



## Enbridge Stock Is a Top TSX Stock to Buy Today

### Description

Canadian pipeline kingpin **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has kept its dividend intact through thick and thin. It's been a turbulent ride these past few years, with industry headwinds, regulatory roadblocks, and a considerable amount of backlash. The [handsome](#) 7.2%-yielding dividend, though, has been a bright spot for the company, acting as more than enough incentive to hold through the steep ups and downs.

The latest backlash is coming from the state of Michigan who is not happy about Enbridge's defiance of its order to shutdown the Line 5 pipeline. The deadline has passed and Line 5 is still in operation. As the battle between Enbridge and Michigan brings it to court, ENB stock could be in for more volatility.

### Line 5 clash: It's not as bad as it seems

The clash with Michigan over Line 5 could [drag](#) on for months. And I don't think investors should make too much of the matter. Sure, the company could take a hit to its cash flows and the dividend could fall under pressure if Enbridge loses its clash with Michigan. But in the grander scheme of things, this latest backlash is just another source of volatility that could bring forth a buyable dip.

I think the risk of a Line 5 shutdown is pretty low and don't think investors should overreact to such a high-impact, low-probability event. The dividend is still well covered, and the clash, I believe, is clouding the positives. Yes, there are finally some things to be positive about with Enbridge stock after years of stumbling due to weak energy prices.

Industry headwinds have been fading in Canada's energy patch. Given the recent rally in oil prices, I think headwinds could finally turn to tailwinds, providing lift to the broader energy patch across all streams.

### Don't ignore Enbridge's ESG initiatives!

Moreover, recent ESG efforts should not go unnoticed.

The company will always be a fossil fuel play at heart, and such initiatives are unlikely to draw in ESG investors who've stuck by their green energy stocks. That said, such ESG efforts will play a major role in helping push the firm toward its long-term emission targets. The company already has several renewable energy assets in its portfolio. With a full pipeline (forgive the pun) of green power projects, Enbridge is one of the midstream fossil fuel plays that could realistically hit net zero emissions by 2050.

Energy companies are facing considerable backlash for their emissions. With ambitious ESG targets in place, Enbridge will gradually improve its questionable reputation over the next decade and beyond. Eventually, Enbridge will be viewed as less of a threat to the environment and more of a responsible energy company that just happens to be gushing with cash.

Over the coming years and decades, Enbridge is poised to climb the ESG ranks. With social (the "S" in ESG) targets also in place, it's about time investors give the company the respect it deserves.

## Foolish takeaway on Enbridge stock

The company's long-term fundamentals have never looked brighter, and industry tailwinds could propel the stock out of its funk. So, if you're eyeing the juicy 7.2% yield, I'd look to buy the stock today before tides finally turn heavily in its favour.

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1. Dividend Stocks
2. Energy Stocks

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