



Retirees: 2 Monthly Income Stocks for Your TFSA

Description

The TFSA is a great tool to help young people build a retirement portfolio, but it also useful for pensioners who want to protect their dividend income.

Let's take a look at **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) and **Inter Pipeline Ltd.** (TSX:IPL) to see why they might be good picks right now.

Shaw

Shaw is working its way through a complicated transformation, and investors are just starting to warm up to the new strategy.

What's going on?

The company recently purchased Wind Mobile in a bid to compete on a level playing field with its peers. The move surprised investors and analysts because Shaw had long maintained the position that it wouldn't be pulled into the mobile game.

Management even sold off valuable spectrum a few months before announcing the deal.

In the end, the executive team realized they simply had to take the mobile plunge because Canadians prefer to get their TV, internet, and smart phone services in discounted bundles from a single provider. Adding the mobile business should help stem some of the losses in the TV segment, and Shaw might start to win back internet customers who have migrated to other suppliers.

In order to pay for the Wind Mobile deal, Shaw sold its media assets to **Corus Entertainment**. Exiting the media space could prove to be a wise and timely decision as Canadians settle in to the new pick-and-pay system of signing up for TV subscriptions.

Shaw's stock has picked up a tailwind in the past couple of weeks, but investors can still get a 4.5% yield with a shot at further upside once the transition process is complete.

Inter Pipeline

Inter Pipeline lies in the shadows of its larger peers. Investors often skip the name when looking for a pipeline pick, but the company's diversified business model deserves more respect.

Inter Pipeline's Canadian operations include a natural gas liquids (NGL) extraction business, conventional oil pipelines, and oil sands infrastructure. In Europe, Inter Pipeline owns a liquids storage group.

With the exception of the NGL segment, the company is doing very well. New assets on the conventional oil and oil sands networks are driving funds from operations (FFO) higher and more growth is expected later this year and in 2017.

The European business is enjoying strong demand with utilization rates now at 98%. FFO in the group hit a record \$31 million in Q1, up 53% over the same period last year.

Inter Pipeline pays a monthly dividend of \$0.13 per share. Investors who buy today can pick up a solid 5.8% yield.

Is one a better bet?

Both stocks are attractive income picks. If you only have the cash to buy one, I would go with Inter Pipeline today for the higher yield.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

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