



## Passive Income: This 1 Stock Could Give You \$50.50/Day

### Description

Earning [passive income](#) is important for people who want to enjoy retirement to the fullest. Canadians won't retire penniless because of the Old Age Security (OAS). The pension should be higher if you have contributed to the Canada Pension Plan (CPP), too.

While the OAS and CPP payouts are for life, more often than not, the combined monthly benefits can only cover the basic necessities. Retirement experts suggest it would be best if future retirees have savings to invest in income-producing assets, especially [dividend stocks](#).

For example, the TSX boasts of a few companies that pay monthly dividends, not the regular quarterly ones. Whether you're a Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP) user, you have the advantage of growing your balances faster due to the frequency of dividends. You can reinvest them 12 times a year instead of four. Likewise, you can incorporate the payouts into your monthly budget.

### Top-notch monthly income stock

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is the TSX's top-notch monthly income stock. The energy stock pays a fantastic 6.74% dividend, which should be attractive to long-term, passive investors. Current retirees who have accumulated or own \$269,700 worth of shares earn \$1,514.82 every month, and the amount is equivalent to \$50.50 per day.

Also, assuming you purchase the same number of shares today and keep reinvesting the dividends, your capital will double in 10.68 years. If the yield remains constant and you hold it for 15 years, your money will compound further to \$717,445.51. At \$37.67 per share, Pembina investors enjoy a 32.9% year-to-date gain. Because of rising commodity prices, energy is the [hottest sector](#) on the TSX in 2021.

### Value chain

The Q3 2021 (quarter ended September 30, 2021) earnings results reflect the strong pricing across

Pembina's value chain. The \$20.58 billion company reported a 43.6% revenue growth (infrastructure and product sales) versus Q3 2020. Its net earnings rose 82% year over year to \$588 million.

Management likewise reported generating \$913 million in cash flow from operating activities during the quarter, a resounding 110% increase from a year ago. Pembina lost to **Brookfield Infrastructure** in the bidding war for Inter Pipeline, but it received \$350 million as a termination fee. It boosted adjusted EBITDA and net earnings.

## Steady tailwind

Pembina was more than pleased with the solid third-quarter showing, particularly the robust crude, condensate, natural gas, and natural gas liquids (NGL) prices. Management believes the commodity price environment supports Pembina's 2021 and 2022 outlooks and its long-term business prospects.

The company sees a bright future, given the deferred backlog and potential new growth projects worth more than \$5 billion. Pembina Pipeline should be an exciting prospect if sustainable investing becomes the trend in 2022. The company is prepared to continue and advance its ESG strategy. The target is to reduce greenhouse gas (GHG) emissions by 30% compared to Pembina's 2019 baseline.

## Growing dividends

Prospective investors can start small and accumulate Pembina shares if finances allow. Remember, the energy stock is a Dividend Aristocrat owing to 21 years of consecutive dividend increases. You can expect rock-steady and growing payouts going forward. Thus, earning \$50.50 per day isn't impossible at all.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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