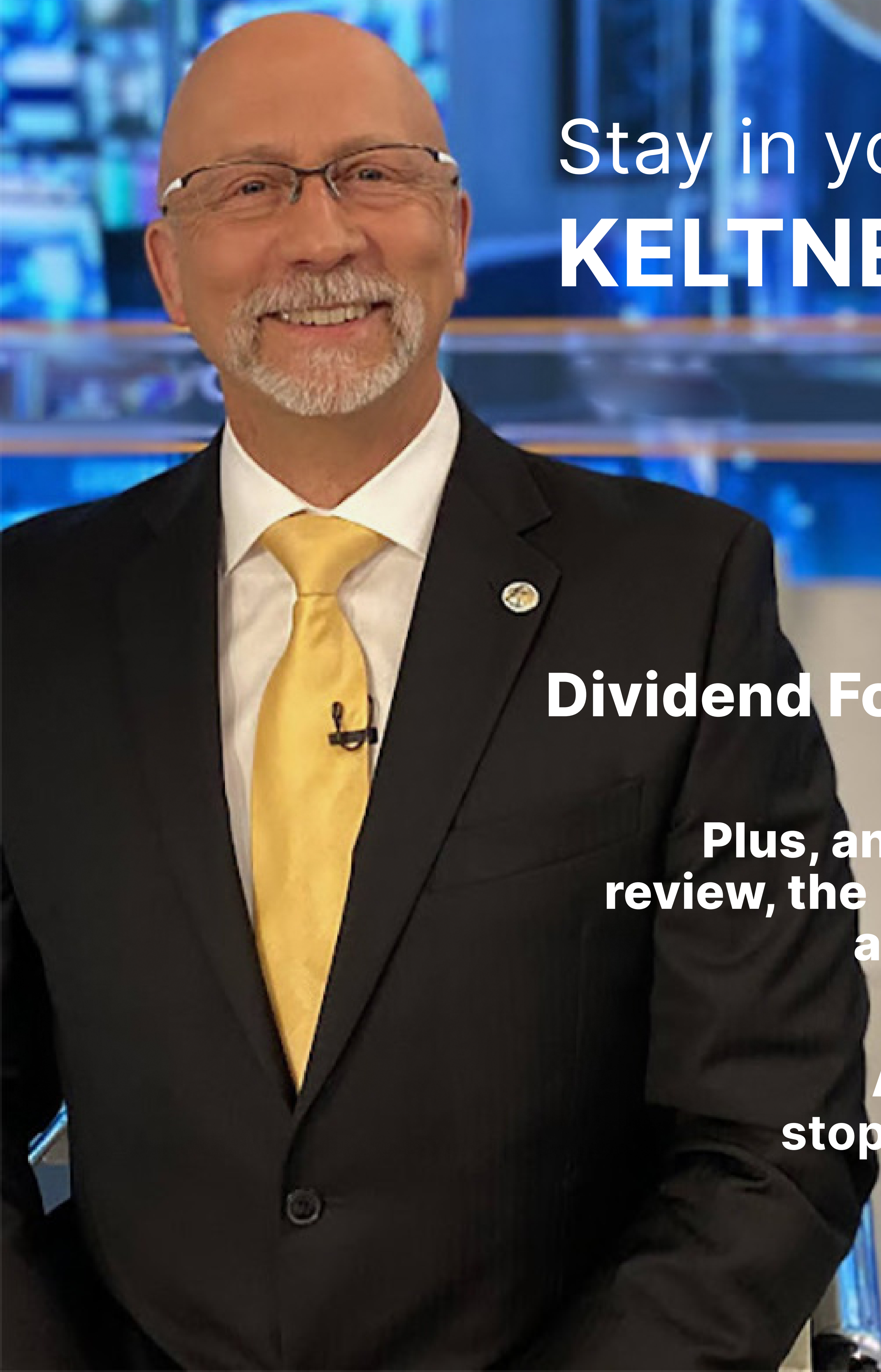
ARRY	KSS	AU	RNW	PAYC	SNOW	MSFT	HPQ
20.75 ▼	23.30 ▲	23.95 ▲	98.00 ▲	298.36 ▼	142.60 ▲	282.45 ▲	28.60 ▲

APRIL 2023

One Bar Ahead®

BY KEITH FITZ-GERALD



Stay in your lane with KELTNER BANDS

NEW FEATURE

Dividend Fortune Builders

Plus, an in-depth portfolio review, the latest MMI® charts and critical updates

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A Fascinator that'll stop you in your tracks

Disclaimers

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Keith Fitz-Gerald's ONE BAR AHEAD™

One Bar Ahead®, April 2023

Letter from Keith

Dear Reader,

People ask me frequently “why” I motorcycle, and the answer catches many by surprise.

I don’t want to get stuck in the past.

Let me explain.

Motorcycling represents the best of everything the world has to offer because it forces me to live in the moment. And to think ahead.

I almost never take a map, despite the fact that I’ve been known to ride 1,000 miles for a cheeseburger at some local dive I’ve heard about through the motorcycle grapevine. Or that my bride and I will disappear for weeks at a time with nothing but the clothes on our backs.

We go where the front wheel takes us.

Doing so forces us to be in the moment. Frankly, if we’re not, bad things’ll happen.

Mindset is everything.

How you think, what you think, and why you think will shape how you act on a bike. Not coincidentally, it’ll shape where you wind up too.

A few years ago, for example, I set out from Las Vegas to follow pioneer wagon trails across the Sierra Nevada range with nothing but 150-year-old wagon ruts to guide me.

Many of the 3,000+ attendees at the convention where I’d spoken thought the 120-degree heat had fried all three brain cells I have left. It was July, after all.

Honestly, though, I couldn’t have been more *excited*.

I didn’t see another soul for nearly 8 ½ hours, but I did see amazing pioneer ruins, wild mustangs that had descended from Spanish pack horses in the 1700s, American Indian artifacts, an amazing sunrise, and more.

Of course, the monster rattlesnake that I failed to spot on a ledge just three feet from my head when I stopped to take a selfie was an unexpected pucker-factor moment, but that's a story for another time.

What matters is that I knew exactly *where* I was going that day, even though my plan was loosely, "Go west."

Instead of falling prey to the fear that has prevented countless others from making similar journeys, I saw the positive and made plans to achieve it.

I was playing the long game, just as the pioneers who had plodded along that same trail did a century and a half before me.

I'd done my maintenance properly to mitigate the risk of a breakdown. Plus, I carried emergency supplies including a GPS locator beacon, a repair kit, water, and extra fuel. I had breakdown provisions, a tent, extra food, and even a rain tarp!

There was no question in my mind that I would have a fabulous day because I was starting from a position of "Hey, let's make this happen," not cowering in fear of what might happen.

Investing is much the same, especially lately.

There are all kinds of reasons not to get started—yet profits remain the currency of success when you own the right companies.

You don't need to spend hours watching the TV, scanning the headlines… overthinking, overplanning, or getting trapped in decision fatigue.

Real wealth is made when others are too scared to play the game!

That's how Warren Buffett does it.

How the late Sir John Templeton did it.

And how WE do it.

The fact that you don't know exactly what's out there is what makes investing so interesting and potentially very, very profitable.

All you need to know is roughly which direction you're going and what motorcycles—err, stocks—will get you there.

Speaking of which, what if I told you that you already had a path forward and access to information about where the markets could go next?

Would you act on it?

Could you confidently put your kickstand up and ride into the desert with me? I hope so.

Because the **Keltner Bands** I'm writing about in this month's issue can help you stay in your lane, practically no matter what happens next, while also helping prevent costly mistakes that trip up most folks.

Many investors regard technical indicators like Keltner Bands as nothing more than computational voodoo. But, as you'll see, they couldn't be more mistaken.

Learning how to read 'em can help you identify stocks that are about to move, looming reversals, continuation, and more.

I'm also introducing a new feature I'm calling ***Dividend Fortune Builders***.

I know… it's a cheesy name, but one that I think conveys the point nicely nonetheless.

The One Bar Ahead® Family is growing by leaps and bounds. That's why it makes sense to take a deeper dive into income-oriented choices. Not that we're all getting a bit older, mind you, but even yours truly wants in on the action as I get a little greyer around the gills!

The stock I'm profiling is a household name but tremendously misunderstood by the go-fast crowd who think it's boring. My take is that establishing a position, adding shares, and reinvesting now could be a home run that counters inflation and recessionary fears.

There's also the **Bull/Bear State Indicator,** the **Portfolio Review**, the latest **MMI Charts**, and more. The recent selloff and subsequent rally have created a number of openings, particularly for recommendations with low MMI readings. As always, that's a great place to start if you're putting new money to work or even just want to add a few shares here and there.

And finally, I want to share a **Fascinator** with you that stopped me in my tracks when our newest research intern, Alex, brought it to my attention.

The investing implications are undeniably profound… and that, of course, means the profit potential could be extraordinary.

Let's get to it!

Thank you for being part of the One Bar Ahead® Family—I am thrilled you're here.

Best regards for health and wealth,

KF

P.S. Please be sure to email me if you have ideas, suggestions, comments, or advice on what you'd like to see covered in upcoming issues. My team and I read every message. And we love pictures that help us all get to know each other better. 😊

The address is magazine@onebarahead.com.

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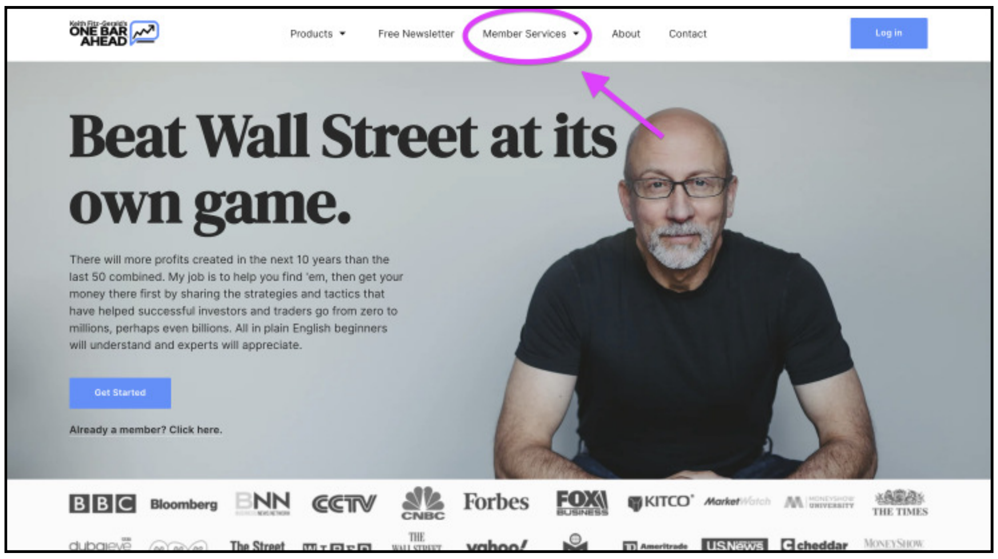
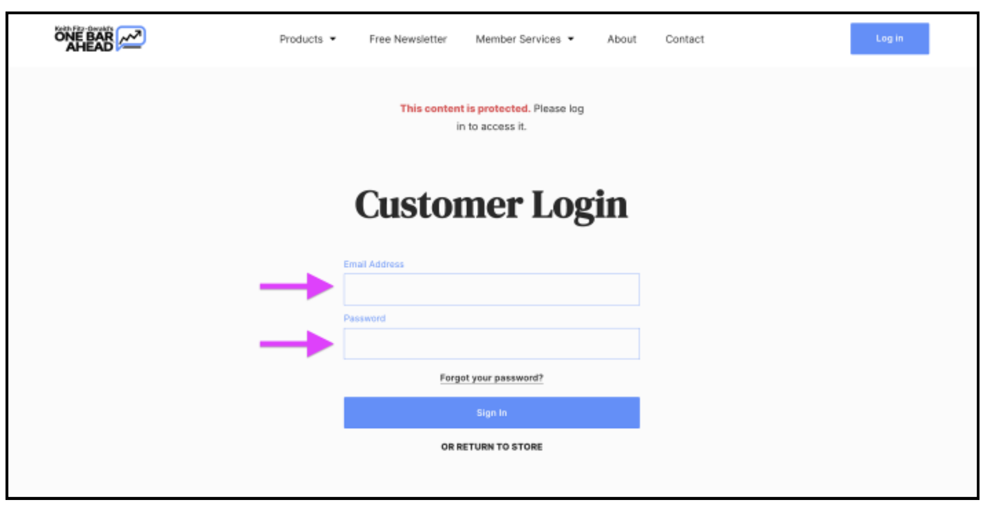
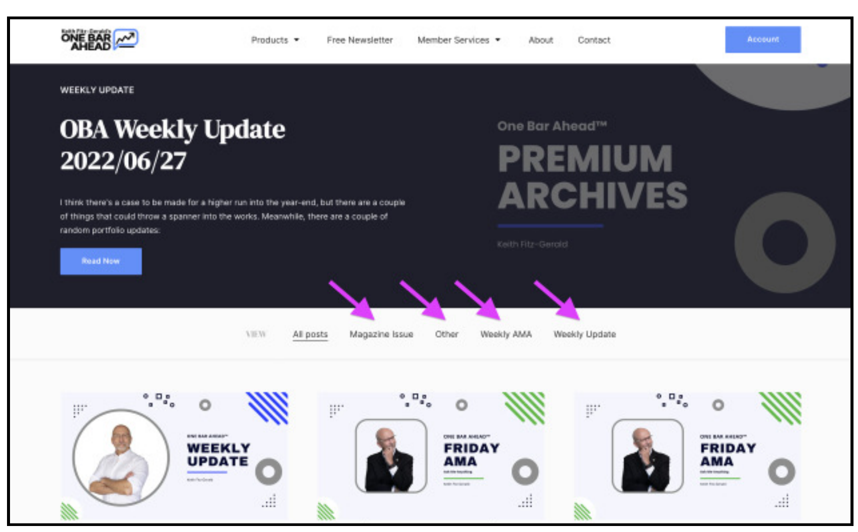


