



4 Monthly-Paying Dividend Stocks With Yields Above 7%

Description

Investing in high-yielding dividend stocks is the convenient and cheapest means to earn passive income, as it does not require huge capital upfront. Meanwhile, if you are looking to invest in monthly dividend stocks, here are four TSX stocks with above 7% yields.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) has raised or maintained its dividends for the previous 22 years. Even during the pandemic, the energy infrastructure company continued paying dividends, thanks to its long-term contracts with strong counterparties. Further, the company has raised its dividends at a CAGR of 4.2% over the last 10 years. Currently, the company pays monthly dividends of \$0.21 per share at a dividend yield of 7.2%.

Meanwhile, I believe Pembina Pipeline could continue raising its dividends amid a recovery in oil demand, which could improve its asset utilization and boost its financials in the coming quarter. The company's management expects its 2021 adjusted EBITDA to come in the range of \$3.2 billion-\$3.4 billion. Its financial position also looks healthy, with a liquidity of \$2.54 billion at the end of the third quarter. So, I believe its dividends are safe.

Chemtrade Logistics

Chemtrade Logistics ([TSX:CHE.UN](#)), which provides industrial chemicals to a wide range of manufacturing companies, is my second pick. The company pays monthly dividends of \$0.05 per month, with its dividend yield currently standing at 8.3%. The company [reported](#) its fourth-quarter earnings yesterday. Amid the pandemic, its products' volumes and selling prices declined, dragging its revenue down by 11.2%. Its net losses also widened from \$12.6 million to \$25.8 million.

However, the improvement in economic activities could drive the demand for its products and services in the coming quarters, which could boost its financials. Further, the company earns a significant amount of revenue through long-term contracts, which shields its financials from price fluctuations. So,

given its high dividend yield and improving demand for its products, I believe Chemtrade Logistics is an excellent buy right now.

Keyera

The energy sector's weakness has hurt **Keyera** ([TSX:KEY](#)), which services oil and gas producing companies in Western Canada. In the recently announced fourth-quarter earnings, the company's adjusted EBITDA declined by 35.7%. However, the company has taken several initiatives, such as slashing its SG&A expenses and optimization its operation, which could improve the company's margins in 2021. Further, the recovery in the energy sector could drive its financials in the coming quarters.

Meanwhile, Keyera has raised its dividends 16 times at a CAGR of 8% since going public in 2003. Currently, the company pays monthly dividends of \$0.16 per share, with its forward dividend yield standing at an attractive 7.7%. Its payout ratio was 59%. So, the company has more headroom to hike its dividends. So, [I believe Keyera is an excellent buy for income-seeking investors.](#)

Extendicare

Extendicare ([TSX:EXE](#)) provides care and services to senior citizens across Canada through various brands. The company operating expense increased during the pandemic while occupancy declined, which impacted its margins. However, the company's long-term growth prospects look healthy, with the senior Canadian population projected to shoot up in the coming decades.

Meanwhile, Extendicare is expanding its operations with the construction of a 256-bed long-term-care home in Sudbury. It has also started a caregiver training program, which could train around 600 caregivers every year, thus addressing the shortage of personal support workers. The company's valuation also looks attractive, with its forward price-to-sales standing at 0.5. Currently, the company pays monthly dividends of \$0.04 per month, with its forward dividend yield standing at 7.4%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:CHE.UN (Chemtrade Logistics Income Fund)
3. TSX:EXE (Extendicare Inc.)
4. TSX:KEY (Keyera Corp.)
5. TSX:PPL (Pembina Pipeline Corporation)

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