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. &#2013266080;&#2013266080;

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

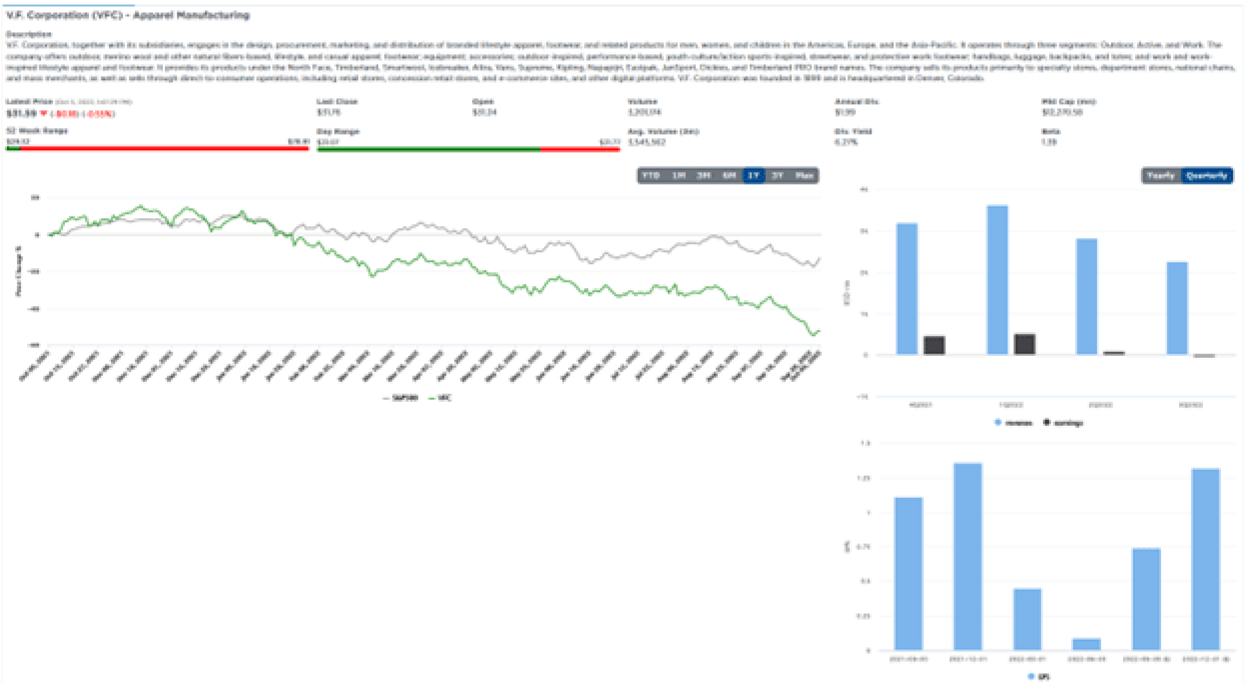
Ticker	Market Cap. ($b)	12-Month Beta	Forward P/E	2024 Expected Sales Growth	2024 Expected EPS Growth	Dividend Yield
VFC	$12.7	0.98	10.3	6%	9%	6.3%
INTC	$116.4	0.86	10.5	5%	8%	5.3%
OMC	$13.8	0.73	10.1	4%	8%	4.2%
MS	$145.7	0.94	10.7	4%	13%	3.9%
CSCO	$172.3	0.77	11.0	4%	6%	3.6%

