



Investing in the Dark: An Opportunity Investors Can't Miss!

Description

Over the life of every investor, there are typically a handful of opportunities that present themselves with only one outcome: success. The questions that must be answered by investors are:

1. How much do I want to buy?
2. Just how much profit will I be satisfied with?

On certain occasions, the opportunity presents itself as a result of the assets owned by the company (high quality or unique), whereas in other cases, it is because of the valuation of the overall market. Certain stocks just get beat up more than others. The current opportunity being offered to investors results from the valuation of the stock, the dividend, and the unique assets owned and operated by the company.

The security in question is none other than **Cineplex Inc.** ([TSX:CGX](#)), which currently offers a dividend yield of almost 6% which is paid to investors on a monthly basis instead of the standard quarterly payment. Traditionally a top holding for income investors, the company has had a rough time over the past year, as the movie lineup was not very good, and many Canadians had better things to do. To boot, the economy has been consistently improving, which has led many to undertake activities that are more costly and [exciting](#).

The history of the movie theatre industry has traditionally been that of over performance during recessionary times and underperformance during bull markets. Investors need to understand that this is not an accident. Hollywood production studios are very aware of the propensity for people to visit a movie theater; they've done the research. What is surprising about this research is that many people will only visit a movie theatre during a recession, as they view the outing as economical.

Another major advantage that investors receive upon purchasing shares is the receipt of a unique asset. As there are only so many movie theatres in the country, the company maintains a substantial amount of pricing power. In many communities, there are no competitors, and the barriers of entry remain high given the pricey real estate that is occupied by the theatres.

For those who are not fans of Cineplex due to the high payout ratio, a second name to consider is **AMC Entertainment Holdings Inc.**

([NYSE:AMC](#)). After completing a major acquisition in the southern United States and South America, AMC has substantial potential for capital appreciation over the next few years. To make this name even more attractive, the dividend yield is a very generous 5.4% and is sustainable as we move into the [next recession](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AMC (AMC Entertainment)
2. TSX:CGX (Cineplex Inc.)

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