



Get Passive Income of \$480/Month With This TSX Stock

Description

The **TSX Composite Index** has seen a sharp correction in 2022, as it currently trades with nearly 11% year-to-date losses. While growing macroeconomic uncertainties and possibilities of a looming recession have led to a crash in high-growth stocks, many [fundamentally](#) strong [dividend stocks](#) are also facing the heat of the broader market pullback.

On the positive side, falling share prices of dividend-paying companies have made their yields look even more attractive. That's why the ongoing market turmoil could be an opportunity for long-term investors to buy some quality dividend stocks at a big bargain.

In this article, I'll talk about one of the best Canadian dividend stocks you can buy right now and explain how it can help you earn \$447 in reliable monthly passive income. Let's begin.

One TSX stock to buy now for monthly passive income

Novice investors usually make big mistakes by investing in companies that they don't understand. When you're picking a dividend stock to be own for the long term, you should always carefully analyze its fundamental outlook and make sure that you understand its business model well. This way, you can ensure that you keep receiving passive income each month from its dividends, irrespective of economic and market cycles.

Speaking of fundamentally strong companies, **Keyera** ([TSX:KEY](#)) could be a great Canadian monthly dividend stock to own for the long term. It's a Calgary-based integrated [energy](#) infrastructure company with a [market cap](#) of \$6.3 billion. Its stock currently trades at \$28.61 per share without any notable change in 2022.

While this monthly passive-income stock continues to outperform the broader market on a year-to-date basis, it has slipped by 11.4% in the last two months, making it look [undervalued](#) to buy for the long term and its dividend yield more attractive. Keyera distributes its dividend on a monthly basis and has a 6.7% yield at the current market price.

What makes it a reliable monthly dividend stock?

Keyera has a wide network of interconnected assets to operate its fee-for-service-based energy business. Apart from natural gas gathering and processing, its operations include the processing, transportation, storage, and marketing of natural gas liquids.

The underlying strength of its business model can be clearly seen in its recent financial growth trends. In the five years between 2016 and 2021, Keyera's total revenue [jumped](#) by 99%. Despite facing COVID-19-driven operational challenges in the last couple of years, its adjusted earnings have grown positively by 16% during the same five-year period. You can expect Keyera's financial growth trends to improve further in the coming years, as it continues to work on expanding its capacity and filling existing capacity.

Notably, Keyera's dividend per share rose by 25% between 2016 and 2021. This Canadian energy company's sustainable dividend growth is underpinned by its strong financial position and capital discipline.

Bottom line

If you buy about 3,000 shares of Keyera right now, you can expect to earn \$480 in reliable passive income each month from its dividends, which is equivalent to \$5,760 annually. To buy these many shares at the current market price, you'll have to invest \$85,830. While this example gives you a good idea of how easily you can earn monthly passive income by investing in monthly dividend stocks, you must remember to diversify your stock portfolio instead of pouring a big sum of money into a single stock.

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