



Retirees: 2 Top Income Stocks to Buy in January

Description

Generating income via one's investments can provide a difficult decision. Do investors go with bonds, which tend to be more stable and safer, or income stocks, which provide [dividend](#) yields in addition to capital appreciation?

Well, like most two-sided discussions, that depends. The risk profile of a given investor, their investing time horizon, and the individual investment opportunity are all likely to play into the investment decision.

That said, for those looking for top income stocks, there are some great opportunities in the market. On the TSX, these are two of my top picks right now.

Top income stocks: Algonquin Power & Utilities

One of my top picks for investors looking at a broad range of income stocks is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). This company is truly a unique passive-income play on the Toronto Stock Exchange.

Algonquin boasts a diversified operational platform, with 70% of its operations arising from regulated utilities based across North America. Passive income and stability are two significant reasons investors should own this organization's shares.

Algonquin's remaining business is centered on generating and operating renewable power projects. This mix offers the upside potential from long-term green power trends and the stability of a diversified regulated utility. Algonquin Power acquired the New York American Water Company lately. Additionally, the company is also on its way to purchasing a large, regulated utility in Kentucky.

AQN is a slow-growing utility stock, but that does not mean it won't be able to deliver market-beating returns. In fact, over the last five years, the company's stock price is up a market-beating 60% — that's impressive enough for doubling the broader Canadian market returns.

Currently, Algonquin provides investors with a [yield of 4.9%](#). That's decent. Indeed, any investor

looking for that kind of a yield, with this kind of growth profile, can't go wrong with AQN.

SmartCentres REIT

Now, for one of my favourite income stocks in the real estate space: **SmartCentres REIT** ([TSX:SRU.UN](#)). This REIT provides investors with a high-quality portfolio of real assets focused on retail. Accordingly, those banking on a post-pandemic recovery will like the upside this REIT provides.

Additionally, SmartCentres's portfolio isn't comprised of any old real estate assets. This company's portfolio is anchored by mega-cap, blue-chip tenants. Thus, SmartCentres provides defensive cash flow unlike many of its peers.

This top Canadian REIT currently yields 5.8%. However, what's exciting about this company is its ability to raise this distribution over time.

Those thinking truly long-term may want to consider both of these stocks. Indeed, a combined yield of 5.4% isn't bad at all. In fact, that's a portfolio most income investors can get behind.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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Date

2025/09/09

Date Created

2022/01/16

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