



## Benefit From the Weak Loonie With These 2 Dividend Stocks

### Description

The decline in oil prices has weakened the Canadian dollar. A weak Canadian dollar implies a stronger U.S. dollar. You can benefit from the weak loonie by investing in these two dividend-growth stocks. Thanks to the stronger U.S. dollar, these two companies are paying juicier yields.

#### **Get a solid, growing income of 6.2% from this green energy business**

**Brookfield Renewable Energy Partners L.P.** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the world's biggest renewable power businesses. It has 100 years of power generation experience.

Its \$20 billion assets include over 250 power-generating facilities with the capacity of 7,400 megawatts of power. About 80% of its power capacity comes from hydro generation and 18% comes from wind. Its assets are diversified across 14 markets in seven countries. About 50% of its capacity is in the United States, 25% is in Canada, 20% is in Latin America, and 5% is in Europe.

In 2015 Brookfield Renewable estimates to generate 92% of stable, contracted cash flows. Even though that percentage is expected to decline to 82% by 2018, the stable cash flow still helps to maintain a predictable dividend.

So far, Brookfield Renewable has increased distributions for five years in a row. Along with its planned investments of \$500-750 million over five years, rising energy prices, and inflation escalation of its contracted cash flows, the business gave a guidance of 5-9% distribution growth per year for the next few years.

Because Brookfield Renewable pays out distributions in the stronger U.S. dollar, it now yields a juicy 6.2%. Owning 100 shares, or an investment of roughly \$3,570, investors would receive U\$41.50 each quarter.

#### **Get a solid, growing income of 5.6% from this diversified utility**

**Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) owns high-quality, long-life assets that provide essential products and services. Its utility assets include 10,800 km of transmission lines

and 2.4 million electricity and gas connections. Its transportation assets include 30 ports, 3,300 km of toll roads, and 9,900 km of rail operations in Europe, North America, South America, and Australia.

Brookfield Infrastructure's energy systems deliver heating and cooling to customers in North America and Australia. In North America, it also operates natural gas pipeline and storage systems. Most recently, the utility acquired communications infrastructure in France. Specifically, the assets consist of roughly 7,000 multi-purpose towers and active rooftop sites and 5,000 km of fibre backbone.

Brookfield Infrastructure's cash flows are very stable because 45% comes from regulated assets and another 45% comes from contracted cash flows. These cash flows are diversified across the transport segment (43%), the utilities segment (39%), the energy segment (10%), and the communications infrastructure segment (8%). Geographically, the cash flows are spread across Europe (34%), Australia (31%), South America (21%), and North America (8%).

It's not surprising that the diversified utility has been increasing distributions for seven consecutive years. The business gave guidance to increase distributions by 5-9% per year for the long term.

Just like Brookfield Renewable, Brookfield Infrastructure pays out distributions in the stronger U.S. dollar. So, it yields a juicy 5.6% currently. Owning 100 shares, or an investment of roughly \$5,000, investors would receive U\$53 each quarter.

### **In conclusion**

Both Brookfield Renewable and Brookfield Infrastructure provide steady and predictable growth that support a growing income for unit holders. Because they pay out distributions in U.S. dollars, Foolish investors can benefit from the weak loonie.

By investing in them today, you'd get above-average yields of 6.2% and 5.6%, respectively. Even if the U.S. dollar gets back to parity (which is very unlikely due to low oil prices), investors will still receive a starting yield of 4.6% from Brookfield Renewable and a starting yield of 4.25% from Brookfield Infrastructure.

Just remember, to avoid tax-reporting headaches, hold the Brookfield shares in a TFSA or an RRSP because its dividends are not entirely Canadian eligible.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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**Date**

2025/08/28

**Date Created**

2015/09/17

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