



## Top Canadian Monthly Dividend Stocks of 2023

### Description

Investing in Canadian dividend stocks is a strategy favoured by many retail investors. Fortunately, there are Canadian dividend stocks out there that not only pay dividends quarterly, but even more frequently.

If passive income is what you're looking for, keep on reading to learn all about Canadian monthly dividend stocks.

### How do monthly dividend stocks work?

Most [Canadian dividend stocks](#) pay out on a quarterly basis. At the beginning or end of a fiscal quarter, the company will declare a cash dividend, payable to shareholders as of a record date. After that date, the stock goes "ex-dividend", meaning any shareholders who purchase the stock afterwards will not receive the dividend.

Monthly dividend stocks pay out on a monthly basis. Instead of declaring dividends during a quarterly earnings report, these companies will consistently declare and payout dividends monthly. For example, a company might declare a dividend of \$1 per share every month instead of a dividend of \$3 per share every quarter (three months).

Investing in Canadian monthly dividend stocks can be beneficial for investors relying on their portfolios for income. This is because more frequent dividend payments result in a more predictable stream of cash flow. With quarterly Canadian dividend stocks, investors have to wait until the next payout every three months or sell shares in the interim.

Canadian monthly dividend stocks can be slightly advantageous over quarterly dividend stocks, especially for large accounts, all things being equal. This is because your reinvested dividend has more time to compound and is being reinvested more frequently. This extra compounding can make a noticeable difference once you have enough invested.

## What Canadian companies pay monthly dividends?

Generally, Canadian companies that pay monthly dividends tend to come from the energy, utilities, or real estate market sectors. Most of these companies are well-known dividend payers in general, but a small subset will opt for monthly payments to satisfy the needs of shareholders. Ultimately, the decision on how frequently to pay a dividend is up to the board of directors of a company.

A good way to find Canadian companies that pay monthly dividends is via various free online stock screeners. Investors can filter for monthly payments when it comes to dividend frequency. Keep in mind that companies can pause or discontinue dividends during times of financial stress, so the monthly frequency is not a guarantee of stable cash flows.

## Top Canadian monthly dividend stocks in Canada

The following is a list of the three best monthly dividend stocks in Canada, ranked by market cap. For this list, income trusts and real estate investment trusts (REITs) were excluded. All three stocks on this list come from the [Canadian energy sector](#), which is known for its many dividend-paying stocks.

Company	Description
Pembina Pipeline ( <a href="#">TSX:PPL</a> )	Pembina provides transportation and midstream services for the energy industry.
Keyera ( <a href="#">TSX:KEY</a> )	Keyera is a Canadian energy infrastructure company.
Parkland ( <a href="#">TSX:PKI</a> )	Parkland operates convenience stores and gas stations internationally.

### Pembina Pipeline

Pembina is one of Canada’s largest energy sector companies with a focus on transportation and midstream services. The company’s main segment is pipelines, which operates conventional, oil sands, heavy oil, and energy transmission assets.

Pembina also has an energy facilities segment, which operates infrastructure that provides natural gas, ethane, propane, butane, and condensate storage. Finally, Pembina runs a new ventures segment that buys and sells hydrocarbons.

### Keyera

Keyera operates a vast network of energy infrastructure assets. Their largest segment is gathering and processing, which runs pipelines and processing plants that collect and process raw natural gas, remove waste products, and refine natural gas liquids.

Keyera operates approximately 4,400 km of pipelines and 12 plants. The company also has a large liquid infrastructure segment that operates a number of facilities and services for processing, storing, and transporting natural gas liquids and crude oils. Finally, Keyera also markets propane, butane, and

iso-octane.

## Parkland

Parkland operates a vast network of retail convenience, gas stations, and energy supply services across Canada, the U.S., the Caribbean, and Central/South America. The company is known for its 1,800+ gas stations under the Ultramar, Esso, Fas Gas Plus, and Chevron brands, and convenience stores under the On the Run brand.

Parkland also delivers bulk fuel (diesel, gasoline), lubricants, and propane to enterprise customers in the oil and gas, construction, mining, forestry, fishing, and transportation industries. The company operates a supply segment that manufactures, transports stores, and markets fuels for sale to airlines.

## Are monthly dividend stocks safe?

All stocks, including monthly dividend stocks, carry market risk. This is due to the unavoidable fluctuations in the share prices of individual companies caused by broad [market volatility](#). Market risk is what causes even the most solid of stocks to tank in unison during a stock market correction or [stock market crash](#). For this reason, monthly dividend stocks still carry risk like any other stock.

The safety of monthly dividend stocks often depends on their fundamentals. A good metric to assess is the payout ratio, which calculates the percentage of a company's earnings paid to its shareholders as a dividend. A payout ratio that is 100% indicates that a company is paying out more in dividends than it has in earnings, which is unsustainable. Be wary of stocks with a high payout ratio as this can lead to a risk of a dividend cut or discontinuation if the company experiences financial distress.

## Are monthly dividend stocks a good investment?

The answer to this question depends on an investor's objectives, time horizon, and risk tolerance. For investors seeking consistent income and the ability to withstand market fluctuations, monthly dividend stocks can be a good investment. These investors may prefer monthly dividend stocks for the more frequent payments, which can help fund their expenses without selling shares.

For younger investors seeking capital growth, monthly dividend stocks might not be ideal. For these investors, a total return approach by investing in non-dividend paying growth stocks can work. Monthly dividend stocks tend to be from a few stock market sectors only, which can exclude non-dividend paying sectors like technology.

Finally, investors with a low risk tolerance might not want monthly dividend stocks due to market risk. These investors may seek to fill their income needs with high-yielding corporate bonds or [preferred shares](#). By doing so, they trade some market risk for interest rate risk. There's no free lunch out there, so be sure to do your research and consider the pros and cons of each approach.

## TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)
2. TSX:PKI (Parkland Fuel Corporation)

3. TSX:PPL (Pembina Pipeline Corporation)

**PP NOTIFY USER**

1. cleona
2. metienne

**Date**

2025/07/01

**Date Created**

2023/01/26

**Author**

tdong

default watermark

default watermark