



## BUY ALERT: 1 Dividend Stock Yielding 7.9% to Grab Today

### Description

The S&P/TSX Composite Index moved up another 85 points on February 10. Canadian stocks have roared to start this month. This is good news for investors, but it can also be a tricky landscape for those who are looking to add more stocks. Valuations are sky high right now, so investors who are on the hunt for maximum value will need to be choosy.

Most investors are familiar with price-to-earnings ratios and the price-to-book value. Today, I want to zero-in on a stock that has set off a buy signal according to its Relative Strength Index (RSI). This technical indicator aims to chart the historical strength or weakness of a stock or market based on the closing price of the most recent trading period.

In late January, I'd discussed three of my favourite [high-yield dividend stocks](#). Panic surrounding the Coronavirus outbreak has hurt oil and gas prices, and some energy stocks have taken a major hit. In September 2019, [energy stocks plunged](#) due to geopolitical turbulence, but investors who bought the dip were often rewarded.

Today, I want to look at a top energy stock that boasts a stellar monthly dividend. It just sent off a mouth-watering buy signal. Let's dive in and see why it's worth picking up right now.

## The case for Inter Pipeline today

**Inter Pipeline** (TSX:IPL) is a Calgary-based multinational petroleum transportation and infrastructure limited partnership. It is one of the largest natural gas and NGL's extraction businesses on the continent. Its shares have dropped 2% over the past week as of close on February 10.

The company is set to release its fourth-quarter and full-year results for fiscal 2019 before markets open on February 20. In the year-to-date period at the end of Q3 2019, Inter Pipeline had posted a year-over-year decline in total pipeline volumes, but an increase in total NGL processing. Revenue has fallen to \$1.89 billion compared to \$1.96 billion for the first nine months of 2018.

Some of the standard technical indicators bode well for Inter Pipeline. The stock last possessed a price-

to-earnings ratio of 15 and a price-to-book value of 2.2 This is undervalued relative to its industry peers. However, earnings growth has been sluggish, and debt is not well covered by operating cash flow. This is a concern for dividend investors going forward.

Many investors will be attracted to Inter Pipeline solely for its dividend. On February 10, the company announced a cash dividend of \$0.1425 per share for this month. Inter Pipeline pays out a monthly distribution. Its current dividend represents a monster 7.9% yield. Income investors who are on the hunt for value should be monitoring this stock as we approach the middle of February.

What about Inter Pipeline's RSI? After all, that is the reason I'm targeting the stock today. Shares had an RSI of 29 as of close on February 10. This puts Inter Pipeline in technically oversold territory at the time of this writing. These positive indicators should pique the interest of value investors who may want to grab a dividend beast on the cheap today.

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