



Is TSX Stock Enbridge a Buy Below \$45?

Description

In the last few months, the massive volatility in **TSX** stocks have made savvy investors a lot of money. When the market was crashing in March, those investors who took a long-term approach and were buying up stocks on the cheap have seen a significant bounce back since then.

After all, investing isn't just about buying the best companies, but buying those companies at the most optimal price. Regardless of the short-term economic issues, if you believe a company is high-quality and the price is right, there shouldn't be any hesitation to make an investment.

You'll want to look for TSX stocks that can consistently grow the cash flow they earn and payout. Furthermore, these companies which are growing the value of their business consistently are the businesses you'll want to buy and hold forever.

Not only will these companies grow your capital, but by paying you a dividend, you can continue to buy more shares or invest that money elsewhere, improving the rate you compound your money at.

Enbridge Inc ([TSX:ENB](#))([NYSE:ENB](#)) is a perfect example of one of those stocks.

Enbridge — one of the best TSX stocks

[Enbridge](#) is a massive North American energy company known for having top-notch operations. Plus, in addition to having high-quality operations, it's also very well-diversified, helping to mitigate risk for investors.

The midstream TSX energy stock's massive size and strong diversification has a lot to do with what a high-quality investment it is.

Not to mention, the company has an extremely important competitive advantage with its businesses, especially its primary pipeline business.

First of all, pipelines are still the cheapest form of transportation for oil. So naturally, as oil producers

curtail production, crude by rail and other transportation methods will be impacted first. Plus, Enbridge's destinations are some of the best of its competitors, which should keep volumes steady.

Also, it's other ancillary businesses perfectly complement its mainline business and help integrate operations. This strong integration, coupled with Enbridge's impressive execution, is what makes the TSX stock a total energy conglomerate in North America.

In fact, the company is responsible for transporting roughly 25% of all oil and gas produced in North America.

Enbridge has solid financials

As expected, a company with operations this strong will have impeccable financials.

The strength of the company leads to a continued increase in sales, cash flow, and earnings — a major reason why Enbridge is such a great company.

Not only is it a massive billion-dollar company, which makes it a great candidate for a core holding in your portfolio. The stock is also a great growth stock and pays an extremely attractive dividend.

What's even more incredible is that dividend, which yields roughly 7.5%, is extremely safe. Enbridge's low end of guidance for distributable cash flow per share in 2020 is \$4.50. Compare that to its dividend, which only pays out \$3.24 per share, and it's clear the dividend has a large margin of safety, making Enbridge one of the TSX's top [high-yield stocks](#).

And on top of all that, the company continues to increase the dividend each year.

Bottom line

Enbridge is one of the highest quality stocks on the TSX, and a perfect business to own for decades. Plus, at this ultra-cheap price, there may be no better stock to buy for long-term investors today.

So I wouldn't wait to take a position, the market has gained some significant momentum in the last few weeks, and the stock could break out from here.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/08/27

Date Created

2020/08/20

Author

danieldacosta

default watermark

default watermark