



2 Stocks to Generate a Monthly Income Stream

Description

The pandemic caused by COVID-19 has changed nearly every aspect of our lives. Many of us are telecommuting, children are being homeschooled, and the large swaths of the market remain in the red. For income investors, finding one or more defensive stocks in stable segments of the market is key to surviving this volatility. Stocks that provide a monthly income stream that fit that definition have become even rarer.

Here are three monthly dividend stocks worth adding to your portfolio today.

Call back in a decade ... or 120 monthly dividend payouts

Telecoms are some of the most stable investments to own. Apart from their obvious defensive advantages, telecoms now provide the necessary connections to keep many of us working from home remotely. **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) is unique among Canadian telecoms, and in a good way.

So, why is Shaw, a smaller telecom in Canada, a great investment? Shaw is actively building a wireless network that is gaining subscribers at a steady rate. Shaw can aggressively acquire new subscribers by offering more generous data allowances and lower monthly costs than the Big Three. The appropriately named Freedom Mobile currently has over 1.7 million subscribers. This is an incredible feat considering Shaw has a coverage area limited to the metro areas in B.C, Ontario, and Alberta.

Shaw's focus on expanding Freedom Mobile comes at the cost of not providing annual bumps to its monthly dividend. Shaw's impressive 5.25% yield is one of the best on the market and should be considered a core holding to any well-balanced portfolio.

Renew, refresh, get rich?

Now that we've established the need for telecoms, let's talk about power, and, more specifically,

renewable power. **TransAlta Renewables** ([TSX:RNW](#)) has an impressive portfolio of over 40 renewable energy facilities located in the U.S., Canada, and Australia. TransAlta's facilities include solar, wind, hydro, and gas elements, making the company well diversified on multiple fronts.

Apart from the obvious appeal of investing in a power generator, TransAlta benefits from already having an all-renewable portfolio. This puts TransAlta in an advantageous position over its fossil fuel-burning peers. In short, TransAlta represents a defensive, stable, and profitable business that should appeal to nearly every investor.

In terms of a dividend, TransAlta's monthly payout works out to a very impressive 6.33% yield, handily making it one of the [best payouts](#) among its peers.

Final thoughts

Both Shaw and TransAlta are appealing investment choices, but they are not without risk. The [crash](#) we saw earlier this year, followed by the volatility we've seen since then, has shown us that no stock is truly immune from massive market fluctuations. Further to this, both Shaw and TransAlta operate in defensive segments of the market, where there is both necessity and long-term growth potential.

In short, buy them, hold them, and let them generate a handsome monthly income stream for years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:RNW (TransAlta Renewables)
3. TSX:SJR.B (Shaw Communications)

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