BA	AAL	WMT	SQ	UAL	SHOP	QCOM	PLTR
213.13 ▲	19.02 ▲	142.15 ▼	152.06 ▲	46.13 ▼	1217.09 ▲	183.63 ▲	17.80 ▲

JANUARY 2022

One Bar Ahead™

BY KEITH FITZ-GERALD

Annual Outlook 2022

Make this year your BEST YEAR EVER!

A $10.5 Trillion OPPORTUNITY

Bigger than the Internet value chain, cannabis, and cryptocurrencies combined

Metaverse Roadmap

Find the perfect entry
Mitigate risk
Create confidence

This stock could be the Sleeper of the year

8 Must-Read Books That Will Change Your Life Immediately

Disclaimers

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One Bar Ahead™, a digital magazine (ISSN 2766-7863) is published 12 times per year electronically by Fitz-Gerald Research Analytics, LLC.

Known office of publication is 1004 Commercial Ave #365, Anacortes, WA 98221 USA.

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Keith Fitz-Gerald's ONE BAR AHEAD™

Letter from Keith

Dear Reader,

Welcome to 2022 – I am thrilled you are here!

There are those who believe we live in dark times.

I am not one of them.

History shows beyond any shadow of a doubt that the night is always darkest before dawn. Then, the sun rises, the planet awakens, and we get on with our lives.

While it's true that the world of tomorrow may not look like the one we knew pre-pandemic, there's always a path forward.

Like the brilliant Peter Diamandis of X Prize Foundation fame, I believe we are heading into an age of abundance. We have more computing power, more resources and more smart people working on exponentially life-changing things than at any other time in recorded human history.

I know that's a bold statement, but I am absolutely convinced it's true.

The search for life-changing wealth doesn't begin with money like most folks think, though.

It starts with ideas.

You get there by investing exponentially … one bar ahead of the herd.

That's why I spent a ginormous amount of my time researching the future. I read widely and make it a priority to talk to many of the world's leading experts about all kinds of stuff.

The way I see things, investing today isn't just a matter of picking great stocks this week, this month or even this year. It's about creating a financial success story so far into the future that it's almost unimaginable.

Scientists like Ray Kurzweil believe computers will routinely pass the Turing Test by 2029, just a few short years from now. And that nanobots will be able to cure nearly any disease or injury within a decade.

Others, including me, believe we will be able to upload our minds to artificially created proxies. Then travel without ever leaving home. Forget Uber or even airlines.

While all the attention is focused on cryptocurrencies today, I believe the real jump will happen no more than ten years from now when the world's first stablecoin emerges as a default currency for global trade. Perhaps 50% of the world's central banks will fail. It's not a coincidence that China is pressing full steam ahead on the digital Yuan while the Fed is only just starting to "talk" about it, by the way.

Tomorrow's healthcare will be data-driven and entirely customized. Death is probably going to be an option, not an outcome like it is now.

Synthetic biology, cultured meat, and vertical farming in formerly vibrant but now hollowed urban cores will be the norm.

You won't carry a dang thing when you leave the house. Not keys, not money, not your cell phone, makeup or even an ID.

There is no shortage of profit potential. Merely a shortage of people who think big enough.

Billionaire investor Peter Thiel refers to the kinds of changes I've just mentioned as going from "zero to one" because change isn't just about incremental improvement any longer. But creating something radically new.

The implications are undeniably profound.

Investors who recognize they need a completely new perspective will prosper. Those who don't won't.

It really is that simple.

Let's start our time together this month with the 2022 Outlook.

Many people take time off between the Christmas and New Year's holidays, but this is always a super busy, super exciting time of the year for me. I put the coffee maker into overdrive and burn a lot of midnight oil!

My goal is simple … to chart the smartest, most efficient, and least risky path to profits.

You'll notice right away that the 5Ds have been changed up a bit. They're all still there but, critically, the prioritization and profit potential has changed as the world re-opens. At the same time, you'll see some unexpected influences and new opportunities when you read along.

My first recommendation taps into a market that is so big and has such a profound impact on our world that it would be the third-largest GDP on the planet if it were a country. Share prices for the company I'm recommending have been beaten down by 1/3rd despite the fact that the market it addresses is already a $6 trillion proposition on the way to $10.5 trillion in the next three years … max!

My second recommendation could be one of the biggest sleepers of the year. Shares got tossed out when the pandemic hit and again recently when Omicron surged. Yet, the company has one of the single most valuable brand portfolios ever assembled and a newly seated CEO who's perfectly positioned to change things up.

Earnings season is, unbelievably, already right around the corner which is why there's also a portfolio review. I've streamlined it in keeping with the feedback you've given me to make it more readable and precise. Let me know how you like the new format when you have a moment – there's always room for improvement.

I've also put a lot of time into the Metaverse and, as part of that developed a framework we'll use going forward. Not surprisingly, the first two investments of the year fit quite nicely as you'll see.

