Collect Up to $1,200 in Monthly Income Starting July 15

Description

This is your last chance to collect the upcoming dividend on a safe stock that yields over 9.7%.

That's right. I've found a company that generates so much cash, it's able to pay more than TRIPLE the dividend of your typical blue-chip stock. In fact, shareholders in this remarkable business earn up to four times more in retirement income than an RRSP.

But if you want to collect this giant dividend, then you have to act fast. The next round of cheques are scheduled to be mailed out in a few weeks. To be eligible, you have to become a shareholder of record by Friday, June 26. Let me explain…

The energy patch has not historically been a great place to look for dividend income, but that might be about to change.

Drilling for oil is an expensive business. As a result, producers are forced to plough almost all of their profits back into operations just to keep the lights on. That's why outside of a few super majors or master limited partnerships, few energy stocks ever sport big yields.

That was true, at least, before the current downturn. The recent drop in crude prices, however, has knocked down valuations on many high-quality oil stocks. Investors can now find juicy payouts in shares of battered firms, many of which are yielding 5%, 7%, even 10%.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) is one of my favourites. Only 10 years ago, the company was an obscure start-up based out of Calgary. But through a series of savvy acquisitions, Crescent Point has assembled a rich portfolio of assets across Utah, Alberta, and Saskatchewan.

As a result, the stock is now gushing dividends. Today Crescent Point pays a monthly distribution of $0.23 per share, which comes out to an annual yield of 9.7%. Needless to say, that's one of the tallest payouts in the Canadian oil patch.

With a payout like this, it doesn't take a large investment to generate some serious cash flow. Starting with a $15,000 investment, you can earn an extra $120 in monthly income. With a $150,000 investment, you can collect $1,200 per month.

Initial Investment	Monthly Income	Annual Income
$1,500	$12	$144
$15,000	$120	$1,440
$150,000	$1,200	$14,400

And while other energy companies are struggling under the weight of low oil prices, Crescent Point is under no immediate pressure to cut its dividend.

Before rates started plunging last summer, management locked in prices for some of its future production. As of May the company had hedged nearly half of its oil output through the remainder of 2016 at an average price of more than US$90 a barrel.

It's worth noting that Crescent Point has maintained its dividend since 2008, and energy has had lots of ups and downs in that time. Oil prices would have to fall to less than US$45 a barrel—and stay there for six months or so—before management would even consider a cut. And if the company ever did need to conserve cash, it could always cut back on capital spending.

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Bottom line, despite the recent drop in oil prices, Crescent Point still pays out one of the safest distributions around. In fact, the company is exploiting its strong financial position to scoop up overleveraged rivals on the cheap. Crescent Point could actually exit the industry's current downturn in a stronger position than it entered.

However, if you want to start collecting these "oil-well royalties," then you have to act fast. The next round of distributions are scheduled to be mailed out in a few weeks. That's why you need to become a shareholder by June 26 to be eligible to collect your first dividend cheque on July 15.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. Editor's Choice

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

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