



2 Top Canadian Stocks to Buy With \$1,000

Description

A small investment in two top Canadian stocks can deliver a considerable windfall. If you only have \$1,000 to place in the stock market, split or allocate \$500 each in **Chemtrade Logistics** ([TSX:CHE.UN](#)) and **Bridgemarq Real Estate Services** ([TSX:BRE](#)). I say top, because the companies are dividend kings on the Toronto Stock Exchange (TSX).

If you were to invest in both stocks, the average dividend yield is 8.51%. Income investors will relish the ultra-high [dividend payouts](#). However, there are risks in the respective businesses. Understand them and be sure they align with your risk appetite.

Captured market

Chemtrade trades at only \$6.98 per share and pays a mouth-watering 8.75% dividend. The \$719.32 million company from Toronto provides industrial chemicals and services to customers. It serves customers in North America and internationally. Chemtrade has built a niche since operations began in 2001.

The main products are sulphur and performance chemicals. Chemtrade also provides water solutions and specialty chemicals. Its third business segment, electro-chemicals, manufactures and markets sodium chlorate and a variety of chlor-alkali products.

The diversified enterprise's products and services are critical to the gasoline, motor oil, fine paper, metals industries. Chemtrade is likewise valuable to water treatment industries and other major industrial and consumer markets. Today, Chemtrade is one of North America's largest suppliers of industrial sulphuric acid.

On the TSX, the shares are up 22.33% year to date and better than the broader market's +9.14% gain. For the full year 2020, revenue, EBITDA, and adjusted cash flow from operating activities all declined. Scott Rook, Chemtrade's president and CEO, is confident the bottom line will improve when the pandemic is under control and when customers' businesses return to normal operations.

Vast realtors network

Bridgemark shares are also [performing surprisingly well](#) in 2021, with its 14.77% year-to-date gain. At \$16.62 per share, the \$157.22 million real estate company's stock pays a hefty 8.27% dividend. This company provides services to residential real estate brokers. It has a vast network of realtors (more than 19,000) operating across Canada.

Since franchise fees (65% of the total in 2020) are fixed, Bridgemark's revenue is stable, and recurring cash flows somehow insulate the business from market fluctuations or downturns. However, 2020 was a challenging year. Revenue and net earnings fell by 9% and 75%.

Revenues dropped significantly in 2020 due to the pandemic's impact. Bridgemark had to implement a relief plan for realtors in its network. From April to December 2020, 82% of these realtors paid variable franchise fees. As of year-end 2020, the Company Network had 19,046 REALTORS® operating through 289 franchise agreements.

Historically, Bridgemark's renewal success in franchise agreements is more than 95%. On average, a realtor in the network generated \$2.6 million in transactional dollar volume for the full year 2020. The volume of the average realtor outside Bridgemark's network is \$2.3 million.

High-yield income stocks

Chemtrade Logistics and Bridgemark Real Estate Services are the TSX's dividend kings in 2021. The global pandemic affected the respective businesses in a big way last year, yet dividend payouts were intact. This pair of high-yield income stocks is worth considering if you have limited capital for investment purposes. You can accumulate more shares as you go along and keep reinvesting dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BRE (Bridgemark Real Estate Services Inc.)
2. TSX:CHE.UN (Chemtrade Logistics Income Fund)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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