



The Perfect Buy-and-Forget Stock to Buy

Description

Are you invested in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))? The energy infrastructure giant remains one of the best opportunities for long-term investors on the market. That opportunity also caters to both growth- and income-based portfolios.

Like most other stocks, Enbridge plummeted during the pandemic-induced crash earlier this year. Surprisingly, Enbridge hasn't surged as much as the market in recent weeks, which makes the stock a perfect buy-and-forget option for any portfolio.

A perfect buy-and-forget stock

To put it mildly, Enbridge is massive. The energy infrastructure behemoth boasts a pipeline network that stretches over 27,000 kilometres. To put that incredible distance into perspective, Enbridge's pipeline could stretch from Vancouver to Hong Kong and back and then onwards to Toronto.

Every day, Enbridge moves over three million barrels of oil across that network, which constitutes one-quarter of North America's crude oil. Enbridge's natural gas segment also provides one-fifth of all the natural gas consumed in the U.S.

The pipeline business generates a steady stream of revenue for the company. Part of the reason for that steady (and stable) stream comes from Enbridge's fee structure, which is not based on the price of the commodity itself but rather on the cost of using its network. This frees Enbridge from the volatility in oil prices and has led to impressive growth.

While Enbridge's pipeline business is often the main focus for investors, there are two other segments that provide both growth and defensive elements worth considering. Specifically, Enbridge's gas utility business serves 3.8 million customers, while the company's growing renewable energy business currently provides 1.8 GW of clean energy under long-term contracts.

As impressive as that sounds, Enbridge is constantly investing in new projects and opportunities. The Line 3 replacement project is a perfect example of this. The well-known and often-delayed project will,

upon completion, provide a capacity of 760,000 barrels per day along the 1,660 kilometre route.

Another notable example is the Alberta Solar One project, which will generate 10.5 MW of solar energy upon completion next year. Enbridge has a \$10 billion backlog of projects such as these, which make the stock a perfect buy-and-forget candidate.

Why should you invest right now?

Apart from the still-discounted rate it trades at, there are other reasons why Enbridge is a good investment. Enbridge offers an incredible defensive moat to investors. Specifically, the diversified segments that I mentioned above provide a defensive moat that few companies can offer. Additionally, transporting crude, generating (clean) electricity, and distributing power are all necessities of our modern world.

One final reason might be Enbridge's dividend. The company offers a quarterly dividend, which, unlike some of its pipeline peers, has not been slashed during the pandemic. In fact, Enbridge has an established history of providing annual bumps to its dividend.

The most recent dividend uptick to \$0.81 per share came this past February. The current yield amounts to an appetizing 7.69%, making Enbridge one of the [better income-producing options](#). To put that potential into perspective, a \$5,000 investment two decades ago would be worth 10 times that amount today.

In other words, take advantage of the [currently discounted](#) price and buy Enbridge now, which is the perfect buy-and-forget investment.

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