



## The 5 Best Monthly Income Stocks to Buy in August 2021

### Description

Many Canadian stocks pay dividends. However, a few offer monthly payouts. This is important, because they help generate a steady monthly cash inflow to meet one's expenses. Let's dig deeper into five such reliable [dividend stocks](#) that you can consider buying now to start a monthly passive-income stream.

### Pembina Pipeline

First on my list is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which has consistently rewarded its shareholders with a monthly dividend of \$0.21 a share and distributed over \$9 billion in dividends since its inception. It has increased the dividend by a CAGR of 5% in the last decade and offers a stellar dividend yield of more than 6.0%.

Pembina's diversified and contracted assets and exposure to multiple commodities drive its fee-based cash flows supporting higher dividend payments. I believe its contractual framework, solid backlogs of growth projects, and expense management could continue to boost its fee-based cash flows and, in turn, drive its dividend payments. Furthermore, Pembina could [gain big](#) from improving energy demand and increasing commodity prices.

### TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is another reliable bet to generate regular monthly income. It pays a monthly dividend of \$0.078 per share and yields about 4.4%, which is very safe. It has raised its annual dividend at a CAGR of 3% since 2013 and targets a sustainable payout ratio of 80-85%.

TransAlta's highly contracted renewable power assets support its earnings and monthly payouts. Its low-risk business, diversified asset base, and predictable cash flows augur well for future dividend growth. Moreover, strategic acquisitions and a strong balance sheet could continue to fuel its growth.

## Northland Power

Investors could consider adding **Northland Power** ([TSX:NPI](#)) stock to their portfolios for a steady monthly dividend income. The renewable energy company pays a stable monthly dividend of \$0.10 per share and currently yields about 2.8%.

I expect Northland Power's diversified assets and long-term agreements to generate predictable cash flows and support future dividend payouts. Moreover, improving energy outlook, strong development projects, capital investments, and increasing installed capacity are likely to drive its free cash flows.

## NorthWest Healthcare

**NorthWest Healthcare** ([TSX:NWH.UN](#)) owns a diversified portfolio of healthcare real estate assets that generate robust cash flows and supports dividend payouts. It offers a monthly dividend of \$0.067 per share and provides a juicy dividend yield of about 6.2%.

NorthWest's low-risk business and long lease expiry term drives its cash flows and adds stability to its business. Also, most of NorthWest's tenants are government backed, while a significant portion of its rent is inflation-indexed, making its cash flows resilient to economic cycles. I believe its expansion in the high-growth markets, accretive acquisitions, and strong balance sheet should continue to support its monthly dividend payout in the future.

## Pizza Pizza Royalty

**Pizza Pizza Royalty** ([TSX:PZA](#)) is an excellent dividend-paying stock that offers a monthly dividend of \$0.055 a share. Meanwhile, Pizza Pizza's dividend yield stands at 5.7%, which is attractive.

The quick-service restaurant company is currently dealing with near-term COVID-led challenges and is witnessing lower traffic. However, the expectation of normalization in demand, easing restrictions, and recovery in consumer demand could significantly boost its financial performance and support dividend payments. Also, an acceleration in network expansion, strong delivery sales, and focus on delivery promotions bodes well for future growth.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NPI (Northland Power Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:PZA (Pizza Pizza Royalty Corp.)
6. TSX:RNW (TransAlta Renewables)

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snahata

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