

## 3 Attractive Dividend Stocks Yielding 5-7%

### Description

Canadian income investors are constantly searching for quality companies that offer [reliable distributions](#) and above-average yield.

Let's take a look at three under-the-radar names that might be interesting picks for a dividend-focused portfolio today.

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

IPL operates oil pipelines and natural gas liquids processing facilities in Canada, as well as a liquids storage business in Europe.

Management took advantage of the downturn in the oil sector to buy assets at discounted prices, including the addition of two NGL extraction sites and related infrastructure for \$1.35 billion. An improvement in the market is boosting margins, and the new assets are delivering strong results for the gas processing group.

IPL is also constructing a \$3.5 billion plastics facility. The Heartland Petrochemical Complex is targeted for completion in late 2021 and is expected to generate \$400-500 million in EBITDA on an annual basis.

The company increased the payout every year through the oil rout and additional dividend hikes should be on the way. The payout ratio was just 64% in Q2 2018, so there is ample room to boost the distribution. At the time of writing, IPL provides a [yield](#) of 7.3%.

#### **Keyera (TSX:KEY)**

Keyera is another midstream player in the Canadian energy sector. The company is primarily a fee-for-service business with operations that include natural gas gathering and processing, NGL processing, transportation, storage and marketing.

The company recently increased its monthly dividend from \$0.14 to \$0.15 per share. That's good for a yield of 5.1%.

Growth continues through a combination of acquisitions and organic developments. The company is developing a crude oil storage and blending project at Cushing, Oklahoma and recently purchased a related facility near the project.

#### **Russel Metals (TSX:RUS)**

Russel Metals has operations across Canada and the United States. The company operates in three segments, including metals service centres, steel distribution, and energy products.

Russel Metals has done a good job of adjusting to the impacts of tariffs and other trade threats and continues to deliver solid results. The energy segment is benefitting from a recovery in the oil market and earnings generated in the United States can provide a nice increase to the bottom line when the U.S. dollar strengthens against the loonie.

The Q2 2018 results were the best the company has reported since 2008, and the good times look set to continue. Russel Metals has a strong track record of growing through strategic acquisitions and more deals could be in the cards as the industry consolidates.

The current dividend provides a yield of 5.6%.

### **The bottom line**

IPL, Keyera, and Russel Metals might not be the most exciting businesses to own, but they are all growing and pay above-average distributions that should be safe.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:KEY (Keyera Corp.)
2. TSX:RUS (Russel Metals)

### **PARTNER-FEEDS**

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