



Get Passive Income of \$500/Month With This TSX Stock

Description

[Stock investing](#) is arguably the easiest and very reliable way to start earning passive income in Canada. While the recent market crash might look horrifying at first, it could be an opportunity for investors to buy some quality stocks at a big bargain — especially if you're looking to generate monthly passive income. With the falling share prices of many [fundamentally](#) strong companies, their [dividend](#) yields have started looking even more attractive than before. In this article, I'll talk about one of the best TSX stocks you can buy right now to start earning a stable monthly passive income.

Buy this TSX stock now to get reliable monthly passive income

When you're investing with a primary goal of earning monthly passive income, you need to be extra cautious in picking stocks. While many companies may offer very attractive yields, their dividends might not be sustainable in the long run if they don't have a strong enough fundamental basis to withstand tough economic shocks. In addition, you should ideally invest in stocks from industries that have a strong demand outlook.

With these factors in mind, **TransAlta Renewables** ([TSX:RNW](#)) could be an amazing stock to buy for monthly passive income in Canada. It's a Calgary-headquartered power producer that mainly focuses on renewable energy sources. The company currently has a [market cap](#) of \$3.5 billion, as its stock trades at \$13.12 per share after losing nearly 30% of its value in 2022 so far. TransAlta distributes its dividend payouts on a monthly basis and has an annual yield of 7.2% at the current market price.

Now, I'll highlight some key reasons why you should consider adding it to your portfolio right now.

Why you should invest in this monthly passive-income stock

Apart from having an interest in natural gas-generation facilities, TransAlta Renewables has an amazing portfolio of renewable energy assets, including wind, hydroelectric, solar, and battery storage projects.

Let me quickly give you an idea about its financial growth trends in recent years. In the five years between 2016 and 2021, TransAlta's total revenue rose 81% with the help of consistently rising demand for its services and expanding asset base. During the same period, its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) [jumped](#) by 163%. Meanwhile, the company's profitability remains strong as its adjusted EBITDA margin stood strong at 98.5% last year.

The demand for renewable energy is likely to skyrocket in the next five to 10 years, with more countries committing to move away from traditional energy sources to protect the environment. To benefit from growing demand, TransAlta is continuing to focus on its development pipeline in multiple countries like the United States, Australia, and Canada. Given these factors, you could expect its financial growth trends to significantly improve in the long run, making it one of the most reliable monthly dividend stocks to buy in Canada.

Bottom line

If you buy 6,384 shares of TransAlta Renewables right now, you'll receive \$500 in monthly passive income from its quality dividends. To buy these many stocks, however, you'll have to invest nearly \$83,758 in its stock at the current market price. While this example gives you a good idea of how you can start earning reliable monthly passive income, long-term investors must always consider diversifying their portfolio by adding more stocks to it instead of pouring in a big sum of cash in a single stock.

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Date

2025/08/27

Date Created

2022/10/18

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