Enbridge (TSX:ENB): A Top Discounted Energy Stock to Buy Right Now

Description

The global energy sector was devastated by the declining oil demand during the pandemic. Cut forward to 2021, and things have drastically improved for the industry, and many Canadian energy companies are doing far better now. **Enbridge** (TSX:ENB)(NYSE:ENB) is a leading energy infrastructure company providing an essential service to North American consumers.

Enbridge's energy infrastructure is responsible for transporting, distributing, and generating energy. People in North America rely heavily on Enbridge to supply them with a reliable energy solution.

Unlike many other energy sector players, Enbridge provides its investors with the peace of mind that it can generate consistent and predictable cash flows. The company's management has been steadily increasing dividend payouts to its shareholders, offering them a growing passive-income stream through dividends.

I will discuss Enbridge stock to help you understand why the discounted energy stock is a top stock pick right now during the good stock market outlook.

Reliable cash flows

Enbridge generates most of its cash flows through long-term contracts, allowing the company to earn predictable cash flows. The company also relies on several low-risk arrangements that let Enbridge generate stable cash flows, providing its investors with the peace of mind that the growing dividends are sustainable.

Enbridge leads Canada's energy infrastructure sector in several segments. The company's management excels in customer service and employee satisfaction. It invests in the community, focuses on maintaining excellent stakeholder relations, and prioritizes public safety.

The company's management has long held a good understanding of navigating the complex and dynamic energy supply and demand for its products. Combined with proficiency in managing capital management, Enbridge has established itself as a dominant entity in the energy infrastructure sector through its diversified assets.

Enbridge suffered during the pandemic, much like its peers. However, its diversified asset portfolio allowed Enbridge to offset some of the losses caused by declining commodity prices.

The ability to continue growing

Enbridge stock has more to offer to its shareholders than resilience in the face of adverse market conditions. The company has also displayed sustainable growth. Enbridge management expects the company to exhibit substantial growth in the coming years, fueled by the growing demand for its services and well-managed capital allocation.

Aside from its core business, Enbridge's diversified footprint allows for investments in relatively newer platforms that are becoming increasingly prominent, including carbon capture, renewable natural gas, and hydrogen. The company has already been investing in its renewable power-generation business, gearing it for the future when fossil fuels are phased out and replaced by renewable energy.

Foolish takeaway

Enbridge's management has a long-term plan to propel the company into the future and derive more value for its investors. Environmentally friendly practices are becoming increasingly important in the changing global landscape. The company has committed to reducing its carbon footprint and generating consistent cash flows for a long time.

Trading for $50 per share at writing, Enbridge stock boasts a juicy 6.68% dividend yield that the company is likely to continue increasing over time. The stock could be an excellent pick for your portfolio if you seek long-term wealth growth through capital gains and growing dividend payouts.

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adamothman