



The 4 Best Monthly Paying Dividend Stocks

Description

While the TSX has plenty of stocks that pay dividends, a few offer monthly payouts. So, if you are looking for dividend stocks with a monthly paying option, consider adding these four stocks to your portfolio.

NorthWest Healthcare Properties

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) is a reliable monthly income stock. Its defensive real estate assets generate strong cash flows that support its payouts. Notably, NorthWest's government-backed tenants, high occupancy rate, long lease expiry term, and inflation-indexed rents suggest that the company's payouts are very safe.

Besides its low-risk portfolio, NorthWest's focus on geographic expansion, ongoing strength in the existing markets, and balance sheet optimization augur well for future growth. NorthWest stock is [trading cheap](#) and offers a very high dividend yield of 5.9%.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) has a very long history of paying regular monthly dividends. It's worth noting that this energy infrastructure company has paid dividends for more than two decades. Moreover, its dividends have a CAGR of about 5% over the last decade.

Pembina Pipeline is expected to deliver strong earnings with the economic reopening, improving volumes, and higher commodity prices. Its highly contracted business generates resilient fee-based cash flows that support higher dividend payments. Moreover, solid backlogs and new growth projects augur well future growth.

Pembina stock is also trading [cheaper than its peers](#). Its next 12-month EV-to-EBITDA multiple of 10.1 and price-to-earnings ratio of 15.2 compares favourably with its peers. Besides its low valuation, Pembina stock offers a stellar dividend yield of 6.5%.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is another reliable stock to generate a steady monthly dividend income. Its diversified assets, highly contracted portfolio and long contract life (about 12 years) help the company to generate strong cash flows that drive its payments.

TransAlta's cash available for distribution has steadily increased over time. Moreover, its dividends have a CAGR of 3% since 2013. Thanks to its low-risk business and resilient and growing distributable cash flows, I expect TransAlta Renewables to boost its shareholders' returns through consistent dividend payments.

Further, TransAlta Renewables's solid dividend yield of 5% makes it attractive amid a low-interest-rate environment.

AltaGas

AltaGas ([TSX:ALA](#)) stock has witnessed strong buying over the past year, reflected through the 52.5% growth in its price. Besides stock price appreciation, AltaGas boosted its shareholders' returns through increased dividend payments.

Notably, AltaGas benefits from its balanced portfolio of low-risk utility assets and fast-growing midstream operations. Its high-quality utility assets generate strong cash flows that support its dividend payouts. The company projects its rate base to increase at a CAGR of 8-10% through 2026, which will likely drive its earnings base and, in turn, support higher dividend payments.

Furthermore, improved energy demand and higher global exports will continue to drive its midstream business and, in turn, support its earnings growth. AltaGas expects global exports volumes to increase at a CAGR of 10% through 2026, which is encouraging.

Thanks to the increased visibility over its future earnings, AltaGas expects its dividends to grow at a CAGR of 5-7% over the next five years. Meanwhile, it offers an attractive dividend yield of 3.7%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

5. TSX:RNW (TransAlta Renewables)

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