



## Retirement Must-Have: This Stock Will Beat Inflation and Recession

### Description

As far as giants go, there are few that can compete with **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) in the energy sector. This is a massive company in the pipeline space, operating across North America.

Enbridge moves nearly two-thirds of Canada's crude oil exports to the United States and about 20% of the natural gas consumed in the U.S. Enbridge is also a major utility player operating North America's third-largest natural gas utility by consumer count.

The company accounts for a huge chunk of products that a country can't do without — recession or otherwise. Enbridge has a series of long-term contracts that will keep the cash flowing in throughout the year.

Enbridge is the largest single conduit of oil into the U.S. The company moves close to 80 separate commodities, including more than 10 types of refined products. Just check out the data points below:

- It delivers more than three million barrels of crude oil and liquids every day.
- It transports 25% of the crude oil produced in North America.
- It transports about 63% of U.S.-bound Canadian exports.
- It accounts for 34% of total U.S. crude oil imports.

Enbridge's gas transportation systems in Western Canada and Texas gather and ship billions of cubic feet of natural gas each day. Enbridge Gas Distribution, Canada's largest natural gas distribution company, delivers more than 400 billion cubic feet of natural gas to more than two million customers each year.

### Enbridge's focus on renewable energy

Enbridge also has a growing renewable energy portfolio that includes onshore and offshore wind, solar, and geothermal projects in North America and Europe. It has about 1,750 megawatts (MW) of net renewable generation capacity based on projects in operation or under construction — enough energy to power nearly 700,000 homes.

Enbridge has been a consistent dividend payer. It has increased dividends for 23 straight years. The current dividend yield is 6.3%, which is the highest ever in 20 years. The company has been increasing its dividend payout at an average of 11% per year.

The stock's forward multiple P/E is 17, which is at a slight premium compared to other companies in this space, but you can't fault Enbridge for having such an impressive track record.

[As reported by Fool contributor Christopher Liew](#), Enbridge has a number of impressive projects in the pipeline. Six major projects worth \$3 billion are due for completion in 2019. The gas transmission and midstream segment are working on seven projects, while the liquids, green power and transmission, and gas distribution segments have five.

The total cost of the 13 major projects is \$13 billion. The best part about these projects is that Enbridge generates enough cash to fund them on its own.

## The verdict

Analysts tracking Enbridge have a 12-month average target price of \$53.65 for the stock. This indicates upside potential of 13.3% from the current price.

Enbridge is recession proof. During the previous recession of 2008-09, Enbridge shares hardly budged. Further, the company announced an increase in dividend payout.

Enbridge is a no-brainer for any investor's stock portfolio, especially in a market that is overvalued, volatile, and subject to a massive downturn.

## CATEGORY

1. Energy Stocks
2. Investing

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**Date**

2025/07/26

**Date Created**

2019/09/27

**Author**

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