2. You will be asked to log in.

(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**

Chapter 1

STAY IN YOUR LANE WITH KELTNER BANDS

STAY IN YOUR LANE WITH KELTNER BANDS

What if I told you... that you already have access to little-known information about where the markets could go next that could help you chart a profitable course ahead, practically no matter what?

Would you act on it?

Better yet, that this same information can help you spot reversals ahead of time, identify stocks about to move, those already on the move or at risk of stalling out, and more... all while helping prevent costly mistakes that can trip up other investors.

If so, read on!

Because I'm going to share what I know about "Keltner Bands."

Many investors think, "Yeah right," when it comes to this kinda stuff. And I don't blame 'em.

Until relatively recently, technical indicators were widely regarded as nothing more than computational voodoo.

I thought the same thing once. Then I dug in...

...and *everything changed*.

The markets became clear as a bell. My knowledge and my understanding increased exponentially. My confidence jumped.

Yours can, too!

What are Keltner Bands?

Many investors are surprised to learn that Keltner Bands—sometimes called Keltner Channels— have been around since the 1960s when they were first introduced by an American grain trader named (*ta-da*) Chester Keltner.

Keltner Bands represent volatility around trend. This makes them substantially different from the much more widely known Bollinger Bands, which reflect volatility around price and are often used by day traders.

Keltner Bands are typically displayed using three lines: an upper boundary, a lower boundary, and a mid-point trendline.

The upper and lower boundaries were typically set using price range back in Keltner's day. These days, however, they're typically a function of average true range (ATR).

The mid-point trendline is usually expressed as either a simple moving average (SMA) or an exponential moving average (EMA).

99 times of 100, I favour the EMA because the calculations place a higher relative weight on recent data, which makes 'em more responsive.

Easy to read, easy to understand

Most price action will be within the upper and lower boundaries. That means moves outside the bands can signal important changes in direction, trend or even price acceleration/ deceleration.

Volatility comes into play, too. That's because the upper and lower bands expand and contract (as a function of ATR), which can give you additional insight into how traders see the markets.

For example, markets that are nervous ahead of important announcements or other news items tend to compress or become range bound.

When that happens, the upper and lower bands will narrow. Counterintuitively, that's almost always a sign that there's a big move ahead.

Similarly, the midline (which reflects a moving average) can help you identify trending prices based on which direction they're moving in... up, down, or sideways.

How to integrate the Keltner Bands in your analysis

Keltner Bands—or Channels, if you prefer—are available for free on many websites, charting software, and even online brokerage platforms.

Setting 'em up is simple.

STAY IN YOUR LANE WITH KELTNER BANDS

First, pick your “look back” period.

Keltner Bands are set to 20 by default, but my research and tens of thousands of hours of computing time suggests 21 may be more appropriate.

That’s because 21 is more closely related to the Fibonacci Sequence, a mathematical construct we’ve known about for centuries and which has important considerations in the Science of Complexity, so-called Golden Ratios and more.

Sometimes the “period” varies. For example, it shortens dramatically when the markets panic and lengthens when they calm down. But most of the time, 21 is close enough for government work, as the old saying goes.

Second, set your upper and lower limits.

The default settings are typically 2, but again, my research and experience suggest that 2.23 can be pretty darn effective because it helps minimize the noise while better isolating real, actionable signals.

Not coincidentally, 2.23 is also closely related to the Fibonacci sequence, particularly when it comes to quasiperiodic photonic crystal frequency response, absorption and propagation properties. (Seriously, that’s a thing!)

Not to get too far off topic, but the reason this is important is because I believe—as do an increasing number of data scientists—that the markets are complex systems, not linear like most people think. So it makes sense to model ‘em using the Science of Complexity rather than Euclidean Geometry.

When prices are running along the lower bands, that’s typically a lower-risk buying opportunity and a higher-risk sell situation. Conversely, when prices are running along the upper bands, that’s typically a lower-risk selling opportunity but a higher correctional risk.

Let me put it another way if that doesn’t make sense.

Imagine you’re driving down the road in your car. You have the yellow marker in the middle. Then you have your right and left-side markers in white to help you stay in your lane and on course.

If you drift too far to the left, you crank the wheel to the right. If you drift too far to the right, you crank the wheel to the left.

It’s the same with Keltner Bands.

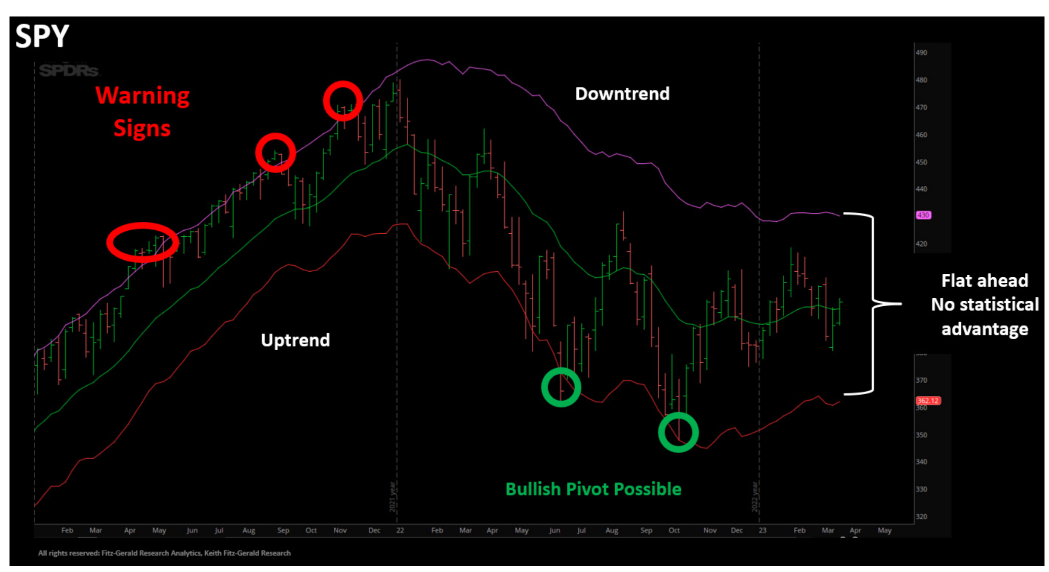
Wall Street’s computers are programmed to identify risk and mean reversion, among other things, which means that there’s an element of predictability.

Any time prices get “out of bounds”—meaning above or below the upper and lower boundaries —there’s a high probability that the algos will kick in and bring prices back to the middle of the proverbial road. Perhaps not immediately, mind you, but eventually.

Turn your head sideways and look at the Keltner Bands as if you’re in a car. No doubt you’ll see what I mean! 😊

Let’s look at a couple of examples that’ll help

First up, the S&P 500 (SPY).



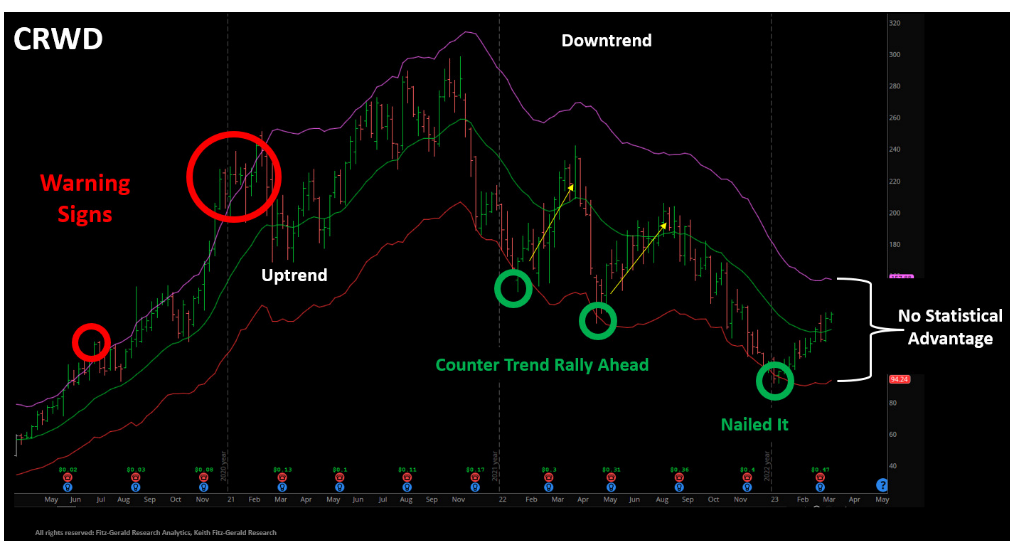
Many Wall Streeters were telling you to buy in late 2021 because the “good times were back,” but I had a different take.

In fact, I was growing increasingly concerned that the opposite was true and there would be a reversal... because I saw prices closing repeatedly above their upper boundary, even though the midline trend was higher. (Red Circles)

Then, in mid to late 2022 when many analysts were expecting the markets to crater further, I saw the first signs of a rally that would begin in earnest in October of that year and said to step on the gas. That's because I saw prices breaking below the lower band, then closing back inside. (Green Circles)

Now prices are mid-range and waffling around the midpoint, and the trend is effectively flat. So we'll stick to quality defensive names, income, and low-beta choices until we can identify a directional bias that gives us an advantage in one direction or the other.

Now let's talk CRWD.

