



## Why Enbridge Stock Could Soon Take Off!

### Description

Shares of **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) haven't really done a whole lot over the past few years. Although the company has been profitable and doing a lot of the right things, it's still fallen in value.

Whether it's been a low price of oil or pipelines getting stalled or even [cancelled](#), there hasn't been a whole lot of reason for investors to get excited about Enbridge or any other oil and gas stock in the country.

While it remains a [good dividend stock](#) to own, the problem is that for investors hoping to benefit from some capital appreciation, there just hasn't been much of an opportunity to do so unless you were able to buy on a dip in the stock's price.

Enbridge shares have spiked only briefly above the \$50 mark this year, where the stock has run into a lot of resistance. As a result, Enbridge shares have traded within a narrow range this year, but that could all change very soon.

### Why a breakout could happen

The upcoming federal election in Canada could have a big impact on how bullish investors become on Enbridge.

If the conservatives, which are more oil and gas-friendly than the liberals, are able to secure a majority government, it could lead to a lot more support for the industry. Under the current liberal government, there have been a lot of challenges for oil and gas companies to get projects off the ground and approved.

That's not because companies have been opposed to being more environmentally responsible, however, as many have been receptive to carbon pricing and lessening the impact of their operations on the planet.

Unfortunately, there's been a lot of opposition to pipelines, and the federal government hasn't given oil and gas companies the support that they could benefit from — and that would encourage more investment into an industry that plays a big part in the country's overall growth.

There have been some changes, however, when earlier this year the NDP party was ousted from Alberta with the conservatives also stepping back into power there. The more important role for oil and gas companies, however, is that of the prime minister. Stronger leadership within the province is important, but it may not mean much if the federal government is not in alignment.

However, it's definitely notable that shortly after the Alberta election. With oil prices on the rise, Enbridge reached its high for the year. A favourable outcome in this month's federal election could result in a similar spike for Enbridge's shares.

## Bottom line

While I wouldn't go so far as to say that it's been because of the liberal government that oil and gas stocks have suffered, a change in leadership could certainly prove beneficial for the industry.

Having a lot more certainty around which projects will get approved and what the expectations are will help companies avoid unnecessary expenditures. More transparency is definitely needed today, and that's where a government that's more partial to the industry could certainly help.

Either way, Enbridge will remain an attractive long-term buy regardless of the results this month, as the company has proven to be very versatile and adaptable to challenging situations. But it could be advantageous to buy the stock before the election, especially if you're expecting the conservatives to return to power.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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