

## These 2 Undervalued, Oversold High Dividend Stocks Yield 10-12%, and Go Ex-Dividend Soon

by Robert Hauver

Looking for bargains in the high dividend stocks department? This article covers 2 relatively new dividend paying stocks, both of which have been hammered along with the rest of the Energy/Basic Materials complex over the past month. In October alone, the Energy sector is down over -13%, while the Basic Materials sector is down over -10%. A rising US \$, plus fears of a global recession, and a glut of oil have put pressure on these groups.

However, we have 2 stocks which we feel represent attractive long term values for income investors, due to certain advantages that their operations enjoy:

Ticker	Company	Industry	IPO Date
NSLP	New Source Energy Partners L.P.	Independent Oil & Gas/OilField Services	2/8/13
OCIR	OCI Resources LP	Industrial Metals & Minerals	9/13/13

Company Profiles:

New Source Energy Partners L.P.: NSLP is engaged in the acquisition and development of oil and natural gas properties in the United States, and is *rapidly growing its Oilfield Services division*. As of 12/13/13, NSLP had 124,759 gross acres in the Golden Lane field in east-central Oklahoma; and 161 gross proved undeveloped drilling locations. Its estimated proved reserves on its properties consisted of 20.6 MBoe. NSLP is based in Oklahoma City, Oklahoma.

OCI Resources LP: OCIR is engaged in the trona ore mining and soda ash production businesses in the US and internationally. *As a natural soda ash producer, OCI Resources has a big cost advantage over synthetic producers*. It has approx. 23,500 acres of subsurface leased/licensed mining areas in the Green River Basin of Wyoming. OCIR also processes trona ore into soda ash, which is a raw material in flat glass, container glass, detergents, chemicals, paper, and other consumer and industrial products. OCI Resources LP is based in Atlanta, Georgia.

Dividends: Our [High Dividend Stocks By Sectors Tables](#), lists both of these dividend stocks, (in the Energy and Basic Materials sections).

Both stocks have whopper dividend yields, thanks to the fall pullback – OCIR's dividend yield is nearly 10%, and NSLP's is over 12%.

They should both be going ex-dividend soon, sometime around 10/30/14:

Ticker	Forward Dividend Yield	Quarterly Dividend	Next Ex-Dividend Date (approx.)	Distribution Coverage
NSLP	12.71%	\$0.585	10/30/14	1.15
OCIR	9.52%	\$0.5000	10/30/14	1.24

Options: OCIR doesn't have options currently. NSLP does have options, but our [Covered Calls Table](#), and our [Cash Secured Puts Table](#) don't list any NSLP trades in yet, since the options yields aren't that attractive.

Performance: NSLP and OCIR have been hit hard over the past quarter and month, and are both oversold on their stochastic charts:

Ticker	Performance (Month)	Performance (Quarter)	Performance (Year)	Performance (YTD)	52-Week High	52-Week Low	Performance (Month)
NSLP	-12.31%	-18.06%	-1.08%	-9.40%	-33.62%	-5.34%	-12.31%
OCIR	-8.57%	-10.12%	15.20%	13.57%	-18.18%	12.85%	-8.57%



**OCI Resources LP Common Units r (NYSE)**

Range: 1d 5d 1m 3m 6m 1y 2y Type: Bar | Line | Candle Scale: Linear | Log Size: M | L

Moving Avg: 5 | 10 | 20 | 50 | 100 | 200 EMA: 5 | 10 | 20 | 50 | 100 | 200

Indicators: MACD | MFI | ROC | RSI | Slow Stoch | Fast Stoch | Vol | Vol+MA | W%R

Overlays: Bollinger Bands | Parabolic SAR | Splits | Volume

Compare: OCIR vs



Earnings: NSLP closed a deal in June, in which it bought the assets of 2 Oilfield Services companies, EFS and RPS, which it feels will add substantially to its EBITDA generation. In fact, in its Q2 2014 earnings release, NSLP stated that, "Revenue for the oilfield services segment was \$10.1 million for the second quarter of 2014. Including EFS and RPS historical results of operations from the effective date of 4/1/14, revenue for the oilfield services segment would have been \$39.2 million for the

second quarter of 2014.”

So, these 2 new companies should quadruple NSLP’s Oilfiled Service revenue, which will greatly improve its distribution coverage, even with future distribution increases. It will also help mitigate the effect of future share dilution, when NSLP acts upon the \$50M common unit sale distribution agreement it recently announced with BMO Capital Markets.

Here’s a comparison of NSLP’s Revenue & EBITDA guidance for the 2nd half of 2014, vs. its actual figures from the 2nd half of 2013 – the growth should be huge:

(thousands)	2nd Half 2014 Estimate: Oilfield Services only	2nd Half 2013 Actual (E&P only)	2014 2nd Half Totals with E&P Rev. & EBITDA flat	Growth Estimates
Revenue	\$76,000.00	\$26,928.00	\$102,928.00	282.23%
EBITDA:	\$16,150.00	\$15,241.00	\$31,391.00	105.96%

OCIR: On OCIR’s Q2 2014 earnings release, Kirk Milling, CEO, commented, “we are on pace for record setting production volumes in the year. As we move into the second half of the year, our volumes will be higher as the fourth quarter is typically our strongest quarter of the year.”

Valuations: These Valuation and Financials tables aren’t meant for comparing these 2 very different companies, but rather, are just to provide you with more info on them. Thanks to its growth prospects, NSLP’s sports a very low P/E.

Ticker	PRICE PER SHARE (10/15/14)	Mkt. Cap	P/E	Forward P/E	Price/Sales	Price/Book	Enterprise Value/EBITDA
NSLP	\$18.41	\$360M	10.78	6.84	4.24	1.30	15.56
OCIR	\$21.00	\$420M	6.48	8.20	0.96	3.04	4.86

Financials: OCIR has very strong Mgt. Efficiency ratios and Current Liability coverage:

	Return on Assets	Return on Equity	Return on Investment	Current Ratio	Total Debt/Equity	Operating Margin
NSLP	6.92%	9.61%	8.54%	0.59	0.46	9.62%
OCIR	20.57%	30.90%	35.52%	4.81	1.08	19.59%

Disclosure: Author owned shares of NSLP and OCIR at the time of this publication

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