



## Boost Your Cash Flow in 2020 With a \$7,937 Income Stream

### Description

Your best guard against the anticipated inflationary environment in 2020 is to have a growing income stream. The way to stay afloat is to invest in high-yield dividend stocks that could [boost your cash position](#).

Two established companies are offering an average dividend yield of 12.5%. Let's assume you have savings of \$63,500, which is equivalent to the total amount of TFSA contribution limit as of 2019.

If you split the amount and invest \$31,750 in each of the stocks, you will create annual passive income of \$7,937.50 effortlessly.

### Captive market

**Chemtrade** ([TSX:CHE.UN](#)) is a \$1 billion company that operates a diversified business, providing industrial chemicals and services to customers in North America and around the world.

In North America, this 18-year-old specialty chemicals company is one of the largest suppliers of sulfuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite, and other related products. It also processes by-products and waste streams.

Chemtrade has its production facilities from where it obtains various chemical and industrial products. The company generates consistent revenues because the marketing services and distribution agreements with customers are long term.

The stock's 11.16% dividend can produce an annual passive income of \$3,543.20 from your \$31,750 seed money. The safety of dividend shouldn't be a concern. The contracts Chemtrade has with clients have contractual provisions that are intended to mitigate the risks brought about by fluctuations in commodity prices and volume.

In addition, Chemtrade has already built a competitive position in the industry owing to its product and service differentiation.

## Resurgence

The energy sector has several high-yield dividend stocks, but **Vermilion** ([TSX:VET](#))([NYSE:VET](#)) is the [best shield against inflation](#). The shares of this \$3 billion oil and gas company yield a super-high 13.84%. Besides the insulation from inflation, you can cope with increasing cost-of-living expenses better.

Your \$31,750 capital can create a monthly income of \$366.18, or annualized earning of \$4,394.20. Where else can you realize such a considerable windfall as a passive investor?

Vermilion is still down by 25% year to date and has fallen to \$17.40 on October 31, 2019. As of this writing, however, this energy stock is re-surging, rising by 13.6% to \$19.69. Analysts see a potential upside of as much as 77.76% in the next 12 months should the industry trends improve significantly.

The company was affected by the downtrend in the upstream oil and gas sector in Q3 2019. As a result, the price declined by over 30%. Management acknowledged the disappointing stock performance, although it wants to stress that the dividend policy is not based on the market price of our shares.

Investors should take comfort that Vermilion bases its dividend policy on the fundamental economic sustainability and free cash flow generation of the business. So far, both remain strong.

## Bigger income stream in 2020

Chemtrade Logistics and Vermilion are the top preferences of income seekers, primarily due to the high dividends. Both stocks are not immune to market risks and are subject to volatility. However, the companies offer a sense of stability and safety, given the respective industry positions.

Barring any drastic business disruptions, this dynamic duo can provide you with a higher income stream next year. Your income could grow even bigger beyond 2020.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Msn
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