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Dividend Opportunities

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Learn Which Three Companies Just Raised Their Dividends

-- By Andy Obermueller

These days, it seems like the only dividends making the headlines are the ones getting cut or suspended. But income investors shouldn't spend all their time lamenting -- not when there are some solid companies out there continuing to increase their payouts.

Today we'll look at three companies that have recently upped their dividends. Not only can each company easily afford the increase, but their investors can look forward to more increases to come. *(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%!

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Learn Which Three Companies Just Raised Their Dividends

Income investors have been unnerved by the the number of cash-strapped companies cutting back on their dividends. But change is the only constant in the market, and this latest development is far less significant than some might suggest.

Let me be clear: Income investors can make money, right now, in this market.

If you're interested in strong, stable dividends, all you have to do is focus on the three types of investments:

- Companies with *ever-increasing earnings*
- Companies with *strong dividend coverage*, and
- Companies with *a history of steady dividend increases*.

Income Notes

You may be surprised that some checking accounts are doing significantly better than CDs. A one-year CD is paying about 2%, but some high-yield checking accounts are offering more than twice that. These "reward checking" accounts currently yield between 3.5% and 5.2%. Looking for such an account? Visit [checkingfinder.com](#). It's free.

-- Andy Obermueller

Shares of Newell Rubbermaid sank -8.6% Tuesday after it halved its quarterly dividend for the second time in three months and said the ongoing recession continues to hurt business. The company reaffirmed 1Q guidance of earnings between 7 and 12 cents a share.

-- Reuters

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

Believe it or not, each of these three types of companies still exists. They're out there. And, even better, they're making headlines of their own. While other companies such as Alcoa, Pfizer, Dow Chemical, J.P. Morgan and General Electric are reducing their dividends, we've found three companies that are actually increasing their payout to shareholders.

Let's take a look at each of these stocks and determine which of the three categories above they fit into.

Dividend Focus: Oracle

Oracle (Nasdaq: ORCL) is a pillar of the technology sector, though it's a little out of sight to most people because the company makes complex business software and not nifty consumer goods.

Oracle, based in Redwood Shores, Calif., recently said it would begin paying stockholders a quarterly dividend of 5 cents a share beginning in May. The dividend will amount to roughly a billion dollars a year and give ORCL shares an initial yield of 1.1% -- nothing to write home about but a far greater payout than investors expect from most tech companies.

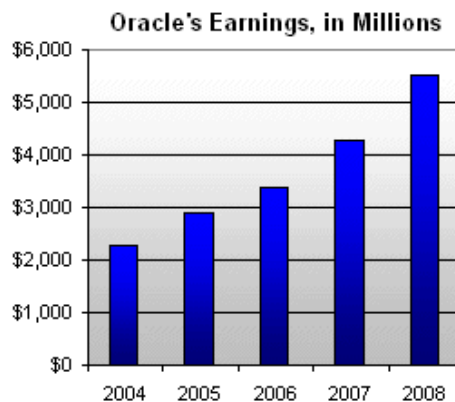
Oracle is a company with *ever-increasing earnings*. Last year, as most companies cratered, Oracle posted earnings growth of +29.2%. That's actually a little ahead of its average. But the remarkable thing about that earnings growth is that Oracle's revenue increased only +24.6%. In other words, earnings grew faster than revenue -- it just makes your heart dance, doesn't it?

Oracle's consistent growth and earnings efficiency bodes well for the long term. And while income investors are good at maintaining a long-term outlook, they sometimes forget to check the rear-view mirror.

A lot of income investors use a wait-and-see strategy. They tend to wait and buy shares with a strong yield or a long dividend history. However, this narrows their potential investments, and unnecessarily so. Of the 28,104 actively traded equities in the Bloomberg database, only 9.6% -- or 2,710 companies -- pay a dividend. Prudent income investors should keep an eye on companies with ever-increasing earnings, though, regardless of whether they pay a dividend. That's because these companies -- from Microsoft to Intel -- eventually begin to pass cash along to shareholders. Although the past is no guarantee of the future, it's all we have to go on, and it's prudent to conclude that revenue and earnings -- and, by extension, dividends -- will begin to grow.

Dividend Focus: Coca-Cola

The nice thing about this company is that I don't have to tell you what it does -- you're familiar with the products sold under one of the most recognized trademarks in the world. And though you know Coke (NYSE: KO) as a blue-chip stock and Dow component, you may be unfamiliar with its impressive dividend run. I could describe it to you, but a picture is worth a thousand words:



money hand over fist alongside her. One has made \$10,272... another is up \$46,002.

