



Enbridge Stock: The Top Energy Stock to Buy Today!

Description

Energy stocks like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) are coming to life! For a while there, I bet you never thought you would hear those words ever again. Yet this is where we're at today. I have written quite a few Motley Fool articles about the importance of Canadian oil and gas. Today, increasing demand and low supply has culminated into soaring oil and gas prices. Investors are rediscovering that stocks like Enbridge have a lot to offer. Today, as energy stocks continue to rally, let's take a look at why Enbridge is a top energy stock to buy!

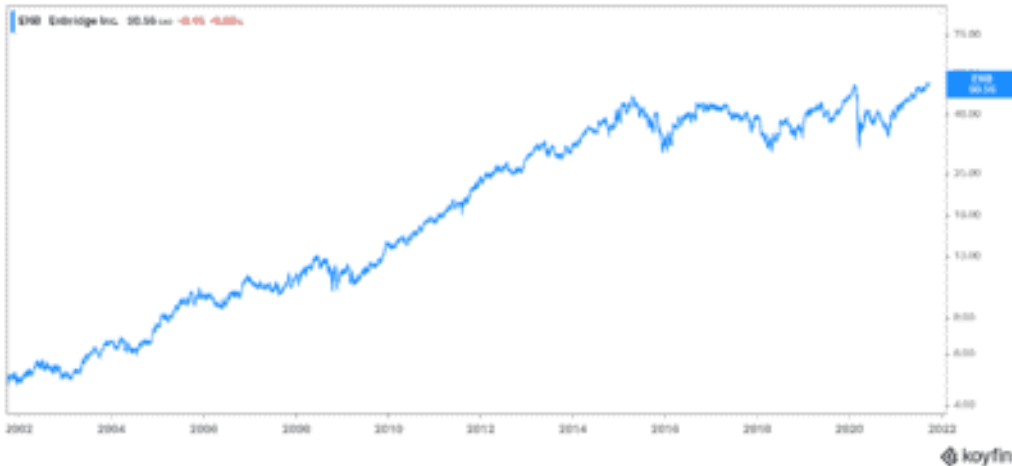
Enbridge's stock price is up 24% in 2021 with a 6.6% dividend yield

Enbridge is an energy infrastructure company with a real plan to be part of the clean energy solution. Today, Enbridge is one of Canada's leading energy transportation and distribution giants. It has oil and gas assets and operations across North America. These are assets that have delivered steadily rising cash flows and stable returns. But while we will need conventional oil and gas for years to come, the clean energy transition has begun. This means that Enbridge must prepare.

In fact, the transition at Enbridge is well underway. Today, Enbridge has already invested billions of dollars in wind farms. This company is doing what we should have always expected it would do. It's slowly transitioning to take its place in the clean energy industry — while still maintaining and improving its current business in order to lower emissions.

So, this is the same company that [has delivered excellence to all of its stakeholders for many decades](#). For its shareholders, Enbridge has delivered steady and growing income. In the last five years, Enbridge's dividend has grown at a compound annual growth rate of 8.85%. Let me remind you, this was a period when the price of oil was extremely volatile. But Enbridge continued to chug along, happily growing its cash flow and increasing its dividend. Going forward, I expect more of the same — this excellence will continue. See Enbridge's stock price graph below for an illustration.

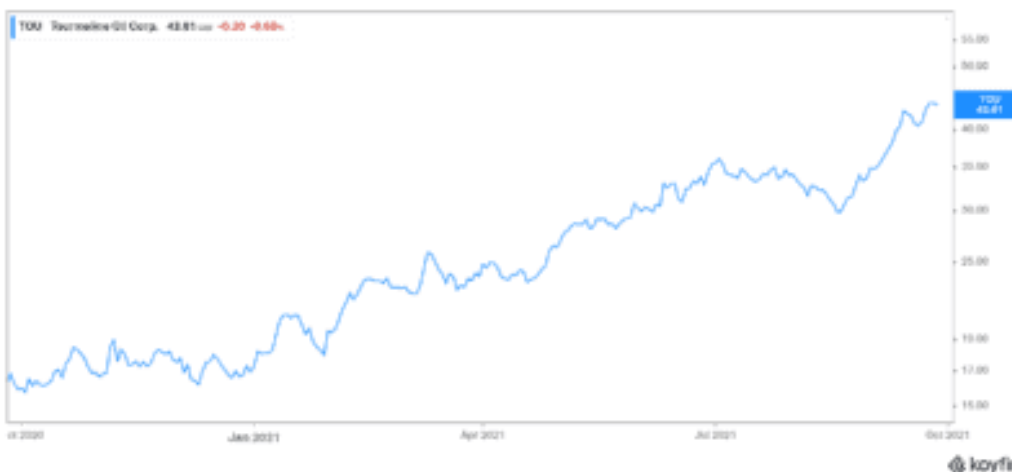
Suncor Energy Stock Price Graph - 20 Year History



