



On Sale Now: Not All Market News Is Bad News

Description

When the market makes a sharp drop like it did this week, some investors seize the moment to sell and run for safety. Others see the drop as a market sale. Here's one stock on sale now to consider buying for long-term gains.

On sale now: Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a stock that most investors should be well aware of. Enbridge is best known as the operator of one of largest pipeline networks on the planet. To put the size and scope into context, Enbridge hauls nearly a third of all the crude produced in North America. The company is also one of the three biggest natural gas utilities on the continent.

In other words, Enbridge is a well-diversified energy infrastructure behemoth. The company generates a steady and recurring revenue stream primarily from its massive pipeline business. Keep in mind that Enbridge charges for use of that pipeline network based on the volume and distance travelled, not based on the price of the commodity.

To put it another way, Enbridge's pipeline segment is largely immune to the volatility of oil prices.

Let's not forget that Enbridge also boasts a growing renewable energy segment that boasts a generating capacity of over five GW. The company has steadily invested over \$8 billion into renewables over the past two decades.

While the renewable segment still accounts for a small part of the company's earnings, the long-term importance (and potential) of the segment is off the charts.

Juicy income awaits

The sheer necessity and stability of Enbridge's operation allows the company to offer a juicy dividend to investors. The current yield works out to a very impressive 5.98%. This means that a \$30,000

investment in Enbridge will earn a first-year income of just shy of \$1,800.

Prospective investors should keep in mind two key points on that dividend, which is one of the [best on the market](#).

First, Enbridge has provided consecutive annual upticks to that dividend for more than two decades. The company also has plans to continue that cadence for the next few years.

Second, those investors not ready to draw on that income just yet can reinvest those dividends until needed. This will let the investment work for you on autopilot and provide a much greater income when you need it.

Enbridge also announced earnings this week. In the most recent quarter, Enbridge earned \$1.7 billion, or \$0.84 per share. This reflects growth over the \$1.63 billion, or \$0.81 per share, in the same period last year.

Enbridge also noted that it transported three million barrels per day (bpd) in the quarter, reflecting a solid increase over the 2.75 million bpd in the prior period.

In other words, buy it, hold it, and let it grow. As at time of writing, Enbridge is trading flat over the past month, which is impressive given the long-term potential the stock has. Again, look at it as Enbridge is on sale now.

Final thoughts

Even in the best of markets, no investment is without risk, and that includes Enbridge. Fortunately, Enbridge is well established and has significant defensive appeal making a great option for any [well-diversified portfolio](#).

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