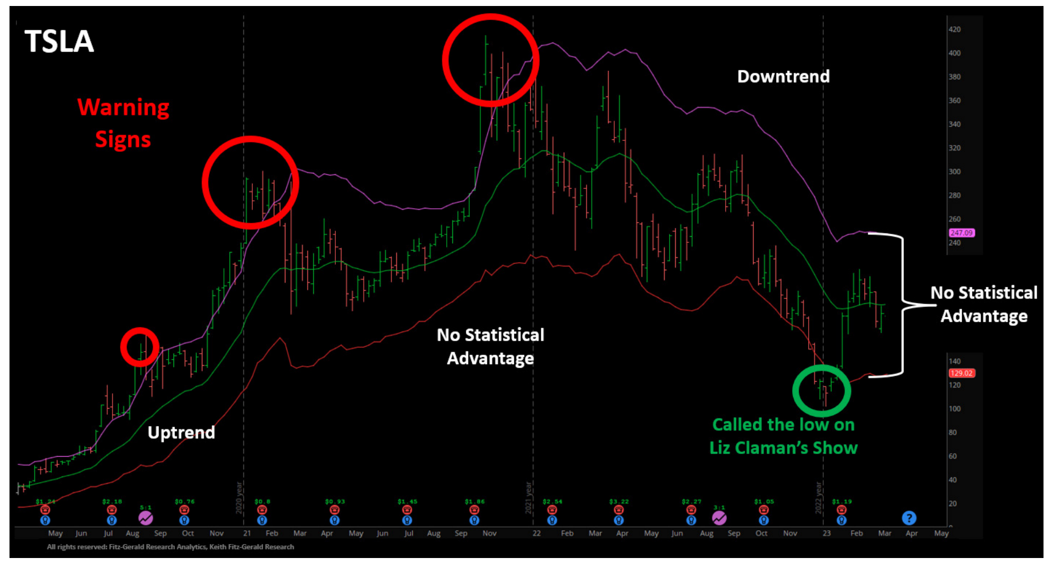


There were two distinct warnings in late 2020 when prices closed above the upper boundary and began to drift sideways. A sign that CRWD was tiring and that it was time to start harvesting profits, locking in covered calls, etc. (Red Circles)

Then, in early 2022, the opposite. Two "get ready" signals as prices fell below the lower boundaries producing a low-risk, high-probability "buy" or "add to shares" moment. In early 2023, the bottom. (Green Circles)

As is the case with SPY right now, CRWD is mid-range, but the trend could easily accelerate if the trend line that has ever so subtly hooked higher continues to track higher as price range expands and upside volatility rises.

And finally, TSLA.



People often tell me that Tesla is a totally unpredictable stock, but I disagree—for reasons that are self-evident when using the Keltner Bands.

Case in point, there were three separate warning signs in late 2020–2021, all of which could have been ideal points to take profits, sell covered calls, or even simply rebalance. (Red Circles)

Then, in early January 2023, *boom*. I called the bottom during an appearance on Liz Claman's show—not because I'm brilliant or even more insightful than the next person. I'm not. I simply had access to this chart and knew what it was telling me about which way prices were likely to go based on the Keltner Bands.

Prices are hovering mid-range now, which means, just like SPY and CRWD, we'll remain "in to win."

Keith's "Keltner Secrets"

Secret #1: Keltner Bands work just as well on indices as they do on individual stocks.

This removes the pressure associated with constantly having to be right by allowing you to focus on what could potentially be more profitable.

** All price data as of March 27th, 2023.

STAY IN YOUR LANE WITH KELTNER BANDS

Big and liquid stocks are the easiest to read because they attract the most money, have better execution, and more consistent liquidity. All of which are better for you as an investor.

Secret #2: Time really does matter.

Keltner Bands can work on everything from tick level data to information spanning decades. The former is great for trading, but the latter is far more appropriate for investors.

The longer the lookback period, the greater the lag and the less responsive the signals. So finding a balance—in our case "21"—is important.

Secret #3: Practice makes perfect.

I cannot overstate how important practice is when it comes to learning to read the Keltner Bands effectively. The last thing you want to do is start placing real money on the line if you're not fully prepared. I've heard plenty of horror stories over the years, and there's simply no need to join that "club"!

Most people will start applying Keltner Bands to everything, but that's a lot like giving somebody a hammer for the first time. Suddenly, everything looks like a nail.

One of my mentors said that it's far better to "get to know" a few key stocks or indices well at first. Then branch out once you've established the knowledge needed to correctly interpret the information being presented.

Personally, I started with the S&P 500, for the simple reason that it may be the single most widely traded index on the planet. Apple, which is also one of the most widely held stocks in existence, could be a solid alternative.

Secret #4: Keep it stupid simple.

I suggest stripping everything off your charts except the Keltner Bands.

Doing so forces your brain to take in just the information you want it to, which means, counter-intuitively, you'll learn to "read" faster.

Secret #5: Have fun!

Many people take investing and trading waaaaaay too seriously. There will be wins and losses as you learn—that's just part of the process. The sooner you come to terms with that, the faster you can concentrate on success.

In closing, I hope you've enjoyed this Keltner Band primer.

I'm planning to have a live Chalk Talk in mid-April, at which time we'll take your favourite stocks and review 'em together using the Keltner Bands as a teaching tool.

Details to follow!

Note to New Subscribers: I typically present several alternatives for each recommendation to ensure that everyone has a range of tactics to choose from.

Mixing and matching is encouraged but entirely dependent on your personal situation, risk tolerance, and circumstances (which I don't know). It's your money and your responsibility.

Got questions about the tactics mentioned in this issue?

That's what the Friday AMA's are for.

Make sure you send your questions to **subscribers@keithfitz-gerald.com.**

I read every email I get and answer every question, so I'd love to hear from you.

Chapter 2

DIVIDEND FORTUNE BUILDERS

A quick note from Keith: One of the coolest parts about One Bar Ahead® is that we're on this journey together, which means I can regularly introduce new features when YOU ask for 'em!

Take today's column, for instance.

Many investors are scared to death that their portfolios will vanish faster than an ice cube on a Texas summer day as growth slows and inflation renders income moot.

OBAers know better.

The right companies can outperform the markets over long periods of time—with less risk, yet still providing unparalleled financial security and income.

I know many of you are concerned about that because you've told me so.

That's why, this month, I'm introducing a new feature to the OBA Journal. This will become an ongoing discussion about how to grow our wealth using income-oriented choices, the advantages of compounding, DRIPS, foreign stocks, the importance of "calendaring" income to provide a more regular income stream over time, and more.

Dividends are a longtime personal favourite of mine. What's more, they're one of the few real advantages left to individual investors like us.

As always, we're gonna rock it OBA-style!

Thanks to Mike T., Barbara, Bill, and others for the suggestion! 😊

Quick...

What do the generations of Americans who lived through Black Monday, the Savings & Loan Crisis, the Global Financial Crisis, the Flash Crash, and the Silicon Valley Bank crisis have in common?

They all ate a big ol' honkin' bowl of Cheerios for breakfast.

If you're as serious about your money as I am about mine—and I know you are because you're a part of the One Bar Ahead® Family—you already know that the best opportunities often come from the most unexpected sources.

Companies like General Mills (GIS), which has made Cheerios since 1941, aren't typically thought of as exciting or interesting... especially at a time when the headlines are dominated by the latest gee-whiz-bang tech, dreamy nonsense about AI, or even hapless sell-side analysts talking up the next hot IPO.

I submit they *should* be.

Think back to the Dot-Com crash and companies like Pets.com, Webvan.com, and eToys.com. They're ALL gone now, despite having fascinated the investing public at the time.

Sure, you could have invested a little and made a lot, but you probably became an occasional bag holder along the way, too. I know I did.

Contrast that with General Mills (GIS).

I don't know of a single person today who's complaining that they bought it "back then."

Why?

For one thing, every $1,000 invested on January 1, 2000 would be worth $9,087.02 as of March 21, 2023 as I'm typing. That's an annual return of 9.96%, a total increase of 808.70%, and a total profit of $8,087.02, according to FinMasters.

It's also enough to buy 35 Wii consoles, but I digress.

The S&P 500, by comparison, has generated an annual rate of return of 6.27%, a total increase of 310.95%, and a total profit of $3,109.52 over the same period. That same $1,000 invested back then on January 1, 2000 would be worth a still respectable but "just" $4,109.52.

People tell me frequently that they don't have that kind of time, and my response is, "Oh, really?"

The principles are the same, no matter whether you're talking about 20 days or 20 years.

1. The markets have an upside bias; and,
2. The best companies will grow through thick and thin.

Yes, it can be scary.

Yes, the markets can go down.

But NO, *growth has never, ever stopped in the history of humanity*.

That's really the bottom line.

In fact, dividends can help you make money over time, even if the stocks you buy do fall.

Let me prove it to you.

I've heard plenty of armchair experts talking about the possibility of a 10% market crash lately. The Fed's going to kill markets, politics... blah, blah, blah.

Imagine buying 100 shares of XYZ for $10,000 and that it pays a dividend of $300 per year for a yield of 3%. Also imagine that the company has a long history of raising its dividend each year and that over the next 10 years, it increases that by an average of 5% a year.

Now imagine that Captain Motormouth is correct and XYZ does, in fact, fall by 10%. If you bought the stock and reinvested your dividends while the price is falling and the dividends are rising, you'll end up with $12,773.37. That's a 27.7% increase, even though the price of the stock has dropped by 10%.

Not bad, eh?!

It's important to think about dividends OBA-style because the right companies can be a source of incredible wealth-building power through good times and bad.

Studies show that dividend-paying stocks tend to fall less, stabilize first, and come roaring back faster than people realize. A point you've heard me make more than once during our time together.

Which brings us back to **General Mills (GIS)**.

The company has returned 14,159.58% while the S&P 500 has returned 2,848.49% from 1981 to March 23, 2023, according to Eikon. That's nearly a 5-to-1 advantage.

Can that continue?

I think so.

General Mills...

- Has a dividend coverage ratio of 2.3X on forward-looking dividends, which is a fancy way of saying that the company has enough money on hand to pay shareholders 2.3 times over. Generally speaking, analysts consider a dividend coverage ratio of 2.0 to be healthy, to put this figure in perspective.
- Has paid a dividend without interruptions for 124 consecutive years... which means, if I'm doing my math correctly, that you'd have received your first dividend check in 1899. And to put that in perspective, there have been recessions, expansions, rising rates, falling rates, two world wars, countless regional conflicts, two global pandemics, and more since.
- Has grown dividends by 1.96% on average over the past 5 years and 3.58% over the past 10.
- The company's dividend yield is 2.67%... that's 67% more than the S&P 500's average yield of 1.59%.

In closing: I know it's scary out there right now, but hang in there.

Having stock in companies like General Mills can go a long way toward removing the fear that often cripples other investors while also providing a steady income stream that has built-in inflation protection and recession resistance.

Pass the milk!

KF

Action to Take: Buy or add to shares using DCA/VCA and reinvesting. All three can help you build a position over time while helping avoid the volatility other investors fear at moments in time. Tuck shares away in the Global Growth & Income segment of your portfolio (the “40” in the proprietary OBA Model Portfolio). If you don’t want to commit new funds, consider diverting income from other dividend-paying stocks as you receive it to accomplish the same thing.

* * * * *

PORTFOLIO REVIEW

Plus the Fund Folio™ and the April 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** because prices have now dropped to such low levels that missing opportunities 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 March 27, 2023

Foundation Stones (50%)

AAPL

APPLE, INC

Beta
1.14

Yield
0.57%

30d
Δ vs SPX
7.16%

Total
α vs SPX
15.99%

Notes

Chips have been on a tear so far this year. Other OBA companies like AMD and NVDA are up 54.82% and 86.09% year to date, respectively, while shares of AAPL are up 22.51%.

In case you think I'm comparing Apple to oranges here (pun absolutely intended)… many investors aren't aware that Apple produces its own chips for its own products, a huge competitive advantage.

BTW, another big money-maker is coming up on Friday, April 7, when Apple TV will start streaming "Friday Night Baseball" for the new MLB season.

Shares are up 27.99% off 52-week lows, trading at 26X earnings, and yielding 0.58%.

CLOI

VanEck CLO ETF

Beta
0.04

Yield
4.06%

30d
Δ vs SPX
-0.74%

Total
α vs SPX
-7.35%

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.

Notes (contd)
I like 'em because CLOs typically trade like bonds, but with the longer settlement times associated with loan settlement.

The 30-day SEC yield is an attractive 5.95%, according to VanEck.

JPM

JPMORGAN CHASE & CO.

Beta
1.16

Yield
3.20%

30d
Δ vs SPX
-9.39%

Total
α vs SPX
5.12%

Notes
Regional banks have been hit hard after Silicon Valley Bank showed signs of trouble on March 8. Since then, shares of the iShares US Regional Banks ETF (IAT) have dropped -27.22% while JPM shares have only fallen -9.35%.

