



Where Investors Can Find Dividends and Capital Appreciation in the Oil Patch

Description

After several tumultuous years in the oil patch, investors may finally be starting to see the light at the end of the tunnel, as the “smart money” has started to get involved and vocalize some displeasure with share performance.

In the case of **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG), shareholder Cation Capital has now publicly called on company management and the board of directors due to the company’s underperformance in comparison to the rest of the industry. Crescent Point is at a current price of approximately \$10 per share; investors seeking both capital appreciation and dividend yield may be handsomely rewarded with a 3.5% dividend.

Major shareholders are undertaking a shakeup effort to unlock shareholder value with the desire to nominate four members to the board of directors. The hope is that a fresh set of eyes will bring new ideas about how to [monetize](#) the current book value of the company (which sits at more than \$16 per share).

As assets depreciate in value, and the cash flows continue to be paid out in the form of dividends, investors need to start demanding more of this name. Should the company begin delivering, the reward could easily be a doubling of the stock price!

The second name on the list is none other than **Inter Pipeline Ltd.** (TSX:IPL), which has started to turn the corner from a 52-week low of slightly less than \$22 per share. At a share price of almost \$23.50, shareholders need to consider this name under the right circumstances. Inter Pipeline is a pipeline company that moves oil from one point to the next. The result is that the fee charged to the client will be charged no matter what price oil is currently trading at. The good news for investors is that the dividend, which is paid on a monthly basis, offers a yield of no less than 7.2% while investors remain [patient](#).

With the potential to increase revenues as more oil is produced (at hopefully higher oil prices), investors will be paid extremely well while they wait for oil prices to move even higher.

But will prices move higher?

Although there are many naysayers, investors must realize that the biggest IPO in history (Saudi Aramco) is expected to come to market at some point in the next 12 to 18 months, which will make many individuals even wealthier than they currently are. Investors need to understand that the price of oil may very well dictate the value of this company — a dominant player in the oil market. The result is expected to be that Saudi Arabia will take actions within its power to increase the price of oil and maximize the value of this IPO — just as it should. Until that time, Canadian shareholders can enjoy both capital appreciation and higher dividends as oil moves up.

CATEGORY

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

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