



2 Superb Stocks for Passive Income

Description

[Dividend investing](#) is one of the many investment strategies you can use to grow your wealth or supplement your active income with some additional cash in your account every month. The right income-generating assets can keep providing you with [additional steady income](#) regardless of the impact of economic cycles on capital gains.

The **TSX** boasts many stocks that offer shareholder dividends. However, most dividend-paying companies distribute a share of their profits to investors every quarter. The TSX does feature several high-quality stocks that offer monthly payouts to shareholders.

Today, I will discuss two of the top monthly dividend stocks you can consider adding to your portfolio to generate passive income each month.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a \$21.73 billion market capitalization giant in Canada's energy infrastructure industry. Pembina boasts an extensive pipeline network and storage facilities that provide natural gas and oil storage and transportation to the Canadian energy industry. The company's diversified assets produce significant cash flows that its management can use to fund its monthly dividend payouts comfortably.

At writing, Pembina Pipeline stock trades for \$39.51 per share, boasting a juicy 6.38% dividend yield. Typically, such high dividend yields might not be sustainable. However, Pembina Pipeline's strong operational performance allows the company to disburse dividends at such high yields comfortably. It could be an ideal pick for income-seeking investors.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a \$4.49 billion market capitalization renewable energy company headquartered in Calgary. The company boasts an extensive and well-diversified portfolio of

renewable power-generation assets, allowing the company to generate significant cash flows.

TransAlta stock offers monthly dividend payouts to its shareholders. The average contract life for its renewable energy assets is 12 years, allowing the company to generate predictable cash flows that can comfortably fund its shareholder dividends.

At writing, TransAlta Renewables stock trades for \$16.84 per share, and it boasts a juicy 5.58% dividend yield. The company generates sustainable earnings and cash flows. Combined with the growth of the renewable energy industry in the coming years, TransAlta stock could become a very lucrative addition to any investment portfolio.

Foolish takeaway

Investing in the right combination of monthly dividend-paying stocks can provide you with a significant boost to your monthly income. You can choose to withdraw the extra cash in your account through these payouts when you need some more money to spend every month.

However, that's not the only way you can benefit from the shareholder dividends. Suppose that you have reached a point where you don't need to supplement your active income. In that case, you can reinvest the shareholder dividends through a dividend-reinvestment plan to unlock the power of compounding and [accelerate your wealth growth](#).

TransAlta Renewables stock and Pembina Pipeline stock are two excellent assets that you could consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:RNW (TransAlta Renewables)

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Author

adamothonman

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