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CORNERSTONE STOCKS

By Gordon Pape, Editor and Publisher

I'm mystified by the continued strong rally in stocks. If it holds, this is going be the shortest bear market in history.

I don't think that's likely. Historically, markets look ahead 3-6 months, and that's reflected in the prices. But what is the world going to look like by the fall? Based on what medical experts are telling us, we will still not have a coronavirus vaccine, although we may be getting close.

Without a vaccine, a major economic recovery is highly unlikely. That means the scenario for the next year or so is likely to be similar to the one we're experiencing now. Unemployment will be high, corporate profits will be suppressed, global supply chains will be strained, demand for oil will remain low, money for new capital expenditures will be scarce, and many people will need government help to survive.

That's not a recipe for a rising stock market. I think once investors realize how long and difficult the road back is going to be, we'll see a new downturn that will test the March lows. I don't expect a true recovery to begin much before the first quarter of 2021 and even then, I think it will be tepid at best.

I'm not suggesting you should avoid stocks during this period. But they must be carefully chosen. I would not invest in broad market indexes at this point.

Rather, look for stocks that are likely to at least hold their value during this crisis and will emerge in a stronger position when its over. I call these Cornerstone Stocks. They offer products or services that are in high demand (many are essential services), have a sound balance sheet, and pay a sustainable dividend.

Here are five Cornerstone Stocks I believe are worth considering at this time.

Precious metals

Franco-Nevada (TSX, NYSE: FNV). Gold has always been a safe haven investment and it looks even more attractive now as the U.S. Federal Reserve Board has become a money-printing machine, weakening the U.S. dollar. I like this stock because it's a royalty company – it doesn't have to carry the cost of finding, developing, and operating new mines. The shares are up 43% so far this year.

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Cornerstone stocks – continued from page 1…

Retailers

Walmart (NYSE: WMT). Many companies are suffering during this downturn, laying off millions of workers in the process. Walmart is not one of them. Sales are booming – The Wall Street Journal reported last week they were up 20% year-over-year in March. As a result, the company is hiring, big time. The retailer has added 150,000 new jobs and plans to hire another 50,000, although these positions will be mainly temporary. The stock pays a quarterly dividend of US$0.54 (US$2.16 a year), to yield 1.7%.

Costco (NDQ: COST). Costco is another retailer that's doing well. March sales were up 11.7% year-over-year, although the numbers going forward may not be as impressive due to new social distancing rules at its stores. The company showed confidence by raising its quarterly dividend by 7.7% to US$0.70, effective with the May 15 payment.

Telecoms

AT&T (NYSE: T). Communications companies may suffer some revenue declines this year, but these are solid companies with steady cash flow and strong balance sheets. AT&T's CEO has stated the company has a strong balance sheet and is committed to fulfilling its dividend obligations. Despite that, the shares are trading below US$30. With a $2.08 annual payout, that works out to a yield of better than 7%.

BCE Inc. (TSX, NYSE: BCE). BCE has not made any commitment to maintain its dividend that I know of and first-quarter results aren't due until May 7. As with AT&T, sales and earnings may be below expectations, but I don't expect anything extraordinary. With a yield of 5.9%, this is a core stock to hold through the crisis and beyond.

Layer in these positions slowly as the market looks pricy right now. I'll have more equity suggestions next week.

REIT CARNAGE

By Richard N. Croft, Associate Publisher

Real Estate Investment Trusts (REITs) invest in various segments of the real estate market. The one that I want to look at today is U.S. leveraged residential mortgage backed securities (MBSs), which are guaranteed by the U.S. government.

U.S.-based REITs are obligated to pass through 90% of income to unitholders in the form of capital gains and dividends. In a normal market environment – whatever that is – residential mortgage REITs attract investors by offering yields comparable to say, high yield (rated "B" or lower) corporate bonds.

Obviously, MBSs with their government guarantees are considered low risk and, by extension, do not offer yields that are competitive to junk bonds. To address that, REITs lever up their MBS portfolio by borrowing short-term capital from the repo market, which is used to purchase longer dated MBSs. And the leverage can be significant!

(The repo market is a relatively unknown part of the financial system that deals in repurchase agreements, or repo for short. These are short-term secured loans. One party sells securities to another and agrees to repurchase them later at a higher price. The securities serve as collateral.)

