



3 Top Dividend Stocks Yielding Over 33%

Description

Canadian investors are always looking for new ways to bring in some easy money. If you're a Millennial, like myself, that couldn't be more true. Everyone likes to make Millennials the butt of their jokes, but they really don't have it that easy. Sure, interest rates are a lot lower than they were in the 1980s, but that's about all we have going for us.

Inflation has gone up while salaries have remained stagnant. And while mortgage rates are better, the average cost of a house is a lot higher. No wonder there are so many of us living at home in our thirties.

But that's why the Tax-Free Savings Account (TFSA) is such a bonus. It gives investors \$63,500 as of this year to put money away for that day when we can finally afford a mortgage, a wedding, or a new baby. It can also just be put away for a long-term nest egg, meaning that we might not have to work until we're 80 years old to retire with some cash in hand.

A great way to take advantage of the TFSA is through dividend stocks. These stocks provide quarterly or even monthly income no matter how the stock performs. That money can be used to pay off your student debts, that new mortgage, or – as I would recommend – reinvested to buy more shares and make that nest egg even larger.

So let's look at some great options.

Chemtrade

Chemtrade Logistics Income Fund ([TSX:CHE.UN](https://www.tsx.com/stocks/quotes/CHE.UN)) is a pretty simple business, providing industrial products and services to customers throughout North America — not terribly exciting on the surface, perhaps, but what investors get *really* excited about is the company's dividend.

Chemtrade trades at writing at about \$9.25 per share at writing, which is far below its net asset value (NAV) of about \$13 per share. That downturn came after poor results last year from the market downturn as well as a lawsuit. The company has learned its lesson and is now making cuts to focus on creating a solid balance sheet. That gives investors a great opportunity to buy up a strong stock that's

set to increase, with a whopper annual dividend yield of 12.66% dished out monthly.

Inter Pipeline

Another stock trading well below its NAV is **Inter Pipeline Ltd.** (TSX:IPL). This energy business has been hit by the recent oil and gas market slump, and its recent earnings reports came in on the lower end, keeping the stock price at around \$20 as of writing rather than the \$24 NAV. Not only do analysts predict the stock to rise to this value in the next 12 months, but think it should soar even higher to around \$28 per share.

The reason the company's income has been lower is its been [growth mode](#). Most significantly, its Heartland Petrochemical complex put a damper on results, but that cash flow should start coming in sometime in 2021.

But beyond growth, the company has 72% of its business tied to long-term contracts, meaning that cash will be flowing in for decades. So herein lies another opportunity to wait for a market rebound and take advantage of an incredible 8.54% dividend yield.

AHIP

American Hotel Income Properties REIT ([TSX:HOT.UN](#)) is the final [high-yield stock](#) we'll be examining today. The stock is similar to Inter Pipeline, having lower results due to increased spending as the company looks to grow its premium hotel business.

AHIP already owns 112 hotels across the United States, but has been making acquisitions to bolster its balance sheet. So while debt is up, once the acquisitions and renovations are complete, the cash should come flooding in. This has made some investors spooked to buy up this stock, but others look at it and think, "Why not?" At \$6.65 per share as of writing, it's so darn cheap! Meanwhile, investors get a 12.71% dividend yield while they wait for acquisitions to begin.

Foolish takeaway

Taking into account all three of these stocks, shareholders would receive a total dividend yield of 33.91% for their investment. If you were to use your entire TFSA contribution, that's \$7,318 of annually passive income for your nest egg.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)

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