



Boost Your Passive Income: Load Up on the Best Monthly Dividend Stocks

Description

Only a handful of stocks listed on the **Toronto Stock Exchange** pay monthly dividends. However, not all of these stocks are the best bets to generate dependable monthly passive income. A reliable monthly dividend-paying company should have a resilient business and strong cash flows to support its payouts.

Let's focus on the best TSX-listed stocks that pay monthly dividends and have good growth prospects to continue to support their future payouts.

A clean energy company

Are you looking for a company that runs a resilient business and generates stable cash flows? Then load up on the shares of **Northland Power** ([TSX:NPI](#)). The company not only pays monthly dividends but is future-ready and has good growth prospects.

As clean and green energy continues to witness growing share in the global energy mix, Northland Power is likely to benefit from the new and sustainable infrastructure opportunities and strategic acquisitions.

Northland Power's [assets](#) and net operating capacity have been growing at a double-digit rate annually, which is encouraging. The company's power-generating assets have long-term power-purchase agreements or other revenue arrangements with creditworthy counterparties. Also, its electricity-distribution utilities have a regulated framework with inflation indexation and rate base investments.

The company's high-quality assets and predictable cash flows continue to support its dividends. Northland Power has continuously paid dividends since 1997. Its monthly dividends of \$0.10 per share are very safe and could continue to increase.

A top energy stock

You can't ignore **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) when it comes to monthly dividends. The energy infrastructure giant pays monthly dividends of \$0.21 per share, translating into a high yield of 8.5%.

Despite the uncertain energy outlook, you can depend on Pembina Pipeline stock for stable passive income. The company generates solid fee-based distributable cash flows that easily cover its payouts. Meanwhile, its payout ratio is [sustainable in the long run](#).

The vast majority of the products that Pembina Pipeline transports have long-term, fee-based contracts. Moreover, most of these contracts have minimum revenue or volume commitment (take-or-pay) and cost-of-service arrangements.

Pembina's fee-based cash flows do not have direct commodity exposure, which is encouraging and is likely to support its future dividend payouts.

A low-risk, high-growth utility stock

Speaking of monthly dividends, you could consider buying shares of **AltaGas** ([TSX:ALA](#)). The company currently pays monthly dividends of \$0.08 per share and offers a high dividend yield of 5.8%. Since AltaGas derives most of its revenues from the rate-regulated utility business, its monthly payouts are pretty safe.

Its midstream business is generating stellar growth thanks to the Ridley Island Propane Export Terminal, which is driving higher volumes and utilization rates.

AltaGas projects high-single-digit growth in its utility rate base in the coming years, which is likely to support its monthly dividend payouts. Moreover, its high-growth midstream operations suggest that its dividends could increase in the future.

Final thoughts

All these companies have high-quality and diversified assets that generate resilient cash flows and support their monthly payouts. A \$25,000 investment in each of these stocks would pay about \$356/month.

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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NPI (Northland Power Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

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