



2 Canadian Stocks to Buy for Monthly Passive Income

Description

The [market volatility](#) doesn't seem to be ending soon, as largely disappointing corporate earnings and fears of a looming recession are making investors worried. These worries are keeping the [Canadian stock market](#) roller-coaster ride going, despite the strong start of the year. In such uncertain economic times, having a reliable source of monthly passive income could be of great help.

In this article, I'll talk about two of the best [Canadian dividend stocks](#) you can buy right now for monthly passive income.

TransAlta Renewables stock

TransAlta Renewables ([TSX:RNW](#)) is the first Canadian monthly dividend stock I find worth buying right now. This Calgary-headquartered company currently has a [market cap](#) of \$3.2 billion, as its stock trades at \$11.90 per share with about 5.8% year-to-date gains. At the current market price, RNW stock offers an attractive 7.9% annual dividend yield and distributes its dividend payouts every month.

As its name suggests, the company primarily focuses on generating power using renewable resources, including wind and hydro. Besides that, it also has interests in eight natural gas generation plants.

In the first three quarters of 2022, TransAlta's total revenue rose 22.3% YoY (year over year) to \$406 million. However, its earnings during the same period [slipped](#) by 63.1% YoY due mainly to a temporary outage at its Kent Hills wind farm and the timing of renewable energy credit sales.

While these temporary factors affected its growth in recent quarters, its long-term financial growth outlook remains strong as the demand for renewable power is expected to soar in the coming years. Moreover, TransAlta Renewables's continued focus on the organic expansion of its existing assets could further strengthen its financial growth trends and help its stock rally in the coming years.

Sienna Senior Living stock

Sienna Senior Living ([TSX:SIA](#)) could be another [fundamentally](#) strong Canadian monthly dividend stock that looks attractive now — especially after a sharp correction in its share prices last year. It has a market cap of \$891.3 million as SIA stock has risen nearly 12% this year to trade at \$12.22 per share. The company distributes its dividend payouts every month and has an attractive annual yield of 7.7%.

Sienna Senior Living provides a wide range of seniors' living options in Canada, including independent living, independent supportive living, long-term care, and memory care. As COVID-19-related shutdowns and restrictions badly affected businesses across sectors in 2020, Sienna Senior Living's financial growth trends also deteriorated. Despite facing these challenges, its long-term growth trend still looks impressive. To give you an idea, in the five years between 2016 and 2021, its total revenue jumped by about 34%, and adjusted earnings grew by nearly 15%.

According to the 2021 census, the Canadian seniors' population in the +85 age group is projected to triple in the next 25 years. Given that, the demand for Sienna's living options could also jump in the next couple of decades, which should help its financial growth improve and its stock gain. Despite having risen 12% this year, SIA stock still has seen 22.3% value erosion in the last year, which makes it look cheap to buy for the long term right now.

CATEGORY

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

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