



## 3 Stocks With a Combined Yield of Over 10%

### Description

Generating income is much easier than it seems. There are many stocks that are paying dividend yields of over 7% currently, making it relatively easy to build a high-income portfolio. With a few stocks, you can create a high-yield basket of companies that could continue to pay great income over time.

The unfortunate side of the investments is that most of these companies operate in the fossil fuels or petrochemicals arena, although there are several high-yielding stocks in restaurants.

This is where investments are out of favour at the moment — and where you'll find the high-paying stocks. If you decide to undertake this strategy, you must have a high tolerance for risk, as commodities can be very volatile.

**Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) is a great stock if you are looking for a high absolute yield. The company currently pays a yield of over 13% after taking a nosedive a few weeks ago.

The yield is relatively safe for a payout of this magnitude. Chemtrade has over a decade-long history of having a huge yield. Its monthly \$0.10 dividend has been paid for over a decade and the company seems to be intent on keeping it intact.

The global chemical company sells a number of products to varied companies. Its specialty chemicals, sulfur, and electrochemical products are used in a wide variety of industries.

While it tends to get thrown in energy stocks, the company is an essential supplier of these products and will likely continue to sell these in the coming decades.

Another company with a high yield greater than 14% and can probably continue to pay this huge [monthly distribution](#) is **Vermilion Energy Inc.** ([TSX:VET](#))([NYSE:VET](#)).

The company is a global energy producer with assets in Canada and Europe. This company is lumped in with the Alberta energy producers by actually receiving much of its revenues from overseas.

The company has recently supported the notion that it will continue to pay the dividend for the foreseeable future. While investors should not be too comfortable with a yield of this magnitude, it does

appear that it will try to do what it can to support the payout. This dividend has never been cut since it started paying one in 2003, a point of pride for Vermillion.

**Inter Pipeline Ltd** (TSX:IPL) has [a dividend](#) of almost 8% at present, making it one of the highest-yielding dividend payers in the space. The yield has been raised consistently for years, although the increases have subsided a bit in recent years.

The company is currently putting much of its cash flow into the development of its Heartland Petrochemical complex. When that comes online in late 2021, there should be a substantial bump to its cash flow.

In the meantime, the company maintains a payout ratio of 80% by its numbers, so the dividend is currently safe. It has compound annual cash flow growth of 8.3% over the course of a 10-year period to support further dividend increases going forward.

Most of the cash flow supporting the dividend comes from fee-based and cost-of-service means, with commodity prices having a relatively small impact on IPL's ability to pay dividends to investors.

## The bottom line

If you put an equal portion into each of the three stocks, you'll be generating a yield of over 10% at the current prices and dividend payouts. This is a solid income given that these companies are likely to continue or even grow in the case of IPL, these yields going forward.

While this is a good entry point for each of these stocks, I would caution investors that these stocks do possess a risk to their prices and their yields.

They do operate in the commodity space, after all. However, long-term investors have a pretty good risk-to-reward case from each of these stocks, giving you excellent income and potential capital gains in the future.

## 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.)

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**Author**

krisknutson

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