Passive-Income Investing: 3 Cheap Monthly Dividend Stocks to Buy Now

Description

Late last month, I'd discussed how investors focused on passive-income generation could look to gobble up $15/day in their Tax-Free Savings Accounts (TFSAs). Canadian stocks have been broadly pulverized since the emergence of the Omicron variant was reported last week. Today, I want to look at three undervalued, monthly dividend stocks that are worth scooping up right now. Let's jump in.

Here's an energy stock perfect for generating passive income

Keyera (TSX:KEY) is a Calgary-based company that is engaged in the energy infrastructure business. Shares of this dividend stock have climbed 19% in 2021 as of close on December 1. However, Keyera has plunged 14% month over month. This energy stock can provide top-end passive income for the long haul.

The company released its third-quarter 2021 earnings on November 3. It reported adjusted EBITDA of $214 million in Q3 2021 — up from $196 million in the previous year. Keyera was powered by improved margin contributions from the Gathering and Processing segment. Moreover, net earnings more than doubled from Q3 2020 to $70 million.

Shares of this dividend stock last had a price-to-earnings (P/E) ratio of 37, which puts it in favourable value territory relative to its industry peers. The stock currently has an RSI of 21, putting it well into technically oversold levels. Investors can gobble up passive income, as Keyera offers a monthly distribution of $0.16 per share. That represents a super 7% yield.

This monthly dividend stock looks cheap in early December

The rise of the Omicron variant has put further attention on the healthcare space. **Extendicare** (TSX:EXE) is a Markham-based company that provides care and services for seniors in Canada. This dividend stock has increased 2.3% in the year-to-date period. However, its shares have dropped 9.6% month over month. Passive-income investors should look to target this undervalued stock right now.

In Q3 2021, Extendicare posted revenue growth of 4.5% to $310 million. It benefited from an 11% jump in home healthcare average daily volumes (ADV) and an increase in COVID-19 funding. Meanwhile, revenue in the year-to-date period climbed 10% to $940 million.

This dividend stock possesses an attractive P/E ratio of 19. Extendicare last had an RSI of 26, putting it in technically oversold territory. It offers a monthly dividend of $0.04 per share, which represents a hefty 7.2% yield. That is a great rate for passive-income investors.

Snatch up this REIT to gobble up big passive income

Slate Grocery (TSX:SGR.U) is the third cheap dividend stock I'd recommend for those hungry for passive income in early December. This real estate investment trust (REIT) is an owner and operator of U.S.-based grocery-anchored retail properties. Its shares have increased 15% in 2021. The dividend stock has dipped 4.1% week over week.

The REIT unveiled its third-quarter 2021 earnings on November 2. Rental revenue climbed 6.6% year over year to $34.0 million. Meanwhile, net income jumped 25% to $25.6 million. In October, I'd suggested that this REIT was perfect for investors looking to combat rising inflation. Slate Grocery REIT last paid out a monthly dividend of $0.072 per share. That represents a monster 8.2% yield. This REIT is perfect for a passive-income portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:KEY (Keyera Corp.)
3. TSX:SGR.U (Slate Retail REIT)

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