For example, a REIT invests $100,000 to buy an MBS with a 30-year term yielding 5%. The MBS can be leveraged by a factor of 10 although for this exercise let's assume eight times leverage. The REIT borrows $700,000 in short-term capital from the repo market at, say, 2%. At this point the REIT has $800,000 in an MBS paying 5% per annum, which generates $40,000 in cashflow. The borrowing costs payable to the repo market is $14,000 per annum ($700,000 capital multiplied by 2% per annum), netting the REIT $26,000 in annual cashflow.

Here's where the leverage sparkles: the REIT's net asset value is $100,000, which is calculated as $800,000 in total MBS, less $700,000 in liabilities financed in the repo market. When the $26,000 net cashflow is set against the $100,000 NAV, we have a yield of 26% before ancillary expenses. Since 90% of that net cash flow must be paid out to unitholders, you end up with an outsized dividend yield.

There are obvious risks not related to the current crisis. The leverage provided by the repo market can be called at any time. As with a margin call, where risk is marked to the market daily, the REIT can be hit with a "margin" call that requires management to close out MBSs to cover the shortfall.

Now let's add a health crisis to this risk cocktail. As COVID-19 \ sent shockwaves through the financial markets, liquidity dried up and bid/ask spreads for corporate bonds and MBSs widened almost overnight.

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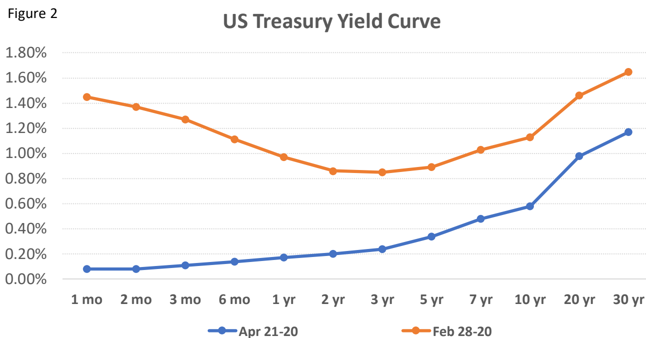
REIT carnage – continued from page 2…

The MBSs collateralizing the repo loans were valued at their closing "bid" price. which led to margin calls that forced REITs to sell assets in an illiquid market at depressed prices. REITs, typically considered stable investments, were pummeled (see figure 1) under the twin strains of liquidity and homeowners' inability to make mortgage payments.

Figure 1: Dow Jones US Select REIT Index

The U.S. Federal Reserve stepped in to shore up the residential real estate market with a massive trillion-dollar quantitative easing program. The intent was to provide liquidity as needed, which narrowed the outsized differential between bid and ask spreads.

Additionally, the Fed slashed short-term rates to zero. REITs that survived the initial margin call blitz can now borrow from the repo market at much lower rates. Equally important is that the longer end of the bond market, on which MBS securities are priced, did not fall as dramatically as the short end. The steepening yield curve has widened the spread between MBS and the repo market. Figure 2 compares the U.S. Treasury yield curve at the end of February 2020 to the more recent curve as of April 21, 2020.



All of this sets up an interesting backdrop for investors willing to assume the risk associated with leveraged securities. But there are a lot of ifs involved. If short-term interest rates remain at or near zero until the end of the year, if COVID-19 subsides enough to allow a staggered restart of the U.S. economy, if enough homeowners get back to work so they can make regular mortgage payments, and if we do not get a serious second surge of COVID-19 that overwhelms the health care system, you can make a case that U.S. REITs will provide solid returns in the second half of the year. That's if they can survive the current crisis!

One U.S. REIT security that looks interesting is the Vanguard Real Estate Index Fund ETF Shares (NYSE: VNQ). Vanguard is known for its low-cost ETFs and VNQ is no exception with an expense ratio of 0.12% or about 90% lower than the average real estate ETF.

Figure 3: Vanguard Real Estate Index Fund ETF Shares

VNQ tracks the MSCI U.S. Investable Market Real Estate 25/50 Index and while it is considered a little riskier than average, it is not among the riskiest classes of ETFs. Top holdings include Vanguard Real Estate II Index Fund, American Tower Corp., and Simon Property Group.

Like most higher risk investments, there are a lot of "what-ifs" underpinning this recommendation. However, as the economy normalizes, and homeowners begin to pay their monthly mortgage costs, the surviving REITs should be able to bolster cash flow which will be distributed to unitholders. With the right REIT and some economic tailwinds, VNQ can provide a portfolio with some decent cash flow and diversification.

Action now: Buy Vanguard Real Estate Index Fund ETF Shares. The closing price on Friday was US$72.75. Remember, this ETF is only suitable for investors who can tolerate some risk.

