



Dividend Stock Alert: Grab This 4.5% Payout

Description

It's a fantastic time to invest in dividend stocks. These companies can deliver reliable income no matter where the [economy](#) heads.

One of my favourite dividend stocks today is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). This business has several exciting factors.

First, Brookfield is targeting one of the largest growth opportunities in human history. Second, its business is built to withstand economic downturns, insulating your portfolio from another [bear market](#). Third, shares offer a healthy 4.5% dividend.

If you're shopping for dividend stocks, this should top your buy list.

What I love

There's a lot to love about Brookfield. The biggest thing to get excited about is its growth runway.

Brookfield bills itself as a "pure play" for renewable investors — and the details back that claim. If you want to capitalize on the renewable energy boom, this is the stock to bet on. It's truly a global, diversified investment.

"We are one of the world's largest investors in renewable power, with over 19,000 megawatts of generating capacity," the company boasts. "Our assets, located in North and South America, Europe, India and China, comprise a diverse technology base of hydro, wind, utility-scale solar, distributed generation, storage and other renewable technologies."

Brookfield really is one of the largest players right now, but over the coming decade, the opportunity size will compound dramatically. It's this growth that will fuel this dividend stock's rise.

Over the *last* five years, \$1.5 trillion in capital was deployed to build renewable energy assets. Over the *next* five years, the sum will total \$5 trillion. With its size and influence, Brookfield will lead the industry

in controlling the most valuable assets.

Here's the most important part: the business is underpinned by stable cash flows, with the majority of its power contracted under long-term, inflation-linked contracts. This is why Brookfield is such an impressive dividend stock.

For example, it recently purchased wind assets in Spain for a fantastic price given regulatory uncertainty. But 100% of the project's cash flows were already contracted. Brookfield will receive these payments from day one, redirecting the proceeds to support the 4.5% payout.

Buy this dividend stock?

Few stocks have growth runways of a decade or more. Brookfield likely has at least 50 years of growth ahead. The transition to renewable energy will go down as one of the biggest investing opportunities ever. It's not based on regulation, either. This is pure economics.

In 2017, natural gas was a cheaper form of energy than wind and solar. In 2018, wind became cheaper than natural gas. Next year, solar will also reach price parity. These figures are based on a levelled cost of energy, which factors in all expenses related to constructing and running a power plant, with zero subsidies included.

The cost gap between renewables and fossil fuels will only widen, positioning Brookfield for success. This is simply the best dividend stock opportunity for long-term investors. Company executives agree.

"We continue to believe that Brookfield Renewable presents one of the most compelling opportunities for investors to participate in this substantial, multi-decade effort to decarbonize global electricity grids and to move to cleaner, renewable sources of energy," noted Brookfield's CEO on a recent conference call.

"As always, we remain focused on delivering on our long-term total return targets of 12% to 15%," he concluded.

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Date

2025/08/22

Date Created

2020/06/17

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