



## Earn \$20/Day in Passive Income With These 2 Stocks

### Description

Canadians can boost their disposable income or create extra financial cushion during the pandemic. Use your free cash or idle money to [invest in dividend-paying companies](#). The yields vary, but some pay ultra-high dividends.

Two names, **Chemtrade Logistics** ([TSX:CHE.UN](#)) and **Bridgemark Real Estate Services** ([TSX:BRE](#)), appeal to [income investors](#) because the yields are 8% or more. Earning \$20 per day in passive income is possible if you can accumulate the right number of shares. Likewise, any amount you invest will likely double in nine years.

### Specialty chemicals niche

Chemtrade engages in the distribution of high-quality industrial chemical products in North America and select markets globally. It caters to dozens of industries in needing sulphur products and performance chemicals, water solutions and specialty chemicals, and electrochemical products.

This \$656.41 million company has been through a step-growth change since starting operations in 2001. The portfolio is diversified, although it dominates the specialty chemicals industry. Agriculture, oil & gas, pharmaceuticals, and water treatment are some of the demanding sectors Chemtrade serves.

Chemtrade continues to experience significant headwinds in the first half of 2021. Still, its president and CEO Scott Rook said the business generally performed well in Q2 2021, despite the \$14 net loss. In the six months ended June 30, 2021, net income lessened 63% to \$34.5 million compared to the \$93.4 million in the same period in 2020.

For the rest of 2021, management expects Chemtrade's adjusted EBITDA to range between \$245.0 million and \$260.0 million — nearly the same as the figure in 2020. So far, in 2021, the industrial stock is up 13.19%. At \$6.28 per share, the company pays a fantastic 8.68%.

## Revenue stability

Bridgemark is well known in the real estate industry through brands Royale LePage, Johnston & Daniel, and Via Capitale. The \$160.27 million company purchases long-term royalty contracts and builds a network of realtors (currently 19,316) across Canada. About 78% of revenues come from franchise fees.

Since the fees are mostly fixed and underpinned by long-term franchising agreements (287 in 2021), there's revenue stability and insulation from market fluctuations. However, Bridgemark reported a \$2.5 million net loss in Q1 2021 compared to the \$20.12 million net income in Q1 2020.

The threat to the business is the potential increase in interest rates. Economists say Canadians with large mortgages face [financial risk](#) if the Bank of Canada raises rates soon. In 2020, Bridgemark rewarded investors with a total return of 12% on top of the high dividends.

Current investors enjoy a 19.79% year-to-date gain. Bridgemark trades at \$16.90 per share, while the dividend yield is 8%. The price is also 7.1% shy of its 52-week high of \$18. Phil Soper, Bridgemark's president and CEO, noted that in Q2 2021, overall demand in the housing market was moderate from record highs. While property values continue to climb, the pace of appreciation was likewise moderate.

Management expects the housing market activity to remain strong in the coming months due to the influx of immigrants. The federal government would accept more than 1.2 million from 2021 to 2023.

## Think of your finances

Canadians can receive dividends constantly from Chemtrade and Bridgemark. Assuming the yields remain constant, accumulate \$90,000 worth of shares over time to earn \$20 per day. Your capital should also grow to \$180,000 in nine years if you keep reinvesting the 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)

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