



RRSP Investors: 2 High-Yield Dividend Stocks I'd Buy Today

Description

Canadian savers are searching for dividend stocks to add to their RRSP portfolios.

Let's take a look at **Altagas Ltd.** ([TSX:ALA](#)) and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) to see why they might be interesting picks.

Altagas

Investors often overlook Altagas when searching for an energy infrastructure company to add to their portfolios, but the name probably deserves more respect.

Why?

The company is growing through a combination of organic projects and strategic acquisitions in a variety of sectors.

For example, Altagas recently opened its landmark battery-storage facility in California, is building a propane-export terminal and expanding gas-processing facilities in British Columbia, and is in the process of buying Washington D.C.-based **WGL Holdings**.

As the new assets are completed or integrated into the company, Altagas expects cash flow to increase enough to support dividend growth of at least 8% per year through 2021, while reducing the payout ratio.

Investors sold the stock on the WGL announcement, and the shares have remained under pressure amid the general pullback across the energy sector.

As a result, the stock now provides a dividend yield of 7%.

Enbridge

Enbridge is often the first name investors turn to when searching for a pipeline stock.

The company recently closed its \$37 billion acquisition of Spectra Energy and is now North America's largest energy infrastructure business with oil and gas pipelines, natural gas utilities, and renewable energy assets.

Enbridge has \$27 billion in near-term secured capital projects on the go, and a strong portfolio of longer-term developments under consideration.

As the new assets are completed and go into service, Enbridge says cash flow should increase enough to support annual dividend growth of at least 10% through 2024.

The stock is down 10% in 2017, presenting investors with an opportunity to pick up the pipeline giant at a reasonable price.

The dividend currently provides a yield of 4.8%.

Is one a better RRSP pick?

Both stocks are trading at attractive levels and offer above-average dividend payouts that should grow in the coming years.

Altagas offers the higher yield right now, but the stock also comes with more risk. If you like betting on the little guy and can handle some additional volatility, Altagas might be the way to go.

If you'd prefer to go with the industry giant, Enbridge should be a safer bet with stronger dividend-growth guidance.

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