Income Investors: 2 Monthly Dividends You Can Trust

Description

Some pensioners rely on dividend payments to help cover monthly shortfalls, but most distributions are quarterly, not monthly.

This forces retirees to do some fancy financial planning to ensure the well doesn't go dry before the next quarterly payment is sent out. The best situation is to own a dividend stock that puts money in the account each and every month. If that amount increases every year, even better!

Until recently, many people relied on oil and gas producers for this income, but those stocks and many of their distributions are no longer appealing. Fortunately, a few good options are still available.

Here are the reasons why I think income investors should consider **Inter Pipeline Ltd.** (TSX:IPL) and **Shaw Communications Inc.** (TSX:SJR.B)(NYSE:SJR).

Inter Pipeline

Inter Pipeline often goes unnoticed by the dividend crowd because pipeline fans tend to buy the bigger names. But this company is growing quickly and plays an integral part in moving Canadian oil to its final destination. Inter also has a huge liquid storage operation in Europe.

In 2014 Inter moved about 35% of Canadian oil sands output and 15% of western Canada's conventional oil. The oil rout is certainly impacting producer margins and reducing expenditures on expansions, but oil sands operators are maintaining high production levels because most of their costs are already sunk into the assets and they need to get as many dollars as possible out of the operations. This means there is no shortage of demand for Inter's services.

Inter pays its investors a dividend of 12.25 cents per month. This translates into a nice 4.7% yield. The company raises the distribution on a regular basis and investors have even enjoyed a stock gain of 168% over the past five years. That's not too shabby for a little $10 billion pipeline company.

Shaw Communications Inc.

Shaw is a media and communications company that provides Internet, cable TV, satellite, and wireline phone services. Shaw's stronghold lies in western Canada, but its three million customers are spread out right across the country.

Unlike its peers, Shaw decided not to jump into the mobile phone business. This decision has enabled the company to invest in other ventures that should deliver long-term rewards.

In 2014 Shaw spent $1.2 billion to acquire Viawest Inc., a data centre company based in Colorado. The deal fits well with Shaw's strategy to offer data solutions to its mid-market enterprise customers.

Shaw is also investing heavily in a WiFi network that includes more than 50,000 hotspots. Shaw Internet customers can use the locations to access free high-speed connections when they are out and about in the community.

The company's formidable media division includes popular specialty brands such as HGTV Canada and Showcase, as well as the Global Television network.

Shaw increases its dividend every year. The current monthly payout of nearly 10 cents per share yields about 4.1%.

CATEGORY

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2. Investing

POST TAG

1. Editor's Choice

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2. TSX:SJR.B (Shaw Communications)

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Date
2025/09/10
Date Created
2015/04/09
Author
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