



Want to Bet on Global Population Growth? Buy This Stock!

Description

Betting that the world's population will continue to grow is like shooting fish in a barrel.

By 2050, the United Nations predicts that the global population will reach 9.2 billion people, up from 6.8 billion today. Even under its conservative scenario, the world's population should surpass 8 billion.

Capitalizing on this trend can be difficult. Which stocks are best positioned to benefit from rising populations?

If you want to bet on a growing world, **Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))**(BIP) stock should be your top consideration.

The gift that keeps giving

Brookfield Infrastructure Partners was my [top stock](#) for 2019. The thesis was simple.

“By 2040, it's estimated that 2 billion more people will be living on earth, adding demand to critical infrastructure like roads, pipelines, seaports, and power plans,” I wrote. “By investing in infrastructure projects around the world, Brookfield benefits directly from this long-term trend.”

Since the year began, shares are up more than 15%, including a 3.5% annual dividend yield. Despite to increase, shares still have decades of runway to go.

Compounding capital for long stretches of time is the best way to build long-term wealth. Brookfield Infrastructure Partners stock gives you a great chance to do just that.

Perfectly positioned

When betting on macro trends like growing populations, it's important to ensure that your investment can benefit from the trend as a whole.

If you bet on infrastructure projects in a region without growing populations, for example, your investment may not pay off. Additionally, betting on the wrong kinds of infrastructure can cause underperformance. For example, if your investment dollars support oil and gas projects but not renewables, you may miss out on the overall increase in energy demand by betting on the wrong kinds of energy.

These risks are what make Brookfield Infrastructure Partners stock so appealing.

From roads and pipelines to oil projects and airports, the company's investments are diversified across a broad range of industries. Cash flows are also diversified, with an equal amount coming from North America, Europe, Asia, and South America. The company has hedged its commodity risk, with 95% of its projects protected from commodity price volatility.

As I said when I named the company my top stock for 2019, "Brookfield owns interests in a diversified portfolio of critical infrastructure projects with resilient business models. Sounds pretty great, huh?"

The definition of buy and hold

While there are plenty of investment opportunities out there, few have runways as long as Brookfield Infrastructure Partners. As long as global populations keep rising, the company will likely benefit.

Over the past decade, shares are up more than 400% with few years ending in negative returns. If you're looking to build wealth over the next decade or longer, Brookfield Infrastructure Partners remains my top pick.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
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