

Trading with Dividends

By
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[The 10 Minute Trader](#)

[Money Makes Life Easier](#)

[Online Trading System](#)

[10-20 Checks Per Month](#)

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As an Addendum. I would like you all to know the links found throughout this book are for informational and educational purposes only. I receive no compensation from recommending or even commenting on them to you. I simply find them to be the best at giving out information in an easy to read and follow format.

Dedication

For all those individuals that have been striving for years only to realize they still might not have enough saved for their golden years. Knowing that there is a more productive way to achieve their goals, but not knowing what method to use.

INTRODUCTION

If you have money in an IRA, 401k or just tucked away under the bed, you are well aware that the economy is wreaking havoc on your buying power. The so-called experts that may be handling your money are not doing their jobs very well.

If you are not getting at least 25% returns on your money every year.... then someone is not telling you something. Maybe you just don't care about your hard earned money... Well, hopefully what brought you to this book is an enlightened sense that it's time to take charge of your own money.

I'm not much for B.S. or smoke and mirrors, I like to get right to the point and will keep this a short read.

**No one has more interest
in your money than you!**

**THE LINKS ENCLOSED IN THIS BOOK
ARE
NOT TO BE IGNORED
THEY ARE HERE FOR YOU TO VIEW AND
USE**

Let's get this party started!!!

INVESTING WITH DIVIDEND STOCKS

After many years of investing, one tends to develop strategies to be a better trader. One also develops the ability to [see trends](#) that work over and over again. Some strategies are more successful than others some trends repeat themselves year after year. When these are spotted it is easier to make money trading in the stock market.

One of these trends has to do with dividend paying stocks and there are two strategies that I use consistently to make trading dividend stocks almost risk free and extremely profitable.

Investing in dividend paying stocks is nothing new, this strategy has been around for thousands of years, first assembled in 1602, the stock market as we know it was created with the specific reason of raising capital. Investors would buy company shares just to collect the dividends. Profitable companies would pass along their profits to their investors, kind of like a “thank you” for loaning us money type of deal. Since then it has been a sure fire way of amassing wealth among those that knew what dividend investing was.

The “[Dividend Capturing](#)” strategy works well when you have some insight on what is happening into the companies that payout these profits. The S.E.C. which was formed right after the stock market crash of 1929 as part of the NEW DEAL passed by President D. Roosevelt is the major contributor to helping us make money.

The S.E.C. makes sure we all know what is going on inside each company by requiring all publicly traded companies to file quarterly reports. These reports tell us some of what we need to know to make a decision on whether or not to invest our money into that company.

The ultimate plan of a company is to offer the public a quality product or service and return a good profit for the share holders. Here is an over simplified definition of a company. The company offers a product or service, everyone comes to work, does their job and things continue to progress forward.

Once we understand the basics of what a quarterly report is we can pass right along to the important stuff. The stuff that we can take and turn into money in our bank account. There are many books and reports on how to read a quarterly report but for what we are going to be doing, the fact that the company has to share their information and they are profitable is all we need right now.

Stock prices fluctuate all year long, for many reasons. Some reasons stocks fluctuate are directly connected to the stock market, others are just “public reaction” or “public over reaction” to news and current events. Events that can cause a stock to move....some are planned and some are unplanned.

I have come to the conclusion after many years of investing...that stocks move up and down in price based on known reasons and unknown reasons only. There is nothing else that effects stock prices. We either know why or we don't...plain and simple. Unknown or unplanned events causing stock price movement like the oil spill in the Gulf of Mexico, a hurricane moving through the mid-west, the earthquake in downtown LA, and a blizzard in the north east...etc (just to name a few) have all caused knee-jerk reactions from investors in turn wreaking havoc on the stock market.

The oil spill in the Gulf of Mexico deeply affected some oil stocks and then there was a trickle down effect from the oil in the gulf. Some beaches were affected by the oil spill. Hotels, resorts, charter boats and other industries directly related to the gulf of Mexico that have stock in the market were effected by this unplanned event.

The Gulf Wars affected some defense contractors as well as oil and gas companies. Class action lawsuits and other events that you cannot plan for can also impact stock market investments. Most of these “unforeseen events” have nothing to do with the stock market. Some of the companies that are affected have nothing to do with these events and some are directly related to them. It more or less comes down to the public's reaction to the news and the after math that comes along with the unplanned event.

