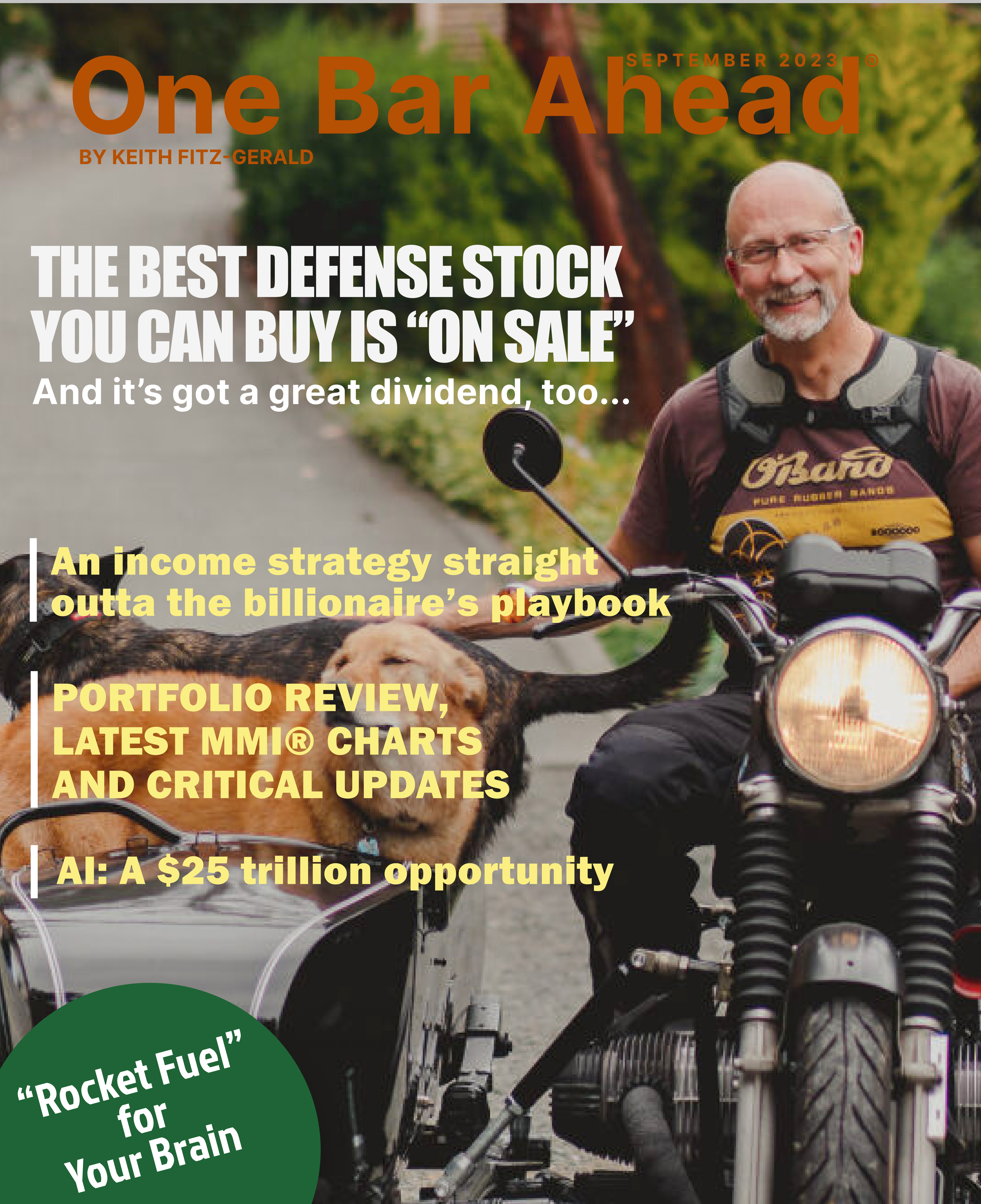
ICCT 16.40 ▼ | NPCE 8.34 ▲ | YS 1.26 ▲ | GTEC 2.69 ▲ | AFRM 20.19 ▼ | AWH 4.51 ▲ | OPEN 3.95 ▲ | FUTU 60.18 ▲



SEPTEMBER 2023

One Bar Ahead®

BY KEITH FITZ-GERALD

THE BEST DEFENSE STOCK YOU CAN BUY IS "ON SALE"

And it's got a great dividend, too...

An income strategy straight outta the billionaire's playbook

PORTFOLIO REVIEW, LATEST MMI® CHARTS AND CRITICAL UPDATES

AI: A $25 trillion opportunity

"Rocket Fuel" for Your Brain

Disclaimers

Important Information You Need to Know

Publisher's Statement

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Known office of publication is 1417 Sadler Blvd, PMB 415, Fernandina Beach, FL 32034, USA. Customer Service: subscribers@keithfitz-gerald.com. Telephone: +1 623-777-6737

Keith Fitz-Gerald's ONE BAR AHEAD™

Dear Reader,

I remember making my first investment like it was yesterday.

I was all of 15 years old and scared to death. My hands were sweaty and trembling. I'd busted my asteroids cutting lawns and doing odd jobs to accumulate the few thousand dollars I was putting to work in the markets.

It was all the money I had in the world at the time.

What would I do if things didn't go as planned? How would I recover? And where in the heck would I get more money to replace what I'd burn if the markets went against me?

I could barely mouth the name of the stock I wanted to buy—International Business Machines and its three-letter ticker, IBM—as I placed my order.

I'd done my homework and read everything I could on the company.

I knew IBM was a popular, widely held stock with a long, distinguished history. I tried to "copy" what I'd heard about analyzing stocks from others and read in books at the time. My grandmother, Virginia "Mimi" Gruner, herself a very seasoned global investor, told me to charge on.

However, I *also* knew IBM was down more than -20% from recent highs, the subject of an anti-trust action, falling behind its arch-rival DEC, and regarded by many as a has-been.

Complicating matters, the Soviets had invaded Afghanistan a year earlier, the Iran-Iraq War was underway, and the US presidential elections were super contentious as Reagan defeated Carter.

Inflation averaged around 13.5%, driven in part by high oil prices. The stock markets, of course, struggled to deal with it all. Volatility was rising and confidence falling.

I seem to recall somebody telling me, "It's your money, kid."

"Exactly!" I thought to myself.

I'd been playing with new-fangled IBM computers in the school's labs and with an Apple II at home. I'd gotten my first taste of what would come to be called the "digital revolution." Honestly, I had no idea we'd wind up where we are today, but what I *did* know was that personal computers would transform the world.

Most of the adults I knew at the time were too busy living their lives to see what I saw. So, my comments were tolerated the way you'd begrudgingly tolerate a hungry stray dog at a picnic. With a kind of benign appreciation.

Not surprisingly, most favored familiarity and resisted disruption. Especially, now that I think about it in retrospect, from a full-of-beans 15-year-old who was absolutely convinced the world was on the cusp of truly extraordinary change and who was convinced that the stock markets would come to reflect that.

I can't say I blame 'em.

Anticipating change is super challenging because we are psychologically more comfortable with the status quo. What's more, the pace of change often outstrips our ability to adapt to emerging trends, even though they're happening right in front of us every day.

It's definitely a fine line.

Investing is all about the future, yet we must make investments in the present before the inherent contradiction is known. Or, in the case of the markets, valued.

Sometimes that's a matter of "leaning in"—a phrase Sheryl Sandberg popularized in her 2013 book *Lean In: Women, Work, and the Will to Lead*—but more often than not, my experience has been that doing so comes down to observing the world around us and a *willingness* to listen to what it's telling us.

Investing is funny that way.

People constantly hunt for "hot stocks" when, in fact, history clearly shows that the biggest, most consistent, and best returns over time often come from businesses we think we already know a lot about!

This month, we're going to start our time together with just such a company.

It's not a "new" recommendation *per se* but could be the perfect fall harvest at a time when shares are trading at a discount because the quick-money crowd doesn't see the value.

Geopolitics makes it the perfect choice right now. Best of all, it's also a Dividend Fortune Builder—so, effectively for all intents and purposes, it's a 2-for-1 choice!

Earnings could grow at 8–10% a year for the next 3–5 years, at a time when war is unfortunately a growth industry.

Plus, it's got a super-low beta, which means snapping up shares now could help protect your money from any Fed-induced late-year volatility while also positioning savvy investors for another round of tremendous growth, stability, and income at the same time.

Then we'll move on to one of the most innovative income-oriented strategies I've seen in a while. It's straight outta what I am calling "the billionaire's playbook" and was, until recently, totally beyond reach for all but a rarified few. I had to check my eyes twice when I saw the yield!

The portfolio review, of course, is chock full of great information. It's been an amazing earnings season, which is why I'm keen to share my thoughts on what's happening, what's next, and what it all means for our money. As always, the latest MMI charts and BBSI show new opportunities conventional analytics cannot.

Plus, I've got a look at an eye-opening fascinator I think you'll like because it highlights a much bigger picture than most investors understand when it comes to AI and how that'll change the future rushing toward us. There are 25 trillion reasons you'll want to consider what I have to show you.

And finally, I'll leave you with a personal recipe for mental sharpness. Noted productivity hacker Tim Ferriss calls it "rocket fuel for the brain."

As always, thanks for being part of the One Bar Ahead® Family!

I am thrilled you're here.

Best regards for health and wealth,

KF

PS: Please don't hesitate to send in suggestions, comments, questions, and pictures of your latest adventures. My team and I read everything we get because a) we enjoy making new friends and b) keeping up with the OBA Family! Besides, and honestly, YOU impress the heck outta us! The address is subscribers@keithfitz-gerald.com.

Other ways to keep in touch

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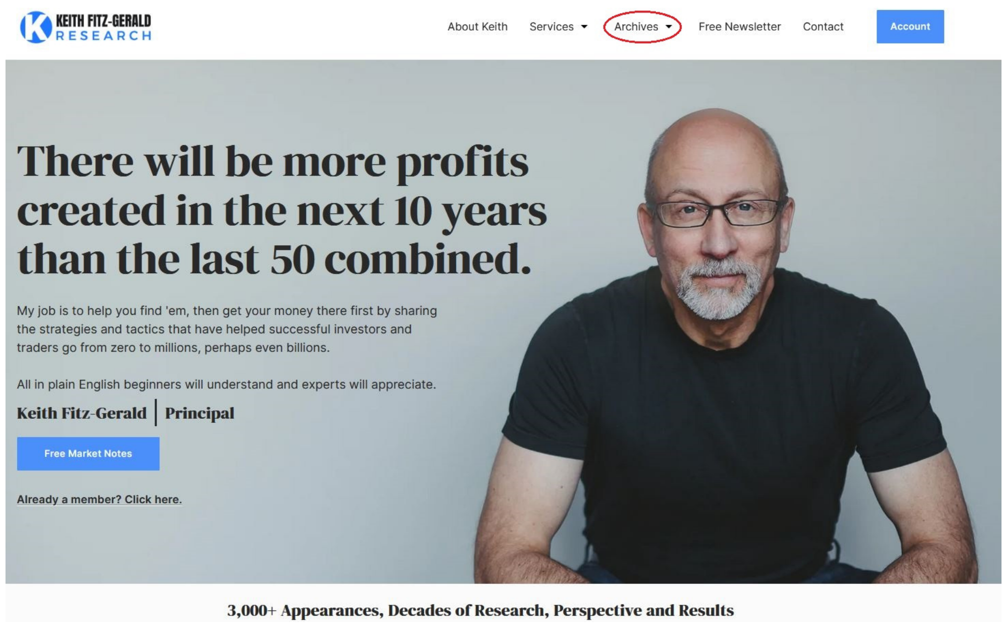
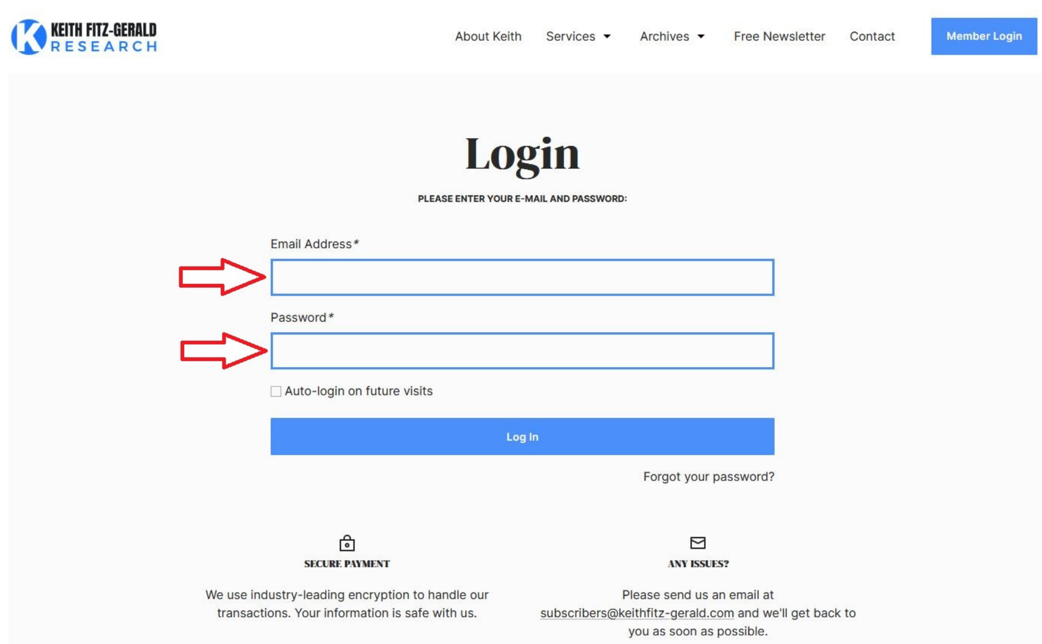
How to access the OBA archives

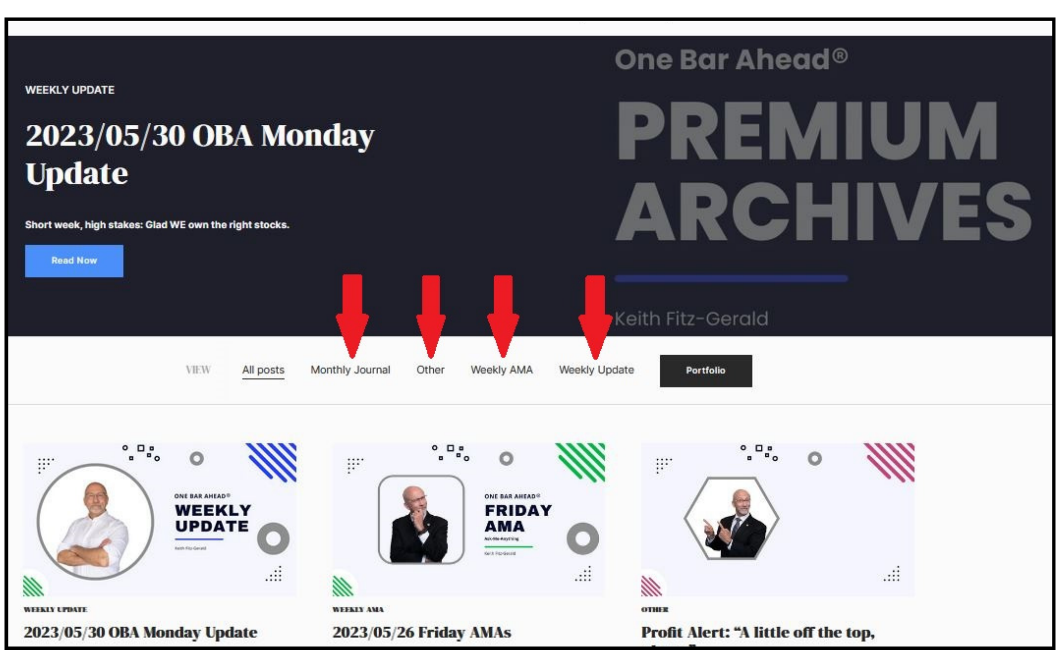
1. Go to https://www.keithfitz-gerald.com/ and click “Archives”



2. You will be asked to log in.
(If your password doesn’t work, try resetting it.)



3. Filter by what you’re looking for, and voila!



If you try the above steps and that doesn’t work, please contact us at **subscribers@keithfitz-gerald.com**

DIVIDEND FORTUNE BUILDERS

The best defense stock you can buy is “on sale”

I cannot recall a time in my life when defense stocks have been more important.

