

Five for Friday: Quality Hiding Places

This week we put our twist on a MarketWatch stock screen offering quality earnings with a high dividend yield. The screen looks at companies in the S&P 500 with relatively lower betas, higher dividend yields, and good prospects for 2024 sales and earnings growth. We take MarketWatch's top 22 screen results and further refine the criteria for value to arrive at our five stocks.

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As we have noted previously, using our factor tracker, high dividend yield stocks are the best-performing factor YTD. After the recent bounce from new bear market lows, it may be time to start thinking about shelter in case of another leg lower.

Screen Criteria

- 12-Month Beta < 1
- Dividend yield > 3.5%
- 2024 EPS Growth > 4%
- 2024 Sales Growth > 4%
- Forward P/E < 12

Ticker	Market Cap. (\$b)	12-Month Beta	Forward P/E	2024 Expected Sales Growth	2024 Expected EPS Growth	Dividend Yield
VFC	\$12.7	0.98	10.3	6%	9%	6.3%
INTC	\$116.4	0.86	10.5	5%	8%	5.3%
OMC	\$13.8	0.73	10.1	4%	8%	4.2%
MS	\$145.7	0.94	10.7	4%	13%	3.9%
CSCO	\$172.3	0.77	11.0	4%	6%	3.6%

Screen Results

The stocks we chose are all trading in value territory on a forward P/E basis. The outsized dividend yields on VFC and INTC are partly the product of poor performance YTD relative to the other companies on the list. OMC, however, is down less than 10% YTD and still carries a 4.2% dividend yield. While a high dividend yield can be attractive, it's not guaranteed. Evaluating the relative safety of the dividend is important in most cases.

Company Summaries (all descriptions courtesy SimpleVisor)

V.F. Corp. (VFC)

V.F. Corporation (VFC) - Apparel Manufacturing

Description

V.F. Corporation, together with its subsidiaries, engages in the design, procurement, marketing, and distribution of licensed lifestyle apparel, footwear, and related products for men, women, and children in the Americas, Europe, and the Asia-Pacific. It operates through three segments: Outdoor Active, and Work. The company offers outdoor, men's wear and other natural fibers based, lifestyle and casual apparel, footwear, equipment, accessories, outdoor inspired, performance based, youth-culture/active sports inspired, footwear, and protective work footwear, handbags, luggage, backpacks, and hats, and work and work inspired lifestyle apparel and footwear. It provides its products under the North Face, Timberland, Smartwool, Solowool, Altra, Vans, Suprenno, Kipling, Ruggieri, Targay, Jantport, Dickies, and Timberland PRO brand names. The company sells its products primarily to specialty stores, department stores, national chains, and mass merchants, as well as sells through direct to consumer operations, including retail stores, concession-retail stores, and e-commerce sites, and other digital platforms. V.F. Corporation was founded in 1991 and is headquartered in Denver, Colorado.

Latest Price (2023-10-27, AMT:USD)

\$31.59 ▼ (-0.01%) (-0.01%)

52 Week Range

\$28.27

Last Close

\$31.76

Day Range

\$29.45

Open

\$31.24

Volume

1,201,074

Avg. Volume (3M)

1,541,562

Annual Div.

\$1.09

Div. Yield

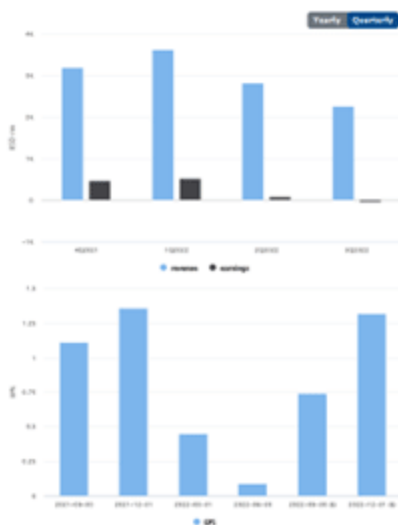
6.27%

P/E Cap (2023)

