



Want Monthly Income? This Stock Is a Must

Description

One of the main objectives of a well-balanced portfolio is owning stocks that can provide a steady income. Often, that income is derived from several stocks with alternating payment frequencies on a quarterly schedule. Most investors accept this irregular schedule balancing act to get to a desired monthly income.

Fortunately, there are some great investments on the market today that offer a growing monthly income. One such stock is **TransAlta Renewables** ([TSX:RNW](#)).

How to renew your portfolio

TransAlta is a renewable energy operator. The company owns and operates a variety of renewable facilities in Canada, the U.S., and Australia. Those facilities include gas, hydro, wind, and solar elements.

Utilities such as TransAlta generate power and sell it based on rates outlined in long-term regulated contracts. Those contracts (known as power-purchase agreements, or PPAs) can span decades, making utilities incredibly stable long-term investment options. In the case of TransAlta, more than half of the company's facilities are bound to PPAs that run well into the 2030s.

While this makes TransAlta a comparable investment to its fossil fuel-burning peers, those renewable facilities provide a competitive advantage. In short, the entire power-generation segment is moving towards renewables. For traditional fossil fuel utilities, that transition is going to come at a massive cost. Instead, TransAlta can continue to invest in growth opportunities that will feed the company's [attractive dividend](#) and, in turn, a monthly income stream.

By way of example, in the most recent quarter, TransAlta reported energy production of 1,098 GWh, reflecting gains made from a pair of new wind farms in the United States. Those facilities also led to a gain in EBITDA, which increased by \$4 million in the quarter.

Monthly income awaits

Recession-resistant businesses such as TransAlta are always a great option to consider during a downturn. The fact that TransAlta operates under the same defensive model that traditional utilities adhere to (i.e., a stable stream of dividends) is great.

TransAlta has two advantages over its peers. Specifically, it operates an all-renewable portfolio of facilities and boasts a monthly distribution. TransAlta's dividend works out to an impressive 5.73% yield. Worth noting is that this exceeds the payout offered by most of its fossil fuel peers who still lack a renewable portfolio.

In other words, by investing in TransAlta, you're getting a higher income on a more frequent basis.

Final thoughts

TransAlta is a superb long-term investment that still trades at an attractive level. That should be reason enough to consider adding the company to your portfolio, but the monthly income makes it a hard investment to ignore.

In other words, buy it, hold it, and [retire rich](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

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