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Dividend Opportunities

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Discover This 12.2% Yield 'Hidden' Among One of the World's Fastest-Growing Markets

-- By Nick Lanyi

The world's fifth-largest country is often overlooked or underestimated. But Brazil's white-hot economic growth has powered its stock market nearly +1,000% higher during the past five years. That expansion is expected to continue, and Brazil represents one of the most promising destinations for investors.

In today's issue, I'll show you how to profit from Brazil's boom by capturing high yields and strong returns with Brazilian stocks. I'll also introduce you to a fixed-line telecommunications company there that has been cashing in on the country's economic boom -- and is paying a fat 12.2% dividend yield. (*Full Story Below*)

Also in Today's Issue...

Capture 14% Yields and Total Returns up to +185.6%

On the last trading day of 2009, 94% of the picks in this high-yielding portfolio were up. Most of them have returned more than +10%, and several have returned +100% or more. But the best part is that these picks carry stable yields of up to 14.3%!

[Go here to see for yourself.](#)

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There's a reason penny stocks have been Wall Street's favorite hidden investment for years now: they give the best shot at winning it big.

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Discover This 12.2% Yield 'Hidden' Among One of the World's Fastest-Growing Markets

Would you believe the map the world has used for five centuries -- is *wrong*?

The most common map of the earth, the Mercator projection (see below), shows Greenland as about the same size as Africa. It depicts Europe as large as South America. But these are distortions caused by projecting the surface of a globe onto a two-dimensional rectangle. The "so-called" Peters Projection, right, accurately shows that Africa is actually 14 times larger than Greenland. And it realistically depicts South America twice as large as Europe.

Income Notes

PET bonds are one of the most overlooked investments in the income universe. They emerged over the past decade to make bonds easy to access for income investors. They're corporate bonds packaged into affordable \$25 units. They trade under a ticker symbol, and you can buy and sell them like stock throughout the trading day.

-- Carla Pasternak,
High-Yield Investing

The China Securities Regulatory Commission is considering a plan to cut or cancel the tax on dividends paid to shareholders as part of efforts to reduce volatility in the country's capital markets. No timeline has been set yet.

-- The Wall Street Journal,
Aug. 29, 2008

One Stock a Month is All You'll Ever Need

For the entire 2009 calendar year 100% of Amy Calistri's *Stock of the Month* picks



We'll let cartographers debate which map is better. But the discussion nevertheless raises a crucial question. Have investors misjudged the size and importance of South America?

Have you?

South America is dominated by Brazil, a country most people don't know much about. Some may vaguely associate it with coffee . . .

But Brazil is almost the same size as the United States. It's the largest nation in South America, touching every country on the continent except Chile and Ecuador. Its diverse economy is supported by agriculture, mining, manufacturing and services.

In fact, that economy ranks 10th in the world. That's larger than the economies of Russia, India, Australia and Mexico.

And Brazil's \$1.8 trillion economy is still growing -- fast. Brazil is expected to expand +5.4% this year -- adding some \$100 billion worth of goods and services. That's roughly the same total dollar growth as the United States will see this year.

Brazil is forecast to continue this rapid economic expansion at an average +4.1% annual clip through 2012. The U.S. will be fortunate to grow half that fast.

So I'll repeat my question: Have investors misjudged Brazil's size and importance?

Now, economic growth is interesting enough, but it's just a statistic -- unless you tie it to what it can mean to your money. Think about what's going on here at home. The economy has slipped. And the major U.S. market indexes are all negative for the year. That's what slow or no economic growth can do to a country's stock market.

But let's see what happens to investors' profits in markets where economic growth is strong. You might want to sit down for this part -- it's arguably the most dramatic investing story of the decade:

For the five years ended Dec. 31, 2007, Brazil's benchmark Bovespa Index rose +966.5%.

That's not a typo.

That statistic comes from Bloomberg, a research tool available only to financial professionals, which is considered all but infallible in the collection of market data.

What about India and China? They couldn't keep pace. Bloomberg data shows the Bombay 500 Index rose +778.2% during this same time period. Meanwhile, the Shanghai benchmark index was up +351.7%.

have been winners. ALL of her picks are up -- as much as +58.4% in just a few months. And her subscribers are making money hand over fist alongside her. One has made \$10,272... another is up \$46,002.

[Click here to get her latest pick.](#)

Recent Articles

[The Billionaire Watch](#)

By Nick Lanyi
June 25, 2008

A billion dollars may not be what it used to be, but it's still a serious pile of cash. So why are more and more of the world's most eye-popping fortunes being made in foreign countries? Because that's where the growth is.

