the company's Line 3 Replacement Project ran into some delays. The Minnesota Court of Appeals reversed the approval of Enbridge's Line 3 environmental review, postponing the completion of the project even further than it already has been. However, last week delivered even more bad news for Enbridge.

Deadly gas pipeline explosion

On Thursday of last week, a gas pipeline explosion in Kentucky killed one and sent five others to the hospital. The pipeline, owned by Enbridge (and part of a network that carries natural gas from Pennsylvania, Ohio, and West Virginia to refineries in the Gulf Coast), also set several homes on fire.

Unfortunately, this is not the first such incident for the Calgary-based energy giant. Back in January, one of the company's pipelines in Ohio exploded.

Naturally, Enbridge responded to the incident. Al Monaco — president and CEO of Enbridge — said the following: "We are deeply saddened that this incident has resulted in a fatality. I want to express our condolences to the family and loved ones of the person who was lost today and to all who have been affected by this incident." This cannot be good publicity for the company, though, and it further adds to the trouble Enbridge has been experiencing.

Enbridge releases its second-quarter earnings report

Fortunately, there is some good news for Enbridge. The firm's second-quarter financial results were very strong. Enbridge's GAAP earnings of $1,736 million, or $0.86 per share, was a 62% increase from the second quarter of 2018 (which saw then firm record GAAP earnings of $1,071 million).

The company's distributable cash flow (DCF) of $2,310 million increased by 24% year over year. Enbridge credits (in part) various projects that came into service recently for its excellent financial performance. The company also announced new growth initiatives while reaffirming its full-year DCF guidance range of $4.30-$4.60 per share.

Enbridge is still losing steam

Enbridge's share price has been slowly declining for the better part of three months. Though this roughly coincides with global equity markets not performing as well as they did during the first quarter, there can be little doubt that Enbridge's recent troubles have played a role in its slump. Still, the company's prospects remain fairly intact.

Investors looking to add quality stocks to their TFSAs should strongly consider adding shares of Enbridge while they are still down.

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