



2 Undervalued Income Stocks With Yields Over 5%

Description

One of the toughest tasks we face as investors is finding the right stock at the right price when we're ready to buy, and it can seem nearly impossible to find one that is undervalued, is expected to grow its earnings at a strong rate, pays dividends on a monthly basis, has a high yield, and has a track record of dividend growth.

Fortunately for you, I've done the hard part and found two stocks that meet these criteria perfectly, so let's take a closer look at each to determine if you should buy one or both today.

Inter Pipeline Ltd.

Inter Pipeline Ltd. (TSX:IPL) is a leading owner and operator of energy infrastructure in North America and Europe. Its operating assets include conventional oil, oil sands, and natural gas liquids pipelines, offgas extraction facilities, and fractionation plants in Canada, and petroleum and petrochemical storage terminals in the U.K., Denmark, Sweden, Ireland, and Germany.

At today's levels, Inter Pipeline's stock trades at just 17.1 times fiscal 2017's estimated earnings per share of \$1.46 and only 16.3 times fiscal 2018's estimated earnings per share of \$1.53, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 23.4. It's also expected to grow its earnings at an average rate of 5.1% over the long term.

Inter Pipeline pays a monthly dividend of \$0.135 per share, representing \$1.62 per share annually, and this gives its stock a 6.5% yield today. The company has also raised its annual dividend payment for eight consecutive years, and its 3.8% hike in November has it on pace for 2017 to mark the ninth consecutive year with an increase.

CI Financial Corp.

CI Financial Corp. ([TSX:CIX](#)) is one of Canada's leading wealth management and investment fund companies. Its principal subsidiaries include CI Investments and Assante Wealth Management. As of March 31, it had approximately \$160.41 billion in assets under management and advisement

At today's levels, CI Financial's stock trades at just 12.7 times fiscal 2017's estimated earnings per share of \$2.15 and only 12 times fiscal 2018's estimated earnings per share of \$2.28, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.5. It's also expected to grow its earnings at an average rate of 11.8% over the long term.

CI Financial pays a monthly dividend of \$0.1175 per share, representing \$1.41 per share annually, giving it a yield of about 5.2% today. It has also raised its annual dividend payment for seven consecutive years, and its 2.2% hike last month has it on pace for 2017 to mark the eighth consecutive year with an increase.

Which of these top stocks belongs in your portfolio?

I think Inter Pipeline and CI Financial representing fantastic long-term investment opportunities, so take a closer look at each and strongly consider adding at least one of them to your portfolio today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CIX (CI Financial)

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