



4 Top Monthly Paying Dividend Stocks to Buy Right Now

Description

Amid the low-interest-rate environment, investing in high-yielding, monthly dividend stocks would be an excellent means to earn stable passive income. This article will look at four Canadian stocks that pay monthly dividends, with their yields currently standing above 5%.

Pembina Pipeline

Supported by its strong fundamentals, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) has paid around \$9.8 billion as dividends since 1997. Over the last 10 years, the company has increased its dividend at a CAGR of 4.9%, while its forward dividend yield currently stands at 6.56%.

It operates a highly contracted business, with over 90% of its adjusted EBITDA generated from fee-for-service or take-or-pay contracts, thus delivering stability to its cash flows. Rising oil prices, improving asset utilization rate, and a strong backlog of growth projects could drive its financials in the coming quarters.

Further, Pembina Pipeline is [working on closing the acquisition](#) of **Inter Pipeline**, which could create one of the largest infrastructure companies in Canada while delivering \$150-\$200 million in annual synergies. The acquisition could increase its monthly dividends to \$0.23 per share. So, [I believe Pembina Pipeline would be an excellent buy right now.](#)

NorthWest Healthcare

NorthWest Healthcare ([TSX:NWH.UN](#)) owns and operates a highly diversified 186 healthcare properties spread across seven countries. Despite the pandemic, the company enjoyed high occupancy and collection rates, delivering stable and predictable cash flows. These stable cash flows have allowed the company to pay a monthly dividend at a healthy yield of 6.14%.

Its inflation-indexed rent, long-term contracts, and government-backed tenants continue to boost its financials. Meanwhile, the company is looking to expand its footprint in Australia and has signed a

definitive agreement to acquire Australian Unity Healthcare Property Trust (AUHPT) for \$2.6 billion. With a portfolio of 62 healthcare facilities and buildings, a high occupancy rate of 98%, and a weighted average lease expiry of 16 years, AUHPT could significantly boost NorthWest Healthcare's financials.

Pizza Pizza Royalty

The pandemic had severely hit the food services sector. However, **Pizza Pizza Royalty** ([TSX:PZA](#)) fared better than its peers due to its highly franchised business model and its investment in enhancing digital channels. Its stock price is trading over 16% higher for this year, outperforming the broader equity markets.

Meanwhile, the uptrend in the company's stock price could continue. Amid the widespread vaccination and decline in active cases, Canadian provincial governments could relax some restrictions in the coming months, thus allowing food servicing companies to operate their dine-in facilities. The investment in digital channels could continue to boost its sales in the post-pandemic world also. So, Pizza Pizza's outlook looks healthy. The company also pays a monthly dividend, with its forward yield currently standing at 6.18%.

Keyera

My final pick would be **Keyera** ([TSX:KEY](#)), an integrated energy infrastructure company, which earns around 70% of its free cash flows from long-term contracts. These steady cash flows have allowed the company to raise its dividend at a CAGR of 7% since 2008. Currently, it pays monthly dividends of \$0.16 per share, representing a forward dividend yield of 5.72%.

Meanwhile, the recovery in demand and economic expansion are driving oil demand and, in turn, its prices higher, benefiting Keyera. The company has planned to invest \$400-\$450 million on growth initiatives this year, contributing to its financial growth. Given its steady cash flows, a sustainable payout ratio of 67%, and a healthy liquidity position of \$1.5 billion, I believe Keyera's dividend is safe.

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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