



Monthly Dividends — Round 2

Description

In a [recent article](#) about dividend-paying stocks, it was made very clear that the annual yield was in no way affected by the frequency of the dividend payment. In fact, the dividend payment will only seem like a smaller amount for investors who are paid on a monthly basis instead of on a quarterly basis.

Of course, this is only a “feeling” and has nothing to do with the reality of investing; nevertheless, many investors who own dividend-paying stocks for long periods of time usually do so because they have a thorough understanding of what type of stocks and business they have invested in.

As that article was well received, here are a few names to add to the list.

The first name for investors to consider is none other than **AltaGas Ltd.** ([TSX:ALA](#)), which currently trades at a price near \$25 per share and offers a dividend yield of almost 9%. As oil prices have resumed their long-term upward trend over the past several months, investors may be able to get a lot more than just the dividend out of this security.

When considering the technical indicators, this name has broken out above the 10-day and 50-day simple moving average (SMA) and may be about to move substantially higher on short notice — potentially to the 200-day SMA at more than \$27 per share.

For those seeking something a little easier to understand, consider shares of **Cineplex Inc.** ([TSX:CGX](#)). Cineplex operates numerous movie theatres across the country and rewards long-term investors by paying a monthly dividend that yields close to 6% on an annual basis. The good news for those who have stayed clear of this security over the past year is that it has declined substantially. As the price declined, investors salivated more and more as the yield went up and up!

With a solid pipeline of new movies coming to theatres for 2018 (and 2019), investors have a lot of things to [look forward to](#).

The final name on the list is mortgage company **First National Financial Corp.** ([TSX:FN](#)). At a current price of \$27.50 per share, First National offers investors a dividend yield of almost 6.75% and the opportunity for investors to insulate themselves from the mood swings of the market should a downturn

not be far off.

Given the high payout ratio of the security, the majority of the return is expected to come in form of dividends over the short term but there remains potential for a share buyback. As a result of a run on its nearest competitor **Home Capital Group**, all smaller and mid-size financial companies may be starting to practice safer and safer capital allocation. In spite of a very generous dividend, investors may have to wait awhile before seeing a raise in the dividend of this financial name.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:FN (First National Financial Corporation)

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