Income Investors: 2 Unloved Monthly Dividend Stocks With Attractive Yields

Description

Income investors are always searching for reliable dividend stocks that offer better-than-average yields.

Here are the reasons why I think **Inter Pipeline Ltd.** (TSX:IPL) and **Shaw Communications Inc.** (TSX:SJR.B) (NYSE:SJR) deserve to be on your radar.

Inter Pipeline

Inter Pipeline transports 15% of western Canadian conventional oil output and 35% of the country's oil sands production. The company also operates a liquids storage business in Europe.

Last year Inter Pipeline completed two major oil sands projects in Alberta, extended a conventional oil pipeline in Saskatchewan, and significantly increased its storage facilities.

As a result, year-over-year net income rose 33% to $463 million.

Inter Pipeline raised the dividend by 6% last November and additional increases could be on the way as new assets go into service later this year and in 2017.

At the moment, the monthly payout of 13 cents per share looks safe, and investors who pick up the stock today can bag a solid 6.5% yield.

Shaw Communications

Shaw has been under pressure as investors try to decide if they like the latest shift in the company's strategy.

Shaw recently purchased Wind Mobile in a deal that surprised many investors. The company had long maintained it wasn't going to enter the mobile war zone and even sold off valuable wireless spectrum last year.

Pundits might be scratching their heads, but the mobile move will probably turn out to be a wise one. Shaw is losing TV and Internet customers because it doesn't offer a full mobile, TV, and Internet package. The addition of the wireless business should help reduce subscriber losses and might even help the company win back customers who migrated to the competition.

In order to pay for the Wind Mobile acquisition Shaw sold its media business to **Corus Entertainment**. The deal ensures Shaw won't have to load up too heavily on debt to build out the wireless network and removes content risk from the business just as Canadians switch to a pick-and-pay system for TV subscriptions. The effects on content providers are not yet known, but there is a risk that program owners could see lower revenue due to cuts in advertising and subscription fees.

Shaw has a lot going on at the moment, but I think the stock will move higher once all of the dust settles on the transition process.

In the meantime, investors can pick up a safe monthly distribution with a yield of 4.8%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:SJR.B (Shaw Communications)

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