Richard Croft has been in the investment business for more than 40 years and is the founder of R.N. Croft Financial Group. As a global portfolio manager and option specialist, his focus is helping investors clarify their goals and risk tolerances, leading to an appropriate risk-adjusted portfolio. He can be contacted at rcroft@croftgroup.com

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THE BUST WITHOUT A BOOM

By William R. Henry, Ph.D., Guest Contributor

Rigidity is not a characteristic of the actual world we live in. Indeed, the opposite is true. The coronavirus is an element of change that has produced a life-threatening pandemic. That in turn has resulted in multiple knock-on effects in the economy.

The severity of the Coronavirus Pandemic Bust may be measured by the rate of unemployment. In mid-February the U.S. unemployment rate was below 4%. The Financial Times recently estimated it is now around 16%. With the United States trying to put the pandemic behind it, one may expect a rate of unemployment approximating 8% early on in the 12-month period from September 2020-August 2021. As a new boom in the business cycle begins to materialize, a level approximating 6% should be expected from August 2021 to the start of the year 2023.

A friend of mine believes it will take 16 months for COVID-19 to disappear altogether from public consciousness (August or September 2021). I agree with this assessment and believe many people unfortunately will not take the proper precautions after August of this year. As a result, a second or even third wave of the virus will attack various populations. Singapore, Hong Kong, and some previously infected parts of China provide evidence for this. As of the time of writing, the virus has not fully moved through the populations of North and South America.

Another important point to make is that we simply do not know enough about the coronavirus at this time. For example, is there a seasonal factor to the virus? Will it come back to periodically haunt us like influenza strains do? What is the probability of re-infection amongst different demographic cohorts? If a vaccine is not forthcoming, then what is the best way to combat Acute Respiratory Distress Syndrome (ARDS) brought on by the virus?

Economically, we have shut down a sizable fraction of productive activity. The social division of labour has been significantly reduced in size with many people losing their jobs. The supply and demand curves for many goods and services have disappeared because of the virus (shelter in place, social distancing, and lockdowns). Incomes are decreasing to alarmingly low levels. Revenues, earnings, and free cash flows have fallen out of bed. Many once supra-marginal and marginally profitable firms have become sub-marginally profitable.

No longer do we find ourselves within the context of what we understand to be the business cycle. Paradoxically, the current downturn in economic activity does not have a boom of its own. The boom in activity experienced up until mid-February of this year was caused by the easy monetary policy actions of the Federal Reserve, the central bank of the United States.

Indeed, the coronavirus downturn in economic activity is mind-bogglingly unique. *It is a bust without a boom.* Business people are no longer attempting to expand production even though interest rates are at historic lows. Productive capacity has been reduced in the economy. Economic growth is nonexistent. Savers and investors are retrenching, many adding significant amounts of cash to their wealth and portfolio positions. The characteristic feature of a bust, capital consumption, is occurring but the amount of it right now is open for debate. Capital accumulation, the result of hard work, saving, and investing, has plummeted to a virtual standstill level. The number and amount of investment-grade bonds downgraded to junk status (fallen angels) is increasing every day.

Many U.S. corporations have become illiquid and possibly insolvent, in part, because of the coronavirus. The other factor leading to illiquidity and possibly insolvency is the staggering debt-issuing binge embarked on by U.S. corporations from 2010 right up to the present. Corporate debt in the United States amounted to $48 trillion in 2010. In 2019, the total amount was an eye-blinding $75 trillion.

The Fed's easy money policy

Responding to the coronavirus bust, the Federal Reserve is actively engaged as a lender of last resort to these corporations, trying to fend off liquidity and solvency issues the corporations may have. However, the low interest, easy monetary policy of the Fed over the past 10 years provided very little incentive for corporations to save, to internally finance expansion. To the contrary, low interest expense and easy money provided rich incentives for U.S. corporations to issue more new debt.

Easy monetary policy will continue over the next two to three years and probably beyond that. Importantly, U.S. monetary policy has become a fiscal policy, as well. This too will continue.

It will take, I conjecture, approximately 12 months from

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The bust without a boom – continued from page 4…

August 2020 to generate the beginnings of a new boom in the business cycle. If this conjecture is correct, then it will be a rosy scenario from August 2021 into the future.

Inflationary or deflationary?