\$12,270.50

Beta

1.39



Intel Corporation (INTC)

Intel Corporation (INTC) - Semiconductors

Description

Intel Corporation engages in the design, manufacture, and sale of computer products and technologies worldwide. The company operates through CGG, DCG, K19G, Mobiles, NGL, PGL, and All Other segments. It offers platform products, such as central processing units and chipsets, and system-on-chip and out-of-chip packages, and non-platform or adjacent products, including accelerators, boards and systems, connectivity products, graphics, and memory and storage products. The company also provides high performance compute solutions for targeted verticals and embedded applications for retail, industrial, and healthcare markets, and solutions for assisted and autonomous driving comprising compute platforms, computer vision and machine learning-based sensing, mapping and localization, driving policy, and active sensors. In addition, it offers workload-optimized platforms and related products for cloud service providers, enterprise and government, and communications service providers. The company serves original equipment manufacturers, original design manufacturers, and cloud service providers. Intel Corporation has a strategic partnership with NVIDIA to develop and apply advances in artificial intelligence methods for enhancing the search in the space of design. The company was incorporated in 1968 and is headquartered in Santa Clara, California.

Latest Price (2023-10-27, AMT:USD)

\$37.64 ▼ (-0.01%) (-0.01%)

52 Week Range

\$31.34

Last Close

\$37.70

Day Range

\$36.20

Open

\$37.27

Volume

76,914,843

Avg. Volume (3M)

40,131,680

Annual Div.

\$1.61

Div. Yield

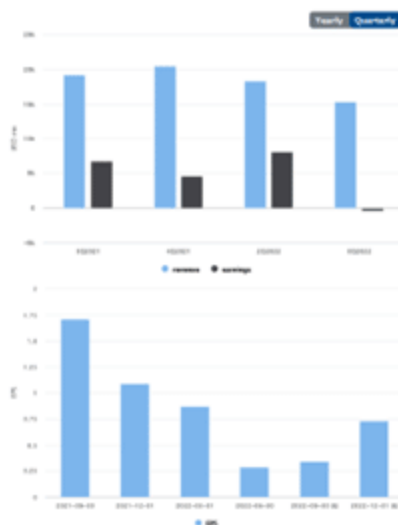
4.30%

P/E Cap (2023)

