



Forget Volatility: Buy These 4 TSX Stocks Now for Steady Monthly Income

Description

The volatility in the market remains elevated, with China's **Evergrande** crisis adding more fuel. While it could lead to knee-jerk reactions, I believe short-term volatility shouldn't worry you much, especially if you are a long-term investor.

However, it is prudent to add a few monthly paying dividend stocks to your portfolio to generate a steady cash inflow, even amid wild market swings. Let's take a look at four top monthly dividend-paying stocks that could be solid additions to your portfolio amid the heightened volatility in the market.

Pizza Pizza Royalty

Pizza Pizza Royalty ([TSX:PZA](#)) stock could be a solid bet for investors to earn a steady income. Despite the challenging operating background, the company has consistently rewarded its shareholders with monthly dividends. Furthermore, it increased its monthly dividend by 9% in August 2021, reflecting the strength of its cash flows. Pizza Pizza is yielding about 6.4% at current price levels, making it an attractive income stock.

Notably, the quick-service restaurant company is currently witnessing lower traffic due to the pandemic. Nevertheless, I expect the demand to normalize soon. Meanwhile, acceleration in vaccination indicates that its financial and operating performance could improve significantly. Further, the success of its delivery promotions and network expansion bodes well for growth.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is another reliable stock for investors seeking [monthly income](#) amid volatility. Thanks to its highly contracted business that generates predictable and stable fee-based cash flows, the company has paid over \$10.1 billion in dividends since 1997. Meanwhile, Pembina has increased its dividend at a mid-single-digit rate annually in the last decade. Currently, it offers a stellar dividend yield of 6.3%.

I believe Pembina's growing volumes, increased pricing, and operating efficiencies will continue to drive its earnings and future cash flows, which would continue to support higher dividend payments.

Furthermore, improving operating environment, exposure to diverse commodities, and newly secured growth projects will likely support profitability.

TransAlta Renewables

Amid high volatility, investors could add **TransAlta Renewables** ([TSX:RNW](#)) stock to their passive-income portfolios. Notably, TransAlta Renewables's dividend has grown at a CAGR of 3% since 2013. Currently, it pays a monthly dividend of \$0.078 per share and yields about 4.8%.

I expect TransAlta's low-risk business, diversified assets, and long-weighted average contract life to continue to drive high-quality earnings and cash flows, which, in turn, will likely support its dividend payouts. Further, its strategic acquisitions, strong balance sheet, and operating expertise will likely fuel its future growth.

AltaGas

Investors could also consider **AltaGas** ([TSX:ALA](#)) stock for a [consistent income](#). The company has been paying steady monthly dividends on the back of predictable cash flows from its low-risk and regulated utility assets. Currently, AltaGas offers a dividend yield of over 3.9%.

I believe AltaGas's contracted utility assets and growing rate base would drive its profits, support higher cash flows, and cover its payouts. Meanwhile, higher export volumes in the mid-stream business and cost-savings initiatives would continue to cushion its earnings. Notably, AltaGas projects double-digit growth in its EBITDA and earnings for 2021, which is encouraging.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:PZA (Pizza Pizza Royalty Corp.)
5. TSX:RNW (TransAlta Renewables)

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