1 Fantastic Dividend Stock You Can Buy in the Crash

Description

After a challenging period with very little in the way of stock-picking opportunities, the market crash has finally offered up an array of deals. Canadian stocks, in particular, are very attractive, with the market leaders falling to enticing levels.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is a pure, fist-pounding buy at these levels. This is a core stock that you need to own as a part of your *never-touch* portfolio, and has fallen to a level you can't ignore. It's an income stock that grew its dividend for decades.

This is a company that anyone can lock away for the long haul with confidence that their investment will continue to pump out cash.

If you live in practically any major Canadian city, you will likely be very familiar with the company, as it provides natural gas lines to many individuals and companies throughout the nation and beyond. At these levels, you can add shares of Enbridge with comfort and hold those shares for years.

A great yield

Enbridge has a great yield that has only gotten better as the stock has fallen. With the company trading at under $40 a share, Enbridge has a yield of more than 8%.

Given that this is a Canadian dividend growth champion that has grown its dividend in the range of 5-15% for several years, you're most certainly getting a stock that has inflation-beating income power.

A fantastic business

While the company has several steady businesses that generate predictable cash flows, even in difficult times. Its pipelines are well known, spanning Canada and the United States.

Of course, there are bound to be some near-term issues due to the economic slowdown resulting from the coronavirus outbreak and the oil price collapse. In the long run, however, Enbridge offers an excellent opportunity for growth and steady cash flow.

Aside from its pipelines, Enbridge has a strong, stable, utility base. It’s this business that sets it apart from the other pipelines. Enbridge is able to generate fantastic income from individuals and businesses by providing the energy for heating our homes and generating power, giving it an edge in troubled economic times.

The biggest risk

The company’s biggest question marks are very familiar to many today. Enbridge has a large amount of debt, causing some to question its dividend and stability. Over the past several years, though, Enbridge has aggressively worked to reduce that debt over time. At present, the company has sold about $8 billion in non-core assets to pay down that debt.

The company continues to prioritize debt repayment and balance sheet strength as a core priority. The company’s continued focus on deleveraging should help it to navigate the challenging years ahead. Enbridge is aiming to develop its core business capability through organic growth opportunities.

The bottom line

Enbridge is a fantastic company with a long history of dividend growth. It has a diverse business strategy and excellent geography representation. This company has been hammered with every Canadian stock, making it an excellent time to lock in its growing 8% yield for the long term.

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