

Looking for Reliable Monthly Income in a Value Play?

Description

The recent pullback in the market is giving income investors a chance to buy some reliable dividend payers at very attractive prices.

Here are the reasons why I think **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) and **Altagas Ltd.** ([TSX:ALA](#)) deserve to be on your radar.

Shaw

Shaw is going through a complete overhaul, and the market is wondering if the company has what it takes to remain relevant in the coming years.

What's going on?

Investors scratched their heads in disbelief when Shaw announced it is buying Wind Mobile. The company has long maintained that it wasn't going to get sucked into the nasty Canadian mobile market and even sold off some valuable mobile spectrum just months before the Wind Mobile agreement.

The wisdom of the move is hotly debated, but I think Shaw had little choice.

Why?

Canadians like the convenience of getting mobile, Internet, and TV bundles from the same company. As a result, Shaw has been losing ground to its arch rival **Telus** in western Canada.

By adding a mobile offering, Shaw can slow down the exodus of cable TV subscribers, and the company will have a better shot at attracting new Internet customers.

In order to pay for the Wind Mobile deal, Shaw is selling Shaw Media to **Corus Entertainment**.

The deal means Shaw will eliminate its content risks as Canada moves to a pick-and-pay system for TV subscriptions. Beginning in March Canadians will have the option to sign up for basic \$25 TV package and add channels on a pick-and-pay basis.

There are concerns that content owners and service providers could take a big revenue hit if Canadian TV viewers get stingy. Some niche content could be left out in the cold, but I think customers will simply add popular channels until they hit their previous budget.

Shaw pays a monthly dividend that offers a yield of 5%. The distribution should be safe and the stock could rebound sharply once the company gets through the transition process.

Altagas

Altagas owns a variety of energy infrastructure assets split between Canada and the United States, offering a solid revenue mix by location and sector.

The operations are primarily focused on power generation and natural gas assets, and the business continues to expand through strategic acquisitions and new development projects.

Earnings growth remains strong, and the company actually raised its dividend by 12% in 2015. That's not bad considering the bloodbath in the energy sector.

The stock has enjoyed a nice rebound off the January lows, but income investors still get a solid 6% yield with a shot at some serious upside once the broader energy market stabilizes.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:SJR.B (Shaw Communications)

Category

1. Dividend Stocks
2. Investing

Date

2025/09/09

Date Created

2016/02/23

Author

aswalker

default watermark

default watermark