



2 No-Brainer Dividend Stocks to Buy Now

Description

It's [RRSP season again](#), and investors' demand for [quality, income-generating stocks](#) is as strong as ever.

I would like to tell you about two such stocks.

The first is **Labrador Iron Ore Royalty Corp.** ([TSX:LIF](#)).

Yes, it has skyrocketed recently, and yes, it is still undervalued. While the stock has more than doubled in the last two years, so have the company's earnings and cash flow.

And with China curtailing steel production in its bid to improve the environment, and as the government continues to push for cleaner industry, high-grade iron ore such as Labrador's has been in greater demand, thus pushing up prices and the price differential.

Looking at the future, iron ore prices should remain firm, as this new structural development supports it.

Labrador Iron Ore has been a pillar of strength. Let us recall that being a royalty company, it does not bear the brunt of operating costs, and being a high-quality producer, it prices its iron ore at a significant premium to the market.

The company and its investors continue to benefit from rising production and decreasing costs. Production in the third quarter was 18% higher sequentially, and costs were marginally lower.

Special dividends continue to come our way. The company has increased its dividend several times in the last two years and has paid special dividends that have amounted to \$1.65 per share in 2017.

So, all told, shareholders have received dividends of \$2.65 in 2017 for an actual dividend yield (regular dividend plus special dividends) of 10.2% in 2017 based on today's share price.

Going forward, with a regular dividend yield of 4%, and the strong probability of more special dividends to come, the stock remains a good buy for its yield and for its superior position in the booming iron ore

market.

The other stock is **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)). It currently has a dividend yield of 4.5%, which is supported by its strong liquidity position and its visible growth profile.

And management's plan, which is targeting 5-9% annual growth in distributions and long-term ROEs of 12-15% is highly reliable.

The company's assets are long-life assets that provide essential services. Assets such as regulated utilities terminals, energy transmission and distribution, railroads, toll roads, as well as in newer, faster-growing industries such as communications infrastructure and water infrastructure.

These assets bring predictable cash flows and have long-term contracts.

Since 2009, Brookfield has grown its funds from operations by a cumulative average annual growth rate (CAGR) of 24% and its per-unit distribution by a CAGR of 12%.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:LIF (Labrador Iron Ore Royalty Corporation)

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