



## Canadian Oil Sands Ltd.: Earn \$1,500 in Monthly Income Starting Nov. 29

### Description

This is your last chance to collect an upcoming dividend payment on a stock that yields over 8%.

That's right. I've found a firm that earns so much cash, it can pay more than TRIPLE the yield of your typical blue-chip stock. This dividend is so big, you could literally retire on it. But if you want to collect this 8% dividend, you must take action by November 20.

Let me explain...

The oil patch is a great source of dividends for yield-hungry investors. No doubt, these firms are riskier than your typical income stalwarts. However, most energy companies are conservatively managed and are some of the most reliable dividend payers in the market.

Take one of my income favourites, **Canadian Oil Sands Ltd.** (TSX: COS), for example. It is the biggest shareholder in Syncrude Canada Ltd. — one of the largest energy projects in the world and responsible for producing over 12% of Western Canada's crude oil.

There are a number of reasons to like this name. Over the next few years, its capital budget is expected to fall 80% with the completion of several major Syncrude projects. That will free up a huge amount of cash for dividend hikes and share buybacks.

And the recent plunge in energy prices aside, the outlook for the oil sands is actually improving. For years, Alberta bitumen has traded at a discount to other crude blends thanks to a shortage of pipeline capacity. However, this discount has been cut in half in recent months thanks to the ramp-up of crude-by-rail transit.

That gap is likely to narrow even further. **TransCanada Corporation** has been pushing for approval of its Energy East pipeline. If given the green light, this would ship 1.3 million barrels per day of Alberta crude to refineries on Canada's east coast. This would singlehandedly replace the controversial Keystone XL pipeline.

**Enbridge Inc.**, Canada's largest pipeline shipper, is also coming to the aid of oil sand miners. It plans

to add 1 million barrels per day of export capacity through a series of projects by 2015. Some of these initiatives include reversing its Line 9 route, eliminating bottlenecks in the Chicago area, as well as twinning the Spearhead and Seaway pipelines.

However, the main reason why I love this stock is the firm's big distribution. Canadian Oil Sands pays a quarterly dividend of \$0.35 per share, which comes out to a yield of 8.1%. That's the second-highest distribution in the **S&P/TSX 60** index and the biggest amongst large-cap Canadian oil stocks.

It's important to note that to earn \$1,500 per month, you would need to purchase \$225,000 worth of shares at today's prices. Of course, you can get started earning dividend income with much smaller sums.

Best of all, investors can start earning dividend cheques almost immediately. However, if you want to collect this 8% yield, you have to be a shareholder of record before November 20. If you sign up by that day, you'll be eligible to receive your first payment on November 29.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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