



## 2 Monthly Income Picks With Great Yields

### Description

Many Canadians rely on income stocks to top up their monthly pension benefits.

Let's take a look at **Shaw Communications Inc.** ([TSX:SJR.B](#)) ([NYSE:SJR](#)) and **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) to see why they are attractive picks right now.

#### Shaw

Shaw is in the middle of a major transition, and investors are taking a wait-and-see approach to the stock.

What's going on?

Shaw recently acquired Wind Mobile in a move to help the cable operator compete on a level playing field with its peers.

For years, Shaw avoided being sucked into the mobile game, but the realization that Canadians prefer to get bundled mobile, TV, and internet packages from one provider forced management to finally make a move.

In order to pay for the Wind Mobile deal and help fund growth in the new division, Shaw sold its media assets to **Corus Entertainment**. The deal included the Global TV network, radio stations, and a large portfolio of specialty channels.

Canadians now have pick-and-pay options for their TV subscriptions, and that could present a problem for content owners. As such, the timing of the media sale could prove to be a smart one.

Investors have been lukewarm on the strategy shift, but I think Shaw will come out of the process as a stronger player in the Canadian market.

Investors who buy the stock today can pick up a yield of 4.6%.

## RioCan

RioCan owns more than 300 shopping centres across Canada.

Some people think brick-and-mortar retail is destined to go the way of the dodo bird, but RioCan's results suggest that might not be the case.

The company renewed one million square feet of space in Q1 at an average rent increase of 6.2%. Funds from operations in the quarter rose 7% compared with the same period last year.

RioCan's anchor tenants tend to be big-name grocery stores, pharmacies, and retailers of discount products and daily household goods. These are recession-resistant sectors, and most Canadians prefer to visit the stores to get the products.

Think about it. How many Canadians are going to order their apples, deodorant, or new garden hose online?

RioCan recently sold off its U.S. properties for a healthy profit, and the net proceeds of \$1.2 billion are being used to strengthen the balance sheet and fund new investments.

One project worth keeping an eye on is the plan to build condos at some of the top urban sites. If the concept takes off, RioCan's investors could see a nice revenue boost in the coming years.

RioCan pays a monthly distribution of 11.75 cents per unit. That's good for a yield of 4.8%.

### Is one a better bet?

Both companies offer attractive monthly payouts that should be safe.

If you only have the cash to buy one of these names, I would probably go with Shaw. The stock is trading at a discount to its peers, and investors could pick up some nice capital gains in the next couple of years.

RioCan offers a slightly better yield, but the unit price has rallied significantly in recent months. At this point, Shaw just looks like better value for the money.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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