



The 3 Best Monthly Income Stocks to Buy Right Now

Description

Rising bond yields have been pushing **TSX** income stocks down over the past few weeks. While this may be unnerving, it could also be a great opportunity for long-thinking, passive-income investors.

Government bonds, GICs, and high-interest savings accounts are earning investors a negative yield after inflation. In contrast, income stocks are both a good hedge against inflation and a great way to earn stable monthly [dividend](#) income. Here are three Canadian income stocks that look like good value buys right now.

A leading real estate income stock

Real estate often works well in an inflationary environment. The economy heats up, but so do rental rates and property valuations. That is why **Dream Industrial REIT** ([TSX:DIR.UN](#)) looks particularly interesting here. It owns and operates high-quality industrial real estate across North America and Europe. Rising e-commerce and on-shoring manufacturing trends are supporting very fast rental rate growth for its properties.

Dream is taking advantage of historically low interest rates to expand its portfolio. Today, its average interest rate is 1%! It just announced five million square feet of new acquisitions. This is on top of an already large acquisition in Europe earlier this year. This should support strong cash flow per share growth over the next few years.

Today, this income stock pays a monthly distribution of \$0.0583 every month. That equals to a distribution yield of 4.2%. The REIT [announced](#) a \$250 million equity offering to fund its growth, so that might be an ideal moment to pick up this top real estate stock.

A top energy income stock

Speaking about supply chain, rising energy prices have become a major issue, especially for people in Asia and Europe. One company very well positioned to benefit from this energy supply crunch is **AltaGas**

([TSX:ALA](#)).

It operates a very predictable regulated gas utility in the eastern United States. This is complemented by an integrated midstream and export business in Canada. Strong LNG demand in Asia has propelled solid growth and demand in the midstream business. In the last quarter alone, adjusted EBITDA grew 12% over last year.

This income stock has a fairly high amount of debt. However, management has been doing all the right things to improve its balance sheet and streamline/simplify its operations. It pays a monthly dividend of \$0.0833 per share. That equals a 3.95% annual dividend yield. This income stock just raised its dividend last year. Given the strong global energy outlook, investors can likely expect another dividend hike again this year.

A serial acquirer

Another great monthly income stock to buy at a bargain right now is **Superior Plus** ([TSX:SPB](#)). Propane distribution is perhaps not the most exciting business. However, for people that rely on propane to heat their homes and businesses, it is about as essential as it gets. Plus, there is an interesting take on this business.

For years, propane distribution has largely been dominated by regional mom-and-pop operators. However, Superior Plus has been working hard to consolidate the sector across North America. It has acquired 26 businesses across Canada and the United States since 2017. Superior is very good at integration. It can quickly deliver strong free cash flow returns after synergies are unlocked.

Since the summer, this income stock has pulled back by 12%. With a price-to-earnings ratio of 10, it looks like [a bargain](#). Today, it yields 5.3%, which Superior pays out as a monthly \$0.06 per share dividend. For income and value, this is a pretty attractive TSX stock today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:SPB (Superior Plus Corp.)

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