TFSA Investors: Gobble Up Monthly Dividends With These 3 Stocks

Description

The S&P/TSX Composite Index was down 127 points in late-morning trading on August 2. North American indices have not responded well to the decision by the United States Federal Reserve to cut rates, primarily due to comments made by Chairman Jerome Powell that suggested that this will not mean a return to prolonged monetary easing. Worse still, the Trump administration announced another batch of tariffs against China on August 1. This triggered a stock market rout, as the spectre of the trade war continues to rattle markets.

Earlier this week, I'd discussed why I'm targeting dividend stocks in this volatile environment. Today, I want to look at three equities that offer monthly income that is perfect for a TFSA in the second half of 2019.

Cineplex

Cineplex (TSX:CGX) stock has climbed 3.6% over the past month. Shares are still down 2.9% in 2019 so far. In early May, I'd explained why I was bullish on Cineplex following its first-quarter earnings release.

Low attendance weighed heavily on revenue and net earnings, but this was a historically bad start for the North American box office. A fresh slate of popular films meant that a rebound was likely in the second quarter. Fortunately, investors don't have long to wait for confirmation on that front. Cineplex is set to release its second-quarter 2019 results on August 8.

Cineplex last hiked its monthly dividend to $0.15 per share. This represents a tasty 7.6% yield. I like Cineplex at its current price, but the company is consistently at the mercy of the domestic box office. More risk-averse investors may be put off by this reality.

Bird Construction

Bird Construction (TSX:BDT) is a leading general contractor in Canada. Shares of Bird have plunged

30% over the past three months as of late-morning trading on August 2. The stock is hovering right around 52-week lows.

In the first quarter, the company blamed a rough winter in central Canada as part of the reason for its $6.5 million net less. Bird had maintained a stable backlog from December 31, 2018, at the end of Q1 2019. Increased infrastructure spending across Canada should see Bird obtaining more business, but construction is often unpredictable. The company is expected to release its second-quarter 2019 results on August 14.

Bird last paid out a monthly dividend of $0.0325 per share. This represents an attractive 7.3% yield. The stock had an RSI of 23 at the time of this writing, putting Bird in technically oversold territory.

Freehold Royalties

Freehold Royalties (TSX:FRU) was up 1% in late-morning trading on August 2. Shares have dropped 8.7% over the past month. Energy stocks have struggled since oil entered a bear market in early June, but that should not steer investors away from Freehold.

In its second-quarter report, Freehold saw revenue fall 12% year over year to $35.3 million and net income drop 36% to $3.43 million. Still, investors on the hunt for income should feel secure. Funds from operations at Freehold totaled $30.1 million, or $0.25 per share. This more than covers its dividend of $0.1575 per share for the quarter. Freehold also added to its stable and completed $30.3 million in acquisitions in the quarter.

Freehold last paid out a monthly dividend of $0.0525 per share, which represents a monster 7.9% yield. This company boasts a strong balance sheet that should support its nice payout going forward.

CATEGORY

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TICKERS GLOBAL

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2. TSX:CGX (Cineplex Inc.)
3. TSX:FRU (Freehold Royalties Ltd.)

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