



3 Top TSX Dividend Stocks to Buy for Monthly Passive Income

Description

The [market pullback](#) is giving investors who want monthly passive income a chance to buy good Canadian dividend stocks at [undervalued](#) prices.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) trades near \$47.50 per share at the time of writing compared to the 2022 high around \$53.50. Investors can now get a solid 5.3% annualized dividend yield as they sit back and collect the monthly dividend of \$0.21 per share.

Pembina Pipeline operates oil and natural gas pipelines, logistics services, and natural gas gathering and processing assets that cater to energy producers. The company grows through a combination of strategic acquisitions and organic development projects. Pembina Pipeline has an aggressive track record of doing deals over the past 65 years, and that could continue, as the midstream segment of the Canadian and U.S. energy infrastructure sector consolidates.

Cash flow is expected to exceed capital expenditures and planned dividends in 2022. Management is using excess cash to reduce debt and buy back stock this year. Pembina Pipeline raised its adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) guidance for 2022 to \$3.45-\$3.6 billion from \$3.35-\$3.55 billion. The business is off to a good start in 2022, and investors could see a dividend increase materialize for 2023 as the energy industry extends its recovery.

Boston Pizza

Boston Pizza ([TSX:BPF.UN](#)) is a popular Canadian pizza chain that offer casual dining for families as well as sports bars for the party crowd. The business has grown steadily since the opening of the first location in Edmonton in 1964 and now includes hundreds of franchise sites across the country.

With pandemic restrictions now lifted, people are heading back to their favourite restaurants, bars, and patios. Boston Pizza has a popular takeout business as well that helped keep revenue flowing during

the lockdowns.

The income trust units currently trade near \$15.40 compared to the 12-month high of \$17.50 reached earlier this year. Recession fears might be overblown, and the upcoming second-quarter (Q2) 2022 results could beat expectations. Investors who buy now can pick up an annualized yield of 6.6% on the monthly distribution.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) operates wind, solar, hydroelectric, and gas-fired power generation facilities in Canada, the United States, and Australia.

The company just reported strong Q2 2022 results. EBITDA rose 30% compared to Q2 2021, hitting \$126 million. Cash available for distributions rose 23% to \$49 million.

The solid results came as a result of new solar assets that went into service this year. This has helped offset the revenue drop that has occurred due to the shutdown of the Kent Hills wind farms in New Brunswick. TransAlta is installing new foundations for roughly 50 wind turbines. The Kent Hills sites should be back in operation by the end of next year.

TransAlta Renewables pays its dividend monthly. The stock currently looks undervalued at \$18 per share when compared to the \$22 it fetched last summer. Investors who buy the pullback can now get an annualized 5.2% dividend yield.

The bottom line on top stocks to buy for monthly dividends

Pembina Pipeline, Boston Pizza, and TransAlta Renewables all pay attractive monthly dividends that offer high yields. If you have some cash to put to work in a portfolio focused on passive income, these stocks look cheap right now and deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:RNW (TransAlta Renewables)

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