***Goal:***

* “Do Dividend Champions consistently price gap once their dividend increase is announced?”

***Sources:***

Data:

* Drip Investing (Company that manages Dividend Champions List) - <https://www.dripinvesting.org/dividend-champions/>
* What is a Dividend Champion? - <https://www.dripinvesting.org/what-is-a-dividend-champion/>
* Dividend Champions List - <https://docs.google.com/spreadsheets/d/1D4H2OoHOFVPmCoyKBVCjxIl0Bt3RLYSz/edit?gid=923412609#gid=923412609>

***Questions:***

* For the past five years, have any of the stock consistently price gapped after their annual dividend increase was announced?
* If there are consistent price gaps, are they a big enough increase to reliably make a notable trade? What percentage increase or decrease is there after most dividend increases?
* Are institutional holdings a factor in the price movement on dividend increase dates? Do institutions buy or sell dividend champions regularly?
* If the stock is close to a yearly low or high, does this affect the price gap movement? If the price is near a yearly low or high, what percentage away from those levels does the stock price need to be to be affected?
* Does the overall price of the stock affect the percentage of the gap? For instance, does a stock priced at $300 gap higher or more consistently than a $50 stock?
* Does the dividend yield have any bearing on if the stock gaps or not? Do higher or lower yielding stocks gap more than the other?

***Guidelines / Limitations:***

* The \*\*[Dividend Champions List](https://docs.google.com/spreadsheets/d/1D4H2OoHOFVPmCoyKBVCjxIl0Bt3RLYSz/edit?gid=923412609#gid=923412609)\*\* created by \*\*[DRIP Investing](https://www.dripinvesting.org/dividend-champions/)\*\* will be used to determine which stocks are considered DCs.
* The past 5 dividend increases will be observed for each stock moving backwards from 2024-12-31.
* The day before, during, and after a dividend increase will be observed for any notable price changes.
* We are looking for stocks that, for every dividend increase, you could buy the stock when the market opens the day before its increase and then sell it the day during or after the increase. To determine this, we'll look at the price percentage increase for the following selling time periods:
  + During High
  + During Close
  + After High
  + After Close
* The 'quantmod' package will be used to obtain financial data from Yahoo Finance. The following stock symbols were unable to be pulled using quantmod and, therefore, were removed from the list:
  + ARTN.A
  + BF.A
  + BF.B
  + MKC.V
  + RBCA.A
* News and other economic data was not factored into these observations. This study strictly looked at dividend and price data pulled from Yahoo Finance.

The total amount of stocks analyzed was 132.

Only 24 stocks had an increase for every dividend increase:

* ADM
* ANDE
* AOS
* APD
* BDX
* BKH
* BRO
* CBSH
* CL
* CWT
* ECL
* ERIE
* FAST
* FELE
* KMB
* MSA
* PII
* PGG
* ROP
* RPM
* SYK
* TGT
* UMBF
* WST

Top three stocks:

1. FAST - 2.195%
2. WST - 1.964%
3. ROP - 1.467%