



Earn Steady Monthly Income From This Top Dividend Stock

Description

If cash flow is a main concern for you, then it wouldn't be a bad idea to pick some solid stocks that pay you monthly. Earning monthly income becomes important when people retire and their reliance to pay for their bills is on their income portfolio.

Stocks that send monthly dividend cheques have a great appeal for retirees. A simple reason that makes these stocks attractive is that it's much easier to sync monthly expenses with a [monthly income stream](#).

Second, by investing in monthly dividend stocks, you can get much better compounding. If you're receiving dividends every month, you can use them to reinvest in more stocks and have those dividends grow more. The faster you reinvest those dividends, the faster they'll compound interest.

There are not many stocks in the Canadian universe that pay dividends monthly, but here is one for you if you're on the hunt for such stocks.

Shaw Communications Inc.

Shaw Communications Inc. ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of the smallest telecom operators from Canada with a lot of growth potential.

[The Calgary-based company is fast gaining](#) the market share in the nation's wireless market after it acquired Freedom Mobile in 2016. Its management is targeting to capture at least a quarter of the Canadian wireless market through its expansion, business restructuring, and network improvement efforts.

The good thing about investing in telecom companies is that they are a reliable dividend payer. Subscribers continue to pay their bills and companies keep sending dividend cheques to their investors.

In the latest earnings report in January, Shaw reported another quarter of strong numbers for its Freedom Mobile business, with 86,000 new contract customers, which is more than double the 33,000 it attracted in the same period a year earlier and well above analysts' estimates in the range of 55,000.

Overall Shaw reported strong profit growth in the first quarter, helped by its strong wireless results and cost-cutting at its legacy cable business, which has been losing television customers.

Net income increased by 68.5% in the quarter to \$187-million, which Shaw said was because of revenue growth at the wireless business as well as lower employee costs at the cable division following a voluntary buyout program that has seen 1,500 workers depart since last March.

Bottom line

Despite the recent strength in its wireless business, some investors remain skeptical about investing in Shaw due to the company's weakening cable business and its investment in the loss-making **Corus Entertainment Inc.** ([TSX:CJR.B](#)). However, I see indications that the company is overcoming these challenges after persistent cost-cutting and improving cash flows from its wireless division. Trading at \$27.10 with an annual dividend yield of 4.41% at writing, Shaw pays \$0.10 a share monthly dividend.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:SJR.B (Shaw Communications)

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