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CVS Caremark (CVS) Showing Bullish Technicals With 1.33% Dividend Yield

Posted: Wednesday July 06, 2011 7:50 AM FDT

CVS Caremark (NYSE:CVS) closed Tuesday's directionless trading session at \$37.69. In the past year, the stock has hit a 52-week low of \$26.84 and 52-week high of \$39.50. CVS Caremark (CVS) stock has been showing support around \$37.28 and resistance in the \$38.12 range. Technical indicators for the stock are Bullish and S&P gives CVS Caremark (CVS) a very positive 5 STARS (out of 5) strong buy rating. For a hedged play on CVS Caremark (CVS), look at the Nov '11 \$38.00 covered call for a net debit in the \$35.91 area. That is also the break-even stock price for this trade. This covered call has a duration of 136 days, provides 4.72% downside protection and an assigned return rate of 5.82% for an annualized return rate of 15.62% (for comparison purposes only). A lower-cost hedged play for CVS Caremark (CVS) would use a longer term call option in place of the covered call stock purchase. To use this strategy look at going long the CVS Caremark (CVS) Jan '13 \$25.00 call and selling the Nov '11 \$38.00 call for a total debit of \$11.42. The trade has a lifespan of 136 days and would provide 3.37% downside protection and an assigned return rate of 13.84% for an annualized return rate of 37% (for comparison purposes only). CVS Caremark (CVS) has a current annual dividend yield of 1.33%. [ABR-Seven Summits Research]

CLICK HERE: FREE CVS Caremark (CVS) Stock Report See what our analysts have uncovered about CVS Caremark (CVS).

More News For CVS Caremark (CVS):

CVS Caremark (CVS) Showing Resistance Near \$38.17 With 1.30% Dividend Yield CVS Caremark (CVS) Showing Bearish Technicals But Could Break Through \$36.97 Resistance Stocks Pare Losses In Late Trading With Pfizer (PFE) and Red Hat (RHT) On The Move CVS Caremark (CVS) Showing Support Near \$36.91 With 1.32% Dividend Yield CVS Caremark (CVS) Trading Near \$37.22 Support Level

**Related Sector or Industry News:** 

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## **Today's Surprise Stocks**

Citigroup (C) Rises 1.6% on Q2 Earnings

Clorox (CLX) Jumps 7.8% on Icahn Buyout Offer

Southwestern Energy (SWN) Rises After BHP Billiton Bids For Petrohawk

Mattel (MAT) Rises 2.3% on Q2 Earnings

Nexen (NXY) Rises 3% on Higher Oil

## **Today's Tech Movers**

Intel (INTC) Showing Bullish Technicals But Could Break Through \$22.88 Resistance

Microsoft (MSFT) Showing Support Near \$25.96 With 2.41% Dividend Yield

Google (GOOG) Trading Near \$517.29 Support Level

eBay (EBAY) Q2 Earnings Preview

ValueClick (VCLK) Rises 4.5% on Google (GOOG) Earnings

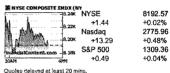
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Transocean (RIG) Upped To Buy From Hold At

St Mary Land and Exploration (SM) Rising After Upgrade

OpenTable (OPEN) Gets Neutral Analyst Rating

Newsbites

Skilled Healthcare (SKH) Downgraded By JMP Securities

Cypress Semiconductor (CY) Downgraded By JMP DeVry Stock Is Upgraded By UBS Teck Resources (TCK) Upgraded By BMO Capital

Noble (NE) Upgraded By Jeffries

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