



Why You Should Buy Enbridge (TSX:ENB) Stock

Description

Have you added **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) to your portfolio? If you've already bought Enbridge, great. If you're still on the fence or haven't considered the energy infrastructure giant as an investment just yet, don't worry. Let's talk about why you should buy Enbridge as part of your portfolio

Enbridge is much more than most realize

To say Enbridge is an energy giant would be an understatement. Enbridge is a true behemoth. By way of example, Enbridge's pipeline network could stretch from Montreal to Hong Kong and back, with enough left to run down the U.S. east coast. In case you're wondering, that's 28,661 kilometres.

To put it another way, Enbridge transports nearly a third of the crude produced in North America and one-fifth of the natural gas consumed by the U.S.

That vast pipeline network generates massive amounts of revenue for the company. More importantly, that revenue is generated based on volume and distance traveled, rather than the price of the commodity. In other words, irrespective of which way oil prices move, Enbridge gets paid.

Speaking of which, Enbridge recently provided a quarterly update. During that most recent quarter, the company earned \$1.84 billion. This surpassed the \$1.78 billion reported in the same period last year. In terms of volume, Enbridge moved 3.01 million barrels per day during the quarter, reflecting an increase over the 2.65 million barrels per day in the prior year.

Impressive? Without a doubt. But that's not why you should buy Enbridge stock.

What many investors may not realize is Enbridge's growing renewable energy portfolio. That portfolio comprises 48 assets (both operational and under construction) scattered across four countries.

That footprint continues to grow, despite boasting 1.8 GW of contracted renewable energy. Enbridge currently has nearly \$2.6 billion in offshore wind construction coming online over the next two years. That level of growth rivals some of the [best growth stocks](#) on the market.

Renewable energy is growing in importance. Building out a solid network now will pay [dividends](#) for Enbridge over the long term. Recall that renewable energy generators also follow the same lucrative business model that utilities follow.

Speaking of dividends

One of the main reasons why investors should buy Enbridge is for the dividend. Enbridge provides investors with a [healthy quarterly distribution](#), which currently works out to an attractive yield of 6.54%.

Additionally, that dividend continues to grow thanks to annual bumps. In fact, with the recent 3% uptick announced, Enbridge has provided an annual increase for 27 consecutive years.

To put that earnings potential into context, a \$35,000 investment in Enbridge will provide \$2,289 income in the first year. Investors not looking to draw on that income yet can reinvest it until needed, allowing that figure to increase substantially more.

You should buy Enbridge: Will you?

No investment is without risk, and that includes Enbridge. The stock has surged nearly 20% over the past year but is near flat or slightly below when looking further out. In other words, you should buy Enbridge on that current long-term dip.

Buy it, hold it, earn that dividend, and watch your portfolio soar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. dafxentiou
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/09/10

Date Created

2022/02/16

Author

dafxentiou

default watermark

default watermark