We can not plan to trade and take advantage of those events because they are “unforeseen events”. They just happen and the best any trader can do is react to the news and make their best play. The best ways to trade these news events can be and are very simple.

For example, the oil spill in the Gulf of Mexico, we all knew the culprits stock price was going to fall. How far it was going to fall?....that comes down to chart reading and the relationship to the company's cash flow on the books. Two separate ways of looking at the valuation of the company and its stock in relation to the size of the problem headlined in the news are:

- This particular company was so huge and what seemed like a major news story worthy of sinking a smaller company didn't effect the value of the over all parent company.
- This company did take a hit in its stock price and the price quickly recovered after that mess was cleared.

How do you trade with that information? Buy “Put Options” on the way down and “Long Term Calendar Spreads” at the point of some stability and lastly when the situation seems to be close to being done...some “Call Options” or “Spread Options” for the climb back up to normal pricing or what some people call “Pre-Situation Support and Resistance Levels”. That is how to trade that type of situation but it is not that simple. And it is not what we are talking about in this book. That kind of information is going to be several books into your education if you want to take it that far. For now let's get back to simple and easy.

On the other hand, there are the “known events” that as investors...we can plan a strategy to trade and make a profit on. A “Known event” can be anything that everyone knows about. Christmas, New Years Eve, Black Friday and many other government approved holidays are a few of these known events that cause price fluctuations. Then there are the changing of seasons, Spring, Summer, Fall and Winter, yes the changes of seasons do effect some companies stock to move.

Here are some seasonal market impacting examples in which a couple of good trading strategies to take advantage of can take place (lessons for later in your education):

- **Snow and how much we get of it will dictate how many snow blowers are manufactured, how many snow shovels need to be ordered for the up coming season etc.**
- **Spring time brings agricultural growth and nice weather along with a few key holidays such as Valentine's day causing your home improvement and candy retailers' stock to rise.**
- **Summer time most families take holiday vacations and travel or jump in the car and drive somewhere.**
- **Fall kids go back to school and the sales go through the roof on so many consumer goods products in the forth quarter every year.**

The Granddaddy of all known events would be the “Quarterly Reports”. S.E.C. Regulations require that all publicly traded companies give out quarterly reports so we all know what is going on inside the company... Thank you very much President Franklin D. Roosevelt.

When companies are profitable they have to decide what do with the money...Invest it back into the company...or share it with the stock holders, the investors...that is you and me.

That, my friends, is the main reason for these two trading strategies I am teaching you. Here are the main points:

1. Profitable companies share their profits.
2. You don't have to own the stock all year to qualify for a share of the profits in the form of a Dividend check.
3. When a company is ready to pay out a dividend check, we get notified with a list.
4. There are over 3,500 profitable companies this year and only 252 trading days. Almost every day some company will be paying out a dividend.
5. Equipped with our special dividend capture calculator and some special software, we know ahead of time which company's are the best to invest in to put the odds in our favor.

If you have read any of my other books you probably know that I am not much into fluff and filler junk...I like to get right to the point.

Although there are various small pieces to the puzzle to make your investing process complete and functional, having a great trading strategy that makes money is a good chunk of the equation,. Let's talk about a couple of them.

There are two trading strategies that I find are easy to learn, easy to set up and just about take care of themselves: [Dividend Capturing](#) and [Dividends on Steroids](#). I'm hoping you've read both books by now. If not, you can grab a copy of them here: [the10minutetrader](#), to simplify the 2 strategies as quickly as possible.

[Dividend capturing](#), when a company is profitable they share their profits with their investors by means of paying out dividends. Simply buy the stock before the EX-Date and sell after you qualify to receive a check, that day is the Date of Record, usually 2-3 days. Collect your profits and then resell when the price is right.

[Dividends on Steroids](#), uses the same strategy but instead of collecting just a dividend check you can capture more profits with the inflated pricing that happens just before the EX-Date from all the other investors rushing in to collect some dividend profits. By buying the stock just 10 days prior to the ex-date you set yourself up for some additional profits. With high accuracy this simple trading strategy has quite an impression on most students we have worked with.

