Canadian Investors: Boost Your Passive Income With These 3 Monthly-Paying Dividend Stocks

Description

Amid the low-interest-rate environment, returns on debt instruments have become unattractive. So, investing in monthly-paying dividend stocks is one of the most cost-effective and convenient ways to earn stable passive income. If you are ready to invest, here are three Canadian stocks that pay monthly dividends at healthier yields.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA), which provides midstream and marketing services through its integrated assets and commercial operations, is an excellent dividend stock to have in your portfolio. It has been paying dividends uninterrupted since 1998. Supported by the steady cash flows from its regulated assets and long-term contracts, the company has paid around $9.4 billion in dividends since its inception. The company currently pays a monthly dividend of $0.21 per share, with its forward dividend yield standing at 6.4%.

Meanwhile, oil demand is rising amid the gradual reopening of economies worldwide, which could improve Pembina Pipeline's asset utilization rate. Higher oil prices could boost its revenue from the marketing & new ventures segment. Moreover, the company is also working on closing the acquisition of Inter Pipeline. Along with these factors, the company's backlog of new projects could drive its financials in the upcoming quarters. So, I believe Pembina Pipeline's dividend is safe.

Pizza Pizza Royalty

Second on my list is **Pizza Pizza Royalty** (TSX:PZA), which operates Pizza Pizza and Pizza 73 brand restaurants. Thanks to its highly franchised business model and investments in expanding its digital channels, the company has fared better than its peers during the pandemic-infused lockdown. Meanwhile, since the beginning of this year, its stock price has increased by 17.7%, outperforming the broader equity markets.

Amid the expansion of the vaccination program and falling COVID-19 cases, the Canadian provincial governments have planned for the phased reopening of the economy. The easing of restrictions could allow the company to start operating its dine-in facilities, which could boost its financials in the coming years.

The expansion of digital channels could also continue to drive its growth, even in the post-pandemic world. So, Pizza Pizza Royalty's growth prospects look healthy. Currently, it pays a monthly dividend of $0.055 per share, with its forward dividend yield standing at 6.1%.

TransAlta Renewables

Earlier this quarter, **TransAlta Renewables** (TSX:RNW) completed the acquisition of three power-generating facilities from **TransAlta Corporation**. These acquisitions have increased the company's power-generating capacity by 303 megawatts. The company sells its power through long-term agreements, thus shielding its financials from price and volume fluctuations and generating stable cash flows.

Supported by these steady cash flows, the company has raised its dividend at a CAGR of 3% since going public in 2013. Currently, it pays a monthly dividend of $0.7833, with its forward dividend yield of 4.51%. Meanwhile, the acceleration in the transition towards clean energy amid the concerns over rising pollution could be beneficial for the company. The company has a robust pipeline of projects that can more than double its power-generating capacity.

Meanwhile, TransAlta Renewables is trading at an attractive valuation, with its forward price-to-earnings multiple standing at 26.9. So, given the favourable environment, its healthy growth prospects, and juicy dividend yield, the company would be an excellent addition to your portfolio.

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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

4. TSX:RNW (TransAlta Renewables)

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