The U. S. dollar money supply is increasing by a tremendous amount and this factor alone portends significantly higher price inflation. But hold on. We are really applying the Quantity Theory of Money to the economy in a dynamic sense. We must consider the demand for money, as well. Right now, we know there is a tremendous increase in the demand for money: a demand for liquidity (availability of credit), and a demand for cash. In a static sense, an increasing demand for money is a deflationary factor. But what of the increasing demand for money in a dynamic sense?

Increasing money demand will partially offset the increase in the money supply factor. How much annual inflation will there be two or three years down the line? My conjecture is approximately 3.1%. Short-term rates of interest and longer-term rates currently hover near zero and 1% levels respectively. Central banks find themselves in a pickle. Interest rates can only go up from these levels. The easy monetary policies of central banks portend not only higher inflation but also higher interest rates in the future.

Higher rates are a negative factor in the longer run for the continuance of the boom of the business cycle. The years 2022 and 2023 should be boom years in the economy but they will be somewhat muted, with a higher rate of inflation and higher interest rates.

After the pandemic, the economic problem facing us will be the ultra-easy monetary policies of central banks around the world, understood within the context of the business cycle. Perhaps this will be the most significant factor giving rise to economic instability in the longer run.

Economic instability

Like the coronavirus, money too is an element of change, giving us not only changing prices but also the recurrence of the business cycle. Money has a driving force of its own and every change in the supply and demand for money alters the conditions of the individual members of society. Some become richer, some poorer.

Bad investments are made in the boom of a cycle and show themselves in the bust. From the entrepreneurial standpoint, the boom is a bad period of time and the bust is a good period. The bad investments made in the boom are purged in the bust. The buying public does not support them because they do not meet the most urgent wants and needs of market participants. Labour and convertible capital from these investments hopefully will be redeployed into more profitable lines.

Downturns in the 21st century so far (e.g. the bursting of the dot-com bubble and the 2007-2009 Great Recession) have been much more severe than the post-WWII downturns of the 20th century. Capital consumption occurs on a wide scale in the bust of the business cycle. Historically, a minimum of 8% of all business is purged from the economy in the bust period. In especially severe downturns, the percentage is even greater.

Thus, new money introduces economic instability into the market economy. The present-day liquidity and solvency issues of U.S. corporations can become so momentous that a new financial crisis could transpire. Unaccounted for by most financial analysts and economists, the number and amount of bad investments introduced into the economy by means of an easy monetary policy over the past 10 years (and that will disappear in a purging process) is difficult to calculate right now. The purging of bad investments made in the boom will take some time to accomplish and will partially coincide with recovery from the coronavirus bust.

The purging process is a significant reason why economic recovery in the current period will not be an instantaneous (V-shaped) one. Expressed differently, the current situation facing us is dynamic: two factors – the health crisis and the purging process – are at work, causing an unanticipated downturn in economic activity.

Investors, however, should not despair. In the best of times but also in the worst of times, profit opportunities appear. The accumulation of more cash in equity portfolios affords investors opportunities to “bottom fish,” to buy equities at extremely low prices.

The oil services and equipment stocks today appear to provide a textbook example of this type of opportunity. Investors may wish to take a look at **Schlumberger Limited (SLB), Halliburton Co. (HAL),** and **Tenaris S.A. (TS),** all NYSE securities. When the demand for oil and gas reappears (which it will), the prices of these oil services stocks should significantly increase.

These are opportunities for the long-term investor. Each selection may double, triple, or go up an even greater multiple of the current price. Refiners and integrated oil stocks present this same type of opportunity today, as well. But don’t expect immediate profits. These are securities for the long haul. They will pay off, but it will take time.

Dr. Henry is an adjunct professor in the Zicklin School of Business at Baruch College in New York, teaching both undergraduate and graduate level courses in economics and finance. Previously, he was Chief Economist of the Treasury of the Commonwealth of Pennsylvania. Dr. Henry was the first to systematize U.S. monetary thought into one or more complete theories of money and credit.

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GORDON PAPE'S UPDATES

CAE Inc. (TSX, NYSE: CAE)

Originally recommended on March 20/17 (#21712) at C$19.58, US$14.69. Closed Friday at C$19.68, US$13.94.

Background: This company is a world leader in flight simulators. It has customers in 190 countries and 90% of its revenue is derived from international activities and exports.

Performance: The stock touched an all-time high of $42 earlier this year but dropped dramatically when the COVID-19 crisis pulled the rug from under its business. There's little demand to train new pilots when the passenger airline industry is virtually shut down.

