



## Brookfield Asset Management Inc. Gains on Brazilian Inflation

### Description

In a report by The Wall Street Journal, inflation in Brazil reached 9.56% for the past 12 months, a level that hasn't been seen since 2003. This rapid increase in the price of goods is forcing Brazilian families to hold back on spending, which is hurting businesses and preventing further investments.

Because of how expensive it is to borrow money in Brazil, with interest rates over 13%, and because there is now a lot of money available for investments due to consumers not spending, it has resulted in potential gold mine for **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)). Its strategy is very straightforward and is one that any investor should deploy: when assets have their values depressed, it is time to buy.

Due to the mix of inflation and low investment, Brazil is currently in a period of what the CEO of Brookfield likes to call "illiquid times." What the company will then do is go into that region and start acquiring big infrastructure-like properties, such as electrical companies, ports, etc. These would, in normal times, cost a lot of money, but when there's simply no money for these business owners to work with, Brookfield becomes a very attractive alternative for them.

And Brookfield knows that Brazil is ripe for investments. That's why it has allocated \$1.3 billion of its over \$10 billion war chest to buy assets in the region. The mentality is that when the country does get its inflation under control, the assets will be worth considerably more than the \$1.3 billion that the company invested.

### Brookfield is an amazing success

What should have investors particularly excited is the simple fact that Brookfield is really good at what it does. And I mean really, really good. If you had invested \$10,000 in Brookfield 20 years ago, that money would be worth \$320,000 today. There are very few companies that can, on average, grow 19% year after year. But Brookfield has done it.

On top of that, the CEO of Brookfield believes that the company is just getting started. Because of where the economy is and how much money it has in its coffers, the CEO believes that he can triple the value of the stock over the next decade. While that might be a little ambitious, I can't fault a

company that has proven itself for so many consistent years.

Therefore, if you're looking for a company that can offer you global diversification and grows double digits every year, you're going to want to buy shares of Brookfield Asset Management. But remember, it's not the only company that is out there that can give you some more global diversity.

## **CATEGORY**

1. Bank Stocks
2. Investing

## **TICKERS GLOBAL**

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

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