



Investors: Here's Canada's Best Dividend Growth Stock for 2020!

Description

2020 is almost here, and it's set to be a huge year for investors.

With North America's economic expansion well into its 10th year and officials claiming that the long awaited U.S.-China trade deal is near, it's going to be an interesting year to say the least.

Although economists and money managers have long been sounding the alarm about a coming recession, the markets keep defying the odds. If the U.S.-China trade deal materializes, it's possible that 2020 could be yet another great year for stocks.

Regardless of what happens, many quality stocks that are trading at low prices relative to their intrinsic value, with high dividend yields to boot. The following is one such stock that's looking particularly good for 2020.

Enbridge

Enbridge Inc ([TSX:ENB](#))([NYSE:ENB](#)) is Canada's largest pipeline company. It ships crude oil and LNG all over North America through a huge transportation network.

Over the years, Enbridge has delivered solid growth and rising dividends to investors, and it looks set to continue doing so. The company is currently working on two infrastructure projects that are set to increase its transportation capacity: the Line III replacement and the Line V tunnel. Both of these projects will increase Enbridge's ability to send petroleum products to the American mid-west.

Although both projects have been facing regulatory and legal pushback, they're starting to break through. A court recently refused to hear further challenges to the construction of Line III, and the governor of Michigan agreed to let construction on Line V go ahead (although it's being contested by the new government).

Incredible growth

With or without new projects, Enbridge has delivered phenomenal growth over the past few years. From 2015 to 2018, the company increased its net income from \$250 million to \$2.8 billion. That's an incredible growth rate, and it looks like it will continue for the 2020 fiscal year, as the company recently cranked out over \$3 billion in adjusted EBITDA in a *single quarter*.

A high yield and a soaring payout

Thanks to its significant earnings growth, Enbridge has been able to raise its dividend every single year for the last five years. Over those five years, the average annual dividend increase has been 17%. That's one of the best dividend growth rates you'll find anywhere on the TSX.

This year, Enbridge [increased its dividend by 10%](#). That's not as hot as in some past years, but still pretty solid, and management appears poised to keep raising the payouts in the years ahead. And even without further increases, Enbridge's [dividend yield is incredibly high](#).

Foolish takeaway

Over the years, Enbridge has been one of the best dividend growth stocks on the TSX, and that doesn't appear set to change any time soon. As a pipeline company, Enbridge can grow its earnings even if the price of oil stagnates, a fortuitous situation that most energy companies aren't in. Overall, ENB is likely to continue being one of Canada's best dividend growth plays in 2020.

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Author

andrewbutton

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