



## 2 High-Yield Monthly Income Stocks That Deserve Your Attention Now

### Description

I'm a big fan of companies that pay dividends to their investors each month. This arrangement works very nicely for retail investors who need some [passive income](#) to meet their monthly expenses.

And with monthly dividends, you get better compounding if you plan to re-invest your profit to buy more shares. Here is an example I usually give to explain this phenomenon.

Let's say you own 1,000 shares of a \$10 stock at a 5% annual dividend. At the end of the year, you'd have earned 5% at \$500. Let's assume you start getting monthly dividends for the same investment. If you received monthly dividends, you could reinvest those dividends each month and earn 5.12% at \$511.62. This is assuming the company paying the dividend has a dividend-reinvestment plan set up.

To get you started on your monthly income portfolio, here are two dividend stocks which currently offer higher dividend yields and are worth your consideration as we start the new year.

### Altagas

[Altagas Ltd. \(TSX:ALA\)](#), a Calgary-based power and gas utility, is a reliable company which pays monthly dividends to its investors.

With a 7.7% annual dividend yield, Altagas pays a \$0.1825-a-share monthly distribution, which comes to \$2.19 a share yearly. The amount of the distribution has increased ~50% from the \$0.12 a share that was being paid five years ago. The company plans to hike its payouts by 8% each year through 2019.

Investors who are thinking of buying this stock should also note that Altagas has a significant milestone to achieve in 2018 when it plans to conclude its \$8.4 billion deal to buy U.S.-based **WGL Holdings, Inc. (NYSE:WGL)**.

The risks attached to getting regulatory approvals from the U.S. authorities and funding uncertainties have kept investors on the sidelines this year, pushing Altagas stock value 17% down to \$28.50 at the time of writing.

I think the company will overcome these hurdles, and its shares will rebound in the second half of 2018.

## **IPL**

The Calgary-based **Inter Pipeline Ltd.** (TSX:IPL) is another high-yielding energy stock which is in a growth phase and offers a good buying opportunity for long-term investors.

The company pays a \$0.14-a-share monthly dividend at an annual yield of 6.8% at the time of writing. Its stock dropped about 13% in 2017, trading at \$25.72 at the time of writing.

This pullback should be a buying opportunity for long-term investors, especially at a time when IPL plans to invest heavily in the future growth.

On December 18, the company announced that it will build a \$3.5 billion petrochemical plant in central Alberta, its largest investment, which is expected to provide attractive profit margins given strong polypropylene prices in North America.

The integrated propane dehydrogenation and polypropylene plant, known as the Heartland Petrochemical Complex, will be built in Strathcona County and is the first of its kind in Canada.

## **The bottom line**

Altagas and IPL are two high-yielding stocks which are trading at attractive valuations. Both energy infrastructure companies have solid business models and robust growth plans. This temporary weakness in their share prices offers a good entry point to long-term investors seeking to earn stable monthly income.

## **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. TSX:ALA (AltaGas Ltd.)

## **PARTNER-FEEDS**

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

## **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**Date**

2025/07/22

**Date Created**

2017/12/30

**Author**

hanwar

default watermark

default watermark