



2 Top Income Stocks I'd Buy Today

Description

Savvy investors are turning to monthly dividend stocks to supplement their income, because savings accounts, Guaranteed Investment Certificates (GICs) and bonds simply don't offer yields anywhere close to what can be earned in the stock market.

With this in mind, let's take a closer look at two top income stocks with yields of 6-7% that you could add to your portfolio today.

Medical Facilities Corp.

Medical Facilities Corp. ([TSX:DR](#)) owns controlling interests in five specialty surgical hospitals in Arkansas, Indiana, Oklahoma, and South Dakota, and an ambulatory surgery center in California. It also owns a controlling interest in a diversified healthcare service company in Oklahoma that provides third-party solutions to healthcare entities such as physician practices, facilities, and insurance companies.

Medical Facilities pays a monthly dividend of \$0.09375 per share, equal to \$1.125 per share on an annualized basis, and this gives it a yield of about 6.8% today.

On top of being a bonafide high-yielder, Medical Facilities is a very reliable dividend stock. It has paid monthly dividends uninterrupted and without reduction since June 2011, resulting in an impressive 157 consecutive dividend payments since inception, and it has maintained its current monthly rate since August 2012.

I think Medical Facilities will continue to be a reliable provider of high monthly income in the years ahead, too. I think its consistently strong growth of cash available for distribution (CAFD), including its 11.1% year-over-year increase to \$1.466 per share in 2015 and its 11.3% year-over-year increase to \$1.631 per share in 2016, and its vastly improved dividend-payout ratio, including 69% in 2016 compared with 76.7% in 2015 and 85.2% in 2014, will allow it to continue to maintain its current monthly rate for decades, or allow it to announce a slight hike whenever its management team so chooses.

Enbridge Income Fund Holdings Inc.

Enbridge Income Fund Holdings Inc. (TSX:ENF), or ENF for short, holds an ownership stake in Enbridge Income Fund, which it in turn owns high-quality energy infrastructure assets, such as oil and natural gas pipelines, oil storage facilities, and green power generation facilities. All of these assets are operated by **Enbridge Inc.**, which is North America's largest energy infrastructure company.

ENF currently pays a monthly dividend of \$0.1711 per share, equal to \$2.0532 per share on an annualized basis, which gives it a yield of approximately 6% today.

In addition to being a high yielder, ENF is one of the best dividend-growth plays in the energy sector. It has raised its annual dividend payment for six consecutive years, including a compound annual growth rate of approximately 7.3% from 2006-2016, and its 10% hike that took effect in January has it on pace for 2017 to mark the seventh consecutive year with an increase.

ENF is a top pick for dividend growth going forward as well. It has a dividend-growth program in place that calls for annual growth of 10% through 2019, and I think its consistently strong growth of earnings, including its 14.4% year-over-year increase to \$1.83 per share in 2015 and its 16.9% year-over-year increase to \$2.14 per share in 2016, and its consistently sound payout ratio, including 86.9% in 2016, 86.7% in 2015, and 89.9% in 2014, will allow it to complete this program and announce a new one that extends well into the 2020's.

Which of these top income stocks should you buy today?

I think Medical Facilities and Enbridge Income Fund Holdings are excellent investment options for any income portfolio, so take a closer look at each and strongly consider adding one or both of them to yours today.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:DR (Medical Facilities Corporation)

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