



## Want to Get Rich With Dividend Stocks? Try This Unknown Recession-Buster

### Description

What would you say is the Holy Grail of a dividend investor? A sturdy ten-year track record of steadily growing payments? A solid industrial footing and broad moat in a classically defensive asset class? Or perhaps a yield so big that it makes other dividend-paying stocks pale by comparison?

Perhaps you haven't heard of **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)), and if you're not invested in the materials sector, there's no real reason why you would be. However, if you've dabbled with the likes of **Canfor**, **Methanex**, or **Nutrien**, you may have seen Chemical Logistics on your travels through the material world.

### Great yield — but is it enough to get invested?

The good news as a dividend investor is that, believe it or not, Chemtrade ticks all of the boxes listed in the opening of this post. To cut a long story short, this little-known income fund pays a whopping yield of 12.1%, which is easily double the payout of most of the top-paying stocks to be found on the **TSX**. If you've been looking for a TFSA-filler with reinvestable returns, this could be your star stock.

But never mind that yield – what about legitimacy? Take a look at a diversified asset base spread across the Americas and spanning a triptych of lucrative and strategically important segments taking in sulphur, water-based products, and electrochemicals. Its output is integral to its industry, meaning that cautious investors adamant on taking a long-term position in a defensive sector have a strong play in Chemtrade.

[Having hit a 52-week low already this year](#), the knives have been out for this ticker in some quarters. However, if you have the cash to inject into a materials investment, a return like this can seriously add up over the years, and if Chemtrade shares are stacked in a TFSA you'll see those tax-free dividends mount up much faster than they would with a lower yielding investment.

To give a potential investor some idea of just how integral this company is to the materials industry, it should be pointed out that Chemtrade is a world-class producer of sulfuric acid and various industrial salts essential to the production of agricultural products, cleaning agents, pharmaceuticals, and even

explosives.

In short, if you want to gain access to an array of recession-busting industries, Chemtrade is a smooth way to go about it.

Breaking the stock down further, we can see that the majority of its revenue comes from its electro-chemical segment, with the majority of its income sourced from the U.S. market. While the current consensus among analysts is a hold, contrarian investors may wish to take a different, and [potentially highly rewarding tack](#). While fear is undeniably stalking the North American markets, the fact is that doughty shareholders may dodge the worst of a downturn by hiding in industry-supplying chem stocks.

## The bottom line

While would-be buyers should of course do their own research into market fundamentals before ascertaining whether Chemtrade is an attractively valued proposition, the high yield and stable market share, as well as that exposure to the American market, should make this a fairly secure investment with an undeniably desirable yield.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)

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