



Retirees: 2 Monthly Dividend Stocks to Boost Your Pension Income

Description

Canadian retirees are searching for top-quality dividend stocks to add to their income portfolios.

Let's take a look at **Shaw Communications Inc.** ([TSX:SJR.B](#)) ([NYSE:SJR](#)) and **Inter Pipeline Ltd.** ([TSX:IPL](#)) to see why they might be interesting picks.

Shaw

Last year, Shaw embarked on a major transition in an effort that should make it more competitive with its peers.

What happened?

Shaw bought Wind Mobile in a move that added a wireless division to complement the cable TV and internet business lines.

Management had avoided the mobile space for years, but finally realized that Canadians prefer to get all of their services from one provider.

Wind was rebranded as Freedom Mobile and Shaw is working through the process of upgrading and expanding the business, including the recent acquisition of seven wireless spectrum licences from **Quebecor**.

In order to help pay for the Wind acquisition, Shaw sold its media division to **Corus Entertainment**.

Pundits had mixed opinions about the move, but it could turn out to be a wise one, given the new pick-and-pay rules for Canadian TV subscriptions, and the challenging advertising environment in the media space.

Shaw also just sold its ViaWest subsidiary to cover part of the spectrum deal.

The company hasn't increased its payout for some time, but investors should see renewed dividend growth once the transition process is complete.

The current yield is 4.3%.

IPL

IPL owns natural gas liquids (NGL) extraction facilities, conventional oil pipelines, oil sands pipelines, and a liquids storage business in Europe.

The balanced revenue stream has helped the company navigate the oil rout in decent shape, and management has even taken advantage of the difficult times to add strategic assets at favourable prices.

The new assets combined with a strong development portfolio should drive steady cash flow growth in the coming years.

IPL's Q1 2017 payout ratio was 61%, so there is ample room for continued dividend increases, even if the energy sector remains under pressure.

The stock has come down amid the broader sell-off in the oil and gas space. As a result, the dividend yield is now about 6.5%.

Is one more attractive?

Both stocks provide attractive monthly dividends that should be safe. If you only buy one, I would probably make IPL the first choice today. The yield is higher and the dividend-growth prospects are probably better than Shaw's over the medium term.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

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aswalker

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