



## The 4 Best TSX Stocks for Reliable Monthly Income

### Description

If you are an income investor, then monthly dividend stocks would appeal to you. While several stocks listed on the Canadian stock exchange pay dividends, a few offer monthly payouts and are a great source to generate predictable monthly income.

With monthly income in the backdrop, I have shortlisted four reliable bets for investors seeking to start a passive-income stream. These [dividend stocks](#) have consistently paid regular dividends and have resilient cash flows to drive their future payouts. Let's take a closer look.

### Pizza Pizza Royalty

First on my list is **Pizza Pizza Royalty** ([TSX:PZA](#)), which has consistently rewarded its shareholders with monthly dividends. Currently, it pays a monthly dividend of \$0.06 a share, translating into a stellar dividend yield of 6.4%.

Pizza Pizza's focus on network expansion, delivery promotions, and momentum in delivery sales augur well for future growth. Notably, the quick-service restaurant company is currently coping with lower traffic due to COVID-related restrictions. However, I see these challenges as transitory that could abate soon. I expect Pizza Pizza's financials to improve, as restrictions ease and demand normalizes, driving its revenues, earnings and, in turn, its future payouts.

### AltaGas

**AltaGas** ([TSX:ALA](#)) is an [excellent monthly dividend-paying stock](#) as its low-risk utility assets generate predictable cash flows that support regular and steady payouts. It currently offers a monthly dividend of \$0.083 per share, reflecting a decent yield of 3.9%.

I expect AltaGas to continue to deliver higher profits and cash flows due to its regulated utility assets, growing rate base, and high-growth midstream business. While the low-risk utility assets could continue to cover its payouts, higher export volumes and cost optimization are likely to accelerate its growth and cushion its earnings. As for 2021, AltaGas projects double-digit growth in its EBITDA and profits, which is encouraging.

## NorthWest Healthcare

**NorthWest Healthcare** ([TSX:NWH.UN](#)) generates robust cash flows that support healthy dividend payouts, thanks to its low-risk business and solid healthcare real estate assets. It is currently offering a monthly dividend of \$0.067 per share, with a juicy dividend yield of about 6.0%.

Notably, most of NorthWest's tenants are government-backed, while a significant portion of its rent is inflation-indexed, making its cash flows resilient and supporting monthly dividend payments. Further, NorthWest expects to continue to drive its cash flows due to its diversified assets and long lease expiry. Meanwhile, the company's solid acquisition strategy, continued expansion in the high-growth markets, and healthy balance sheet should continue to support its future dividend payout.

## TransAlta Renewables

Investors could consider adding **TransAlta Renewables** ([TSX:RNW](#)) stock for a steady monthly dividend income. TransAlta Renewables has increased its dividend at a CAGR of 3% since 2013 and has a sustainable payout ratio. Currently, it pays a monthly dividend of \$0.078 per share and yields about 4.7%, which is very safe and sustainable.

Notably, TransAlta's earnings are driven by its low-risk and highly contracted renewable power assets, which support its monthly dividend payouts. I expect its diversified and contracted assets to continue to deliver predictable cash flows and boost future dividends. Further, its strategic acquisitions and a sound balance sheet will likely fuel its growth.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:RNW (TransAlta Renewables)

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