



## Crescent Point Energy Corp. Can Help You Survive the Oil Bear Market

### Description

In an exclusive report from Reuters, it was revealed that Saudi Arabia had let its OPEC partners know that it would be perfectly fine with lower oil prices. Its attempt is to inhibit the growth of rival producers; specifically, it wants to slow the growth of those in the U.S. shale business.

The problem is that Saudi Arabia is willing to drop the price of oil down to \$80 a barrel. And it's willing to do this for a couple of years, if the report by Reuters is true.

In the past, Saudi Arabia has actually cut production in an attempt to raise prices because of fear of losing money. But it's thinking long term this time: If the United States can get all its shale properties up and running, the Arab nation will be severely harmed. By diminishing all potential profits, it'll force these oil exploration companies to slow down.

So how can you expect to survive the coming oil bear market?

### Buy big oil companies that pay dividends

At the end of the day, oil isn't going away. And many of the Canadian oil companies are in solid positions to survive this bear market. But as an investor, you need to get a return on your money and if oil is depressed, the shares won't increase in price. I don't view oil companies as a solid investment in the near term if you're looking for the price to go up.

But there is one company that I think will be able to withstand Saudi Arabia's attempts at price manipulation and pay a handsome dividend. **Crescent Point Energy Corp.** (TSX: CPG)(NYSE: CPG) pays out a 7% dividend monthly. It has done this for the past decade. If oil prices went down, the company still paid handsomely to its investors.

At the beginning of the year, Crescent Point acquired CanEra. This has resulted in an extra 10,000 barrels of oil a day. That increased production will give Crescent Point the money it needs to survive, but also continue paying its investors.

There are plenty of other oil companies that you could buy. But a 7% dividend is too great to pass up,

and I believe Crescent Point is the stock you should own when Saudi Arabia forces oil prices down to \$80 a barrel.

### **There is one other way**

No matter the price of oil, whether it's \$50 a barrel or \$150 a barrel, it needs to get from point A to point B. Transportation is key. If you buy the carrier of the oil, I believe you'll only see growth.

### **CATEGORY**

1. Energy Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:VRN (Veren)
2. TSX:VRN (Veren Inc.)

### **Category**

1. Energy Stocks
2. Investing

### **Date**

2025/09/10

### **Date Created**

2014/10/14

### **Author**

jaycodon

default watermark

default watermark