



Monthly Income: 2 Top Dividend Stocks to Buy and Hold

Description

If you're an investor looking to earn stable monthly income, then investing in dividend-paying stocks is your best bet.

Monthly dividends provide an ideal investment avenue for retirees or other investors that require predictable income from their portfolios to meet their monthly expenses. One of the biggest challenges for income investors in this class is to find companies that are not only growing, but also have a track record of dividend growth.

In Canada, there aren't many companies which fall into this category. Many investors buy mutual funds to receive monthly income cheques. But the problem with this strategy is that you end up paying a lot in management fees which are deducted directly from your dividend income.

Today, I've selected two dividend stocks that belong to different industries and provide a good diversification if your goal is to invest only in reliable companies without taking on too much risk.

Shaw Communications Inc.

For monthly income seekers, **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) provides a good opportunity, given this telecom operator's growth strategy and long history of paying dividends each month.

Currently, Shaw pays \$0.09875 a share monthly, yielding 4.28% on annualized basis. Its dividend payout has increased over 5% on average since 2009, offering a good track record to investors who are interested in investing only in solid businesses.

Calling itself an "enhanced connectivity provider," Calgary-based Shaw is in the middle of re-adjusting its strategy to focusing on home internet, TV, and wireless businesses to challenge its biggest rivals in Canada.

Last year, Shaw sold its media business to **Corus Entertainment Inc.** and bought Wind Mobile to gain a strong foothold in the wireless business. Its current price of \$27.66 provides a good entry point after

falling 9% from the 52-week high reached in June.

I believe Shaw is a growth play and a good candidate for receiving monthly dividend without exposing yourself to riskier assets, such as real estate and the highly cyclical energy sector.

CI Financial Corp.

My second pick for monthly income seekers is **CI Financial Corp.** ([TSX:CIX](#)), one of Canada's leading wealth managers. CI Financial has a well-diversified wealth management business with \$121.3 billion assets under management as of June 30.

CI Financial pays a \$0.1175 per share monthly dividend, offering a yield of about 5.07% on today's price. The company has a solid history of paying dividends, raising its payouts for seven straight years.

At \$27.80, CI Financial stock is trading 22% lower than its peak reached in 2015. The declining trend in the stock value highlights some of the challenges that the mutual funds industry is facing, including competition from ETFs and Canadian banks, equity fund outflows, and regulatory changes.

But in recent quarters, CI Financial has shown strong growth in its net income, which rose 20% in the first quarter of 2017 when compared to the same period a year ago. From the valuation perspective, the stock also looks cheap with a forward P/E ratio of just 12.91.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/07/06

Date Created

2017/07/18

Author

hanwar

default watermark

default watermark