Even with this sell-off, as of this writing, shares of JPM are still +23.33% off 52-week lows.

SVB's risk management—or lack thereof—has caused bank customers to move their accounts to larger institutions like JPM.

According to the *Financial Times*, JPM was among the major winners when panicked depositors started pouring their dollars into money market funds of the big banks... having received an influx of nearly $46 billion.

Shares of JPM are yielding 3.20% and trading at 10.3X earnings as I type.

MSFT

Microsoft Corporation

Beta
1.04

Yield
0.97%

30d
Δ vs SPX
10.25%

Total
α vs SPX
4.36%

Notes
Nuance Communications, a subsidiary of Microsoft, announced that its new app, Dragon Ambient eXperience (DAX), will instantly transcribe patient notes during doctor visits. Wow! AI is just in its infancy, and already it's giving back one of the (if not the) most valuable resources to doctors... their time.

Notes (contd)
Press releases like this continue to fuel Microsoft this first quarter... shares are up 17.29% year to date as I write, outperforming the S&P 500 by 13.40%. MSFT is one of five names in the OBA Model Portfolio that have outperformed the S&P 500 on a year-to-date, trailing 3-month, and trailing 52-week time period despite all the recent selling... the other four being NVIDIA, Apple, RCS, and Eaton.

Shares are trading at 31.2X earnings and yielding 0.97% as I type.

RCS

Pimco Strategic Income Fund

Beta
0.64

Yield
13.69%

30d
Δ vs SPX
-3.67%

α vs SPX
-13.25%

Notes
The Fed hasn't let off the gas yet when it comes to rate hikes, but we may be closer to that point than people believe. If I'm right—heck, even if I'm not—the dang thing is trading at a 23.50% premium as I write, according to PIMCO's website. This tells me we're not alone in our thinking because others are willing to "pay up" for the same stability we're after. Meanwhile, try not to smile too much at the 13.69% distribution rate/yield.

Continue to accumulate.

Global Growth & Income (40%)

ABBV

AbbVie

Beta
0.51

Yield
3.75%

30d
Δ vs SPX
2.37%

Total
α vs SPX
12.51%

Notes
AbbVie has held up well since I recommended it in early February. Since then, shares have returned 6.96% while the S&P has returned -4.26%, an 11.22% difference, at the time of writing. That is exactly why this stock—with a low beta of 0.51 and high yield of 3.84%—is in the portfolio.

Notes (contd.)

In some other news, AbbVie has partnered up with Redglass Pictures to launch the documentary, *Under My Skin: Untold Stories of Life with Eczema*, which debuted at the South by Southwest 2023 conference in Austin, TX. You can watch it on the Roku Channel or YouTube by the time this issue hits your inbox.

I don't think this is about raking in ad revenue and all that. Instead, it's a clever move by AbbVie to raise public awareness about eczema, which affects around 31 million people in the US. And of course, AbbVie has a treatment for that: its one-a-day pill RINVOQ.

The power of creating a community is hard to quantify but undeniably powerful, as evident by our very own OBA Family. WE—you and I—are all better, stronger, and more effective investors together!

AMD

Advanced Micro Devices Inc

Beta
1.59

Yield
0.00%

30d
Δ vs SPX
23.28%

Total
α vs SPX
-10.63%

Notes

AMD shares have shot up year to date, returning 54.82% and outperforming the S&P 500 by 51.62% as I write. Chips are essential for all facets of life at this point... and getting more so by the minute. That and continued innovation is driving AMD shares higher.

In a mid-March press release, the company announced, "The new 4th generation EPYC Embedded processors powered by 'Zen 4' architecture provide technology and features for embedded networking, security/firewall, and storage systems in cloud and enterprise computing as well as industrial edge servers for the factory floor." This is the innovation side of the statement above.

Notes (contd.)

Shares are up 83.76% off 52-week lows; that means we may be getting close to a FreeTrade opportunity (that's a favourite OBA tactic used because it helps maximize profits, mitigate risk, AND ensure you can multiply your capital). I'll send an alert if/when the price hits the 100% threshold.

You can look at the trailing 12-month P/E of 116X and say it's too high... which I'd agree with if there were no growth opportunities. But I look at how rapidly the chips market is growing and how quickly the E part of the equation will ramp up. Using analysts' 2026 estimates, shares are trading at 18.4X... so we're not alone in our thinking.

Now is your time to scoop up AMD shares. While traditional value investors look at the 116X and where it's been, you can look ahead to the 18.4X and where it's going.

COST

Costco Wholesale Corporation

Beta
0.86

Yield
0.73%

30d vs SPX
2.01%

α vs SPX
22.84%

Notes

Costco reported impressive second-quarter 2023 earnings. Net sales increased for the quarter by 6.5%, from $50.94 billion up to $54.24 billion year-over-year.

There's a lot to unpack from the earnings call, so here are the most important takeaways and why they matter for you as an investor.

Shopping traffic/frequency increased 5% worldwide and 3.7% in the US. The average transaction or ticket was up 0.2% worldwide and up 1.9% in the US during the second quarter.

Notes (contd.)

Those percentage increases might not sound like a lot, but think about it: For every 1 million transactions, an increase of 1.9% generates an additional $19,000 in revenue. Now multiply that by millions of transactions a day and billions annually, and that small percentage grows into a large number faster than a hungry kid raids the cookie jar after recess! This overall increase in transaction size reflects inflation still hitting consumers' wallets.

Membership fees are a large part of what makes Costco so attractive because they mean recurring revenue. Membership fee income for the second quarter came in at $1.027 billion, compared to $967 million last year. That's a 6.2% increase and is over 8% excluding currency headwinds. Compounding recurring revenue at a rate of 6.2% or higher is a big deal… and something we as investors greatly benefit from.

Renewal rates for the US and Canada were 92.6% and for the rest of the world 90.5%, both up 0.01% from the prior quarter. Not a huge % increase, but both rates are at all-time highs… again, due to inflation. People try to make their dollars stretch further, and Costco is the place to go.

The last important takeaway that some analysts overlook is margin protection. Costco shows very decent growth rates AND has maintained its margins. That, in my book, is truly impressive. At 10.72%, gross margins were higher by 8 bps year over year.

There's a lot to be excited about here. Shares are trading at a trailing 12-month P/E of 35.7X as I write.

Notes (contd.)

That may seem high, but like I mentioned above, recurring revenue compounding at a >6% rate is hard to find… and the steeper multiple paid now won't seem so steep in the coming years when the E part of the equation grows rapidly.

Shares yield 0.74% as I type.

CTRE

Caretrust REIT Inc

Beta
1.28

Yield
6.03%

30d Δ vs SPX
-5.52%

Total α vs SPX
7.72%

Notes

It's been a relatively quiet month for CareTrust, but management did announce a quarterly-dividend rise of 1.82%, from $0.275 to $0.28 per share.

The long-term thesis here is still at play: America, like the rest of the world, is aging. According to the US Census Bureau, 16.8% or about 56% of Americans are now 65 or older (as of July 2022). And most of them will need elderly and post-medical care sooner rather than later.

Shares of CTRE are trading at a Price/AFFO of 12.6X and, considering the new quarterly dividend, reflect a yield of 5.94% as I type.

CVX

Chevron Corporation

Beta
0.73

Yield
3.87%

30d Δ vs SPX
-3.24%

Total α vs SPX
74.36%

Notes

Shares of Chevron have cooled off this year but reflect a total return of 63.2% since I recommended the stock initially. This is a combination of things at work: traders deleveraging, growth outperforming value in 2023, etc. But the important question is, will oil go away anytime soon? The answer is a resounding NO.

Notes (contd.)

Even the Biden Administration, which has been stalling US oil and gas production as much as humanly possible, finally felt forced, apparently, to approve the $7 billion oil and gas drilling Willow project in Alaska for ConocoPhillips in March. There's no denying the fact that at this point, there's not a snowball's chance in heck that we can get by without dinosaur juice.

I still believe oil will top $100 a barrel in 2023. WTI Crude has been trading between the low $65 and high $72 range since mid-March. The Biden Administration has said $67–$72 per barrel is the range where they'd fill up the SPR, but so far it seems to be stuck at 371.5 million barrels, the same as when we started the year.

Analysts estimate 2023 EPS to be $11.35—37.9% lower than the 2022 EPS of $18.28. Even with this large drop-off, CVX is trading at 13.8X 2023 earnings estimates. The yield is 3.87% as I type.

GILD

Gilead Sciences

Beta
0.39

Yield
3.75%

30d
Δ vs SPX
-0.25%

Total
α vs SPX
38.14%

Notes

It's been a lighter news cycle this month for Gilead, so let's dig into some lesser-known facts of why this company is so intriguing.

OBAers have asked some super-savvy income investment questions. They're right… a dividend payer that not only reliably pays but GROWS its dividend is a great way to accumulate and preserve wealth.

Gilead fits that bill. They paid their first dividend in 2015 at what would've been $1.72 per share on a forward-looking basis. Fast forward to today, and the dividend has risen to $3.00 per share. That's a whopping 74% growth in just 8 years.

Notes (contd.)

The company's secret? A solid portfolio and a pipeline of excellent, life-saving drugs. Shareholders appreciate the ensuing "trickle-down effect" that results in steady dividends.

Shares are trading at a P/E of 21.16X as I write, but they're even more attractive on a forward-looking basis. Analysts estimate the stock to reach $5.41 and $5.64 for 2023 and 2024, respectively… a 48.2% and 54.5% increase over the $3.65 reported for 2022. Yield is 3.77%.

GIS

General Mills Inc

Beta
0.18

Yield
2.55%

30d
Δ vs SPX
5.43%

Total
α vs SPX
9.14%

Notes

I'll be brief here since this is the Dividend Corner pick for this OBA issue. GIS has been an anchor stock for the OBA portfolio, outperforming the S&P 500 by 42.33% over the trailing 52-week period as I type.

Shares are trading at a reasonable P/E of 18.6X, and the yield is 2.68%.

LMT

Lockheed Martin Corporation

Beta
0.57

Yield
2.53%

30d
Δ vs SPX
-0.80%

Total
α vs SPX
54.51%

Notes

The headlines say it all:

- Lockheed Martin And Royal Bahraini Air Force Celebrate Bahrain's First F-16 Block 70 Aircraft In Greenville, South Carolina
- Lockheed Martin Launches Commercial Ground Control Software For Satellite Constellations

Delivering and producing fighter jets for not only the US but foreign countries, as well as software for satellites… it just shows how integral Lockheed is for many sectors of society.

Notes (contd.)

I have hammered the importance for defense companies in the *Morning! 5 with Fitz* many times over the past few weeks.

Shares are up 25.49% off 52-week lows and trading at 21.6X earnings and a very reasonable 17.5X using analysts' 2023 estimates. All this while yielding 2.56%. A juicy $3.00 per share dividend should have hit your account on 3/24/2023 if you owned shares before 2/28/2023.

MUFG

Mitsubishi UFJ Financial Group

Beta
0.68

Yield
3.67%

30d
Δ vs SPX
-11.62%

Total
α vs SPX
-10.07%

Notes

I recommended MUFG as a play on the USD, which will eventually weaken when the Fed blinks and/or inflation drops. And a means of introducing stability into the overall portfolio.

So far, so good.

Since the SVB Crisis began, the iShares US Regional Banks ETF (IAT) is down -27.25%, but MUFG has only dipped -12.93%. That means it's outperforming the benchmark by double. I also don't think MUFG will stay down for long because our long-term thesis hasn't changed... a depreciating USD is a headwind for MUFG.

Shares yield 1.70% as I type.

PFE

Pfizer

Beta
0.51

Yield
4.06%

30d
Δ vs SPX
-1.17%

Total
α vs SPX
-9.02%

Notes

Pfizer shares have had a rough first quarter and are down -20.44% as I type. Recall, lower guidance due to COVID-19 vaccines and the Project Veritas video have been big anchors tied to Pfizer's ankles.