Russia is hellbent on conquering Ukraine, even if it means dragging the West into a war that it doesn't want. China, meanwhile, has gone on the offensive via a campaign of deception that places the entire world at risk.

It is no wonder that the DoD has raised the defense budget from $816.7 billion this year to $831.78 billion next year. Many governments around the world have taken similar action.

Total global military spending may hit $2.24 trillion by 2030, according to the Lowy Institute. To put this in context, global defense spending was just $1.75 trillion a decade ago.

Lockheed Martin is a logical beneficiary.

No, scratch that.

I think it's one of *the* top defense stocks you can buy at the moment, and a great choice for income-oriented dividend investors.

Best known for the company's California-based "Skunk Works" where it's designed such legendary airplanes as the U-2, the F-22 Raptor, and the SR-71 "Blackbird," Lockheed Martin is a global leader when it comes to cutting-edge weaponry, high-tech fighters, drones, missiles, and more.

LMT is trading at a super-attractive P/E ratio of just 16.40X while offering a yield of 3.48% a year (2.64% dividend yield + 6.03% buyback yield – 5.25% debt paydown).

Management has increased dividends for the past 21 years consecutively, which, at the current rate of $12 a year, represents an average annualized growth rate of 10.24% over the past decade.

If the company can continue this streak—and I think they can—LMT will become what's called a Dividend Aristocrat very shortly, meaning that it's raised and paid dividends consistently for at least the past 25 years.

To give you an idea what a select group this is and why I think it's worth mentioning, there are just 66 Dividend Aristocrats as of August 2023, according to Bloomberg data.

Lockheed Martin's payout ratio is 43.16% at a time when the dividend coverage ratio is a healthy 2.27X. That data point also tells me that the company is properly returning money to shareholders in line with expectations, and it's among the most secure available.

Sales are increasing about 8% a year, which sounds low until you realize that the company's total anticipated topline revenue is expected to hit $66.59 billion this year but perhaps $74.65 billion just three years from now, according to the latest projections.

To that end, new orders include F-35 Lot 17 and significant awards to ramp up PAC-3, GMLRS, and other major programs through the acceleration of digital technology, critical mission support, and deepening relationships with allied and partner nations including Australia, Poland, and Indonesia, among others.

There are also new contracts from the US Airforce ($7.8 billion contract modification for 126 F-35 multi-role aircraft) and the US Navy ($316+ million for continued work in support of the service branch's intermediate-range hypersonic missile program). Earlier this summer, Lockheed even won a contract in partnership with BWX Technologies to develop a nuclear thermal propulsion engine for space travel!

The company reported a record backlog of $158 billion last quarter, but I suspect that figure may top $160 billion this fall as the company grows and business intensifies.

The vast majority of investors don't see this coming, of course. Shares are down -6.61% YTD while the S&P 500 has tacked on 10.82% over the same time frame.

Sign me up.

DIVIDEND FORTUNE BUILDERS

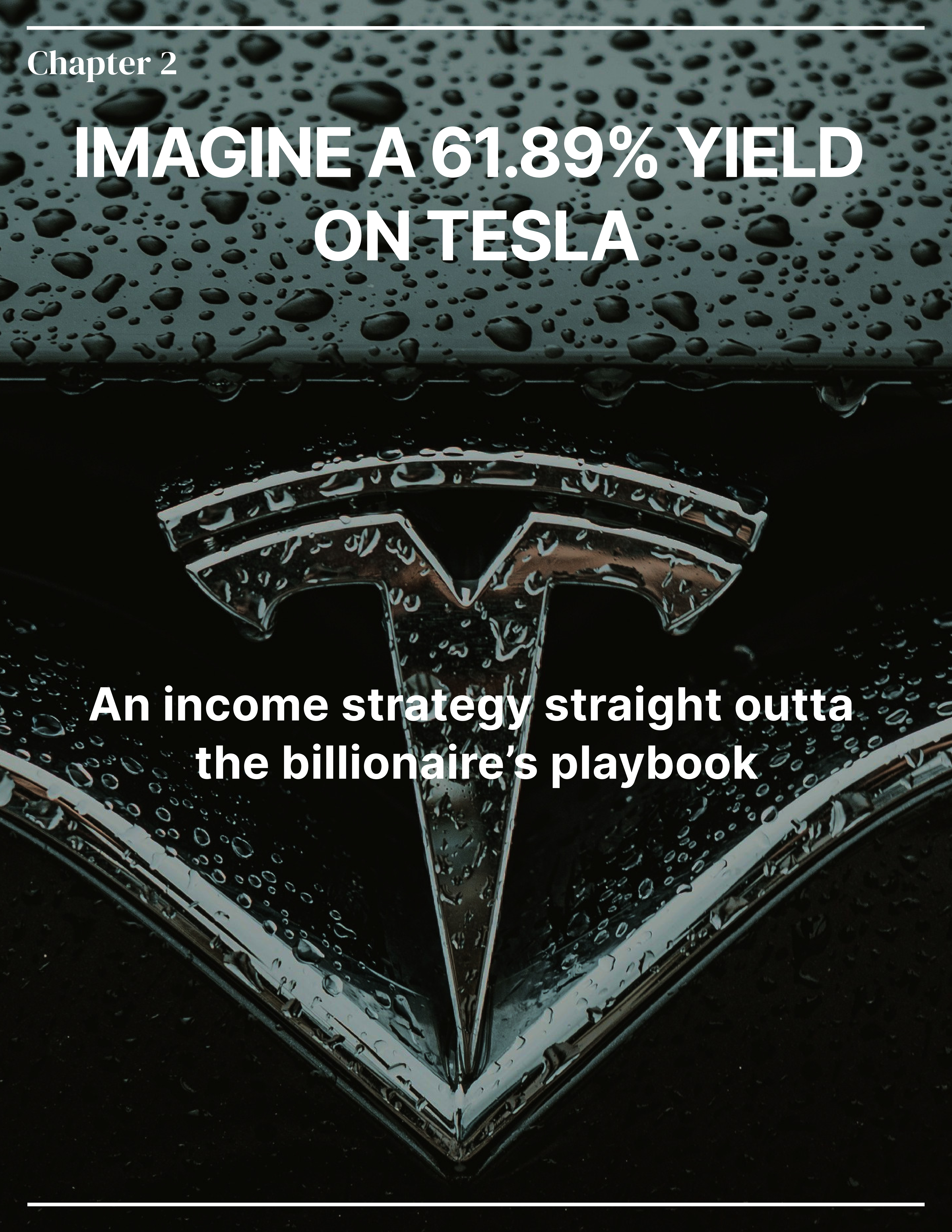
History shows very clearly that the path to profits is paved by those who are smart enough to buy great companies when seemingly nobody else wants 'em. Especially when it comes to dividends.

Perhaps more importantly, don't forget that LMT's beta—a key measure of volatility—is 0.48, which means we're getting all that profit potential AND a far smoother ride than the broader markets, which are regarded as having a beta of 1.0.

Translation?

Every dollar we receive now helps buy more profit potential at a discount, especially if you're reinvesting! Or, cold hard cash in your pocket if that's what you're after.

KF



Chapter 2

IMAGINE A 61.89% YIELD ON TESLA

An income strategy straight outta the billionaire's playbook

IMAGINE A 61.89% YIELD ON TESLA

Note: I am regularly asked by members of the OBA Family for additional income-oriented choices—so this month, I've decided to share one of the more innovative ones that I've come across recently. I think it may be very appealing to anyone willing to take on additional risk as part of an established investment strategy. However, it is NOT appropriate as a first or only investment.

Feel free to skip or pass on this recommendation if it does not fit with your personal risk tolerance, circumstances, or situation (which I don't know).

If you're like many investors, you have probably been told over the years that using options is like playing with fire…

That you're going to get burned…

That they're best left to the experts…

That they have no place in your account.

What a load of hooey!

Options may be one of the *only* tools available to individual investors that can help even the odds in today's complicated markets, *especially when it comes to generating income on popular, big-name stocks that otherwise don't have any*.

Like Tesla.

If your brain just short-circuited—pun absolutely intended—you're not alone. Normally, I wouldn't use the words "Tesla" and "income" in the same sentence.

The time has come.

What I am suggesting this month could be a game-changer for any investor prepared to take on a bit more risk in search of income that otherwise wouldn't exist on a stock that you may want to own anyway.

It's a strategy that's straight outta the billionaire's playbook and, until recently, one that most investors couldn't possibly dream of using.

You'll Be in Excellent Company

Some of the world's most successful and prominent investors are already on board with options, even though that's not what they're known for.

For example…

Warren Buffett is reported to use options as part of his personal investment strategy, as does Berkshire Hathaway.

Same goes for Joel Greenblatt, who co-chairs Gotham Asset Management, a prominent hedge fund with $4.5 billion in discretionary funds under management.

There's also Daniel Loeb's Third Point, Bill Ackman's Pershing Square Capital Management, and David Einhorn's Greenlight Capital, all of whom are reported to use options as part of their professional investing strategies. Together, these guys run a collective $36.1 billion, according to the latest information from Unka Google and SEC filings.

Heck, even Jim Cramer of CNBC's Mad Money fame and himself a successful former hedge fund manager talks about various options strategies regularly on his show.

Introducing…

The YieldMax TSLA Option Income Strategy ETF (TSLY)

TSLY is an *actively* traded ETF launched in November of 2022.

That means TSLY's portfolio managers are deciding which investments to include in the fund, when to buy and sell 'em, etc., rather than passively tracking an index or other financial instrument, as has been the case with traditional ETFs for years.

IMAGINE A 61.89% YIELD ON TESLA

TSLY's objective is to generate income using a *synthetic* covered-call strategy to get exposure to Tesla's common stock while also generating income and potential gains if TSLA shares increase in value.

Traditional covered-call strategies and funds—like BST and BSTZ, which I recommend as part of the Fund Folio—rely on selling call options on underlying securities an investor or fund owns.

TSLY's management goal is to replicate 100% of the price movement of TSLA stock using three specific investment tactics simultaneously:

1. Synthetic long exposure to Tesla by using standardized options and FLEX options—to participate in price movement of TSLA stock.
2. Covered calls sold against synthetic long exposure—to generate income.
3. US Treasuries—to serve as collateral against options sold and to generate additional income.

How it works

First, the fund creates a synthetic stock position —meaning long exposure as if you owned Tesla stock—by simultaneously buying TSLA call options and selling TSLA put options. The purchased call options and put options sold generally expire 6–12 months out, using strike prices that are at the money when the options contracts are bought and sold.

Second, the fund generates income by selling covered calls against the synthetic stock position I've just described, using options that expire in one month or less and at strike prices that are 5%–15% above the then-current price of TSLA stock. If TSLA's stock price exceeds the strike of the call options sold, the position loses money, which limits the upside profit potential associated with its synthetic long exposure. Otherwise, the positions benefit from time decay and changes in volatility.

And finally, the fund holds US Treasuries with 6-month to 2-year maturities as collateral in connection with the fund's synthetic covered-call strategy. That's because synthetic positions require collateral to ensure that the investor, trader, or fund placing the trades has the financial capacity to cover potential losses due to adverse market movements.

Those same US Treasuries are also used to generate small, incremental amounts of income.

The Particulars

- The 30-day SEC yield is 3.90% as of 7/31/2023.
- The Distribution Rate (i.e., the annual yield an investor would receive if the most recently declared distribution remains the same going forward, including option income) is a jaw-dropping 61.89% as of 8/31/23.
- The Distribution Frequency is monthly.
- The Gross Expense Ratio is 0.99%.
- NAV is $14.56 as of 8/31/23.
- The management fee is 0.99% per year, and there are no 12b-1 fees, so it's cost effective, particularly for an active fund.
- The fund's investment advisor is Toroso Investments while the investment sub-advisor is ZEGA Financial. Both have specific expertise in this kind of innovative financial development and strategies.

Now, obviously, this won't mean much if management can't deliver the goods.

I took a hard look.

Performance has been very consistent with expectations. I like that because it means management has a plan and is executing that plan, something we talk about all the time as being key to success over time.

Month-End | Quarter-End

As of 07/31/2023

Fund Ticker	1 Month	3 Month	YTD	1 Year	Since Inception Cumulative	Since Inception Annualized
TSLY NAV	5.92%	47.38%	69.94%	–%	24.48%	–
TSLY MKT	5.29%	46.37%	68.17%	–%	22.98%	–
S&P 500	3.21%	10.51%	20.65%	–%	15.92%	

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most recent month-end can be obtained by calling (866) 864-3968. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Returns beyond 1 year are annualized. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded. The fund intends to pay out dividends and interest income, if any, monthly. There is no guarantee these distributions will be made.

The Caveats

Please do not make the mistake of thinking that this fund will track Tesla stock dollar for dollar.

It won't.

In fact, the fund's performance will differ from gains and losses in TSLA stock because of changes in the prices of TSLA options contracts and changes in the value of US Treasuries.

Remember what we're dealing with here.

The fund does not own Tesla stock but instead aims to achieve its goals through the use of *synthetic* positions.

TLSY also has what's called "material single-issuer risk."

That's a big, scary—but not unusual—$5 way of saying that the value of the fund may fluctuate more than traditional pooled investment vehicles or the market as a whole because it is focused on an individual security, in this case TSLA. Practically speaking, it's the same risk you'd have if you owned one stock and one stock alone.

By the way, we already keep track of that using Beta—a key measure of an individual stock's volatility versus the broader market—which you will see in every monthly report. This is the same idea, just expressed differently.

While we're on the topic of scary-sounding stuff, TSLY carries with it the risk of loss. That's not any different either; every investment has risk, and every investor can lose all of his or her money if the you-know-what hits the fan. Do NOT follow along with this recommendation or make the decision to invest unless you are comfortable with this possibility.

Finally, and as always, please check with a financial advisor who is familiar with your personal risk tolerance, objectives, and circumstances (none of which I know) before investing.

Now that that's out of the way, and if you are going to press ahead…

Action to Take: Buy a small speculative position in TSLY and plan on reinvesting all proceeds with a 3- to 5-year horizon. Control risk before you buy by limiting your allocation to 2–5% of total investable assets. Better yet, DCA or VCA in and continue to reinvest over time as a way of magnifying the income generated.

Please note that this is an extremely speculative, actively managed ETF, and it should be treated as such.

Tuck shares away in the Zingers, the "10" in the proprietary OBA Model Portfolio.

PORTFOLIO REVIEW

Plus the Fund Folio™ and the September OBA 50™

Foundation Stones (50%)

This category contains companies intended to be the base around which all other choices are built and will account for roughly 50% of overall investable capital. The intent is to create stability that gives you the freedom to pursue more aggressive choices in the other two tiers over time.

There will be some turnover here but, odds are, not much over time because the emphasis is on fundamental underpinnings in line with the 5Ds.

Global Growth & Income (40%)

This category houses companies offering a unique twist on one or more of the "5Ds" or which are technically of interest and will represent roughly 40% of overall investable capital. The goal with this segment is appreciation potential AND an income boost so expect to see dividend payers and players here.

Turnover here may be based on a combination of technical and fundamental data and may be slightly higher. Market action could also trigger entries and exits.

Zingers (10%)

This category is home to the most speculative choices and will account for roughly 10% of overall investable capital.

Zingers are fundamentally compelling but are going to be selected based on a higher relative technical analysis weighting using the OBA engine and the MMI specifically.

