



Income Investors: Don't Ignore These Top Dividend Picks

Description

Income investors are always searching for quality stocks that offer reliable and growing dividends.

Here are the reasons why **Altagas Ltd.** ([TSX:ALA](#)) and **Inter Pipeline Ltd.** (TSX:IPL) should be on your radar.

Altagas

Altagas is not very well known to investors, but the electricity and natural gas infrastructure company has a lot to offer.

Altagas just reported solid Q2 2016 results with normalized EBITDA coming in at a record \$153 million. That's a 43% pop over the same period last year.

New assets are driving the strong results, and investors should see continued growth despite the company's decision to step back from its \$600 million LNG project in Kitimat, British Columbia.

Why?

Management has a knack for finding strategic opportunities that fit well in the overall portfolio mix, and the company continues to search for opportunities on both sides of the border. The Canada/U.S. exposure is relatively balanced, so investors get a chance to benefit from the strong American dollar.

Altagas just raised its monthly dividend to \$0.175 per share. Investors who buy the stock today can pick up a 6.3% yield.

Inter Pipeline

Inter Pipeline is another energy infrastructure play with a diversified portfolio of business units.

The company operates a natural gas liquids (NGL) extraction operation, oil sands infrastructure, conventional oil pipelines, and a liquids storage business in Europe.

The NGL business struggled last year, but things are on the mend. The division reported Q2 2016 funds from operations (FFO) of \$31 million, up 31% over Q2 2015.

The oil sands business pulled in FFO of \$141.4 million, a 5% year-over-year increase, and the conventional oil group generated \$47.1 million in FFO, slightly higher than Q2 last year.

In Europe, Q2 utilization was 97% and FFO came in at \$29.6 million, up a healthy 44% year over year. The big jump in revenue is attributed to the addition of new capacity in Sweden as well as higher utilization rates.

Overall, things are rolling along quite nicely at Inter Pipeline.

The company pays a monthly dividend of \$0.13 per share for a yield of 5.6%. The Q2 payout ratio was 70%, so there is room for a possible rate hike later this year.

Is one a better pick?

Both stocks offer income investors with safe monthly dividends that should continue to grow at a steady clip. If you are simply looking for the best yield, go with Altagas as your first pick.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)

Category

1. Dividend Stocks
2. Investing

Date

2025/10/02

Date Created

2016/08/04

Author

aswalker

default watermark