



For \$1,000 in Monthly Passive Income, Buy 4,598 Shares of This TSX Stock

Description

The **TSX Composite Index** witnessed a big [selloff](#) in 2022 due to macroeconomic factors, such as high inflation, fast-climbing interest rates, and geopolitical tensions. Despite staging an 11% recovery in the first two months of the fourth quarter, the index is on track to end the year in the negative territory. That's why most growth investors saw their portfolios significantly plummet in value over the last year.

Difficult market phases like this are a great reminder that no one can accurately predict short-term market moves. This is one of the key reasons I always recommend that long-term investors invest a large part of their portfolio in quality [dividend stocks](#), which can help them earn reliable passive income, even in a difficult economic environment.

In this article, I'll explain this with an example of a top TSX dividend stock that can help you make monthly passive income in 2023 and beyond.

A top TSX dividend stock for monthly passive income

Whether you're investing in [growth stocks](#) or dividend stocks, the basic rule of investing is very simple: pick stocks with underlying growth potential underpinned by strong [fundamentals](#), irrespective of their performance in the recent past. This rule will help you keep your risks low and receive healthy returns on your investment in the long run.

Speaking of a TSX monthly dividend stock with a strong fundamental outlook, **Pembina Pipeline (TSX:PPL)** could be worth considering right now. This Calgary-headquartered energy transportation and midstream services company currently has a [market cap](#) of \$25.4 billion. Its stock currently trades at \$45.69 per share with about 19% year-to-date gains against a more than 9% decline in the TSX Composite benchmark. At the current market price, this TSX stock offers an annual dividend yield of around 5.7% and distributes its dividend payouts on a monthly basis.

Here's what makes this dividend stock worth considering now

I find Pembina Pipeline a very reliable dividend stock to consider, as the company has well more than six decades of experience in serving the North American energy market with its highly integrated infrastructure.

Just like most energy firms, Pembina also reported losses in 2020 with a sudden slump in demand and prices for energy products due to COVID-19-related restrictions. However, the company [staged](#) a spectacular financial recovery in 2021.

To give you an idea about long-term growth trends in its financials, its adjusted earnings grew positively by 97% in five years between 2016 and 2021. This strong earnings growth also reflects in its dividends, as Pembina raised its dividends by 33% during the same five-year period. Moreover, its already strong financial growth trends are likely to strengthen further in the coming years, as the company continues to focus on global market expansion, underpinned by its strong financial position.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Pembina Pipeline	\$45.69	4,598	\$0.21750	\$1,000	Monthly
Prices as of Dec 28, 2022					

Bottom line

If your risk profile allows you to buy about 4,598 shares of Pembina Pipeline right now, you can expect to earn about \$1,000 in monthly passive income from its reliable dividends in 2023 and beyond. But note that you'll have to invest around \$210,083 in this TSX dividend stock to own this many shares at the current market price. While this example explains how you can make monthly passive income from stocks, despite turbulent markets, you must diversify your portfolio by including other fundamentally strong stocks to it instead of investing such a big sum of your savings in a single stock.

CATEGORY

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2. Investing

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Date

2025/07/22

Date Created

2022/12/31

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