The Morning Dividend

Daily dividend investing news from Sure Dividend

Good morning,

Today's May 10th, 2019 edition of The Morning Dividend covers the following new income investing stories:

- The Sure Analysis Research Database Weekly Update
- Enbridge Beats Earnings Expectations
- Buckeye Partners To Be Acquired For A 27.5% Premium
- New From Sure Dividend
- Share The Morning Dividend

The Sure Analysis Research Database Weekly Update

The current top 10 stocks in the Sure Analysis Research Database with A ratings for Retirement Suitability are:

1. AbbVie Inc. (ABBV)
2. Tanger Factory Outlet Centers Inc. (SKT)
3. Newell Brands Inc. (NWL)
4. The Bank of Nova Scotia (BNS)
5. Walgreens Boots Alliance Inc. (WBA)
6. Eaton Vance Corp. (EV)
7. AT&T Inc. (T)
8. WestRock Co. (WRK)
9. Bank OZK (OZK)
10. CVS Health Corp. (CVS)

We added quarterly updates on the following 86 securities since last week's update:

1. A. O. Smith Corp. (AOS)
2. Altria Grp. Inc. (MO)
3. América Móvil SAB de CV (AMX)
4. AmerisourceBergen Corp. (ABC)
5. Aon plc (AON)
6. Apache Corp. (APA)
7. Apollo Comml. Real Estate Finance Inc. (ARI)
8. Apollo Global Mgmt. LLC (APO)
9. Aptiv plc (APTV)
10. Ares Capital Corp. (ARCC)

11. ARMOUR Residential REIT Inc. (ARR)
12. Artisan Partners Asset Mgmt. Inc. (APAM)
13. AstraZeneca plc (AZN)
14. Automatic Data Processing Inc. (ADP)
15. AvalonBay Communities Inc. (AVB)
16. B&G Foods Inc. (BGS)
17. Baker Hughes, a GE Co. (BHGE)
18. Banco Santander SA (SAN)
19. BCE Inc. (BCE)
20. Berkshire Hathaway Inc. (BRK.B)
21. Blackstone Mortgage Trust Inc. (BXMT)
22. BP plc (BP)
23. Brookfield Infra. Partners LP (BIP)
24. Brookfield Property Partners LP (BPY)
25. Brookfield Property REIT Inc. (BPR)
26. Cardinal Health Inc. (CAH)
27. CenturyLink Inc. (CTL)
28. China Mobile Ltd (CHL)
29. Chipotle Mexican Grill Inc. (CMG)
30. Church & Dwight Co. Inc. (CHD)
31. Computer Services Inc. (CSVI)
32. DowDuPont Inc. (DWDP)
33. Eagle Financial Srvcs. Inc. (EFSI)
34. Eaton Corp. plc (ETN)
35. Enterprise Products Partners LP (EPD)
36. Equity Residential (EQR)
37. Farmers & Merchants Bancorp (FMCB)
38. Federal Realty Inv. Trust (FRT)
39. Fiat Chrysler Automobiles NV (FCAU)
40. Great-West Lifeco Inc. (GWLIF)
41. Harley-Davidson Inc. (HOG)
42. Hasbro Inc. (HAS)
43. Helmerich & Payne Inc. (HP)
44. Holly Energy Partners LP (HEP)
45. Imperial Oil Ltd (IMO)
46. Invesco Ltd (IVZ)
47. Koninklijke Philips NV (PHG)
48. Lockheed Martin Corp. (LMT)
49. Macerich Co. (MAC)
50. Magellan Midstream Partners LP (MMP)
51. Magna Intl. Inc. (MGA)
52. McDonald's Corp. (MCD)
53. MDU Resources Grp. Inc. (MDU)
54. Medical Properties Trust Inc. (MPW)
55. Mondelez Intl. Inc. (MDLZ)
56. MPLX LP (MPLX)

