

## 2 Dividend Stocks to Earn Growing Monthly Income

### Description

Adding some top quality dividend stocks that produce monthly cash flows for you is a great way to benefit from the process of compounding.

Not many companies pay dividends on monthly basis, but you can still find stocks that will pay you each month. And if you reinvest these payouts, you'll see how quickly your position grows through the power of compounding. Getting monthly income also works nicely for investors who rely on their investments to meet monthly expenses.

That said, you shouldn't pick a stock just because it pays a monthly dividend. Many companies offer high-yields on monthly basis just to attract investors. You should be aware of this yield trap. Here are two stocks that pay monthly dividend along with a history of sustainable income and revenue growth.

#### Inter Pipeline Ltd.

Canadian energy stocks are not in favour these days due to the capacity constraints when shipping energy products to the U.S. But [Inter Pipeline Ltd.](#) (TSX:IPL) is a stock I still recommend due to the company's strong growth potential and its business diversification.

IPL is a Calgary-based energy infrastructure company operating four business segments in Western Canada and Europe. Its pipeline systems span over 7,800 kilometers in length and transport approximately 1.4 million barrels per day. In Europe, IPL operates 16 strategically located petroleum and petrochemical storage terminals, which have a combined storage capacity of approximately 27 million barrels.

The company pays \$0.14 a share monthly dividend, translating to a very attractive yield of 7.65%. In November, the company hiked its payout by 3.7% per share annually, marking its 15th consecutive dividend increase.

After a 14% plunge in its stock price this year, IPL shares are trading at 14 times of its forward EPS — a very attractive valuation when you compare the ratio with its five-year average multiple of 23.2. Trading at \$22.34, IPL stock is a good long-term bet for investors seeking to earn monthly income.

#### Shaw Communications

[Shaw Communications Inc.](#) (TSX:SJR.B)(NYSE:SJR) is a small telecom operator in Canada that's on track to becoming a major player in the nation's wireless market after it acquired Freedom Mobile. The company is working to improve its network quality by investing heavily in its infrastructure in a bid to break the dominance of top three telecom players in the growing wireless market.

Shaw's stock has been under pressure this year since the company announced a voluntary buyout offer that was unexpectedly taken by about a quarter of the company's workforce. This massive departure is creating doubts about Shaw's ability to service its customers.

The Calgary-based company, which owns Canada's second-largest cable TV operation and the country's fourth-largest mobile phone service, had initially aimed the package at 6,500 employees, estimating that about 10% would accept the deal.

Trading at \$24.63, Shaw stock offers a 4.93% yearly dividend yield, which translates into a monthly payout of \$0.10 a share. The price and payout, which has been growing for the past 10 years, offer a good entry point to investors from this growing telecom operator.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
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## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

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hanwar

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