

Retirees: 3 Monthly Income Stocks Yielding 4-6%

Description

Income investors are searching for reliable, above-average yield to complement their pension payments.

Let's take a look at **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)), **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)), and **Inter Pipeline Ltd.** (TSX:IPL) to see why they might be interesting picks.

Shaw

Shaw is undergoing a major shift in its strategy.

Last year the company finally decided it had to have a mobile business to compete with its peers in the Canadian communications sector. To get in quickly, Shaw bought Wind Mobile and rebranded it as Freedom Mobile.

The move gives Shaw the ability to offer bundled mobile, TV, and internet service packages that should help slow down the exit of cable subscribers while attracting new internet users from the other providers.

In order to help pay for the Wind purchase, Shaw sold its media business to Corus entertainment. Some pundits questioned the decision, but it might turn out to be wise move given the challenges content owners face in the new pick-and-pay system for Canadian TV subscriptions.

Once the dust settles on the transition process, Shaw's dividend should start to increase again.

The payout currently yields 4.1%.

RioCan

RioCan owns interests in about 300 retail properties across Canada.

At first glance, that doesn't sound like a good business to be in, considering the challenges faced by big department stores in the United States.

It's true the retail landscape is changing as more people shop online, but not all segments face the same risk.

RioCan's anchor tenants tend to be grocery stores, pharmacies, discount goods sellers, or companies that sell everyday household items. Online shopping isn't big in these sectors in Canada, and when people do order through the websites, they often pick up the product at the store.

Demand for RioCan's space remains strong, and the company has a number of growth projects

underway to increase revenue.

One interesting opportunity is RioCan's plan to build up to 10,000 residential units at its top urban locations.

If the concept takes off, investors could see a nice boost to cash flow in the coming years.

The distribution yields 5.6%.

IPL

IPL is a niche energy infrastructure player with natural gas liquids (NGL) extraction facilities, oil sands pipelines, conventional oil pipelines, and a liquids storage business in Europe.

Management made a few strategic acquisitions in the past year, and the company has more than \$3 billion in development projects in the works.

The addition of the newly acquired assets plus the organic projects should ensure cash flow increases at a healthy clip over the medium term.

IPL continues to raise its dividend each year, despite the broader challenges in the energy sector.

The dividend is paid monthly and provides an annualized yield of 6.1%.

The bottom line

An equal position in all three stocks provides exposure across different sectors while generating an average yield of better than 5%.

That's not bad in the current market.

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1. Investing

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1. Editor's Choice

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1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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