3 Monthly Dividend Stocks Under $50 With Over 6% Yields

Description

I have often said that dividend-paying stocks are some of the safest and cheapest ways to generate a regular cash inflow. While the TSX has several top-quality dividend stocks, I'll focus on companies that offer monthly payouts.

This is important, as payouts are frequent, monthly dividend stocks appeal more and supplement one's monthly income. I have shortlisted three such monthly-paying dividend stocks that are lower priced (under $50 and well within investors' reach) with over 6% yields.

Pembina Pipeline

With a monthly dividend of $0.21 a share and a stellar yield of 6.5%, **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is first on my list. The energy infrastructure company has a long history of rewarding its investors. It has paid nearly $10.1 billion in dividends since its inception. Furthermore, it raised its dividend by over 5% in the last decade.

While Pembina's yield remains high, its payouts are safe and sustainable, thanks to the diversified portfolio of highly contracted assets that generate robust fee-based cash flows. I believe its contractual framework, growth projects, higher volumes, increased pricing, and expense management boost its fee-based cash flows. Meanwhile, improved energy demand augurs well for future growth.

Notably, Pembina Pipeline stock has risen over 33% this year, yet it is trading cheaper than peers at current price levels. Overall, the improving operating environment, low valuation, and robust fee-based cash flows make it a top stock to invest in for monthly income and growth.

Pizza Pizza Royalty

Pizza Pizza Royalty (TSX:PZA) is another attractive income stock trading under $50. It has witnessed healthy buying in the recent past and has gained about 26% this year on gradual pickup in demand amid economic reopening and ongoing vaccination.

Pizza Pizza pays a monthly dividend and offers a solid yield of about 6.5%. The company recently hiked its dividend by 9%, which is encouraging. Thanks to its solid operating cash flows and higher cash reserve, I expect the company to continue to boost its shareholders' returns in the future.

I believe the easing restrictions and recovery in consumer demand amid a strong vaccination rate could boost customer traffic and strengthen its sales delivery channels. Further, the quick-service restaurant company continues to accelerate its construction and renovation plans, which is encouraging. Meanwhile, its focus on network expansion and delivery promotions bodes well for future growth and will likely boost its payouts.

NorthWest Healthcare

Let's wrap up with **NorthWest Healthcare** (TSX:NWH.UN), which owns a diverse portfolio of healthcare real estate assets generating solid distributable cash flows to support its monthly dividend payments. Like, Pembina and Pizza Pizza Royalty, NorthWest also offers a high dividend yield of over 6% (6.2%, to be precise) at current price levels.

Notably, NorthWest Healthcare's low-risk business model suggests that its payouts are safe. Meanwhile, most of its tenants are government-backed, with the majority of its rents being inflation-indexed, which is encouraging. Its diversified assets and a long lease expiry term will ensure predictable cash flows and support dividend payouts.

Looking ahead, its low-risk business, solid M&A pipeline, expansion in the high-growth markets, and strong balance sheet indicate that NorthWest Healthcare could continue to bolster its shareholders' returns through consistent dividend payouts.

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1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

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

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