



Get Passive Income of \$450/Month With This TSX Stock

Description

After the COVID-19-related restrictions forced businesses to allow their staff to work remotely, the global stock markets witnessed higher volumes with the help of increased participation from new retail investors. While this increased participation pushed the **TSX Composite Index** to record-high levels in April 2022, the overall year 2022 didn't turn out to be very rewarding for most retail investors, as a sharp [market selloff](#) followed the rally.

Earn monthly passive income in Canada from stock investing

Growing macroeconomic concerns amid high inflation and rapidly rising interest rates triggered a massive crash in high-growth [tech stocks](#) in 2022. In these tough economic times, most new investors usually realize the importance of having some quality [dividend stocks](#) in their portfolios. This is because many such [fundamentally](#) strong dividend stocks on the [Toronto Stock Exchange](#) keep rewarding their investors with healthy dividends irrespective of economic cycles.

Now, let me quickly talk about one such stock in Canada that can help you earn reliable monthly passive income with its dividends for years to come.

Freehold Royalties stock

Freehold Royalties ([TSX:FRU](#)) is a Calgary-headquartered energy firm that is focused primarily on managing oil and gas assets in North America. Based on its 2021 financial data, the company made slightly less than 80% of its revenue from its home market, with the remaining coming from the United States.

Despite the broader market turmoil, this TSX monthly dividend stock largely traded on a positive note in 2022, as it currently trades at \$15.25 per share with nearly 31% year-to-date gains. By comparison, the TSX Composite benchmark has seen a 9.5% value erosion this year. Freehold Royalties distributes its dividends on a monthly basis and has a solid annual dividend yield of 7.1% at the current market price.

What makes it a reliable dividend stock to own?

Now, let me give you a rough idea about the ongoing growth trend in Freehold Royalties's financials. In the five years between 2016 and 2021, the company's total revenue [rose](#) by 60%. Growing revenues and a stronger commodity price environment have helped the company post an outstanding 630% growth in its adjusted earnings during the same five-year period.

Bay Street analysts expect the ongoing growth trend in its financials to accelerate further in the near term, as its 2022 earnings are estimated to be around \$1.44 per share, reflecting an outstanding 172% year-over-year increase.

To maintain this growth in the coming years, Freehold Royalties is continuing to expand its asset base. In the last two years, the company has added more than \$500 million worth of U.S.-based assets to its portfolio. Moreover, its balanced commodity and basin exposure and strong presence in the North American energy industry make FRU one of the top monthly dividend stocks to buy in Canada now.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Freehold Royalties Ltd	\$15.25	5,000	\$0.09	\$450	Monthly
Prices as of Dec 19, 2022					

Bottom line

If you buy about 5,000 shares of Freehold Royalties, you can easily earn \$450 in monthly passive income from its reliable dividends. To buy these many shares at the current market price, however, you'll have to invest \$76,250 in the company. While Freehold's example must have given you a good idea about earning monthly passive income by investing in quality TSX stocks, you must not forget to diversify your portfolio by including more such stocks to minimize your risks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)

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