



## Market Rally: 2 Top Monthly Dividend Stocks to Buy Today

### Description

The market rally in North America has proven that it has legs in the month of April. On April 29, the S&P/TSX Composite Index surged over 400 points. It has managed to recoup roughly half of its losses from the bloodbath in March. The rebound has been swift, but there are still discounts to be had. Today, I want to look at two monthly dividend stocks that are worth your attention before May.

### Why you should buy monthly dividend stocks

Canadians are reeling from the COVID-19 outbreak and the subsequent lockdowns that have crippled the broader economy. Fortunately, the federal government has introduced radical programs that have provided swift relief to millions of Canadians in a dire financial position. However, investors have other means at their disposal.

Monthly dividend stocks can provide steady income in your portfolio. TSX stocks have bounced back sharply, but there are still attractive discounts in the energy and real estate sectors. Today, I want to look at two [monthly dividend stocks](#) that are on my radar on the final day of April.

### Freehold Royalties

**Freehold Royalties** ([TSX:FRU](#)) is an oil and gas royalty company that owns working interests in oil, gas, and potash properties in Western Canada and the United States. Shares of Freehold Royalties have dropped 45% in 2020 as of close on April 29. This is no huge surprise considering the massive decline in oil and gas prices over the past two months. Demand has cratered in the face of lockdowns across the globe.

However, shares of Freehold have climbed 50% over the past month. The price of WTI Crude and Western Canadian Select (WCS) fell into negative price territory in April but have quickly bounced back. Freehold released its fourth-quarter and full-year 2019 results back on March 4.

The company's royalty production was flat from Q4 2018 to Q4 2019. Its dividend-payout ratio of 63%

was consistent with its payout ratio target between 60% and 80%. In early April, Freehold announced cost reductions and reduced its monthly dividend to \$0.015 per share. This is down from its previous payout of \$0.0525 per share. This still represents a solid 4.7% yield.

Freehold remains one of my top monthly dividend stocks right now. It boasts a fantastic balance sheet, which has supported its payouts for many years.

## Extendicare

**Extendicare** ([TSX:EXE](#)) provides care and services for seniors in Canada. Seniors are the top at-risk group for the COVID-19 outbreak. In previous articles I'd discussed [Canada's aging population](#). The burden this pandemic has put on long-term-care facilities should be a wake-up call for the public and private sector. Extendicare's crucial role in this crisis makes it a top target as a monthly dividend stock.

Shares of Extendicare have dropped 24% in 2020 as of close on April 29. The stock is up 13% over the past month. In 2019, Extendicare saw revenue increase 1.1% to \$1.13 billion. Average occupancy for its long-term-care segment remained stable at 97.8%. Revenue in its Retirement Living Operations segment climbed 25.6% year over year to \$11.4 million in the fourth quarter. Average occupancy rose to 94.9% over 89.8% in Q4 2018.

Investors can expect to see its first-quarter 2020 results on May 28. Extendicare stock last paid out a monthly dividend of \$0.04 per share. This represents a tasty 7.7% yield.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
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### Date

2025/08/14

### Date Created

2020/04/30

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