



Monthly Income: 2 Dividend-Growth Stocks to Buy Today

Description

If you're planning for your retirement or looking for opportunities in the stock market to earn monthly income, there aren't many choices available.

Most public companies in North America pay quarterly dividends. There is no doubt that monthly income stocks are a great investment avenue for those who rely on dividend stocks to keep up with their monthly bills.

Despite the limited opportunities, you can still find some names that pay dividends on monthly basis. Obviously, the timing of dividend payments shouldn't be the only factor for you to select any stock.

Dividend safety, stability in income and revenue, and the history of payouts are all important factors that should determine if you should invest in a company

Let's find out if **Inter Pipeline Ltd.** (TSX:IPL) and **First National Financial Corp.** ([TSX:FN](#)) are good candidates for your monthly income portfolio.

Inter Pipeline

Calgary-based Inter Pipeline operates a global energy infrastructure business with a focus on petroleum transportation, storage, and natural gas liquids processing. Inter Pipeline has a diversified geographical presence in Canada and Europe.

As you start your search for quality stocks that pay stable monthly dividends, don't get lured in by some abnormally high yields, which are there to attract investors.

I don't think Inter Pipeline's 7% yield goes in that category. After falling 22% this year, IPL stock just touched the 52-week low.

The company's shares are under pressure amid uncertainty about energy prices outlook. But I think Inter Pipeline assets have a great potential to generate consistent cash flows, especially after its \$1.35 billion acquisition of Canadian NGL midstream business last year.

Inter Pipeline pays a monthly dividend of \$0.135 per share which comes to \$1.62 per share annually. The company has been hiking its annual dividend payment for eight consecutive years, and with a 3.8% increase announced for November, it's on track for the ninth consecutive increase.

First National

First National is a Toronto-based lender which provides mortgage financing to both residential and commercial borrowers by using the mortgage broker distribution channel.

After falling 5% this year, its stock is also trading close to the 52-week low of \$22.18. First National shares are under pressure as investors are shying away from Canadian financial names on concerns that the weakness in the housing market will spill over to lenders, affecting their profitability.

But First National is a well-managed lender, as it generates sufficient income and cash flow from its mortgages. It has raised its monthly dividend eight times since its IPO in 2006.

Yielding 7.23% at the time of writing, its shares provide an attractive entry point for investors seeking stable monthly income.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)

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Author

hanwar

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