



## 1 Monthly Dividend Stock in Canada (With a +7% Yield) to Buy Now and Hold Forever

### Description

Macroeconomic uncertainties are continuing to haunt investors across the globe in 2022. This is one of the key reasons why the **TSX Composite Index**, the main Canadian market benchmark, has lost more than 10% of its value in the last five months. Nonetheless, many fundamentally strong stocks continue to soar, despite broader market uncertainties and fears of a near-term recession. Their outperformance clearly reflects the underlying [fundamental](#) strength of such stocks and their ability to continue yielding strong returns, even in difficult economic times.

In this article, I'll highlight one such [Canadian dividend stock](#) to buy now that could keep rewarding you with solid monthly passive income as long as you want. Interestingly, this stock has an outstanding dividend yield of more than 7% at the moment.

### Freehold Royalties stock

**Freehold Royalties** ([TSX:FRU](#)) is a Calgary-headquartered [energy](#) company with a market cap of about \$2.2 billion. This company mainly focuses on managing a portfolio of quality oil and natural gas royalties in Canada and the United States.

It earns royalty profits from more than 300 operators, as it has an interest in over 11,000 producing wells. Shares of Freehold Royalties currently trade with about 28% year-to-date gains at \$14.90 per share, outperforming the Canadian stock market by a wide margin. By comparison, the TSX Composite benchmark has seen 6.5% value erosion this year so far.

### Solid financial growth trends

In the last few quarters, Freehold Royalties has managed to significantly improve its financial position and growth trends by consistently expanding its asset base across North America.

In the second quarter, the Canadian energy firm [registered](#) a strong 21% YoY (year-over-year)

increase in its production volumes to 13,453 barrels of oil equivalent per day. Higher production drove a solid 142% YoY rise in its total revenue for the quarter to \$108.5 million.

A recent rally in the prices of energy products has also worked in favour of Freehold Royalties. In the second quarter of 2022, the company's petroleum and natural gas realized price stood at \$87.55 per barrel of oil equivalent — up nearly 98% compared to \$44.22 a year ago. As a result, its adjusted earnings jumped by 340% YoY in the second quarter this year to \$0.44 per share, exceeding Street's expectations of \$0.39 per share.

## Attractive dividends and other key factors

With the help of a solid asset base, Freehold Royalties expects its production to increase in the second half of this year and in 2023. The company is also continuing to focus on making new acquisitions of quality assets in the energy sector, which should help it accelerate its financial growth further in the long run. These positive factors are also likely to enhance the sustainability of Freehold's cash flow profile, helping it increase dividend payouts on a regular basis.

At the current market price, this Canadian stock has an outstanding annual dividend yield of around 7.2%, while it distributes dividends every month. That's why if you buy FRU stock now, you can lock in an amazingly high dividend yield to earn handsome passive income each month.

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1. TSX:FRU (Freehold Royalties Ltd.)

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