

"5 High Dividend Shipping Stocks Going Ex-Dividend Soon"

by Robert Hauver

Looking for more income from your portfolio? Income investors have been hopping aboard shipping stocks in 2016, enticed by their high dividend yields.



This sub-industry has certain companies which are becoming more well-known for their stable business models, which are based upon long term contracts, with solid counter parties. After all, who doesn't want to have a glimpse into the future? These stocks will typically have around a 5-year or longer remaining length of time on their contracts, not including options to extend.

They've all IPO'd within the past approx. 5 years, and their cash flow and earnings growth is based upon a "dropdown" model, in which their parent companies, usually known as sponsors and/or general partners will sell them assets, which already have signed contracts on them.

2 of these stocks, DLNG and GMLP, are in the LNG, (liquefied natural gas), shipping business - which is heading toward major production growth in the US and Australia, as long term projects start producing and shipping.

DLNG is in a unique niche - it has the only cold weather fleet capable of shipping LNG over the harsh northern arctic sea routes. KNOP is also a niche player - it owns a fleet of shuttle tankers. Crude producers can't make any money on their oil unless they get it into port, and guess what? It's a whole lot cheaper to hire a tanker, vs. building an underwater pipeline. The shuttle tanker business is tiny compared to other shipping segments, so there's not a lot of competition or speculation in it.

NAP owns VLCC's - (very large crude container vessels), which are in strong demand due to the oil glut. All of these stocks' vessels are contracted out into the future, vs. playing the spot market.

Their Price to Distributable Cash Flow ratios are all attractive - NAP uses a Cash Available For Distribution metric, which we've used in this table. NAP is selling below Book Value, but maybe not for long - it reports on 4/27/16.

Ticker	Company	IPO Date	Market Cap	P/DCF	P/E	Forward P/E	P/SALES	P/BOOK
NAP	Navios Maritime Midstream Partners L.P.	11/14/14	\$227.29M	3.33	8.41	8.43	2.73	0.77
KNOP	KNOT Offshore Partners LP	4/10/13	\$520.48M	7.72	12.15	10.32	3.36	1.02
DLNG	Dynagas LNG Partners LP	11/13/13	\$508.2M	7.86	9.11	9.95	3.50	1.86
GMLP	Golar LNG Partners LP	4/8/11	\$1.05B	6.28	5.63	6.48	2.49	2.07

Distributions: Our [High Dividend Stocks By Sectors Tables](#) track all of these 5 stocks and their current yields, in the Energy section. These high dividend yields are all well-covered, and they should all go ex-dividend in the first week of May.

	Ticker	PRICE PER SHARE (4/25/16)	Forward Common Dividend Yield	Most Recent Quarterly Distribution	Ex-Dividend Date	Distribution Coverage (ttm)	Pay Date
Navios Maritime Midstream Partners LP	NAP	\$12.10	13.97%	\$0.4225	5/4/16	2.15	5/12/16
KNOT Offshore Partners LP	KNOP	\$19.37	10.74%	\$0.52	5/2/16	1.22	5/16/16
Dynagas LNG Partners LP	DLNG	\$15.25	11.08%	\$0.4225	5/3/16	1.15	5/12/16
Dynagas LNG Partners LP PREFERRED A SHARES	DLNG-A	\$22.57	9.97%	\$0.5625	5/3/16	13.05	5/12/16
Golar LNG Partners Limited Partnership	GMLP	\$17.15	13.47%	\$0.578	5/5/16	1.19	5/14/16

DLNG also has *Preferred A Series* shares with a huge 13.05x distribution coverage, that has a long term liquidation yield of almost 13%. This table details what your income and eventual price gain would be, if you buy these shares now, and hold them until their 8/12/20 Call Date, and if DLNG redeems them on 8/12/20. If they don't, they must keep paying you the \$.5625 distribution/dividend every quarter until they do redeem them.

Ticker	PRICE PER SHARE (4/25/16)	LIQUIDATION PRICE	Pre-Call Date Dividends	BREAKEVEN; Dividends + Price Gains vs. Liquidation Price	CURRENT PRICE VS. \$25.00 CALL PRICE	CALL DATE	NET PROFIT IF CALLED AT CALL DATE	ANNUALIZED LIQUIDATION YIELD
DLNG-A	\$22.57	\$25.00	\$10.13	\$10.02	-\$2.43	8/12/20	\$12.56	12.93%

These are cumulative shares, so DLNG must pay you any dividends it misses. In addition, they can't stop paying these preferred dividends and keep paying their common ones...and we all know what happens when a stock cuts their common payouts - management definitely doesn't want to do it.

Options: We're currently tracking 2016 options-selling trades for KNOP and GMLP in our free [Covered Calls Table](#), and our [Cash Secured Puts Table](#), both of which have details for option trades on over 30 stocks. Consensus Price Targets: After being beaten down in 2015, these shipping stocks have come back full speed ahead, especially since mid-February, when Crude Oil bottomed out. It appears that the market has finally sifted through this industry, and rewarded the stocks representing the strongest business models.

You know what's amazing, though? These stocks are up anywhere from 28% to over 78% in the past quarter, and they're still down over the past year:

Ticker	Performance (Month)	Performance (Quarter)	Performance (YTD)	Performance (Year)	52-Week High	52-Week Low	Average Volume (millions)
NAP	20.18%	28.13%	9.69%	-11.23%	-26.06%	89.79%	105.84
KNOP	19.00%	64.85%	47.01%	-17.27%	-18.82%	107.02%	75.05
DLNG	66.31%	78.18%	66.24%	-11.65%	-18.08%	137.87%	212.77
GMLP	17.97%	39.37%	36.45%	-29.25%	-35.98%	137.53%	404.26

Currently, GMLP has the most variance vs. the consensus price target. Most of them report earnings over the next few weeks, so we may see analysts adjusting their price targets after the new reports come out:

Ticker	Earnings Date	Target Price	4/25/16 Price	Current Upside Variance
NAP	4/27/16 8:30	\$13.00	\$12.06	7.79%
KNOP	5/11/16 8:30	\$18.29	\$19.33	-5.38%
DLNG	5/12/2016 ?	\$12.40	\$15.35	-19.22%
GMLP	5/30/2016 ?	\$19.52	\$17.43	11.99%

Financials: NAP has the lowest Debt/Equity, and the highest Current Ratio of this group. The 2 LNG stocks, DLNG and GMLP, have much higher margins than NAP and KNOP.

Ticker	Return on Assets	Return on Equity	Current Ratio	Total Debt/Equity	Operating Margin
NAP	5.90%	10.10%	11.20	0.72	45.50%
KNOP	3.50%	8.30%	0.40	1.32	43.90%
DLNG	6.30%	20.30%	0.50	2.31	60.70%
GMLP	7.61%	28.82%	0.25	2.49	60.60%

Disclaimer: This article is written for informational purposes only. Please perform your due diligence before investing in any of the stocks mentioned in this article.

Disclosure: Author owned NAP, DLNG, DLNG-A, KNOP, AND GMLP at the time of publication.