



2 Monthly Income Stocks That You Should Buy Now

Description

Short-term volatility in markets shouldn't discourage long-term investors who rely on solid income stocks to earn [passive monthly income](#).

After a massive sell-off in equity markets during the past week, some of the top monthly dividend stocks are trading near their 52-week lows. These levels look very attractive for income investors who want to earn better yields from steady income producers.

Despite the climbing bond yields, investors who have bought dividend stocks that help pay monthly bills are better off. They get better compounding when they get paid dividends every month and re-invest them to buy more shares.

If you have set aside your savings to generate passive income, then this may be the time you've been waiting for. Here are my two picks, which took a massive beating in the recent market correction and deserve a consideration.

Inter Pipeline Ltd. (TSX:IPL) is a Calgary-based energy infrastructure company running a large oil pipeline network, transporting energy products, processing natural gas, and managing bulk storage facilities for liquid energy assets.

During the recent oil slump, IPL strengthened its position in the industry, acquiring Williams Canada for \$1.35 billion. It also plans to build a \$1.85 billion polypropylene manufacturing plant by 2021. These growth initiatives have put the company in a position to produce steady cash flows for its investors in the years to come.

IPL generates most of its revenue and cash flows from long-term, fee-based contracts. This certainty in its revenues reduces the company's exposure to volatile energy prices, making the stock a stable provider of monthly income. The company has hiked its dividend in each of the past four years.

In the recent market downturn, IPL stock also came under pressure and traded close to the 52-week high. At \$22.80 a share at the time of writing, IPL offers an attractive 7.4% trailing annual dividend yield, which translates into a \$0.14-a-share monthly payout.

[Altagas Ltd. \(TSX:ALA\)](#), a Calgary-based power and gas utility, is a reliable company which pays monthly dividends to its investors. Its stock has fallen about 16% during the past one year.

With a 8.2% 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 in the past one year. With bond yields climbing, and investors getting nervous about utility stocks in general, Altagas has a tough year ahead.

But I think the company will overcome these hurdles, and its shares will rebound in the second half of 2018. Trading at \$26.25 a share, this stock offers steady monthly income and a very juicy dividend yield.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)

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Date

2025/07/05

Date Created

2018/02/13

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