1 TSX Stock That Will Help You Retire Rich

Description

The **TSX** has been predictably volatile over the past month as global markets have been rattled by trade tensions and concerns over slowing global growth. This is a tough environment for investors.

Canadian markets are financial and energy heavy. Both are vulnerable to these headwinds.

Investors with their eyes on retirement are probably even more anxious right now. Back in the early spring I'd discussed some retirement strategies.

It is best to start out with good habits. When they are developed, we can move on to picking equities that will help retirement plans come to fruition.

Today I want to focus on a TSX heavyweight that offers attractive income and a wide economic moat. This is the kind of stock that belongs in a retirement portfolio, and turbulence in the energy sector has allowed for some discount buying this summer.

The stock I'm referring to is **Enbridge** (TSX:ENB)(NYSE:ENB). The North American energy infrastructure giant boasts the third largest market cap on the TSX, just beyond **Royal Bank** and **Toronto-Dominion Bank**. Shares had climbed 10.7% in 2019 as of close on August 13. However, the stock had dropped 8% over the past three months.

Energy stocks have suffered from turbulence in June. The trade war between the United States and China has generated anxiety over global oil and gas demand. OPEC production hikes have failed to generate solid upward momentum for prices.

This downward pressure may continue to frustrate the sector until a trade resolution is in sight. Right now, such a resolution appears remote.

Fortunately, Enbridge's deep pipeline makes it an attractive target even if current conditions generate downward price fluctuations. The company released its second quarter 2019 results on August 2.

It posted adjusted earnings of $1.35 billion or $0.67 per share compared to $1.09 billion or $0.63 per share in the prior year.

Distributable cash flow (DCF) grew to $2.31 billion compared to $1.85 billion in Q2 2018. Enbridge reaffirmed its guidance range in 2019 of DCF per share between $4.30 and $4.60.

In the first six months of 2019 Enbridge has reported 6% growth in adjusted EBITDA to $6.97 billion, and adjusted earnings have climbed to $2.98 billion or $1.48 per share compared to $2.47 billion or $1.47 per share in the same period in 2018.

Reasons to snag Enbridge stock right now

Enbridge's dividend remains one of the most appealing, especially considering its history of consistent increases. The stock last paid out a quarterly dividend of $0.738 per share, which represents a tasty 6.5% yield at the time of this writing. The company has achieved dividend-growth for 23 consecutive years.

Shares of Enbridge boasted a price-to-earnings ratio of 16 as of close on August 13, and a price-to-book ratio of 1.5. Enbridge stock spent late July and early August in technically oversold territory.

However, at the time of this writing, it had an RSI of 49, putting it in neutral ground. Still, the energy sector slump has provided the opportunity to add Enbridge stock at a favourable level.

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