



Political Headwinds Aren't Over for Enbridge stock, But a Win Is a Win

Description

When it comes to energy infrastructure stocks, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is one of the Canadian giants most investors look at first. After all, Enbridge stock is appealing for long-term investors looking for historical winners.

These days, investors in Enbridge are typically more interested in this stock for its [dividend](#) than anything else. Of course, Enbridge's 6.8% yield is nothing to sneeze at.

However, of late, the company has been embroiled in some political turbulence. Shares have seen more volatility than they usually do. And some investors may have steered clear of this stock until the dust settled.

While the dust hasn't settled completely, it appears it's in the process of settling. Accordingly, those who'd bought this stock at the beginning of the year have seen gains of approximately 20% at the time of writing.

Let's dive into why more gains could be on the horizon for long-term investors.

Enbridge stock moving on permit victory

The Calgary-based company has recently been celebrating a key victory. One of the company's key permits for its Line 3 expansion project that was upheld by the Minnesota Court of Appeals.

This legal victory paves the way for completion of this project this year. The timing of this project is of key concern for investors. After all, the company's projections of having this project wrapped up in short order have come into question via legal challenges of late.

This pipeline will be carrying heavy oil from Alberta to refineries in Wisconsin. Indeed, the 760,000 barrels of oil per day this pipeline can transport is meaningful. For the Canadian energy sector, Enbridge's pipeline infrastructure is important. And perhaps this legal win is the first of many for Enbridge.

Bottom line

Enbridge is battling legal challenges on not only its Line 3, but also its Line 5 project.

Accordingly, it's unclear how things will proceed on Line 5. Legal challenges in the State of Michigan appear to be stronger and more difficult to overcome. However, this is certainly a step in the right direction.

As we've seen with recent pipeline shutdowns of late, these are critical to the functioning of our economy today. Accordingly, it appears to me that more value is likely to be placed on existing pipeline infrastructure rather than less. For those looking for a safe, high-yield way to play this space, Enbridge is an excellent choice.

Legal headwinds are likely to persist for some time with Enbridge stock. However, I'm of the view that this noise has provided a nice entry point for long-term income investors.

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Date

2025/09/26

Date Created

2021/06/24

Author

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