This guide is designed to bring you to a storehouse of information and show you how to assemble the pieces of the puzzle. There are quite a few links to videos and websites here to make your learning curve easier. So let's jump right on in.

Every month there are over 20 trading days of which there is always some company getting ready to pay out a dividend. There are 565 companies eager to share the wealth in just a 5 day period with yields ranging from less than 1% to roughly 12%.

Companies Paying Dividends from May 7 through May 11, 2012

Day	Date	Number of Companies	Low Yield	High Yield
Monday	7th	27	0.30%	8.20%
Tuesday	8th	64	0.14%	13.68%
Wednesday	9th	96	0.28%	14.00%
Thursday	10th	46	n/a	n/a
Friday	11th	332	n/a	n/a
Number of Days	5	565	0.24%	11.96%

SETTING UP A TRADING ACCOUNT

If you have not opened your trading account with ThinkorSwim.com, I suggest you do so as soon as possible. Here is a quick [how to video](#) on the subject. Once you have your stock trading account open you have to set up your account to use these two strategies. We have set up another [quick video](#) to help you do that too. These step by step videos are easy to understand tutorials on how to set up your account specifically for trading using these 2 strategies.

These videos are based on years of experience in trading and have been simplified to make trading easier. There are lots of books and articles about stock trading and no one person could read them all in two lifetimes, actually trade *and* have a life too. There is way too much information out there and some of it is very complex. This is why we have chosen to use a 12 year old to explain how to do this. Adults have a tendency to ask too many questions and someone who knows nothing has a better chance to be successful at this type of trading. In this situation “less is more” the less you know the better you will do.

You may be asking yourself, “Why do I only show you Think or Swim's trading platform?” Well, after years of trading, I have searched dozens of trading platforms and Think or Swim is the only one that has the “trigger trade” that allows you the “*set it and forget it*” kind of trading I like. I have even spent hours on the phone chatting and arguing sometimes with programmers from different brokerage houses about the type of trading I want to do and teach. “If you guys only just make one little tweak to your trading platform I could send all my students to you”, of course they have no interest in changing their platform for just me and my students...yet.

Did I mention that Think or Swim has a very low commission scale only if you [follow this link here](#).



We Recommend Think or Swim

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member finra | sipc

CLICK HERE
to sign up for discounted commissions with Think or Swim!

Why are we using that link? Well, Think or Swim offers special deals on commissions to customers coming from certain websites and from trade shows. I just wanted to pass that information along. They give out discounts and this one lets you have \$5 trades on stocks and options (as long as the link stays active). There is no guarantee that this \$5 commission structure will still be available, but give it a try and save some money on your trades.

Yes, I know there are other trading platforms out there that have cheaper commission trades, but they don't offer the trigger trade and the range of capabilities that makes these two strategies as profitable and as easy. You will end up spending more time without this type of trade, Just *set it and forget it*.

I don't know about you, but I am here to make my money grow and not live in the world of stock market trading, glued to a screen looking for opportunities and complex trading. I want simple and easy so I can move on with living my life.

Once you have your account open and set up for this type of trading, you can watch another video that shows you [how to pick your first trade](#). Depending on which strategy you choose, Dividend Capturing or Dividends on Steroids will dictate what day you will be looking at on the list of stock going EX-Dividend.

