

# The Morning Dividend

*Daily dividend investing news from Sure Dividend*

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## New From Sure Dividend

Our latest research is listed below:

- [ABM Industries: A Recession-Resistant Dividend King](#)
- [The Best DRIP Stocks: 15 No-Fee Dividend Aristocrats](#)
- [Combining Equity Crowdfunding With Dividend Investing](#)
- [Dividend Aristocrats in Focus: Procter & Gamble](#)
- [California Water Service \(CWT\): A Dividend King in the Utility Sector](#)

## Final Chance For Deep Discount On The Stock Spinoff Investing Newsletter

*This message is from Rich Howe with Stock Spin-Off Investing*

Earlier this week, we discussed spin-offs and why they represent a compelling investment opportunity.

A good example of the alpha potential of spin-offs is Abbvie, a 2013 spin-off from Abbott Labs. Abbvie has generated a total return of 222% since its spin-off, beating the S&P 500 by 69%.



We've established that spin-offs have the potential to outperform. Now let's try to figure out why.

It starts with a low initial valuation. This is driven by a couple factors:

First, spin-offs are distributed to investors (not sold like in an IPO) and so there is very little publicity regarding the new company. Generally, no or few analysts cover the stock and so it is not marketed to institutional investors.

Further, the spin-off is usually much smaller than the parent company, and oftentimes, institutional investors are *prohibited* from owning shares in the spin-off. For example, if a large cap mutual fund manager owns a large cap company which distributes a small cap spin-off, that mutual fund manager's investment mandate prevents the manager from holding the spin-off. For these reasons, many investors sell their shares in the spin-off regardless of price or underlying value.

Second, the management team of the new spin-off has very little incentive to promote the company initially. In fact, the management team is incentivized to *not* promote the stock. Why? Because management stock options are usually priced based on the first couple weeks of trading. The lower the stock trades initially, the greater value potential the options have.

And despite a very low initial valuation, spin-off companies tend to perform well operationally. Why? Because "*capitalism, with all its drawbacks, actually works*" as Joel Greenblatt, famous spin-off investor, once wrote. Bureaucracy shrinks and entrepreneurial forces are unleashed. "*The combination of accountability,*

*responsibility, and more direct incentives take their natural course,” according to Greenblatt.*

The combination of a low initial valuation and strong operational performance generally leads to a higher valuation and strong stock performance. J.P. Morgan looked at U.S spin-offs from 2009 to 2015 and found that the average valuation for spin-offs, increased from 6.9x EBITDA to 8.6x EBITDA.

At [Stock Spin-off Investing](#), we spend countless hours researching imminent and completed stock spin-offs so that we can cherry pick the most promising opportunities for our subscribers.

We provide a weekly newsletter with the latest updates on open recommendations and host a live video call to answer questions and discuss subscriber ideas.

Our picks (both paid and free) have generated an average return of 19.4%, beating the S&P 500 by 4.1%.

An annual subscription to the Stock Spin-off Investing Newsletter usually costs \$419. **But ending today, December 13th, at 5PM CT**, we are offering a 25% discount to Sure Dividend subscribers.

**[Click Here To Join The Stock Spin-Off Investing Newsletter Now](#)**

Your coupon will entitle you to savings of \$104.75. Better yet, your discount code will never expire.

**Note:** This discount coupon deal ends today, December 13th at 5pm CT. Please contact Rich at [Rich@stockspinoffinvesting.com](mailto:Rich@stockspinoffinvesting.com) with any questions you have.

**Note:** *Ben Reynolds with Sure Dividend here. I am happy to make the above discounted offer available to Sure Dividend readers using an affiliate link and agreement because I know and trust the authenticity of Rich Howe & Stock Spin-Off Investing. .*

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## Dividend News

- [\*\*Southwest Airlines \(LUV\)\*\* reaches a \\$125 million settlement with \*\*Boeing \(BA\)\*\* over the grounding of its 737 MAX fleet; continues to engage in talks for further compensation](#)
- [\*\*Nordson \(NDSN\)\*\* announces the planned retirement of its Chief Financial Officer; company initiates a search of internal and external candidates for a successor](#)

- [\*\*Walgreens Boots Alliance \(WBA\)\*\* and \*\*McKesson \(MCK\)\*\* to combine their wholesale businesses in Germany under a joint venture; WBA to own 70% with MCK owning the remaining 30%](#)
- [\*\*Intel \(INTC\)\*\* hires Gary Patton, the former Chief Technology Officer of GlobalFoundries and a past veteran of International Business Machines \(IBM\)](#)
- [\*\*Telus \(TU\)\*\* launches a C\\$1 billion debt offering in two tranches](#)
- [\*\*Public Storage \(PSA\)\*\* prices a public offering of 8 million depositary shares at \\$25.00/share; sees \\$200 million in proceeds from the sale](#)
- [\*\*Realty Income \(O\)\*\* to redeem \\$250 million of 5.75% notes due January 15th, 2021](#)
- [\*\*Nordson \(NDSN\)\*\* meets earnings and revenue expectations as sales increased 3% and adjusted diluted earnings-per-share rose 20%](#)

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## Sure Analysis Research Database Weekly Update

The current top 10 stocks in the [Sure Analysis Research Database](#) with A ratings for Dividend Risk and Retirement Suitability are:

1. [Textron, Inc. \(TXT\)](#)
2. [Bank OZK \(OZK\)](#)
3. [Farmers & Merchants Bancorp \(California\) \(FMCB\)](#)
4. [Walgreens Boots Alliance, Inc. \(WBA\)](#)
5. [Ameriprise Financial, Inc. \(AMP\)](#)
6. [The Goldman Sachs Group, Inc. \(GS\)](#)
7. [Albemarle Corp. \(ALB\)](#)
8. [National Fuel Gas Co. \(NFG\)](#)
9. [Old Republic International Corp. \(ORI\)](#)
10. [Imperial Oil Ltd. \(IMO\)](#)

We added quarterly updates on the following 1 security since last week's update:

1. [Sabine Royalty Trust \(SBR\)](#)

If there are any specific companies you'd like added to the Sure Analysis database, let us know [here](#). Your feedback matters; we add companies based on how frequently they are requested.