



Dividend Investors: 2 Attractive Stocks in an Uncertain Market

Description

Finding stocks that offer both dividend growth and a shot at some decent upside is becoming difficult in the current environment.

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

Altagas

Altagas doesn't get much attention from investors looking to add an energy infrastructure name to their portfolios, but that might begin to change.

Why?

The company recently announced an \$8.4 billion deal to purchase Washington D.C.-based **WGL Holdings**.

The acquisition is expected to close in the first half of next year and should help boost annual earnings by at least 8% through 2021. As a result, management plans to give investors an additional 8-10% per year in dividend payments over the same time frame.

Altagas is also moving forward with a series of organic projects.

The company recently opened its new 20 MW battery-storage facility in California, and has several developments underway in British Columbia, including a propane-export facility in Prince Rupert and NGL assets in the growing Montney play.

The stock dropped in the wake of the WGL announcement, providing investors with an opportunity to pick up Altagas at what looks like a reasonable price.

At the time of writing, the dividend provides a yield of 6.8%.

Inter Pipeline

IPL owns NGL extraction assets, conventional oil pipelines, oil sands pipelines, and a liquids storage business located in Europe.

The balanced revenue stream has helped the company get through the oil rout in good shape, and management has taken advantage of the downturn to add strategic assets at discounted prices.

The best deal might be the \$1.35 billion purchase of two NGL extraction facilities and related infrastructure from **The Williams Companies**.

Making the move was a gutsy call, but IPL stands to generate a strong return on the investment as markets prices recover, and the agreement comes with a planned \$1.85 billion propane dehydrogenation project which has received \$200 million royalty credits from Alberta.

IPL is also evaluating the numbers on a \$1.3 billion polypropylene plant. The two projects could be completed and in service by 2021.

IPL has a strong track record of dividend growth. The current monthly distribution of 13.5 cents per share provides a yield of 5.7%.

Once the oil sector gets back on its feet, IPL's stock could catch a nice tailwind.

Is one more attractive?

Both stocks offer solid dividends with strong growth potential.

If you only buy one, Altagas might be more appealing today. The company's large presence in the United States provides a nice hedge against further troubles in Canada, and the stock offers a higher dividend yield.

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