Recent developments: After laying off most of its staff, CAE shifted gears on April 20. The company announced that all of its 1,500 Canadian employees are back on the payroll and that it has signed a contract with the Government of Canada to produce 10,000 life-saving ventilators for seriously ill people. The first units are expected to be delivered in early May. The value of the contract was not disclosed. In addition, CAE announced that it is leveraging its global supply chain to source scarce N95 masks for humanitarian purposes in support of front-line health workers. To date, CAE has secured 100,000 N95 masks which will be delivered to the Quebec government.

Dividend and buybacks: Earlier, CAE announced it is suspending dividends and share buybacks. The company said it remains committed to paying dividends over the long term and will seek to resume dividend payments "as soon as it is appropriate".

The company also reduced capital expenditures and R&D investments and announced cost-containment measures, including salary freezes and reductions for staff not affected by reduced work weeks.

Outlook: The production of made-in-Canada ventilators is welcome news but doesn't change the fact that CAE's core business of civil aviation is going to be financially challenged for a long time once the crisis ends.

Action now: Sell. The price is still slightly above our original recommended buy level, in Canadian dollar terms. This is a fine company, but it is going to take time to recover.

AT&T (NYSE: T)

Originally recommended on May 13/12 (#21218) at $33.59. Closed Friday at $29.71. (All figures in U.S. dollars.)

Background: AT&T is a U.S.-based telecom company. It is the second largest provider of mobile services and the largest provider of fixed telephone services in the U.S. It also provides pay-TV services through DirecTV. The recent acquisition of Time Warner (now called WarnerMedia) made AT&T a major content provider as well.

Performance: The stock fell as low as $26.08 in March after reaching a high of 39.70 in the fall. It has rallied slightly this month but still trades as less than $30 a share.

Recent developments: The bad news is the company released first quarter results that came in below expectations for both revenue and profits. The company also withdrew guidance for the rest of the year, citing the "lack of visibility" relating to the COVID-19 pandemic.

The good news is that AT&T expects to provide cash from operations to support investments in growth areas, dividend payments, and debt retirement. First-quarter revenue totaled $42.8 billion versus $44.8 billion in the same period last year. Growth in domestic wireless service revenues and strategic and managed business services revenues partially offset declines in revenues from WarnerMedia, domestic video, legacy wireline services, domestic wireless equipment, and Vrio. (Vrio is the holding company for AT&T's Latin American entertainment operation.)

Adjusted earnings per share in the quarter came in at $0.84 compared to $0.86 the year before. The company did not adjust for COVID-19 costs of about $0.05 per share in the quarter, with more than half of those costs expected to have only short-term impacts.

"We have a strong cash position, a strong balance sheet, and our core businesses are solid and continue to generate good free cash flow – even in today's environment," said CEO Randall Stephenson.

"In light of the pandemic's economic impact, we've already adjusted our capital allocation plans and suspended all share retirements. As a result, we're able to continue investing in critical growth areas like 5G, broadband and HBO Max, while maintaining our dividend commitment and paying down debt."

Dividend: The stock pays a quarterly dividend of $0.52 a share ($2.08 a year) to yield 7%. Based on the CEO's comments, the payout looks safe.

Outlook: AT&T looks poised to weather the storm with relatively minimal damage. The company's solidity and the high yield make it a very desirable stock to own at this time.

Action now: Buy.

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GAVIN GRAHAM'S UPDATES

InterRent REIT (TSX: IIP.UN, OTC: IIPZF)

Originally recommended on April 16/18 (#21816) at C$10.05, US$7.65. Closed Friday at C$14.29, US$10.

Background: InterRent REIT is an owner of apartments in eastern Canada, primarily in the Greater Toronto Area, Ottawa, and Montreal. At the end of 2019, it owned and managed 10,156 units with an occupancy rate of 96.6% at an average rent of $1,190 per month.

Performance: InterRent is down from its 52-week high of $19.05 but is holding up reasonably well compared to the overall REIT sector. It is up almost 36% since my original recommendation.

Recent developments: Last year, InterRent purchased 1,214 units and a vacant office building to be transformed into rental units for a price of $319.7 million. It also disposed of its 349 units in Sault Ste Marie for $35.3 million.

InterRent upgrades the apartments it buys with improved kitchens and bathrooms and upgraded heating, parking, and common areas. The average monthly rental in 2019 was up 6% to $1,260, and repositioned units were at $1,328. Occupancy was down 1% to 95.6% on the new purchases.

