



2 Stocks to Fund Your Disney Vacation

Description

Even after the American interest rate announcement, the American [exchange rate](#) remains terrible for Canadians. Traveling south of the border is still a painful experience as you exchange your hard-earned Canadian dollars for those green American bills.

Adding insult to injury, there is a huge cost associated with those exchanged funds, as the banks and currency exchange companies take you to the cleaners with each dollar.

Using a credit card doesn't help much either, as even the best cards still take a cut from currency exchange. But before you get all down in the dumps about the futility of getting a good rate to pay for your trip to see Mickey Mouse, consider a different strategy.

It will take some time to build the cash you need for your American vacation.

Some stocks like **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) and **Brookfield Renewable Power LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) will start providing you with your much-needed spending money when it is finally time to go on that trip.

Both these companies are unique from many Canadian companies in the way they pay out their cash to shareholders.

Both Nutrien, an internationally diversified seller [of farm products](#), and Brookfield Renewable, a similarly internationally diversified renewable power company, report their income in U.S. dollars, as that's where they receive much of their income; their dividends are also paid out in USD.

This is a pretty fantastic income for would-be Disneyworlders. Nutrien has a dividend of \$1.80, or 3.32% at current prices.

Brookfield Renewable has a distribution of \$2.06, or 5.74% on an annual basis. This means if you own 100 shares of each, you would have \$386 each and every year to spend on your American vacation dreams.

If you aren't going to the United States for a few years, there's more good news. Both of these companies have been raising their payouts and are planning to continue to do so in the future.

Nutrien just raised its payout by 4.6% earlier in 2019, increasing the dividend from \$0.43 to \$0.45 a quarter. Brookfield Renewable did something similar, raising its quarterly payout by 5% from \$0.49 a quarter to \$0.515 a quarter.

It plans to continue increasing the dividend in the range of 5-9% a year going forward.

That's great for people who want to build a trove of USD for their vacation spending, except for one small problem. When the dividends are paid out to shareholders through a brokerage account, the dividends are often immediately converted into Canadian funds.

In order to correct this issue, you must buy the shares on the Canadian **TSX**. After that, investors phone into their broker and tell them that they want to journal your shares to the U.S. side of the account so the shares will remain in USD.

However, not every broker will journal your shares, so it's worth checking ahead of time whether your brokerage offers this service.

Get a decent yield on your U.S. cash

There's one more step to maximize your U.S. cash. Save those dollars in a high-interest savings ETF like the **Purpose US Cash ETF** ([TSX:PSU.U](#)), also held on the Canadian exchange.

It pays a yield of about 2.33% on your cash, giving you an even bigger bump on your cash. This will turbocharge your cash generation while keeping your USD safe.

Enjoy your vacation

Once you have a few years of exchange-free USD built up, you will be able to fund that vacation without exchange. Transfer the funds into a cross-border chequing account offered by many of the large Canadian banks.

You'll then be able to spend your cash in the United States without incurring exchange fees. You can thank me when your kids are shedding tears while hugging Mickey for the first time.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:NTR (Nutrien)

3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:NTR (Nutrien)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/08/09

Date Created

2019/08/01

Author

krisknutson

default watermark

default watermark