

Stock Purchase Alert - GLP - Gas Used To Fuel Dividend Payments

Today I purchased [GLP](#) for \$15.88 per share. The stock ticker represents Global Partners, LP which is an American energy supply company.

I used the proceeds from [selling Alibaba](#) to purchase GLP. This stock has been taking a beating over the last 14 months as crude oil prices plummeted. I like to buy low and for dividends, so this stock fit the bill.

Background

The Company is engaged in the purchasing, selling and logistics of transporting petroleum and related products, including domestic and Canadian crude oil, gasoline and gasoline blendstocks, distillates, residual oil, renewable fuels, natural gas and propane.

The company has been around since 1933 and started as a single truck heating oil distributor.

Since then, it has grown through the acquisitions of gasoline stations, convenience stores, pipelines, and storage terminals.

Fundamentals

Just some quick items to point out. The company has a market cap of 527.6M. The cash reserves are very low for a company this size but that seems to be the trend over the last 5 years. GLP has held less than \$10M in cash since 2011.

Sales are down but that is expected with the low prices of crude. There are a few other key indicators that would normally be red flags, however I am letting them slide due to low oil prices.

This company has an excellent operating margin at 0.84% so I feel comfortable knowing management can handle costs and expenses.

I will say I am not too crazy on the trading volume of this stock. It averages about 129,000 shares per day which is a little low for my liking.

Dividends

The company has been paying a [consistent quarterly dividend](#) for the last 10 years, possibly longer. The current dividend yield is 11.92%!

I always like to look back about 10 years to see what a stock's peak price was and the dividend yield during that time. It appears the stock was at it's highest price in 2014 at \$45.00 per share. In 2014, the dividends totaled \$2.53. The dividend yield at the peak price was 5.62%.

If this stock was purchased at it's highest price of \$45.00 and was still held today, the dividend yield would still be 4.63%. This is based on the last 4 quarters of dividends which have totaled \$2.09.

I will be looking forward to my first dividend payment in November and will be sure to report the results!

Hi readers! Do you currently hold GLP as a dividend stock? If not, would you consider adding it to your portfolio?

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