Screen Results

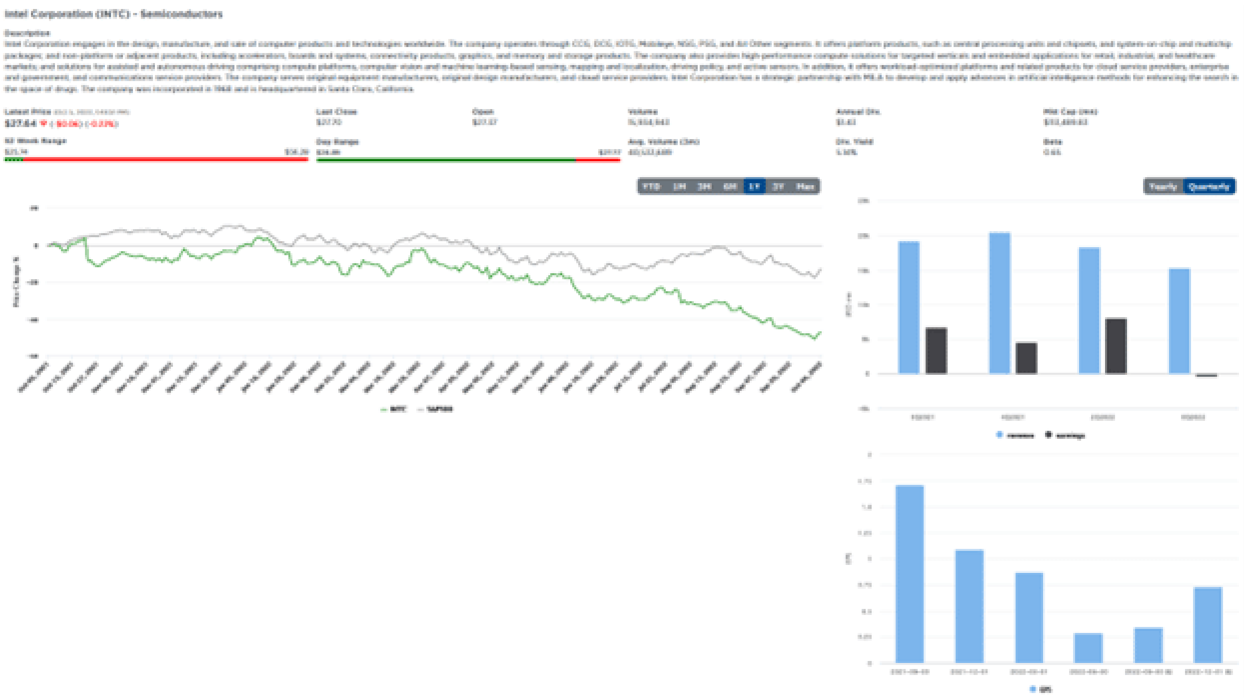
The stocks we chose are all trading in value territory on a forward P/E basis. The outsized dividend yields on VFC and INTC are partly the product of poor performance YTD relative to the other companies on the list. OMC, however, is down less than 10% YTD and still carries a 4.2% dividend yield. While 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)

