Dividend Stocks: Still the Best Way to Earn $330 Per Month

Description

The TSX's bull run appears to be losing steam in September 2021. Canada's primary stock market index fell for four consecutive days early this month and three straight trading sessions since mid-month. On September 20, 2021, the index declined 335.90 points — the most significant fall in the last three months. Nonetheless, the TSX has a year-to-date gain of 15.6%.

Investors are jittery, because a global market selloff could ensue in the weeks ahead. The fear stems from the near collapse of the **Evergrande Group**. China's biggest property developer is in a hole with debts of over $300 billion. A financial crunch looms if there's a contagion effect.

For income investors, this could be the appropriate time to move to reliable dividend stocks. Also, dividend investing is still the best way to earn passive income amid an economic downturn. The best options today are **Enbridge** (TSX:ENB)(NYSE:ENB) and **Rogers Sugars** (TSX:RSI).

The two companies provide critical or essential products and services. Hence, a crisis won't have a material impact on their capacities to generate cash flows and pay dividends. Moreover, both are high-yield stocks. The average yield is 6.565%, so a $60,500 investment, evenly distributed between them, will generate $330.99 in monthly income.

Energy giant

Enbridge has gone through the worst recessions and massive industry headwinds. However, not once in the last 10 years have its dividend payments suffered. On the contrary, the $102.62 billion top-tier pipeline operator even increased its dividend yearly in the most recent decade.

Performance-wise, Enbridge's total return in the last 45.75 years is 47,387.92% (14.42% CAGR). There's no shadow of a doubt that this blue-chip asset is the ideal core holding for risk-averse traders, long-term investors, and retirees. At $49.77 per share, you can partake of the generous 6.71% dividend.

According to Al Monaco, Enbridge's president and CEO, would-be investors can expect superior shareholder value due to the low-risk business model. The company owns four best-in-class franchises that contribute to the resiliency and longevity of cash flows.

Increasing volumes and sales margins

Rogers Sugar pays a super-high 6.42% dividend and trades at only $5.51 per share. The consumer-defensive stock isn't as popular as Enbridge, but it's equally reliable regarding consistency of dividend payments. While sugar is a low-growth business, it's a consumer staple.

The $577.54 million company operates in a duopoly, so there's hardly competition locally. Besides sugar, it produces maple syrup, a higher-margin product. After three quarters in fiscal 2021, volumes are returning to normal. Rogers reported 5.9% and 39.7% growth in revenue and net earnings versus the same period last year.

In Q3 fiscal 2021, sugar volume increased 10.8% compared to Q3 fiscal 2020 due to stronger industrial, liquid, and export volumes. The volume would be higher once consumer volume returns to pre-pandemic levels. Meanwhile, demand for maple remains depressed as large retailers are still adjusting inventory levels of grocery-related products.

Management expects sales margins to improve in the second half of 2021 following successful contract negotiations with current and new customers. Rogers also anticipates operational efficiencies to increase in the remainder of the year.

Mitigate the risks

Income investors have the opportunity to diversify with only two top-notch dividend stocks in the basket. The combination of Enbridge and Rogers Sugar can mitigate the risks and keep investors' income streams whole, even if the TSX declines further.

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