Notes (contd.)

I did a fairly deep accounting dive in February's issue where I backed out $56.7 billion in revenue of both of Pfizer's COVID products, Comirnaty and Paxlovid, combined. Then I compared the new $43.6 billion with revenue from 2020. Assuming zero demand for the COVID products, revenue still would've increased 4.05%. Check out the February issue for all the details.

I'm bringing this up because everyone seemed to overlook the 7–9% growth forecast on non-COVID products. And it still seems like that's the case.

Shares are trading only 2.96% off 52-week lows as I type. This is a great opportunity to scoop up some more. It's only a matter of time until people remember that Pfizer has an entire portfolio of drugs... not just two.

Another way of looking at it: Pfizer has increased its dividend by 173% over the past 20 years, a 5.16% average annual increase. Buying while shares are closer to 52-week lows and allowing the power of compounding to work for you strikes me as a good combo!

The next earnings call is May 2, and the smart analysts will look under the hood to see if the 7–9% growth forecast on non-COVID drugs is on target.

Don't forget that Pfizer has a low payout ratio of around 29%, which means there's plenty of coverage even if revenues slow!

PORTFOLIO REVIEW

PLTR

Palantir Technologies Inc

Beta
1.69

Yield
0.00%

30d
Δ vs SPX
1.10%

Total
α vs SPX
-72.06%

Notes

The DoD released its fiscal 2024 budget request last month. It's requesting $1.8 billion for AI and $1.4 billion for Joint All-Domain Command and Control. The US Army Chief of Staff said they see a need for coders that can quickly reprogram algorithms so AI wouldn't be tricked.

Now, if only there were a platform capable of providing this...

Into the picture steps Palantir.

Shares of Palantir shot up after earnings in mid-February. The closing share price before earnings was $7.61, and within two days, it had gone above $10—a more than 31% gain. Shares have traded back down to the low $8 range as I type and are in a good entry spot for us. They are 42.64% off 52-week lows and 43.94% off 52-week highs.

My take is, even though shares have pulled back since the earnings pop, they're still 6%+ higher than pre-Q4 and fiscal year-end 2022 earnings. Meanwhile, since then, the S&P 500 is down -4.56%. All things considered, Palantir has hung in there. Continue to scoop up more shares.

RTX

Raytheon Technologies Corporation

Beta
1.15

Yield
2.28%

30d
Δ vs SPX
-2.30%

Total
α vs SPX
-0.48%

Notes

Pratt & Whitney, a subsidiary of Raytheon, was awarded a $5.2 billion contract to support the production of the 15th and 16th lots of F135 engines, with an option for a 17th lot later on. The total contract value for all three lots is $8 billion and will fund over 418 F135 engines.

Notes (contd.)

I have mentioned defense in the *Morning! 5 with Fitz* many times over the past few weeks, and not much has changed. China is still a threat to Taiwan (and others), the Russia and Ukraine conflict is still raging on, and I could extend the list for as long as my arm.

Shares of RTX are down -3.65% year to date—an opportunity for us to buy more. Trailing 12-month P/E is 27.3X and 2023, 2024 forward estimates are 22.7X and 19.9X, respectively. All this while yielding 2.28%.

That's very reasonable... especially for a company working with a government that passed a $816.7 billion defense budget in December. No doubt Raytheon is getting a nice chunk of it.

SLB

Schlumberger Limited

Beta
1.11

Yield
2.24%

30d
Δ vs SPX
-14.33%

Total
α vs SPX
-17.44%

Notes

The same SPR and Willow Contract logic that I wrote about in the CVX update just a moment ago apply. Shares of SLB are 25.03% off their 52-week highs and are down 16.24% as I type. Continue to add to your position (or start building one) while the stock is trading off its highs.

Shares yield 2.24% and are trading at a P/E of 18.6X as I type.

Schlumberger will report first-quarter 2023 earnings on April 21. I'll update you with important information in next month's Portfolio Review. I expect the company to remain exceptionally well positioned as Chinese demand resumes and the Russia-Ukraine conflict continues.

TSLA

Tesla Inc

Beta
2.00

Yield
0.00%

30d
Δ vs SPX
-8.54%

Total
α vs SPX
-28.54%

Notes

Elon has done it again, by launching a remote test drive program for new car buyers.

Think about it for a second.

You make an appointment to test drive the Tesla of your choice and retrieve the car from a parking lot not connected to a dealership, most likely an electric charging station.

No showrooms, no slimy blowout promotions, no high-pressure sales tactics. Genius.

So how's the competition doing?

Ford's EV unit *expects* to lose $3 billion this year... but still says it's on track for 8% pretax margins by 2026.

Tesla, on the other hand, already had operating and pretax margins of 17% and 16.84%, respectively, in 2022. AND... wait for it... Tesla's pretax margins have been *positive* since 2020.

Goes to show you the drastic difference between Tesla and "the competition." Lightyears of separation.

WM

Waste Management Inc.

Beta
0.72

Yield
1.81%

30d
Δ vs SPX
2.73%

Total
α vs SPX
3.61%

Notes

It has been a light news month for Waste Management, but don't let that fool you. The company still has plenty going on. In fact, WM plans to hold a Sustainability Investor Day on 4/5/23 at 10 AM EST. You can sign up by visiting https://investors.wm.com/events-and-presentations.

Meanwhile, don't underestimate a stock like Waste Management just because it doesn't get much hype.

Notes (contd.)

The company still generates strong cash flow, substantial amounts of which find their way back to shareholders via dividends.

Shares yield 1.81% as I type and are trading at a trailing 12-month P/E of 28.5X. On a forward basis, shares are trading at 25.7X, 23.5X, and 20.8X P/E for 2023, 2024, and 2025 analysts' estimates, respectively.

YORW

The York Water Company

Beta
0.61

Yield
1.84%

30d
Δ vs SPX
0.56%

Total
α vs SPX
3.61%

Notes

York reported year-end 2022 results. Operating revenues came in at $60 million for the year, an 8.9% increase year over year.

York is a dividend producer for the OBA portfolio, yielding 1.81%. This steady-Eddie name will pay its 609th consecutive dividend on April 14, for $0.2027 per share, continuing the streak of uninterrupted dividends over the past 205 years.

Seriously... that's since the 5th US president, James Monroe, was in office.

Zingers (10%)

CRWD

CrowdStrike Holdings

Beta
1.26

Yield
0.00%

30d
Δ vs SPX
9.69%

Total
α vs SPX
-14.21%

Notes

CrowdStrike knocked fourth-quarter and fiscal year-end 2023 earnings outta the park! Revenue for the year came in at $637.4 million, a 47.9% year-over-year increase. The company ended the year with 23,019 clients—up 41% from last year and a whopping 323% from the 5,431 clients in 2020.

The client growth is impressive, but let's look under the hood.

Notes (contd.)

CrowdStrike began disclosing customers with 5+, 6+, and 7+ modules compared to the previously disclosed customers with 4+, 5+, 6+ modules. This is because so many customers now have 4+ modules that the older numbers were moot. Talk about a great problem to have... more customers using more products!!! By the way, adding modules for customers requires few to no extra marketing dollars, so operational expenditures remain roughly the same and margins improve.

An interesting headline recently crossed my path: "Army asking Congress for billions in 2024 to implement zero trust, cloud transition, BYOD and other digital transformation efforts."

Digital transformation for defense... that's a potential double in the making! It'll continue to happen, and as the defense budget keeps growing, you can expect CrowdStrike to be a key player.

Shares of CRWD are in good entry spot for us: 44.46% off January 2023 lows and 44.93% off April 2022 highs. It seems to me that momentum is building behind it. Since the earnings were reported on 3/7/23, shares have shot higher by 7.70% and outperformed the S&P 500 by 8.64%.

ETN

Eaton Corporation PLC

Beta
1.02

Yield
2.10%

30d
Δ vs SPX
-5.44%

Total
α vs SPX
16.98%

Notes

It's been a light news month for Eaton, so let's dig into the dividend a little.

You should have received a dividend of $0.86 per share on 3/24/23. That reflects the new 6.17% increase from the prior quarter's dividend of $0.81 per share.

Notes (contd.)

Looking further back over 5 years, Eaton has increased the dividend by 30.30% (or 5.44%) on an annualized basis. That's pretty awesome.

Eaton is one of five companies in the OBA portfolio (the others being Apple, NVIDIA, RCS, and Microsoft) that are outperforming the S&P 500 on a year-to-date, 3-month, and trailing 52-week period, by 3.45%, 3.68%, and 20.61%, respectively. Shares are also 35.64% off 52-week lows as I type, which suggests momentum is building.

Shares are trading at 27.3X 2022 earnings and a reasonable 20.3X 2024 estimates while yielding 2.10%.

NVDA

NVIDIA Corporation

Beta
1.62

Yield
0.06%

30d
Δ vs SPX
13.29%

Total
α vs SPX
30.04%

Notes

The New York Post reported on 3/20/23 that AI developed a cancer treatment in just 30 days for hepatocellular carcinoma (HCC) with an AI drug discovery platform called Pharma.AI.

Of course, this will still have to go through the clinical trial process, but the big picture here is... 30 DAYS!

NVIDIA has been an OBA star this year—up 81.15% year to date, outperforming the S&P 500 by a whopping 78.22%. Shares are up 144.78% off 52-week lows as I write. Clearly, the stock has considerable tailwinds.

Quick... what are the top 5 names in the S&P 500? Most people will be able to name 1 through 4 (Apple, Microsoft, Google, and Amazon) But who is # 5? That's right... it's NVIDIA, which represents 1.93% of the index as I write.

Notes (contd.)

All this to say, NVIDIA is an essential business, and more and more investors are catching on to that fact.

(The data above was taken using the SPDR S&P 500 ETF Trust (SPY) as a proxy.)

RKLB

Rocket Lab USA

Beta
1.77

Yield
0.00%

30d
Δ vs SPX
-14.44%

Total
α vs SPX
-60.37%

Notes

Rocket Lab reported stellar fourth-quarter and fiscal-year 2022 earnings. Revenue shot straight up (pun intended), coming in at $51.8 million for the fourth quarter (+88%) and $211 million (+239%) for 2022.

Those numbers will keep on climbing because of successful launches like the one that just took place on March 16. Rocket Lab successfully launched its 34th Electron rocket into low-Earth orbit for Capella Space. This is the second mission that has been launched from its Virginia site.

Shares are trading 57.65% off 52-week highs and 10.63% off 52-week lows as I write. This stock isn't for the faint of heart, but if you don't mind volatility, then grab some shares while they are significantly off their highs.

Low-orbit space-based businesses are worth trillions, and Rocket Lab is going to play a key role in helping other businesses get there—pun absolutely intended.

SHOP

Shopify

Beta
2.24

Yield
0.00%

30d
Δ vs SPX
11.85%

Total
α vs SPX
57.16%

Notes

Not much in terms of news for Shopify. However, I am watching the stock closely.

I suggested converting shares to a FreeTrade on February 3, but don't worry if you missed it. SHOP is on the move again, currently 90.26% off 52-week lows, which means it could hit our 100% threshold (again) very soon. If/when it does, I'll send out an alert so you can book a FreeTrade.

SHOP has been a bright spot in the portfolio this year. Shares are up 29.53% year to date as I type, outperforming the S&P 500 by 26.6%.

Vegas Money (0.5-1%)

NIO

NIO Inc

Beta
0.99

Yield
0.00%

Notes

NIO reported fourth-quarter and fiscal year-end 2022 earnings that showed strong vehicle delivery growth.

- 40,052 vehicles delivered in the fourth quarter—a 60% increase year over year
- 122,486 vehicles delivered in 2022—a 34% increase year over
- 20,663 vehicles delivered in January and February 2023—a 30.89% increase year over year

These numbers are even more impressive because of the 54.8% market share for premium EVs priced over RMB 300,000, and 75.8% market share for premium EVs priced over RMB 400,000, according to the China Automotive Technology and Research Center (CARTAC).

Notes (contd.)

