Build Your Dividend Portfolio With Cameco Corporation & Pembina Pipeline Corp.

Description

Cameco Corporation (TSX: CCO) NYSE: CCJ) and **Pembina Pipeline Corp.** (TSX: PPL)(NYSE: PBA) represent a way to add diverse industries to your portfolio while reaping returns for shareholders. The following are three reasons to consider for investing in these two companies:

1. Scope of operations

Cameco provides approximately 15% of the globe's uranium production. The company is among the world's largest uranium producers and has roughly 4.9 million acres of uranium exploration properties. Its operations and investments cover the nuclear fuel cycle (exploration to fuel manufacturing).

Cameco expects a net increase of 91 new reactors over the next decade, as well as sustained growth in the decades to come. As an example, Japan's new regulator has taken delivery of restart applications from nine utilities for 19 reactors. Furthermore, the company is a foremost supplier of uranium refining, conversion, and fuel manufacturing services.

Pembina Pipeline owns and operates 8,200 km of pipelines. These transport around 50% of Alberta's conventional crude oil production and around 30% of the natural gas liquids produced in western Canada. Moreover, these pipelines transport almost all of the conventional oil and condensate produced in British Columbia.

Pembina Pipeline also has roughly 1,650 km of oil sands pipelines. The company additionally has its midstream business (crude oil and natural gas liquids) and gas services operations. Its gas services provides gas gathering, compression, and shallow and deep cut processing services.

2. Production and growth plans

Cameco recently received approval from the Canadian Nuclear Safety Commission for the environmental assessment for the Key Lake extension project. Consequently, this sets the stage for Key Lake to increase tailings capacity. In addition, the company notes that this is the initial step toward increasing production at Key Lake to 25 million pounds annually.

Cameco sees the potential in Key Lake as a regional milling operation. The Key Lake mill revitalization plan includes upgrading circuits with new technology. This is to streamline operations and improve environmental performance.

This past spring, Pembina Pipeline secured an additional $460 million in new capital projects. This includes RFS III, which is the company's new 55,000 barrels per day propane plus fractionator at its Redwater fractionation and storage complex. Pembina anticipates that RFS III will be in service in Q3 2017. RFS III is supported by long-term take-or-pay contracts with multiple producers.

Stuart Taylor, Pembina Pipeline's senior VP, NGL and Natural Gas Facilities, said in May, "Projects like these support our continued focus on expanding our fee-for-service business and integrated service offering, which in turn help drive sustainable dividend growth – and ultimately value for our shareholders – for many years to come."

3. Dividends

Cameco has a current dividend yield of 1.85%. The company pays dividends quarterly and its dividend rate is $0.40. Its three-year average dividend growth rate is 5.88%.

Pembina Pipeline has a current dividend yield of 3.23%. It pays dividends monthly and its dividend rate is $1.74. Pembina Pipeline's three-year average dividend growth rate is 5.99%. The company increased its dividend by 3.6% in Q2 2014.

Industrial metals and minerals and oil and gas pipelines via Cameco and Pembina Pipeline, respectively, offer dividends and potential growth through diverse operations. Perform your due diligence on these two S&P/TSX 60 best dividend-yielding stocks to build your stable of income-producing stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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