



Market Rally: 1 Dividend That's Still a Buy Today

Description

This week has been a barnstorming, rip-snorting good time for investors. Stock markets have been tearing higher day after day. If you hopped in the market at lower levels, you are probably looking at your huge gains, trying to decide whether you should lock in your gains or let the stocks ride.

Don't sell!

The truth is, you shouldn't sell your stocks if you purchased them when you did. I try to ascribe to the Warren Buffet philosophy of investing. The Oracle has made many statements regarding investment, but one of the ones that stick out to me is the idea of limited purchases.

Think of investing as if you had a punch card with only a certain amount of punches in it. Each time you buy, you use up one of those punches. That way you think very carefully about what you own before you buy it.

Not only does this help you to trade less, but it also ensures that you do your research before you make a decision. It saves you fees on each trade, and you can be more comfortable with your purchase. One stock that could be [one of these purchases](#) is **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)).

Unless there's something you don't want

The only reason you should ever sell a stock is if the reason for owning it has fundamentally changed or if you no longer like the business. For me, this could take the form of a dividend cut on an income stock I previously liked or a massive increase in debt due to an acquisition.

Buffett has also stated in the past that you should always think like a business owner when buying a stock. A wonderful business is one with a holding period of forever. Thus, if you decided to buy a stock during the downturn that you feel was more of a trade, that's the only time you should sell.

Enbridge is a stock that has a holding period of forever. I like its yield of just under 8%, its regulated utility business, extensive contracted pipeline service, and renewable energy projects.

It's a closet ESG company

It has the distinction of being an ESG company despite its historical status as an oil company. The company has a number of revenue streams, including its wind power projects in Europe. Currently, this company has many partnerships and wholly owned projects in the region. Enbridge has partial ownership interests in projects in England, Germany, and France.

It's also one of the biggest suppliers of renewable energy in Canada, with several sites in the United States as well. In total, Enbridge has 21 wind farms in various stages of development.

The biggest downside

Enbridge is a fantastic company. Its only downside that gives me pause is its debt. The company took on a lot of debt in order to fund its merger with Spectra Energy a few years ago. Valued at around US\$28.6 billion, the deal loaded up its balance sheet. Fortunately, the deal was accretive for Enbridge, expanding its North American utility network.

Enbridge has also taken steps to bring down its debt precipitously prior to the stock market crash in March. A couple of years ago, for example, the utility company sold \$4.3 billion in non-core assets to **Brookfield Management Inc** to pay down debt. Last year, the efforts were rewarded by **Moody's Corp** . upgrading its unsecured debt from Baa3 to Baa2.

The Foolish takeaway

Warren Buffett believes that his favourite holding period is forever, and one of the stocks worth holding is Enbridge. It has a great yield and a fabulous group of businesses.

In spite of its one Achilles heel — its debt, this stock remains a great company that you can keep in your portfolio for a long time.

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