



These 2 Energy Stocks Just Raised Their Dividends by 6-8%

Description

Capital Power Corp. ([TSX:CPX](#)) and **TransAlta Renewables Inc.** ([TSX:RNW](#)) just made very shareholder-friendly moves and raised their dividends by 6-8%. Let's take a closer look at each, so you can determine if you should invest in one of them today.

Capital Power Corp.

Capital Power is a North American power producer focused on developing, acquiring, operating, and optimizing power generation from a variety of energy sources, including gas, coal, wind, solid fuels, and solar. It currently owns approximately 4,500 megawatts of power-generation capacity at 24 facilities across Canada and the United States.

In its second-quarter earnings release on July 27, Capital Power announced a 7.1% increase to its quarterly dividend to \$0.4175 per share, equal to \$1.67 per share annually, which brings its yield up to about 6.8% today.

It's also important to make the following two notes about Capital Power's dividend.

First, the first quarterly installment at the increased rate is payable on October 31 to shareholders of record at the close of business on September 29.

Second, Capital Power announced a two-year extension to its dividend-growth program. It's now calling for annual growth of approximately 7% through 2020.

TransAlta Renewables Inc.

TransAlta Renewables is one of the largest owners and operators of clean energy infrastructure in North America and Australia. Its portfolio currently consists of ownership interests in 18 wind facilities, 13 hydroelectric facilities, eight natural gas generation facilities, and one natural gas pipeline, which are located in Canada, the United States, and Australia.

On July 28, TransAlta announced that its South Hedland power station had begun commercial

operation, and, as it had promised its investors it would do once this happened, it announced a 6.8% increase to its monthly dividend to \$0.07833 per share, equal to \$0.94 per share annually, and this brings its yield up to about 6.4% today.

Investors must also make the following two notes about TransAlta's new dividend.

First, the first monthly payment at the increased rate is payable on September 29 to shareholders of record at the close of business on September 1.

Second, this dividend hike has TransAlta positioned for 2017 to mark the fourth consecutive year in which it has raised its annual dividend payment, and also has it positioned for 2018 to mark the fifth consecutive year with an increase.

Which of these top dividend stocks should you buy?

I think Capital Power and TransAlta Renewables are two of the best dividend-paying investment options in the energy sector today, so take a closer look at each and strongly consider making one of them a core holding.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:RNW (TransAlta Renewables)

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Author

jsolitro

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