



## Contrarian Investors: 3 Dividend-Growth Stocks Yielding 6-8%

### Description

Contrarian investors are always searching for [unloved stocks](#) that might offer a shot at some impressive long-term gains.

Once in a while, the market serves up a dividend treat to boot.

Let's take a look at three stocks with rising dividends that might be getting oversold today.

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge bought Spectra Energy last year in a \$37 billion deal that created North America's largest energy infrastructure company.

Spectra added important gas infrastructure and provided a nice boost to the capital plan. In fact, Enbridge expects to complete \$22 billion in projects through 2020.

As the new assets go into service, Enbridge says cash flow should improve enough to support dividend hikes of at least 10% per year. The company recently bumped up the 2018 payout by 10%, and that comes on the heels of a 15% increase in 2017.

At the time of writing, the stock trades for \$45 per share and provides a yield of 6%.

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

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

Management took advantage of the [oil rout](#) to add some strategic assets at discounted prices, and those investments could generate decent returns as the market improves. In addition, IPL recently gave its \$3.5 billion Heartland Petrochemical Complex the green light.

IPL currently trades for \$23.50 per share and provides a yield of 7%.

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

Altagas owns gas, power, and utility businesses in Canada and the United States. The company has grown over the years through a combination of organic projects and strategic acquisitions, and that trend continues.

Altagas completed two important facilities in British Columbia late last year and is making good progress on its Ridley Island propane export terminal in the province.

South of the border, Altagas is working through its acquisition of **WGL Holdings**. The deal is expected to close this year, and management plans to boost the dividend by at least 8% per year for 2019-2021.

The existing assets are performing well, and Altagas recently raised its payout by 4%, so management can't be overly concerned about near-term cash flow.

At the time of writing, the stock trades for \$27.60 per share and provides a yield of 7.9%.

### The bottom line

All three companies pay attractive dividends that should be safe. An equal investment in each would provide an average yield of 7% with a nice shot at some long-term upside.

Other opportunities exist for investors seeking long-term potential in some off-the-radar trends.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:ENB (Enbridge Inc.)

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