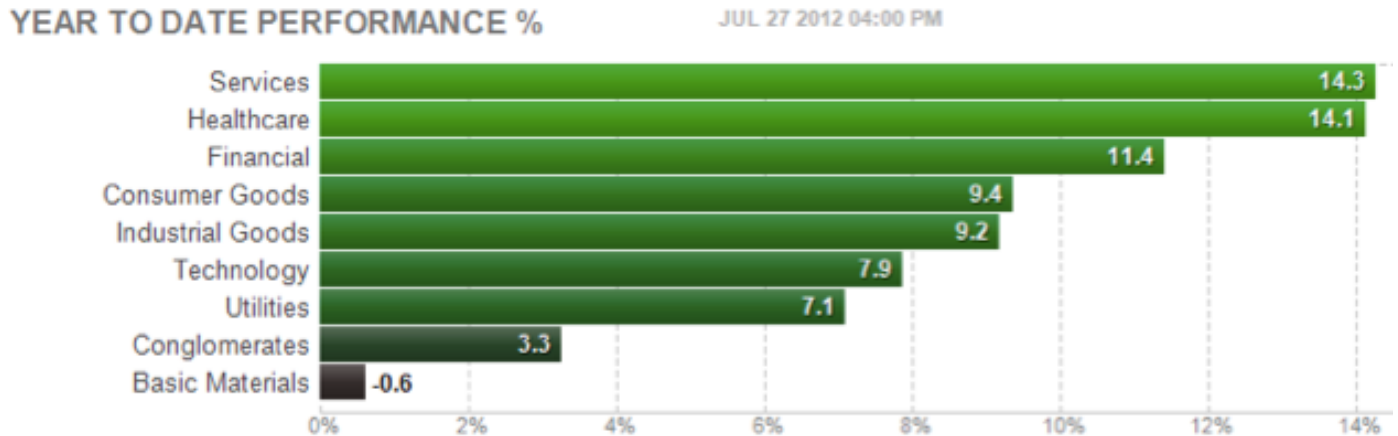


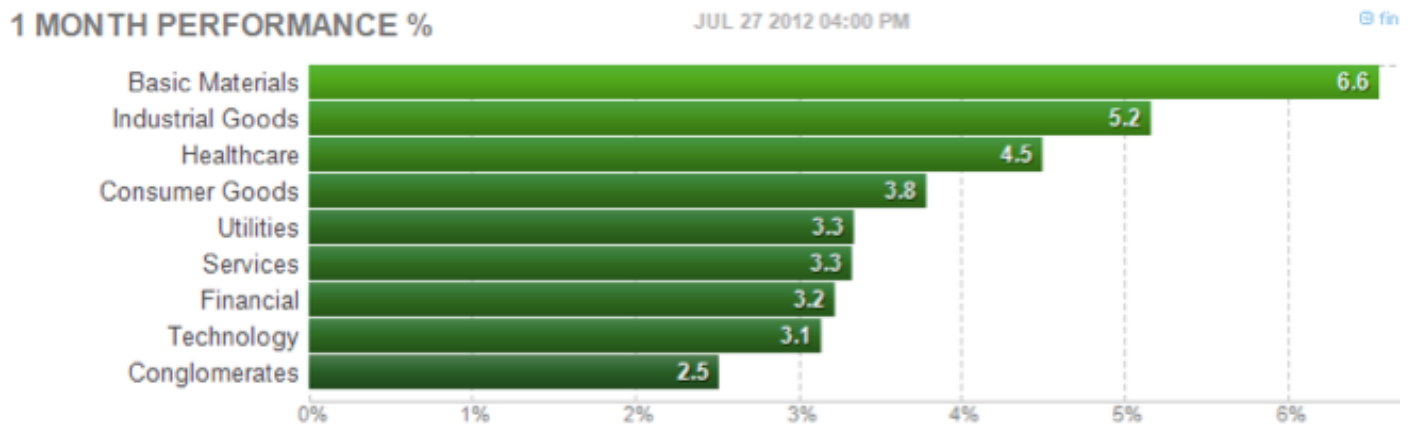
### 3 Basic Materials Dividend Stocks Trouncing The Market