Remember, this is Vegas Money and should be treated as such. The high beta of 1.92 means this name bounces around quite a bit. To that point, shares are 62.05% off 52-week highs as I type.

Many people think they can't "touch" a Chinese stock, and I'd agree with 'em wholeheartedly save Nio and XPeng, for the simple reasons that both are blue chips in the making.

Critically, they have Beijing's backing and global sales aspirations based on Toyota's playbook from the late 1960s and early 1970s. That makes them very different from companies selling exclusively in China.

POWW

Ammo Inc.

Beta
0.99

Yield
0.00%

Notes

Shares of POWW have been beaten down no matter how you look at it—underperforming the S&P 500 year to date, over the last three months, and over the trailing 52 weeks. However, the catalysts that could make this stock go POWW are finally on the horizon.

With the 2024 Presidential Elections pretty much around the corner, gun stocks typically do well… especially if the Democrats look like they're winning. And, sadly, the rash of recent gun violence will also create a boom if any type of ban looks likely.

SWBI

Smith & Wesson Brands

Beta
0.79

Yield
3.65%

Notes

Smith & Wesson reported third-quarter 2023 earnings. Revenue took a dip down to $129 million for the quarter, down about $48.70 year over year. This is the impact of inflation at work. The CFO stated that customers were trading down the quality spectrum to lower-quality products. That's okay; the demand is there, and consumer preferences will tick back into higher-quality products as inflation eases… especially with another Presidential Election coming up next year.

Shares are trading at a P/E of 8.5X and yield 3.58% as I type.

XPEV

XPeng Inc.

Beta
1.26

Yield
0.00%

Notes

XPeng reported fourth-quarter and fiscal year-end 2022 results, which showed vehicle deliveries increased 23% year over year, for a total of more than 120,000 vehicles. The strong results have carried over into 2023.

February saw a 100% increase in new order intake month over month, and management thinks it will continue primarily due to the launch of the new P7i sports sedan, an upgraded version of the highly successful P7 model.

This new launch has led to new heights for in-store traffic and test-driving volume.

Just like NIO, this stock has a high beta of 2.80 and is also trading significantly off 52-week highs by 71.97%. The same volatility message applies here. If you can stomach it, then I submit the stock is worth a flyer. Especially with the new P7i model driving so much traffic to the stores as European sales ramp up.

PORTFOLIO REVIEW

Hedges (as needed)

	Trailing 12 month
SH ProShares Short S&P500 ETF	13.26%
RYURX Rydex Inverse S&P 500® Strategy Fund	15.44%
PSQ ProShares Short QQQ ETF	16.93%
DOG ProShares Short Dow30	7.98%

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!"

OBA Fund Folio™

Don't forget that we recently made a mid-month change to Fund Folio.

The rationale is simple.

I am concerned about Altria's (MO) dividend status given the rise in all things "healthy living" and want to get ahead of any concerns that may arise if that narrative gains traction in the media.

I suggest selling part of your Altria shares and rebalancing the proceeds straight away into AbbVie (ABBV). Or simply add new money to accomplish the same thing until you achieve the suggested component %.

Doing so helps effectively lower risk while also serving as a proxy for rebalancing the upside potential and income I see ahead.

KF

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

One Bar Ahead® Model Portfolio

PORTFOLIO DETAILS										
3/29/2023	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	STOP	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/2021	$ 132.05	$ 159.91	1.13	0.58%	21.1%	$ 136.51	$ 225.00	Buy/Accumulate
	CLOI	10/7/2022	$ 50.05	$ 51.21	0.04	4.06%	2.3%	As Desired	$ 52.00	Buy/Accumulate
	JPM	3/7/2022	$ 129.21	$ 129.48	1.15	3.10%	0.2%	$ 107.85	$ 175.00	Buy/Accumulate
	MSFT	3/7/2022	$ 278.91	$ 279.72	1.05	0.99%	0.3%	$ 236.56	$ 400.00	Buy/Accumulate
	RCS	10/1/2021	$ 6.84	$ 5.39	0.63	14.13%	-21.2%	None	$ 8.25	Buy/Accumulate
	ABBV	2/3/2023	$ 145.20	$ 157.23	1.57	3.74%	8.3%	25% below entry	$ 180.00	Buy/Accumulate
Global Growth	AMD	8/4/2022	$ 103.91	$ 87.79	0.51	0.00%	-15.5%	25% below entry	$ 132.65	Buy/Accumulate
	COST	8/6/2021	$ 439.63	$ 487.65	0.87	0.74%	10.9%	25% below entry	$ 634.38	Buy/Accumulate
	CTRE	6/6/2022	$ 18.01	$ 19.05	1.25	5.94%	5.7%	$ 16.56	$ 25.00	Buy/Accumulate
	CVX	9/3/2021	$ 97.49	$ 159.61	0.76	3.79%	63.7%	$ 141.04	$ 219.00	Take some profits + buy protective puts
	GILD	3/7/2022	$ 60.26	$ 81.43	0.41	3.71%	35.1%	$ 67.10	$ 107.90	Buy/Accumulate
	GIS	7/5/2022	$ 75.15	$ 85.27	0.20	2.55%	13.5%	$ 65.66	$ 74.00	Re-Enter/Accumulate
	LMT	11/5/2021	$ 339.89	$ 473.70	0.58	2.55%	39.4%	$ 372.17	$ 502.02	Buy/Accumulate
	MUFG	1/9/2023	$ 6.87	$ 6.40	0.65	3.63%	-6.8%	25% below entry	$ 8.51	Buy/Accumulate
	PFE	3/4/2022	$ 48.65	$ 40.08	0.53	4.10%	-17.6%	$ 41.38	$ 70.00	Buy/Accumulate
	PLTR	1/8/2021	$ 25.20	$ 8.19	1.69	0.00%	-67.5%	None	$ 50.00	Buy/Accumulate
	RTX	6/13/2022	$ 91.95	$ 97.58	1.12	2.27%	6.1%	$ 82.80	$ 110.00	Buy/Accumulate
	SLB	11/4/2022	$ 53.10	$ 48.44	1.13	2.10%	-8.8%	25% below entry	$ 65.00	Buy/Accumulate
	TSLA	7/25/2022	$ 268.43	$ 193.35	1.99	0.00%	-28.0%	25% below entry	$ 336.86	Buy/Accumulate
	WM	10/31/2022	$ 158.37	$ 156.32	0.71	1.81%	-1.3%	25% below entry	$ 180.38	Buy/Accumulate
	YORW	3/3/2023	$ 43.42	$ 44.43	0.60	1.83%	2.3%	25% below entry	$ 52.13	Buy/Accumulate
Zingers	CRWD	1/6/2022	$ 187.49	$ 129.91	1.26	0.00%	-30.7%	25% below entry	$ 295.00	Buy/Accumulate
	ETN	9/6/2022	$ 138.46	$ 166.95	1.02	2.08%	20.6%	25% below entry	TBD	Buy/Accumulate
	NVDA	3/7/2022	$ 213.52	$ 269.09	1.62	0.06%	26.0%	25% below entry	$ 300.00	Buy/Accumulate
	RKLB	12/2/2021	$ 14.81	$ 3.93	1.77	0.00%	-73.5%	None	$ 17.00	Buy/Accumulate
	SHOP	10/7/2022	$ 27.21	$ 46.26	2.22	0.00%	70.0%	None	$ 41.00	Buy/Accumulate

	TICKER	NAME	YIELD	Trailing 12 Months	Last Instruction
Hedges	SH	ProShares:Short S&P500	0%	13.26%	Add as needed
	RYURX	Rydex Inverse S&P 500 Strategy Fund;Investor	0%	15.44%	Add as needed
	PSQ	ProShares:Sht QQQ	0%	16.93%	Add as needed
	DOG	ProShares:Short Dow30	0%	7.98%	Add as needed

	TICKER	NAME	Last Instruction
Vegas Money	NIO	NIO INC.	Accumulate lightly
	POWW	AMMO, INC.	Sell at 50% profit, GTC
	SWBI	SMITH & WESSON BRANDS, INC.	Sell at 100% profit, GTC
	XPEV	XPENG INC.	Accumulate lightly

All data as of March 29th, 2023

OBA 50

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

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.

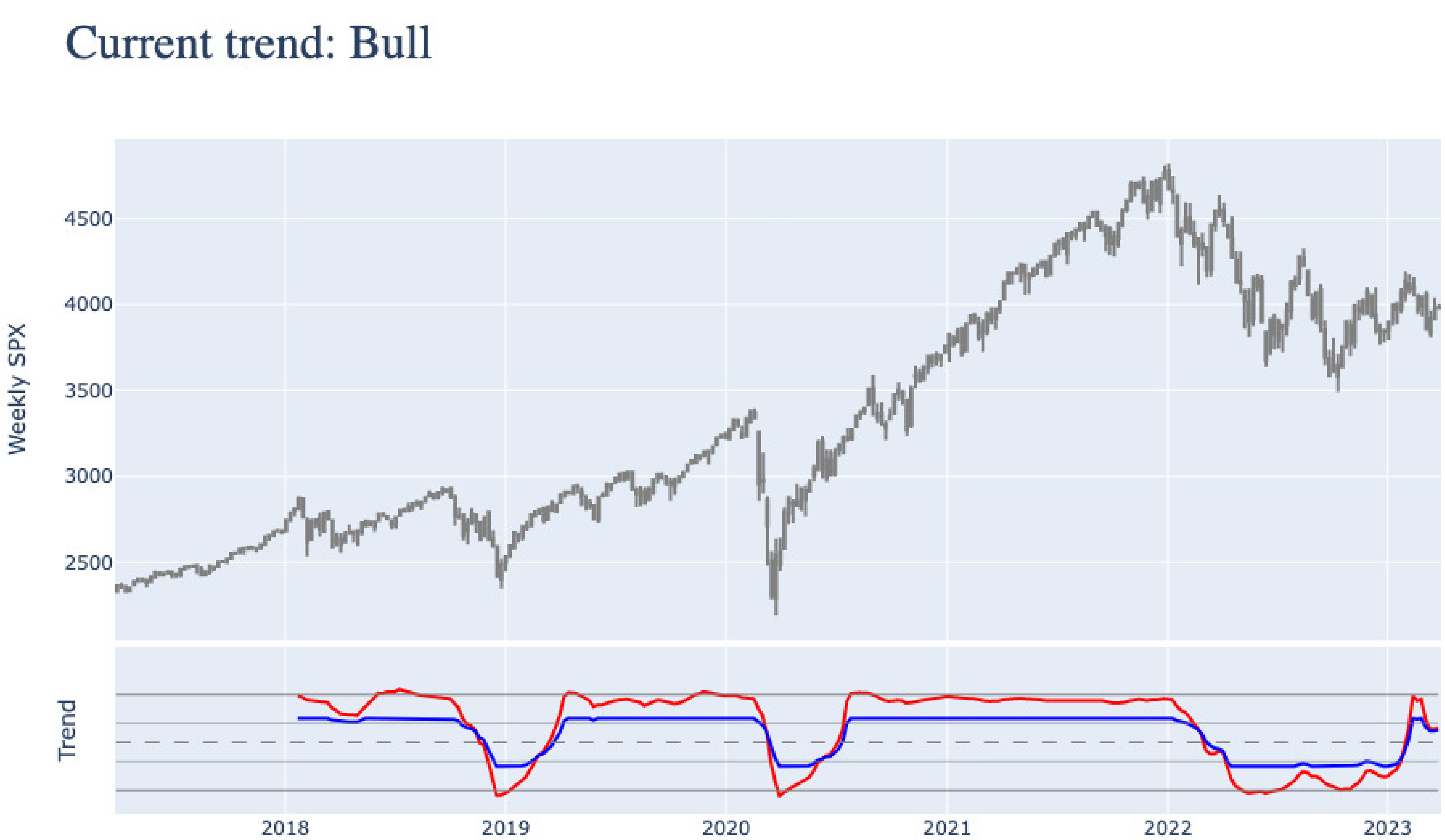
You'll notice that the BBSI tends to spike higher and lower very quickly, and that's by design. Institutional interest, liquidity, and volatility tend to cluster at or near key market turning points.