Expect turnover to be highest in this tier based on technical market action. The probability of losses is highest in this segment.

"Vegas Money"

Vegas Money is exactly like it sounds - it's where we put the stocks that can be heroes or zeros.

Not every stock will be a winner; in fact, quite a few probably won't to be blunt. We'll control risk by position sizing before we buy once we've identified an opportunity that interests us.

This means keeping positions small enough that you don't care if they flame out completely but big enough that you'll feel good if and when they do take off.

0.5%-1.0% each or less at your discretion. Skip entirely if this much risk makes you uneasy.

Hedges

Studies show having between 1-3% in non-correlated investments can help take the sting out of otherwise painful down days by dampening overall portfolio volatility. The tradeoff, of course, is that you give up some upside but that's acceptable to me given current market conditions. 3-5% may be prudent if conditions continue to deteriorate.

SH, PSQ, DOG and **RYURX** are 1:1 inverse funds which make them perfect for the task. **UVXY**, though, is a 1.5X hedge designed only for short-term holds at best which is why I advocate using it very opportunistically when the risks of a downdraft are highest.

Position Sizing Guidelines	
Foundation Stones	50%
Global Growth and Income	40%
Zingers	10%
Hedges/Inverse	1-3%
Vegas Money	Investor's discretion

**Every OBA reader is encouraged to work with a financial advisor to adjust the suggested percentages as needed to reflect your specific financial situation, risk tolerance and circumstances.*

A special note for new subscribers

The One Bar Ahead® Model Portfolio remains in **Accumulate Mode.**

Missing opportunity is the more expensive proposition than trying to avoid risks you cannot control.

If you've just joined us and that statement doesn't make sense, please see Master Class #1. It will, particularly when you understand that the markets have a very pronounced upside bias over time.

Profit targets and trailing stops are published as a convenience for those who need the money or who simply prefer to use 'em.

The portfolio will return to **Trending Mode** if and when there is an identifiable, sustainable push higher. You'll know because the Bull/Bear State Indicator will reflect that. And, of course, I'll remind you. 😊

New OBAers: I suggest establishing positions using Dollar Cost Averaging or its lesser-known cousin, Value Cost Averaging. This lowers risk "on the way" into stocks while boosting returns over time and keeping otherwise frayed emotions out of the equation. Reinvest as your share count increases to magnify compounding and profit potential.

Existing OBAers: I suggest "tinkering" with core holdings to rebalance risk and harvest profits. Reinvest dividends to boost income and magnify compounding. Doing so helps lower your tax basis while also boosting profit potential over time. It also keeps emotions at bay.

All data as of August 29, 2023

Foundation Stones (50%)

AAPL

APPLE, INC

Beta
1.22

Yield
0.54%

30d
Δ vs SPX
-2.44%

Total
α vs SPX
22.13%

Notes

Apple reported great Q3 23 earnings, even though the market would lead you to believe otherwise. Revenue came in at $81.8 billion, beating Refinitiv's estimates of $81.7 billion. EPS was $1.26, beating Refinitiv's estimates of $1.20.

Despite those stellar numbers, shares traded down -4.80% the following day (earnings were reported after the bell). It just makes me shake my head in disbelief.

Apple now has 1+ billion paid subscribers. While hardware sales were down slightly, services jumped 8.2% YoY, or 49% more than the 5.5% growth rate last quarter.

CEO Tim Cook noted that Apple set revenue records in "many categories in Services this quarter from video, to AppleCare, to cloud, to payment services, and we set June quarter records for advertising, the App Store, and Apple Music."

That's 150 million subscriptions more than last year and "nearly double what it was just three years ago," he added.

Shares of AAPL are trading 9.97% below the 52-week high of $198.23%, which suggests an excellent entry point.

When in doubt, zoom out.

Shares of AAPL have returned 42.49% YTD versus the S&P 500, which has returned 18.17% over the same time period.

Continue to accumulate and reinvest.

PORTFOLIO REVIEW

CLOI

VanEck CLO ETF

Beta
0.04

Yield
5.37%

30d
Δ vs SPX
2.26%

Total
α vs SPX
-19.68%

Notes

CLOI is a collateralized loan obligation fund (meaning it's a single security backed by pooled debt). The fund is a great choice for investors willing to step out a little further on the risk spectrum but who still crave the comparative safety of an actively managed income stream at a time when rates are rising. In this case, investment-grade CLO bonds.

CLOs traditionally have low sensitivity to interest rate changes due to their floating-rate coupons—a characteristic, according to VanEck, that makes them similar to leveraged loans, but with additional risk protection resulting from the CLO structure. I like 'em because CLOs typically trade like bonds, but with the longer times associated with loan settlement.

The 30-day SEC yield is an attractive 6.44% (numbers from VanEck).

Continue to accumulate and reinvest.

JPM

JPMORGAN CHASE & CO.

Beta
1.00

Yield
2.72%

30d
Δ vs SPX
-2.64%

Total
α vs SPX
7.86%

Notes

A good leader makes all the difference, and it shows with Jamie Dimon.

Case in point, when you compare JPMorgan to its peers, year to date JPM has returned 12.32% while Citigroup, Wells Fargo, and Bank of America have returned -6.21%, 2.76%, and -12.25%, respectively. The SPDR S&P Regional Banking ETF is down -23.87.

JPM is really blowing it outta the water this year, as expected and we've talked about many times. On a related note, many folks are asking for my thoughts on regional banks.

Notes (contd)

I think there's more pain around the corner; that's why I'm sticking with the best name around... JPM.

Shares are 49.84% off 52-week lows and yield 2.71%.

Continue to accumulate and reinvest.

MSFT

Microsoft

Beta
1.15

Yield
0.84%

30d
Δ vs SPX
-0.17%

Total
α vs SPX
10.51%

Notes

Microsoft has had a fabulous year. Shares are up 37.28% and are outperforming the S&P 500 by 20.56% year to date.

AI and the hype around it won't be slowing down anytime soon. Those who don't embrace it will fall behind. That goes especially for investors—those who don't own it have missed out on substantial returns so far this year. I repeatedly encouraged you to accumulate shares, and I trust that's exactly what you've been doing!

Continue to accumulate and reinvest.

RCS

PIMCO Strategic Income Fund

Beta
0.57

Yield
14.50%

30d
Δ vs SPX
3.86%

Total
α vs SPX
-22.36%

Notes

"JPow" and the Beltway Boys made their annual pilgrimage to Jackson Hole, and from all indications, he and his bunch remain committed to hiking rates.

Currently, RCS is trading at a 29.83% premium, according to PIMCO's website, which tells me that lots of investors see the comparative stability we do. What's more, they're content to "pay up," even if they know that rates could still rise.

The yield/distribution rate is 14.61% as of August 25, 2023.

Continue to accumulate and reinvest.

Global Growth & Income (40%)

ABBV

AbbVie

Beta
0.52

Yield
4.04%

30d
Δ vs SPX
0.49%

Total
α vs SPX
-7.48%

Notes

The European Commission approved AQUIPTA for the treatment of adults who suffer from four or more migraines a month. That's a huge deal considering that over a billion people worldwide are affected by migraines.

The company also just submitted applications to the FDA and EMA for "moderately to severely active" ulcerative colitis as a new treatment indication for its drug Skyrizi.

So there's a lot going on for Abbvie. The company's robust pipeline continues to produce, and treating ubiquitous conditions like migraines and ulcerative colitis could become a huge money-maker.

Shares of ABBV are 14.5% off 52-week lows and 10.8% off 52-week highs and yield 3.89%.

Continue to accumulate and reinvest.

AMD

Advanced Micro Devices

Beta
1.68

Yield
0.00%

30d
Δ vs SPX
-5.10%

Total
α vs SPX
-14.30%

Notes

AMD reported Q2 23 earnings. Revenue came in at $5.36 billion, slightly beating Refinitiv's estimates of $5.31 billion. Adjusted EPS came in at $0.58, beating Refinitiv's estimates of $0.57.

Shares fell on earnings due to business segment numbers that look lackluster but aren't when viewed through the OBA framework.

Notes (contd)

- Data center revenues were $1.32 billion, an 11.1% YoY decline, which was mainly due to soft demand for the third-generation processors. But... the big thing to focus on is that AMD launched 30 new instances, including multiple instances for Genoa (4th generation EPYC), for Microsoft Azure, AWS, Oracle, and Alibaba.
- Client segment revenues came in at $998 million, a 53.6% YoY decline driven primarily by soft PC sales. This is a tough pill to swallow, but a temporarily reduced demand for an essential product like a PC is just that... temporary. PC demand will be back over the coming years, and this "scary" number gives us a better point to accumulate shares.
- Gaming segment revenues were $1.58 billion, a 4.5% decrease YoY.
- Embedded segment revenues came in at $1.46 billion, a 16.1% increase YoY.

Shares of AMD are 100.53% off 52-week lows but only 17.62% off 52-week highs.

Continue to accumulate and reinvest.

COST

Costco Wholesale Corporation

Beta
0.97

Yield
0.76%

30d
Δ vs SPX
-1.14%

Total
α vs SPX
21.84%

Notes

Costco reported net sales of $17.60 billion for July, a 4.5% YoY increase. Keep in mind this is an increase off last summer's sales when the CPI print was 8.4%. Yet consumer behavior hasn't changed, even though inflation has gone down.

I have a hunch the sales report for August that is released at the beginning of September will be strong too. Gas prices have shot above $80 per barrel during the summer/busiest travelling season of the year.

Notes (contd)

People, especially families, will do anything to keep the trip as cheap as possible... and that includes getting the best deal on gas.

Costco declared a $1.02 quarterly dividend that you'll receive on September 8. They also are reporting Q4 23 results on September 26.

Shares of COST are 20.75% off 52-week lows and yield 0.77%.

Continue to accumulate and reinvest.

CTRE

CareTrust REIT

Beta
0.82

Yield
5.66%

30d
Δ vs SPX
-1.24%

Total
α vs SPX
2.89%

Notes

CareTrust reported very healthy Q2 23 earnings. Revenue came in at $51.55 million, beating Refinitiv's estimates of $49.36 by 4.4%. Adjusted AFFO per share came in at $0.35 per share, just slightly below Refinitiv's estimates of $0.36 per share.

CareTrust closed eight deals for a total of $200 million with a historic initial blended yield of 8.4%, which is expected to stabilize at 9.5% in two years... and that doesn't even include the annual CPI rent-based escalators. On top of that, six of the eight deals are with new operators.

That's a huge deal, because strong operators are an essential part of CareTrust's investing process.

In addition to finding new skilled operators, the pipeline remains robust at about $150 million.

Cash collections for the quarter came in at 96.7% and 98% for the month of July. The net debt/normalized EBITDA was 3.8X, below the stated range of 4–5X.

Notes (contd)

It's important to note that CareTrust is getting deals at historic yields while staying below the low end of leverage. Wow!

Shares of CTRE are trading 22.44% off 52-week lows and yield 5.67%.

Continue to accumulate and reinvest.

CVX

Chevron Corporation

Beta
0.66

Yield
3.80%

30d
Δ vs SPX
0.74%

Total
α vs SPX
64.98%

Notes

PDC Energy shareholders approved the sale of the business to Chevron in early August. This is a huge win for our dino juice champion.

Here's an excerpt from the press release:

> *The assets acquired include 275,000 net acres in the Denver-Julesburg (DJ) Basin adjacent to Chevron's existing operations, which add more than 1 billion barrels of oil equivalent proved reserves, and 25,000 net acres in the Permian Basin that are held by production.*

Over 1 billion barrels of oil equivalent proved reserves are nothing to scoff at.

So far in August, the Biden Administration has added about 600,000 barrels to the Strategic Petroleum Reserve. While that's a step in the right direction, it's not a significant enough amount to move the needle. Two years ago, the SPR sat at 621.3 million barrels... now it's at 348.4 million. All this to say, energy markets are still tight. WTI futures are trading at $81.37 as I type and have been hovering around the $80 range for a couple of weeks now.

Shares of CVX are 13.38% off 52-week lows and yield 3.82%.

Continue to accumulate and reinvest.

GILD

Gilead Sciences

Beta
0.54

Yield
3.90%

30d
Δ vs SPX
4.19%

Total
α vs SPX
22.11%

Notes

Gilead reported Q2 23 earnings. Revenue came in at $6.6 billion, beating Refinitiv's estimates of $6.4 billion. Adjusted EPS came in at $1.66, slightly beating Refinitiv's estimates of $1.64.

Product sales for the quarter came in $6.6 billion, a 7% increase YoY and an 11% increase YoY, excluding Veklury.

I know we've been through this exercise before with AbbVie, Pfizer, and Gilead, but it's worth repeating because the market is finally seeing what we here at OBA have known all along.

Veklury is used to treat COVID-19. Clearly, there is not as much demand for treatment today as there was one and two years ago (though demand seems to be ramping up again, with new variants emerging recently). Analysts accurately estimated a steep decline in sales of Veklury. Sales dropped by 42.5%, from $445 million to $256 million YoY.

But the analysts only looked at one side of the equation. Here's the other side.

Sales of Biktarvy—a treatment for AIDS—were $3 billion for the quarter, a 17% YoY increase. It now has over 46% of the HIV treatment market share in the United States.

Sales of Descovy, another HIV treatment, were $516 million for the quarter, a 12% YoY increase. It now has over 40% of the market share for the US PrEP (HIV prevention) market.

These are just two examples... but you get the point. It's a big mistake to only focus on the drop in sales for one drug and ignore other successful drugs and a robust pipeline.

Notes (contd)

A mistake that led to shares of GILD trading at attractive valuations. Their loss, our gain!

Shares of GILD are trading at 12.03X, 11X, and 10.48X adjusted forward earnings estimates for 2023, 2024, and 2025, respectively.

Continue to accumulate and reinvest.

GIS

General Mills Inc

Beta
0.19

Yield
3.45%

30d
Δ vs SPX
-6.27%

Total
α vs SPX
-26.35%

Notes

It's been a quiet month for General Mills.

Shares are down -7.66% as I type since the earnings call in June and are just slightly off 52-week lows. This is a great opportunity to add to your position. You don't get them often, so make use of it while it lasts.

When you buy, you'll also lock in a nice, juicy 3.27% yield.

Continue to accumulate and reinvest.

LMT

Lockheed Martin Corporation

Beta
0.49

Yield
2.66%

30d
Δ vs SPX
3.85%

Total
α vs SPX
36.01%

Notes

I'll be brief here since this is the Dividend Fortune Builder this month.

LMT announced stellar earnings in July. Currently, shares are trading 19.14% off 52-week lows and yield 2.65%.

Continue to accumulate and reinvest.

MCD

McDonald's Corporation

Beta
0.61

Yield
2.14%

30d
Δ vs SPX
-1.29%

Total
α vs SPX
-3.35%

Notes

It's been a quiet month for McDonald's, so let's dig into some valuation-related data.

MCD is trading at 24.7X, 22.9X, and 21.1X forward earnings for 2023, 2024, and 2025, respectively.

The E part of the equation will continue to rise. CPI for July came in at 3.3% YoY. Consumers are trying to make their dollars stretch. Just because CPI is off its highs doesn't mean it's declining... it's just increasing at a slower rate.

McDonald's is still one of the few places that offers a viable solution for feeding a whole family on a tight budget.

Continue to accumulate and reinvest.

MUFG

Mitsubishi UFJ Financial Group

Beta
0.66

Yield
2.82%

30d
Δ vs SPX
0.13%

Total
α vs SPX
-0.51%

Notes

Mitsubishi has had a great year so far. Shares of MUFG are up 17.71% YTD. By comparison, shares of the Financial Select Sector SPDR Fund (XLF) and SPDR S&P Regional Banking ETF (KRE) have returned 0.33% and -24.39% YTD, respectively.

Shares are 22.24% off 52-week lows and yield 2.95%.

Continue to accumulate and reinvest.

