



As Oil Recovers, So Does Alberta: Here's How Investors Can Reap the Rewards!

Description

Three years ago, the province of Alberta went into a deep recession, as investors saw the bottom fall out of the price of oil. What was previously priced at more than US\$125 per barrel declined to less than US\$30 per barrel for a brief period of time in early 2016. Fast forward a few years, and oil has found a balance at a price near the US\$70 mark, where many producers have at least a small amount of certainty to produce and employ many people for the foreseeable future.

As is typically the case, with sustainable employment, more individuals are able to make investments in things like housing and/or a new vehicle. Without gainful employment, these things are not necessarily possible.

The first name to consider is none other than **Melcor Developments** ([TSX:MRD](#)), which currently trades at a price of \$14.50 per share and offers investors a sustainable dividend yield of no less than 3.5%, which is supported by the secondary divisions that own and rent industrial and commercial space — both fantastic markets to be invested in.

The “call option” on these shares is in the development/building division, which is the main focus of the company. In spite of higher interest rates, the potential for the company to accelerate the rate at which they build and sell new homes will flow straight through to the bottom line once the recovery in oil is accepted by the market. Given the driving factors in this market, we may be on the cusp of another major move upwards.

In order to get from home to work, consumers will once again begin seeking a new (and more dependable) vehicle. At a current price of \$14.35 per share, the dividend yield of **AutoCanada** ([TSX:ACQ](#)) has become a serious 2.8%. As this number approaches the 3% mark, investors can begin “shooting fish in the barrel,” as the dividend is more than covered by the current operations of the company, and excess cash may be utilized to undertake a share buyback. Time will tell exactly [when that will happen](#).

The last name on the list is **Canadian Western Bank** ([TSX:CWB](#)), which has already started to recover from the province's recession. As a financial company that provides lending services to other

businesses, it is understandable that this name will be a leading indicator to the health of the local economy (in which it operates). At a price of \$36.50 per share, the dividend yield is no less than 2.75%, which has the potential to [increase dramatically](#) as the company continues to forge east and diversify its business model along the way.

With the potential to benefit from the rise in the price of oil in a substantial way (without having to actually invest in the black gold), investors can smile all the way to the gas pumps, as each fill up can put more dollars in their bank accounts through dividends and corporate profits!

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ACQ (AutoCanada Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:MRD (Melcor Developments Ltd.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Energy Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/07/21

Date Created

2018/08/09

Author

ryangoldsman

default watermark

default watermark