



Want \$108 in Monthly Passive Income? Invest \$20K in These 2 TSX Stocks

Description

Regardless of the uncertainty and volatility in the stock market, investors can comfortably earn steady monthly passive income through top [dividend-paying stocks](#). The TSX has several stocks with a solid track record of dividend payment and growth history, well-protected payouts, and visibility over future earnings growth, making them a perfect investment to earn worry-free passive income in all market conditions.

Against this background, I have shortlisted two such top-quality stocks that would fetch you a monthly passive income of \$108 with an investment of \$20K.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is among the [safest stocks](#) to earn passive income. The reason is its resilient payouts. Enbridge has consistently paid and increased its dividend irrespective of the market conditions. For instance, Enbridge raised its dividend in the past 27 years (its dividend has had a compound annual growth rate of 10%). This includes the pandemic years, too, when most energy companies lowered their dividends amid the decline in demand.

The company owns 40 diverse cash streams that support its payouts. Moreover, the expansion of its conventional pipeline assets and investments in renewable power positions it well to capitalize on energy demand. Enbridge's adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) has increased at a CAGR of 14% since 2008 and driven its distributable cash flows higher. Moreover, about 80% of its EBITDA has inflation protection.

Enbridge is poised to benefit from the higher utilization of its assets. Moreover, its \$10 billion diversified capital program will likely come into service, supporting future earnings growth. This energy infrastructure company is also likely to benefit from the modernization of its assets, higher exports, and its focus on connecting to LNG facilities. Also, strategic acquisitions and cost-savings will support its financials.

Enbridge's payouts are safe, while the company currently offers a lucrative dividend yield of 6.7%.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns a regulated and renewable energy utility business. Given the conservative nature of its business, Algonquin Power is a solid stock for investors to consistently make passive income in up and down economic cycles.

The resiliency of its payouts is reflected in its stellar dividend payment history and strong earnings base. Algonquin Power has paid and raised its dividend in the last 12 consecutive years. Meanwhile, AQN's dividend grew at a CAGR of 10% during that period. Its growing earnings base supports its dividend payments. Noteworthy, Algonquin's earnings have grown at a CAGR of approximately 11% in the last five years.

Algonquin Power's management is confident of growing its earnings at a decent rate over the next five years. Its rate base is expected to increase by a CAGR of approximately 15% in the next five years. This, in turn, would drive its earnings at a CAGR of 7-9% during the same period. Also, long-term agreements and growing power generation capabilities bode well for growth. Investors can comfortably earn a yield of 6.3% by investing in its stock at current levels.

Bottom Line

On average, these companies offer a well-protected dividend yield of 6.5%. Thus, an investment of \$20K would fetch passive income of over \$108/month.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQNU (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)

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