



## Generate \$1,000 in Monthly Passive Income With Just \$100,000 Capital

### Description

I believe \$1,000 in monthly passive income could make a substantial difference to most households in this country. That amount could go a long way towards paying bills, buying food, paying down the mortgage, or simply taking a vacation once a year — without any work or effort.

Unfortunately, passive income has become rarer as interest rates have collapsed. Risk-free instruments like cash funds, cashable guaranteed investment certificate (GIC), and retail high-interest accounts offer yields between 1% and 2.5%. Even risky assets like real estate investment trusts (REITs) and stocks offer dividend yields averaging 2-5%.

There's not a lot of ways to generate a passive income you can live on, even if you have \$100,000 or more in investable assets. However, some high-yield dividend stocks do offer double-digit yields. Here are two of the best options for income seekers.

### Chemtrade

**Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) is a uniquely lucrative investment. The company supplies industrial chemicals and services to customers across the world. These specialty chemicals are not easy to procure or transport, which reduces competition and boosts profits for players like Chemtrade.

The company's stock is structured as an income fund, which means investors can expect a monthly dividend. In fact, investors have been consistently receiving monthly dividends from this company since 2001.

That two-decade track is even more impressive when you consider the fact that the average dividend yield over that period has hovered around 10%. Chemtrade's yield has stayed stable, despite the volatility of prices in the industrial chemical sector. Earlier this year, the yield reached as [high as 12%](#). At the moment, it's back down to 10.93%.

In other words, investors can expect a double-digit payout and easily extract \$1,000 a month in passive income from this robust industrial giant.

## Vermillion

Canada's oil and gas sector is particularly controversial at the moment. While environmentally conscious investors shun the sector altogether, other investors are worried about government policies capping the industry's growth.

However, this sentiment has pushed oil and gas stocks to lower valuations and higher dividend yields. Calgary-based **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)), for example, is trading at a five-year low and currently offers a jaw-dropping 14% dividend yield.

The company has energy operations spread across the globe, with facilities in the U.S., Europe, and Australia, besides Canada. That means its fate is tied to the global energy sector rather than domestic regulations and policies.

Management has also indicated that the dividends are [covered by healthy cash flow](#) and are not at risk of being cut anytime soon. That means investors can expect a sustained dividend yield with the possibility of capital appreciation if the oil market booms again.

## Bottom line

Both stocks mentioned here offer double-digit dividend yields, which should be enough to generate \$1,000 a month (or \$12,000 a year) in passive income if your portfolio is larger than \$100,000.

Bear in mind that these stocks are beaten down for a reason. Industrial chemicals and oil are both highly volatile markets. But both companies have been around for decades and survived multiple market cycles, so the risk isn't as acute as you'd imagine.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:CHE.UN (Chemtrade Logistics Income Fund)
3. TSX:VET (Vermilion Energy Inc.)

### PARTNER-FEEDS

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vraisinghani

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