3 Top Stocks for Amazingly Fat Income Right Now

Description

Hi there, Fools. I'm back to highlight a few companies that pay fat dividends to shareholders. If you're wondering, I do this because high-yield dividend stocks

- tend to outperform the overall market over a long period of time; and
- tend to exhibit far less volatility than the average stock.

Studies show that dividends account for more than 50% of the stock market's total return, so it only makes sense to keep a close eye on the high-yield space.

Without further ado, let's get to this week's high-income ideas.

Pipelined payments

The first stock on our list is **Pembina Pipeline** (TSX:PPL)(NYSE:PBA), which currently sports a dividend yield of 5.1%. Over the past year, shares of the pipeline operator are up 6% versus a loss of 2% for the **S&P/TSX Composite Index**.

Strong results continue to back Pembina's big monthly payouts. In late September, management raised its full-year 2018 adjusted EBITDA guidance to $2.75-2.85 billion (from $2.65-2.75 billion). The company also said it will develop $120 million worth of additional pipeline and terminaling infrastructure in the Wapiti region, Alberta, and northeast B.C.

Earlier this month, Pembina declared a monthly dividend of $0.19 per share. It will be payable on November 15, but only for shareholders of record on October 25.

Given Pembina's solid operating momentum, it makes a tonne of sense to get in on that payment.

Delicious dividends

Next up we have **A&W Revenue Royalties Income Fund** (TSX:AW.UN), which currently provides a handsome dividend yield of 4.9%. Over the past three months, shares of the fast-food royalty company are up 9%, while the **S&P/TSX Capped Consumer Discretionary Index** is off 16% during the same time frame.

Just two days ago, the stock spiked on monstrous quarterly results. In Q3, same-store sales — a key metric for restaurants — increased 13%, bringing year-to-date same-store sales growth to 8.6%. Along with sales from 35 net new restaurants, A&W's top line grew an impressive 18%.

Thanks to that strength, management upped its monthly distribution for the third time this year. It now stands at $0.143 per share, beginning with the October distribution — payable to unitholders of record on November 15 and paid on November 30.

Sweet income opportunity

Our last high-yield play this week is **Rogers Sugar** (TSX:RSI), which boasts an especially attractive yield of 6.6%. Year to date, shares of the sugar company are down 16% versus a loss of 7% for the **S&P/TSX Capped Consumer Staples Index**.

Bay Street is concerned that the healthy trend away from sugar will eventually cut into profits, but I wouldn't be too worried — not yet, anyway. In Q3, Rogers's total sugar deliveries grew by 8,400 metric tonnes year over year. Moreover, free cash flow increased slightly to $7.1 million.

Looking forward, management expects full-year total sugar volume to grow by roughly 10,000 metric tonnes versus 2017. While Rogers expects the consumer segment to decrease slightly, it's confident that the decline will be more than offset by growth in the liquid and export segments.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:RSI (Rogers Sugar Inc.)

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