



Bullish on Biden's Infrastructure Plan? Here's 1 TSX Stock to Buy Right Now

Description

When building a long-term investment portfolio, it's important to consider asset class correlation. Alternative assets such as infrastructure or real estate tend to have lower correlation to the overall equity markets. This can happen investors boost risk-adjusted returns over time.

Well, it just so happens that alternative assets is what the Brookfield portfolio of companies is all about.

For those considering investing in infrastructure, given the tremendous tailwinds in this space today, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a [great option](#).

Here's more on why I think this is an intriguing pick for long-term investors today.

Privately funded infrastructure projects could be in higher demand

Biden's recently-released American Jobs Plan highlights a road map of massive government spending on infrastructure. How massive? Well, by most counts, this would be the most comprehensive package since the New Deal.

Okay, so with the government footing the bill, there are two catalysts I'd invite investors to consider.

First, there is the potential for Brookfield Infrastructure to pick up some pieces of the infrastructure package the government may not want to fund, or may not have the ability to fund. This is a massive undertaking by the Biden Administration, and investing this kind of money will be difficult to pass through Congress. Accordingly, there's anticipation certain aspects of the deal could be farmed out, providing an opportunity for BIP shareholders.

Second, there are now calls for more privately-funded infrastructure projects right now. The size of the tax increase that will be required to fund the Federal spending for this bill is likely to be massive. Accordingly, fiscal conservatives will likely want to shift the burden away from taxpayers, potentially opening the door to a larger swath of projects available to companies like Brookfield Infrastructure.

Despite the pandemic, large-scale infrastructure investments didn't stop. Indeed, approximately \$54 billion in infrastructure projects were undertaken internationally, and over \$100 billion was invested via institutional investors into this space. There remains a huge demand for pension funds and other institutional investors for these long-term projects, for various reasons.

Bottom line

As a leading player in the privately-funded infrastructure space, Brookfield Infrastructure remains a great long-term holding for investors.

It's a stock that provides long-term investors with an extremely stable yield. Furthermore, the growth in spending on such projects appears ready to finally take off.

For those seeking a long-term income-producing stock with great upside right now, this is it. I'm bullish on the prospects for private infrastructure players today, and would recommend investors take a look at Brookfield Infrastructure today.

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1. Dividend Stocks
2. Investing

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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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