



Top 3 Monthly Income Stocks Yielding Over 6%

Description

Amid a low interest environment and continued uncertainty related to the new variant of the COVID-19, it is prudent to put some of your savings into high-quality dividend stocks to generate a steady passive income.

While we have several top-quality dividends stocks listed on the **TSX**, here we'll focus on only those that offer monthly payouts. This is important, as a predictable monthly payout supports your cash flows. Furthermore, we'll only be considering stocks with dividend yields over 6% and sustainable payouts. It's worth noting that a safe and high yield significantly lowers investors' payback period and enhances the overall returns over time.

With predictable monthly passive income in the background, let's dig deeper into three TSX stocks with resilient cash flows and high yields. These stocks will likely boost investors' returns through regular payouts.

Pembina Pipeline

The first [monthly paying dividend stock](#) on my list is of the energy infrastructure giant **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). It has a long history of paying and increasing its monthly dividend. It's worth noting that Pembina's dividend has a CAGR (compound annual growth rate) of 5% over the last decade. Furthermore, the company has distributed over \$10.1 billion in dividends since 1997. At present, it offers a monthly dividend of \$0.21 per share, translating into a lucrative yield of 6.2%.

I expect Pembina Pipeline to continue to deliver strong total shareholder returns in the coming years on the back of its highly contracted business that generates robust fee-based cash flows and supports dividend payouts. Furthermore, improved energy demand, higher volumes, increased commodity prices, and operating leverage will likely drive Pembina's profitability. Also, a solid backlog of growth projects and exposure to diverse commodities support my bullish outlook on the stock.

Pizza Pizza Royalty

Pizza Pizza Royalty ([TSX:PZA](#)) is another [high-yield bet](#) you could consider adding to your portfolio for monthly income. Currently, Pizza Pizza pays a monthly dividend of \$0.06 a share, reflecting a solid dividend yield of about 6.4%.

Notably, the quick-service restaurant company is currently witnessing lower traffic due to COVID-related restrictions. However, I see these challenges as transitory and expect Pizza Pizza's financials to improve with the easing restrictions and accelerated vaccination. I believe the normalization in demand could drive its revenues, earnings, and, in turn, its future payouts. Further, its focus on expanding network, delivery promotions, and solid momentum in delivery sales augur well for growth.

NorthWest Healthcare

With a solid yield of about 6.2% and a monthly dividend payout of \$0.067 per share, **NorthWest Healthcare** ([TSX:NWH.UN](#)) is another stock worth considering. Its low-risk business model and high-quality healthcare real estate assets generate predictable cash flows that support its payouts.

Notably, its cash flows remain immune to economic cycles, as most of NorthWest's tenants are government-backed and have a long lease expiry term. Also, a significant portion of its rent is inflation-indexed, while its occupancy rate remains high. NorthWest Healthcare also benefits from its ability to acquire and integrate businesses that expand its operations into high-growth markets. Meanwhile, its healthy balance sheet and focus on deleveraging bode well for growth.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:PZA (Pizza Pizza Royalty Corp.)

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