



## Market Crash: Enbridge (TSX:ENB) Stock Is a Fantastic Buy Right Now

### Description

As the COVID-19 pandemic rages on, economies worldwide are suffering the impact of what can become a recession worse than that of 2008. There has never been a situation like this in recent history. Unlike the recession of 2008, this is not happening purely due to financial reasons.

We are in the midst of a [market meltdown](#) due to a global health crisis, and it has many unprecedented factors. Many high-quality stocks are plummeting due to the situation and have attractive valuations.

While it is certain that the markets will recover, nobody can predict when that might happen. As we wait for markets to recover, I would urge you not to panic and seek opportunities in the stock market. Several quality shares are trading for low prices that you should scoop up before the markets begin to recover.

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a stock that could be a fantastic buy to this end.

### A buy signal for Enbridge

This stock market crash is affecting stock markets worldwide. It is bringing down several high-quality stocks to unbelievably cheap prices. The energy sector is suffering even more due to the one-two punches from the coronavirus and oil price wars between Russia and Saudi Arabia.

At writing, the stock is trading for \$40.44 per share. It is down by almost 30% from its February 2020 peak, and it is offering shareholders a juicy 8.01% dividend yield. Its share prices are so attractive, even people from within the company are buying up shares.

In the first quarter of fiscal 2020, 10 insiders bought shares of ENB from the Toronto Stock Exchange and the New York Stock Exchange. According to reports, insiders have bought \$1.7 million worth of ENB shares.

For those who don't understand what it means, insider buying is a significant positive sign for any stock. Of course, the reason has to be that the insiders think the stock is worth a lot more than what it

is currently trading for. I believe insider buying is more than enough of a buy signal for investors who want exposure to the energy sector for a bargain.

If it helps make things more convincing, the chief legal officer and executive vice president of Enbridge, Robert Ross Rooney, bought \$1 million worth of the company's shares himself. Insiders are definitely bullish on the stock, but the short-term prospect looks bleak.

The long-term prospects, however, are ruled by a company's fundamentals rather than the short-term reactions of investors.

## Why Enbridge could be a safe dividend stock

The COVID-19 crash is scarier than the crash of 2008, because we do not know how the situation will develop. The [situation could improve](#) in a few months or even a few years — nobody knows.

I think it could be wise to invest in a stock like Enbridge and wait the storm out. The short-term outlook is not nice for the energy sector, but we should remember that most of ENB's earnings come from its natural gas transmission, distribution, storage, and power, among other assets. It caters to an essential area of our lives.

It also has further security for its EBITDA due to most of it being backed by long-term contracts. It has stable and reliable cash flow and a mitigated risk due to fluctuating commodity prices.

## Foolish takeaway

I think the stock market crash has pulled back Enbridge to a territory where it is a bargain. It could be a crucial addition to your investment portfolio once the markets recover and the stock witnesses capital gains. Until the markets recover, investors can reap the benefits of its reliable dividends at a juicy yield.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn

3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

### Tags

1. Editor's Choice

### Date

2025/08/18

### Date Created

2020/04/10

### Author

adamothonman

default watermark

default watermark