3 Safe Monthly-Paying Dividend Stocks to Buy Amid Rising Volatility

Description

Amid concerns over rising inflation and tightening monetary policies, investors are becoming jittery, leading to a pullback in the equity market. On Monday, the **S&P/TSX Composite Index** fell 0.5% and traded over 4% lower than its recent highs. Amid rising volatility, investors can buy the following three safe monthly-yielding dividend stocks to earn stable passive income and strengthen their portfolios.

NorthWest Healthcare

My first pick would be **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which owns and operates 190 healthcare properties spread across seven countries. Given its highly defensive and diversified portfolio, its occupancy and collection rate stood healthy despite the pandemic. Also, its long-term contracts and government-backed tenants provide stability to its financials. Supported by these stable cash flows, the company pays dividends at a healthier rate. Meanwhile, its forward yield stands at a healthy 6.18%.

Apart from organic growth, NorthWest Healthcare also focuses on acquisitions to boost its financials. Since March 31, the company has completed $321.1 million of accretive acquisitions while disposing of $7.1 million of assets. Besides, it is also working on acquiring the **Australian Unity Healthcare Property Trust,** which enjoys a healthy occupancy rate of 98%. NorthWest Healthcare had also strengthened its financial position by raising around $200 million in June. So, I believe NorthWest Healthcare would be an excellent addition to your portfolio in this volatile environment.

Keyera

Second on my list would be **Keyera** (TSX:KEY), which has outperformed the broader equity markets this year, with returns of 43.5%. Its solid second-quarter performance and rising crude oil prices drove the company's stock price higher. Supported by a solid performance from its gathering and processing and marketing segments, the company posted an adjusted EBITDA of $224 million in the second quarter, representing year-over-year growth of over 23%. Meanwhile, the uptrend in its financials could continue amid higher commodity prices, rising oil demand, and its continued investments in growth projects.

Keyera commenced the operation of its Wildhorse crude oil storage and blending terminal in July, adding 4.5 million barrels of storage capacity. Further, the construction of its KAPS pipeline project is underway and could be complete by early 2023. So, given its healthy growth prospects and strong liquidity of $1.5 billion, the company is well-equipped to continue paying dividends at a juicier yield. Currently, it pays a monthly dividend of $0.21 per share, with its forward yield standing at 5.82%.

Pizza Pizza Royalty

My final pick would be **Pizza Pizza Royalty** (TSX:PZA), which indirectly owns Pizza Pizza and Pizza 73 Rights and Marks' restaurants. Due to its highly franchised business model and strengthening of its digital channels, the company has returned around 28% this year, outperforming its peers. Despite the rise, the company still trades at an attractive forward price-to-earnings of 14.3. Company's management also raised its monthly dividends by 9% to $0.06 per share in August, depicting the confidence in its future cash flows. Its forward yield currently stands at a healthy 5.92%.

Meanwhile, with the reopening of the economy, Pizza Pizza has reopened its dining spaces and non-traditional restaurants. It could also benefit from continued sales growth from its digital channels and improving economic activities. So, given its healthy growth prospects, I believe Pizza Pizza's dividends are safe.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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