October 12, 2016

Market Update: Hedge fund managers wish they earn twice more than income investors who are now relying on well-paying dividend stocks. To attract new clients and those who had walked away, for instance, Brevan Howard Asset Management LLP promoted non-fee enrolment. This London-based fund returned 20% in 2008 but has since stifled. Meanwhile, US hedge fund Perry Capital will close doors citing “contorted market” brought on by central bank “stimulus” and “timing for success too unpredictable.” The fund managed $6.6 billion as of the end of last year, down from around $15 billion in early 2008. Notably, the HFI Americas Composite Index, which tracks a range of hedge fund strategies, gained 3.35% this year through August, and while macro-scale satisfactory, this return is lower than the 6.21% return by the S&P 500 and the 4.22% gain from iShares Barclays Aggregate Bond Fund during this year through August.

Stocks to Watch: Apple Inc (AAPL) advanced 0.56% or 65 cents to $116.95 in pre-market Wednesday after previous positive trading day. The computer hardware and media content giant invested $1 billion in privately-held Didi Chexing, the largest ride-sharing and mobile-commuting company in China reaching 300 million users in 400 cities there. As a result, Apple has secured a seat among Didi’s board members.

Jensen-Group NV (JEN.BR) through subsidiary Jensen International Inc sold assets in the iron foundry in South Coffeyville, Oklahoma to Star Pipe Products Inc - a Houston, Texas-based supplier of pipe products for water works and construction and municipal use. Star Pipe will have its first domestic metal-casting capacity including induction melting and two molding lines.

Jensen-Group gained 32.2% to £34.193 since January 7 this year. The company’s net profit in the first half-year rose 2.15% to 9.5 million euro from 9.3 million a year ago while revenue jumped 9.16% to 164.4 million euro. Client orders booked as of June 30 were up 34% compared to the same period a year ago.

McDonald’s Corp (MCD) gained 28.06% to $119.43 last year closing more U.S. stores than it opened and diversifying its menus going into 2016. Domestic consumers seem to be eating less fast food while growth in emerging markets continues to rocket. The international restaurant chain is expected to be able to keep increasing its dividend in the mid-single digit range following cost cutting during the past three years.

Procter & Gamble Co (PG) is using substantial cash flows to keep its dividend going despite slower sales from beauty and personal care products. The stock declined 12.95% to $80.07 last year, the global conglomerate missing the boat on the organic and natural product brands to which many wealthier consumers migrated. On the lower end, Church & Dwight Co Inc (CHD) snatched some market share too.

For fiscal 2017, Procter & Gamble is expecting its business turnaround or flat sales following cost savings during the past five years. Revenue in 2015 tanked 15% and 6.6% on average over the past three years.

Rent-A-Center Inc (RCII) moved up 0.44% or $0.04 to $9.22 in pre-market Wednesday after previous negative trading day. The company said same store-sales in third quarter were most likely down 12% in the U.S. Complete third-quarter results will be released on October 26. Rent-A-Center leases household durable goods to customers on a rent-to-own basis in U.S., Canada, Mexico, and Puerto Rico.

Yum! Brands Inc (YUM) jumped 0.62% or 55 cents to $88.80 in pre-market Wednesday after previous positive trading day. On October 31 the quick-service restaurants owner is spinning off its Chinese operations into Yum China Holdings Inc, to become a licensee of KFC, Pizza Hut and Taco Bell brands in Mainland China, also owning the “Little Sheep” and “East Dawning” concepts.