3 Top Stocks to Boost Your Monthly Income

Description

It's always good to have a few stocks in your portfolio that offer nice monthly payouts to support your income. While the COVID-19 pandemic led many companies to cut back on dividends, a few continue to provide high yields and have a resilient business that supports their payouts.

So, if you are looking for solid monthly income stocks, consider buying these three.

NorthWest Healthcare

With an annual dividend yield of 6.8% and monthly payouts, **NorthWest Healthcare Properties REIT** (TSX:NWH.UN) stock is an attractive investment option for income investors. Despite the disruption from the pandemic, its resilient portfolio continues to support the adjusted funds from operations.

NorthWest's high occupancy rate of 97.3%, thanks to its defensive portfolio dominated by healthcare and hospitals, is comforting. Investors should note that the company focuses on the cure segment of the healthcare real estate, and about 80% of its tenants are funded by the government and have rents that are indexed for inflation.

While its defensive portfolio adds stability, its recent acquisitions and weighted average lease expiry term of 14.5 years provide a solid base for future growth. NorthWest is focusing on deleveraging its balance sheet and is eyeing strategic sales of assets, which should boost its growth further.

Pembina Pipeline

Next up are the shares of **Pembina Pipeline** (TSX:PPL)(NYSE:PBA). The energy infrastructure company offers a monthly dividend of $0.21 per share. Meanwhile, its annual dividend yield remains very high at 7.9%.

The year-to-date decline of about 34% in its stock, and consistent payouts have driven its yields higher. Meanwhile, its strong fee-based cash flows indicate that the payouts are safe. Pembina's business is highly contracted with take-or-pay or cost-of-service arrangements that eliminate price and volume risk.

The company expects 90-95% of its adjusted EBITDA in 2020 to come from fee-based contributions, which is encouraging. Its dividends are covered through fee-based cash flows that aren't dependent on businesses having direct commodity exposure. The years of business re-investments and strategic acquisitions have helped Pembina to generate resilient fee-based cash flows that are more than enough to cover its dividends.

Though the company is not eyeing any more dividend hike for the rest of 2020, investors could expect an increase in dividends once the demand normalizes. Further, the steep decline in its stock indicates that investors could also gain from the recovery in its stock in the long run.

Shaw Communications

Telecom company **Shaw Communications** (TSX:SJR.B)(NYSE:SJR) is another top bet for investors seeking stable monthly income. With a dividend yield of 4.8% and monthly payouts of $0.10 per share, Shaw Communications looks an attractive investment option.

Shaw Communications's recession-resilient business, growing wireless customer base, network expansion, and continued investments in spectrum and infrastructure imply that the company could continue to generate strong cash flows, which would support its payouts. Moreover, Shaw Communications's innovative and smart pricing help in defending its market share and drive its ABPU and ARPU.

Bottom line

Investors should note that the resilient businesses of these companies continue to generate strong cash flows that support their monthly payouts. Further, the decline in the stock prices of these companies presents a good entry point.

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:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:SJR.B (Shaw Communications)

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