



New Investors: 3 Top TSX Dividend Stocks That Pay Cash Monthly

Description

Investing in **TSX** dividend stocks is a great place to start for any new Canadian investor. Dividends provide a regular, tangible cash return to investors. During times of [market volatility](#), it can be comforting to receive a regular stream of cash from dividends.

Fortunately, Canada has a tonne of high-quality dividend stocks. In fact, people from around the world look to TSX dividend stocks for their reliable, consistent, and high-yielding dividends. If you are looking for top-quality stocks that pay dividends every month, here are three of my favourites.

A top TSX real estate stock

Dream Industrial Real Estate Investment Trust ([TSX:DIR.UN](#)) is an ideal stock for monthly dividends right now. Firstly, it is cheap. It only trades for 12 times funds from operations (a cash flow metric of profitability). It is one of the cheapest industrial [REITs](#) you will find in North America.

Secondly, it is operating incredibly well (despite being cheap). Its stock is down 32% this year. Yet Dream's balance sheet is incredibly strong, it has quality assets that are in high demand, it continues to see record rental rate growth, and earnings are growing in the high single digits.

Lastly, this TSX stock trades with an elevated 6% dividend yield. Every month, investors earn a \$0.05833 distribution per share. If you put \$5,000 into this stock, you would earn \$25 monthly.

A top renewable power stock

Another ideal TSX stock for monthly dividends is **Northland Power** ([TSX:NPI](#)). At 18 times earnings, I would not call it a cheap stock. However, its price is probably fair at \$44.75.

Northland is a provider of [renewable power](#) in Europe, North America, and Central America. Its key expertise is in offshore wind power. This is one of the fast areas of growth in the renewable sector.

Considering the energy crisis in Europe, power prices have skyrocketed. Northland's earnings have skyrocketed as well. [Last quarter](#), operating income more than doubled over the prior year.

It has a huge pipeline of growth opportunities, but it still pays an attractive 2.7% dividend yield. Every month, investors collect a \$0.10 dividend per share. If you put \$5,000 into this TSX stock, you'd earn \$11.25 monthly.

A top TSX infrastructure stock

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is the ultimate monthly dividend stock for its combination of safety, growth, and income. Like Northland, it is not the cheapest stock. However, at 16 times earnings it is cheaper than many of its infrastructure peers.

Pembina operates pipelines, midstream assets, and storage and export facilities. Around 90% of its annual cash flows are contracted, so that supports its dividend nicely.

When energy prices are elevated, it also makes an attractive spread re-selling processed energy products. That helped produce record sales and earnings last quarter. Further, it has several energy infrastructure projects that should fuel long-term growth ahead.

Right now, Pembina's stock earns a 5.64% dividend. Monthly, it pays a \$0.2175 dividend per share. Invest \$5,000 in this TSX stock and you'd earn \$23.50 every month.

Bottom line

New investors can find plenty of great TSX stocks that pay monthly dividends. Do some digging, and you can build a defensive investing portfolio that pays income and long-term capital growth.

CATEGORY

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:NPI (Northland Power Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

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Date

2025/06/29

Date Created

2022/09/25

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