



3 Monthly Paying Passive-Income Stocks to Buy in July

Description

As concerns about a potential recession in the near term continue to haunt stock investors across the globe, it makes sense for long-term investors to add some quality passive-income stocks to their portfolios. While a steeper market crash may also take these stocks downward, fundamentally strong, passive-income stocks will likely continue rewarding their investors with solid [dividends](#).

In this article, I'll highlight three of the best Canadian passive-income stocks to buy in July that pay dividends on a monthly basis.

Keyera stock

Keyera ([TSX:KEY](#)) is a Calgary-based oil and gas transportation and infrastructure company that fell by 7.2% in June to \$29.40 per share amid the broader market correction. It currently has an impressive annual dividend yield of 6.4% and distributes dividends on a monthly basis.

Despite facing COVID-driven industry-wide challenges, Keyera continued to increase its dividends in 2020, reflecting the energy company's focus on rewarding its investors even in difficult times. Crude oil prices have eased slightly in the last month. Nonetheless, they continue to hover well above the US\$100 per barrel level. This factor, along with consistent demand, should help Keyera post strong profitability in the coming quarters.

While it's yet to announce its July dividend, this Canadian passive-income stock [distributed](#) a \$0.16-per-share dividend in June with an ex-dividend date of June 21.

Savaria stock

Savaria ([TSX:SIS](#)) could be another safe bet for passive-income investors in July. This Laval-based, patient-care firm mainly focuses on providing accessibility solutions for the physically challenged like stairlifts, platform lifts, and residential and commercial elevators. It currently has a market cap of about \$838 million, as SIS stock trades with 32% year-to-date losses at \$13.04 per share.

In the first quarter, Savaria registered a 63.8% YoY (year-over-year) positive growth in its total revenue to \$183.5 million with the help of strong demand in the residential sector. Last year, Savaria acquired a Swedish company Handicare Group to expand its market reach, which continued to help the company improve its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) in Q1. While higher shipping cost amid temporary inflationary pressures affected its EBITDA margin, its long-term growth outlook still remains strong with consistently rising global demand for its products.

This Canadian passive-income stock currently offers an annual dividend yield of slightly less than 4%, and its July dividend stands at 4.17 cents per share, payable on July 8.

Freehold Royalties stock

Freehold Royalties ([TSX:FRU](#)) is my third pick on the list of fundamentally strong monthly paying TSX dividend stocks. This energy company, with a market cap of about \$2 billion, mainly focuses on acquiring and managing oil and natural gas royalties. Freehold Royalties has a strong annual dividend yield of nearly 6.8% at the moment, as its stock trades at \$12.74 per share after losing 19% of its value in June.

In the first quarter, Freehold registered an outstanding 400% YoY jump in its adjusted earnings to \$0.25 per share, as consistently rising demand for energy products drove its sales up by 138% from a year ago. Street analysts expect its strong earnings-growth trend to remain intact in the ongoing year as Freehold's 2022 earnings are estimated to be around \$1.30 per share — significantly higher than its adjusted earnings of \$0.53 per share in 2021.

Moreover, its long-term growth potential remains strong, as the company continues to focus on strategic acquisitions within Canada and the United States to accelerate its growth further. In June, this Canadian passive-income stock announced a monthly dividend of \$0.08 per share, payable on July 15.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:KEY (Keyera Corp.)
3. TSX:SIS (Savaria Corporation)

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