57. National Oilwell Varco Inc. (NOV)
58. National Retail Properties Inc. (NNN)
59. Navient Corporation (NAVI)
60. NextEra Energy Inc. (NEE)
61. Nucor Corp. (NUE)
62. Owens & Minor Inc. (OMI)
63. Pentair plc (PNR)
64. Phillips 66 (PSX)
65. PPL Corp. (PPL)
66. Principal Financial Grp. Inc. (PFG)
67. QUALCOMM Inc. (QCOM)
68. ResMed Inc. (RMD)
69. Rockwell Automation Inc. (ROK)
70. Royal Caribbean Cruises Ltd (RCL)
71. Simon Property Grp. Inc. (SPG)
72. Sprint Corp. (S)
73. Square Inc. (SQ)
74. Tanger Factory Outlet Centers Inc. (SKT)
75. Textron Inc. (TXT)
76. The Allstate Corp. (ALL)
77. The Clorox Co. (CLX)
78. The Hershey Co. (HSY)
79. Tompkins Financial Corp. (TMP)
80. Tractor Supply Co. (TSCO)
81. Unilever plc (UL)
82. United Parcel Service Inc. (UPS)
83. Visa Inc. (V)
84. Western Digital Corp. (WDC)
85. Xerox Corp. (XRX)
86. Yum! Brands Inc. (YUM)

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.

Enbridge Beats Earnings Expectations

This morning, midstream energy conglomerate Enbridge reported financial results for the first quarter of fiscal 2019. The company’s performance soundly beat analyst expectations and Enbridge set an all-time company high for adjusted EBITDA.

Key figures from the report are below:

- Enbridge’s adjusted EBITDA increased by 10.7% to $3.8 billion.
- Adjusted earnings-per-share declined by a penny to $0.81, due entirely to an increase in the number of shares outstanding, which increased by 19.6% year-on-year.
- Distributable cash flow increased by 19.3% to $2.8 billion.

Enbridge’s CEO, Al Monaco, made the following statement in conjunction with the earnings release:

> *“It was another strong quarter for Enbridge across all of the business units. We're pleased with the operational and financial performance, and we'll continue to advance our key strategic priorities throughout the balance of the year, with an enhanced focus on capital allocation, growth and return on investment to maximize shareholder value.”*

Importantly, Enbridge reaffirmed its guidance for full-year distributable cash flow, which is expected to be in the range of $4.30 to $4.60 per share. The company currently pays a quarterly dividend of $0.738 per share, which implies a DCF payout ratio of 66% using the midpoint of Enbridge’s financial guidance.

Enbridge’s high dividend yield and robust growth prospects make it attractive for investors at current prices. The midstream energy company earns a buy recommendation from Sure Dividend at current prices.

Buckeye Partners To Be Acquired For A 27.5% Premium

We expected a 'business as usual' earnings release from past Sure Retirement Newsletter recommendation Buckeye Partners (BPL) this morning...

But the big announcement the company made was that it will be acquired by IFM Investors for $41.50 per unit. This is a 27.5% premium to yesterday's closing price of $32.55.

The all cash transaction values Buckeye Partners at a $10.3 billion enterprise value and $6.5 billion equity value. The deal was unanimously approved by Buckeye's board of directors. It will close after a majority of Buckeye shareholders approve the deal, and other customary closing requirements are completed.

Separately, the company announced fairly weak quarterly earnings this morning. Distributable cash flow per unit declined 17.4% from $1.13 in the same quarter a year ago to $0.94 this quarter.

Also, the partnership announced another $0.75 distribution payable on May 28th to shareholders of record as of May 20th.

We view fair value for Buckeye Partners at around $39/share before today's weak earnings. The IFM acquisition is for a bit above our expected fair value of Buckeye Partners. As a result, we recommend investors sell Buckeye Partners if it trades near its acquisition price and reinvest the proceeds elsewhere.

Investors tempted to hold out for the final distribution on May 28th should note that the company's stock *should* fall by approximately the amount of the distribution on May 20th (the ex-dividend date).

New From Sure Dividend

Don't miss the following articles and videos that we've published since yesterday's Morning Dividend:

- Video: IBM Stock: Technology Stock Dividend Safety

Also, **the May 2019 edition of The Sure Retirement Newsletter will go live *this Sunday***.