



1 High-Yielding Dividend Stock for Stable Passive Income

Description

In recent months, the uncertainty in stock markets has made it increasingly challenging for Canadian investors to find promising growth stocks. The TSX undoubtedly boasts several growth stocks trading for attractive discounts. Unfortunately, the market volatility entails a considerable degree of capital risk.

The Bank of Canada (BoC) and the U.S. Federal Reserve have started enacting interest rate hikes to cool down the red-hot inflation. However, interest rate hikes take some time to make a tangible impact on inflation rates. The economy could be volatile until inflation cools down, making growth stocks risky investments to consider.

[Dividend investing](#) has become more popular due to the relative degree of stability income-generating stocks offer. Today, I will discuss a solid dividend stock with high yields while offering monthly payouts. It might make an ideal investment for you under the current market conditions and beyond.

Chemtrade Stock

Chemtrade Logistics Income Fund ([TSX:CHE.UN](#)) is an \$888.96 million market capitalization firm that provides industrial chemicals and services to customers in North America and worldwide. The fact that its clients are primarily industrial customers should be the real key to deriving your interest in investing in the company's shares.

There has been a global shift to increase production across various industries. Many of these companies require specialty chemical products and services to ensure smooth and effective operations. The uptick in production means greater demand for Chemtrade Logistics's products and services, driving more growth for the company in the coming quarters.

The company's performance in recent quarters evidences the surge in demand for its services. Its quarterly earnings report for Q1 in fiscal 2022 saw Chemtrade hit \$390.3 million in revenue, representing a \$77.9 million year-over-year increase. Its earnings for the first quarter of fiscal 2022 also saw its adjusted EBITDA hit \$107.8 million — a far cry from its loss of \$10.7 million in the same period last year.

Improved value and solid dividends

The company's improving financials have already started to reflect in its performance on the stock market. Chemtrade stock trades for \$8.48 per share at writing, up by 15.06% year to date and 38% from its August 2021 low.

It trades for a 2.13 price-to-book ratio and boasts a 14.68 enterprise value-to-EBITDA ratio. Analysts have given Chemtrade Logistics stock a consensus target of \$9.75 per share. It looks well positioned to meet and possibly exceed the target.

Chemtrade Logistics stock boasts an insanely high 7.06% dividend yield at writing which the company pays out each month. Chemtrade was forced to slash its shareholder dividends in half during the pandemic, but its payouts have remained relatively stable over the past 10 years.

Provided that the current situation continues to improve its financials, Chemtrade investors could see a substantial dividend hike in the coming weeks.

Foolish takeaway

Choosing income-generating assets that can deliver reliable payouts is crucial for creating a successful passive-income stream. It pays to conduct your due diligence and pick companies likelier to perform well based on current and future trends in broader markets.

Chemtrade Logistics stock appears to tick all the right boxes. It could be an excellent asset for income-seeking Canadian investors.

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