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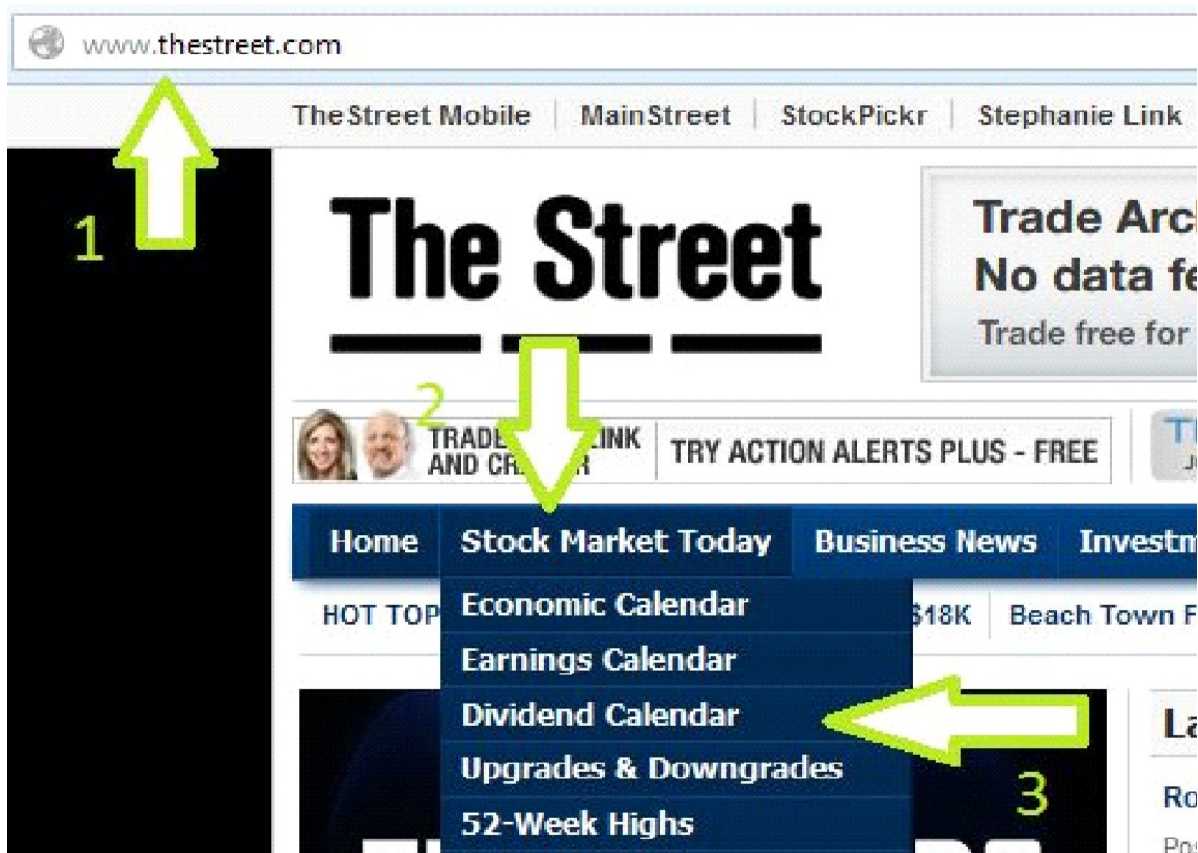
Amount	Announced	Ex Dividend	Record	Payable
\$0.14	4/26/12	6/12/12	6/14/12	7/12/12
\$0.34	4/17/12	6/12/12	6/14/12	6/28/12
\$0.15	5/14/12	6/12/12	6/14/12	6/28/12
\$0.20	5/21/12	6/12/12	6/14/12	7/12/12
\$0.20	5/17/12	6/12/12	6/14/12	7/12/12
\$0.25	5/25/12	6/12/12	6/14/12	7/3/12
\$0.17	5/10/12	6/12/12	6/14/12	7/2/12
\$0.1675	5/17/12	6/12/12	6/14/12	7/1/12
\$0.05	5/9/12	6/12/12	6/14/12	7/6/12

This list will be on your Think or Swim trading platform as shown in the videos. As of this writing we have created a [dividends stock calculator](#) that chooses the best dividend stocks that will be available in [our weekly newsletter](#).

[I do have other lists](#) that will come in handy as Think or Swim does not have every stock listed that is paying out a dividend everyday.

[The Street.com](#) has a very complete list of dividend paying stocks in a calendar format, allowing you to view almost any day coming up. When you get to their website, here is the path to take to get you there if the link is not working properly:

Go to “Thestreet.com and follow the numbers 1-2-3 that will open up the Dividend calendar and allow you to look at more than one week at a time. This calendar also gives you the stock yields for the year but remember we are only holding for no more than 2-10 days. If the stock doesn't move by then it may cost you in the long run to hold on to them.



As you can see, some months like May and June seem to be filled up everyday with some company paying out some of their profits, while the month of July seems to have some empty spots. The reason for this is that July is, as of this writing, 6 to 8 weeks away and some companies have not announced their EX-DATES yet. We are only looking at stocks ten days out for one of these strategies.

