



Carla Pasternak's

Dividend Opportunities

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The Silver Lining to a Falling Dollar

-- By Carla Pasternak

The U.S. national debt sits at more than *\$11 trillion dollars* -- double its total from just 10 years ago. That's so much debt that some are questioning the dollar's status as the world's reserve currency.

But there is a silver lining for income investors. This massive spending, combined with movement out of U.S. Treasuries, is going to take its toll on the dollar, and international income investors could reap the rewards in the form of higher dividends. Read on to see just how much a falling dollar can boost your income stream. *(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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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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The Silver Lining to a Falling Dollar

Living in Canada, I see first-hand the impact of the falling U.S. dollar. From 2002-2007, the Canadian dollar soared uninterrupted over its stateside counterpart.

Over that time, it usually cost me less and less to purchase anything in U.S. dollars... whether it be investments or even vacations. Even though I was spending the same amount of money, my Canadian dollar simply went further in the United States.

If you're living in the U.S., don't fret. You can take advantage of the same phenomenon by investing abroad. And if you're an income investor, you'll find that your dividends can soar because of it -- even if the underlying company doesn't raise them a cent.

How Far the Mighty Fell

From a peak in July 2001 to a low in April 2008, the U.S. Dollar Index fell by a staggering -41%. As world economic growth exploded, investors somewhat shunned the U.S. markets, instead focusing on developing nations with high growth prospects.

Income Notes

479

Number of foreign companies yielding between 12-25% that are also profitable over the last 12 months.

47

Number of U.S. companies yielding between 12-25% that are also profitable over the last 12 months.

-- DO 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.](#)

Recent Articles

[Is it Possible to Find High-Yielding Stocks in China?](#)

June 17, 2009

The prognosis for the coming years almost certain -- excellent

Meanwhile, U.S. deficits began to soar at an astounding rate. Public debt ballooned over +50% from \$6 trillion in 2000 to over \$9 trillion in 2007. As you likely know, heavy debt loads can lead to instability in a company or a country. And with foreign markets booming while the United States racked up more and more debt, entities around the world demanded fewer dollars -- helping lead to its long-term decline.

However, with the onset of the financial crisis, the trend reversed. As economic crisis spread, investors parked cash in still safe-haven U.S. Treasuries to ride out the storm. As a result, during the height of the financial turmoil -- July 2008 and March 2009 -- the U.S. Dollar Index soared +24%.

But now the long-term downtrend seems to be reappearing as the fundamental reasons for the dollar's prior decline have

been dramatically amplified in recent months. The U.S. government has been borrowing and spending like never before. The Obama administration estimates budget deficits will soar to \$1.84 trillion in 2009 and \$1.26 trillion in 2010.

And as panic from the financial crisis has waned, dollars are flowing out of dollar-denominated assets like Treasuries and into foreign investments once again -- even though some of those foreign countries have debt loads and credit ratings that are worse than the United States'. The U.S. Dollar Index has already fallen -10% since March, and that's good news if you're investing abroad for income.

Falling Dollar = Higher Income

By investing abroad, you'll see your dividends increase in dollar terms as the U.S. dollar falls.

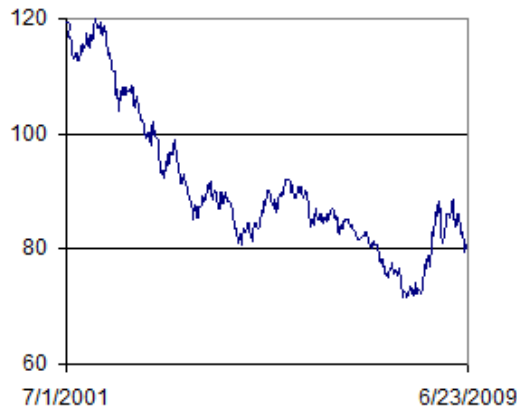
For example, between July 2001 and April 2008 the dollar lost -46% of its value relative to the euro. Let's say over that time a European stock paid 5 euros a year in dividends. In 2001, you would have received just US\$4.20 in exchange. But after the dollar fell, that same 5 euro payment would be converted to US\$8.00 in 2008 -- an increase of over +90%, even though the actual payment didn't increase by one cent.

Investing abroad isn't as exotic as it sounds, either. Many foreign companies trade right on the NYSE. They simply make dividend payments in their native currency and then translate them over to dollars for U.S. investors. In addition, several full-service and discount brokers offer direct access to foreign exchanges denominated in foreign currencies.

Either way you go, as the dollar declines, your income and the value of your dividends will increase in dollar terms. And given how enormous deficits and continued foreign investment will take their toll on the dollar, this boost could happen sooner rather than later.

If you want to take advantage of the falling dollar, you might like CPFL Energia (NYSE: CPL). I'm looking at the Brazilian energy giant right now... it already yields a whopping 7.8% based on payments totaling about US\$3.70 in the past year. And over the past four months, the dollar has fallen about -20% against the Brazilian real. If that continues, you'll see even higher payments from CPFL in dollar terms.

The U.S. Dollar Index Continues to Decline



growth in China and stagnation in the U.S.A. With this in mind, income investors need to have exposure to the Chinese market -- it's simply the best opportunity for dividend growth and capital gains in the world. But you need to know where to look. This fast-growing country only offers a handful of high-yielders, and I recently uncovered several of these rare gems.

[Read On...](#)

[The Safest Dividend in the Dow](#)

June 10, 2009

The 30 stocks in the Dow Jones Industrial Average sport some attractive yielding stocks -- many with more than twice the average yield of the S&P 500. But the question is: Which company has the safest dividend in the Dow?

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Good investing!



Carla Pasternak's Dividend Opportunities

P.S. -- My first issue of [High-Yield International](#) comes out tomorrow. In it, I share some of my favorite ways to turn the falling dollar in your favor, including a list of 10 star performers from around the globe. You can get my issue the second that it's released, just [follow this link](#).

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