



Carla Pasternak's

# Dividend Opportunities



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## This Sale Won't Last... And Neither Will This 17.3% Yield

-- By Nick Lanyi

You think the U.S. stock market is on sale? U.S. stocks are a bargain compared to what you would have paid just a year ago. But valuations of U.S. companies are *still* two times higher than Taiwanese companies. Not only are Taiwanese stocks a better bargain, but the market in Taiwan doles out more than twice the average yield of the S&P -- and some stocks, like the one we feature below, have yields as high as 17.3%. (*Full Story Below*)

Also in Today's Issue...

### Double-Digit Income and Returns up to +62.3%

Carla Pasternak's *High-Yield Investing* subscribers are having their cake and eating it to. Over the last few months they have been treated to returns of up to 62.3%... all while raking in dividends of 10% and more! It's not too late to join in. Carla's picks are still paying up to 19.6% over the next 12 months.

[Go here to get these double-digit yielders now.](#)

### You Could Get +278.5% Income with These Free Tips

StreetAuthority editor Amy Calistri is so full of ideas, we've just added another way for her to share them with you: "Amy's Notes." Her recent note covers a stock that could give you +278.5% more income. Get this pick free and make sure you don't miss out on any others.

[Click here to get this pick now.](#)

### This Sale Won't Last...And Neither Will This 17.3% Yield

With a performance like this, you might think this country was about to go bankrupt...

You couldn't be further from the truth.

It actually saw +4.3% GDP growth last quarter, has a per-capita GDP of roughly \$30,000, and is known the world over as a major exporter of technology products.

Despite this, its market has fallen -46% over the last year, making it one of the hardest-hit developed markets in the world. Investors are panicking since this nation relies heavily on exports -- a slowing global economy obviously isn't a plus for the country of 23 million strong.

But you might have missed a few other details that make this country paradise for value investors and Shangri-La for income seekers.

The Most Undervalued Market in the World

## Income Notes

The U.S. Treasury just announced they would borrow \$550 billion in the last quarter of 2008. This could be a silver lining for investors looking for higher Treasury yields. "The sheer magnitude of the amount of money the U.S. is going to have to borrow means that yields will likely go higher," said Richard Bryant, a Treasury trader for Citigroup Global Markets Inc.

-- Bloomberg

The average dividend yield of the S&P 500 has risen more than +200% since 2001, but it's still only 3.0% -- considered stingy compared to most world market index yields.

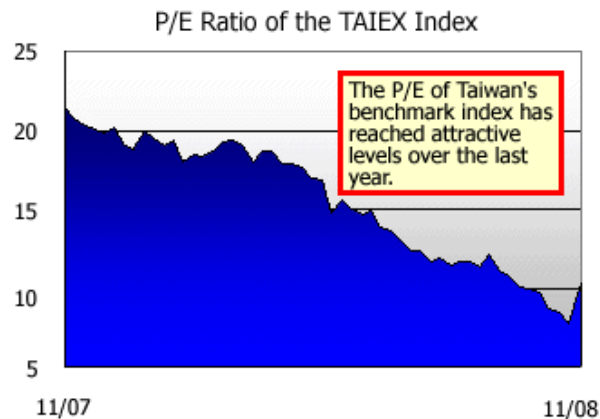
-- GDO Research Staff

### 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 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.](#)

We've brought you stories about Taiwan before, but I don't think I've ever seen a country as attractive to new investment as it is today. Not even one year ago, the country's average P/E ratio soared above 20 -- today it has fallen all the way to 10. Compare that to the United States where stocks still trade around 21 times earnings.



You'd expect a country's market to be trading at such a low multiple if it were in dire financial straits. But the fact is that Taiwan's long-term picture is about as rosy as it gets.

Relations with China, which have been contentious since the 1940s Chinese Civil War swept the U.S.-backed Nationalist party to the small island in the South China Sea, are beginning to improve.

The election of Ma Ying-jeou as president of Taiwan last March has led to an easing of tension between the nations. In fact, flights between Taiwan and China have now resumed after nearly 60 years. As these two countries continually improve their ties, the Taiwanese economy is set to boom. The Chinese people are hungry for the latest electronics from Taiwan -- and Taiwan will be more than happy to sell them.

This is one reason Taiwan continues to be among the fastest-growing developed economies. This year it is seeing roughly +4% growth -- and the next two years will see average GDP growth of +3.5%. Yet when you compare the current growth rate to the average P/E of 10, you get a ratio of about 3. The same comparison for the U.S. comes in at a much higher 11.

This is simply baffling. The U.S., a country that just announced GDP fell - 0.3% last quarter has a richer valuation than a developed nation growing at a +4% rate.

