



## Retirees: 2 Monthly Income Picks to Earn 6%

### Description

Retirees are searching for attractive dividend stocks to help boost their pension income.

Let's take a look at **Inter Pipeline Ltd.** (TSX:IPL) and **Altagas Ltd.** ([TSX:ALA](#)) to see why they might be interesting picks right now.

#### Inter Pipeline

Inter Pipeline owns natural gas liquids (NGL) extraction assets, conventional oil pipelines, oil sands pipelines, and a liquids storage business located in Europe.

The company has navigated the oil rout in pretty good shape, and management is taking advantage of the tough times to fill up the growth portfolio.

Of note is the acquisition of two NGL extraction plants and related infrastructure from **The Williams Companies** for \$1.35 billion. Williams unloaded the facilities at a steep discount, so Inter Pipeline stands to generate some solid returns on the investment when the market recovers.

The purchase came with plans for a \$1.85 billion propane dehydrogenation facility, and IPL is also looking at constructing a new \$1.3 billion polypropylene plant.

This stuff might sound as exciting as watching mud dry, but income investors want cash, not entertainment, and these projects could generate significant additional funds flow if they get the green light.

Assuming all goes well, IPL says the two facilities could be completed and in service by the end of 2021.

In the meantime, investors are collecting a monthly dividend of \$0.135 per share. At the time of writing, that's good for a yield of 5.8%.

## Altagas

Altagas is all over the headlines recently due to its proposed takeover of **WGL Holdings Inc.** for \$8.4 billion.

The stock is down on the news, and I think investors are getting a nice chance to pick up the name at an attractive price.

Why?

Management expects the deal to close in the first half of 2018 and then deliver earnings-per-share accretion of at least 8% through 2021. On top of that, Altagas says it will boost its dividend by 8-10% per year through 2021, all while reducing the payout ratio.

That's what income investors like to hear.

It's true that this company has had some ups and downs in the past, and more volatility could be in the cards for the near term, but the long-term outlook is shaping up to be pretty good, and investors who buy the shares now can lock in a juicy 6.9% yield.

Altagas currently pays a monthly dividend of \$0.175 per share.

### Is one more attractive?

Both stocks look like strong income picks, and an equal holding in both provides a nice yield of more than 6%.

If you only buy one, I would probably make Altagas the first choice today. The recent sell-off simply looks overdone.

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1. Dividend Stocks
2. Investing

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