Enbridge Is a High-Yielding Canadian Dividend Stock to Buy Now and Own Forever

Description

Do you have **Enbridge** (TSX:ENB) as part of your well-diversified portfolio? If not, then now may be the time to consider investing in this high-yielding Canadian dividend stock.

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Let's take a look at why Enbridge belongs in your portfolio.

Enbridge is an intriguing, well-diversified option that does a lot!

Enbridge is best known for its massive pipeline business, and for a good reason. Its pipelines haul nearly one-third of all the crude produced in North America as well as one-fifth of the natural gas needs of the U.S. market.

If you're wondering about the staggering volume, that's 22.7 Bcf/d (billions of cubic feet per day) of natural gas and over four billion barrels of crude oil.

And that's not even the best part about this high-yielding Canadian dividend stock.

Enbridge doesn't charge for the use of its extensive pipeline network based on commodity prices. In other words, Enbridge's lucrative business model operates largely independent of the volatile price of oil.

In terms of earnings, in the most recent quarter, Enbridge reported GAAP (Generally Accepted Accounting Principles) earnings of $1.3 billion, or $0.63 per common share. By way of comparison, in the same period last year, Enbridge posted earnings of $0.7 billion, or $0.34 per common share.

In short, Enbridge is a cash-generating, strong investment, that continues to invest in growth initiatives.

But that's *still* not all Enbridge does.

Enbridge is a growing renewable energy player, too

Renewable energy is emerging as one of the most lucrative long-term options on the market for investors. The rapidly changing need for renewable energy in lieu of fossil fuels is forcing traditional utilities to invest heavily in transition efforts.

Few investors may realize this, but Enbridge also operates a growing renewable energy business. In fact, over the past two decades, Enbridge has invested over $8 billion into establishing its renewable energy network.

Today, that network consists of nearly 50 facilities that includes wind, solar, hydro, and geothermal sites located across North America and Europe. Collectively, those facilities have a net generation capacity of 2,175 megawatts, which is enough to power 967,000 homes.

Furthermore, Enbridge continues to invest in growing its renewable energy segment. A prime example of this is the Tri Global Energy acquisition announced back in September. Tri Global is one of the largest onshore wind developers in the U.S. market. The company, which has both wind and solar projects in its portfolio, has more than seven gigawatts of renewable energy projects in its pipeline.

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Let’s talk about income

Turning to dividends, Enbridge really shines. As expected from a high-yielding Canadian dividend stock, Enbridge offers one of the best dividends on the market. The yield currently works out to a juicy 6.40%, meaning that a $40,000 investment will earn $2,560 in the first year.

I say the *first year* because reinvesting that income until needed can grow your retirement income significantly. If that’s not enough, prospective investors should note that Enbridge has provided investors with healthy annual bumps to that dividend for nearly three decades.

In fact, the latest 3.2% increase announced last month, which is payable on March 1, 2023, will be the 28th consecutive year of dividend increases.

The high-yielding Canadian dividend stock your portfolio needs

There’s no single factor that makes Enbridge a great investment. Rather, it’s the combination of growth and income potential that makes it an attractive option. Throw in the added defensive appeal that it offers, and you have a nearly complete package.

In my opinion, Enbridge is the high-yielding Canadian dividend stock that should be a core part of any well-diversified portfolio.

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