PFE

Pfizer

Beta
0.55

Yield
4.51%

30d
Δ vs SPX
3.54%

Total
α vs SPX
-29.63%

Notes

Pfizer reported mixed results for Q2 23. Revenue came in at $12.73 billion, which is below Refinitiv's estimates of $13.27 billion.

Notes (contd.)

Adjusted EPS came in at $0.67, beating Refinitiv's estimates of $0.57.

Pfizer's COVID drugs PAXLOVID and COMIRNATY saw sales down by -53% YoY. It's the same deal as with Veklury for Gilead... that is, by no means the end of the world.

To keep things in perspective, excluding Pfizer's COVID drugs, sales increased 5% YoY. The market is blind to this and keeps focusing on the overall number... which just means we get another attractive entry point into PFE.

During the earnings call, the CFO provided an update on the Seagen acquisition. He mentioned that Pfizer raised approximately $31 billion for the acquisition, and he expects it to carry an annual financing cost close to $2 billion. That's a savvy move considering that if the deal is approved, it is expected to add $10 billion to annual revenues in 2030.

Also, this headline caught my attention.

Pfizer received FDA approval of ELREXFIO for the treatment of patients with multiple myeloma that is hard to treat or has come back after receiving four or more prior lines of certain classes of treatments. The therapy could add $4 billion in peak revenue. It's also exciting to see breakthroughs like this for patients who are suffering!

Shares of PFE are 5.79% off 52-week lows and yield 4.54%.

Continue to accumulate and reinvest.

PORTFOLIO REVIEW

PLTR

Palantir Technologies Inc

Beta
1.86

Yield
0.00%

30d
Δ vs SPX
-21.01%

Total
α vs SPX
-57.07%

Notes

Palantir reported Q2 23 earnings. Revenue came in at $533.3 million, beating Refinitiv's estimates of $532.7 million. EPS came in at $0.05, right on Refinitiv's estimates.

Shares sold off 10% the day of earnings because analysts poo-hoo'd revenue growth of "only" 15% for the government segment and 10% for the commercial segment YoY. Despite the naysayers, Palantir also reaffirmed revenue guidance of $2.21 billion for the year. Not only that, they announced share buybacks of up to $1 billion.

Don't get caught up in the media noise... while others are groaning at the "meager" double-digit growth, I'll be cheering.

Shares of PLTR are 161.99% off 52-week lows and have returned 120.25% YTD compared to the S&P 500's 15.11%.

Continue to accumulate and reinvest.

RTX

Raytheon Technologies Corporation

Beta
0.77

Yield
2.79%

30d
Δ vs SPX
1.25%

Total
α vs SPX
-26.82%

Notes

Collins Aerospace received a $24 million contract for the production and delivery of electric generators with containers to the United States Army Anniston Depot.

This is just another example of the DoD putting their large $1.77 trillion budget to use.

Just like LMT, Raytheon is a fixture in US defense spending and, despite recent news of a defect in Pratt & Whitney engines, is unlikely to go anywhere.

Notes (contd.)

Shares of RTX have struggled lately and are currently down about -10.90% from their earnings report in July.

This is a good opportunity to accumulate more shares. Shares of RTX are trading at 17.1X, 15.3X, and 12.8X adjusted EPS estimates for 2023, 2024, and 2025, respectively, and yield 2.77%.

Continue to accumulate and reinvest.

TSLA

Tesla Inc.

Beta
2.00

Yield
0.00%

30d
Δ vs SPX
-1.96%

Total
α vs SPX
-17.88%

Notes

Shares of TSLA have shot through the roof this year and have returned 80.86% YTD as I type, beating the S&P 500 by 66.15%.

Tesla owns around 60% of the electric vehicle market share in the US. Some "experts" still can't believe how amazingly successful Elon Musk has been. For example, in a June report, Bank of America predicted that Tesla's American market share will plummet to around 18% by 2026.

I'm not buyin' it. Remember that six... yes, SIX big-name competitors, Ford, GM, Rivian, Nissan, Volvo, and Mercedes will be plugged into (pun absolutely intended) Tesla's charging stations as they switch charging ports next year.

This month, I recommend the YieldMax TSLA Option Income Strategy ETF (TSLY) as a "Zinger" for the OBA portfolio. It's a very specific investment that's definitely not for everyone... so make sure to read what I have to say before taking the leap. The good news: If you do find it's right for you, it offers a way to generate some serious income.

Continue to accumulate and reinvest.

WM

Waste Management Inc.

Beta
0.62

Yield
1.77%

30d
Δ vs SPX
-0.22%

Total
α vs SPX
3.61%

Notes

Waste Management is a steady Eddie in the portfolio. Shares of WM have returned 91.42% compared to the S&P 500 55.04% over the last 5 years and 376.72% compared to the S&P 500 165.99% over the past 10 years. Continue to accumulate and collect the nice 1.76% yield as I do.

Continue to accumulate and reinvest.

Zingers (10%)

CRWD

CrowdStrike Holdings

Beta
1.46

Yield
0.00%

30d
Δ vs SPX
-7.17%

Total
α vs SPX
-17.58%

Notes

CrowdStrike is reporting its Q2 24 earnings as we go to press. I'll update you on the results in an upcoming weekly OBA issue.

Refinitiv's estimates for Q2 24 revenue are $724 million and EPS is $0.56. That's a substantial 35.31% and 55.55% higher than year-over-year Q2 23 results.

Shares of CRWD are on a tear this year, up 46.08% YTD as I type. That's beating the S&P 500 by 29.36%.

Continue to accumulate and reinvest.

NVDA

NVIDIA Corporation

Beta
1.89

Yield
0.03%

30d
Δ vs SPX
6.73%

Total
α vs SPX
122.06%

Notes

If you watched any business news channel since August 23, you've more than likely heard anchors and guests say this... and if you've been with the OBA Family for any length of time, you know that I've been shouting this from the rooftops for a long time.

Notes (contd.)

NVDA absolutely crushed Q2 24 earnings. Revenue for the quarter came in at $13.5 billion, beating Refinitiv's estimates of $11.2 billion. Not only did it exceed expectations... revenue skyrocketed 101% YoY. EPS came in at $2.48, beating Refinitiv's estimates of $1.74 by 42.5%. Here's a breakdown of revenue by market platform.

- Data Center revenue came in at a record $10.32 billion, a 171% increase YoY.
- Gaming revenue came in at $2.49 billion, a 22% increase YoY.
- Professional Visualization revenue came in at $379 million.
- Automotive revenue came in at $253 million.
- OEM & Other revenue came in at $66 million.

Big-name companies like AWS, Google Cloud, Meta, Microsoft Azure, and Oracle Cloud are using Nvidia's data centers... with so many "clouds," the sky's the limit for this company. 😆

If you've been following instructions and accumulating all along, hopefully you're smiling from ear to ear, as I am. Check your shares. Go ahead and take a FreeTrade on any of them that have gained 100% or more.

Shares of NVDA are up 222.81% YTD and are outperforming the S&P 500 by a whopping 207.71%.

Continue to accumulate and reinvest.

PORTFOLIO REVIEW

RKLB

Rocket Lab USA

Beta
1.92

Yield
0.00%

30d
Δ vs SPX
-14.42%

Total
α vs SPX
-56.53%

Notes

Rocket Lab reported Q2 23 earnings. Revenue came in at $62.05 million, beating Refinitiv's estimates of $61.79 million. Adjusted EPS came in at -$0.10, slightly below Refinitiv's estimates of -$0.09. Revenue grew 11.86% YoY.

I don't think this good streak will be slowing down anytime soon. Just in August, Rocket Lab inked two new deals.

One is with BlackSky for another five electron launches, bringing the customer total to 11 launches. The new launches are expected to take place starting in 2024.

The second is with a confidential customer to launch a Hypersonic Accelerator Suborbital Test Electron from its platform in Virginia in 2024.

Shares of RKLB have done well year to date and are up 49.87% as I type, outperforming the S&P 500 by 34.76%. Shares are 70.40% off 52-week lows.

Continue to accumulate and reinvest.

Vegas Money (0.5-1%)

NIO

NIO Inc

Beta
1.53

Yield
0.00%

30d
Δ vs SPX
-25.76%

Total
α vs SPX
-54.56%

Notes

Nio delivered 20,462 vehicles in July... a whopping 103.6% increase YoY. They have now delivered 75,023 vehicles YTD and 364,579 vehicles cumulatively through the end of July.

POWW

Ammo Inc.

Beta
1.63

Yield
0.00%

30d
Δ vs SPX
14.74%

Total
α vs SPX
-45.98%

Notes

Ammo reported Q1 23 earnings. Revenue came in at $34.26 million, below Refinitiv's estimates of $38.95 million. EPS was right on estimates of -$0.02. Revenue for POWW was down -43.6% YoY.

There are two factors driving this.

The largest one is the continued softening of the cyclical ammunition segment. With primaries right around the corner, I'm not too concerned because firearms may well be a hot-button issue.

The other part, which is even more important for us as investors, is that POWW continues their shift from low-margin commodity ammunition sales into higher-margin OEM brass sales.

Revenue for OEM brass sales increased 77% YoY to $6.5 million for the quarter. That's impressive, considering POWW started this transition only in January.

Margins have undeniably improved. Gross margins for Q1 24 were 40.9%, a huge gain from the 29.8% gross margins in Q1 23.

Shares of POWW are 41.03% off 52-week lows. Remember, this is Vegas Money and share prices can be volatile.

Continue to accumulate and reinvest.

SWBI

Smith & Wesson Brands

Notes

I recommended that we sell SWBI on Monday, 8/28/23, as part of the weekly update. Shares seem to have plateaued, so it makes sense to claim victory and move on with a win.

XPEV

XPeng Inc.

Beta
2.30

Yield
0.00%

30d
Δ vs SPX
-6.44%

Total
α vs SPX
-48.46%

Notes

XPeng reported a mixed bag of Q2 23 results. Revenue came in at 5.063 billion yuan ($700 million), slightly beating Refinitiv's estimates of 5.057 billion yuan. EPS came in at -3.25 yuan, below Refinitiv's estimates of -2.24 yuan.

The company delivered 11,008 vehicles in July, a 28% increase MoM and a 4.47% decrease YoY.

I'm not too worried about the year-over-year decrease. XPeng continues to forge ahead with the proven Toyota model playbook. In addition, the company continues to make sensible strategic moves, such as entering a long-term partnership with Volkswagen to jointly develop two B-class battery electric-vehicle models under the VW brand.

Remember, this is Vegas money, and XPeng is a high-beta name, volatility is to be expected.

Continue to accumulate and reinvest.

Hedges (as needed)

SH — ProShares Short S&P500 ETF — -8.26%

RYURX — Rydex Series Fds, Inverse S&P 500 Strategy Fund Investor Class — -8.15%

PSQ — ProShares Short QQQ ETF — -18.66%

DOG — ProShares Short Dow30 — -5.20%

Notes

The day when we no longer need hedges will arrive, and probably sooner than people think if and when the Fed pivots. Meanwhile, I think it's prudent to keep our hedges in place for now. Doing so helps dampen overall portfolio volatility, enhances yield, and, importantly, allows us to focus on what's needed to stay "in to win!"

3–5% of overall investable assets may be a good starting point, but to be sure, check with a financial advisor who is familiar with your personal risk tolerance, objectives, and circumstances.

Accumulate your hedges as needed using the same discipline used for other OBA recommendations.

Foundation Stones

	PORTFOLIO WEIGHT
Vanguard U.S. Quality Factor ETF (VFQY)	32%
Pimco Strategic Income Fund (RCS)	18%

Global Growth and Income

BlackRock Science and Technology Fund (BST)	31%
Pfizer Inc. (PFE)	4%
Altria Group Inc. (MO)	2%
AbbVie, Inc. (ABBV)	2%
iShares MSCI Japan ETF (EWJ)	2%

Zingers

BlackRock Science and Technology Fund (BSTZ)	9%

PORTFOLIO REVIEW

OBA Fund Folio™

My research suggests that Big Tech may have another 10-15% run ahead, which, if it happens, should translate into some healthy gains for the entire Fund Folio.

While that's great, it may also mean another mid-year adjustment to pare down risk while increasing upside capture.

Stay tuned!

KF

One Bar Ahead® Model Portfolio

PORTFOLIO DETAILS										
8/31/2023	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	STOP	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/2021	$ 132.05	$ 188.05	1.23	0.51%	42.4%	$ 147.34	$ 225.00	Buy/Accumulate
	CLOI	10/7/2022	$ 50.05	$ 52.11	0.04	5.36%	4.1%	As Desired	$ 52.00	Buy/Accumulate
	JPM	3/7/2022	$ 129.21	$ 146.92	1.00	2.70%	13.7%	$ 118.50	$ 175.00	Buy/Accumulate
	MSFT	3/7/2022	$ 278.91	$ 328.22	1.15	0.83%	17.7%	$ 269.62	$ 380.00	Buy/Accumulate
	RCS	10/1/2021	$ 6.84	$ 5.55	0.57	14.43%	-18.9%	As Desired	$ 8.25	Buy/Accumulate
Global Growth	ABBV	2/3/2023	$ 145.20	$ 147.97	0.52	3.99%	1.9%	25% below entry	$ 180.00	Buy/Accumulate
	AMD	8/4/2022	$ 103.91	$ 97.65	1.68	0.00%	-6.0%	25% below entry	$ 132.65	Buy/Accumulate
	COST	8/6/2021	$ 439.63	$ 552.18	0.97	0.75%	25.6%	25% below entry	$ 634.38	Buy/Accumulate
	CTRE	6/6/2022	$ 18.01	$ 20.29	0.82	5.51%	12.6%	$ 16.56	$ 25.00	Buy/Accumulate
	CVX	9/3/2021	$ 97.49	$ 160.66	0.66	3.77%	64.8%	$ 141.04	$ 219.00	Buy/Accumulate
	GILD	3/7/2022	$ 60.26	$ 76.83	0.54	3.86%	27.5%	$ 67.10	$ 107.90	Buy/Accumulate
	GIS	7/5/2022	$ 75.15	$ 67.91	0.18	3.46%	-9.6%	$ 67.96	$ 93.46	Re-Enter/Accumulate
	LMT	11/5/2021	$ 339.89	$ 450.41	0.49	2.65%	32.5%	$ 376.06	$ 502.02	Buy/Accumulate
	MCD	7/17/2023	$ 294.68	$ 283.16	0.61	2.14%	-3.9%	$ 255.92	$ 364.44	Buy/Accumulate
	MUFG	1/9/2023	$ 6.87	$ 7.93	0.66	2.74%	15.4%	25% below entry	$ 8.51	Buy/Accumulate
	PFE	3/4/2022	$ 48.65	$ 35.67	0.55	4.57%	-26.7%	25% below entry	$ 70.00	Buy/Accumulate
	PLTR	1/8/2021	$ 25.20	$ 14.95	1.84	0.00%	-40.7%	None	$ 50.00	Buy/Accumulate
	RTX	6/13/2022	$ 91.95	$ 86.59	0.77	2.73%	-5.8%	25% below entry	$ 110.00	Buy/Accumulate
	TSLA	7/25/2022	$ 268.43	$ 257.92	2.00	0.00%	-3.9%	25% below entry	$ 300.00	Buy/Accumulate
	WM	10/31/2022	$ 158.37	$ 157.42	0.61	1.77%	-0.6%	25% below entry	$ 180.38	Buy/Accumulate
Zingers	CRWD	1/6/2022	$ 187.49	$ 162.87	1.49	0.00%	-13.1%	25% below entry	$ 247.69	Buy/Accumulate
	NVDA	3/7/2022	$ 213.52	$ 493.99	1.89	0.03%	131.4%	25% below entry	$ 500.00	Buy/Accumulate
	RKLB	12/2/2021	$ 14.81	$ 6.30	1.94	0.00%	-57.5%	25% below entry	$ 17.00	Buy/Accumulate
Vegas Money	NIO	2/4/2022	$ 23.96	$ 10.46	1.52	0.00%	-56.4%	25% below entry		Accumulate lightly
	POWW	10/10/2022	$ 2.98	$ 2.30	1.63	0.00%	-23.0%	25% below entry		Sell at 50% profit, GTC
	XPEV	2/4/2022	$ 37.25	$ 18.03	2.29	0.00%	-51.6%	25% below entry		Accumulate lightly