Dividend Calendar

Select a date from the calendar to view a list of companies with that date as their ex-dividend date

To find stocks that pay high dividends, please visit our list of high-yield stocks. For more dividend stock investment ideas, visit our dividend stock picks section.

June 2013							July 2013							August 2013						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	31	1	30	1	2	3	4	5	6	28	29	30	31	1	2	3
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31	1	2	3	25	26	27	28	29	30	31
30																				

Click on any day of the month and you will get a screen that shows who is paying out for that day.

Symbols for 05/29/2012

Symbol	Company	Amount	Yield	Dividend ExDate
ABX	Barrick Gold Corporation	\$0.20	2.13%	05/29/2012
ABX	Barrick Gold Corporation	\$0.20	2.13%	05/29/2012
ABX	Barrick Gold Corporation	\$0.20	2.13%	05/29/2012
ASCA	Ameristar Casinos Inc	\$0.13	2.73%	05/29/2012
AT	Atlantic Power Corporation	\$0.10	8.25%	05/29/2012
AYR	Aircastle Ltd	\$0.15	5.34%	05/29/2012
BIP	Brookfield Infrastructure Partners LP	\$0.38	4.83%	05/29/2012
BMI	Badger Meter Inc.	\$0.16	1.74%	05/29/2012
BOH	Bank of Hawaii Corporation	\$0.45	3.83%	05/29/2012
BTE	Baytex Energy Corp	\$0.22	5.81%	05/29/2012

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One benefit of owning a stock is the potential that you will be paid a dividend. The distribution of dividend payments is another way for a company to share its profit with you. A dividend means that the company

Then...

Click the “SYMBOL” button and you can change the order alphabetically.

Click the “COMPANY” button and change alphabetically.

Click the “AMOUNT” button and the dividend changes from lowest to highest being paid out. It is a very interactive chart with lots of information to help choose who is paying what.

Click the “YIELD” button and that changes also. As you can see there are over 80 companies paying dividends after they go EX on May 29, 2012.

If you think this is cool, wait til you see what's coming up next.

Okay, so... these companies are paying out a portion of their profits.... big deal. “How do I know if the stock price will move up so I can get out without losing any

money?” That is probably what you are asking yourself.... right?

Well I have come up with a [“Dividend Stock Calculator”](#) to help pick the best stock out of this list to buy.

	Symbol	Price	Dividend	Yield	20 DMA	10 yr prf	D/C str
1	DIS	49.65	0.15	1.20 %	1.50 %	90.00 %	100.00 %
2	MET	34.97	0.18	2.14 %	2.81 %	90.00 %	100.00 %
3	IBM	199.29	0.80	1.61 %	1.38 %	79.07 %	92.86 %
4	T	37.49	0.44	4.70 %	1.67 %	74.42 %	85.71 %
5	AMX	26.16	0.07	1.08 %	2.27 %	73.08 %	92.00 %

Here is a quick look at what five dividend paying stocks look like going through my calculator. The first four columns are self explanatory.

20DMA is the 20 day moving average, how much price fluctuation does the stock have in the last 20 days (this gives me an idea of how much profit to enter into my trigger trade).

“10 yr prf” is the percentage of wins I would have experienced over the last ten years using the DOS (Dividends On Steroids) trading strategy. I only trade when this number is over 70%, as you can see all these would fit into my trading plan.

“DC str” is the percentage of wins I would have experienced over the last 10 years using just “Dividend Capturing” only. I only trade these if they are over 80% and again all these stocks would have made my list.

There is one thing I need to point out. This is no guarantee that the stocks will do what we want them to. This calculator just lets us see what the stocks have done in the past and you will have to make your own decisions on whether or not to make a trade. I like to think that if a stock has done it in the past...it usually will do it again. BUT this is no excuse not to do some research to back up these findings.

I always look at the charts after the calculator picks some good candidates, then I recalculate my thoughts and buy if every thing still looks good. In one of my other books there are samples of simplified chart reading to make trading

easier...more or less some do's and don'ts when looking at charts.

There is also another website called [dividend investor.com](http://dividendinvestor.com) that can answer some of your questions and add to some research for you if you feel the need. They show the history of how well the company has paid out its dividends over time. They also show if the company has been increasing their pay outs as well...which is a very good sign.

