
# The 3 Highest-Yielding Dividend Stocks in the TSX

**Description**

When it comes to creating a long-term portfolio, dividend stocks are incredibly enticing for investors. While there are a lot of numbers out there to swim around in, the dividend yield is one of the easiest ways to tempt investors into buying up a stock.



But just as no two stocks are alike, the same rule goes for dividend stocks. Just because a stock offers a sky-high dividend yield doesn't necessarily mean it's a great buy.

So, let's take a quick look at the top three highest dividend stocks on the **S&P/TSX Composite** and see whether that high percentage is worth your investment.

## Vermilion: 10.07%

In third place, we have **Vermilion Energy** (TSX:VET)(NYSE:VET), an oil and gas producer with operations across North America, Europe, and Australia. The company has been in growth mode, producing 30,000 barrels of oil per day in 2012 to 105,000 barrels per day in 2019. The company's stock has been trading near all-time lows over the past year mainly due to the oil and gas industry putting pressure on the company.

Most investors get in for this company's dividend yield, but some analysts worry that it won't be able to sustain just a high yield in the near future. As the sector declined, Vermilion kept up its payout, even increasing it in 2018 with falling oil prices and with the cost to acquire Spartan Energy. But the company remains optimistic that it will see a 19% surge in production growth this year.

Is it worth your investment? The stock is definitely undervalued, but I'd wait to see some stellar performance if you want a stock with both high dividends and capital gains.

## Ensign: 11.65%

In second place, we have **Ensign Energy Services** (TSX:ESI), another energy producer providing oilfield services throughout the world. The company's stock is not only hurt by the oil and gas industry right now, but trying to recover from the significant losses it incurred in 2015-2016. The stock also changes near all-time lows at around $4.52.

As the oil and gas industry recovers, so should this stock, which provides essential services to the industry. Also, the company is still growing, becoming one of the world's strongest consolidated energy service suppliers. When the oil and gas industry rebounds and wants to expand, Ensign will be ready.

That being said, I would also hold off on this stock until the industry begins to show signs of recovery. Given that it's so cheap, investors can afford to wait before pouncing on this undervalued stock. For now, the dividend just isn't quite worth the risk.

## Chemtrade: 12.81%

Finally, in first place we have **Chemtrade Logistics Income Fund** (TSX:CHE.UN). Similar to Ensign, this company provides the necessary industrial products and services to its vast customer base. Unlike Ensign, those products are needed no matter what the markets are doing, meaning Chemtrade's earnings have remained stable.



Unlike its stock price. The stock is down about 37% in the last year due to the market slump, and that seems to be the only reason. In its latest earnings report, the stock reported that it expects to generate up to $375 million for the year and, after costs, should bring home about $170 million in free cash flow. This means its dividend yield is absolutely safe.

So, for those looking to buy up a high-yield dividend stock, I would go with Chemtrade today. The stock is cheap, with a safe dividend and the opportunity to expand through acquisitions.

**CATEGORY**

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. NYSE:VET (Vermilion Energy)
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3. TSX:ESI (Ensign Energy Services Inc.)
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