	TICKER	NAME	YIELD	Trailing 12 Months	Last Instruction
Hedges	SH	ProShares:Short S&P500	0%	-8.26%	Add as needed
	RYURX	Rydex Inverse S&P 500 Strategy Fund;Investor	0%	-8.15%	Add as needed
	PSQ	ProShares:Sht QQQ	0%	-18.66%	Add as needed
	DOG	ProShares:Short Dow30	0%	-5.20%	Add as needed

PORTFOLIO REVIEW

OBA 50

Ticker	Name	Ticker	Name	Ticker	Name
AAPL	Apple Inc	GILD	Gilead Sciences Inc	PEP	PepsiCo, Inc
ABBV	AbbVie Inc.	GIS	General Mills Inc	PFE	Pfizer Inc
ABT	Abbott Laboratories	GOOGL	Alphabet Inc	PG	Procter & Gamble Co.
ADBE	Adobe Inc	HCA	HCA Healthcare Inc	PLTR	Palantir Technologies Inc
AMAT	Applied Materials Inc	INTC	Intel Corp	QCOM	Qualcomm Inc
AMD	Advanced Micro Devic	JNJ	Johnson & Johnson	REGN	Regeneron Pharma Inc
AMZN	Amazon Com Inc	JPM	JPMorgan Chase & Co	RTX	Raytheon Technologies Inc
CAT	Caterpillar Inc	LMT	Lockheed Martin Corp	SBUX	Starbucks Corporation
COST	Costco Wholesale Corp	LNG	Cheniere Energy Inc	TMUS	T-Mobile US Inc
CRWD	CrowdStrike Holdings I	LOW	Lowes Companies Inc	TSLA	Tesla Inc
CTRE	Caretrust REIT	LRCX	Lam Research Corp	UNH	United Healthgroup Inc
CVS	CVS Health Corp	MCD	McDonald's Corp	UNP	Union Pacific
CVX	Chevron Corporation	MRNA	Moderna Inc	V	Visa Inc
DE	Deere & Co	MSFT	Microsoft Corp	WM	Waste Management Inc
F	Ford Motor Company	MUFG	Mitsubishi UFJ Financial Group	WMT	Walmart Inc
FTNT	Fortinet Inc	NET	Cloudflare Inc	ZTS	Zoetis Inc
GD	General Dynamics Co	NVDA	Nvidia Corp		

All data as of August 29, 2023

Chapter 4

MASTER MARKET INDICATOR®

Improve results, reduce risk, gain confidence!

Bull/Bear State Indicator

Understanding the “state” of the markets is key when it comes to investing.

Traditionally, investors have used the 200-day simple moving average (SMA) to gauge bullish or bearish conditions. But because today’s markets move so quickly, the 200-day SMA has become too unwieldy and sluggish.

That’s why I created the **Bull/Bear State Indicator®** (BBSI).

Reading the BBSI is very simple:

- The markets are **bullish** when the red line is above the blue line.
- The markets are **bearish** when the red line is below the blue line.

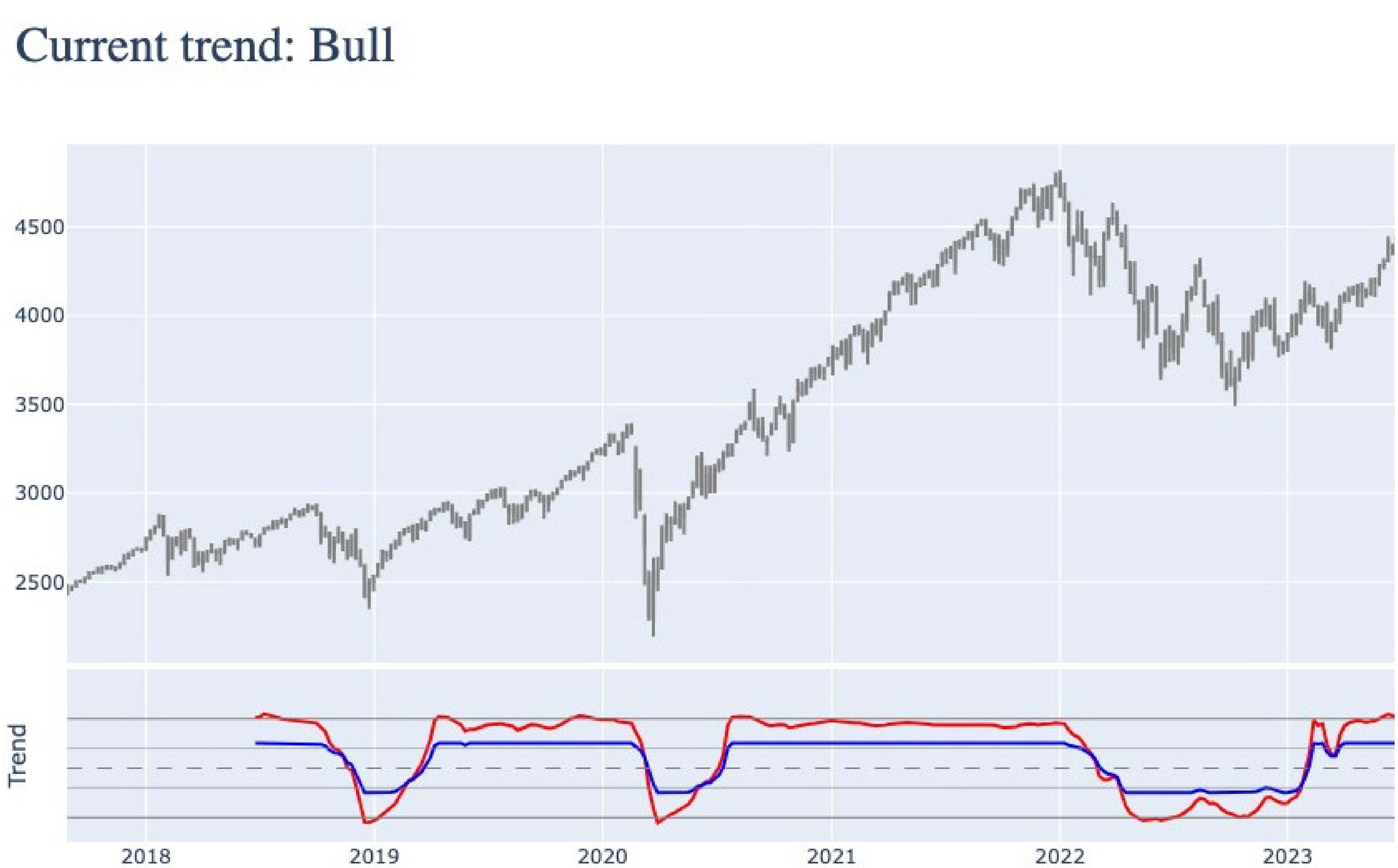
You’ll notice that the BBSI tends to spike higher and lower very quickly, and that’s by design. Institutional interest, liquidity, and volatility tend to cluster at or near key market turning points.

You cannot see those things using the 200-day SMA, but you can very clearly see ‘em using the Bull/Bear State Indicator. And in doing so, invest accordingly.

When conditions shift, you will see that the red line crosses above the blue ushering in the promise of more sustainable momentum and a normal statistical range.

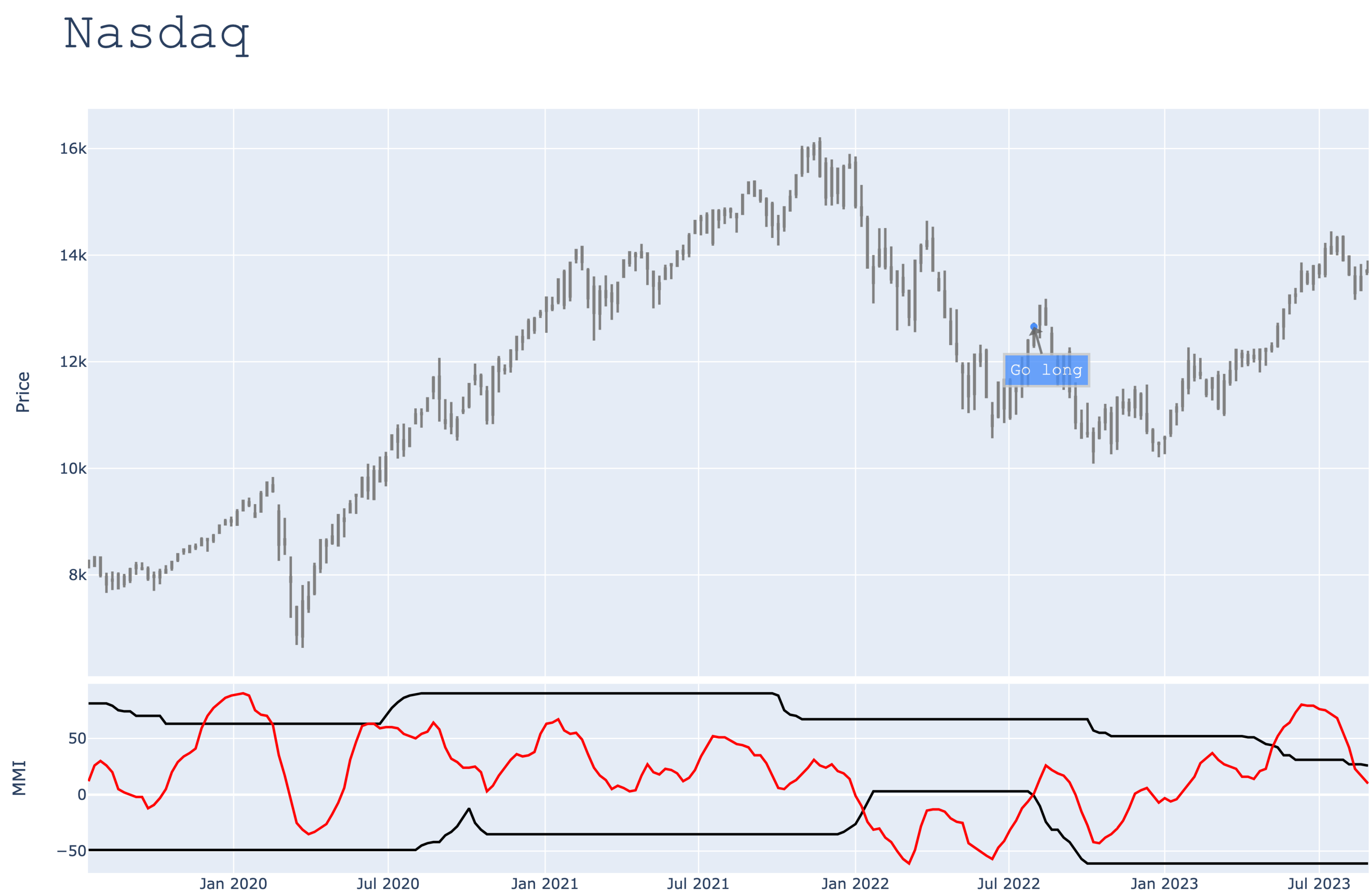
Current Reading = Bullish (as of 4/28/23)

KF



All other chart data as of August 29, 2023

SIMPLE, UNDERSTANDABLE, ACTIONABLE



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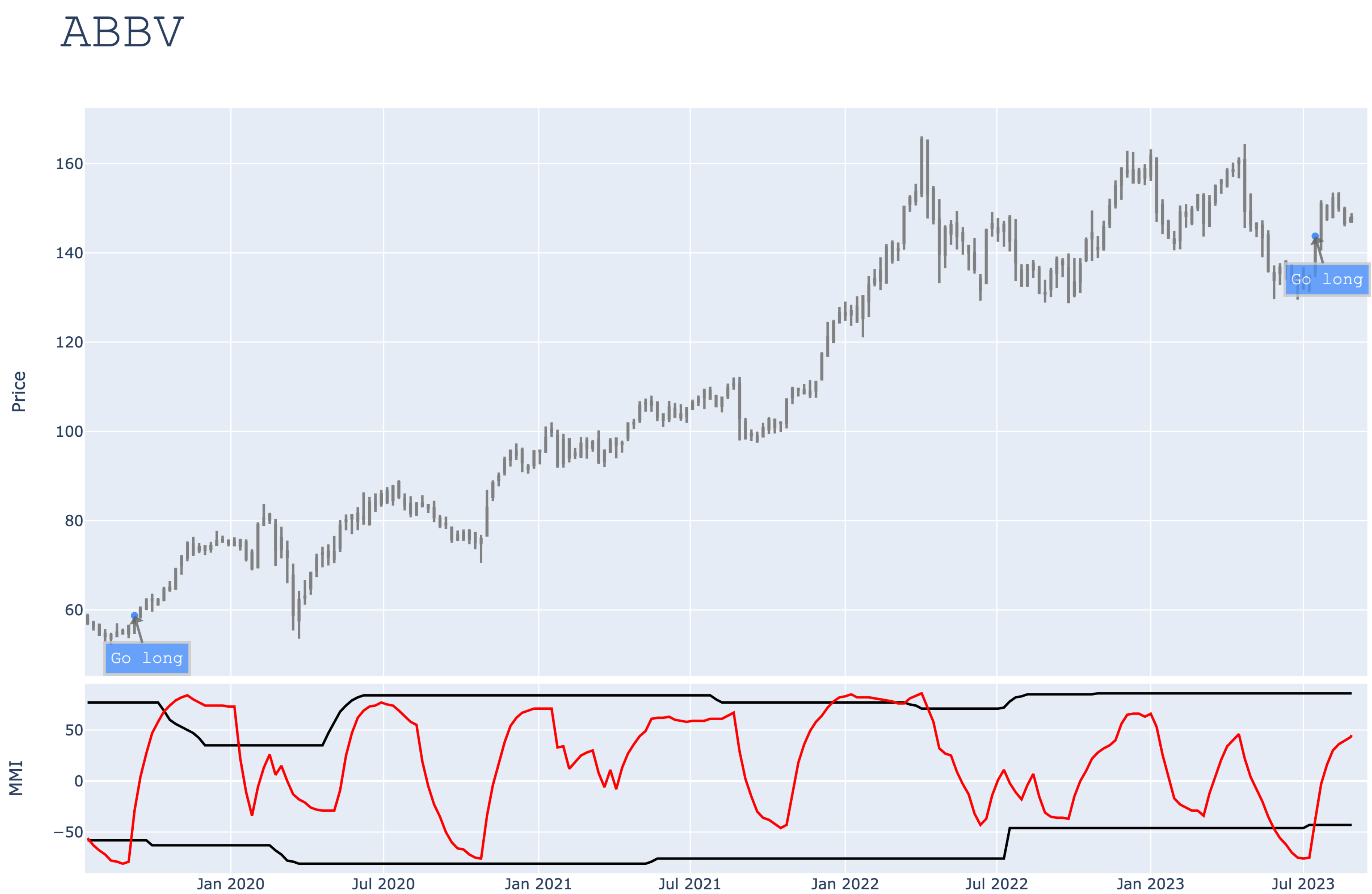


AMD
Price
160
140
120
100
80
60
40
20
Go long
MMI
100
50
0
−50
−100
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023
Jul 2023


CLOI
Price
52
51.5
51
50.5
Go long
MMI
100
50
0
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−100
Feb 2023
Mar 2023
Apr 2023
May 2023
Jun 2023
Jul 2023
Aug 2023