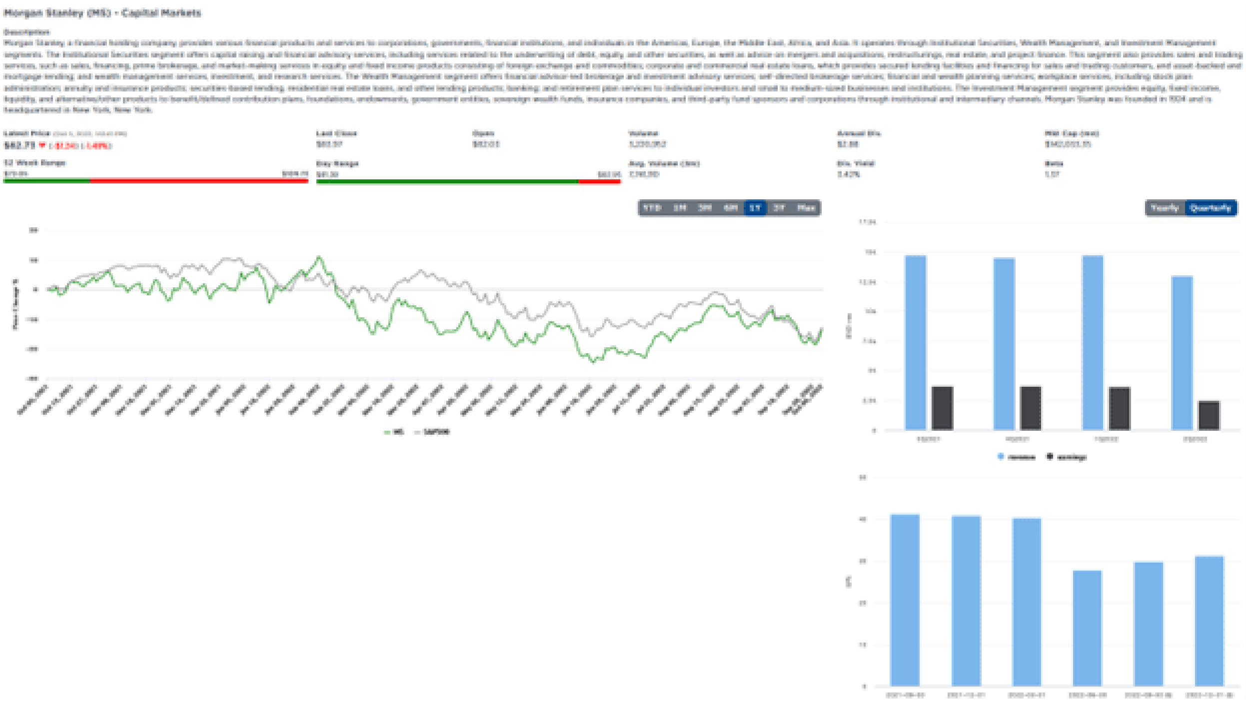


Intel (INTC)

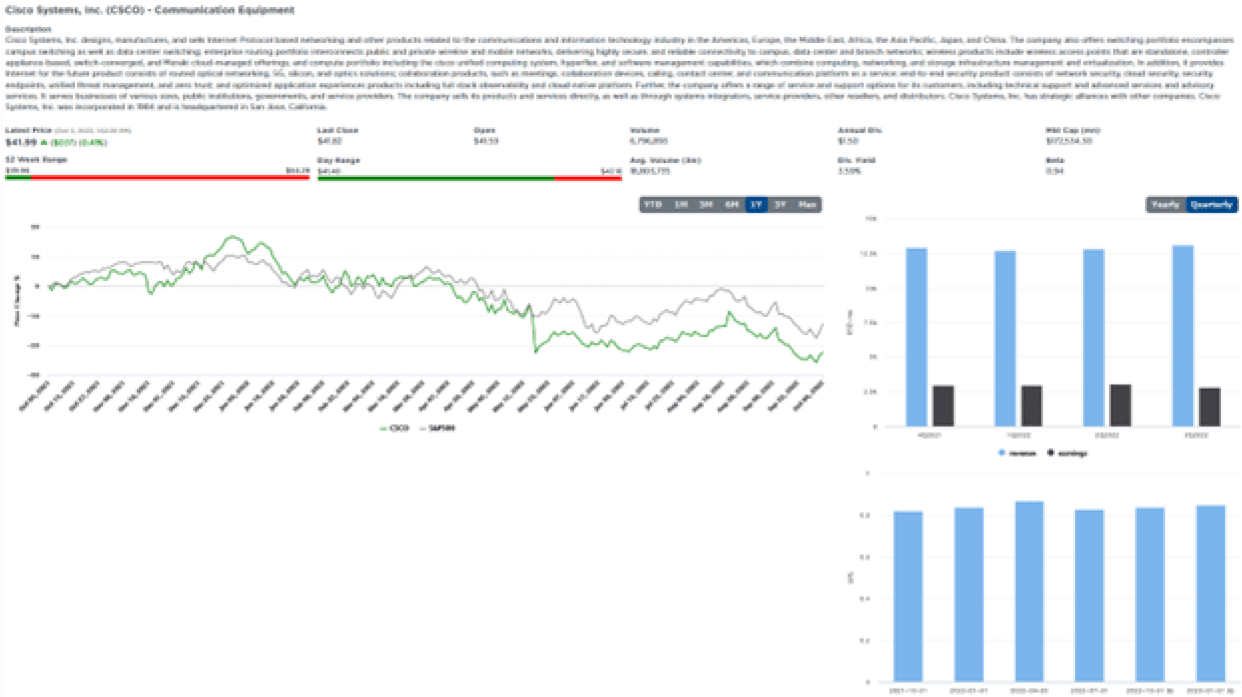


Omnicom Group Inc. (OMC)

Morgan Stanley (MS)



Cisco Systems (CSCO)



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.