The Morning Dividend

Daily dividend investing news from Sure Dividend

Good morning,

Today's June 7th, 2019 edition of The Morning Dividend covers the following new income investing stories:

- The Sure Analysis Research Database Weekly Update
- Has Walmart Gone Too Far?
- May 2019 Russell 2000 Performance Update
- Other Dividend News
- New From Sure Dividend
- Share The Morning Dividend

Markets					
S&P 500	2843	0.61%	**Oil**	$53.18	2.07%
Dow Jones	25721	0.71%	**Gold**	$1,341.28	0.30%
NASDAQ	7616	0.53%	**10-Year Treasuries**	2.06%	-5 bps

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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. Imperial Brands plc (IMBBY)
4. Bed Bath & Beyond Inc. (BBBY)
5. Foot Locker Inc. (FL)
6. Walgreens Boots Alliance (WBA)

7. The Bank of Nova Scotia (BNS)
8. Bank OZK (OZK)
9. Cardinal Health Inc. (CAH)
10. Caterpillar Inc. (CAT)

We added quarterly updates on the following 30 securities since last week's update:

1. Abercrombie & Fitch Co. (ANF)
2. ArcelorMittal (MT)
3. Best Buy Co. Inc. (BBY)
4. Brady Corp. (BRC)
5. CenterPoint Energy Inc. (CNP)
6. Costco Wholesale Corp. (COST)
7. Dine Brands Global Inc. (DIN)
8. Dollar General Corp. (DG)
9. Edison International (EIX)
10. Enbridge Inc. (ENB)
11. Entergy Corp.(ETR)
12. Hormel Foods Corp. (HRL)
13. Keurig Dr Pepper Inc. (KDP)
14. Melco Resorts & Entertainment Ltd (MLCO)
15. National Bank of Canada (NTIOF)
16. Northwest Natural Holding Co. (NWN)
17. ONEOK Inc. (OKE)
18. Petróleo Brasileiro SA - Petrobras (PBR)
19. Realty Income Corp. (O)
20. Store Capital Corp. (STOR)
21. Sun Life Financial Inc. (SLF)
22. Tata Motors Ltd (TTM)
23. Telefónica SA (TEF)
24. Teva Pharmaceutical Industries Ltd (TEVA)
25. The Bank of Nova Scotia (BNS)
26. Tootsie Roll Industries Inc. (TR)
27. Vector Grp. Ltd (VGR)
28. Vermilion Energy Inc. (VET)
29. Williams-Sonoma Inc. (WSM)
30. WPP plc (WPP)

We also added 7 new securities to our investment research database:

1. Albemarle Corporation (ALB)
2. Arrow Financial Corporation (AROW)
3. Brown & Brown Inc. (BRO)
4. Cedar Fair, LP (FUN)
5. Dow Inc. (DOW)
6. Prosperity Bancshares Inc. (PB)

7. Tyson Foods (TSN)

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.

Has Walmart Gone Too Far?

When Walmart (WMT) and Amazon (AMZN) battle for customers, it is the customers who ultimately win. Fierce competition in retail in general, and grocery retail in particular, is spurring innovation in the industry.

Walmart recently announced a bold plan to make grocery shopping more convenient. The company will soon test not only delivering groceries to your door, *but coming inside and putting those groceries away in your pantry and refrigerator*.

This means having a Walmart employee inside your home. It will be interesting to see how people react to this greater level of service from Walmart.

The retail giant will soon test this service in 3 pilot cities: Kansas City, Missouri; Pittsburgh, Pennsylvania, and Vero Beach, Florida.

Customers will have to install a special Walmart smart lock in their home to give Walmart employees access. Walmart employees entering homes will be required to wear a camera for transparency.

Pricing on the service has not yet been announced. While Walmart's efforts to remain on the cutting edge of retail should be applauded, in-refrigerator delivery brings up privacy and safety concerns that can't be fully addressed with a wearable camera and Walmart smart lock.

Ultimately, it appears that Walmart envisions a world where it stocks customer's homes like it stocks its stores currently. Walmart's CEO Doug McMillan said: "Imagine keeping homes in stock like we do stores". In the future, perhaps when you are running low on milk and cereal, a Walmart employee can stop by "just in time" and refill your pantry and refrigerator.

Walmart currently is the leader in the U.S. grocery market. The company has generated more than $515 billion in sales over the last 12 months, more than double Amazon's revenue over the last 12 months. And, Walmart is a Dividend Aristocrat thanks to its 46 consecutive years of dividend increases.