When you get to this site there are lots of free things you can do, but ultimately they want you to subscribe and pay for more information. That is going to be totally up to you depending on how comfortable you are about your investment choices.

I just use this site to see how many years the company has been paying out dividends and how many consecutive years they have increased their payouts to investors.

Dividend Quote Intra-Day Updates

Stock Symbol [Lookup](#)

Kinder Morgan Energy Partners, (NYSE : KMP)

[+Scorecard](#)

Dividend AllStar™ Ranking:	☆☆☆☆☆
Web Site:	www.kindermorgan.com
Sector:	Energy
Segment:	Oil & Gas
Industry:	Equipment & Services
Dividend Re-Investment Plan:	No
Re-Investment Agent:	None
Direct Purchase Minimum:	\$ 0
Optional Cash Pay Min-Max:	\$ 0 - \$
Optional Cash Payment Freq:	None

Dividend Information

Dividend Yield:	5.90 %
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One last website of dividends I want to share is [Dividendium](#), this site wants you to subscribe. I thought I would pay my respects here because they are the *very first website* that opened my eyes and helped me come up with these trading strategies.



Stock	Next Payout
CLF (Cliffs Natural Resources Inc.)	\$0.63
ED (Consolidated Edison Inc.)	\$0.61
EXC (Exelon Corporation)	\$0.53
LLY (Eli Lilly & Co.)	\$0.49
REG (Regency Centers Corporation)	\$0.46
ALE (ALLETE, Inc.)	\$0.46
DD (E. I. du Pont de Nemours and Company)	\$0.43
TGT (Target Corp.)	\$0.36
VVC (Vectren Corporation)	\$0.35
TFX (Teleflex Incorporated)	\$0.34
AFL (AFLAC Inc.)	\$0.33
SBRA (Sabra Health Care REIT, Inc.)	\$0.33
IACI (IAC/InterActiveCorp)	\$0.32
HE (Hawaiian Electric Industries Inc.)	\$0.31
PSMT (PriceSmart Inc.)	\$0.30

Now that you've found some stocks that are getting ready to pay out some money, I hope you've watched the videos to help you make some trades and start profiting.

After only one week, let's check on Jacey's progress in this [video](#). As you can see in the video, she got 3.3% in her first week with this strategy. Her averages have come to a steady 2.4% over the last 38 weeks...and that, my friends, is going to be well over 100% from the start of this little venture in the first year alone.

If you were averaging over 2.4% every week, or even a measly 1% per week how much would you need to actually retire and not work anymore? To answer that question here is a [fun little calculator](#), a “compound interest calculator”, to help you figure out some pressing answers to how much money you actually need to use this type of trading in order to retire. Once you get to this site, the instructions are pretty easy. The link above actually opens up to the calculator for you to give it a try, there is also a monthly [compound interest calculator](#) to play with in case you only want to trade once a month.

MONEY MAKES LIFE EASIER
WEEKLY COMPOUNDING
CALCULATOR

Initial Deposit	\$ 1000
Periodic Deposit	\$ 100
Interest Rate	2.00 %
Deposit Frequency	Weekly ▾
Whether deposits are	End of period ▾
Time Frame	Yearly ▾
	1

Compute Savings

Ending Balance

Total Amount Invested

Total Interest Earned

* Monthly deposits will be 1 deposit every 4 weeks (13 deposits / year)

Playing with these 2 compound interest calculators will open your eyes to why Einstein was quoted for saying that “compound interest just may be the 8th wonder of the world”. You will now have some good insight to how much money you really need to live comfortably. Also the insight of how all the pennies, dimes and nickles can and do add up over time.

Now you are equipped with loads of information on trading and some tools to improve your odds of picking more consistent winners. The only thing to do now is get out there and start trading. I do suggest that you start with a virtual account and practice before you put any real money into this venture.

Better yet...come join our [weekly newsletter/stock tips](#) and trade as we do. We are working on live training and you can see what we are trading ourselves.

Once you learn the secrets to investing this way your life just may never be the same. Most high schools and colleges do not even cover this type of education. Why do you think that is?

Thank you and happy trading,

James A. Gaudino Sr.

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