



Passive Income: 3 Top TSX Stocks That Pay Dividends Monthly

Description

[Dividend stocks](#) can be very attractive because of the source of passive income that they provide. However, many dividend stocks tend to make distributions once every quarter. That means investors will be paid out every three months. For investors that are hoping to live off their dividends, a monthly payout may be more appealing. This gives investors more flexibility and reassurance knowing that the next dividend payment isn't that far away.

In this article, I'll discuss three **TSX** stocks that pay dividends monthly!

An outstanding dividend stock

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) may not be a stock that many investors are familiar with, but it's been an excellent one to hold for the past decade. This company provides pipelines, facilities, and marketing services within the energy industry. A large proportion of its revenue is supported by fee-based and high take-or-pay contracts.

Listed as a Canadian Dividend Aristocrat, [Pembina Pipeline](#) has managed to increase its dividend in each of the past nine years. With a forward dividend yield of 5.25%, this stock should be very attractive to dividend investors. In addition, its standard dividend-payout ratio was reported to be 53% in 2021, which suggests that Pembina Pipeline has room to continue raising its distribution in the future.

A popular telecom provider

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of the largest telecom providers in Canada. Its mobile division operates under two banners: Shaw Mobile (British Columbia and Alberta) and Freedom Mobile (British Columbia, Alberta, and Ontario). Shaw also provides residential communication services to customers in British Columbia, Alberta, Saskatchewan, Manitoba, and northern Ontario via its Fibre+ wireline network.

Although Shaw isn't listed as a Canadian Dividend Aristocrat, I believe this stock is still worth

consideration. Since 2009, the company has done an excellent job increasing dividends over time. Over the past 13 years, its dividend has grown at a compound annual growth rate (CAGR) of about 3%, which beats the long-term inflation rate. In addition, over that 13-year period, Shaw's dividend has never experienced a decline. For those reasons, I believe Shaw is a monthly dividend payer worth holding in a portfolio.

Check out this renewable utility company

Finally, **TransAlta Renewables** ([TSX:RNW](#)) is a company that monthly income investors should consider holding today. It operates a portfolio of renewable wind, hydro, and gas power generation facilities. All considered, TransAlta Renewable's portfolio has a generation capacity of about 2,900 megawatts. That makes it a major player in the global renewable utility industry.

Similar to Shaw, TransAlta Renewables isn't listed as a Canadian Dividend Aristocrat. However, it has also done an excellent job of increasing its dividend over time. Over the past nine years, TransAlta Renewables's dividend has never seen a decline. It has also grown at a CAGR of about 6%. With a forward dividend yield of 5.24%, TransAlta Renewables should attract many dividend investors hoping to build a source of passive income.

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jedlloren

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