My 3 Favourite TSX Stocks for Passive Income

Description

The **S&P/TSX Composite Index** posted a triple-digit-point loss to start this week. It was the fifth triple-digit loss in the past six trading sessions. Fortunately, the TSX Index was up 139 points as of mid-morning trading on September 27. Today, I want to look at three of my favourite TSX stocks to snatch up for passive income in this choppy market. Let's jump in.

This TSX stock is designed to consistently reward its shareholders with passive income

Freehold Royalties (TSX:FRU) is a Calgary-based oil and gas royalty company. Shares of this dividend stock have climbed 11% in 2022 at the time of this writing. Its shares have shot up 29% in the year-over-year period.

Investors got to see this company's second-quarter (Q2) fiscal 2022 earnings on August 9. It reported funds from operations (FFO) of $83.8 million — up 109% from $40.2 million in the second quarter of fiscal 2021. FFO per share jumped 81% to $0.56. Freehold has benefited from a robust oil and gas sector throughout the year. Shareholders on the hunt for consistent and strong passive income should look to this stock right now.

Shares of this TSX stock currently possess a favourable price-to-earnings (P/E) ratio of 12. It offers a monthly dividend of $0.09 per share. That represents a monster 8% yield.

Here's a dependable REIT that can help you churn out big passive income in 2022

Real estate investment trusts (REITs) are another great source of passive income on the Canadian market. **Northwest Healthcare REIT** (TSX:NWH.UN) remains one of my favourite REITs to target in the current climate. This TSX stock owns and operates a global portfolio of high-quality healthcare real estate. Its shares have dropped 22% in 2022 as of mid-morning trading on September 27. That has pushed the stock into negative territory year over year.

The REIT unveiled its second-quarter fiscal 2022 earnings on August 11. It posted revenue growth of 24% to $111 million. Meanwhile, total assets under management (AUM) jumped 22% to $10.2 billion. Moreover, net asset value (NAV) per unit increased 8% year over year to $14.19.

This TSX stock last had a very attractive P/E ratio of 5.6. Investors hungry for passive income can count on its monthly distribution of $0.067 per share, representing a very strong 7.5% yield.

One more TSX stock I'd snatch up for its monthly dividends

Extendicare (TSX:EXE) is a Markham-based company that provides care and services for seniors across Canada. Shares of this TSX stock have dropped 9.5% in the year-to-date period. The stock is down 12% compared to the same period in 2021.

In Q2 2022, the company delivered revenue growth of 5.3% to $296 million. This was powered by long-term-care (LTC) funding enhancements, home healthcare billing rate hikes, and growth in other key areas. Moreover, net operating income jumped $1.4 million to $30.3 million.

Shares of this TSX stock currently possess an attractive P/E ratio of 8.2. Passive-income investors can rely on its monthly dividend of $0.04 per share. That represents a super 7.1% yield.

CATEGORY

1. Investing

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1. TSX:EXE (Extendicare Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Date
2025/09/28
Date Created
2022/10/01
Author
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