



3 High-Yield Energy TSX Stocks That Offer Monthly Passive Income

Description

This is the second consecutive year of the energy sector notably outperforming the broader markets. Thanks to rallying oil and gas prices, energy companies are seeing record financial growth and shareholder returns. Canadian oil and gas companies have become all the more generous recently when it comes to dividends. There has been a flurry of dividend hikes of late, and, interestingly, they will likely continue.

Here are some of the high-yielding TSX energy stocks that offer monthly dividends.

Whitecap Resources

Whitecap Resources ([TSX:WCP](#)) is a \$6 billion energy company that pays a monthly dividend. It has increased its monthly payout twice this year due to steep financial growth and a strengthening balance sheet.

WCP stock currently yields a decent 4.5%, which is in line with its peers. Dividend-paying stocks are generally slow-growing, boring ones. However, [TSX energy stocks](#) have defied that perception since last year. They have been growing too fast and paying plentiful dividends, and WCP has been no exception. It has soared a decent 70% in the last 12 months.

Notably, current dividends still form a small portion of Whitecap's earnings, as highlighted by its payout ratio. So, there is room for dividend growth going forward.

Driven by a solid price environment and faster debt repayments, energy stocks like WCP will likely continue to reward shareholders in a big way. Plus, WCP stock is trading at a discounted valuation, indicating promising growth prospects for long-term investors.

Cardinal Energy

Cardinal Energy ([TSX:CJ](#)) recently started paying dividends last month. It is expected to pay a total

dividend of \$0.60 per share in the next 12 months, indicating a juicy yield of 6.5%.

Though Cardinal Energy does not have a long payout history, it seems in a fairly strong position given its strengthening balance sheet. The company has repaid a significant chunk of its debt in the last few quarters due to its steep free cash flow growth.

Apart from dividends, CJ stock has also been a massive value creator for its shareholders. It has returned 200% in the last 12 months, notably outperforming its large-sized peers.

CJ management has declared that a larger portion of the company's cash flows will be diverted to dividends once it achieves the net debt target. So, with solid back-to-back quarterly performances and higher energy commodity prices, the company could achieve its debt target sooner, and investors might see a dividend hike in the next few quarters.

Keyera Energy

Keyera Energy ([TSX:KEY](#)) is a \$7.3 billion energy infrastructure company that also pays monthly shareholder payouts.

It currently yields a decent 6%, higher than oil and gas producer stocks. Moreover, Keyera has a stable earnings profile compared to typical upstream players. That's because its earnings do not significantly move as oil and gas prices fluctuate. And this is precisely why KEY stock has underperformed TSX energy stocks. To be precise, Keyera stock has gained 22%, while oil and gas producer names have soared a decent 50% this year.

Keyera pays out approximately 60% of its earnings as shareholder dividends. It derives a large portion of its earnings from long-term, fixed-fee contracts. So, if you are looking for stable, reliable monthly dividends, Keyera could be one of your options.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJ (Cardinal Energy Ltd.)
2. TSX:KEY (Keyera Corp.)
3. TSX:WCP (Whitecap Resources Inc.)

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