



## Is Enbridge the Best Energy Stock to Buy in This Environment?

### Description

Even before the war in Ukraine started earlier this year, energy stocks were some of the best assets to buy in the current market environment. So, it's no surprise that **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock and several other Canadian energy companies have been the top performers so far year to date.

Now, with the war in Ukraine, though, the tailwinds that energy stocks have been seeing have picked up considerably. Therefore, it's crucial that investors have exposure to high-quality energy stocks in their portfolios.

So, with Enbridge being the \$100 billion energy giant that it is, you may be wondering if it's the best energy stock to buy now.

## Is Enbridge stock a buy in this environment?

There's no question Enbridge is an excellent stock and one of the best companies you can buy for your portfolio. What's so attractive about Enbridge is that even if the energy industry weren't seeing significant tailwinds like it is today, it would still be an excellent investment and a stock you can count on.

Whether it's the very best energy stock to buy for your portfolio will depend on several factors. Enbridge is more suited for investors that are looking for lower-risk investments and safer income. The company's operations are extremely defensive, and it's a Dividend Aristocrat that pays a meaningful [dividend](#).

Enbridge could still be a top stock in your portfolio that generates tonnes of income. However, if you're more of a growth investor or younger and willing to take on more risk, you may want to consider a stock with more exposure to energy production. These tend to be more volatile and therefore offer more growth potential in the current environment.

## What's the best energy stock to buy now?

The key to making high-quality investments is buying energy stocks that will perform well today but will also be companies we can own for years. Right now, energy stocks have a tonne of momentum, but there's no telling what's going to happen a few months from now.

So, it's crucial to find businesses that are companies you have confidence in. That's why two of the best investments in the energy sector to consider are **Peyto Exploration and Development** ([TSX:PEY](#)) and **Freehold Royalties** ([TSX:FRU](#)).

Both stocks offer attractive growth as well as substantial income. With that being said, Freehold is a stock that's particularly attractive for dividend investors.

The company owns land that other energy stocks produce oil and gas on. Then they pay Freehold a royalty. So, it offers exposure to increasing commodity prices and production, but it's a lower-risk way of doing so.

And because the company has hardly any debt and pays most of its income back to investors through its 6.4% dividend, it's a stock with much less risk than its peers. So, if you're looking to find the best energy stock to buy, Enbridge is certainly one, but Freehold is another top contender.

However, Peyto is another energy stock you can have confidence owning long term, as it's one of the highest-quality natural gas producers. Natural gas is a fossil fuel that has a tonne of long-term potential itself, and because Peyto is a well-managed, low-cost producer, it's certainly a top energy stock to buy now.

Plus, on top of the short- and long-term growth potential it offers, Peyto's dividend currently [yields](#) 4.2%. So, while Enbridge stock is an excellent investment to consider today, there are several other high-quality energy stocks to buy in this environment.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:FRU (Freehold Royalties Ltd.)
4. TSX:PEY (Peyto Exploration & Development Corp)

### 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. danieldacosta
2. kduncombe

#### **Category**

1. Energy Stocks
2. Investing

#### **Date**

2025/07/19

#### **Date Created**

2022/04/17

#### **Author**

danieldacosta

default watermark

default watermark