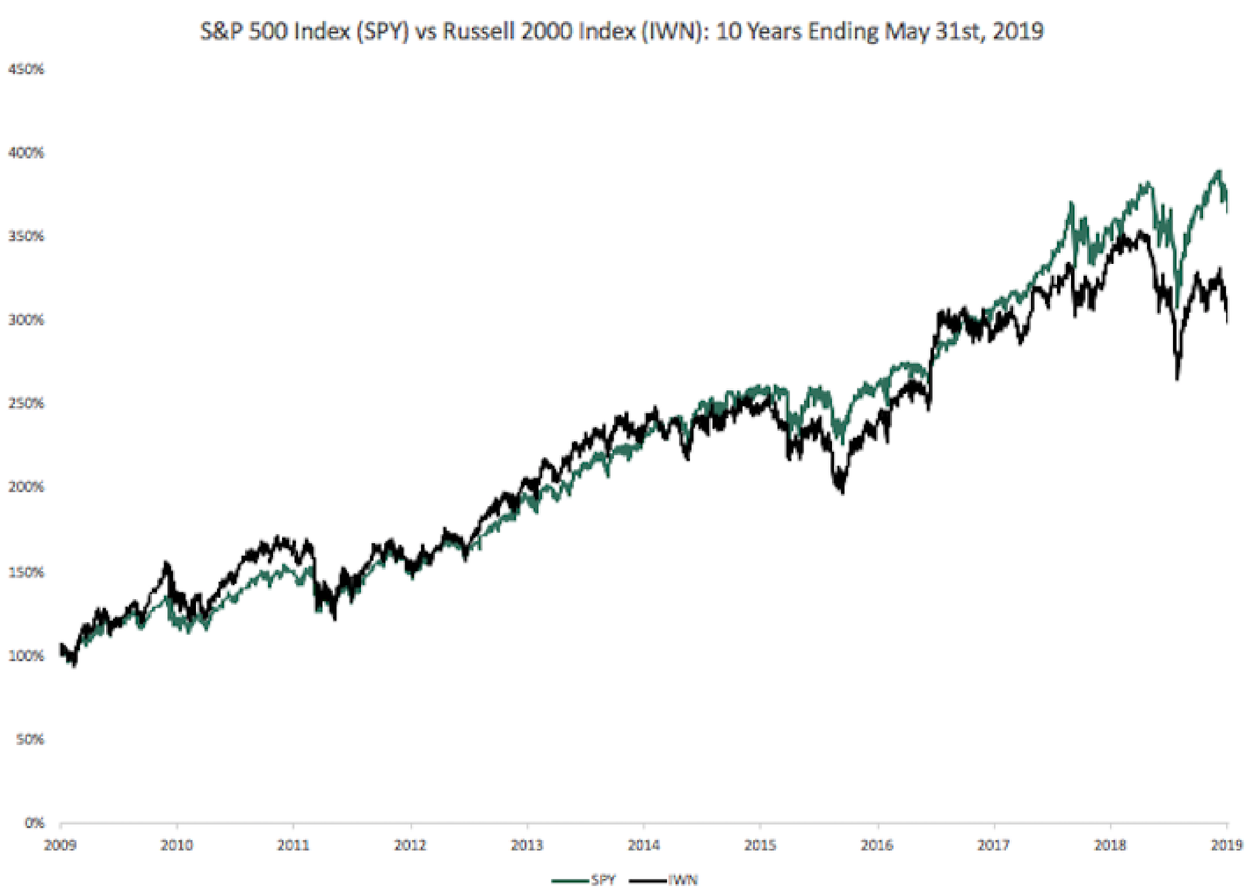
While Walmart is incredibly impressive (and a bit scary) *as a business*, it appears to be a poor investment now. We see Walmart stock as significantly overvalued at current prices. We have Walmart as a sell due to its high valuation, average dividend yield, and middling earnings-per-share growth prospects.

May 2019 Russell 2000 Performance Update

The Russell 2000 is the most popular index for small-cap stocks in the United States. It is a subset of the Russell 3000 Index, which is comprised of the 4,000 largest public companies in the U.S. More specifically, the Russell 2000 contains the Russell 3000 companies ranked 1,001-3,000 in size.

May 2019 was an awful month for the Russell 2000 from a performance perspective. The Russell 2000 ETF (IWM) generated total returns of -8.2% in May 2019. This performance is bad enough on its own, but to make matters worse the Index also underperformed the S&P 500 ETF (SPY). The ETF SPY returned -6.4% over the same time period.

This continues a lousy run for small-cap stocks in general. While small-cap stocks have historically outperformed their large-cap counterparts, this has not been the case over the last 10 years.



Looking ahead, we believe the strong historical returns of small-cap stocks are likely to return at some point because the two main reasons for this historical outperformance still exist:

1. Small-cap companies tend to grow more quickly than their large-cap counterparts.
2. Most small-cap companies are outside the investment universes of institutional investment managers, which creates less demand for shares and reduces their prices – creating better buying opportunities.

Still, May was a difficult month for small-cap investors. We recommend all investors take a long-term view and stay the course moving forward.

You can download our free spreadsheet of all Russell 2000 stocks here.

Other Dividend News

- Arthur J. Gallagher acquires MDV Wealth Planning, Inc.
- Apollo Global Management offers senior notes
- IBM to lay off 1700 employees
- Sanofi appoints Novartis executive as new CEO

New From Sure Dividend

We have 2 new Sure Dividend articles and 1 new video to share with you today:

- Dow Jones 30 Stocks List [June 2019 Update]
- 10 Best High Dividend Stocks In June 2019 With Safe Yields Up To 8.7%
- What Is A Dividend? [DIVIDENDS EXPLAINED]

Also, **The June 2019 Sure Retirement Newsletter goes live this Sunday**. The Sure Retirement Newsletter covers our 10 best 4%+ yielding security recommendations every month.