



3 Monthly Dividend Stocks That Pay up to 8.7%

Description

If you are looking to invest but also want to generate some recurring cash flow, the good news is that there are plenty of stocks on the TSX that pay monthly dividends that could be great options for you. Below, I'll focus on three stocks in particular that have high monthly payouts and that have great prospects for growth over the long term.

AltaGas Ltd ([TSX:ALA](#)) has been struggling over the past year, as its share price has dropped more than 17% in the past 12 months. The good news is that the company still has good fundamentals, and the drop in price simply makes AltaGas an even better buy than it was a year ago.

The decline has pushed its dividend yield up to 8.6%, and while investors might be concerned that its payouts are a bit high, the company certainly isn't concerned, as it raised its dividend last year. The company has a very good track record for raising its payouts; since 2013, dividend payments have risen by 52% for a compounded annual growth rate of 8.7%.

What is perhaps most impressive about this is that the company raised dividends even during the downturn in the oil and gas industry. And although the company did see a dip in its sales as a result of tougher economic times, in 2017, its revenue totaled \$2.6 billion and was nearly 30% higher from the \$2 billion that it grossed back in 2013.

AltaGas is a [great buy](#), as it trades at just 1.3 times its book value and is not too far removed from its 52-week low.

Boston Pizza Royalties Income Fund ([TSX:BPF.UN](#)) is another great dividend stock to add to your portfolio. It will pay you a solid 6.8%. Its payouts have risen as well, although it hasn't hiked its dividend in over two years. However, the reason you'll like Boston Pizza is for its stability.

The stock benefits from strong growth at the popular restaurant chain, and as the economy does well, people eat out more, and sales will continue to rise. The Fund has achieved steady growth over the years, with sales rising 50% since 2013 and profits increasing by 80%. It may not be the most exciting, but investing in this stock is a great alternative to a putting your money in a low-interest savings account.

Northland Power Inc. ([TSX:NPI](#)) is a utility stock that pays investors just under 5% per year in dividends. Although the company does not have a strong track record for raising its payouts, it recently increased its monthly payments from \$0.09 to \$0.10 per share.

The company also has achieved significant [growth](#) over the years with its sales more than doubling since 2013, and it has averaged a strong 11% profit margin over the past two years. In its most recent quarter, Northland's sales were up over 33%, while profits doubled as the company continues to perform well.

With year-to-date returns of just 4%, Northland still has a lot more upside from here, as it is well diversified and in good position to take advantage of a rising demand for greener energy.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. TSX:ALA (AltaGas Ltd.)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:NPI (Northland Power Inc.)

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