



2 TSX Stocks That Cut You a Check Each Month

Description

Generating monthly passive income in Canada isn't as difficult as you might think at first. While you can create a reliable passive-income source in many ways, [dividend investing](#) for the long term could arguably be the most flexible and easiest one.

In this article, I'll highlight two of the best monthly dividend stocks on the TSX that you can consider buying right now to start earning passive income.

A beaten-down TSX monthly dividend stock

The first thing you need to pay attention to when investing for the long term is a stock's [fundamental](#) outlook. In my opinion, it's even more important than its recent financial growth trends. Speaking of a strong fundamental outlook, **Sienna Senior Living (TSX:SIA)** could be a great TSX monthly dividend stock to consider based on its future growth potential.

This Markham-headquartered firm primarily focuses on providing living options, including long-term care, assisted living, and independent living, to seniors in Canada. It currently has a [market cap](#) of \$847.7 million, as its stock trades at \$11.64 per share with about 22.6% year-to-date losses. At this price, it has a strong annual dividend yield of around 8% and distributes dividend payouts each month.

Despite the consistently improving occupancy rates at its retirement and long-term-care properties in 2022, higher costs due to high inflation, and labour shortages are [affecting](#) its financial growth. Nonetheless, these challenges are temporary in nature and might not have a huge impact on its long-term growth outlook.

Moreover, you could expect its financial growth trends to improve significantly over the long term, as the seniors' population in the plus-85 age group is expected to grow rapidly in the next couple of decades. Given that, you may consider adding this monthly dividend stock to your portfolio after its recent declines.

And a reliable TSX monthly dividend stock

Northland Power ([TSX:NPI](#)) could be another reliable monthly dividend stock on the [Toronto Stock Exchange](#) that looks [undervalued](#). The Toronto-based global power producer company has a market cap of \$9.3 billion at the moment, as its stock trades at \$37.99 per share without any notable change on a year-to-date basis. Just like Sienna Senior Living, Northland Power also distributes its dividend payouts every month and has a decent 3.2% annual yield at the current market price.

Northland Power makes most of its revenue from its offshore wind segment, while other large portions come from efficient natural gas and onshore renewables. Its assets portfolio is geographically well diversified, with Canada, the Netherlands, and Germany being its top three markets.

Although the company's financial growth in the last couple of years was badly hurt by the global pandemic, Northland is on the path of a sharp post-pandemic recovery. Notably, Street analysts expect its 2022 earnings to be around \$2.58 per share — much stronger than its pre-pandemic year 2019's adjusted earnings of \$2.20 per share.

While Northland Power already has more than 30 years of experience in power projects, it's continuing to focus on the expansion of its renewable assets. I expect these efforts to help the company speed up financial growth in the coming years as the demand for clean energy continues to surge globally, with more people becoming more environmentally aware. That's why you can expect a sharp rally in this amazing monthly dividend stock in the coming years.

CATEGORY

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2. TSX:SIA (Sienna Senior Living Inc.)

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Author

jparashar

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