



## Income Investors: 3 Top Oversold Stocks With Growing Dividends

### Description

Retirees and other income investors are always searching for reliable [dividend stocks](#) that offer above-average yield and growing dividends.

The drop in the stock market in the past few weeks is finally producing some attractive opportunities. Let's take a look at three Canadian stocks that might be interesting picks right now.

#### Inter Pipeline (TSX:IPL)

IPL is a niche player in the Canadian midstream energy infrastructure sector. The company owns conventional oil pipelines, oil sands pipelines, and natural gas extraction assets. In addition, IPL has a liquids storage business in Europe.

The European business has struggled a bit this year due to lower utilization rates, but the Canadian operations are doing well. The gas-processing division generated record funds from operations in Q2 2018, supported by improved frac-spread pricing.

On the development side, IPL is building a \$3.5 billion facility that will produce polypropylene. The Heartland Petrochemical Complex is on schedule and on budget and is expected to generate at least \$450 million in annual EBITDA once it goes into service in late 2021.

IPL had a payout ratio of 62% in Q2 2018, so the distribution has room to grow. Investors who buy the stock today can pick up a [yield](#) of 7.7%.

#### Algonquin Power and Utilities ([TSX:AQN](#))([NYSE:AQN](#))

Algonquin Power is a diversified utility company. The businesses include regulated water and natural gas distribution assets as well as power generation, transmission, and distribution operations primarily located in the United States.

The company has grown through acquisitions and organic development projects, with a focus on renewable energy that includes, wind, solar, and hydroelectric projects.

Algonquin Power raised its dividend by 10% earlier this year. The stock currently provides a yield of 5%.

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

Keyera is another growing energy infrastructure player. The company is increasing its presence in the liquids-rich Montney play with the construction of three gas plants. In addition, Keyera's U.S. operations continue to expand, with the construction of a crude oil storage and blending facility in Cushing, Oklahoma. The company also recently acquired a logistics and liquids blending operation in the same area.

Keyera reported Q2 2018 net earnings of \$107 million compared to \$67 million in the same period last year. The Q2 payout ratio was 52%, and management announced a 7% increase to the monthly dividend, bumping it up from \$0.14 to \$0.15 per share. That's good for an annualized yield of 5% at the current stock price.

### **The bottom line**

IPL, Algonquin Power, and Keyera all pay attractive dividends that should continue to grow. An equal investment in the three stocks would provide an average yield of 5.9%.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:KEY (Keyera Corp.)

### **PARTNER-FEEDS**

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

### **Category**

1. Dividend Stocks

2. Investing

## Tags

1. Editor's Choice

## Date

2025/08/16

## Date Created

2018/10/25

## Author

aswalker

default watermark

default watermark