



Earn an Incredibly Stable and Lucrative Income With This 1 Stock

Description

Out of all of the factors I look for when determining investments, the one that gives me the most satisfaction is where a company can provide an [incredible dividend that is also sustainable](#) for the long run. This is something that can appeal to investors on both ends of the spectrum — those that are still building their portfolios as well as those close to retirement. The former can buy the stock, forget about it for a few decades, and then reap the rewards later, while the more seasoned investors that are looking for a stable source of recurring monthly income can rely on the stock to come through with each passing month.

One such stock that matches that description yet tends to go largely unnoticed in the market is **Inter Pipeline** (TSX:IPL).

Why pipeline infrastructure investments are so incredible

[Pipeline infrastructure investments](#) rank high along with utility stocks as being sources of stable and recurring revenue. In short, pipeline companies rely on their strategically placed networks to ferry oil and gas to refineries and storage terminals around the continent. The company then collects a fee for the transportation of that oil, not unlike a toll-booth model used on some highways.

This makes the pipeline business an incredibly lucrative opportunity for investors, as the oil and gas business will not be ceding ground anytime soon. In fact, with oil prices steadily rising, there could be an opportunity emerging for further gains.

In the case of Inter Pipeline, approximately 1.4 million barrels per day of oil traverses the company's 7,800-kilometre network. The company also has assets in Europe, where 16 petrochemical storage terminals are located that provide capacity for 27 million barrels.

No growth? No problem

As impressive as Inter Pipeline's business sounds, investors are often dismissive owing to the reason that the company's stock price has seen little to no growth. Over the past year, Inter Pipeline has dropped nearly 10%, which only improves to a little over 8% drop when expanding out to a full five-year

view of the stock.

So, is there any growth in line for Inter Pipeline?

The answer to that is a resounding yes. Inter Pipeline's \$3.5 billion Heartland Petrochemical Complex that is under construction north of Edmonton will be converting propane into polypropylene once up and running within the few years. Polypropylene is a form of plastic that is used in the manufacturing process for a wide variety of products, ranging from banknotes to automotive components. More importantly, however, is the fact that the Heartland Complex is expected to generate between \$450 million and \$500 million average EBITDA once fully operational.

Turning away from growth potential for a moment, the more attractive scenario for investing in Inter Pipeline comes in the form of the company's impressive dividend. With a yield of 7.31% on a monthly distribution, Inter Pipeline has one of the more impressive dividends on the market, and with a payout ratio of near 60%, it's quite sustainable.

Adding to that already impressive yield is the fact that Inter Pipeline is a Dividend Aristocrat, with the most recent of annual or better hikes coming last October.

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