Finally, we'll wrap up with eight books that could change your life immediately and possibly even make you a more knowledgeable and profitable investor too!

Thank you for being part of the One Bar Ahead™ Family!

Let's make it a fabulous 2022!

Best regards for health and wealth,

KF

Note:

We read every email, note, and message we receive so please don't hesitate to reach out with anything on your mind. Send pictures, suggestions, questions, comments, and ideas – we'd love to hear from you!

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MoneyShow/TradersEXPO

February 24-26, 2022

Bally's/Paris Las Vegas

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MoneyShow

May 09-11, 2022

Bally's/Paris Las Vegas

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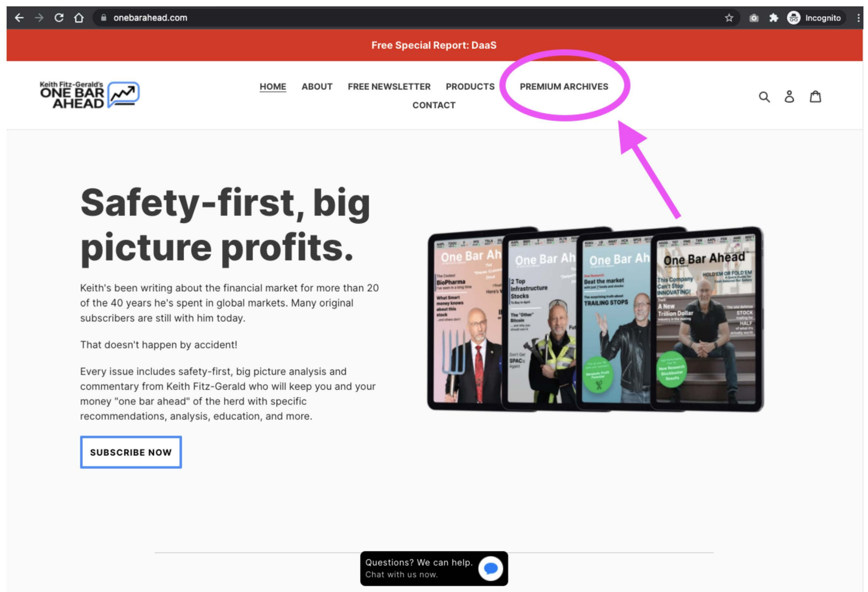

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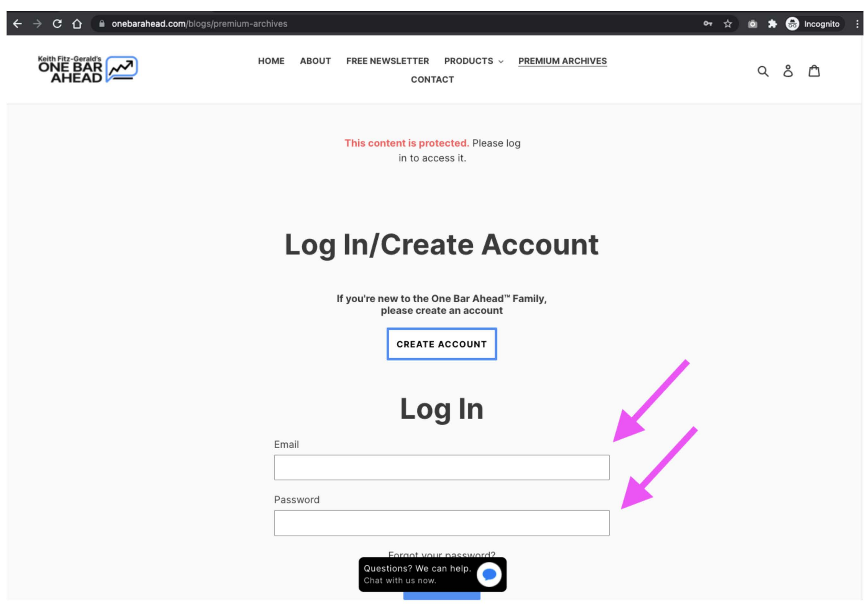
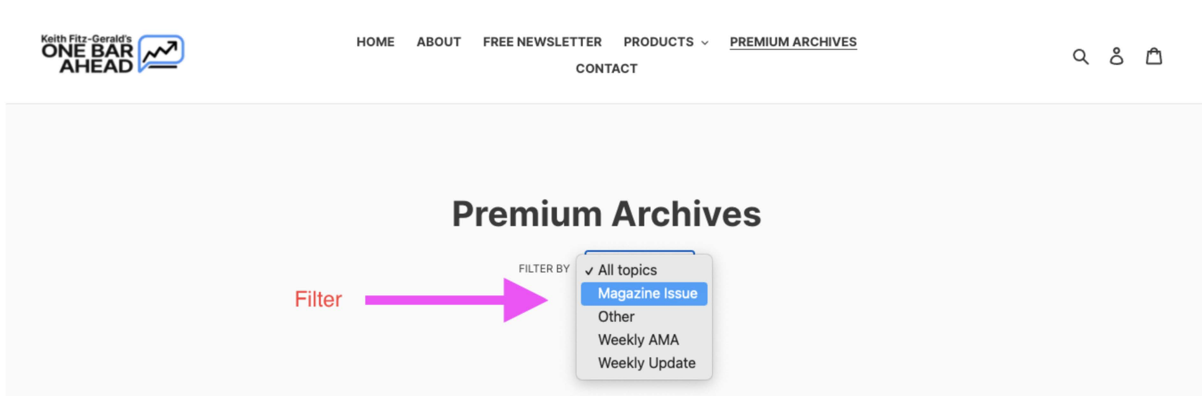


