



## What's Driving Enbridge (TSX:ENB) Stock Higher?

### Description

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock has had a nice run-up of about 18% from its August low — excellent returns in just a few months.

Several drivers are propelling the stock that remains attractive for income and total-return investors.

### Sweet results

Last week, Enbridge reported better-than-expected third-quarter results. It generated record Q3 EBITDA of \$3.1 billion, which was 5% higher than in the comparable period in the prior year. Adjusted earnings per share were 2% higher to \$0.56. What's most impressive was the distributable cash flow per share, which was 12% higher year over year at \$1.04.

Year to date, Enbridge's EBITDA generation was \$10 billion, which was a 6% increase year over year. Adjusted earnings per share were 2% higher to \$2.04, while distributable cash flow per share increased by 5% to \$3.56.

Due to these strong results, Enbridge now expects the full-year results to surpass its midpoint guidance range of \$4.30 to \$4.60 per share.

### The Line 3 Replacement project update

The Line 3 Replacement project is Enbridge's largest project ever! The Canadian portion of the project, which is worth roughly \$5 billion of investments, is set to go into service on December 1.

Additionally, Enbridge is making progress on the regulatory front for the remaining portion in the U.S., which is worth roughly US\$3 billion of investments and set to go into service in the second half of 2020.

The Canadian oil patch has excess supply, which needs takeaway capacity. The Line 3 Replacement project will consist of the most advanced pipeline technology to meet some of that demand.

## Awesome dividend income

Enbridge's dividend is very sweet — good for a very juicy yield of 5.8% at writing. Even better, according to its usual dividend hike schedule, it will increase its dividend very soon in a few months.

ENB stock's dividend track record is fabulous. It has paid dividends for more than 64 years, while it has increased its dividend for 23 consecutive years with a 10-year dividend-growth rate of 15%.

Enbridge aims to increase the dividend by about 10% next year, which represents an attractive forward yield of 6.4% from the quotation of \$50.67 per share as of writing.

## Investor takeaway

Despite the run-up, [Enbridge stock](#) remains a decent idea for [income](#) and total returns, especially for conservative investors. Its cash flow generation is largely regulated, which leaves little room for surprises.

ENB stock's high dividend yield of 5.8% is safer than before now that the Canadian portion of the Line 3 Replacement project is about to be put on stream. Investors can also expect a dividend hike of about 10% by February!

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kayng

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