



2 Income Stocks Yielding 4-6% I'd Buy Today

Description

As income investors, we want to own stocks with high and reliable dividends and, after a thorough search of several industries, I selected two that I think represent very attractive opportunities today. Let's take a closer look at each, so you can determine which would be the best fit for your portfolio.

Ag Growth International Inc.

Ag Growth International Inc. ([TSX:AFN](#)), or AGI for short, is one of the world's leading manufacturers of grain handling, conditioning, and storage equipment. Its product lines include augers, belt conveyors, grain storage bins, grain handling accessories, grain aeration equipment, grain drying systems, and fertilizer handling and storage systems, and its family of brands includes Batco, Westfield, Yargus, Frame, Entringer, Twister, and Westeel.

AGI pays a monthly dividend of \$0.20 per share, equal to \$2.40 per share on an annualized basis, which gives it a yield of about 4.1% at today's levels.

As mentioned before, AGI is a very reliable income provider. It has paid monthly dividends uninterrupted and without reduction since its initial public offering in May 2004, and it has maintained its current rate since November 2010.

I think AGI will continue to be one of the market's most reliable income providers in the years ahead too. I think its very strong growth of funds from operations (FFO), including its 39.9% year-over-year increase to \$52.89 million in 2016 and its 42.8% year-over-year increase to \$14.62 million in the first quarter of 2017, and its wildly improved dividend-payout ratio, including 64% of its FFO in the first quarter of 2017 compared with 85.8% in the year-ago period, will allow it to maintain its current monthly dividend rate for decades.

Vermilion Energy Inc.

Vermilion Energy Inc. ([TSX:VET](#))([NYSE:VET](#)) is a leading global independent oil and gas exploration and production company with operations across Europe, North America, and Australia.

Vermilion pays a monthly dividend of \$0.215 per share, equal to \$2.58 per share on an annualized basis, which gives it a yield of about 5.6% at today's levels.

Like Ag Growth International, Vermilion is one of the most reliable income stocks around. It has paid monthly dividends uninterrupted and without reduction since September 2003, and it has maintained its current rate since January 2014.

I think Vermilion is a safe pick for income going forward as well. I think its very strong growth of FFO, including its 45.8% year-over-year increase to \$1.21 per share in the first quarter of 2017 and its projected 19.3% year-over-year increase to \$5.26 per share in the full year of 2017, and its vastly improved dividend-payout ratio, including 53.3% of its FFO in the first quarter of 2017 compared with 77.7% in the year-ago period, will allow it to continue to maintain its current monthly dividend rate for the foreseeable future.

Which of these income providers belongs in your portfolio?

I think Ag Growth International and Vermilion Energy represent two of the most attractive income opportunities in their respective industries, so take a closer look at each and strongly consider initiating a position in at least one of them today.

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1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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2. TSX:AFN (Ag Growth International)
3. TSX:VET (Vermilion Energy Inc.)

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