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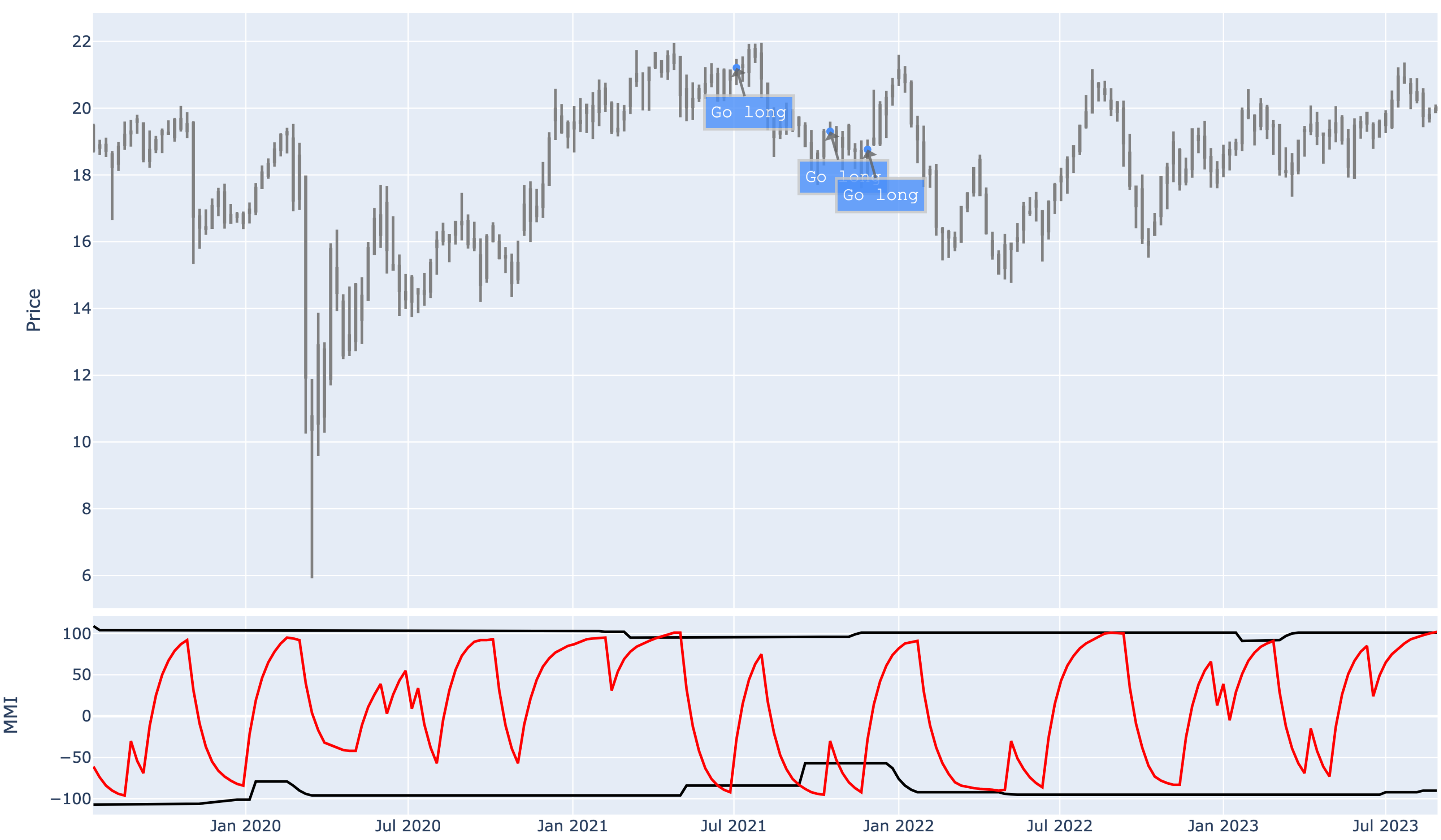
CTRE


Go long
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CVX


Go long
Go long
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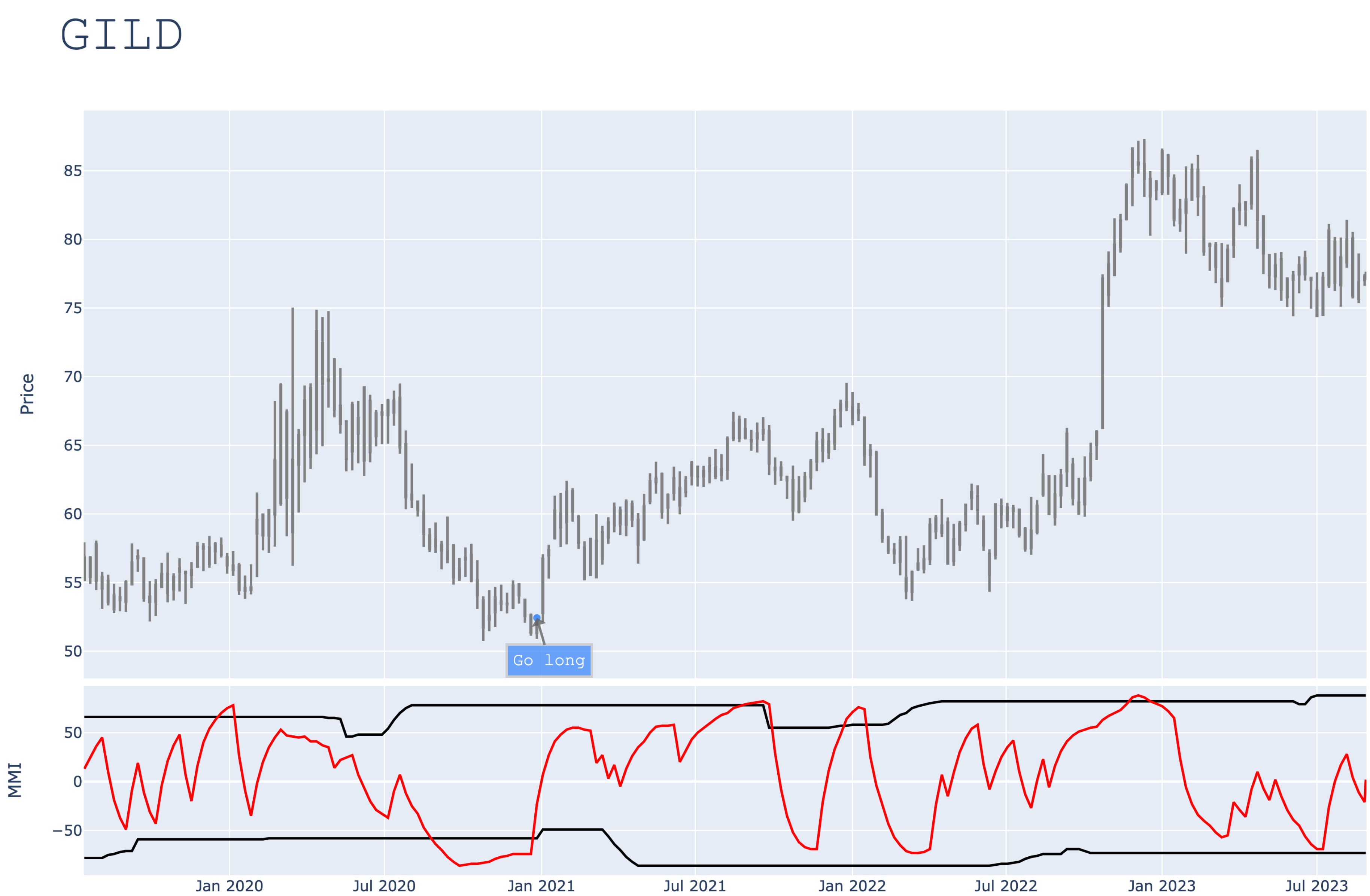

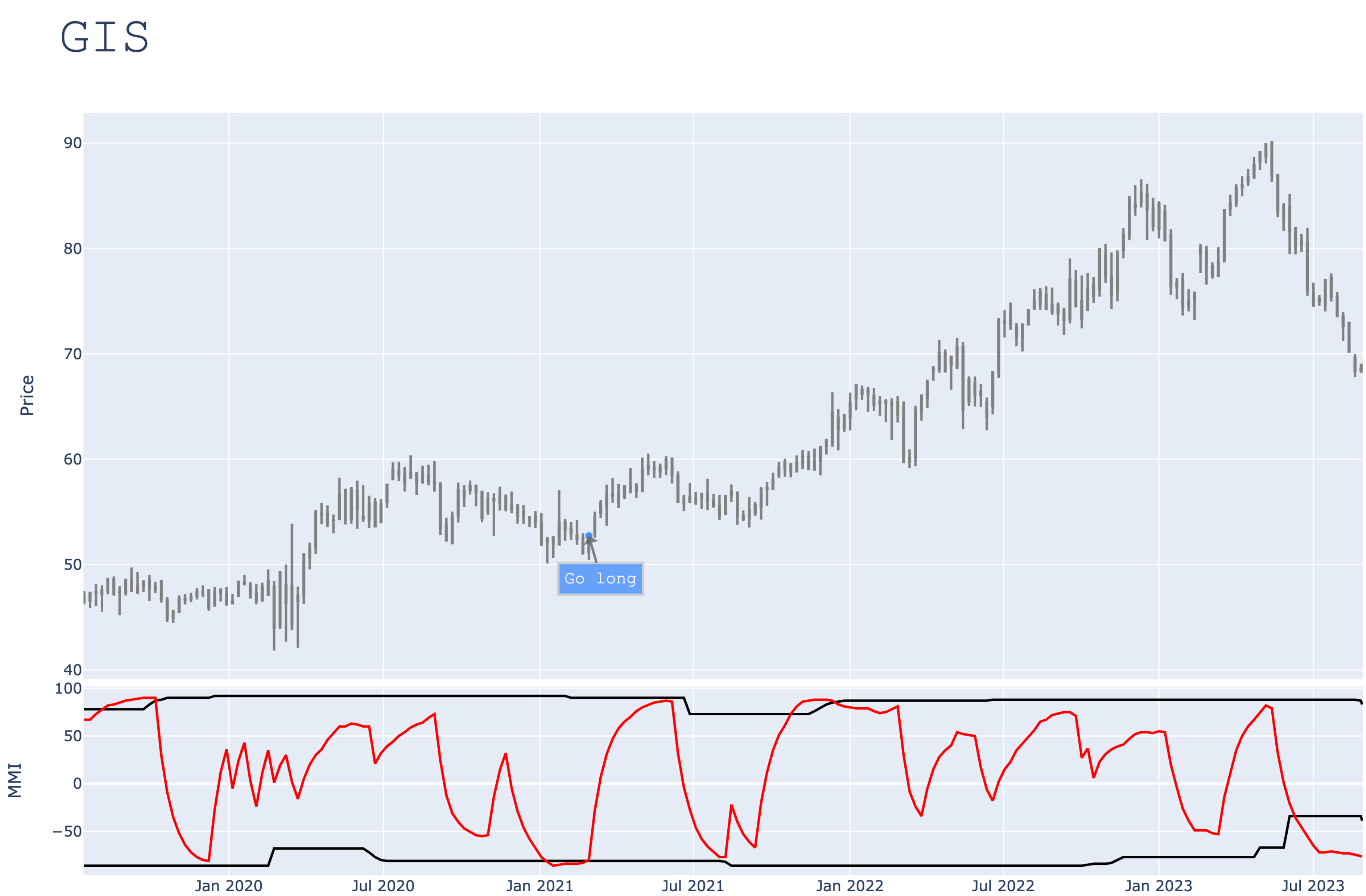

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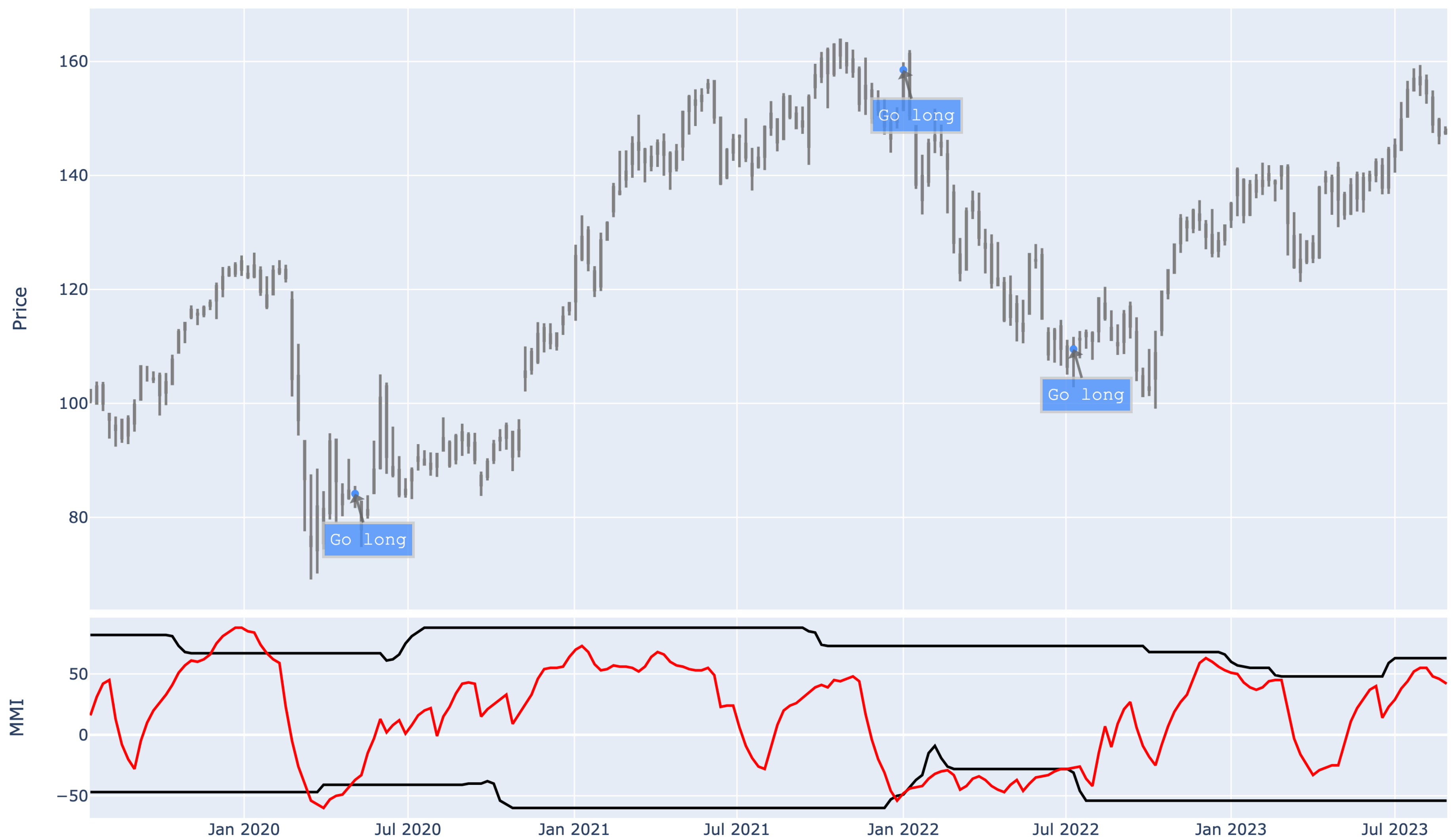
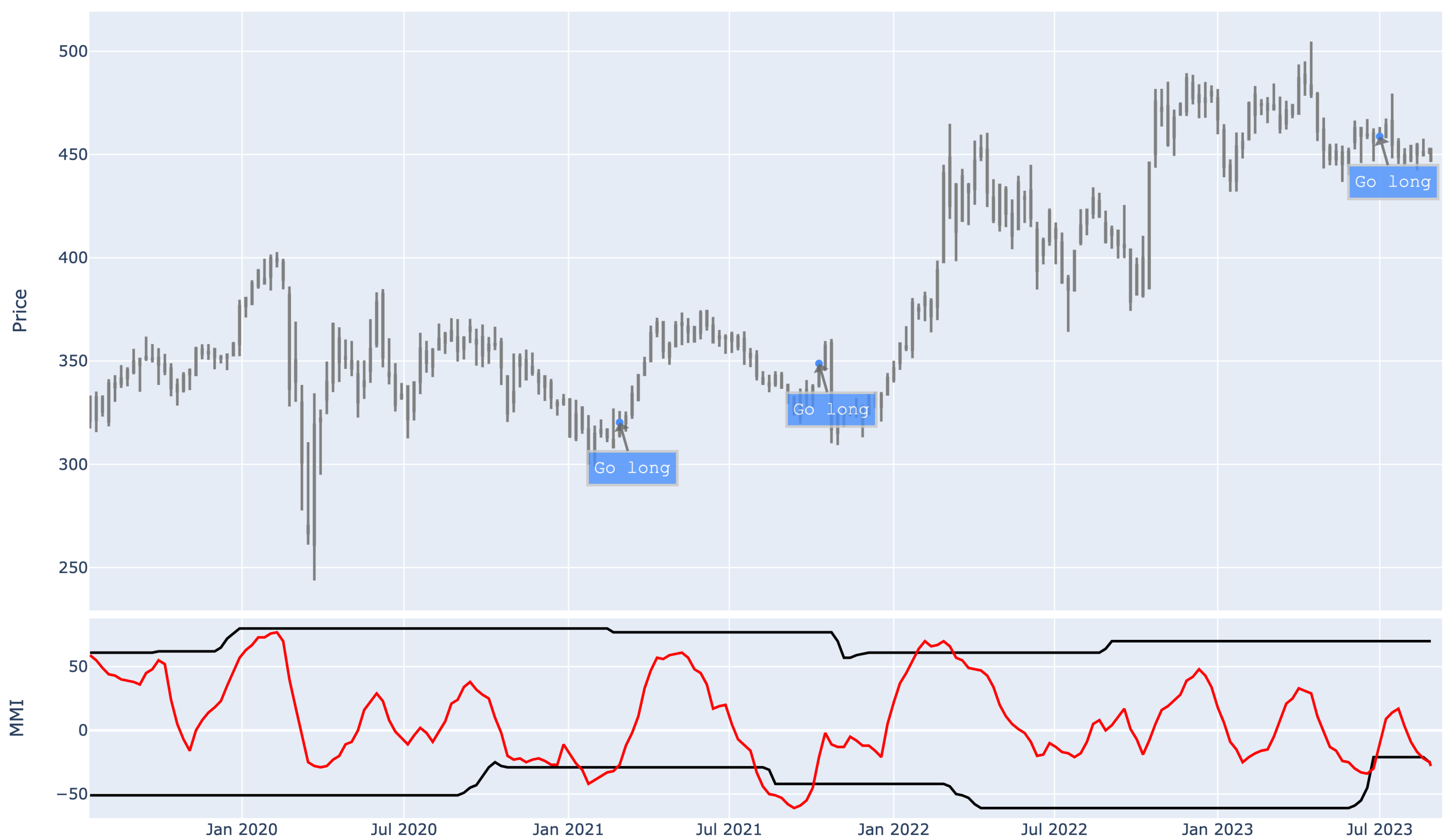
JPM