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.

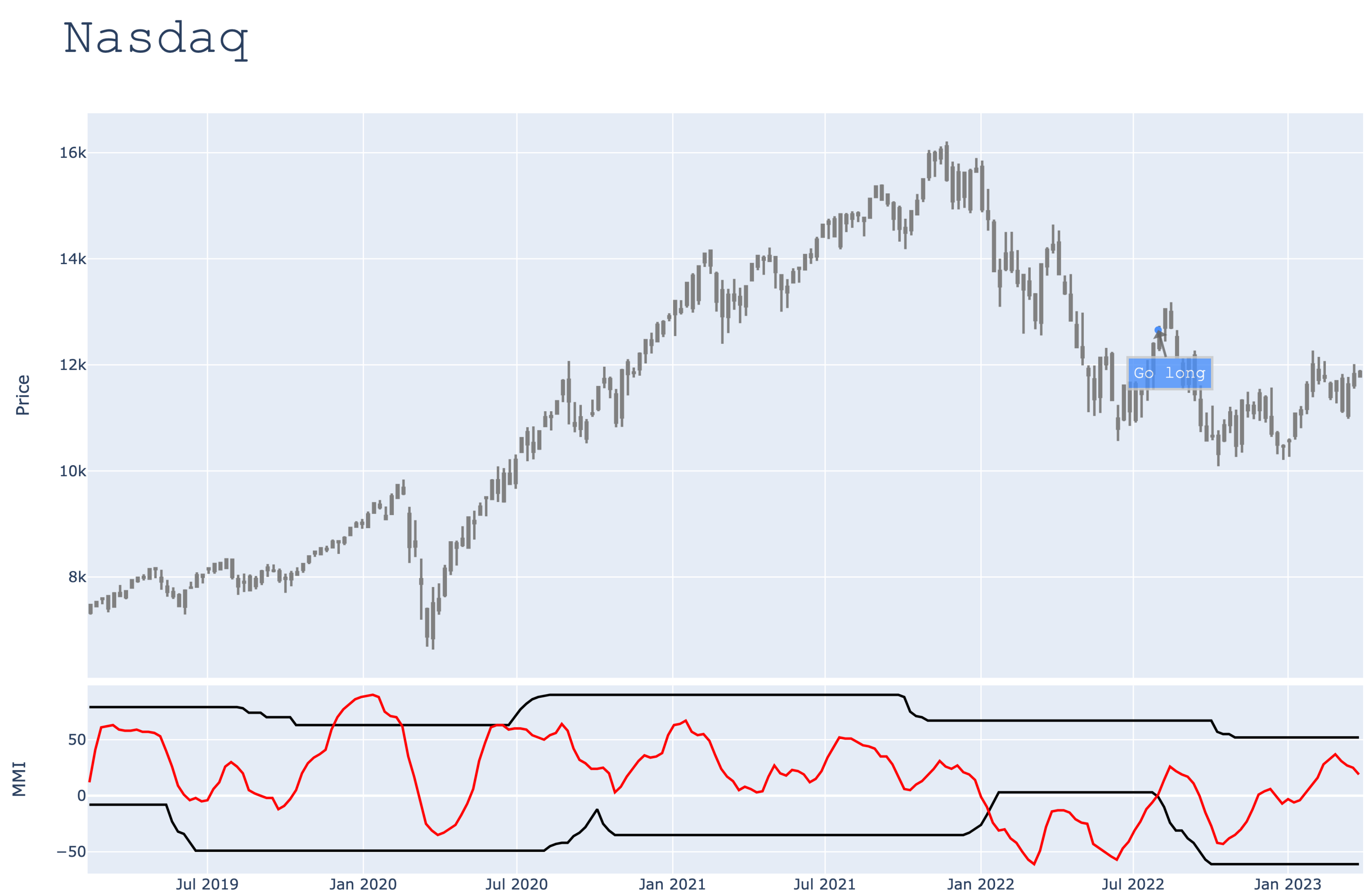
Current Reading = Bullish (as of 3/27/23)

The BBSI is "bullish" but just barely as we go to press. That suggests further caution despite the fact that it's a great development!



All other chart data as of March 27th, 2023

SIMPLE, UNDERSTANDABLE, ACTIONABLE



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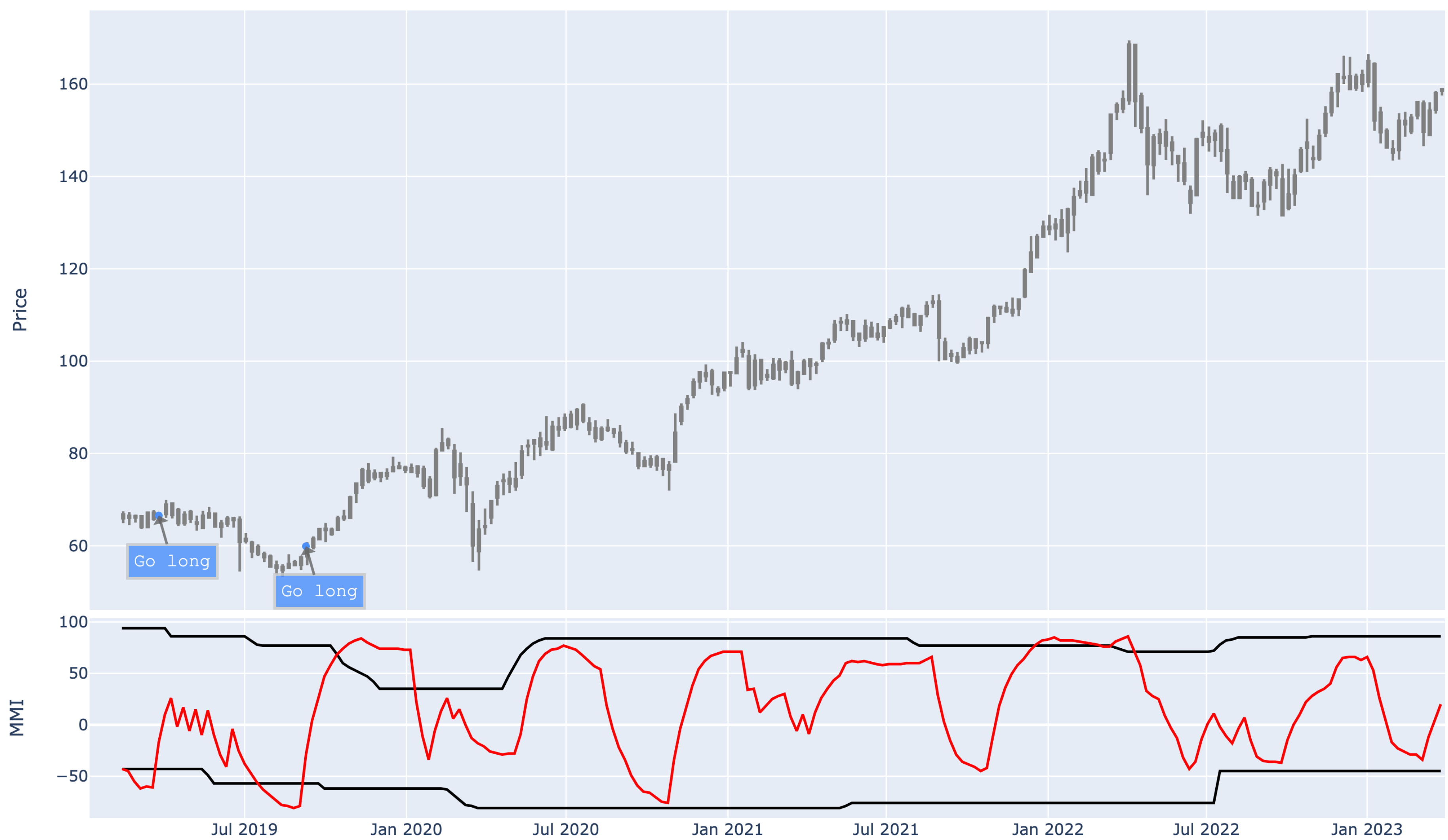
AAPL

