3 Dividend Stocks That Pay Monthly With Yields of up to 7.4%

Description

If you're an investor looking for a good dividend stock that pays monthly, there are many great options to choose from. Below are three stocks that have great yields and that can help inject your portfolio with a lot of recurring income.

SmartCentres Real Estate Investment Trust (TSX:SRU.UN) is a great stock to own for a number of different reasons. First and foremost is the REIT's dividend, which pays shareholders more than 5.5% per year. An investment of about $22,000 in SmartCentres would earn you a monthly dividend of $100 a month.

But not only is SmartCentres a good buy for the dividend; it's also a cheap stock to own that could have potential to rise in value. Currently, the stock is trading right around its book value, and year to date its share price has only risen by 5%.

As the company continues adding properties into its portfolio, that'll help boost its bottom line, meaning that investors will be able to benefit from both a better share price and a higher dividend payment as well.

Meanwhile, there's not a lot of risk with SmartCentres, given the strong anchors that it has as its locations and the stock averaging a beta of just 0.48 over the past three years.

Cineplex (TSX:CGX) is an even higher-yielding dividend stock than SmartCentres, paying investors 7.4%. With Cineplex, investors would need to invest less than $17,000 to add $100 in monthly income.

And while investors may be concerned about the Cineplex business, the company isn't, raising its monthly dividend recently from $0.145 to $0.15. Although profits are not as high as they once were, what should matter to dividend investors is the company's cash flow, which has been very strong.

Over the past four quarters, Cineplex has generated around $250,000 in cash from its operating activities. Not only does the company have plenty of cash to cover the $111,000 that it paid out in dividends during that time, but Cineplex has also been able to pay down over $173,000 worth of debt as well.

While the yield is certainly high, it still looks to be in good shape.

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another stock that recently raised its payouts, from $0.19 per share to $0.20. As a result, Pembina is now yielding 4.9% per year in dividends. And while that's the lowest on this list and would take the largest investment, more than $24,000, to earn $100 every month, it's still a terrific payout for investors.

The stock also gives investors a way to diversify into oil and gas and a stock that could benefit if activity starts to pick up in the industry. And what investors should note is that while Pembina is in oil and gas, the company isn't a big risk, as it has been able to consistently post a profit in each of the past four quarters.

Cash flows have also been strong, with Pembina generating nearly $1 billion in free cash over the trailing 12 months. For investors that want a dividend and a relatively safe way to invest in oil and gas, Pembina could be a great way to do just that.

CATEGORY

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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:CGX (Cineplex Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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