



2 TSX Stocks That Cut You a Check Each Month

Description

Inflationary pressures are continuing to haunt investors and affect consumers across Canada in 2022. This is one of the key reasons why the **TSX Composite Index** has slipped by more than 12% in the last seven months. Having a reliable source of passive income is always helpful in meeting your monthly expenses — especially in tough economic times. That's why it's highly recommended that you invest a part of your hard-earned savings in some quality TSX [dividend stocks](#).

The great news is that many high-yielding dividend stocks distribute their payouts on a monthly basis, which could become a great source of stable monthly passive income for you. In this article, I'll highlight two of the best monthly dividend stocks you can buy in Canada right now to hold for the long term.

Freehold Royalties stock

Freehold Royalties ([TSX:FRU](#)) is a Calgary-headquartered oil and gas-focused royalty company with a [market cap](#) of \$2.5 billion. Its stock has surged by 45.2% in 2022 so far to \$16.92 per share after delivering outstanding 123.6% returns last year. By comparison, the TSX Composite benchmark has seen a 9.2% value erosion on a year-to-date basis. At the current market price, FRU stock has an attractive annual dividend yield of 6.4%. And the company distributes its dividend payouts every month.

In the second quarter, Freehold Royalties [reported](#) a 142% YoY (year-over-year) jump in its total revenue to \$108.5 million with the help of its recent acquisitions and stronger commodity prices. With this, the Canadian royalties firm registered a solid 340% YoY increase in its adjusted quarterly earnings to \$0.44 per share. Apart from its strong financial growth trends, Freehold's continued focus on new acquisitions and maximizing its royalty interests through a comprehensive audit program make it one of the safest monthly dividend stocks to buy in Canada.

Pembina Pipeline stock

Pembina Pipeline ([TSX:PPL](#)) could be another stable Canadian dividend stock to buy now if you want

to earn passive income each month. It's a Canadian energy transportation and midstream service company with over six decades of experience in its domain. It currently has a market cap of \$24.5 billion, as its stock trades at \$44.11 per share with 15% year-to-date gains. At this price, PPL stock offers a strong 5.9% dividend yield.

The ongoing growth trends in Pembina's financials look impressive as its total revenue in the last quarter rose by 58% YoY to \$3.1 billion as the demand for energy products remained strong. Similarly, its adjusted earnings for the June quarter jumped by 77% from a year ago to \$0.69 per share.

In recent years, Pembina Pipeline has increased its focus on expanding its global presence, which should help its financials grow at a faster pace in the coming years. Interestingly, in the five years between 2016 and 2021, Pembina raised its dividends by nearly 33%. Moreover, its well-diversified contracted business model, strong profitability, and healthy dividend growth make it one of the best monthly dividend stocks to consider for the long term.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:PPL (Pembina Pipeline Corporation)

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Author

jparashar

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