LMT

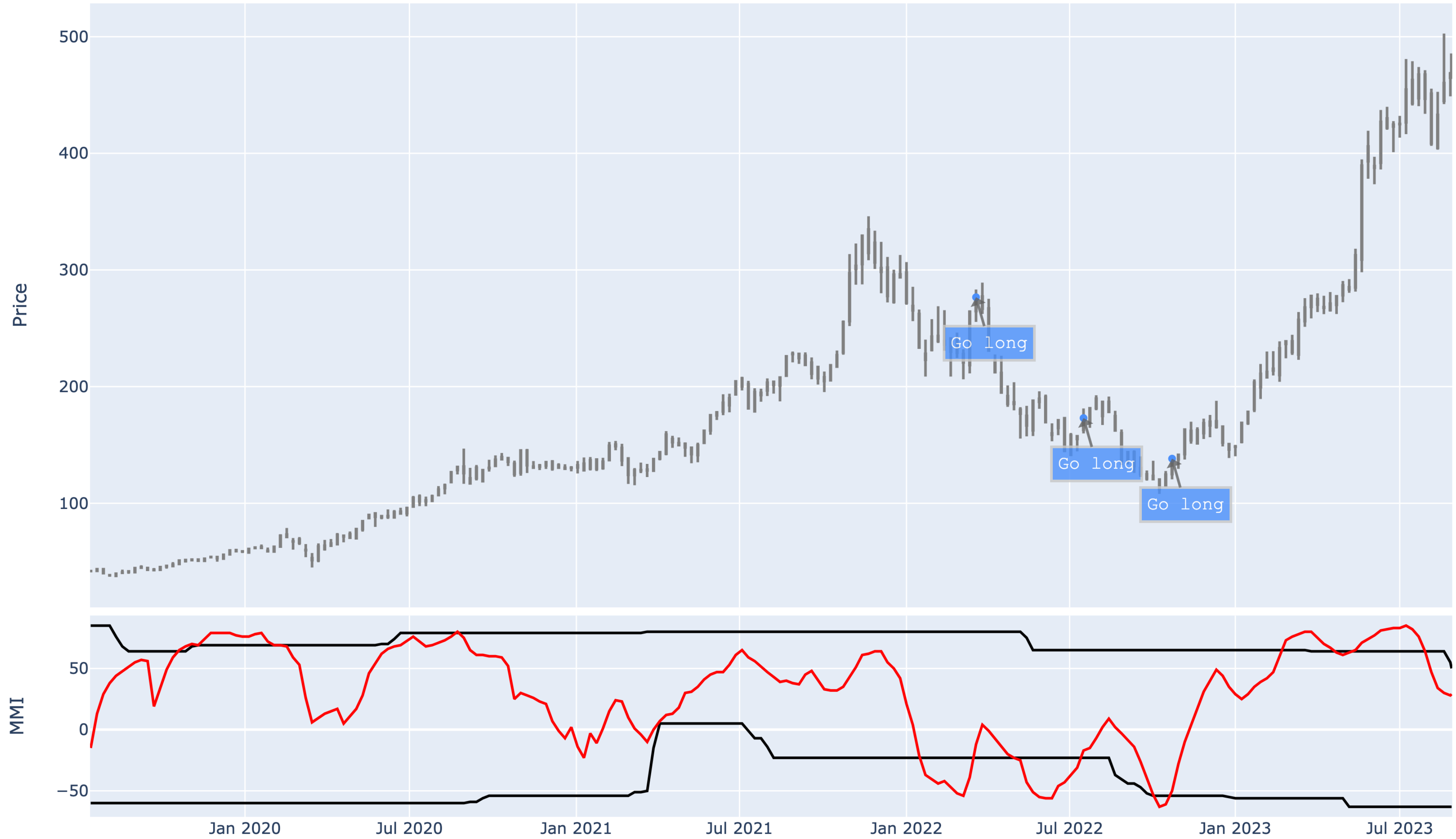


SIMPLE, UNDERSTANDABLE, ACTIONABLE

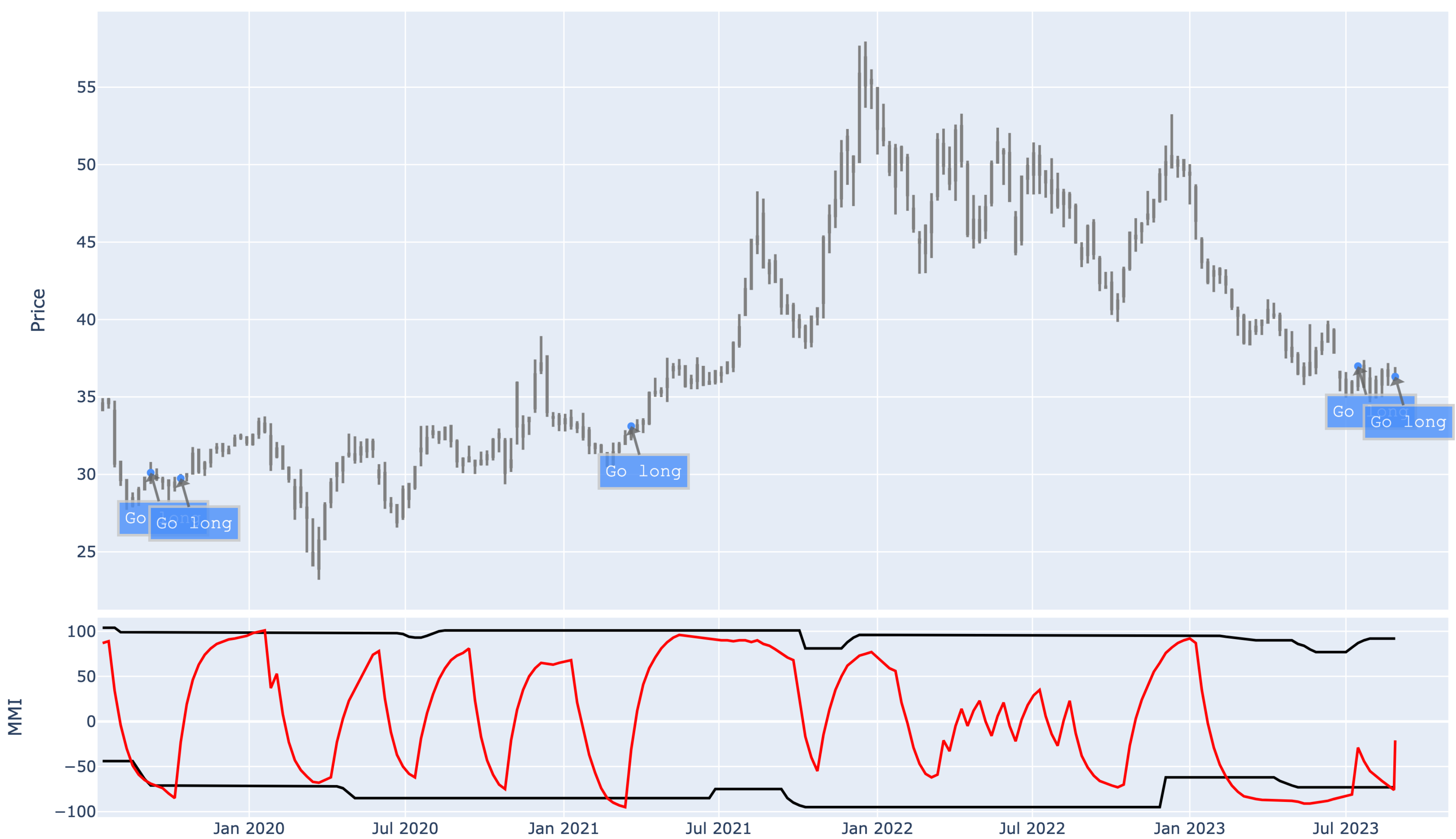
SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

NVDA



PFE



SIMPLE, UNDERSTANDABLE, ACTIONABLE

PLTR

POWW

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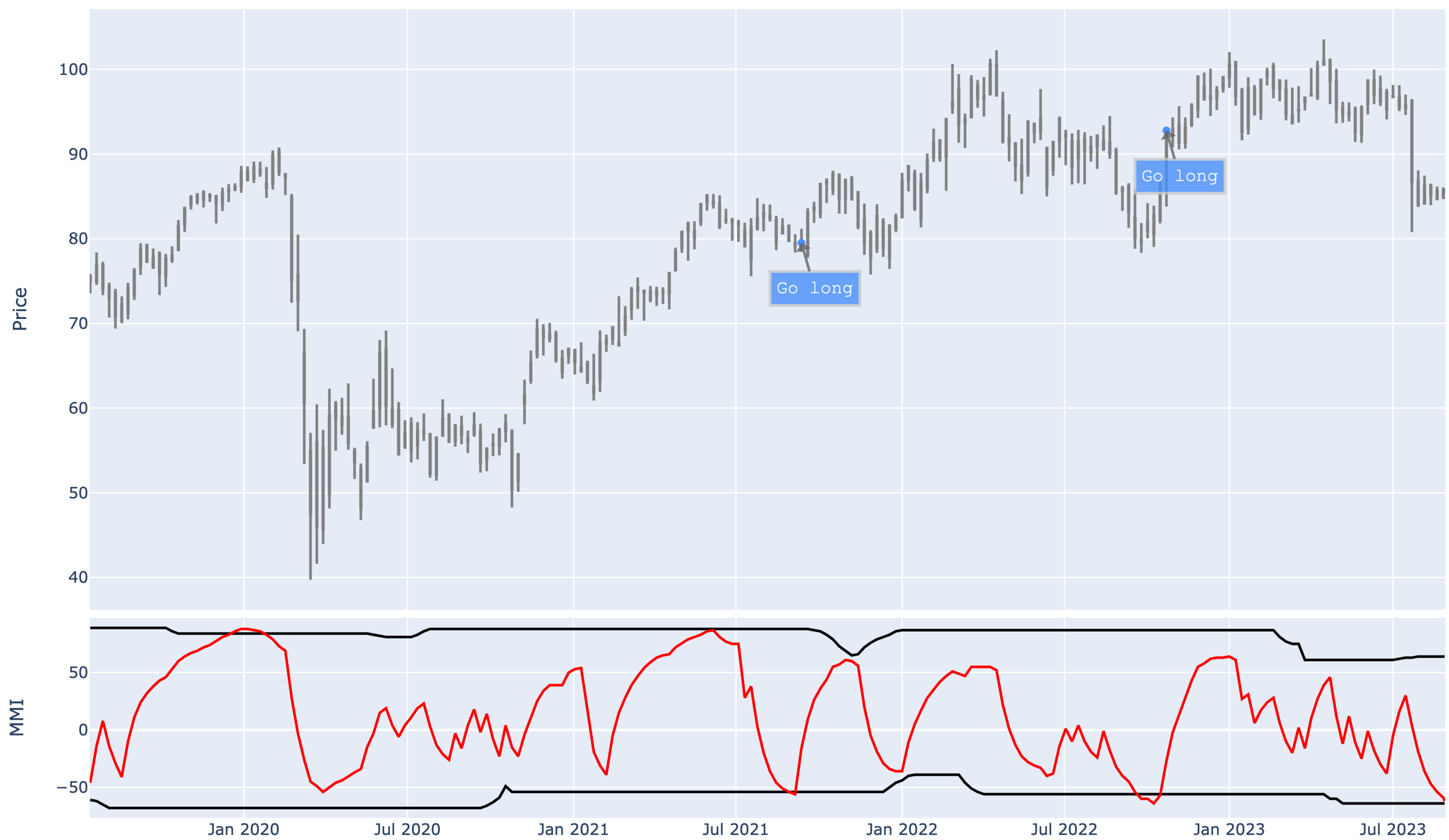
SIMPLE, UNDERSTANDABLE, ACTIONABLE

