



Investors Can Make Massive Profits With Black Gold!

Description

The past week has been extremely exciting for investors in the oil sector, as the commodity increased by US\$3.74, or 5.7%, on Friday to close the week at US\$69.28 per barrel. As the black gold approaches the US\$70 mark, investors have numerous opportunities to make a profit when taking a position.

With a lot of new developments to look forward to, the oil sector is sure to be talked about by the media more than average in the future. At the present time, the most provocative news is almost certain to come from Saudi Arabia, with expectations that the world's largest initial public offering (IPO) from government-owned Saudi Aramco will hit the market within 18 months.

The valuation of the oil giant will be based on the potential for profit over the life of the company. As it stands to reason that higher oil prices will lead to higher profits for the behemoth, the oil-rich nation may behave in a way to maintain a high price of oil — at least until the date of the IPO. The motivation would, of course, be to maximize the value of Saudi Aramco once it comes to market.

In spite of many naysayers, investors should not have any issues with this action. A company is coming to market, and the owners simply want to maximize its value. We've all taken this approach with the securities that we've owned in the past.

With higher oil prices comes a substantial amount of opportunity in the oil sector. To begin with, shares of **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) are now [closing in](#) on a price of \$10 after seeing a low in the \$8 range. At these levels, investors are still receiving a bargain, as the stock continues to pay a dividend of 3.75% and holds a substantial amount of upside due to the tangible book value on the balance sheet. The downside, however, will be the larger than average fluctuations experienced by shareholders willing to go along for the ride.

For those seeking lower risk with a higher than average dividend, shares of **Inter Pipeline Ltd.** (TSX:IPL) offer a dividend yield of no less than 6.7% with the potential to increase the payment in the coming year. As the price of oil increases, a greater number of oil producers will need to move their production through the pipeline to get it to market. Barring a dividend increase, investors could also be

well rewarded with a share buyback, as the float of this name is getting [bigger and bigger](#).

For investors considering an entry point into Inter Pipeline, it is worth noting that the train has already started to leave the station. Shares have crossed over the 200-day moving average and are again running in bull territory. With the expectation that oil will remain there for at least another two years, investors should not hesitate to answer the call!

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1. Energy Stocks
2. Investing

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1. Editor's Choice

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