



3 High-Yielding Energy Stocks Under \$15 to Buy Today

Description

Whether you just opened your first brokerage account or have been investing for years, you must own at least one dividend-paying stock, because they outperform non-dividend-paying stocks over the long term. With this in mind, let's take a look at three stocks trading under \$15 with yields up to 7.8% that you could add to your portfolio today.

1. TransAlta Renewables Inc.: 7.8% yield

TransAlta Renewables Inc. ([TSX:RNW](#)) is one of Canada's largest owners and operators of renewable power generation facilities, and it is the country's largest producer of wind power. It pays a monthly dividend of \$0.07 per share, or \$0.84 per share annually, giving its stock a 7.8% yield at today's levels.

It is also important to note that TransAlta has raised its dividend each year since its initial public offering in 2013, resulting in two consecutive years of increases, and its increased amount of funds from operations, including 20.1% year-over-year growth to \$88 million in the first half of fiscal 2015, could allow this streak to continue in 2016.

2. Freehold Royalties Ltd.: 6.9% yield

Freehold Royalties Ltd. ([TSX:FRU](#)) manages one of the largest non-Crown portfolios of oil and gas royalties in Canada, with interests in approximately three million acres of land and more than 37,000 wells. It pays a monthly dividend of \$0.07 per share, or \$0.84 per share annually, which gives its stock a 6.9% yield at current levels.

Investors should also note that lower oil and gas prices forced Freehold to reduce its dividend twice in 2015, including a 35.7% reduction to its February dividend and a 22.2% reduction to its October dividend, but I think the current rate can be sustained until prices recover.

3. Algonquin Power & Utilities Corp.: 5.3% yield

(All figures are in U.S. dollars)

Algonquin Power & Utilities Corp. ([TSX:AQN](#)) is one of North America's largest operators of regulated and non-regulated utilities. It pays a quarterly dividend of \$0.09625 per share, or \$0.385 per share annually, giving its stock a 5.3% yield at today's levels.

It is also important to note that Algonquin has increased its dividend for five consecutive years, and it has a long-term goal of increasing its dividend by 10% annually, so I think this streak will continue for the next several years.

Should you buy one of these stocks today?

TransAlta Renewables, Freehold Royalties, and Algonquin Power & Utilities are three of the most attractive dividend-paying energy stocks trading under \$15. All Foolish investors should take a closer look and strongly consider beginning to scale in to long-term positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:RNW (TransAlta Renewables)

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