



3 Top Commodity Stocks for Passive Dividend Income

Description

Are you looking for passive dividend income? If so, commodity stocks are among the best equities to take a look at.

Commodity stocks often pay dividends, especially shares in large, mature commodity companies. These companies don't offer the kind of explosive growth you can get with small commodity stocks, but they offer a lot of cash flow.

In this article I will explore three commodity stocks that can add some much-needed cash flow to your portfolio.

Nutrien

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) is a Canadian fertilizer stock that is well known for its dividend. The yield — 2.25% — isn't overly high, but it could grow over time.

This year, the world is in the midst of a fertilizer shortage. Fertilizer was among the commodities that Russia stopped exporting after its invasion of Ukraine; the loss of supply led to global shortages. Today, countries are working on getting some of that supply back online, but issues remain. Recently, Canadian officials slapped a 35% tariff on Russian fertilizer. That will make imports more expensive, but it will make Nutrien's product all the more desirable.

If you think that the world's fertilizer shortage is likely to last, Nutrien stock could be one way to play the rising price of fertilizer.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is a Canadian oil stock that offers a 4.81% dividend yield. That yield is high already, and it has the potential to grow. In its most recent quarter, Suncor grew its revenue by 75% and its earnings by 360%. In the second-most recent quarter, it raised its dividend by

12%. That was the company's second dividend hike in just one year. Shortly before that hike, the company doubled its dividend, reinstating the payout that was cut when COVID-19 damaged Suncor's business in 2020.

Can the dividend continue rising from here?

Potentially, yes. Although [oil prices](#) have been falling over the last month, they're still high enough for Suncor to grow its earnings tremendously compared to last year. As mentioned previously, Suncor's earnings-growth rate was an astonishing 360% in the most recent quarter. If it can pull off only a quarter of that growth for the third quarter, it will be growing very rapidly. So, the company is in a good place.

Cameco

Cameco ([TSX:CCO](#))([NYSE:CCJ](#)) is a uranium mining company that is delivering positive gains this year. Since the start of the year, it's up 11%, which is impressive considering that stocks as a whole are down in the same period.

This year, nuclear energy is making a comeback after years of unpopularity. The oil crisis inspired countries to look for alternative energy sources, and nuclear energy was one of those proposed. Just recently, the European Union voted to allow nuclear energy to be labelled as "green." Cameco supplies uranium, the commodity needed to fuel nuclear reactors, making it one of the most obvious beneficiaries of this trend.

It's beginning to show in the company's earnings. In its [most recent quarter](#), CCO delivered \$558 million in revenue, up 55%, and \$84 million in net income, up from a loss. It was a pretty good showing, and if the company can keep it up, it may have a bright future. Today, Cameco only yields 0.36%, but if demand for uranium picks up, the company could potentially raise the payout.

If you feel like betting on the future of energy and collecting dividends in the process, CCO is one stock to do it with.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. NYSE:NTR (Nutrien)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CCO (Cameco Corporation)
5. TSX:NTR (Nutrien)
6. TSX:SU (Suncor Energy Inc.)

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. andrewbutton
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/08/14

Date Created

2022/08/11

Author

andrewbutton

default watermark

default watermark