[Read On...](#)

[The Best of Both Worlds: A 10.1% Yield and Exposure to Foreign Markets](#)

By Nathan Slaughter
July 30, 2008

With the average yield of the S&P 500 hovering at 2.4% and the U.S. one-year Treasury Bill offering a paltry 2.36%, investors need to travel farther afield to find steady double-digit yields.

Find out how exchange-traded funds can let you search the far reaches of the globe for the best yielding opportunities.

Brazil beat them both -- hands down.

Capturing Double-Digit Yields in Brazil

Brazilian stocks have been on a tear in recent years, and thanks to strong economic growth and high commodity prices (Brazil is one of the world's leading exporters of agricultural goods and natural resources), I expect those gains to continue.

But if you're an income investor, then growth alone isn't enough. Income investors need to lock in both steady growth AND an above-average dividend stream.

It's certainly possible to lock in high yields by investing in Brazil. Just look at the numbers: The average dividend yield of the Bovespa Index -- 3.04% -- is significantly higher than the S&P 500's 2.34% yield. But those are only averages.

Now, truly outstanding yields are much more elusive. In fact, only 6 in 100 publicly traded companies in Brazil pay dividends higher than 7%. But of those high-yielding companies, the average stock yields an impressive 11.9%! And though most of these companies are highly reputable corporate enterprises, few Americans even know they exist.

In recent months, I've uncovered high-quality Brazilian stocks with dividend yields of 7.5%, 8.7% and 9.4%. These aren't merely respectable yields, they're downright enviable. But in the pages of my premium monthly newsletter -- *High-Yield International* -- I set my standards a little higher. After hundreds of hours of in-depth research, I recently discovered a fast-growing Brazilian telecommunications company with a 12.2% yield.

That's the sort of commitment to high yields you need as an income investor. But information on foreign countries -- and certainly on the highest-yielding stocks in those nations -- can be hard to find. Until now.

My premium *High-Yield International* newsletter scours the globe for its most profitable income investments. One of my favorite plays in the region is a Brazilian telecommunications company that serious income investors should consider immediately.

The company I've discovered offers:

A Strong Yield -- In the past 12 months, this stock has paid \$3.36 per share in dividends, giving it a yield of 12.2%.

Price Appreciation -- The shares are downright cheap, trading at less than ten times analysts' consensus earnings estimates for 2008. If the stock reverts to historic valuation levels, investors could enjoy total returns of +30% or more during the next 12 months.

Currency Advantage -- Shareholders receive dividends in dollars, but the payout is established in Brazilian reals. When the real gains strength, it buys more dollars, leading to bigger dividend checks for U.S. investors. (The real is already up +5.9% vs. the dollar since Jan. 1st.)

This well-positioned company has been taking advantage of Brazil's boom from day one. It's centered in the state of Sao Paulo, where much of the country's population lives. Residential and business customers in this market are heavy telecom users. And the telecom industry is a cash cow -- the company has paid \$2.8 billion to its shareholders in the past two years. It's also moving into broadband to fuel continued growth, and thanks to its success in this market, its fat dividend payouts should continue for years to come. [Learn more about this stock here.](#)

High yields . . . price appreciation . . . currency benefit. This is the trifecta

[Read On...](#)

[High Yields from the Land of the New Gold Rush](#)

By Nick Lanyi
May 28, 2008

South Africa, the world's largest producer of gold and platinum, has delivered gains of +310% over the past few years, and it's up +11.8% already in 2008. But huge capital gains are just a small part of the story.

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By Andy Obermueller

[How to Add a Margin of Safety to Your Stock Portfolio in a Tumultuous Market](#)

By Andy Obermueller

of international investing. And this is the sort of international market intelligence that my *High-Yield International* subscribers have at their fingertips.

When you join my exclusive roster of savvy income investors, you'll have a clear map. My research staff and I have never misjudged Brazil's size or its importance. Readers who ventured into Brazil all the way back in 2004 based on our initial recommendations have profited handsomely. These subscribers receive clear direction when it comes to countries with the highest, safest and most dependable dividend payouts in the world.

My Brazilian telecom pick, with its 12.2% yield, is just one stock that offers all of the benefits of international investing. Join my *High-Yield International* service now and you'll discover dozens of opportunities that provide a winning combination of high yields, price appreciation and strong currency benefits. [Visit this link immediately](#) to learn more about my favorite Brazilian high-yielder, as well as a select basket of other international markets that are not only growing at a fast clip, but are also loaded with double-digit dividend payers.

Thanks for joining me on this week's journey.



Nick Lanyi

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