3 Monthly Dividend Stocks Yielding Up to 7.7%

Description

Most of the companies listed on the TSX pay a dividend each quarter, but there are a few who pay a dividend each month. A monthly dividend is interesting if you want to have regular income to pay your expenses.

The three companies that I present here all pay monthly dividends that are increased frequently. If you're looking for a high yield, you will be satisfied, as their dividends yields are between 7.0% and 7.7%. Those three stocks also offer potential for capital appreciation and are reasonably priced.

Cineplex Inc. (TSX:CGX)

Cineplex is the largest movie and entertainment company in Canada.

Cineplex's stock has lost about half of its value since 2016. To grow its revenue outside of box office revenue, which is very volatile, the company has implemented a diversification strategy that should be beneficial in the long term.

The movie and entertainment company currently pays a monthly dividend of $0.145 per share for a yield of 7%.

Cineplex started paying a dividend to shareholders in 2011 and has been increasing its dividend for six consecutive years. The dividend shows a five-year growth rate of 3.9%.

Strong growth is expected for Cineplex, as earnings are expected to grow by 14.30% next year and an average annual rate of 12% for the next five years.

The stock five-year average P/E is rather high at 32.1, but its forward P/E is below 20, so it's reasonably priced.

Inter Pipeline Ltd. (TSX:IPL)

Inter Pipeline is a Calgary-based company that's in the business of petroleum transportation, storage, and natural gas liquids processing.

The energy company pays a monthly dividend of $0.1425 per share. The dividend yield is currently 7.7%. The company has been raising its dividend annually, and its five-year growth rate of 5.8%.

The stock is regaining ground – up 15% year-to-date – after being two years in negative territory.

Inter Pipeline's key growth project is the $3.5 billion Heartland Petrochemical Complex in Alberta designed to convert low-cost propane into polypropylene, a high value plastic used in many finished products. This complex will be completed in late 2021.

So, if your priority is income now and you can wait for growth, this high-yielding stock is interesting for you. The stock is also not too pricey, with a forward P/E of 16.2 compared to a five-year average of 21.8.

Exchange Income Corp (TSX:EIF)

Exchange Income is a diversified company focused on making acquisitions in the aerospace and aviation sector, as well as in manufacturing. The company aims to invest in profitable, well-established companies with strong cash flows operating in niche markets.

The company began to pay a dividend to shareholders in 2004. One of the company's objectives is to provide shareholders with stable and growing dividends. This objective has been reached, as Exchange Income has increased its dividend 12 times since 2004.

Exchange Income currently pays a monthly dividend of $0.1825 per share for a yield of 6.7%. The dividend has a five-year growth rate of 5.4%.

After losing about a quarter of its value in 2017 and 2018, shares have risen by almost 20% year-to-date.

The stock is also pretty cheap, with a forward P/E of only 10.6. This is much lower than its five-year average P/E of 73.4. To summarize, Exchange Income's stock offers you a high yield and decent growth for a cheap price.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)

2. TSX:EIF (Exchange Income Corporation)

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