By Robert Hauver

Basic Materials had been getting pummeled in 2012, for a number of reasons, chiefly the slowdown in the world economy, particularly China, and a strong dollar. This sector is the worst performing sector so far, down 0.6% in 2012:



However, over the past month, this sector has outperformed all others, thanks to a falling dollar, and renewed stimulus from the Chinese government:



Here are the top 3 dividend paying stocks in this group over the past month:

Ticker	Company	Industry	Market Cap	Performance (Month)	Performance (Year-To-Date)	Short Float
RES	RPC Inc.	Oil & Gas Equipment & Services	\$3.05B	27.82%	16.19%	21.77%
HAL	Halliburton Company	Oil & Gas Equipment & Services	\$31.03B	23.56%	-2.04%	2.25%
ESV	Enscopl	Oil & Gas Drilling & Exploration	\$12.60B	23.40%	17.85%	1.15%

They all look pretty good, except when you look at that last metric - Short Float. With a high short float of 21.77%, it seems that many traders are betting against RPC. One big reason is most likely the EPS negative estimates of -15.83% for its next fiscal year. That leaves [Halliburton, which we wrote about earlier this month](#), and Enscopl, an Oil & Gas Drilling/Exploration stock which struggled in 2011, has some good EPS growth prospects for 2012, and is currently undervalued on a PEG basis:

Ticker	P/E (Trailing 12 months)	EPS growth Most Recent Fiscal Year	EPS Growth Next Fiscal Year	PEG: Next Fiscal Year	Price/Sales	Price/Book
ESV	15.09	-18.74%	33.65%	0.45	3.59	1.14

**Dividends:** Although it's not part of the high dividend stocks world, Enscopl has a respectable dividend yield, and did raise its quarterly dividend to \$.38/share from \$.35 in the 1st quarter of 2012, plus, it has a conservative dividend payout ratio. It also made a huge jump in its quarterly dividend payouts in 2010, going from \$.025, up to \$.35, which accounts for its very high 5-year dividend growth rate:

Ticker	Dividend Yield	Dividend Payout Ratio	5-Year Dividend Growth Rate	Quarterly Dividend	Next Ex-Dividend Date approx.
ESV	2.75%	41.47%	69.52%	\$.38	9/7/12

Covered Calls: Even with ESV's high dividend growth rate, it's easy to substantially embellish your income on this stock, via selling covered calls. **ESV's December \$55.00 call options are now paying 5 times what its next 2 quarterly dividends pay.**

You can see more details on this and over 30 other high yield options trades in our [free Covered Calls Table](#):

ESV 7/27/12 PRICE PER SHARE	DIVIDEND PER SHARE \$ PAID PRIOR TO CALL EXPIRATION	ANNUAL'D DIVIDEND YIELD %	CALL OPTION EXPIRATION MONTH & STRIKE PRICE	CALL BID PREMIUM	ANNUAL'D CALL YIELD	TOTAL ANN'D STATIC YIELD	POTENTIAL ASSIGNED YIELD	ANNUAL'D TOTAL POTENTIAL YIELD
\$54.47	\$0.76	3.54%	DEC. 2012 \$55.00	\$3.80	17.68%	21.22%	2.47%	23.69%

Cash Secured Puts: Want to sneak up on this stock, and get a lower entry cost? ESV's December \$52.50 put options offer you a \$48.60 break-even price, which is nearly 11% below ESV's current share price:

You can see more details on this and over 30 other high yield options trades in our [free Cash Secured Puts Table](#):

ESV 7/27/12 PRICE PER SHARE	DIVIDEND PER SHARE \$ EX-DATES BEFORE PUT EXPIRATION	ANNUAL'D DIVIDEND YIELD %	PUT OPTION EXPIRATION MONTH & STRIKE PRICE	PUT BID PREMIUM	ANNUAL'D PUT YIELD	100% CASH RESERVE AMOUNT	BREAK-EVEN PRICE	52-WEEK LOW
\$54.47	\$0.76	3.54%	DEC. 2012 \$52.50	\$3.90	18.83%	\$5,250.00	\$48.60	\$37.39

Disclosure: Author had no positions in any of the stocks mentioned at the time of this writing.

Disclaimer: This article is written for informational purposes only and isn't intended as investment advice.

Author: Robert Hauver © 2012 Demar Marketing All Rights Reserved