



TFSA Users: \$20,000 in These Stocks Pays You \$115 a Month

Description

All the way back in March, I'd explored some [TFSA strategies](#) for investors to consider this year. The first I'd covered was an income-focused strategy. Fortunately, the cumulative TFSA contribution has steadily expanded over the past decade. This affords investors more flexibility in crafting their portfolios.

Today, I want to cover a hypothetical in which we can use \$20,000 of our contribution room to generate a nice tax-free, monthly income stream. The best thing about this is that we will still have over \$40,000 in room to invest in growth-oriented equities. Let's dive in and look at three stocks that can help us hit a goal of over \$100 in tax-free income per month.

TransAlta Renewables

I'm still bullish on green energy stocks in late 2019, and **TransAlta Renewables** ([TSX:RNW](#)) is one of my favourites. Shares have climbed 53% in 2019 as of close on November 28. The stock has achieved average annual returns of 10% over the past five years.

TransAlta is trading at a premium right now after putting up what has been a stellar year so far. The stock is trading close to a 52-week high, and it possesses a price-to-earnings ratio of 20 as well as a price-to-book value of 1.7. Still, in this case we are here for TransAlta's stellar dividend yield.

The stock currently boasts a monthly dividend of \$0.07833 per share. This represents a 6.2% yield. In our hypothetical, we can purchase 440 shares of TransAlta stock for \$6,608.80. This adds up to a monthly dividend payment of roughly \$34.40.

Cineplex

In late October, I'd suggested that [investors should grab Cineplex \(TSX:CGX\)](#) ahead of its Q3 earnings report. Cineplex has been a frustrating hold in 2019, but shares have climbed 10% over the past month as of close on November 28. This has pushed the stock into positive territory for the full year.

The company saw adjusted EBITDA surge 93% year over year in Q3 to \$106.1 million. It was driven by a 1.8% increase in theatre attendance, as the summer slate managed to give a boost to the North American cinema industry.

Back to our hypothetical, Cineplex stock last closed at \$25.27. We're going to scoop up 260 shares of Cineplex for a total of \$6,570.20. Cineplex stock currently boasts a monthly dividend payout of \$0.15 per share. This represents a beefy 7.1% yield. In this case, we'd rake in \$39 per month from the Cineplex share purchase I've outlined here.

Inter Pipeline

Inter Pipeline (TSX:IPL) is a Calgary-based company that is one of the leading natural gas and NGL extraction businesses in North America. Its stock has climbed 22.5% in 2019 as of close on November 28. Revenue is forecast to grow at a steady rate into the next decade. Inter Pipeline is trading close to a 52-week high, but it still offers a P/E ratio of 15 and a P/B value of 2.2. This puts it in favourable value territory relative to industry peers.

Shares of Inter Pipeline last closed at \$22.13. A purchase of 300 shares come out to a total of \$6,639. Inter Pipeline stock last paid a monthly dividend of \$0.1425 per share. This represents a strong 7.7% yield. In this case, Inter Pipeline will provide our portfolio with a payout of \$42.75 per month.

Our total purchases bring us below the \$20,000 threshold. The share purchases for these three stocks add up to a monthly dividend payout of \$116 per month.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:INE (Innervex Renewable Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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