



3 Top Monthly Income Stocks

Description

Finding the right mix of income-producing stocks can be a daunting task. In addition to finding the *right* investments, you also need to plan accordingly to what can be very different payout schedules. Fortunately, there is another option for prospective investors, such as these top monthly income stocks.

A little bit of everything

Exchange Income ([TSX:EIF](#)) is a stock that few investors may recognize, at least initially. Exchange owns over a dozen subsidiary companies that operate across the broad segments of aviation and manufacturing.

Here's the interesting part: Those subsidiary companies all provide a unique product or service for which there are few if any competitors. On the manufacturing side, this could be working in the niche market of installing cell towers or fabricating unique windows for office buildings. Turning to the aviation side, examples include providing medevac services or passenger and freight services to Canada's remote north.

In both cases, the businesses serve a niche market where the necessity of the business is high, but the competition is low. Not only does that make Exchange a well-diversified stock, but also one that can generate cash. Ultimately, this leads to a handsome monthly [dividend](#) for investors.

That dividend currently works out to an impressive 5.29% yield. Prospective investors that were to allocate \$40,000 toward the stock could expect a monthly income of \$175. Keep in mind that if you don't need to draw on that income just yet, reinvesting it until needed will lead to further gains.

That factor alone makes Exchange one of several great top monthly income stocks to consider.

A unique telecom with huge potential

It's hard to compile a list of top income stocks without mentioning Canada's telecoms. Today, that

stock is **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) which is unique among its peers. As a top monthly income stock, Shaw differs from its telecom peers by providing a *monthly* payout.

The yield on Shaw's dividend currently works out to 3.26%. This means that a similar \$40,000 investment will earn just over \$100 every month. But apart from that dividend, why should investors consider buying Shaw?

To answer that, let's talk about Shaw's mobile segment. Shaw's aptly named Freedom Mobile wireless business is still new when compared to Shaw's larger, more established peers. Freedom Mobile is also considerably smaller in size. This has allowed Shaw to quickly attract customers from larger carriers through aggressive marketing and generous data rates.

By way of example, in the most recent quarter, Shaw's wireless segment welcomed 51,000 new customers. Wireless connections and the need to consume more data are becoming a central part of our connected lives.

In other words, we're barely scratching the surface of what the true long-term growth potential of Shaw's wireless segment could be.

Why not earn some income from renewable energy?

Utility stocks are some of the most stable investments on the market. The growing need for renewable energy has propelled stocks like **TransAlta Renewables** ([TSX:RNW](#)) into an enviable position.

In addition to operating an all-renewable portfolio, TransAlta boasts a well-diversified array of facilities that encompass multiple technologies across Canada, the U.S., and Australia. Collectively, those facilities provide a generating capacity of 2.6 GW of power, which is enough to power over one million homes.

If that weren't enough, TransAlta has more than two GW of additional capacity in the development pipeline. That can include new development and acquisitions.

In terms of income, TransAlta's monthly dividend carries a yield of 4.75%. This means that a \$40,000 investment in TransAlta will generate just shy of \$160 every month.

Top monthly income stocks: Buy now?

Finding top monthly income stocks like the stocks noted above are hard to find, but [they do exist](#). Not only do the options above provide a steady and recurring income stream, but they all have [significant growth potential](#).

In my opinion, one or more of these investments should be part of any well-diversified portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:EIF (Exchange Income Corporation)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SJR.B (Shaw Communications)

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