



Income Investors: 3 Stocks to Consider Today

Description

If you're an income investor with cash on hand that you're ready to put to use, then this article is for you. I've scoured the market and selected three high-quality monthly dividend stocks with high and safe yields of 5-9%, so let's take a quick look at each to determine if you should buy one of them today.

1. TransAlta Renewables Inc.

TransAlta Renewables Inc. ([TSX:RNW](#)) is one of Canada's largest owners and operators of renewable power generation facilities, and it's the country's largest producer of wind power.

It pays a monthly dividend of \$0.07333 per share, or \$0.88 per share annually, which gives its stock a yield of about 6.8% at today's levels.

It's also important to make the following two notes.

First, TransAlta has raised its annual dividend payment for two consecutive years, and its two hikes since the start of 2015, including its 4.8% hike in January, have it on pace for 2016 to mark the third consecutive year with an increase.

Second, the company has a target payout range of 80-85% of its comparable cash available for distribution (CCAFD), so I think its very strong growth, including its 32.1% year-over-year increase to \$0.37 per share in the first quarter of 2016, and its very low payout ratio compared with its target range, including just 59.5% of its CCAFD in the first quarter, will allow it to raise its dividend before the end of the year.

2. Enercare Inc.

Enercare Inc. (TSX:ECI) is one of Canada's largest home and commercial services companies, providing water heaters, air conditioners, furnaces, and other HVAC rental products, protection plans, and related services, and it's one of the country's largest non-utility sub-metre providers for condominiums and apartment suites.

It pays a monthly dividend of \$0.077 per share, or \$0.924 per share annually, which gives its stock a yield of about 5.6% at today's levels.

It's also important to make the following two notes.

First, Enercare has raised its annual dividend payment for five consecutive years, and its two hikes since the start of 2015, including its 10% hike earlier this month, have it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, I think the company's ample amount of distributable cash, including \$30.9 million in the first quarter of 2016, and its low dividend-payout ratio, including just 60% of its distributable cash in the first quarter, will allow its streak of annual dividend increases to continue going forward.

3. Timbercreek Mortgage Investment Corp.

Timbercreek Mortgage Investment Corp. (TSX:TMC) is one of Canada's largest non-bank lenders, providing short-term customized financial solutions to professional real estate investors.

It pays a monthly dividend of \$0.06 per share, or \$0.72 per share annually, which gives its stock a yield of about 8.55% at today's levels.

It's also important to make the following two notes.

First, Timbercreek has maintained its current annual dividend rate since 2015.

Second, the company has a target dividend payout of 100% of its distributable income, so I think its consistent generation of distributable income, including \$0.73 per share in fiscal 2015 and \$0.18 per share in the first quarter of 2016, will allow it to continue to maintain its current annual distribution rate going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

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