



## Enbridge Stock Rose More Than 4.5% in November: Is it a Buy Today?

### Description

**Enbridge** ([TSX:ENB](#)) picked up a tailwind in recent weeks, and the [TSX](#) stock is actually up more than 10% this year. Investors who are searching for a top dividend stock to put in their Tax-Free Savings Account (TFSA) focused on passive income are wondering if ENB is still a good stock to buy.

### Enbridge overview

Enbridge operates vast oil and natural gas transmission and storage infrastructure across Canada and the United States. The company moves nearly a third of the oil produced in the two countries and a fifth of the natural gas that is used in the United States. Enbridge also has natural gas distribution utilities in Canada that provide the fuel to millions of businesses and homes. The company's renewable energy group rounds out the core operations. Enbridge recently announced the completion of a wind project in France.

With a current [market capitalization](#) of \$110 billion, Enbridge is one of Canada's largest companies.

### Enbridge earnings

Enbridge generated adjusted earnings of \$1.37 billion in the third quarter (Q3) of 2022 compared to \$1.18 billion in the same period last year. On a per-share basis, adjusted earnings came in at \$0.67 compared to \$0.57. For the first nine month of 2022 the company produced adjusted earnings of \$4.42 billion compared to \$4.18 billion in 2021. Overall, Enbridge is performing well, and management says the business is on track to hit its 2022 financial targets.

### Growth

Enbridge added \$3.8 billion to its secured growth program in Q3, bringing the capital plan to about \$17 billion. A good chunk of the investments is focused on expanding natural gas infrastructure.

Enbridge has also made strategic acquisitions in the past year that will help drive future revenue and cash flow growth. Enbridge spent US\$3 billion to buy an oil export terminal in Texas in 2021. In addition, the company just completed a deal to take a 30% position in the Woodfibre liquified natural gas (LNG) project in British Columbia. The facility is expected to be in service by the end of 2027.

Finally, Enbridge purchased TGE, a renewable power project developer in the United States for US\$270 million. The deal ramps up the expansion of Enbridge's solar and wind portfolio.

## Dividends

Enbridge just raised the dividend by 3.2%. The new annualized payout of \$3.55 per share provides a yield of 6.5% at the current share price around \$54.50. Investors have received a dividend increase for 28 consecutive years. The payout should be safe and the capital program, along with potential other acquisitions, should support ongoing dividend increases in the 3-5% range over the medium term.

## Opportunities

Enbridge is in a good position to benefit from the surge in international demand for Canadian and U.S. oil and natural gas. Europe is seeking reliable long-term supplies to replace its dependence on Russia. The expansion of LNG export capacity is expected to continue. In addition, Enbridge is exploring opportunities in hydrogen and carbon sequestration. These segments could deliver additional revenue growth in the coming years.

## Should you buy Enbridge stock now?

Enbridge pays an attractive dividend that should continue to grow. The stock is still down a bit from the 2022 high, so there is an opportunity to buy the shares on dip. If you have some cash to put to work in a portfolio targeting passive income, ENB stock deserves to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

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