

These 2 Industry Leaders Just Raised Their Dividends by 7-11%

Description

Brookfield Asset Management Inc. (TSX:BAM.A)([NYSE:BAM](#)) and **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) — two of Canada's largest publicly traded corporations and constituents of the S&P/TSX 60 Index — made very shareholder-friendly moves and raised their dividends by 7-11% last Thursday. Let's take a closer look at each constituent and their new dividends, so you can determine if you should invest in one of them today.

Brookfield Asset Management Inc.

Brookfield Asset Management is one of the world's largest [alternative asset managers](#) with over US\$265 billion in assets under management. It owns and operates assets with a focus on real estate, renewable power, infrastructure, and private equity.

In its fourth-quarter earnings release on February 15, Brookfield announced a 7.1% increase to its quarterly dividend to US\$0.15 per share, equating to US\$0.60 per share on an annualized basis, and this brings its yield up to about 1.5%.

Foolish investors should make three additional notes.

First, the first payment at the increased rate will come on March 29 to shareholders of record on February 28.

Second, the asset manager has raised its annual dividend payment each of the last six years, and this hike has it on track for 2018 to mark the seventh straight year with an increase.

Third, I think the company's consistently strong financial performance, including its 17.6% year-over-year increase in funds from operations to US\$3.74 per share in 2017, will allow its streak of annual dividend increases to continue in 2019 and beyond.

TransCanada Corporation

TransCanada is one of [North America's largest](#) owners and operators of energy infrastructure, including natural gas and crude oil pipelines, natural gas storage facilities, and power-generation facilities.

In its fourth-quarter earnings release on February 15, TransCanada announced a 10.4% increase to its quarterly dividend to \$0.69 per share, equating to \$2.76 per share on an annualized basis, which brings its yield up to about 4.8%.

It's important to make the following three notes.

First, the first quarterly payment at the increased rate will be made on April 30 to shareholders of record on March 29.

Second, TransCanada has raised its annual dividend payment for 17 consecutive years, and this increase has it on track for 2018 to mark the 18th consecutive year with an increase.

Third, the infrastructure giant has a dividend-growth program in place that calls for annual growth of 8-10% through 2021, and I think its very strong generation of distributable cash flow, including \$5.91 per share in 2016 and \$5.69 per share in 2017, and its \$23 billion near-term capital program, which is “expected to generate significant additional growth in earnings and cash flow and support continued annual dividend growth,” will allow it to complete this program and announce a new one that extends into the late 2020s.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BN (Brookfield Corporation)
2. NYSE:TRP (Tc Energy)
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Author

jsolitro

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