

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Top Infrastructure Investment Opportunities

By www.ProfitableInvestingTips.com

The US economy is going to grow nicely this year as it comes back from the Covid-19 shutdown. [Investments in the recovery](#) will continue to do well in the coming years if they are focused on American infrastructure. What are the top infrastructure investment opportunities for 2021? You need to think about what materials and technologies will be used to repair and advance infrastructure. And, then you need to look for the companies best positioned to profit from a broad range of projects.

Best Infrastructure Stocks

We found a set of good suggestions about [infrastructure stocks to buy](#) from *The Motley Fool*. They did not look for the newest technologies but rather the folks who can profitably supply materials and equipment. The three stocks they suggest are Vulcan Materials, United Rentals, and Nucor.

Vulcan Materials is the biggest producer of aggregate in the USA. They provide gravel, crushed rock and sand used for construction of bridges, buildings, highways, runways, and more. Their stock sold for \$136 a share before the pandemic, fell to \$109 and now sells for \$145. It has a 0.90 percent dividend yield which is four times what it was six years ago. They are not going to grow by multiples but will see impressive profits as the country gears up to fix everything that needs aggregate and concrete.

United Rentals is the largest renter of heavy equipment in the world. Although folks like Caterpillar should do well as more heavy equipment is needed, many companies will choose to lease equipment for as long as they need it instead of purchasing. Their stock sold for \$156 a share and fell to \$70 before climbing to \$316 today. The only problem we see with this choice is that much of the profit may have already been made as their business has ramped up in anticipation of the recovery and infrastructure projects.

Nucor is a very efficient steel producer and the largest in the USA. Their extremely efficient mini-mills use electric furnaces making them highly profitable. The Biden infrastructure program will have two purposes. One is obviously to fix a lot that is broken in our infrastructure as well as to introduce advancements that are long overdue. The other is to create lots of American jobs. As such, we expect any legislation that funds infrastructure programs to give preference to American companies and suppliers. This could provide the basis for a turnaround for American steel producers with Nucor leading the pack. Their stock sold for \$47 a share going into the pandemic, fell to \$30 and sells for \$71 today. We do not think they are anywhere near topping out at this time.

Types of Infrastructure Investments

Traditional infrastructure investments are in roads and highways, mass transit, ports and waterways, airports, electricity, and water services. All of these are critical and all are likely to be addressed in the coming

legislation. However, technological infrastructure is important as well. We wrote about [5G investments](#) but there also basic things like having enough masks, syringes, and other essentials produced and stockpiled in the USA should the pandemic come back. We wrote about how batteries are essential to clean energy and how the USA is likely to start mining rare earth minerals in the country and building lithium-ion battery factories at home.

Ways to Invest in Infrastructure

Choosing individual stocks can be profitable if you have done your research. But, many investors have done just fine in recent years by putting their money into ETFs that track the broader market or, in this case, infrastructure-related investment opportunities. Three good choices are PAVE, IFRA, and NFRA. They all track a broad set of companies that work in infrastructure-related areas. Invest in an infrastructure ETF if you want to skip the research.

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