Believe it or Not, These TSX Stocks Cut You a Monthly Paycheck

Description

The Canadian stock market has gone through a roller coaster ride in the last few months. After trading on a mixed note in May, the **TSX Composite Index** fell by 9% in June, posting its biggest monthly losses since March 2020. In uncertain times like these, when most investors are sitting on big losses, having some quality dividend stocks in your portfolio could really help.

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Believe it or not, some reliable Canadian businesses reward their investors with handsome dividends each month. That's why investing in these stocks could be a simple way for you to generate monthly passive income, even in a tough economic environment. I'm going to highlight two of the best TSX dividend stocks to buy now that cut you a monthly paycheck. Interestingly, both of these stocks have solid annual dividend yields of at least 5% each. Let's begin.

Keyera stock

Keyera Corp (TSX:KEY) is a Calgary-based degraded energy infrastructure firm with a market cap of about $7 billion. Despite the broader market selloff this year, its stock currently trades with 11% year-to-date gains at $31.58 per share. In 2021, its home market accounted for nearly 78% of its total revenue, while the remaining 22% came from the U.S.

In the first quarter, Keyera surprised investors by reporting a solid 66% YoY (year-over-year) jump in its total revenue to $1.7 billion. This revenue figure was more than double that of Street analysts' revenue expectation of around $738 million. Strong performance at its Pipestone gas plant in the North region, volume growth at its facilities in the South region, and a strong commodity price environment were the key factors that drove sales much higher than estimated.

While crude oil prices have eased a bit in the last few weeks, they're still hovering close to their multi-year highs, which should help Keyera continue to post strong revenue and earnings growth in the coming quarters. Apart from its strong fundamental outlook, Keyera stock also offers a very attractive 6.1% dividend yield at the moment, translating to around $1.92 dividend per share annually. The company distributes these dividends on a monthly basis. That's why investing could result in a reliable source of passive income.

Pembina Pipeline stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) could be another great TSX stock to buy for investors who want to generate monthly passive income. This Canadian company primarily focuses on the transportation of energy products and the provision of midstream services to oil and gas companies across North America. Just like Keyera, Pembina stock is outperforming the TSX benchmark in 2022 and currently trades with 22.6% year-to-date gains at $47.03 per share.

After facing operational challenges due to pandemic-driven shutdowns and restrictions on physical activity, Pembina Pipeline staged a strong financial recovery in 2021. Its financial growth accelerated further in the first quarter this year as the company registered a 48.6% YoY jump in its total revenue to slightly more than $3 billion, exceeding analysts' estimates by a wide margin. A stronger price environment also helped Pembina post a healthy adjusted net profit margin of around 14.8% in Q1 against its margin of 12.7% in full-year 2021.

These factors coupled with growing demand for energy products amid reopening economies are driving PPL stock higher this year. Plus, its strong annual dividend yield of around 5.4% makes it even more attractive for passive income investors.

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1. Dividend Stocks
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2. TSX:KEY (Keyera Corp.)
3. TSX:PPL (Pembina Pipeline Corporation)

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