



2 High-Yield Dividend Stocks That Will Gift You Monthly in 2020

Description

Many Canadians will wake up and open gifts today. Here's hoping you all got what you wished for. For those of you who love gifts, there is a way you can reward yourself every month in the new year. The cumulative contribution room in the Tax-Free Savings Account is about to get a \$6,000 boost in 2020, which means investors should start thinking about how they will use that room.

Today, I want to look at two stocks that provide [monthly dividends](#) for shareholders. Let's dive in.

Ag Growth International

Ag Growth International ([TSX:AFN](#)) is a Winnipeg-based manufacturer that operates in the agricultural industry. Back in September, I'd suggested that investors should [scoop up Ag Growth stock at a discount](#). Shares of Ag Growth have climbed 7.9% over the past three months. The company released its third-quarter 2019 results on November 14.

Trade sales at Ag Growth climbed to \$261 million compared to \$243 million in the prior year. The company's revenue growth was driven by higher sales of portable grain handling and drying equipment and a positive performance in Brazil and its recent India-based acquisition.

Adjusted EBITDA was down marginally to \$39 million, and adjusted profit rose to \$17.5 million over \$12.6 million in Q3 2018. Ag Growth has continued to wrestle with challenging market conditions in Canada and the United States. The limited trade deal set to be struck between the U.S. and China should alleviate some of the global economic pressures that have had a negative impact.

The company declared a cash dividend of \$0.20 per share for the months of December 2019, January 2020, and February 2020 in its most recent quarterly report. This represents a strong 5.1% yield. Things are looking up for the agricultural sector if this trade deal goes through, so there is reason for optimism for Ag Growth going into 2020.

Freehold Royalties

Freehold Royalties ([TSX:FRU](#)) is one of the best targets for investors who are on the hunt for reliable dividends. The company is focused on providing investors with lower-risk returns and growth by acquiring and managing oil and gas royalties. Freehold released its third-quarter 2019 results on November 13.

Royalty production at Freehold was mostly flat from the prior year. The company aims to boost its third-party drilling in the quarters to come in order to generate improved per-share growth going forward. Freehold reported funds from operations and free cash flow of \$28 million or \$0.24 per share in the quarter, which more than covers its quarterly dividend payout of \$0.1575 per share.

The company pays out its dividend on a monthly basis. In December, it declared a monthly distribution of \$0.0525 per share earlier this month. This represents a monster 8.7% yield. Freehold stock was trading at the low end of its 52-week range as of early afternoon trading on December 18. It offers solid value considering its dividend. TFSA investors who are on the hunt for income should consider both of these stocks before the new year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:FRU (Freehold Royalties Ltd.)

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