Is Enbridge stock too boring for you? Here are more high-torque energy stocks to buy

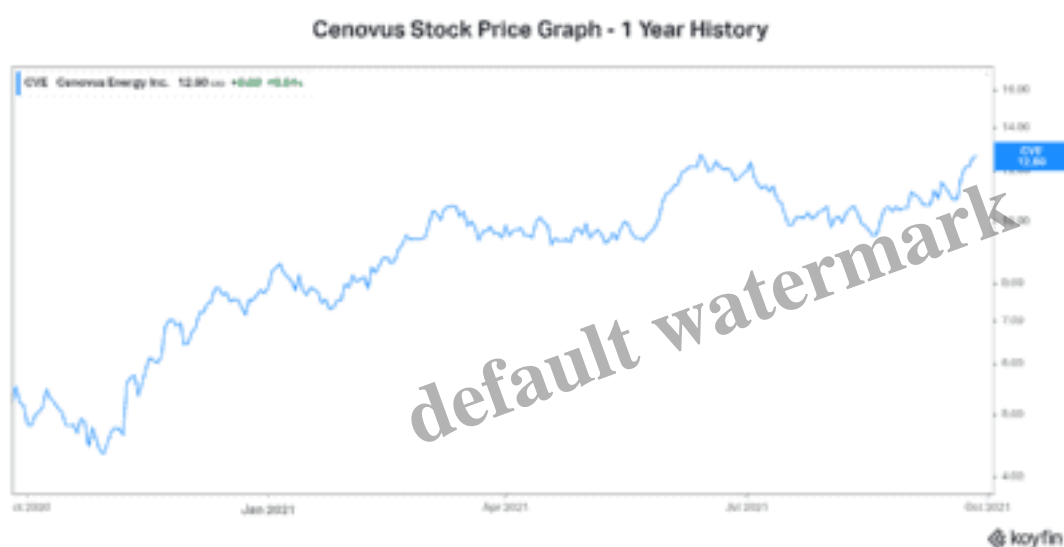
Let's say you're looking for a greater reward potential. Well, I'm here for you. With the understanding that a greater reward potential can often come with more risk, here goes. First, I would like to highlight a natural gas producer, **Tourmaline Oil** ([TSX:TOU](#)). Like Enbridge, Tourmaline pays a dividend. But unlike Enbridge's stock price, Tourmaline's has rallied much more — a full 135%. So, this is a high-quality company that has weathered many storms in the last few years. But today, things are falling into place, as natural gas prices are soaring.

Tourmaline Stock Price Graph - 1 Year History



In fact, Tourmaline can finally gain the recognition it deserves for its top-quality status. For example, Tourmaline has a large reserve base of low-risk drilling. Also, the company has controlled costs well. And it's acted as a great steward of investor capital. Returns have always been high, and the balance sheet was always top notch. But now, all of these things are still true on steroids. Cash flows are soaring. Returns are skyrocketing. Furthermore, Tourmaline is taking this money and returning a large chunk of it to shareholders in the form of dividend increases and special dividends.

The other stock I'd like to highlight [is an especially undervalued one](#). **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)). Cenovus is the third-largest Canadian oil and natural gas producer. It's also the second-largest Canadian-based refiner and upgrader. Cenovus stock also pays a dividend, although not as attractive as Enbridge's. Its operations are top tier, and its value-creation prospects are extremely compelling. Its newly acquired Husky Energy assets are set to bring \$1 billion in synergies in 2021.



Motley Fool: The bottom line

Energy stocks are roaring back in 2021. For me, it's reminiscent of my start in the investment management industry. In up cycles, the returns potential is huge. For Motley Fool investors who are unsure about where to start participating in this move, consider Enbridge stock as your first stock to buy. For those who would like greater capital returns potential, consider Tourmaline and Cenovus Energy. Whichever way you decide to proceed, you could benefit from some exposure.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CVE (Cenovus Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TOU (Tourmaline Oil Corp.)

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