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

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[To Survive, Protect Wealth, Generate Cash: Here's How](#)

By Andy Obermueller
March 11, 2009

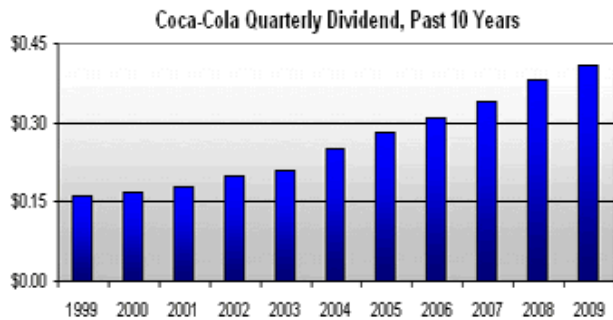
Berkshire Hathaway posted a decline in shareholder equity for only the second time. It was the worst year for Berkshire since Warren Buffett took over in 1965. If the most successful investor in the world can't find shelter in the storm, what can an individual investor do? Ironically, the only hope for survival is the Buffett model -- protect your wealth and generate as much cash as you can. We've found a stock that's doing both those things.

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[Take Advantage of Historically High Yields from the World's Soundest Banks](#)

By Carla Pasternak
January 14, 2009

With capital ratios that are the envy of every banker from London to Santiago, Canadian banks are among the best capitalized. What's more the country's largest players are continuing to post strong results - and paying out



Coca-Cola -- which counts legendary investor Warren Buffett among its largest shareholders -- increased its quarterly payout from 38 to 41 cents a share in 2009. (Great statistic: Coke upped its dividend +156% in the past ten years.) Companies that are able to post such performance through all stages of the economic cycle are worthwhile investments in bad times and good.

Remember, things didn't look good initially, but the tortoise winds up beating the hare. Coca-Cola -- whose shares fell with the market last October -- is nevertheless an immensely strong company with a long history of steady dividend increases. Each quarter, shareholders receive a check. As the company's revenue and earnings grow, so too does the dividend -- right along with the company's stock price. It's a beautiful win-win.

Dividend Focus: Royal Dutch Shell

Just as most investors recognize Coke's trademark red swirl, so too do they recognize Shell as one of the world's leading oil companies. My favorite thing about Royal Dutch Shell (NYSE: RDS-B) is the vast amount of cash that backs up its dividend. (I've written about the payout ratio before: check it out [here](#) if you missed it.)

The bottom line is that a company (other than a REIT) that pays out all of its earnings in dividends is never going to have any financial breathing room. Investors should be careful with companies whose payout ratios exceed 75% -- a cutback is likely.

You don't have to worry about that with Shell.

Last year, Shell paid out only 37.5% of its earnings in dividends. It earned \$26.3 billion and cut checks to shareholders totally nearly \$10 billion. That payout, modest as it was, must be recognized as remarkable in two ways. First, it was the highest payout in the past five years. Shell's typical payout is about 30% of net profits.

And the second thing that makes this dividend stand out is the yield. I saved the best for last here. Shell, a company with strong dividend coverage, also has a yield above 7%. You get it all -- ever-increasing earnings, an increasing dividend and Gibraltar-like financial strength protecting your revenue stream.

I'd like to 'Show You the Money'

All of this brings me back to where I started . . .

It really doesn't matter what's going on in the stock market. Income investors who focus on the right things will always make money -- and not just a little. Now, I confess that I sometimes like to take the contrarian viewpoint. But in this case I'm not the only one who thinks this way. I'd like to share a special report with you written by my colleague, *High-Yield Investing*

mouth-watering dividends.

[Read On...](#)

[Global Economy, Global Opportunities](#)
An Interview with Nick Lanyi
March 18, 2009

The global economy may be slowing, but that hasn't impacted High-Yield International Editor Nick Lanyi's ability to find investments with "strong income, the potential for capital appreciation, and only moderate risk." Read the most recent interview.

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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

Special Offers

newsletter editor and income investment guru Carla Pasternak. Carla's latest research and insight into the best dividend opportunities -- many with yields of 10%, 12%, and even higher -- is something no serious investor should miss. Check it out --FREE -- [right here](#).

Thanks for reading and, as always, many Happy Returns



-- Andy Obermueller

Co-Editor

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