Retirees: 3 Top High-Yield Canadian Stocks With Monthly Payouts

Description

The stock market pullback is finally giving income investors an opportunity to buy quality dividend stocks that offer reliable payouts and above-average yields.

Let’s take a look at three companies that give you a bit of the profits every month.

Keyera (TSX:KEY)

Keyera’s stock is down from $38 per share in August to the current price of about $28.50. The company reported Q3 earnings that came in a bit light compared to the same period last year, but the sell-off appears to be overdone.

Distributable cash flow increased, and the payout ratio fell from 69% to 61% for the first nine months of 2018 compared to last year, so the distribution should be safe.

Keyera has a strong portfolio of development projects on the go that are expected boost revenue and cash flow in the next few years, and that should support additional dividend increases. The company raised the monthly payout by 7% in August from $0.14 to $0.15 per share. Investors who buy the stock today can pick up a yield of 6.3%.

RioCan Real Estate investment Trust (TSX:REI.UN)

RioCan operates shopping malls across Canada. That might not sound like a good sector be in right now with all the news of major department stores going bankrupt. It is true that some of the tenants have run into trouble, but RioCan has a diversified client base with no single customer accounting for more than 4.8% of revenue.

When a tenant leaves, RioCan is able to fill the spot quickly and often at better rates for the space.

Management is shifting the strategy to generate more revenue from mixed-use properties. The first projects are nearing completion, and RioCan is making good progress on additional sites. In order to help finance the new developments, RioCan is selling about $2 billion in non-core assets in secondary markets. As of the Q3 report, the company had already found buyers for $1.3 billion of the available properties.

Funds from operations hit a record $0.47 per unit in the third quarter, and RioCan had a payout ratio of 78% for the first nine months of the year compared to 80.5% in 2017, so things are moving in the right direction.

The current distribution provides a yield of 5.8%.

Shaw Communications (TSX:SJR.B)(NYSE:SJR)

Shaw is making good progress on a transformation that saw the company exit the media business and enter the mobile game.

Shaw bought Wind Mobile and renamed the business Freedom Mobile in a bid to compete with its peers in the communications sector. Management had avoided the mobile segment but eventually realized the company needed to have a mobile division to bundle with the internet and TV offerings.

Fiscal Q4 2018 revenue increased 7% compared to 2017, and the company is targeting free cash flow of $500 million for fiscal 2019. That is positive news for income investors, as Shaw is still spending heavily to build out the wireless network.

The company already has more than one million postpaid wireless customers. Average revenue per user increased by 9% for the most recent quarter on a year-over-year basis.

Investors should see an increase to the dividend once the capital spend to ramp up the wireless business peaks. In the meantime, you get a solid 4.8% yield and a shot at some nice upside potential in the stock down the road.

The bottom line

Keyera, RioCan, and Shaw offer attractive yields from monthly distributions that should be very safe. If you have some extra cash in your income stock portfolio, it might be a good time to start a new position while the stocks remain somewhat out of favour.

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1. Dividend Stocks
2. Investing

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2. TSX:KEY (Keyera Corp.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
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