

2 Unloved Monthly Dividend Stocks That Yield More Than 6.5%

Description

Dividend investors are searching for new stocks that can boost their monthly income.

Let's take a look at **Altagas Ltd.** ([TSX:ALA](#)) and **Corus Entertainment Inc.** ([TSX:CJR.B](#)) to see if one deserves to be on your buy list.

Altagas

Altagas is an energy infrastructure play with power, utility, and gas businesses operating in Canada and the United States.

The company has a strong track record of driving growth through acquisitions and organic developments, and that trend continues.

Altagas is paying \$8.4 billion to purchase Washington-D.C. based **WGL Holdings** in a deal that will immediately boost earnings once it closes next year.

In Canada, Altagas is building a natural gas storage facility in Nova Scotia and has a number of projects underway in British Columbia, including the expansion of the Townsend gas-processing site and a propane export terminal in Prince Rupert.

The stock has been under some pressure since the announcement of the WGL deal, giving investors an opportunity to pick up Altagas at a reasonable price.

The monthly dividend of \$0.175 per share offers a yield of 6.75%.

Management plans to raise the distribution by at least 8% per year through 2021.

Corus

Corus took a nasty hit in the past couple of years as investors bailed out of the stock ahead of key changes to the way Canadians subscribe to TV programs.

What's the scoop?

The company's content portfolio was heavily weighted to children, and investors were concerned the new pick-and-pay system might be a threat.

Management knew this and made a game-changing acquisition that has positioned the company well to compete in the Canadian market.

Corus purchased Shaw Media from **Shaw Communications** in a deal that substantially expanded the company's TV offerings, including a national TV network and specialty channels targeted at a wide

audience.

As a result, Corus now owns about 35% of the Canadian English TV programming.

Contrarian types who had the foresight to pick up the stock at the lows are sitting on some nice gains, and new investors are wondering if better days are on the way.

The latest financial report suggests the company is holding its own in a tough market. On a pro forma basis, fiscal Q2 2017 total subscriber revenue increased 1% compared to the same time last year. Advertising revenue slipped 4% and total revenue fell 5%.

Corus pays a monthly dividend of 9.5 cents per share for a yield of 8.8%.

Is one more attractive?

Corus provides a better yield, but there is a risk that management could decide to trim the payout and allocate the cash to pay down debt.

As a result, I would probably make Altagas the first choice today based on the strong project backlog and the dividend-growth guidance.

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1. Dividend Stocks
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1. Editor's Choice

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