2 Canadian Stocks to Buy for Reliable Monthly Passive Income

Description

While most Canadian stocks pay quarterly dividends, there are a few elite stocks that pay passive income to investors on a monthly basis. These are great stocks to hold during times of stock market volatility.

They often have sound business models that generate consistent streams of cash flows. As a result, they can support and pay monthly dividends through a broad range of economic scenarios.

Often investors swarm to these defensive stocks when the future is uncertain. If you are worried about events in the world or the stock market, here are two great Canadian stock to buy for faithful monthly dividends.

Granite REIT: A top Canadian real estate stock

Granite REIT (TSX:GRT.UN) is one of the highest-quality real estate businesses in Canada. This REIT owns large-scale logistics, distribution, and manufacturing properties across Canada, the United States, and Europe.

Over the past 10 years, it has grown its portfolio from $1.9 billion in assets to $8.1 billion. In that time, it has grown its adjusted funds from operation (AFFO) per share (its key cash flow metric) by around 6.6% annually (a great feat for a REIT).

Also, this Canadian stock has increased its distribution by about 5% every single year since 2012. It just increased its 2022 distribution by a modest 3%.

Given very strong industrial real estate demand, the REIT expects elevated organic rental rate growth in 2022. Combine that with recent acquisitions and development projects coming online, and management sees around 8-10% AFFO-per-share growth this year.

That likely means more dividend growth to come. Today, the company pays a $0.2583 distribution every month. That equates to a 3.3% yield today. This Canadian stock is down around 10% this year, so today looks like a very attractive entry point now.

Pembina Pipeline: A top energy infrastructure stock

A great income-focused way to play the rising energy sector is **Pembina Pipeline** (TSX:PPL)(NYSE:PBA). It operates a large integrated natural gas and energy infrastructure business across Canada and the United States. Most of its pipelines and midstream assets have long-term contracts, so it captures pretty consistent cash flows.

Even during the March 2022 crash in oil, this Canadian stock was still able to maintain its monthly dividend. That just speaks to the quality of its business. Now, when energy prices are roaring, it gets the benefit of higher volumes and better energy marketing margins.

Pembina recently delivered solid results in 2021. Adjusted EBITDA and adjusted cash flows from operations per share increased nicely by 4.6% and 15%, respectively. In addition, Pembina inked a deal with alternative asset manager, **KKR**, to combine their gas-processing businesses under a new joint venture.

That deal could create some decent synergies and provide further cash flow per share accretion. Upon completion of the deal, Pembina hopes to increase its dividend by 3.6% and buyback a decent amount of stock.

Today, this Canadian stock already pays an attractive $0.21 per share dividend every single month. That is a 5.4% dividend yield today. So, the dividend hike and share repurchases are additional icing on the cake for passive-income investors.

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1. Dividend Stocks
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2. TSX:GRT.UN (Granite Real Estate Investment Trust)
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robbybrown