RTX



TSLA

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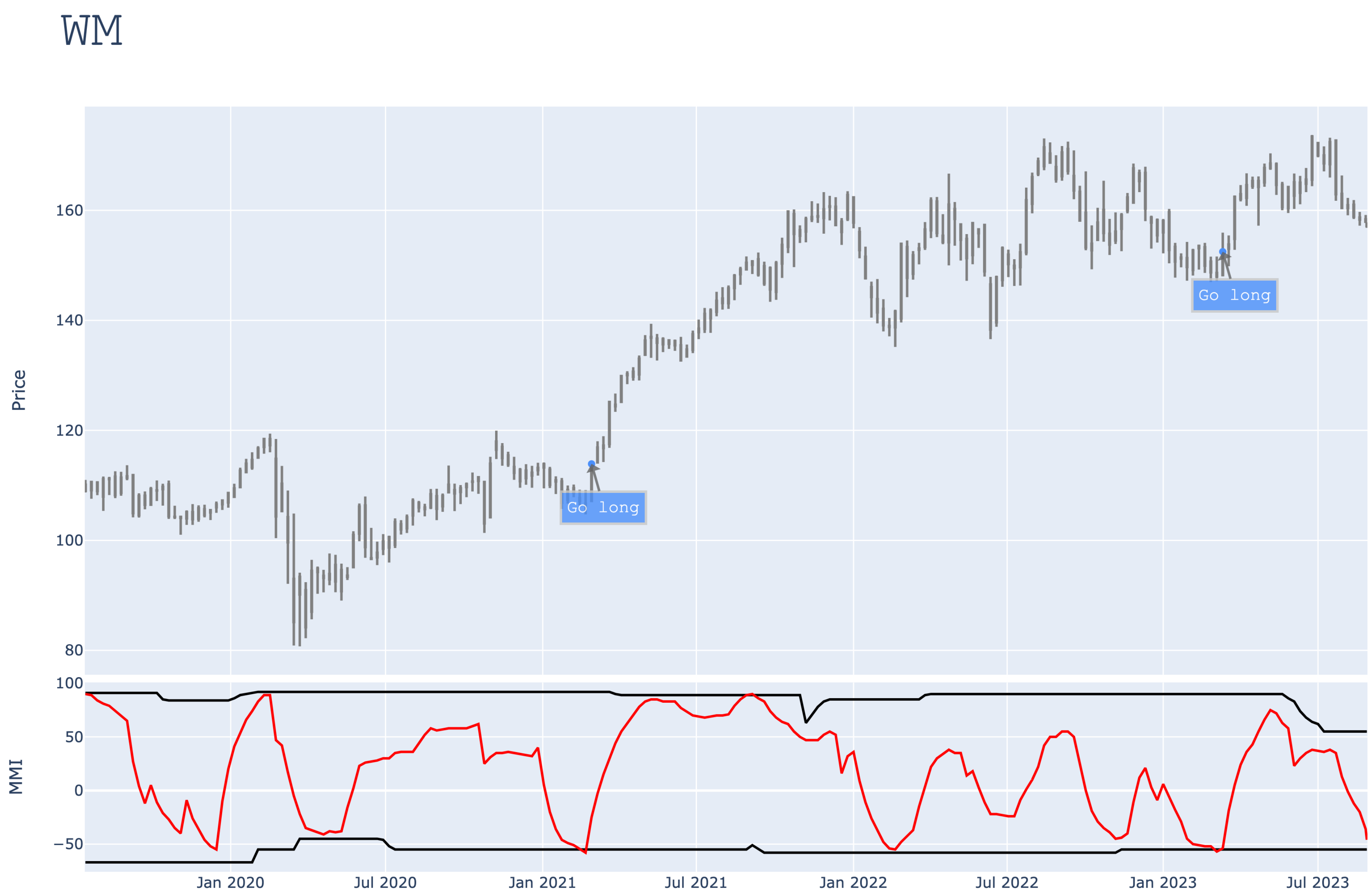


Chapter 5

FASCINATOR

AI—A $25 TRILLION OPPORTUNITY

There is no shortage of people thinking big when it comes to AI.

The problem is, they're not thinking big *enough*.

AI isn't just another investing trend like most investors think but, rather, *a transformational moment in human history on par with the development of electricity, the introduction of penicillin, or even the invention of the internet itself*.

In that sense, it's more like 1995 than 1999, an observation recently made by my colleague, tech ace Dan Ives of Wedbush Securities.

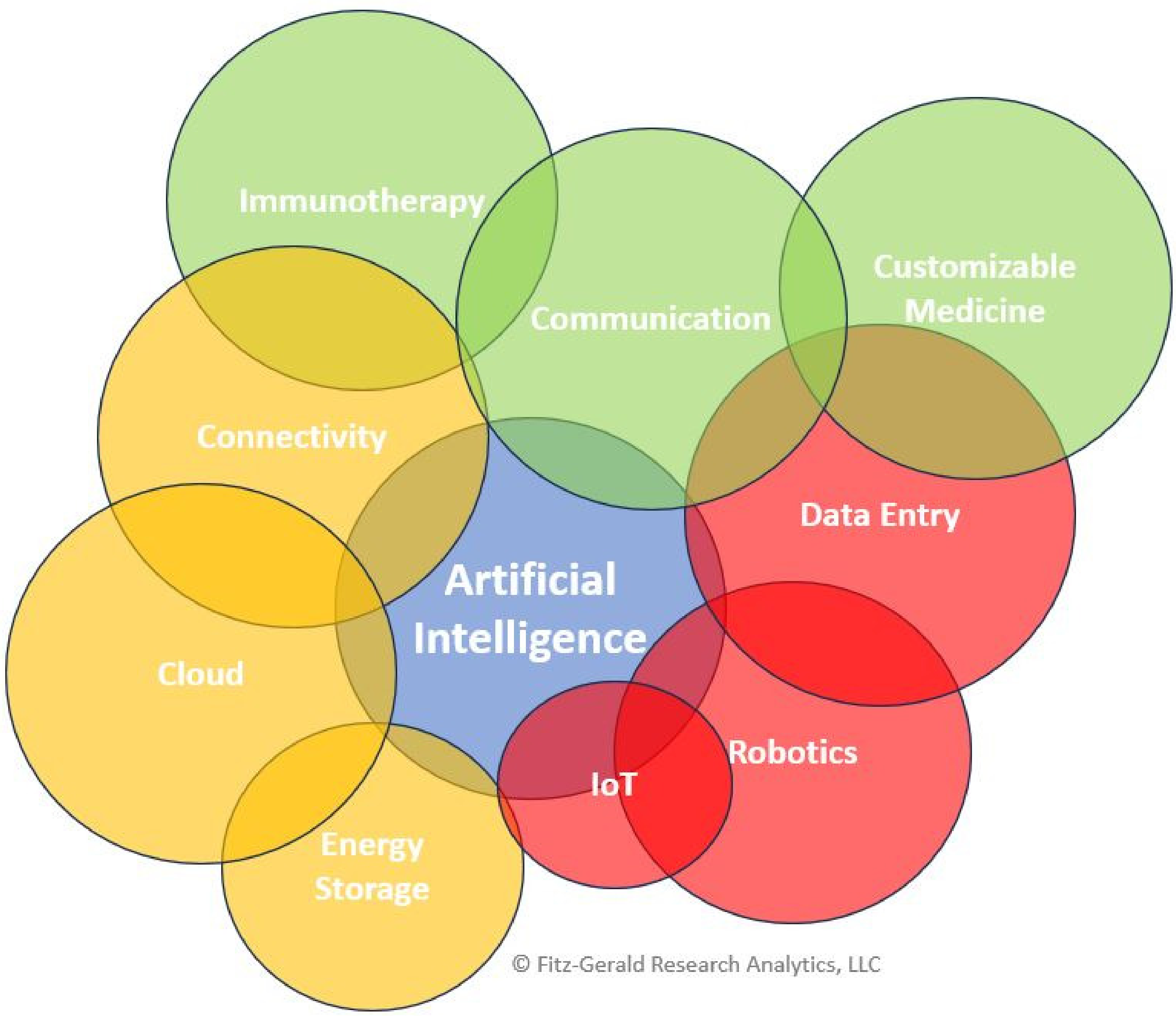
I agree.

We stand on the cusp of a tidal wave of AI-driven innovation that will reshape the world, disrupt traditional business models, and unlock unprecedented opportunities.

Any business that does not adapt or incorporate some element of AI into its operations will die. Those that do will enjoy unprecedented growth. There are simply no two ways about it.

McKinsey Global Institute estimated in 2018 that AI could add $13 trillion to the global economy by 2030 but I think that's an order of magnitude low.

I believe the figure is more like $25 trillion… and accelerating!



Chapter 6

HIGH PERFORMANCE OVER 50

Gain a Mental Edge with Super Tea It's "Rocket Fuel" for Your Brain

I keep a schedule that would clobber most folks.

Most days, I roll outta the rack at 0430 or even earlier, depending on what TV shows I'm booked on, which stocks are on the move, and so on.

By the time you see me on the screen or hear from me via X or email, I've *also* typically gotten in the first of two daily PT sessions I need to ensure the physical and mental resilience bringing the A-Game requires.

People ask me all the time, "How?!"

There's the obvious stuff.

Thanks to my bride, I eat exceptionally well. We prioritize family time with our boys and walk the dogs at the ocean or in the mountains near our home as often as we can.

But there's something else.

Super Tea.

I began experimenting with my version after learning about Super Tea from Tim Ferris, one of the world's leading productivity hackers and a self-proclaimed human guinea pig. He calls it "rocket fuel for the brain."

I agree.

Research suggests that our bodies are very similar to the financial markets in that they change constantly. So, it makes sense to vary the inputs we need to maintain consistently high performance.

Especially when it comes to nutrition.

Coffee only gets me so far when it comes to a pick-me-up. I metabolize caffeine very quickly, so I've either got to drink huge quantities or coffee so strong that it'd melt my cup. Either way, I crash not long afterwards.

Yerba mate is a recently popular alternative from South America containing three xanthine alkaloids: caffeine (usually half or less by weight in coffee), theophylline (commonly found in green tea), and theobromine (the stuff that gives cocoa its zip). That's got a seriously cool vibe, but my physiology is such that I'll process it super quickly too.

Sodas are a complete bust, except under very specific conditions when I need simple sugars. For example, I'll take a quick swig of a soda when I'm having trouble doing some intricate analysis but need to get a calculation across the proverbial finish line. I don't like doing this very often, though, because the combination of high sugar and caffeine leaves me dehydrated and sluggish.

The alchemist in me couldn't resist.

Research published in the *European Journal of Preventive Cardiology* found that drinking tea 3x or more a week is associated with longevity. Green tea, the researchers concluded, was also linked to lower risk of dying or developing cardiovascular disease.

A similar study in the journal *Aging* found that drinking tea habitually modulates brain efficiency while—get this—producing better-organized brain regions.

The health benefits of coffee are also fairly well documented. Various research studies show that coffee plays a role in nervous center stimulation, which tends to have positive cognitive impact. It's also loaded with polyphenols that have been shown to slow or prevent cell damage, help prevent type 2 diabetes, and control Parkinson's disease symptoms. Coffee can even slow the onset of dementia.

I knew right away that I had to include both as my research progressed, along with a slew of other ingredients handpicked with specific performance objectives in mind.

My earliest Super Tea left a lot to be desired. Some days, I'd be crawling around the ceiling like a hyperactive spider while other days I was decidedly more sloth-like. Much to Noriko's amusement, I kept at it.

These days, my recipe is as much art as it is personal science.

Call me crazy, but I really enjoy taking a few moments in the kitchen as the sun begins to heat up the sky. Moreover, having a consistent routine—in this case making my Super Tea—helps prime my mind while also enhancing the mental clarity I need for optimal performance.

Here's my current recipe.

Step #1: Heat water to ~200 degrees using a programmable boiler.

Experts I've spoken with say that's about right considering most tea and coffee rounds out between 195°F and 205°F.

Step #2: Combine the following ingredients in a large DIY teabag.

- **1 bag of Yerba Mate + 1 bag Chinese Pu-Erh**

  Yerba mate is a free-radical neutralizer and may have a powerful role to play in strong bone health, alleviating constipation, and an overall reduction in blood pressure. Pu-Erh helps burn fat and is believed to play a role in liver support, weight management, and hunger control.

- **1 scoop of Japanese Green Tea**

  Rich in epigallocatechin gallate (EGCG), green tea has been associated with higher cognitive function, anti-inflammatory properties, and improved metabolism.

- **1 thick slice of fresh Ginger Root**

  Ginger is widely used in ancient medicine to treat nausea and improve immune health. New research suggests that it may also have powerful antioxidant properties.

- **1 capsule of Turmeric broken apart**

  Turmeric has been used for centuries to promote overall well-being, joint health, and anti-inflammatory effects. You can buy it in powdered form, but I find simply taking apart a capsule ensures a controllable portion.

- **1 pinch of Cayenne Pepper**

  Cayenne may promote fat oxidation, boost metabolism, and help control appetite while also supporting a healthy gut.

Cayenne may also promote fat oxidation, boost metabolism, and help control appetite while also supporting a healthy gut.

Depending on my mood and how I'm feeling, I may also add in a small bit of Apple Cider Vinegar (for balanced PH, digestion, and tangy flavour), Lemon (for detoxifying and refreshment), and Cinnamon (particularly in the cold winter months when I want just a hint of sweetness).

I seal my DIY tea bag with a toothpick to hold it closed before tossing in a scoop of Super Greens. I find doing so helps balance the flavour while giving the entire drink a creamy texture.

And finally, I'll add hot water before frothing the entire mixture rapidly with a pair of chopsticks and letting it steep for 10–15 minutes.

People often ask me if I'm worried about over-steeping (meaning letting tea steep for longer than 5–15 minutes because that tends to release more tannins and a bitter taste), but I've never noticed a difference.

I'll sip on my tea throughout the morning with nary a crash or loss of mental acuity in sight.

Just "super" focus.

Obviously, I'm not a doctor, so please check with your physician before mixing up a batch of your own Super Tea, particularly if you have preexisting health conditions or are taking medications.

And, of course, please share any recipe upgrades!

KF

Thank You for Reading One Bar Ahead®

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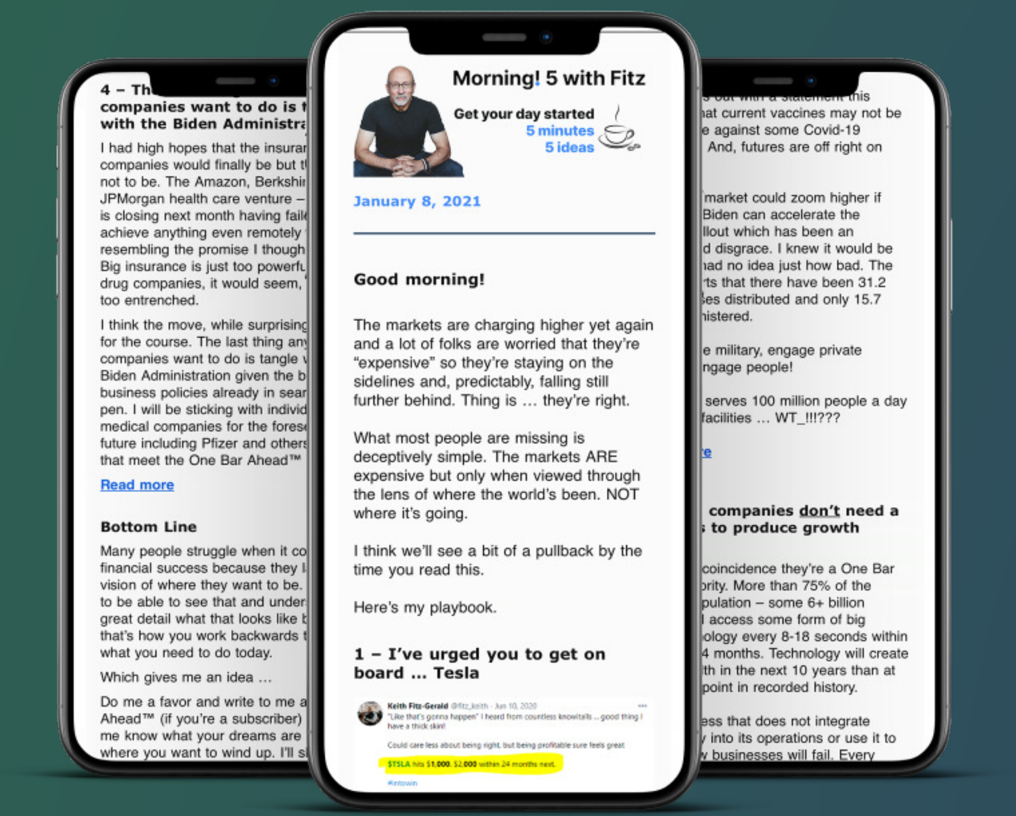

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Often described as the next best thing to sitting next to him when the opening bell rings, some readers even go as far as saying it's the best part of their morning!

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