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Dividend Yielding Stock Sectors Include These Countries Abroad

By [Juliette Fairley](#)

NEW YORK ([MainStreet](#)) — The top nine selections for high yielding stocks this year include McDonald's, Teekay LNG and Aetna, according to BullMarket.com's Recommended List (BMR), which includes fifty companies across all major industries, such as financials, healthcare, energy, technology and retail.

High dividend yielding stocks that pay a dividend yield and increase that yield annually are important to a portfolio, because they are known to create a drip that is consistent and grows with inflation.

"They are critical to keeping pace with purchasing power from 40 years old through retirement," said Kimberly Foss, financial advisor with Empyrion Wealth Management.

Domestically, high yielding stocks are equities that typically yield more than the ten year treasury note.

"2013 was a bad year for a lot of commodities; however, I think there could be a rebound in the sector," said Scott Shellady, CEO of Bradford Capital Management. "Own it as a whole sector without single stock exposure because the more diversity the safer the bet."

The 10-year treasury yield rose approximately 125 basis points to 3% amid improving U.S. economic growth last year.

"Some high yielding stocks that are obscure have yielded way over the 3% treasury bond yield," Shellady said. "In terms of performance, Netflix was awesome last year, up 269% because of the disruptive technology of on-demand shows. Consumers came to the rescue at Best Buy, which is up 238% and Micron was the tech stock of the year, up 236% and finishing the year well above \$21.00."

But for more diversity of choice in high yielding dividend stocks, a Prudential expert suggests exploring abroad.

"You can get a lot of sector diversification by going internationally compared to the U.S. There's more choice in European high dividend yielding stocks," said John Praveen, chief investment strategist with Prudential International Investment Advisors.

Praveen favors seeking good high yielding stocks in Europe and Japan.

"The pharmaceutical sector in Europe is a very high yielding sector both in the U.K., continental Europe and Germany," Praveen said. "Consumer discretionary, industrials, energy and material sectors are also good."

In fact, the MSCI High Dividend Yield Index is loaded with European stocks. Country weighting includes 17% United Kingdom, 10% Switzerland and 6% in France.

"Dividend yielding stocks in Europe are doing much better than dividend yielding stocks in the U.S.," Praveen said.

As for Asia, Praveen advises searching for higher dividend yielding stocks in Japan among consumers, staples and healthcare stocks.

BullMarket's annual high yield selections have generated a 5-year cumulative return of 203.8%.

"High quality is necessary to ensure that the dividend will last and grow at a satisfactory rate," Foss told *MainStreet*.

Seaspan, StonMore, Meredith and Enterprise Partners were among past winners on the BMR list, which has outperformed the S&P by more than 76% since 2008.

"Agriculture is a good sector to put your money in even though agricultural stocks and agriculture took a hit last year," Shellady said. "Healthcare could also be a hot one eventually as we get over the Obamacare website glitches."

--Written by Juliette Fairley for MainStreet

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