



Income Investors: How to Collect \$1,240 in Monthly Dividends

Description

In this volatile market, investors would love to have a steady stream of cash flow and generate considerable passive income to build long-term wealth. Income investing has traditionally meant exposure to bonds. However, another way to generate passive income is by investing in high-yield dividend stocks.

The current bear market has sent several stocks to multi-year lows, thereby increasing dividend yields. Equity indexes have lost over 30% in just over a month, which means investors can look to benefit from dividends as well as capital gains when the market recovers.

We'll look at three Canadian dividend stocks that can generate \$1,240/month in passive income.

Chemtrade Logistics Income Fund

Shares of **Chemtrade Logistics** ([TSX:CHE.UN](#)) are trading at \$3.93, which is 66.4% below its 52-week high. On March 11, 2020, the company announced a 50% cut in dividends to \$0.05 per share per month. Despite the dividend cut, the stock has a forward yield of a tasty 15.3%.

Chemtrade has paid investors a monthly dividend of \$0.10 per share since 2007 and has not cut these payouts, even during the 2008 financial crisis. The COVID-19 pandemic, though, has had companies in a tailspin, as global lockdowns have reduced consumer and enterprise demand significantly.

As Fool contributor [Ryan Vanzo pointed out](#), Chemtrade has done the smart thing by anticipating slowing demand in the near term and cut dividends to maintain its cash balance. The global uncertainty and reduced visibility over the COVID-19 effect might take a toll going forward, even though the company has confirmed that it has not faced a material impact right now.

Gamehost stock has a dividend yield of 18.6%

Shares of **Gamehost** ([TSX:GH](#)) are trading at \$3.71, which is 65% below its 52-week high. Gamehost

is a Canada-based company and owns hospitality and gaming properties. It generates revenue from business segments, including gaming, hotel, and food & beverage.

Last week, Gamehost announced the closure of its casinos in response to the COVID-19. The casino operator's top line is expected to take a major hit, as people continue to stay at home while its hotel occupancy rates are also expected to decline drastically, which has driven shares to a record low.

The recent stock price decline has meant that its dividend yield stands at an eye-catching 18.6%. Analysts expect the company's sales to decline 26.5% in 2020 to \$50 million, down from \$68.1 million in 2019.

Looking at Gamehost's solid profit margins, low valuation multiple and high forward yield, investors can expect a significant appreciation in its share price once the lockdown is over.

A Canada-based energy bet

While the country's energy sector has been impacted by lower crude oil prices, the sell-off in some cases has been exaggerated. Shares of **Pembina** are trading at \$23.1, which is 57% below its 52-week high.

This [integrated energy stock](#) has a strong balance sheet, attractive multiple, and a dividend yield of 10.9%. In the last two trading days, shares of Pembina are up 50% and can move higher if oil prices recover.

In case investors invest a total of \$100,000 in these three stocks, the annual dividend payout will be about \$14,930, which will mean a monthly dividend of \$1,240.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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