3 Income Stocks You Haven't Missed

Description

Let's face it: the big run in most utility stocks has come and gone. Back in November and December, the decision to buy Canadian dividend stocks was not that hard. Solid utility and telecom names were trading with yields of 5-6% at the time. Even though every equity investment carries risk, it was as close to a sure thing as there can be in the investing landscape.

The question is, whether you'd bought stocks at the time or not, what to do now? If you are sitting on a pile of cash and didn't buy during the period of negativity, then there are still some deals to be had. Of course, the deals aren't as juicy as they were back then, but there still are stocks that are worth pursuing. The big dividend landscape isn't fully dead, leaving a few choice names to put your cash to work.

Inter Pipeline (TSX:IPL)

From 2013 to 2015, IPL was one of the biggest winners in my portfolio. The stock rocketed upwards towards its high of close to $40, raising its dividend the entire time. Unfortunately, much like other stocks in the space, the oil downturn hit this company's shares hard, causing them to fall abruptly.

I stayed away from the Western Canadian-focused company for some time but have recently begun to dip my toe back in to build a small position. While the company does have a large amount of debt, the take-or-pay nature of its contracts and long-term, staggered debt obligations give the company clarity for managing its leverage. High leverage is always a risk, though, so investors should proceed with caution.

Investors are paid for their risk in the meantime with a healthy dividend of over 8%. The fact that the dividend is growing, albeit slower than in the past, with the November increase of 1.8% keeping the streak alive.

Emera (TSX:EMA)

With its diversified asset base stretching from Canada into the United States and into the Caribbean, Emera is one of the best utility companies to own in Canada. Energy demands are definitely not getting lower, so electrical utilities like Emera are fantastic companies to hold for years.

Even after the rise in the company's share price, Emera still pays a dividend of around 5%. The utility has experienced a compound dividend-growth rate of 11% over the past four years, giving investors growing income over time. The company is likely to continue to raise its dividend as time goes on.

Unlike IPL, Emera has experienced a fantastic run from its sub-$40 lows to its current price of over $46 a share. At this price, Emera is no longer the screaming buy it once was, but it still sits below the company's all-time high of around $49. This is a long-term, steady hold that should generate excellent returns over the years to come.

Exchange Income (TSX:EIF)

EIF has been the recipient of short-selling for some time now, driving the shares lower than its financials seem to warrant. That pressure combined with the general hatred of Canadian stocks in recent times, has created a buying opportunity for investors looking for big income. Its multitude of businesses, focused on regional airlines, flight training businesses, and parts manufacturing add much-need diversification to any income portfolio.

With a monthly dividend of around 7%, EIF will add some dollars to your account in a hurry. In addition to the already healthy yield, this diversified company seeks to continue to increase its payout over time. In late 2018, EIF raised the dividend by 4%. The trend of increases are likely to continue as its profitability grows.

The time is now

If you missed out on any of these income companies in December, there is no reason you can't add shares today. These businesses are quite solid, and the juicy payouts are set to grow in the future. If you are a long-term holder, missing out on the last month of capital gains won't mean a whole lot over time. Add these stocks to receive significant income today.

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1. TSX:EIF (Exchange Income Corporation)
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