\$13,680.43

Beta

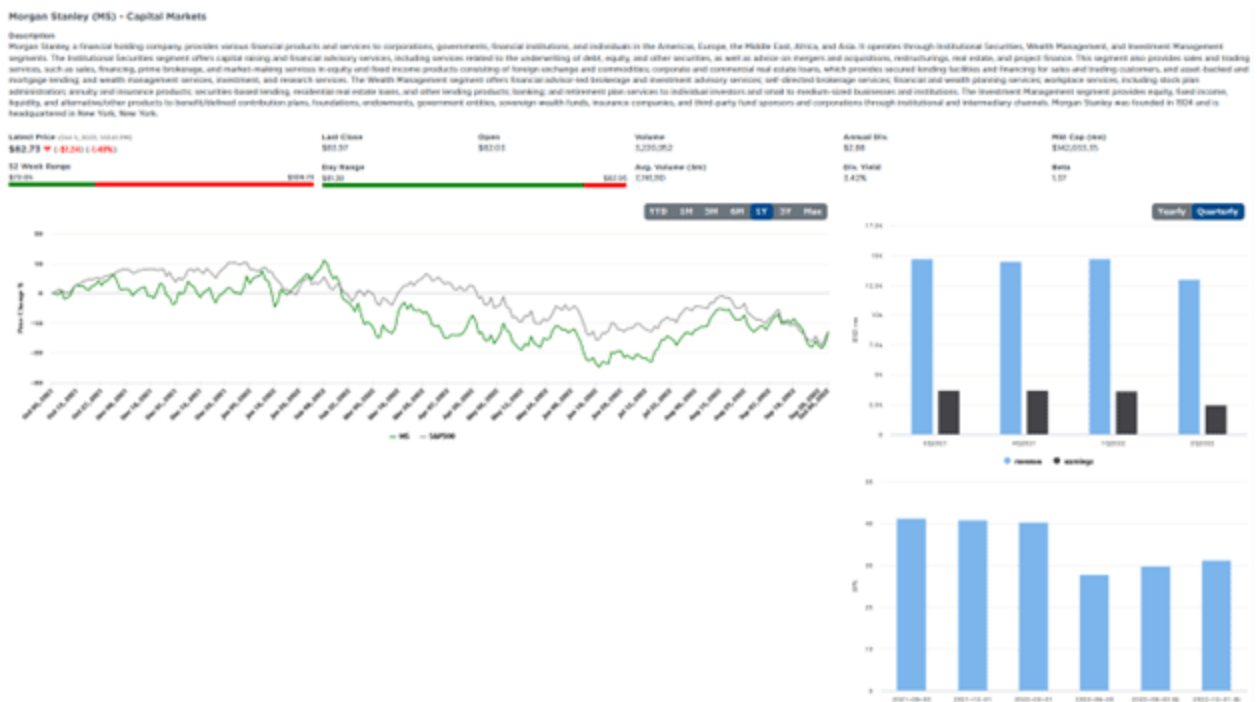
0.65



Omnicom Group Inc. (OMC)



Morgan Stanley (MS)



Cisco Systems (CSCO)

Cisco Systems, Inc. (CSCO) - Communication Equipment

Description

Cisco Systems, Inc. designs, manufactures, and sells Internet Protocol-based networking and other products related to the communications and information technology industry in the Americas, Europe, the Middle East, Africa, the Asia Pacific, Japan, and China. The company also offers switching portfolio encompassing campus switching as well as data center switching; enterprise routing portfolio interconnects public and private wireless and mobile networks, delivering highly secure, and reliable connectivity to campus, data center and branch networks; wireless products include wireless access points that are standalone, controller appliance based, switch-converged, and Meraki cloud-managed offerings; and compute portfolio including the Cisco Unified Computing System, Hyperflex, and software management capabilities, which combine computing, networking, and storage infrastructure management and virtualization. In addition, it provides Internet for the future product consists of routed optical networking, 5G, vision, and optics solutions; collaborative products, such as meetings, collaboration devices, calling, contact center, and communication platform as a service; and to-and security product consists of network security, cloud security, security endpoints, unified threat management, and zero trust, and optimized application experience products including full stack observability and cloud-native platform. Further, the company offers a range of service and support options for its customers, including technical support and advanced services and training services. It serves businesses of various sizes, public institutions, governments, and service providers. The company sells its products and services directly as well as through systems integrators, service providers, other resellers, and distributors. Cisco Systems, Inc. was incorporated in 1982 and is headquartered in San Jose, California.

Latest Price (Jul 5, 2023, 16:20:00)

\$41.89 ▲ (\$0.07) (0.4%)

52 Week Range

\$39.04

Last Close

\$41.82

Day Range

\$40.40

Open

\$41.53

High

\$42.10

Low

\$40.40

Close

\$41.82

Volume

5,796,895

Avg. Volume (3M)

9,203,725

Annual Div.

\$1.50

Div. Yield

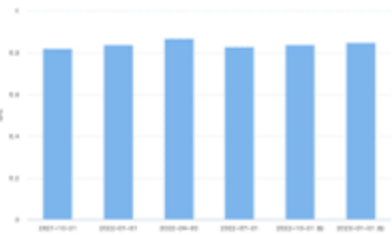
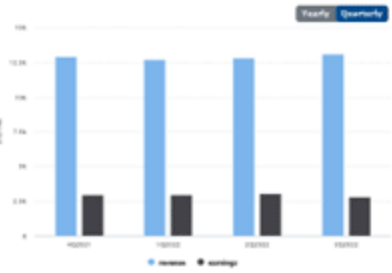
3.59%

500 Cap (M)

\$172,534.30

Beta

0.94



Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.