



Buy Alert: The 1 TSX Dividend Stock I'd Go All-In on Today

Description

While there are several [dividend stocks](#) listed on the TSX, just a handful of them are solid long-term bets in 2022. It's crucial to identify companies with strong fundamentals, a wide economic moat, and pricing power that can generate outsized gains for investors amid a challenging macroeconomic backdrop.

One such stock [trading on the TSX](#) is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)), which currently offers investors a dividend yield of 3.90%. So, an investment of \$10,000 in this Canadian dividend stock would help you earn \$390 in annual dividend income.

BIP has been among the top-performing stocks on the TSX ever since it went public in September 2009. In the last 13 years, it has returned 1,440% to investors in dividend-adjusted gains, while the TSX is up 168%.

But historical returns don't matter much to future investors. Let's see why this blue-chip stock should be a part of your portfolio right now.

Is Brookfield Infrastructure stock a buy or a sell?

Investing in Brookfield Infrastructure Partners will provide shareholders with exposure to arguably one of the best pure-play, publicly traded global infrastructure vehicles. Its portfolio of cash-generating assets is spread across several sectors, such as utilities, midstream, data centres, and transportation, allowing the company to generate high-margin cash flows across market cycles.

It is well positioned to expand its portfolio in the upcoming decade to meet the growing needs of the global economy, also resulting in acquisition opportunities and higher dividend payouts over time. In fact, BIP aims to annually grow these distributions between 5% and 9% annually in the future.

In the last 13 years, it has increased dividends at an annual rate of 9.8%, showcasing the resiliency of the company's business model. Brookfield Infrastructure has also increased its funds from operations by 15% annually, from US\$0.41 per share in 2009 to US\$2.62 per share in 2022.

Despite rising interest rates and inflation, BIP delivered another strong quarter this September, as its funds from operations surged by 24% year over year to US\$525 million.

In a shareholder letter, BIP explained, "Our solid financial position situates us well in this current market environment, where capital is becoming increasingly scarce. Liquidity across our business remains robust, as a result of the successful execution of our asset rotation strategy, prudent management of our balance sheet and high-quality asset base."

What's next for BIP stock price and investors?

Brookfield Infrastructure emphasized a large proportion of its debt is fixed rate, insulating it from rising interest rates. Additionally, a significant amount of cash flows is hedged to the U.S. dollar insulating it from exchange rate risks.

The company has already deployed US\$2.8 billion in capital expenditures in the first nine months of 2022, making it an ideal stock to own in 2023 and beyond. Analysts, too, remain bullish on the stock and expect shares to gain over 20% in the next 12 months, given consensus price target estimates.

Brookfield Infrastructure is not the only dividend stock I own that trades on the TSX. But it certainly has the potential to keep generating market-thumping returns over the long term and create massive wealth for shareholders in the next 10 years.

CATEGORY

1. Dividend Stocks
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