The 4 Best Monthly Paying Dividend Stocks to Buy Right Now

Description

Having a passive-income stream is comforting, especially in an uncertain environment. Meanwhile, amid the low-interest-rate environment, the yields on debt instruments have become unattractive. So, investors can invest in monthly paying dividend stocks to earns stable passive income. Here are the four Canadian dividend stocks that pay monthly dividends at healthy yields.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) has raised or maintained its dividends since 1998. Meanwhile, over the last 10 years, the company has increased its dividends at a CAGR of 4.8%. The company currently pays monthly dividends of $0.21 per share, representing a forward dividend yield of 6.74%. The company's payout ratio stands at 60%. So, it has more room to hike its dividends. Further, the company runs a highly diversified regulated business, with around 94% of its adjusted EBITDA generated from fee-based and take-or-pay contracts, which provides stability to its cash flows.

The company has planned to make capital investments of $785 million this year. Along with these investments, the improvement in oil demand amid increased economic activities could drive its financials. Pembina Pipeline's management expects its 2021 adjusted EBITDA to come in the range of $3.2 billion to $3.4 billion. So, given its high dividend yield and stable cash flows, I believe Pembina Pipeline is an excellent buy for income-seeking investors.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) acquires and manages healthcare properties. Due to its highly defensive and diversified portfolio, the company is well positioned to boost shareholders' returns. Despite the pandemic, the company's occupancy and collection rate has been on the higher side. Further, 80% of its tenants receive government funding, while 73% of its rent is inflation-indexed, which is encouraging.

Meanwhile, the company had acquired 10 hospitals in the U.K. last year. These acquisitions and a strong pipeline of projects could drive the company's financials in the coming quarters. Recently, NorthWest Healthcare raised around $220 million through new equity offerings. The company has planned to utilize $196 million of the proceeds to reduce its debt levels, while the remaining could fund its future acquisitions. Given its highly defensive portfolio and healthy growth prospects, I believe the company's dividends are safe. It pays monthly dividends of $0.067 per share, representing a forward dividend yield of 6.3%.

Pizza Pizza

The food service industry was hit badly by the pandemic-infused restrictions. However, **Pizza Pizza Royalty** (TSX:PZA) fared better than its peers due to its highly franchised business. Further, the company invested in expanding its off-premises channels and introduced contactless pickup and delivery transactions, which helped offset some of the dine-in-sales declines.

Meanwhile, these investments could drive the company sales during the post-pandemic world also. Amid the expectation of improvement in economic activities due to the expansion of vaccination, the company is up 13.3% for this year, comfortably outperforming the broader equity markets. Meanwhile, I expect the uptrend could continue for the rest of the year. Pizza Pizza Royalty currently pays monthly dividends of $0.055 per share, with its forward dividend yield standing at 6.3%.

Keyera

Keyera (TSX:KEY), which operates an integrated midstream business, is trading 19% higher for this year. The improved oil demand amid a recovery in economic activities has driven the company's stock price higher. Keyera earns around 70% of its cash flows from fee-for-service contracts, which provides stability to its financials. Further, the company's management has planned to make capital investments of $400-$450 million in 2021. Along with recovery in the energy sector, these investments could drive its financials in the coming quarters.

Meanwhile, Keyera has rewarded its shareholders by raising its dividends at a CAGR of 7% since 2008. Currently, it pays monthly dividends of $0.16 per share at a forward dividend yield of 7.1%. Its payout ratio was at 59%. So, there is room for the company's management to raise its dividends.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:KEY (Keyera Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:PZA (Pizza Pizza Royalty Corp.)

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