



Supplement Your Monthly Income With These 3 TSX Stocks

Description

If you have some idle cash, then don't wait for a perfect time, and invest in these three TSX stocks to supplement your monthly income. These TSX stocks are known for paying monthly dividends uninterrupted.

Pembina Pipeline

The unprecedented decline in crude oil prices following the COVID-19 outbreak took a toll on shares of **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). However, the decline in Pembina's stock price drove its yields higher, which is pretty safe.

Pembina stock currently offers a monthly dividend of \$0.21, which translates into a forward dividend yield of 7.2%. Despite the decline in oil prices, investors should note that Pembina's dividends are pretty safe. Pembina's business diversified with highly contracted assets.

Further, Pembina's dividends aren't dependent on its businesses that have direct commodity exposure. Instead, its dividends are paid through fee-based cash flows. Pembina's acquisitions have added resilient cash flow streams and help the company to cover its payouts easily.

Over the last five years, Pembina has paid \$4.5 billion in dividends. Meanwhile, its dividends have grown by 6.5% annually during the same period.

Shaw Communications

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#)) is another such TSX stock that has consistently paid monthly dividends over the past several years. Shaw Communications's forward yield stands at 5.2% and remains safe, thanks to its recession-proof business and consistent growth in wireless subscriber base.

Shaw Communications's smart pricing and packaging have enabled it to grow its wireless customer base fast. Moreover, its wireless segment's ABPU and ARPU continue to grow, despite the heightened competitive activity. Investors should note that Shaw Communications's dividends remain steady,

despite the company's strong capital investments.

The telecom company has managed to report higher EBITDA in the [first half of fiscal 2020](#), with its margins expanding by 240 basis points. Given the steady growth in its wireless subscriber base and improving margins, Shaw Communications expects its free cash flows to mark healthy growth in 2020, which should support its payouts.

Further, Shaw Communications's billions of dollars of investments in spectrum and network infrastructure should help the company in increasing its dividends in the future.

AltaGas

AltaGas ([TSX:ALA](#)) offers a monthly dividend of \$0.08, which translates into a forward dividend yield of 5.9%. The company runs a diversified and relatively low-risk business, which ensures steady payouts. For starters, AltaGas's rate-regulated utility business accounts for 75% of its total revenues.

Investors should note that the majority of its revenues in the utility business are deeply anchored by decoupled rate structures and fixed distribution charges. The predictable cash flows from its utility business ensure safe and steady payouts.

AltaGas expects its rate base to increase by 8-10% annually, indicating consistent growth in its cash flows. While the utility business safeguards the dividend payouts, its midstream business paves the way for future dividend growth. The company's midstream business could grow at a breakneck pace in the coming years, thanks to the expected increase in volumes and utilization rate. AltaGas's [Ridley Island Propane Export Terminal](#) is likely to accelerate its growth and drive its future payouts.

Also, AltaGas stock is undervalued. The stock trades at a forward price-to-cash flow ratio of five, which is lower than the industry average of 7.3.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:SJR.B (Shaw Communications)

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