That alone is a great reason for value investors to look toward this nation of high-rises. But what about income investors?

#### A Treat for Income Investors -- 7.6% Average Yields

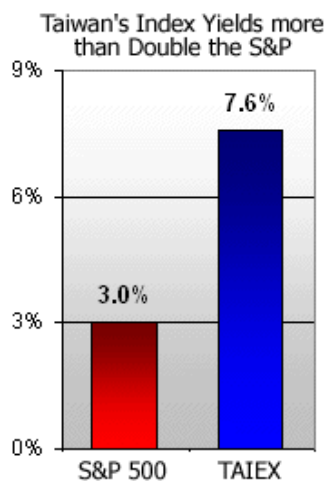
Amid this sell-off, it's easy to think Taiwanese companies would be hoarding cash and it wouldn't be a dividend hot-spot. But the only thing this fall has done is inflate yields for new investors.

Taiwan's benchmark TAIEX Index now yields an average of 7.6%.

But that's just an average -- we've found some stocks yielding 10.1%, 13.7%, even 17.3%.

Which begs the question: How can they afford to pay out such high dividends? To be sure, the panicked sell-off around the globe has led to increased yields -- we've been telling you about this phenomenon for weeks. But there is also a special clause in Taiwanese tax law that ensures high payments.

The Taiwanese government imposes a 10% tax on any retained earnings held by a company for more than a year. In effect, this "use it or lose it"



## Recent Articles

[The Income Secret That Lets You Use the Bear Market to Your Advantage](#)

By Andy Obermueller  
October 29, 2008

As stock prices have fallen dramatically this year, one critical barometer of the market has been rising. Dividend yields are at historic highs -- only two stocks in the S&P 500 showed yields above 6% near the height of last year's rally; that number now stands at 48.

[Read On...](#)

[Warren Buffett is Buying Preferreds with Double-Digit Yields... Why Aren't You?](#)

By Amy Calistri  
October 8, 2008

Legendary investor Warren Buffett has been on a buying spree. Buffett poured \$8 billion into new investments over the last few weeks alone. But Buffett isn't just buying anything. While the vast majority of Berkshire Hathaway's portfolio is made up of common stocks, almost all of his recent purchases have been preferred stocks with double-digit yields.

[Read On...](#)

[We're Finding Stocks Paying \\$26,500 a Year in Dividends](#)

Now is a great time to invest. Every dollar we're investing is giving us two, three, four even five times as much

policy ensures the nation's companies will continue showering investors with dividends.

This is why even Taiwanese tech companies -- a sector well-known for stinginess in the U.S. -- can pay out 10%-plus dividends to investors. AU Optronics (NYSE: AUO), a major player in the LCD screen arena, pays new investors 10.1%; Silconware Precision Industries (Nasdaq: SPIL), a company that specializes in integrated circuit packaging, is paying 13.7%.

Now, both of these ideas have been battered, and they still are at valuations or face challenges that make them better suited for more aggressive investors. My favorite play has also been hit, but at these levels, income and value investors should be taking note.

This company trades on the Nasdaq and makes display components for TVs, cell phones, and mobile devices -- if it has a screen, they likely had a hand in it. There is no doubt a slowing global economy weighs on this company, but you tell me if the punishment has fit the crime: The stock trades at a P/E of 2.8, but it still expected to grow +20% annually over the next five years. On top of that, the company has zero debt and cash per share that equals almost one-third of the share price. And thanks to the Taiwanese sell-off, the stock is paying new investors 17.3% today.

There is no telling when Taiwanese stocks might begin to turn around -- to be frank, I am not too concerned about the timing. I know two things: Investors will eventually recognize the value waiting on this small island nation, and until then, I'm content to lock in some of the most attractive yields on the planet.

If you'd like to learn more about the opportunities awaiting investors who look around the globe for income, I invite you to read my complimentary [High-Yield International](#) report on the topic. In this special feature, I'll let you know which countries are showing average yields of more than double those found in the U.S., where to find T-bills that pay more than 10%, and why exactly yields are so much higher overseas. In addition, this report will tell you the name of the undervalued Taiwanese stock mentioned above with a 17.3% yield. To access your free report, [please visit this link](#).

Thanks for joining me on my search for today's highest-yielding securities!



*Nick Lanyi*

-- Nick Lanyi

Co-Editor

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P.S. I'll be speaking at The Money Show, Washington, D.C. on Friday, November 7th. If you can't be there in person, I invite you to join the live webcast event. [Follow this link](#) to learn more.

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income as it did just a year ago -- it's as if a giant "multiply your money" certificate has dropped into our laps.

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## Reader Favorites

[Escape the U.S. Financial Turmoil](#)

By Andy Obermueller

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

By Andy Obermueller

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