



## A Weak Loonie Implies High Yields for These Dividend Stocks

### Description

With the U.S. dollar pushing higher, investments in Canada are looking less attractive. However, there are quality dividend stocks that are yielding higher for Canadian investors as the U.S. dollar becomes stronger against the Canadian dollar.

Here is a list of dividend stocks that generate stable earnings or cash flows and have records of increasing dividends. As a bonus, they pay out U.S. distributions. So thanks to the stronger U.S. dollar, they're essentially paying out a higher yield to Canadians if you buy them on the Toronto Stock Exchange.

**Thomson Reuters Corp.** ([TSX:TRI](#))([NYSE:TRI](#)) is a leading source of intelligent information for businesses and professionals. It has increased dividends for 21 consecutive years.

Currently, it pays out a quarterly dividend of US33.5 cents per share. Due to the strong U.S. dollar, it yields 3.4% to Canadians. However, the stock looks to be fully valued today.

**Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) operates global infrastructure assets in utilities, transport, energy, and communications infrastructure assets. Its assets can be found in North and South America, Australia, and Europe.

Its high-quality, long-life assets generate stable cash flows and tend to become more valuable over time. Its cash flows are so stable and predictable that the company forecasts distribution growth of 5-9% per year in the foreseeable future.

The infrastructure business has increased distributions for seven consecutive years. Currently, Brookfield Infrastructure pays out a quarterly distribution of US53 cents per share. At under \$52, it yields 5.5% thanks to the strong U.S. dollar. The shares are decently priced today.

**Brookfield Renewable Energy Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) operates renewable energy assets. Its portfolio primarily consists of hydropower and wind facilities in North America, Latin America, and Europe.

With about 90% of contracted cash flows, Brookfield Renewable's distribution is pretty stable. The business has increased distributions for five consecutive years. Additionally, the company forecasts distribution growth of 5-9% per year in the foreseeable future.

Currently, Brookfield Renewable pays out a quarterly distribution of US41.5 cents per share. At about \$32, it yields 6.9% thanks to the strong U.S. dollar. The shares have come under pressure recently because 20% of its assets are in Brazil, and the Brazilian real has fallen about 40% since the start of 2014 relative to the U.S. dollar. In the third quarter the foreign exchange rate reduced funds from operations by only 3.6%.

## **Brookfield distributions**

The distributions paid out by Brookfield Infrastructure and Brookfield Renewable are like dividends, but they're taxed differently. For example, distributions can consist of return of capital, interests, and dividends.

Additionally, if the distribution consists of U.S. dividends, there will be a 15% withholding tax on that portion if the shares are held in a non-registered or TFSA account.

The constituents of distributions could also change based on the needs of the company. So the best place to buy Brookfield shares is likely in an RRSP.

## **Conclusion**

The Brookfield businesses are priced at a good value at these levels. Unitholders will get a higher income from a stronger U.S. dollar. Brookfield Infrastructure has a higher S&P credit rating than Brookfield Renewable, so the former is viewed to be higher quality.

Both Thomson Reuters and Brookfield Infrastructure have S&P credit ratings of BBB+, while Brookfield Renewable's is BBB.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
6. TSX:TRI (Thomson Reuters)

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