



4 Reasons to Buy Enbridge (TSX:ENB) Today

Description

Have you invested in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))? The energy behemoth remains one of the [best long-term options](#) on the market for investors. Surprisingly, the reasons why you should buy Enbridge today are not widely known.

Here's a look at why you should buy Enbridge today.

Reason #1: A reliable business

Enbridge is well known predominately for its pipeline business. While the company does have other segments (which we'll discuss in a bit), the pipeline business remains the core area investors are most versed in.

To put that into context, that pipeline business is huge. Enbridge hauls a quarter of all crude destined to the U.S. market, as well as one-fifth of the natural gas consumed by the U.S. market. In other words, the pipeline business is a lifeline, if not an arterial vein of the entire North American energy market.

That's not even the best part. Despite what many investors may think, that pipeline business is not based on the volatile price of oil. Specifically, Enbridge hauls crude and gas based on volume and distance and not based on the commodity price.

What this means is that irrespective of which way oil prices move, Enbridge is still generating a recurring and stable revenue stream. This is a great reason to buy Enbridge today, which will only increase in the future.

Reason #2: Solid growth potential

The only thing better than a reliable revenue stream that isn't tied to commodity prices is a *growing* revenue stream that isn't tied to commodity prices. Rather than sitting on its laurels, Enbridge continues to invest heavily into growth. This includes upgrading its existing pipeline network as well as

building out new pipelines to add to its network.

Perhaps the most well-known growth initiative is the controversial Line 3 project. The on-again, off-again project will considerably boost the capacity to deliver crude to refineries south of the border. Once complete, Line 3 will allow over 750,000 barrels per day of crude to traverse the network, which is nearly double the current capacity.

Apart from Line 3, it's also worth noting that Enbridge has a project backlog that is valued in the billions. Incredibly, many of those backlog projects aren't even related to its pipeline business.

Reason #3: The non-pipeline potential

While Enbridge is predominately known for its pipeline business, few investors may know about Enbridge's growing renewable energy business. In recent years, Enbridge has invested significantly towards growing its renewable energy business.

Today, that renewable energy business consists of onshore and offshore wind facilities, as well as solar and geothermal sites. In total, Enbridge's renewable business has a gross generating capacity of over 5,000 MW. This makes it a significant player in the renewable energy market without even factoring in future growth.

Adding to that appeal is the lucrative traditional utility business model. Enbridge's renewable facilities are regulated by the same long-term contracts as traditional utilities. In other words, those facilities will provide Enbridge with yet another stable and recurring revenue stream. This is great for investors, but there's still more to love about Enbridge.

Reason #4: Income!

Operating a growing and reliable business is key reason for investors to buy Enbridge today. Perhaps the greatest reason of all, however, is Enbridge's dividend.

The company provides investors with a handsome quarterly dividend, which works out to an insane 6.71% yield. This makes Enbridge one of the [better-paying dividend stocks](#) on the market. For many investors, this may be reason enough to invest in Enbridge, and I haven't even mentioned the solid history of annual upticks to that dividend.

Final thoughts

In my opinion, Enbridge is a great income and growth stock that should be a core holding in any portfolio. Buy it, hold it, and let it grow.

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