



## 2 Oversold Dividend Stocks I'd Buy Today With an Extra \$10,000

### Description

The Brexit sell-off is giving investors a wonderful opportunity to pick up some top dividend-growth stocks at very attractive prices.

Here are the reasons why I think **Inter Pipeline Ltd.** (TSX:IPL) and **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) deserve to be in your portfolio.

#### Inter Pipeline

Inter Pipeline is pulling back with the broader energy sector, but the move looks overdone.

Why?

The company has a diversified revenue stream with operations that include conventional oil pipelines, oil sands infrastructure, NGL extraction facilities, and a European liquids storage business. With the exception of the NGL business, Inter Pipeline is doing very well.

New infrastructure is helping drive revenue higher in the Canadian operations. The company completed work on two oil sands projects and one conventional oil pipeline in 2015, and the additional throughput on those assets pushed net income up 33% last year.

In Europe, the storage business continues to expand through acquisitions and organic growth. With utilization rates now at 98%, the unit is operating near capacity.

Inter Pipeline raised its monthly dividend last November to 13 cents per share. Investors who buy today can pick up a solid 6% yield.

#### Canadian National Railway

Railway stocks are going through a rough patch right now, but slow times in the cycle almost always prove to be great buying opportunities for the sector.

CN is widely viewed as the best-run company in the space, and management continues to squeeze

more efficiency out of the assets.

The company reported a Q1 2016 operating ratio of 58.9%, down 6.8 points from the same period last year. A low number is preferred because it indicates the company's operating cost as a percentage of revenue.

The energy business continues to struggle, but gains in the forestry and automotive segments are helping offset the oil and gas pain, and CN continues to post solid results. First-quarter net income rose 13% compared with Q1 2015 and the company is still generating a ton of free cash flow.

That's good news for CN's shareholders who received a 20% increase in the dividend earlier this year. Some investors skip CN because the stock only yields about 2%, but the dividend-growth rate has averaged 17% over the past two decades.

If you have a buy-and-hold strategy, CN should be on your radar.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)

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