



Need Cash? 2 Dividend Stocks That Will Pay You Every Month

Description

Dividend payments vary in frequency, although most publicly listed companies on the **TSX** pay every quarter or four times a year. Investors seek out [dividend stocks](#) to enjoy regular, recurring income streams. The reason for quarterly payments is perhaps due to the customary quarterly reporting of companies.

However, a select few on the TSX pay [monthly dividends](#). **Exchange Income Corporation** ([TSX:EIF](#)) and **Atrium Mortgage Investment Corporation** ([TSX:AI](#)) are two high-yield monthly income stocks. They should be attractive to income investors who need instant cash. You can also incorporate the dividends into your monthly budget. Moreover, money compounds faster if you can reinvest the dividends 12 times a year, not four.

Fully diversified business

Exchange Income isn't among the steady performers this year. At \$43.34 per share, the year-to-date gain is 23.96%. For would-be investors, the dividend offer is 5.29%. This industrial stock is best as an add-on or second-liner in a dividend portfolio.

The \$1.64 billion company has a fully diversified business that spans various industries. It works to management's advantage because it enables Exchange Income to overcome economic cycles. The company operates in the aviation industry and offers scheduled passenger services, cargo handling, and medevac transportation.

Exchange Income is also present in the communications, maritime, and manufacturing industries. The business suffered in 2020 due to the pandemic's fallout, although the financial performance has vastly improved this year. Its revenue and EBITDA growth in the first half of 2021 were 13% and 22% versus the same period in 2020.

Notably, net income was \$23.63 million compared to the \$2.66 million net loss in the first half of 2020. Exchange's free cash flow also increased 22% to \$98.9 million. The two business segments, aerospace & aviation and manufacturing, delivered solid results.

Management says the cornerstone goal of Exchange Income is to pay stable and growing dividends to shareholders. It adds that the core strategy of diversification and disciplined investments are why cash flows are stable.

Highest portfolio balance

Atrium Mortgage Investment is a [dividend beast](#). Apart from the eye-popping yield, the stock carries a strong buy rating from market analysts. The share price is \$14.41 (+20.21% year-to-date), while the dividend yield is 6.19% if you invest today.

According to management, the \$614.4 million mortgage lender (non-bank) fills the lending gap caused by Canada's shortage of financial institutions. The target market is borrowers in urban centres, mainly where the stability and liquidity of real estate are evident.

While the rates are higher than banks, mortgage take-up is high due to Atrium's flexibility, creativity, and speed. Unlike the structured lending programs of banks, the company customizes solutions for clients. All mortgages are secured by all types of real estate properties (residential, multi-residential, and commercial).

After the nine months ended September 30, 2021, net income rose 6% versus the same period in 2020. The \$765.7 million mortgage portfolio balance at the end of Q3 2021 was Atrium's highest portfolio balance in its history.

Potential monthly income

The average annual dividend yield of Exchange Income and Atrium Mortgage Investment is 5.74%. Hence, a combined investment of \$42,000 (\$21,000 each) will generate a monthly income stream of \$200. Assuming you hold the stocks for a decade and reinvest the dividends every time, the money will compound to \$73,390.92.

CATEGORY

1. Dividend Stocks
2. Investing

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