



Enbridge (TSX:ENB) Stock: Buy or Sell This 6.87% Dividend Yielder?

Description

The Tax-Free Savings Account (TFSA) has become an invaluable tool for Canadian investors looking to achieve a wide range of long-term financial goals. [TFSA investing](#) can help you generate tax-free returns that are free from the tax-hungry clutches of the Canada Revenue Agency (CRA).

Many investors prefer [adding growth stocks](#) to their TFSA portfolios to enjoy sizeable returns on their investments during market environments that favour considerable capital gains. While dividend stocks might not offer the same growth rates, they can give you peace of mind that you will enjoy at least some returns from your investments, even when market conditions are uncertain.

Provided that you can find the right assets to invest in, you can generate significant and tax-free passive income in your TFSA that can grow your wealth for decades.

Today, I will discuss **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock to help you determine whether the dividend stock could be worth adding to your portfolio for its juicy dividend yields.

Reasons to invest in Enbridge stock

Enbridge is one of the most significant players in the Canadian energy sector. It plays a pivotal role in ensuring a smoothly running economy throughout North America. Its massive pipeline network is responsible for transporting 25% of all the oil produced in the continent and transports 20% of all the gas consumed in the U.S.

The role that it plays for the economies in Canada and the US makes Enbridge an essential service provider. While volatility in commodity prices typically has a major effect on the cash flows for most of its peers, Enbridge relies on the volume of commodities it transports than the price, giving it a defensive moat for its cash flows.

Enbridge stock also boasts long-term growth potential as it consistently invests in growing its renewable energy business for when fossil fuels are phased out in the long run. The company has already invested more than \$7 billion in its renewable energy generation facilities.

Enbridge presently boasts a portfolio of 35 renewable facilities that consist of wind, solar, hydroelectric, and geothermal power generation assets. It generates more than 2,000 megawatts of power and the company's management plans to continue investing in expanding its renewable energy arm through partnerships, new constructions, and acquisitions.

Trading for \$48.61 per share at writing, Enbridge stock boasts a juicy 6.87% dividend yield. Between its growing renewable energy portfolio and massive pipeline network, the company can comfortably finance its growing dividends to shareholders, making it an ideal asset to consider adding to your TFSA portfolio.

Foolish takeaway

Considering all the factors that make Enbridge stock an attractive asset, it seems like the perfect stock to own in a diversified TFSA portfolio if you want to maximize the earning potential that your TFSA can offer.

The company possesses the qualities that growth investors look for when finding high-quality assets, and it can provide you with reliable, sustainable, and increasing dividend payouts.

If you are looking for a solid investment to boost your passive income, Enbridge stock could be an [excellent asset to consider](#).

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1. Dividend Stocks
2. Energy Stocks
3. Investing

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Author

adamothonman

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