



4 Top TSX Stocks to Buy for Monthly Passive Income Today

Description

As inflation and interest rates rapidly rise, investors can hedge their savings by owning quality stocks that produce monthly passive income. When the stock market is volatile, it can be a comfort knowing you will receive a steady, regular (and hopefully growing) cash return every single month. Here are four TSX [dividend stocks](#) I would buy for a diversified, monthly stream of passive income.

Whitecap Resources: Passive-income upside

While oil has pulled back recently, WTI crude remains elevated over US\$95 per barrel. These prices are still exceptionally favorable for Canadian energy stocks. Well-known energy bull Eric Nuttall recently tweeted, “[E]very day above \$90WTI is a spectacular day.”

Given this, **Whitecap Resources** ([TSX:WCP](#)) is an attractive stock to buy for passive income. Every month, it pays a \$0.03 per share dividend. That equates to a 3.4% dividend yield at today’s price. Last year, it increased its monthly dividend numerous times.

Considering it is producing a huge amount of excess cash today, further dividend increases and share [buybacks](#) are very likely for later this year. This is a well-managed energy stock with long reserves and an ESG-friendly profile.

Pembina Pipeline: A reliable passive-income stock

A more conservative way to play the oil boom is to buy **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). It is one of Canada’s largest pipeline and midstream companies. It pays a whopping \$0.21 per share dividend every single month. That is equal to a 5.14% dividend yield today. Put \$10,000 into this stock, and you’d earn around \$43 every month.

The good news is Pembina expects to increase its dividend by 3.6% after it commences a joint-venture partnership with **KKR**. The partnership should support efficiencies, economies of scale, and further growth initiatives. For a resilient business with an attractive passive-income stream, this a solid stock to

buy and hold.

Northland Power: A large long-term opportunity

If you don't like oil stocks, you may want to consider **Northland Power** ([TSX:NPI](#)) for exposure to renewable energy. Given the Russia-Ukraine conflict, European nations are avoiding Russian oil and gas. This has created an energy crisis. Fortunately, companies like Northland can be a part of the solution.

It owns and develops wind, solar, and utility assets in Europe, Asia, and North America. Offshore wind is one of the fastest-growing renewable power segments. Northland is a leader in this field and has several multi-year opportunities to grow.

In the meantime, investors collect a nice monthly dividend of \$0.10 per share. With a price of about \$40 per share, that equals a 3% dividend. As its development pipeline becomes operational, investors can expect cash flow growth to accelerate and dividends to increase in accordance.

A&W Royalty: A steady Canadian staple

Outside of the energy theme, another interesting passive-income stock is **A&W Revenue Royalty Income Fund** ([TSX:AW.UN](#)). A&W is one of Canada's largest and most popular burger chains. A&W collects a 3% royalty from its A&W restaurant franchises across Canada. As a result, it has a variable dividend structure.

However, right now the company aims to pay out a monthly distribution worth \$0.155 per unit. That supports a 4.4% distribution yield. A&W is a staple Canadian restaurant with solid pricing power. As the pandemic abates, its restaurant sales should continue to recover.

As Canada's population continues to increase, it will have many opportunities to add new franchises. Investors should see a steady combination of distribution and [capital returns](#) over the coming years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:NPI (Northland Power Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:WCP (Whitecap Resources Inc.)

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