



## Income Investors: My 3 Favourite Energy Stocks for 2018

### Description

If you want to earn monthly dividend income in 2018, then you've come to the right place. I've selected my three favourite income stocks from the energy sector to buy for 2018, so let's take a closer look at each to determine which would fit best in your portfolio.

#### **Parkland Fuel Corp.** ([TSX:PKI](#))

Parkland is Canada's largest and one of North America's fastest-growing independent marketers of fuel and petroleum products, which includes gasoline, diesel, propane, lubricants, and heating oil.

Parkland currently pays a monthly dividend of \$0.0962 per share, representing \$1.154 per share annually, giving it a 4.35% yield.

In addition to offering a high yield, Parkland is an up-and-coming dividend-growth star; it has raised its annual dividend payment for five consecutive years, and its 1.8% hike in March has it positioned for 2018 to mark the sixth consecutive year with an increase. I also think the company's very strong financial performance, including its 15.7% year-over-year increase in adjusted distributable cash flow to \$1.33 per share in the first nine months of 2017, will allow its streak of annual dividend increases to continue in 2019 and beyond.

#### **Altagas Ltd.** ([TSX:ALA](#))

Altagas is one of North America's largest owners and operators of energy infrastructure, including natural gas pipelines, processing plants, and storage facilities, wind, hydro, biomass, and gas-fired power-generation facilities, and regulated utilities that deliver natural gas.

Altagas currently pays a monthly dividend of \$0.1825 per share, representing \$2.19 per share annually, giving it a 7.7% yield.

Like Parkland, Altagas offers dividend growth; it has raised its annual dividend payment for seven consecutive years, and [its 4.3% hike](#) in October has it on pace for 2018 to mark the eighth consecutive year with an increase. It's also important to note that the energy infrastructure giant has a target

dividend-growth rate of 8-10% annually through 2021, and I think its consistently strong financial performance, including its 3.6% year-over-year increase in normalized funds from operations to \$2.57 per share in the first nine months of 2017, will allow it to achieve this growth target and announce a new one that extends beyond 2021.

### **Inter Pipeline Ltd. (TSX:IPL)**

Inter Pipeline is one of the largest owners and operators of energy infrastructure in western Canada and Europe. Its assets include pipelines, offgas extraction facilities, fractionation plants, and petroleum and petrochemical storage terminals.

Inter Pipeline currently pays a monthly dividend of \$0.14 per share, equating to \$1.68 per share annually, giving it a 6.5% yield.

Inter Pipeline has the second-highest yield of the companies named in this article, but it has the longest streak of annual dividend increases; it has raised its annual dividend payment for nine straight years, and its 3.7% hike on November 9 has it on track for 2018 to mark the 10th straight year with an increase. I also think the company's consistently strong growth, including its 27.8% year-over-year increase in funds from operations attributable to shareholders to \$722.8 million in the [first nine months](#) of 2017, will allow its streak of annual dividend increases to continue for the foreseeable future.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. TSX:ALA (AltaGas Ltd.)
2. TSX:PKI (Parkland Fuel Corporation)

### **PARTNER-FEEDS**

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

### **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **Date**

2025/09/06

### **Date Created**

2017/12/28

### **Author**

---

jsolitro

default watermark

default watermark