



Got \$5,000 in Cash? Enbridge (TSX:ENB) Is the Top Dividend Stock to Buy Now

Description

Are you an investor that likes to keep up with the latest and greatest top dividend stock ideas? Well here at the Motley Fool Canada, this is part of what we are all about. If you are as well, then you have no doubt been hearing about **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock a lot lately.

Enbridge is one North America's leading energy delivery companies today. It has fueled the economy and people's lives since its beginnings over 50 years ago. At the same time, Enbridge stock has provided an average annual return of 13.5% for its shareholders. Pretty spectacular, right?

Without further delay, here's why Enbridge is the top dividend stock to buy now.

Enbridge stock has been hit, as the oil and gas industry has been in turmoil

As we all know, the [Canadian oil and gas industry has been in disarray for quite a while now](#). A lack of pipeline capacity, political setbacks, and, finally, a sharp decline in oil and gas prices have taken their toll.

But as a result of all this, Enbridge stock currently trades at very attractive valuations. At \$43.57, Enbridge stock is trading at 2013 levels. This is despite the fact that in 2019, Enbridge was significantly bigger and better. For example, in 2019, EPS was 49% higher than in 2013 and revenue was 52% higher. Also, the dividend today is 157% higher than in 2013.

So, if we can see through the common negative sentiment out there today, we can see that Enbridge is screaming value. The cold, hard facts support this. Energy demand is forecasted to grow at a healthy pace for decades to come. And although the race is on to replace oil and gas, this will take time. Oil and gas energy is still the energy that underpins the economy. This will continue to drive demand for additional energy infrastructure.

The current crisis has exacerbated Enbridge's troubles, but the signs of recovery are here. Crude oil

demand has been more resilient than expected. And the recovery is proceeding much stronger than expected. In the meantime, we can catch this [high-yield gem](#) before the stock rallies once again.

Investing \$5,000 in Enbridge stock would buy 115 shares. This would give you annual dividend income of \$373. And it would give you exposure to the big upside that exists in this undervalued stock. It is a great start to building a dividend income portfolio today.

Yielding 7.44%, Enbridge stock is a top dividend stock that keeps on giving

So, we have seen that Enbridge is actually thriving today. Despite all of the difficulties, Enbridge's dividend is supported by a number of factors. Firstly, Enbridge's cash flow remains relatively stable. Its balance sheet has been cleaned up, and its liquidity is in top shape. Secondly, Enbridge has a highly strategic, resilient, and diversified asset base. The dividend is clearly supported by all of these things.

Going forward, Enbridge has committed to delivering 5-7% dividend growth beyond 2020. The company can deliver on this because of the predictability of the business. It is a low-risk, regulated business, with minimal commodity risk exposure and investment-grade customers.

Foolish bottom line

Here at the Motley Fool Canada, many of us have been recommending Enbridge as a top dividend stock. A 7.44% dividend yield coming from such a high-quality company is rare. It is an opportunity that should be snatched up as soon as possible.

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