



## Buy Enbridge Stock (TSX:ENB) Before Oil Prices Rise in 2021

### Description

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) stock is ready to take off in 2021. I have many reasons to believe this. For example, I believe that oil prices will be significantly higher in 2021. Also, I believe that Enbridge is a **TSX** stock to buy for its generous dividend yield. Finally, I believe that Enbridge's stock price is due for an upward correction.

The negative sentiment on oil and gas stocks will subside in 2021. It'll be replaced with renewed optimism. Investors will come to realize that oil and gas is still required. The energy transition will take decades. Energy stocks like Enbridge stock have many more good years ahead.

## Enbridge stock price will soar as oil prices strengthen in 2021

Next year will be a year of recovery. As bad as the second wave is right now, there's now hope. Here in Canada, the vaccinations have begun. Yes, it will take months for everyone to get the vaccine. But each week that goes by, we will feel increasingly hopeful. Things will start to creep back to some kind of normal. We will see that we can make it out of this pandemic crisis.

Leading U.S. investment banking firm Goldman Sachs has turned positive on oil prices. Its chief commodities analyst actually expects oil prices of \$60+ in 2021. According to him, underinvestment in the oil and gas industry will drive this. In short, this translates into a supply hit. This is happening at the same time as the vaccine will boost the demand for oil.

## Enbridge stock offers investors an unbeatable 8% dividend yield

[How often does a quality company yield 8%](#)? I can tell you, not often. But Enbridge stock is yielding 8%. It's a case of negative investor sentiment clouding the realities of this top notch company.

The bottom line is clear: Enbridge isn't going anywhere. It's one of Canada's energy transportation and

distribution giants. It has oil and gas assets and operations in North America. These operations make up a big chunk of the energy infrastructure. Enbridge also has renewable assets in North America and Europe. And these assets ensure Enbridge's long-term health and viability.

Yes, there are difficulties in the oil and gas industry. Many issues need to be overcome. But Enbridge is up to the task. Enbridge continues to pump out significant cash flows. In fact, things are going so well that Enbridge is still increasing its dividend. And these are the "bad" times. This is pretty good for bad times.

Stronger oil prices in 2021 would mean increased volumes for Enbridge, directly impacting the company's bottom line and awakening investors to the reality that Enbridge is a top stock.

## ENB stock price is due for an upward correction

In 2021, investors will see the immediate effects of higher oil prices, which serves to remind us of Enbridge's resilient business model. We'll also be reminded of the company's diversified asset base. Enbridge will be a provider of our energy needs for decades to come. [Our energy may increasingly be derived from sources other than oil](#). Enbridge will transition with us.

In the meantime, the demand for all energy sources will rise. North America and Enbridge have an opportunity to increase its global oil and gas market share. Because Canada's energy is among the lowest cost and cleanest in the world.

## The bottom line

Enbridge stock has a lot going for it, albeit it's been too hard to see this recently. The sentiment surrounding all things oil and gas has been horrendous. But don't mistake sentiment for reality. The reality is very different. Enbridge is an energy powerhouse. Enbridge stock will show its strength on the TSX in 2021 as oil prices rise again.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:ENB (Enbridge Inc.)

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