



## Yield Investors: 2 Monthly Dividend Stocks Paying up to 10%

### Description

The search for yield is a popular pastime for Canadian investors.

Let's take a look at **Altagas Ltd.** ([TSX:ALA](#)) and **Corus Entertainment Inc.** ([TSX:CJR.B](#)) to see if one is an attractive income pick today.

#### Altagas

Altagas doesn't get much attention from investors because those searching for utility and energy infrastructure plays tend to pick the larger names.

I think it deserves more respect.

The company made headlines this year when it shelved plans for a liquefied natural gas (LNG) facility in British Columbia, but other projects are moving along well, including its recently opened Townsend Facility, which is an integrated midstream natural gas processing plant with gas-gathering lines and a truck terminal.

The \$430 million project was completed on budget and ahead of schedule, and investors should see a nice boost to cash flow from the assets in 2017.

Management also has a strong track record of finding strategic tuck-in acquisitions that boost revenue and complement the existing portfolio. For example, Altagas purchased two gas-fired electricity-generation plants in California last year that added incremental EBITDA of \$95 million and improved cash flow by 5%.

Altagas recently raised its monthly dividend to \$0.175 per share. That's good for a yield of 6.3%.

#### Corus

Corus had a tough run in 2015 as investors bailed out of the stock ahead of the changes to the way Canadians subscribe to TV programming.

What's the scoop?

As of March 2016, Canadians have the opportunity to choose a basic TV package and then add channels on a pick-and-pay basis.

Analysts and investors were worried that Corus could get crushed under the new system because its content was too focused on kids and it would be at risk without the automatic inclusion in big bundles offered by service providers.

Management knew this and decided to improve its odds by buying Shaw Media from **Shaw Communications**.

The deal includes all of Shaw's popular content, including HGTV, Global News, Food Network, etc., that appeals to a much wider audience. As a result, Corus now controls about 30% of the English-speaking content Canadians view, putting it in a much better position to compete under the new system.

Investors should look to the fiscal Q4 earnings report to get a sense of how the numbers are panning out, as it will be the first full quarter with the Shaw assets included in the results.

Free cash flow should support the dividend based on historical trends, and management says it is committed to maintaining the monthly payout.

At \$0.095 per share, the distribution currently yields 10%.

### **Is one a better bet?**

Corus provides a better yield, and there is some strong upside potential if the next few quarterly results show cash flow is steady enough to support the payout.

At this time, however, I would be more inclined to buy Altagas. The dividend looks more secure, and investors should see increases to the distribution as new assets begin to contribute to the revenue stream.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CJR.B (Corus Entertainment Inc.)

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1. Dividend Stocks

## 2. Investing

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