3 TSX Stocks That Can Provide Steady Income Each Month of the Year

Description

Wouldn't it be pleasing if all your monthly expenses, including utility bills, were taken care of by your investment portfolio? It's easy and totally possible. Investors can choose some of the top **TSX** stocks that pay monthly dividends that match your expenses.

Interestingly, with some of these top dividend-paying stocks, investors don't have to worry about inflation. Let's take a closer look at three of Canada's top monthly dividend payers, with yields as high as 9%.

TSX stocks that pay monthly dividends: Northland Power

Northland Power (TSX:NPI) is a $5.7 billion clean energy company. It has been producing electricity from clean-burning natural gas and renewable energy sources like wind, solar, and biomass for the last three decades.

Northland Power pays monthly dividends and yields 4.1% at the moment. The company has been paying consistent dividends since 1997. Its long dividend payment history indicates stability, and thus investors can count on it. In 2020, the company has announced dividends of $1.2 per share.

TSX stock Northland Power has surged more than 50% since its 52-week low last month. The stock has a huge growth potential given strong prospects of renewables and its green energy portfolio.

Even in case of an economic shock, Northland Power's earnings will mostly be stable considering its long-term contracts, ultimately securing its dividends. In the last five years, its dividends have grown by more than 2% compounded annually, beating inflation.

AltaGas

Top midstream and utility company **AltaGas** (TSX:ALA) is another safe dividend stock that offers monthly payouts. The stock is currently trading at a dividend yield of 6.6%, much higher than the TSX's

stock average. In 2020, the company is expected to pay total dividends of $0.96 per share.

The chief advantage of investing in utilities such as AltaGas is the non-cyclical earnings. The earnings remain stable when the economy is booming or even when it's in a downturn. Thus, stable earnings ultimately make AltaGas's dividends stable.

TSX stock AltaGas notably fell during the COVID-19 crash early last month. However, it was relatively fast to recover as well. The stock has surged almost 72% since its lowest point last month. It still has to go more than 50% to reach previous high levels close to $23.

AltaGas's safe earnings, stable dividends, and attractive valuation make it a strong investment proposition for investors at the moment.

Pembina Pipeline

The energy midstream company **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is the largest among these three. It also offers a superior dividend yield of 9%. Pembina is expected to pay $2.52 per share in dividends this year.

While energy as a sector has suffered a lot lately, midstream and pipeline stocks were almost equally weak. Top TSX stock Pembina has fallen more than 50% amid the coronavirus crash and weakened crude oil prices.

However, pipeline stocks provide critical infrastructure to the energy supply chain that transports oil from wells to refineries. They don't have direct exposure to oil and gas prices and thus are relatively stable bets.

While many energy companies are cutting their dividends and capital expenses to retain cash, Pembina has not trimmed its dividends. It is well positioned in the crisis mainly due to the reasons cited above.

Top TSX stock Pembina will likely continue to generate steady earnings and incremental cash flows and will keep on paying consistent dividends to investors.

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NPI (Northland Power Inc.)
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