



2 Dividend Stocks That Will Pay You Every Month

Description

It is no secret that rising inflationary environments have become increasingly worrisome. The cost of everyday items is going through the roof. The Bank of Canada (BoC) finally stepped in to take measures that could bring the situation under control. One of the most effective methods to curb rising inflation is introducing higher interest rates.

Tightening monetary policies can gradually mitigate rising inflation. BoC raised its key interest rate on March 2, 2022, signaling the end of historically low interest rates. The impact of interest rate hikes will not be immediate, and we will see several of these hikes in the coming months.

Higher interest rates might bring down inflation, but economists believe that the move will slow down economic growth. Despite that belief, Canada's benchmark index, the **S&P/TSX Composite Index**, is up by 4.63% from its March 1, 2022, levels.

It will take some time for the inflationary environment to cool down. Canadians worried about depleting purchasing power might want to consider creating a [passive-income stream](#) to help with their monthly expenses. [Dividend investing](#) with income-generating assets that offer monthly payouts might be the best way to go.

Today, we will look at two monthly income stocks that you could consider investing in for this purpose.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a \$25.72 billion market capitalization company that owns and operates an extensive pipeline network and energy storage infrastructure that services the Canadian energy industry.

The company delivers oil and natural gas to and from parts of Western Canada, and it has a natural gas processing business. Its energy transmission assets link various key market hubs, and it is a reliable dividend stock that pays its shareholders each month.

Pembina Pipeline stock trades for \$46.96 per share at writing, and it boasts a juicy 5.37% dividend yield that you could lock in at current levels. The Canadian dividend stock has raised its shareholder dividends for the last eight years, despite volatility in the energy sector.

Its integrated business model allows the company to generate recurring revenue streams that it can use to fund its monthly payouts comfortably.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a \$4.83 billion market capitalization renewable energy company headquartered in Calgary. The renewable energy industry is slated to become a booming sector in the coming years, and TransAlta Renewables is well positioned to capitalize on the trend.

TransAlta Renewables stock trades for \$18.19 per share at writing, and it boasts a juicy 5.17% dividend yield at writing. The company owns and operates a diversified portfolio of renewable power-generation assets like hydro, wind, and solar.

TransAlta Renewables generates stable cash flows that allow the company to distribute profits to its investors each month in the form of shareholder dividends.

Foolish takeaway

The resilience of the Canadian equities markets displayed clearly by the benchmark index's performance paints a hopeful picture for Canadian investors. It might take some time for inflation to cool off.

Fortunately, you have opportunities to create [passive-income streams](#) with your investment capital to weather the tough times.

Dividend investing with monthly income stocks like Pembina Pipeline and TransAlta Renewables stock might be an ideal way to go.

CATEGORY

1. Dividend Stocks
2. Investing

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

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