Got $1,000? Buy These 3 Top Monthly-Paying Dividend Stocks

Description

Amid the low-interest environment, the returns on debt instruments have become unattractive. So, investing in monthly dividend stocks would be a suitable means to earn a stable passive income. Meanwhile, not all dividend-paying stocks make excellent investments. Investors should therefore be careful and buy only fundamentally strong companies. So, if you are interested in earning a stable secondary income, here are three high-quality Canadian stocks that pay monthly dividends at healthier yields.

Pembina Pipeline

Having returned over $10 billion in dividends since its inception, **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) would be an addition to your portfolio. Over the last decade, the company has delivered a solid performance, growing its adjusted EBITDA at a compound annual growth rate (CAGR) of 12.2%. It earns a significant amount of its adjusted EBITDA from fee-based or take-or-pay contracts, thus delivering stable cash flows. So, these stable cash flows have allowed Pembina Pipeline to raise its dividends at a CAGR of 4.9% for the last 10 years.

Meanwhile, the uptrend in Pembina Pipeline's financials could continue amid rising oil demand and prices and a strong pipeline of projects. The company has around $1 billion of projects under construction while having the potential to win over $4 billion of new projects. Besides, given its liquidity of $2 billion and a payout ratio of 61%, I believe its dividends are safe. Currently, its forward yield stands at an attractive 5.95%.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) enjoyed high occupancy and collection rates even during the pandemic, thanks to its highly defensive healthcare properties, long-term contracts, and government-backed tenants. Besides, most of its rent is inflation-indexed, which is encouraging. Apart from organic growth, the company also relies on strategic acquisitions to drive its financials.

Since the beginning of the second quarter, NorthWest Healthcare has acquired $321.1 million of assets. Further, it is also working on acquiring the **Australian Unity Healthcare Property Trust,** which owns 62 healthcare facilities with a high occupancy rate of 98%. So, these acquisitions could boost its financials and cash flows. Meanwhile, the company had also strengthened its balance sheet by raising around $200 million in June. So, I believe NorthWest Healthcare is well-equipped to continue paying dividends at a healthier yield. Meanwhile, its forward yield currently stands at a juicy 6%.

Keyera

Keyera (TSX:KEY) has witnessed a strong buying this year, with its stock price rising by over 45%. The recovery in the energy sector and its solid second-quarter performance boosted its stock price. The company's adjusted EBITDA and net profits grew by 23.1% and 338.9% during the quarter. Besides, the company's financial position looks healthy, with $1.5 billion of liquidity and minimal near-term debt maturities.

Meanwhile, I expect the uptrend in Keyera's financials to continue amid rising oil demand, higher commodity prices, and its continued investments in growth projects. In July, the company started the operation of its Wildhorse crude oil storage and blending terminal, which increased its storage capacity by 4.5 million barrels. It is also constructing a KAPS pipeline project, which will become operational by early 2023.

So, given its healthy outlook and strong financial position, I am bullish on Keyera. Meanwhile, it currently pays a monthly dividend of $0.16 per share, with its forward yield standing at 5.83%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:KEY (Keyera Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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