2 Dividend Stocks to Earn Money While You Guzzle Egg Nog

Description

Motley Fool investors want to be able to relax over the holidays. That can be hard to do during this volatile market. As of writing, the **S&P/TSX Composite Index** remains below all-time highs. That fall comes after inflation and interest rate hikes, all during the holiday season, when it's already hard to stay on budget.

So, that's why investing can be an excellent strategy during this time. You can pick up some of the best dividend stocks out there and have them pay you just to own them. That can be a huge benefit when your credit card statement comes in. Suddenly, you have passive income that comes in just as regularly as your statements.

This holiday season, don't fret. Enjoy some egg nog (and I mean the hard stuff) without a care with these two dividend stocks in your portfolio.

Vermilion Energy

Vermilion Energy (TSX:VET)(NYSE:VET) used to be one of the dividend stocks with the highest yield around. However, the pandemic took a hit on its production, causing the energy company to cut its dividend completely. But now, it's back, along with a new acquisition.

Analysts remain impressed by the "timing and structure" of its deal to increase its stake in Corrib natural gas. Vermilion is now investing in a project off the coast of Ireland, with a short pay-back period of just two years. The project will be a major free cash flow generator and gives Vermilion more exposure to European markets.

This low-risk opportunity came just as Vermilion re-announced its dividend. While it remains low at just $0.24 per year, it's sustainable. That's what Motley Fool investors should focus on. And that dividend could rise in the near future, with revenue increasing for the company.

If you're willing to make a strong investment in Vermilion, it could be one of the dividend stocks producing $923 per year from a $50,000 investment.

Canadian Net REIT

For some more stable income from dividend stocks, let's look at **Canadian Net REIT** (TSX:NET.UN). Analysts recently upgraded the stock to a buy as it has "substantial" room for growth in the near future. This comes from the REIT's business set up. It requires tenants in its lease agreements to pay property taxes, building insurance and maintenance and repair costs, plus rent. It owns 88 properties, including contributors from major brands like **Loblaw** and **Walmart**.

This unique revenue structure is what's led to predictable cash flow and modest baseline growth. This comes with over a decade of double-digit-per-unit funds from operation and distribution growth. The opportunity for more growth remains, with the potential for $40 to $50 million in "incremental" acquisitions possible.

With shares at $7.90 as of writing, analysts believe a target price of $9 could be met in the next year. That represents a potential upside of 14% as of writing. Further, you can lock in a 3.87% dividend yield. Among dividend stocks it's not the highest, but again, it's stable. A $50,000 investment would bring in $1,898 in passive income.

Foolish takeaway

You'll notice both of these dividend stocks offer lower dividend yields. There's a reason. Over the holidays, you don't want to worry about your portfolio. You want to be with family. You want to think that there is passive income that is *definitely* coming in. That's what you get with these two dividend stocks. So, enjoy that egg nog — you deserve it.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:VET (Vermilion Energy Inc.)
3. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/08/20
Date Created
2021/12/04
Author
alegatewolfe