



## Biden's Infrastructure Bill Makes This Top TSX Stock a Screaming Buy

### Description

Biden's recent \$1.9 trillion stimulus package targeted at the coronavirus pandemic has broadly helped the stock market. Expectations we'll be heading out of this pandemic sooner than later have been re-ignited by this move. However, it appears the stimulus party isn't over.

Recent news that the Biden Administration is now looking to pass a \$3 trillion package centered on infrastructure spending has further bolstered growth expectations coming out of this pandemic. Accordingly, now may be a great time to take a look at infrastructure stocks.

One such stock I think should be on investors' radar right now is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)).

### What's in the package?

Biden's advisors recommend that this plan should be broken down into different parts. This would allow Congress to deal with the infrastructure piece first. This package would include significant spending on the deployment of clean energy, development, and expansion of 5G network infrastructure and other high-growth industries. Besides these, the infrastructure plan also includes funds for rural broadband, advanced-level training for workers, and housing units that are both energy-efficient and reasonably priced.

Importantly, documents indicate that close to \$1 trillion will be dedicated to the kind of infrastructure projects most investors think of. These include the construction and development of roads, bridges, vehicle charging stations, rail lines, etc. Biden administration officials are considering the possibility of offsetting such spending by imposing tax increases on corporations. This includes increasing the corporate income tax rate out, which stands at 21%.

With this massive wave of infrastructure spending on the way, there's plenty of upside for BIP. However, there are more reasons why this company is one of my top picks in the infrastructure sector right now.

## BIP has maximized shareholder value by buying quality assets at low prices

BIP has created long-term shareholder value by purchasing high-quality assets at bargain prices. The company's management team has been prudent in its approach to scooping up assets. Indeed, the fact that Brookfield Infrastructure was buying assets last year is a good sign for investors.

However, BIP has a capital recycling program that is still going on. Last year it managed to generate over \$700 million through this process. This represented a net total return of 20% per year.

Besides spending approximately \$2.5 billion in acquiring new investments and projects, the company purchased various marketable securities to expand its operations. The management team revealed that some of these investments could emerge as a buyout. Earlier this month, it turned out that BIP had a substantial stake in **Inter Pipeline** (TSX:IPL) and intended to buy out the company.

## Bottom line

Brookfield Infrastructure is a great long-term holding for investors seeking a [juicy dividend yield](#), along with high-quality assets. The company continues to be a consolidator in every environment, a policy that has worked in the favour of shareholders of late.

The incoming wave of infrastructure investment in the U.S. should bode well for BIP's U.S. operations. Accordingly, I'm bullish on this stock today.

### CATEGORY

1. Dividend Stocks
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### TICKERS GLOBAL

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

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