Net operating income was up 17% to $96.2 million and adjusted funds from operations (AFFO) were up 9.5% to $0.428 per unit.

Distribution: The units pay $0.025833 per month (about $0.31 per year) to yield 2.3% at the current price.

Outlook: InterRent is one of the more expensive REITs on measures such as price to net asset value and price to funds from operations (FFO), but its strong geographical position in the GTA and Montreal and its ability to upgrade its portfolio have helped it to outperform. It is down only 12% year-to-date and 2% over the last year.

Action now: InterRent remains a Buy for its growth in revenues and FFO.

HELP FOR SMALL BUSINESSES

Small- and mid-size businesses have been among the worst economic casualties of the COVID-19 crisis. Most have been forced to close their doors during the emergency and many will never reopen. We're already seeing news stories of companies that have been in business for 50 years or more closing down for good. It's the 21st century version of the Great Depression.

In an effort to help as many companies as possible survive, the Toronto-based Business Health Council has developed a free online guide to help owners take charge of their businesses through a series of actionable, and structured, steps.

This comprehensive guide acts as a how-to playbook for business owners and senior executives by coordinating planning activities within sales, marketing, operations, finance, accounting, human capital, and information technology.

The material has been put together by a team of specialized experts.

"The world continues to globalize and change at a rapid pace. Businesses that react and respond most effectively will thrive; while those that fail to mobilize, adapt, and evolve will succumb to competitive pressure or market irrelevance," says Bob Izsak, Strategy Lead, Business Health Council.

"While the guide was built to help businesses through the COVID-19 pandemic, we recognize that it will continue to be beneficial in any business environment undergoing rapid change."

For more information and to read the on-line guide, go to www.businesshealthcouncil.ca

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YOUR QUESTIONS

Sitting in cash

Q – When our bond fund, XBB, dropped 7% on one day in March, my wife and I decided to liquidate our portfolio, ending up down 7.5% year-to-date. Yes, I know the truism "don't sell at a time like this", but I guess our risk tolerance has taken a big drop, considering our ages (me-78, her-68). We also think that market lows are still to come (how can they not?). So, what would you recommend we do with $1.65 million dollars in the meantime? - C.L.W., Kamloops BC

A – Clearly, you are extremely risk-averse so you're probably best just to keep the money in cash. But make sure your cash is protected. The Canada Deposit Insurance Corporation covers deposits up to $100,000, but that is per person, per institution. Also, separate types of accounts have their own protection.

So, for example, in a single financial institution you can have protection up to $100,000 for each of your personal account, your wife's account, a joint account, RRSP or RRIFs for each of you (provided the money is in cash), a $100,000 GIC for each of you, and more.

I suggest you arrange for a meeting with your banker to review the CDIC options and to readjust your investments to maximize your protection. Given the amount involved, you'll probably have to use two or three banks to get full coverage. – G.P.

RRIF relief

Q – On March 25, the Federal Government advised that that RRIF minimum withdrawals could be reduced by 25% for 2020. I receive minimum monthly payments from a RRIF and a LIF administered by a major bank's brokerage. I called them to find out the procedure to take advantage of this 25% reduction. They didn't have a clue as to what to do and admitted they had lots of inquiries, but the management had not given them any direction. This is totally unacceptable. Can you advise what the procedure should be? – Bill M.

A – You're right, it is unacceptable. The procedure should simply be that you call your broker or plan administrator and tell him/her you want to take advantage of this relief and to adjust your RRIF and LIF payments accordingly. It should not be more complex than that. All I can suggest is that you contact the brokerage manager and make your displeasure known. A simple memo from the top should be all it takes. – G.P.

MEMBERS' CORNER

Power Financial preferreds

Member comment: I just wanted to share good news regarding PWF.PR.E.

Although the trading volume is low, on March 30 I was able to acquire 200 shares the same day with no problem in my discount brokerage account with one of the big banks.

Then I decided to purchase a bit more, and on April 7 my order for another 100 shares went through as well. I thought this might be helpful information, in case any other readers have trouble with purchases. At least there is hope! – Susan H.

Response: I updated the Power Financial Preferreds in the issue of March 30. At the time, they were trading at $19.28 and yielding over 7%. I said they looked like a bargain at that price and rated then as Buy.

But I also warned that the trading volume was very light, and members might have a problem being filled. However, this reader persisted and picked up 300 shares. The stock is now priced at $22.22 to yield 6.2%. Her fast action resulted in acquiring a quality dividend stock for her portfolio at a time when they're hard to find. – G.P.

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