



Want to Collect a High Dividend Every Month? Buy These 2 Stocks

Description

A roller-coaster ride in the [Canadian stock market](#) continues, as the **TSX Composite** has seen more than 6% value erosion so far in 2022. Growing macroeconomic uncertainties and the possibility of a looming recession could be blamed for this market turmoil.

While it's true that no expert can accurately predict a recession in advance, investors must be prepared for all types of market and economic conditions at all times. One of the best ways to prepare for an economic downturn could be by reducing your stock portfolio's overall risk and adding some safe [dividend stocks](#) to it.

In this article, I'll highlight two of the best Canadian stocks that could continue to pay handsome monthly dividends, even in a difficult market environment.

TransAlta Renewables stock

TransAlta Renewables ([TSX:RNW](#)) is one of the largest publicly traded [renewable energy](#) firms in Canada. It currently has a [market cap](#) of \$3.8 billion, as its stock trades at \$14.35 per share with about 23.5% year-to-date losses. At the current market price, this Canadian monthly dividend stock has an annual yield of around 6.6%.

Despite an increase in its total revenue in the third quarter, TransAlta registered a decline in its earnings. This quarterly earnings drop was mainly due to inflationary pressures, the extended outage at its Kent Hills wind facilities, and a decline in its environmental credit sales.

While these challenges could be temporary, TransAlta's management remains focused on driving long-term growth by continuing to expand its solar and wind energy infrastructure in the United States and Canada. For example, the company [commissioned](#) the Windrise wind facility in the fourth quarter of 2021, which has already started contributing positively to its overall power production. Similarly, it acquired a fully contracted 122-megawatt solar facility in North Carolina last year.

Given such consistent expansion efforts, you can expect TransAlta's production capacity to increase

further and help its financial growth increase, which should help its stock inch up in the long term.

Pembina Pipeline stock

Pembina Pipeline ([TSX:PPL](#)) is another reliable monthly dividend stock in Canada that can help you earn passive income, even in a difficult economic environment. This Canadian energy company has more than six decades of experience serving the North American energy industry with its integrated energy transportation and midstream services. Pembina has a market cap of \$25.7 billion, as its stock trades at \$46.56 per share with 21.3% year-to-date gains. The stock offers an annual 5.6% dividend yield at this price and distributes dividend payouts every month.

The ongoing growth trend in Pembina Pipeline's financials looks impressive, as its earnings and revenue nearly doubled in five years between 2016 and 2021. Street analysts expect this spectacular growth trend to continue in the ongoing year, as they estimate its earnings to be around \$4.56 per share in 2022 against \$1.99 per share in the previous year.

Moreover, the company is currently focusing on expanding its global presence with the support of its strong financial position, which should boost its long-term growth prospects and drive this safe Canadian monthly dividend stock higher.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:RNW (TransAlta Renewables)

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