



Why Enbridge Stock Is a Great Buy Right Now

Description

Investors looking for top-notch [dividend](#) stocks certainly have a few great options to consider in Canada. Among the companies I've remained bullish on for some time is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). That said, there are other reasons to like Enbridge stock right now, other than the company's rather [high yield](#) of 6.4%.

Let's dive into a few things investors should consider with Enbridge stock right now.

Line 5 dispute could provide a catalyst on the horizon

Many of the recent headlines around Enbridge's Line 5 dispute have resulted in bearish sentiment among investors. And for good reason.

The ultimate completion of Line 5 could have tremendous cash flow impacts for Enbridge shareholders. However, the uncertainty with respect to legal challenges from Michigan and other native groups south of the border provides investors with questions.

That said, recent reports are that Enbridge is committed to a negotiated solution to its impasse with Michigan regarding the controversial Line 5 cross-border pipeline expansion project. This comes even though the government has moved away from the table.

This Calgary-based organization is ready to get engaged in a good-faith effort for resolving this dispute.

Line 5 is set to transport more than 540,000 barrels per day of natural gas and crude oil liquids across the Great Lakes and Canada-U.S. border. This is carried out through a twin line running along the lake bed below the ecologically sensitive Straits of Mackinac that connects Lake Huron and Lake Michigan.

Though proponents consider this a vital energy source, individuals like Michigan Governor Gretchen Whitmer want the line shut down. Enbridge, however, stated that it does not have any plans for shutting down the pipeline voluntarily. This company understands that the stakes regarding this matter are also important for several others on both sides of the border.

Enbridge will be responsible for safely delivering the energy that the area expects from the Line 5 system.

Line 3 still bullish for Enbridge stock

Enbridge started its new Line 3 crude pipeline last week, after an extended delayed period. It can now transport 760,000 barrels per day of light and heavy oil with this line. This is roughly double the size of the old line it replaced.

The start-up of a delayed Canadian pipeline is partially responsible for the hike in Canadian oil shipments to the United States. These shipments rose to the highest volume since the start of 2021.

For Enbridge, and the North American economy, this news is positive, considering the energy shortages we're seeing worldwide. Right now, it appears the political environment is relatively bullish for Enbridge and shareholders in Enbridge stock.

Bottom line

Energy infrastructure stocks such as Enbridge are difficult ones to assess. Indeed, given the high-profile climate change summit in Glasgow right now, investors may not be as intrigued by fossil fuel investments as in the past.

However, energy shortages in the near term could have catastrophic effects for the North American economy. Enbridge stands as an essential provider of energy to North American households. The company's defensive business model and strong cash flow profile make this an excellent high-yield bond-like investment for those with long-term investment time horizons.

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