TFSA Investors: 3 Stocks That Offer Monthly Income and Growth

Description

The **S&P/TSX Composite Index** moved up 15 points on June 6. North American stocks have broadly rallied after comments from U.S. Federal Reserve chairman Jerome Powell, who suggested that the central bank could move to soften its monetary policy in responses to economic pressures. The Bank of Canada has been similarly dovish with its outlook in the spring.

This shifting environment is a good time for investors to revisit their TFSA portfolios. Today I want to look at three equities that offer an attractive combination of monthly income and growth. Let's dive in.

Shaw Communications

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is a Calgary-based telecommunications company. Shares have climbed 12.2% in 2019 as of close on June 6. Telecom stocks have benefited from the dovish rate outlook, which has also contributed to a sharp retreat in bond yields.

Shaw released its second-quarter fiscal 2019 results on April 9. Wireless growth has propelled telecom earnings in recent years, and this quarter was no different. Shaw reported postpaid subscriber net additions of 65,000 and continued billing per subscriber unit (ABPU) growth of 7.5%. In the year-to-date period, diluted earnings per share have increased to $0.66 compared to a loss of $0.13 in fiscal 2018.

Shaw last announced a monthly distribution of $0.09875 per share, representing a 4.2% yield. Telecoms are a great source of steady income for your TFSA, especially as bond yields take a beating. Income investors will begin to gravitate more toward these equities as historically low rates persist.

Badger Daylighting

Badger Daylighting (TSX:BAD) provides non-destructive hydrovac excavation services through its Badger Hydrovac System technology. Shares of Badger have climbed 48% in 2019 so far. The stock is up 62% from the prior year.

Badger released its first-quarter 2019 results on May 13. It was another record quarter as Badger posted an all-time high adjusted EBITDA of $33.3 million in the first quarter. Revenue rose 22% year over year to $146.6 million. Badger has experienced impressive success in recent quarters, largely because of rising demand for its services in U.S. markets, and is projecting a hydrovac build between 190 to 220 units for the full year.

Badger last paid out a monthly dividend of $0.0475 per share, representing a modest 1.1% yield. Shareholders have been able to ride the wave in 2019, but value investors may want to wait out a re-entry point as Badger now boasts a forward P/E above 20.

Extendicare

Extendicare (TSX:EXE) is a long-term care facilities company. Last year I discussed why investors gearing up for the long haul should target Extendicare. This company is set to benefit from the aging population in Canada, and will likely post huge growth into the middle part of this century.

Shares of Extendicare have climbed 28.8% in 2019 as of close on June 6. The stock is up 7.3% from the prior year. In the first quarter of 2019, the company reported revenue of $274.3 million, up 1% from the prior year. Long-term care revenue grew to $156 million compared to $152 million in the prior year. Extendicare declared a monthly dividend of $0.04 per share which is payable on June 17, representing an attractive 5.8% yield.

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2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:EXE (Extendicare Inc.)
4. TSX:SJR.B (Shaw Communications)

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