



These 2 Top Canadian Stocks Just Increased Their Monthly Dividends

Description

There is a tonne of factors impacting markets these days. So, in addition to looking at which top Canadian stocks you want to buy, you also have to consider how economic factors may impact their operations, as well as other key aspects such as their ability to pay dividends.

Every day new developments in Europe, coupled with already higher inflation and interest rates, make it challenging to keep up-to-date with stocks. In addition, we are in the midst of earnings season now, when companies across Canada post a range of different results. Some have been poor, while other top Canadian companies have posted impressive results.

In times like these, you certainly can't bury your head in the sand. It's important to keep current with developments so you can understand how stocks on your watchlist or in your portfolio may be impacted. At the same time, though, you can't get too caught up in short-term price movements.

With that in mind, if you're looking to find high-quality stocks you can rely on in this volatility, here are two top Canadian dividend stocks that recently increased their attractive monthly dividends.

A top Canadian restaurant stock with a 6% yield

There are many reasons why **Pizza Pizza Royalty** ([TSX:PZA](#)) has been rallying lately. Of course, the most meaningful of which was its recent increase to its [dividend](#).

Another reason Pizza Pizza is one of the top dividend stocks that Canadian investors can buy for monthly income is that it's proven to be highly resilient. Through the pandemic and lengthy shutdowns, it was only minimally impacted.

The fact that it's a top-line royalty company means that its revenue is typically quite steady and predictable. And because it aims to pay out essentially all the income it generates, the passive income it pays to investors is also quite stable.

An attractive yield and highly robust earnings are attractive in this market environment, so it's no

surprise Pizza Pizza stock has seen a strong rally lately.

In addition, another reason Pizza Pizza is a top dividend stock for Canadian investors to buy now is that it should be able to cope with higher costs better than many restaurant competitors, given its massive network of stores, its own e-commerce platform, and its own delivery service, many of which its competitors don't have.

In addition, Pizza Pizza is known to be a more convenient, lower-cost option for those looking to eat out, something that could benefit the stock if consumers are looking to lower their spending in this high-inflation environment.

Because it's such an attractive investment in this environment, the stock has been rallying lately. Therefore, I'd buy the top Canadian dividend stock sooner than later. At this price, Pizza Pizza still offers a yield of more than 6%, an attractive amount.

One of the top monthly dividend stocks for Canadian investors to buy

Another top Canadian stock that pays a monthly dividend and has been rallying considerably recently is **Freehold Royalties** ([TSX:FRU](#)). Despite the incredible rally it's been on over the past year, though, it continues to offer upside in the share price, and its dividend still provides a [yield](#) of more than 6.4%

Freehold is one of the best energy stocks you can buy at a time when energy stocks have a significant tailwind.

Freehold has the opportunity to see both its exposure to production rise, as well as the price of commodities increase. And while its exposure to production will inevitably increase as other energy producers ramp up production in Canada and the U.S., Freehold doesn't have to pay for any of that.

Instead, it can use what's left of its free cash flow after the dividend, roughly 40%, to look for more acquisitions that will help expand its portfolio and increase growth even more.

So if you're looking to grow your monthly income, there's no question that Freehold is one of the top Canadian dividend stocks to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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