



3 Canadian Stocks That Will Pay You Cash Every Month

Description

The Bank of Canada raised its key interest rate on March 2, 2022, ahead of the U.S. Federal Reserve. It signals the end of the low-interest era, as multiple rates hike could follow soon. Market observers and economists say raising interest rates to temper inflation could stall economic growth.

Interestingly, Canada's primary equities benchmark is higher now since the central bank began its rate-hike campaign. As of March 25, 2022, the TSX's year-to-date gain has risen to 3.69%. Also, the Index advanced triple digits (750.34 points) since March 2.

The U.S. Fed raised its benchmark mid-month, but unlike the TSX, the Dow Jones Industrial Average (-4.06%), S&P 500 (-4.68%), and NASDAQ (-9.43%) remain in negative territory. Brian Belski, chief investment strategist at **BMO** Capital Markets, said, "Canada provides a home for stability. Equities can go up in lockstep with higher rates."

[Dividend investors](#) should be pleased with the TSX's resiliency amid the challenging environment. If you need to [boost household income](#) to cope with inflation, **TransAlta Renewables** ([TSX:RNW](#)), **Exchange Income** ([TSX:EIF](#)), and **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) are excellent prospects.

Besides their annual yields of more than 5%, the three companies pay dividends every month. Only a select few on the TSX are so-called monthly income stocks.

Well positioned for the transition to clean energy

TransAlta Renewables has the potential to deliver huge returns on top of its [generous dividend](#). Even before the Russia-Ukraine conflict, industry experts forecast renewables to account for almost 95% of the increase in global power capacity through 2026.

This \$4.81 billion company owns and operates renewable assets like hydro, wind, and solar. Most of the power-purchase agreements (PPAs) are long term. The utility stock trades at \$18.02 per share and pays a hefty 5.22% dividend.

Diversified business model

Exchange Income's resiliency amid economic cycles stems from its diversified business model. The \$1.68 billion company has two income-generating, business segments: Aerospace & Aviation and Manufacturing. About 15 subsidiaries cater to clients across various industries, such as aviation, telecommunications, medvac transportation, and metals.

Moreover, would-be investors can expect growing dividends. Management has raised dividends 14 times since 2004. The share price today is \$43.40, while the dividend yield is 5.35%. A \$25,000 position will generate \$111.46 passive income every month.

Ultimate monthly income stock

Pembina Pipeline is the TSX's ultimate monthly income stock. The energy stock continues to outperform in 2022. At \$21.18 per share, current investors enjoy a 25.41% year-to-date gain. The dividend offer is the same as Exchange Income. This \$32.78 billion boasts a vast pipeline network that serves several basins and markets in North America.

The transmission assets that consist of long-haul pipelines link various key market hubs. They transport natural gas, ethane and condensate throughout Canada and the United States. Despite the volatile energy sector, Pembina hasn't missed increasing dividends in the last eight years.

Pembina's integrated infrastructure solutions generates recurring revenue streams. This competitive advantage should enable the company to reward investors with higher payouts for years.

Extra cash

TSX's resilient nature should give Canadians the confidence to invest and create passive-income streams. TransAlta, Exchange Income, and Pembina are the top choices if you need extra cash every month to cope with rising inflation

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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