

How to create future income using Ex divi dates

Buying a stock before it goes Ex dividend means that one will automatically get dividend income on payout

Three dates

- a) Declaration date by the company
- b) Ex Dividend date by the company
- c) Payment date

Important Date is the Ex Dividend date.

A holder of stock at Ex Dividend date means that income will be paid out on payment date.

- One can ascertain future dividend payers and the dates one need to get into the stock to hold on ex dividend dates for income to be paid. Choosing high dividend yielding shares plus technical and fundamental analysis on specific stocks means one can buy future income.
- One can also hedge this through an option trade to eliminate risk. As you can see ***knowing the dates when a share goes ex divi provides a way to guarantee income a few weeks down the line***
- Note One knows when a share will go ex dividend and can get the benefit of 'reverse theta' whereby share prices should in theory rise as one approaches ex dividend.
- Caveat when a share goes ex dividend the share price will invariably fall so one must assume that there will a dilution in capital invested.
- One can structure cash flow generation which can provide a way to create future income using information on when shares go Ex-Dividend dates

Practical Examples -

Ticker	Name of company	Ex Divi Date	Pay Date	Share Price	Dividend yield	Dividend Forward annum	Frequency
DX	Dynex Capital	July 21	Aug 1	\$16.49	9.46% pa	\$1.56	Quarterly
BK	Bank of New York	July 22	Aug 5	\$42.73	3.46% pa	\$1.48	Quarterly
AM	Antero mid stream	July 26	Aug 10	\$9.73	9.26% pa	\$0.90	Quarterly

Other Possibilities

Ticker	Name of company	Ex Divi	Pay Date	Share price	Divi yield	Dividend Forward annum	Frequency
FAST	Fastnet	July 26	Aug 24	\$48.54	2.55%	\$0.31	Quarterly
PSEC	Prospect cap	July 26	Aug 18	\$7.54	9.55%	\$0.06	Quarterly