



TFSA Investors: Earn \$273/Month With These 2 Top Dividend Stocks

Description

[TFSA](#) (Tax-Free Savings Account) holders are always on the lookout for reliable options to grow their hard-earned savings. While there are multiple investment options available, dividend investing could be one of the easiest and most flexible ones for TFSA investors, as it can also help them earn reliable monthly passive income.

Let's take a closer look at two of the best [Canadian dividend stocks](#) you can add to your TFSA right now to earn \$273 in monthly passive income.

TransAlta Renewables stock

TransAlta Renewables ([TSX:RNW](#)) is a Canadian energy company with a [market cap](#) of \$3.2 billion, as the stock trades at \$12.17 per share with about 6.8% year-to-date gains. At the current market price, RNW stock offers an attractive annual dividend yield of 7.7% and distributes its dividend payouts monthly.

The company focuses on power generation primarily using renewable resources. Besides eight natural gas generation plants and a natural gas pipeline, TransAlta also owns interests in 26 wind facilities, 13 hydroelectric facilities, a battery storage project, and two solar power-generation plants.

In the first three quarters of 2022, its total revenue rose 22.3% YoY (year over year) to \$406 million. In the September 2022 quarter, however, it [reported](#) an adjusted net loss of seven cents per share, as the unfavourable timing of renewable energy credit sales and a temporary outage at its Kent Hills wind farm affected its results.

Despite these temporary setbacks, it could be an attractive Canadian monthly dividend stock to consider now, as the demand for renewable power is expected to multiply in the coming years. In addition, the company's focus on dividend sustainment and long-term growth opportunities makes it look even more attractive.

Dream Industrial REIT stock

Dream Industrial ([TSX:DIR.UN](#)) could be another great monthly dividend stock to buy in Canada right now. This Toronto-headquartered open-ended real estate investment trust (REIT) has a market cap of \$3.7 billion, as its stock trades at \$14.45 after rallying by 24% this year so far. At the current market price, it has an annual dividend yield of 4.8%. Dream Industrial REIT has a strong portfolio of quality industrial assets in Canada, Europe, and the United States, with a gross leasable area of 46.5 million square feet.

In 2020, its adjusted earnings declined by 12% YoY due to COVID-19-related challenges. Nonetheless, Dream Industrial staged a sharp recovery the next year as its adjusted earnings jumped by 136% YoY in 2021 to \$2.81 per share with the help of a 23% revenue increase and robust leasing momentum.

Despite facing macroeconomic challenges in 2022, Dream Industrial continues to focus on strategic long-term growth initiatives to expand its high-quality industrial asset portfolio. Given that, you can expect its financial growth trends to improve further in the long run and help this monthly dividend stock inch up.

COMPANY	RECENT PRICE	NUMBER OF SHARES	INVESTMENT	DIVIDEND PER SHARE	TOTAL PAYOUT (Monthly)	DIVIDEND FREQUENCY
TransAlta Renewables	\$12.17	2,000	\$24,340	\$0.05833	\$117	Monthly
Dream Industrial REIT	\$14.45	2,000	\$28,900	\$0.07833	\$157	Monthly
		Total	\$53,240	\$0.13666	\$273	

Prices as of
Feb. 13,
2023

Bottom line

If you buy 2,000 shares of TransAlta Renewables and Dream Industrial REIT each at the current market prices, you can expect to earn about \$273 in monthly passive income from their dividends. To buy these many shares of these two companies, however, you'll have to make a total investment of \$53,240. While this example clearly shows how TFSA investors can make reliable monthly passive income with dividend stocks, they should always aim to diversify their portfolio to minimize risks instead of relying on just two dividend stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:RNW (TransAlta Renewables)

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1. Business Insider
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