



3 Monthly Dividend Stocks With Yields of 5-7%

Description

If you're a fan of monthly dividend income, whether it's to help pay your bills or to help you beat the market, then you've come to the right place. I've scoured the market and selected three stocks with high and safe yields of 5-7%, so let's take a quick look at each to determine which would fit best in your portfolio.

1. Choice Properties Real Estate Investment Trust

Choice Properties Real Est Invstmnt Trst ([TSX:CHP.UN](#)) is one of the largest owners, developers, and managers of commercial real estate in Canada. It pays a monthly distribution of \$0.055833 per share, or \$0.67 per share annually, which gives its stock a yield of about 5.2% at today's levels.

Investors should also make the following two notes.

First, Choice Properties announced a 3.1% increase to its distribution in November 2015, which took effect with its January 2016 payment, and this puts it on pace for 2016 to mark the first year in which it has raised its annual distribution since its initial public offering in 2013.

Second, I think the company's consistent growth of funds from operations (FFO), including its 6.3% year-over-year increase to \$0.203 per share in the first quarter of fiscal 2016, its modest payout ratio, including 82.7% of its FFO in the first quarter, and its growing property portfolio, including the addition of 44 properties over the last year to bring its total count to 519 at the conclusion of the first quarter, will allow 2016 to mark the starting point to an extensive streak of annual distribution increases.

2. Shaw Communications Inc.

Shaw Communications Inc. ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of leading pure-play connectivity providers in Canada. It pays a monthly dividend of \$0.09875 per share, or \$1.185 per share annually, which gives its stock a yield of about 5.1% at today's levels.

Investors should also make the following two notes.

First, Shaw has raised its annual dividend payment for 12 consecutive years, and its 7.7% hike in March 2015 has it on pace for fiscal 2016 to mark the 13th consecutive year with an increase.

Second, I think the company's ample amount of free cash flow (FCF), including the \$291 million it generated in the first half of fiscal 2016, its modest payout ratio, including 69.4% of its FCF in the first half of fiscal 2016, and its strategic acquisition of WIND Mobile, which closed on March 1, will allow its streak of annual dividend increases to continue going forward.

3. Superior Plus Corp.

Superior Plus Corp. ([TSX:SPB](#)) is a diversified business corporation with operations in propane distribution, specialty chemical manufacturing, and construction products distribution. It pays a monthly dividend of \$0.06 per share, or \$0.72 per share annually, which gives its stock a yield of about 6.6% at today's levels.

Investors should also make the following two notes.

First, Superior Plus has raised its annual dividend payment for two consecutive years.

Second, I think the company's ample amount of adjusted operating cash flow (AOCF), including the \$0.61 per share in generated in the first quarter of fiscal 2016, its low payout ratio, including 29.5% of its AOCF in the first quarter, and its outlook on fiscal 2016, which calls for AOCF in the range of \$1.50-1.80 per share, will allow it to continue its streak of annual dividend increases in 2016 by announcing a slight hike before the end of the year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)
4. TSX:SPB (Superior Plus Corp.)

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