



For \$120 in Monthly Passive Income, Buy 2,000 Shares of This TSX Stock

Description

Stock investing could prove to be one of the best ways to grow your savings over time if you pick stocks carefully and avoid taking unnecessary risks. One of the best ways to minimize your risk in the stock market could be by including some [fundamentally](#) strong [dividend stocks](#) in your portfolio, which can help you generate monthly passive income, even in a difficult economic environment.

As the recent [market selloff](#) has led to a sharp correction in many such dividend stocks, it could be the right time for long-term investors to consider buying them at a bargain.

In this article, I'll highlight a beaten-down TSX dividend stock that can help you earn healthy monthly passive income for years.

A Canadian stock to earn monthly passive income

When you're picking a stock to invest in for the long term, it's important to look at that company's long-term goals and the effort it's making to achieve those goals. In general, a company's future growth prospects play a more important role in driving its stock compared to its ongoing financial growth trends.

Considering that, **Superior Plus** ([TSX:SPB](#)) could be worth buying on the dip right now. The shares of this Toronto-headquartered firm have plunged by 25.2% in 2022 so far to \$9.73 per share, underperforming the broader market by a wide margin. By comparison, the TSX Composite benchmark has seen 9% value erosion on a year-to-date basis. At the current market price, this TSX stock offers an attractive 7.4% annual dividend yield and distributes its dividend payouts every month.

Key reasons to buy this monthly dividend stock now

Superior Plus primarily focuses on distributing and marketing propane and distillates across North America. Based on its 2021 financial figures, the company made nearly 64% of its total revenue from its home market, and the remaining 36% came from the United States.

Despite strong double-digit growth in its quarterly revenues, Superior Plus reported net losses in the last two quarters, which could be the primary reason for hurting investors' sentiments and driving a selloff in this TSX monthly dividend stock. In spite of stronger gross profit, its bottom line in the latest reported quarter was [affected](#) by several factors, including foreign exchange headwinds, a loss on derivatives, and higher costs.

Nonetheless, the long-term growth trend in the financials of Superior Plus still looks impressive. In the four years between 2017 and 2021, the Canadian propane distributor's adjusted earnings jumped by 80% from \$0.55 per share to \$0.99 per share. During the same four-year period, its adjusted net profit margin has also expanded from 3.5% to 7.6%.

While most of its ongoing challenges could temporarily affect its financial growth, the company continues to strive to make operational improvements and boost its future growth outlook. For example, Superior Plus has made several new acquisitions in the United States and Canada in the last couple of years, which are expected to accelerate its financial growth in the years to come. Given these growth expectations, you could expect handsome appreciation in the share prices of this TSX monthly dividend stock in the long term.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Superior Plus Corp	\$9.73	2,000	\$0.06	\$120	Monthly
Prices as of Dec. 20, 2022					

Bottom line

If you buy 2,000 shares of Superior Plus right now, its monthly dividends can help you earn \$120 a month in passive income, which is equivalent to \$1,440 a year. To buy these many shares at the current market price, you'll need to invest \$19,460 in its stock right now. While the example of this TSX stock gives you a good idea of how you can start earning reliable monthly passive income from stock investing, you should always consider limiting your risks by diversifying your stock portfolio.

CATEGORY

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