



4 Top Monthly-Paying Dividend Stocks to Buy Right Now

Description

Investing in monthly-paying dividend stocks would be a convenient and cost-effective means to earn passive income. So, if you are interested in earning stable passive income, here are four top Canadian stocks that are fundamentally strong and pay monthly dividends at juicy yields of over 6%.

Keyera

Keyera ([TSX:KEY](#)), an integrated energy infrastructure company, is my first pick. The widespread vaccination could improve economic activities, thus driving the demand for oil and refined products, benefiting the company. Further, the company has planned to invest \$400-\$450 million this year on growth initiatives, which could also drive its financials in the coming years.

Meanwhile, the company earns around 70% of its cash flows from long-term contracts, providing stability to its financials. Supported by these stable financials, the company has raised its dividends at a CAGR of 7% since 2008. Currently, it pays [monthly dividends of \\$0.16 per share](#), representing an attractive forward yield of 6.4%. Given its healthy growth prospects, a low payout ratio of 67%, and strong liquidity of \$1.5 billion, I believe Keyera's dividends are safe.

Pembina Pipeline

Second on my list is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which has posted a substantial performance over the last 10 years, with its adjusted EBITDA per share and adjusted cash flows per share growing at an average annualized growth rate of 12.2% and 9.8%, respectively. Meanwhile, the company earns over 90% of its adjusted EBITDA from regulated assets and long-term contracts, delivering stability to its cash flows.

Supported by these strong cash flows, the company has been paying dividends consistently for the last 22 years and has raised the same at a CAGR of 4.9% in the previous 10 years. Currently, the company pays monthly dividends of \$0.21 per share, with its forward dividend yield standing at 6.6%. Amid the improvement in oil demand and oil prices, the company's financials could improve in the

coming quarters.

Given its steady cash flows, a solid liquidity position of \$2 billion, and high dividend yield, I believe [Pembina Pipeline is an excellent buy for income-seeking investors](#).

NorthWest Healthcare

Third on my list is **NorthWest Healthcare** ([TSX:NWH.UN](#)), which acquires and manages healthcare properties across seven countries. Given its highly defensive and diversified portfolio, the company enjoys a high occupancy and collection rate. Further, its long-term rent agreements, inflation-indexed rent, and government-backed tenants provide stability to its financials.

After acquiring 10 hospitals in the United Kingdom last year, the company is looking to expand its footprint in the United States and Western Europe. Further, the company is looking at strengthening its balance sheet by deleveraging and disposing of its stake in the U.K. joint venture. So, I believe the company is well equipped to continue paying its dividends. Currently, the company pays monthly dividends of \$0.0667 per share with its forward yield standing at 6.2%.

Pizza Pizza

My final pick is **Pizza Pizza Royalty** ([TSX:PZA](#)), which operates Pizza Pizza and Pizza 73 branded restaurants through its franchisees. When other food service companies struggled due to the pandemic-infused restrictions, Pizza Pizza has fared better thanks to its highly franchised business model and investment in expanding its digital channels. The company's stock price has increased by 14.8% this year, outperforming the broader equity markets.

Meanwhile, I expect the uptrend to continue, as provincial governments look to relax some of the restrictions amid the expansion of vaccination. The lifting of restrictions could allow the company to operate its restaurants at full capacity, driving its financials. Meanwhile, the company's digital investments could continue to drive growth even in the post-pandemic world. So, I am bullish on Pizza Pizza. Currently, the company's forward dividend yield stands at a healthy 6.25%.

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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