



Dividend Investors: Enbridge Stock Remains a Great Long-Term Pick

Description

From an [income](#) perspective, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is certainly among the most reliable Canadian energy organizations. This company owns and operates one of the biggest pipeline systems in North America, with a [market cap](#) of \$115B. Accordingly, those looking to play vital infrastructure in North America may like how Enbridge stock is positioned right now.

Enbridge boasts an irreplaceable asset base for fossil fuel transportation. Additionally, Enbridge has been making the jump in a big way into renewables of late. The company has started experimenting with renewables in the form of solar operations and wind farms.

Enbridge stock appears attractive for a number of reasons. Here are a few key things investors may want to watch right now.

Cash flows to keep increasing

Enbridge operates an extensive network of renewable power generation, gas distribution utilities, liquids, crude oil, and natural gas pipelines.

The company's facilities move around 18% of entire natural gas consumed in the U.S. and 62% of U.S.-bound Canadian crude oil. With the completion of new projects likely to increase shareholder returns via share buybacks and dividend hikes, the expectations is that cash flows will continue to increase. The company's balance sheet looks solid, easily supporting a dividend yield of more than 6% at the time of writing.

Enbridge stock is on the move right now

From a year-to-date return basis, Enbridge stock is up approximately 15% this year alone. That return outpaces the TSX and suggests investors are outright bullish on this energy infrastructure company.

This thesis make sense. After all, Energy security is now a top priority of many fund managers and

governments everywhere. Enbridge's offerings, once viewed as negative for the environment and society, are now being seen in a much more positive light.

As investor sentiment shifts in a positive way toward pipeline stocks, Enbridge could be a key beneficiary. The U.S. receives approximately 60% of its oil imports from Canada. Enbridge is the key player that makes this possible.

Bottom line

Enbridge is anticipating significant EBITDA growth in 2022. This company has a number of capital projects in its pipeline, with \$10 billion set aside to fund these projects. Accordingly, I expect Enbridge to continue to increase its cash flows over the medium to long term.

These higher energy prices also provide Enbridge with the newfound pricing power. I would not be surprised to see new volume contracts to come in much higher than those completed previously. Accordingly, on a forward-looking basis, there's a lot to like about this pipeline stock.

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