

How Investors Can Become Millionaires Investing in Energy!

Description

After several challenging years in Canada's oil patch, Canadian investors who have been patient may finally be in a position to benefit substantially from the current price of oil, which is fast approaching the US\$70 mark. Although this number is a far cry from the past highs of \$120 per barrel or more, investors still have much to gain from investing in many of these names.

As a result of a lot of cost cutting and a reduction in oil exploration, there has finally been a steeper amount of contango that is now apparent in the market. Contango is the name given when the future price of a commodity (sold today and delivered in the future) is higher than the spot price (oil sold and delivered today). In the most simple terms possible: the bulls are back in the oil market.

In order for investors to take a modest sum of money and hit the \$1 million dollar mark, they must buy and hold for a long period.

For those who begin with as little as \$10,000 and contribute an additional \$5,000 per year, a 13% return will allow them to cross the line in 25 years' time. Although this may seem like a long time, the truth is that a 40-year-old with only \$10,000 to their name still has the chance to retire relatively wealthy and enjoy their golden years. It's all about discipline from here on out!

The first thing in the energy sector that needs to be considered is none other than **Inter Pipeline Ltd.** (TSX:IPL) which, at a current price of \$24 per share is offering investors a 7% dividend yield with the potential for an [increase](#) in the coming year. In spite of lower oil prices, the dividend has remained rock solid, as the company is nothing more than a pipeline company that continues to charge a fee to move the product between two points once produced. Although there will be a greater amount of production at higher prices, the revenue stream has remained consistent over the past several years.

With oil prices on the upswing, investors continue to experience a lot of upside when this relatively defensive name as the production of oil hopefully increases.

For those who seek something much more exciting, shares of **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) have moved from a floor price of approximately \$8 per share to approximately \$11 as the highest cost oil production company has finally heard from disgruntled shareholders amidst higher oil prices. In spite of carrying a substantial amount of tangible book value, investors have yet to realize that the value is not only in the assets of the company, but also in the dividend yield of more than 3.25%, which is paid on a [monthly](#) basis.

With two very different options that could easily return more than 13% per year for many years to come, investors need to figure out which option is the right one for them. Both will be winners!

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2. Energy Stocks

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Date

2025/08/29

Date Created

2018/04/24

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