ABBV



SIMPLE, UNDERSTANDABLE, ACTIONABLE

AMD

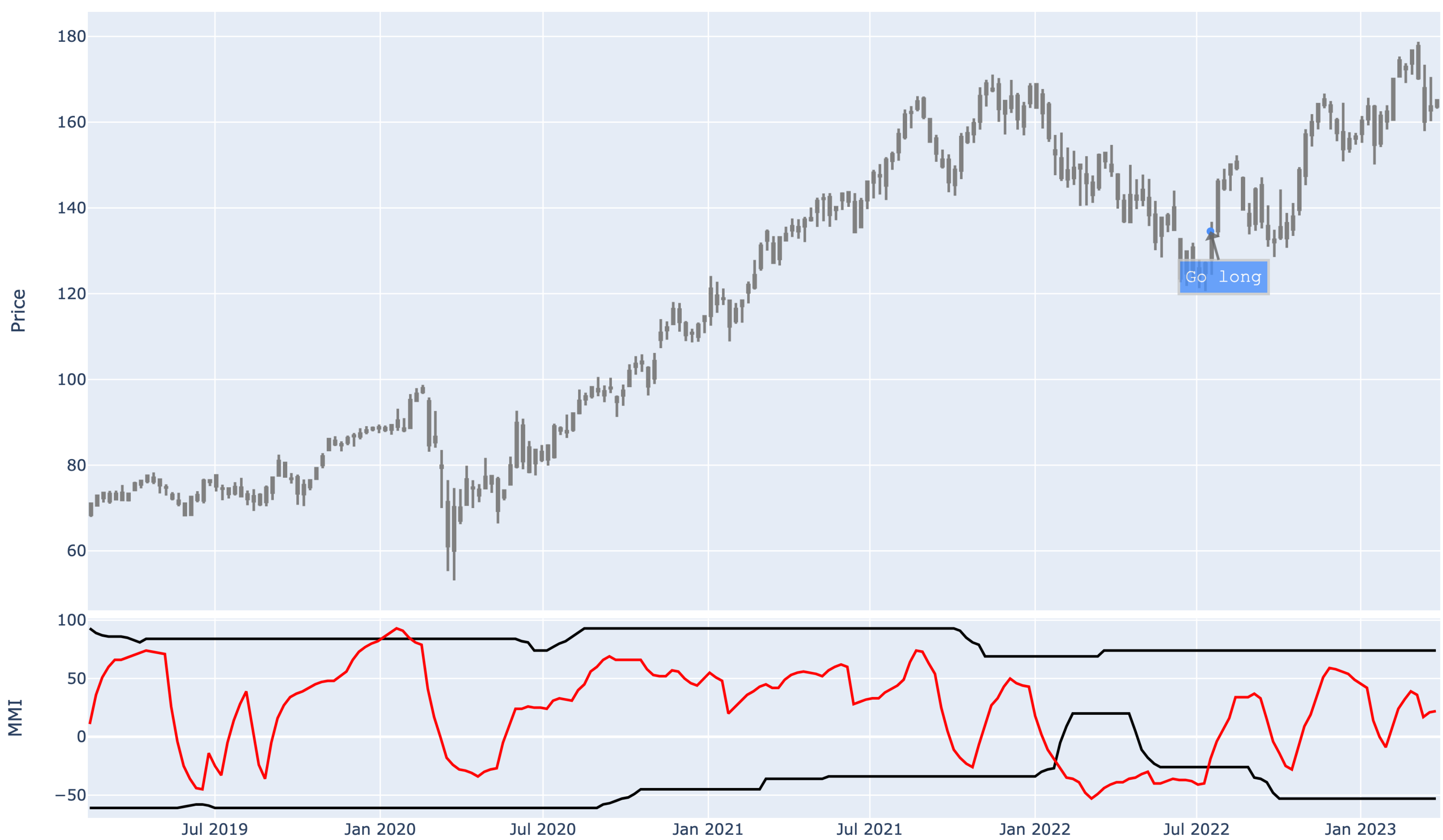
COST

SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

CVX

ETN



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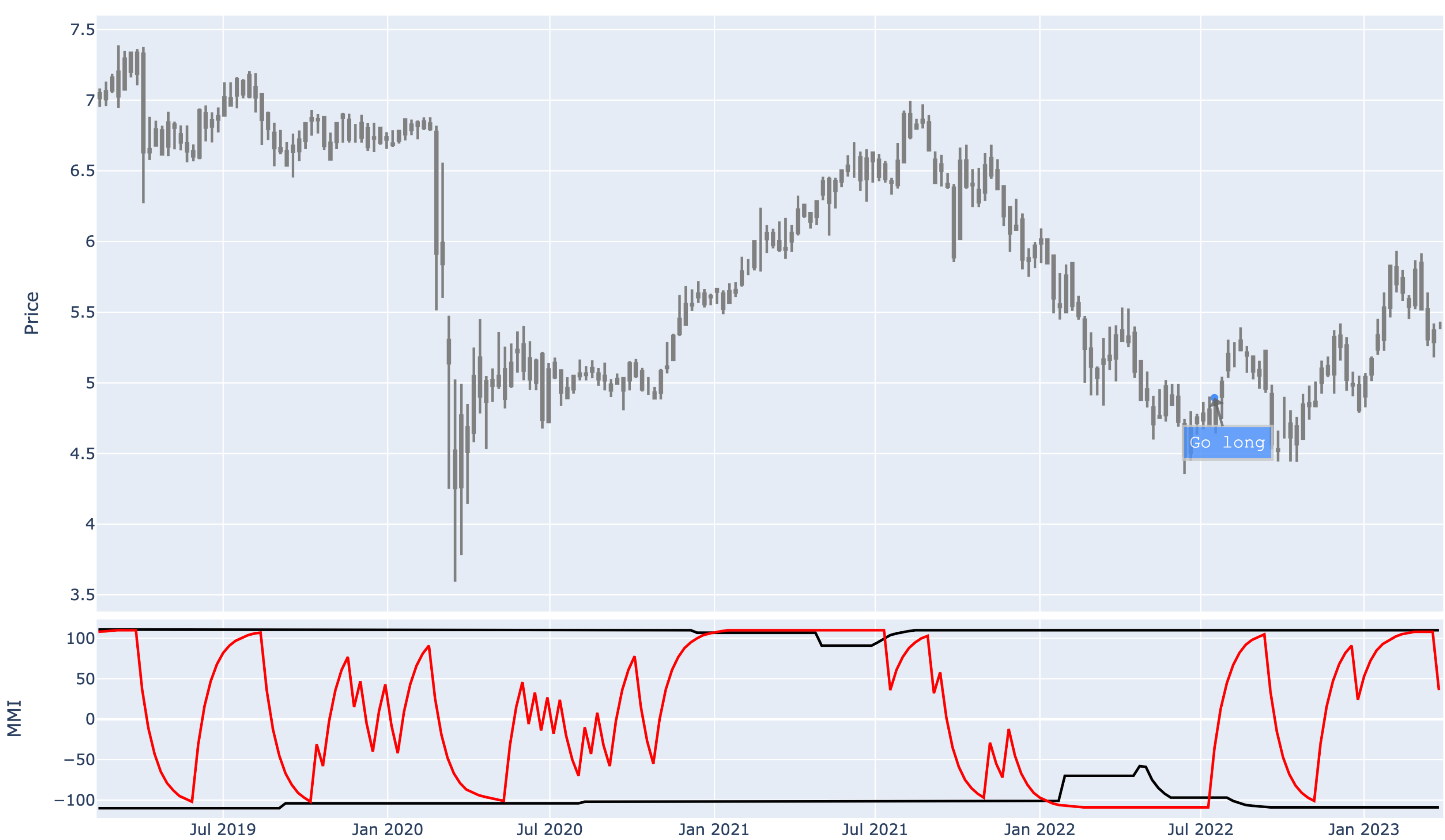
SIMPLE, UNDERSTANDABLE, ACTIONABLE

POWW

RCS



RKLB


Price
6.5
6
5.5
5
4.5
4
3.5
Go long
Go long
Go long
MMI
100
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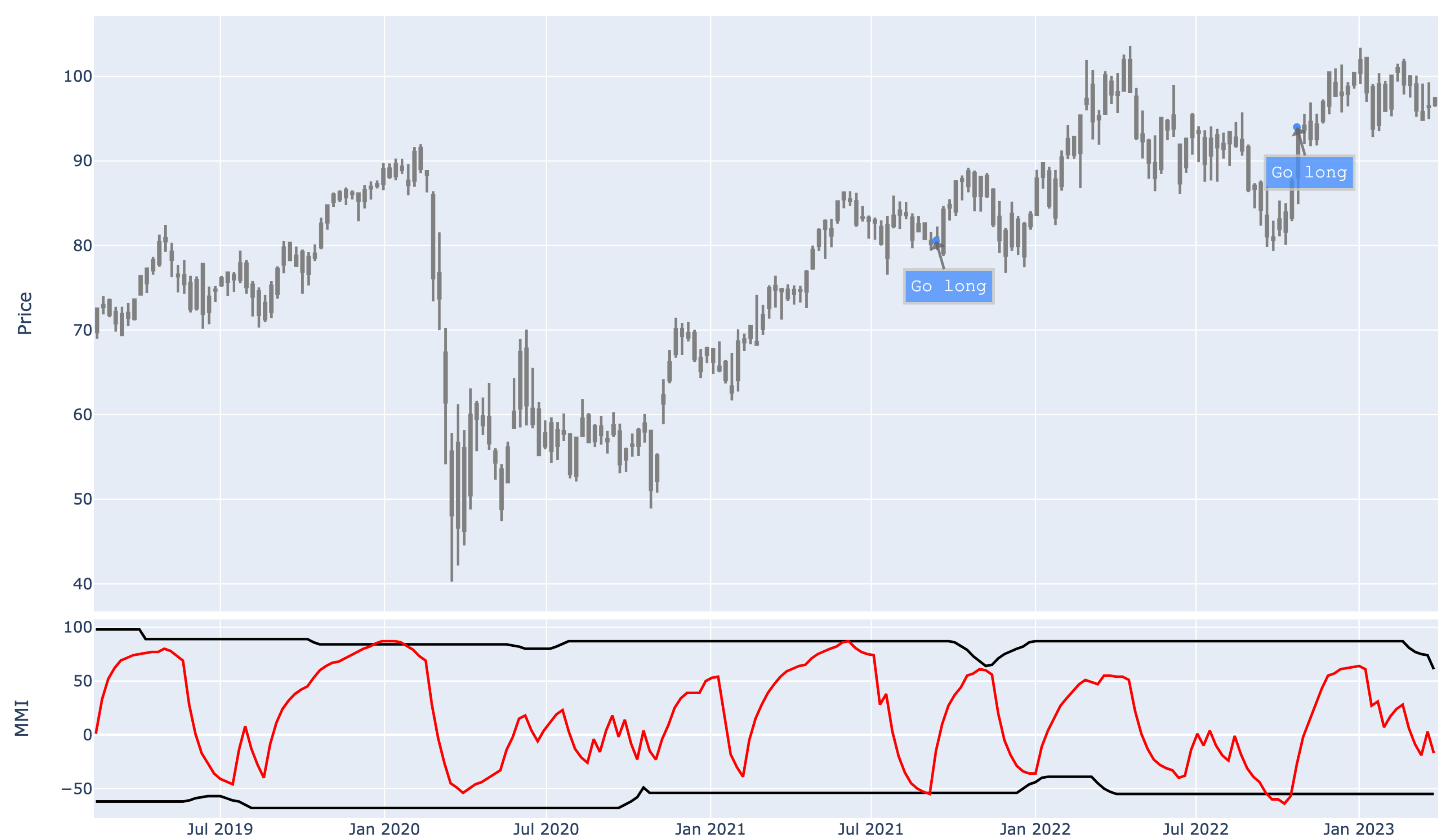
−50
−100
Sep 2022
Oct 2022
Nov 2022
Dec 2022
Jan 2023
Feb 2023
Mar 2023

RTX


Price
100
90
80
70
60
50
40
Go long
Go long
MMI
100
50
0
−50
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023

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Chapter 5

FASCINATOR

The digital equivalent to all human evolution compressed into under a decade

77% of young Americans would not qualify for military service without a waiver due to being overweight, using drugs, or having mental and physical health problems.

Are too obese for service. **1/3**

44% Are disqualified for multiple reasons.

The investing implications are undeniably profound.

As a result of changes in the human condition, we will undergo a shift in AI that is the digital equivalent to all human evolution compressed into under a decade.

The total AI market will jump from $2.5 trillion in 2022 to $87 trillion by 2030, a 3,380% increase in 8 years or less. Personally, I think that's an order of magnitude low.

I believe that the tally may top $100 trillion or more, but what's a few trillion between friends??!!

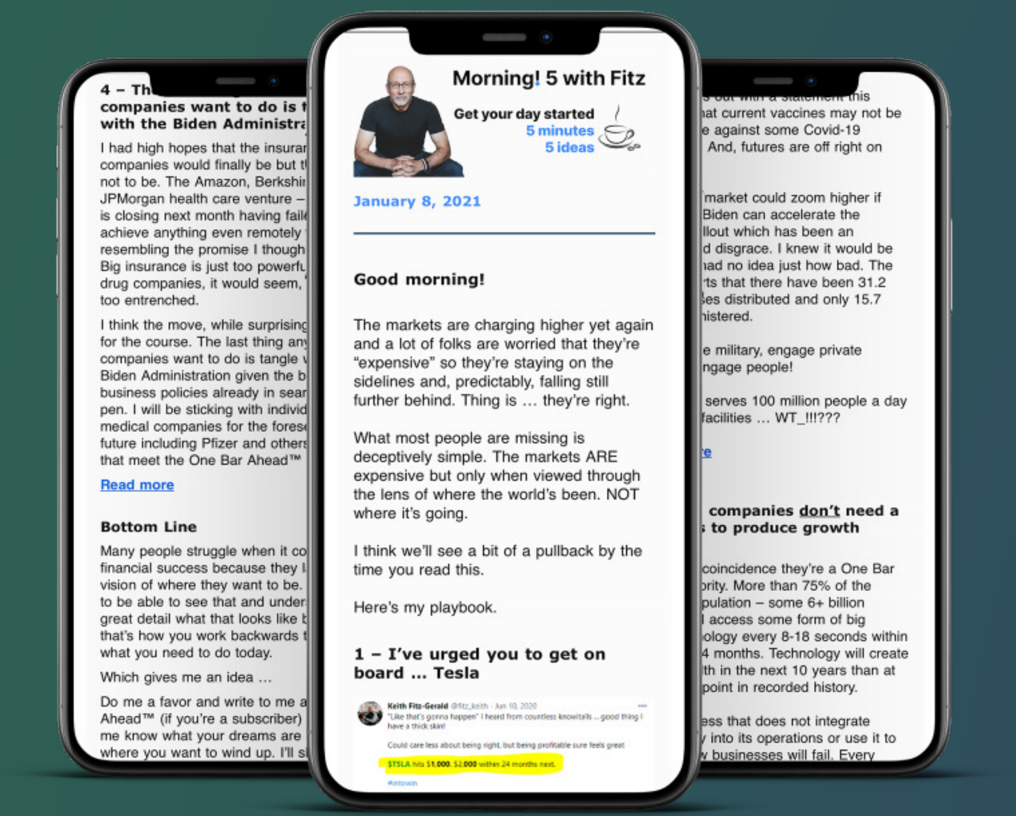
Additional Resources:

https://www.military.com/daily-news/2022/09/28/new-pentagon-study-shows-77-of-young-americans-are-ineligible-military-service.html

https://newnative.ai/

Thank You for Reading One Bar Ahead®

The quest for consistent safety-first, big-picture profits never stops. You simply need access to the right stocks, the right strategies, and the right education. No gotchas, no gimmicks. In plain English.



So good, pros read it!

For more of Keith's analysis and research, make sure you're signed up to get his daily trading notes for FREE!

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!

SIGN UP NOW

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