3 Cheap Canadian Stocks to Buy for Monthly Dividends

Description

There are two things Canadian investors want during this volatile time: cheap stocks and dividends. And you can absolutely find both. The question is, what makes a stock cheap? And when it comes to dividends, are they safe and stable?

Here I'm going to go over three cheap Canadian stocks that has delivered dividends each and every month. More than that, each is a stable company that you could buy with confidence.

Northland Power

Northland Power (TSX:NPI) pays out a monthly dividend of $0.10, or $1.20 per year. That's a dividend yield of 3.31% for the current share price of $35.50. Analysts weighing in on the stock recently give it a potential upside of around 35%, to a target price of $48.67.

The renewable energy company builds, develops, and operates clean and green power around the world. And this alone makes it one of the cheap Canadian stocks Motley Fool investors should want to consider. As the world goes green, Northland Power is likely to be one that grows along with it.

The company continues to find growth opportunities, acquiring or partnering to create even more wind, solar, and other renewable energy initiatives. Last quarter alone it won deals in Spain, Japan, and Colombia for more projects. The world is only going to need more of these green initiatives, which is why I think this monthly dividend is solid. So it's definitely one of the cheap Canadian stocks to consider.

Richards Packaging

Richards Packaging Income Fund (TSX:RPI.UN) also looks like a solid purchase for right now. The company pays a monthly dividend of $0.11, or $1.32. That comes to a current dividend yield of 2.35% for the share price of $54.70, as of writing. Analysts weighing in on this stock give it a potential upside of 52%, to a target price of $83.

The income fund is one of the best cheap Canadian stocks to buy for those into e-commerce. It focuses on full-service packaging, mainly focusing on small and medium-sized businesses in North America. It has been around since 1912, with the majority of revenue coming from the U.S.

Supply-chain issues hurt the stock over the past few quarters, but as these ease the company will likely rebound, especially as small businesses continue to depend on these packaging companies. That makes this a strong option among cheap Canadian stocks to consider.

Freehold Royalties

Freehold Royalties (TSX:FRU) offers a monthly dividend of $0.06 as of writing, for an annual dividend of $0.72. That's a dividend yield of 6.03% as of writing for its $12.37 share price. Even better, that dividend has been increased several times in the past few years. So this is definitely one of the cheap Canadian stocks analysts would recommend right now.

Analysts peg the company as a buy with a 15% upside to reach its target price of $15.06. This comes from the boost in oil and gas that's come over the last few months. The company holds 6.7 million gross acres of land from B.C. to Ontario, with 11,000 producing wells. But it also has potash available for crop nutrients, something the world desperately needs as climate change continues.

The world has gone from a glut in oil and energy to energy scarcity, with demand outpacing supply from the pandemic and underinvestment. It has been a volatile few years, but there is finally a light at the end of this tunnel. Especially for cheap Canadian stocks with solid fundamentals like Freehold.

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2. TSX:NPI (Northland Power Inc.)
3. TSX:RPI.UN (Richards Packaging Income Fund)

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