3. Filter by what you’re looking for, and voila!



If you try the above steps and it doesn’t work, please contact us at **info@onebarahead.com**

ANNUAL OUTLOOK

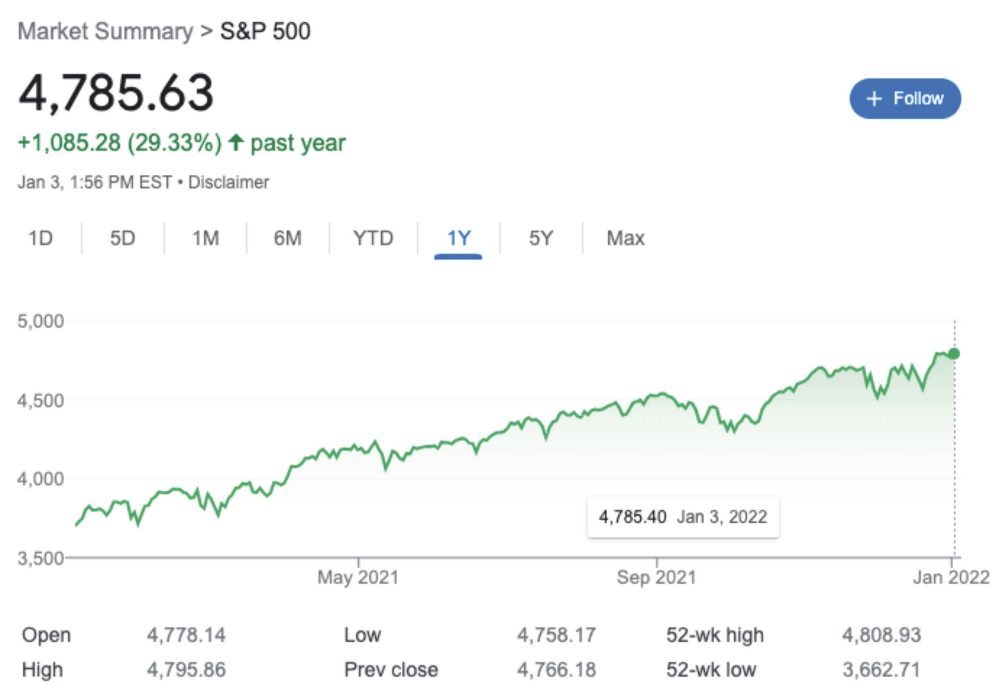
Make 2022 your best year yet!

Paradigms are a funny thing.

You can't break through 'em until people are willing to think differently. Not in life and certainly not when it comes to the financial markets.

Last year – 2021 – was supposed to be a year when everything blew up in our faces according to legions of doomsayers who made it a point to tell the rest of us that we had no idea what we were talking about a year ago.

Good thing we knew better!



I labelled last year as one to "reset, rethink, or risk missing out on 10 years of profits."

And, as part of that made several distinct and very specific observations including the need to line up profit potential with the biggest, best and most liquid companies we could find.

The "best" choices, I said, would centre on "digital infrastructure, health-related companies offering "Vaccine+" portfolios, breakthrough tech, synthetic biology and energy transition."

Doing so paid off handsomely.

Companies like Tesla, Pfizer, and Microsoft charged to the top of the heap quickly. Then stayed in front where I expect them to lead the charge for years to come. Perhaps even decades.

2021 Will be One for the Record Books

- **Vaccine rollout**
- **Low interest rates + central bank printing**
- **Earnings better than expected**
- **Recovery trade → "stay out trade"**
- **Deurbanization**

Boy, did we get this right!
(from the 2021 Outlook a year ago)

This year – 2022 - will be a year of tremendous change that, unbelievably, most investors still don't see coming.

We will continue to emphasize growth over value but, increasingly, we're going to be folding low-beta choices into the mix and re-engaging defence stocks for reasons that will become clear in a moment.

Valuations, while high, continue to be justified for the right companies based on what will happen rather than where and how the markets have been valued in the past. The biggest and best companies are changing the world and will create unimaginable wealth as they do so.

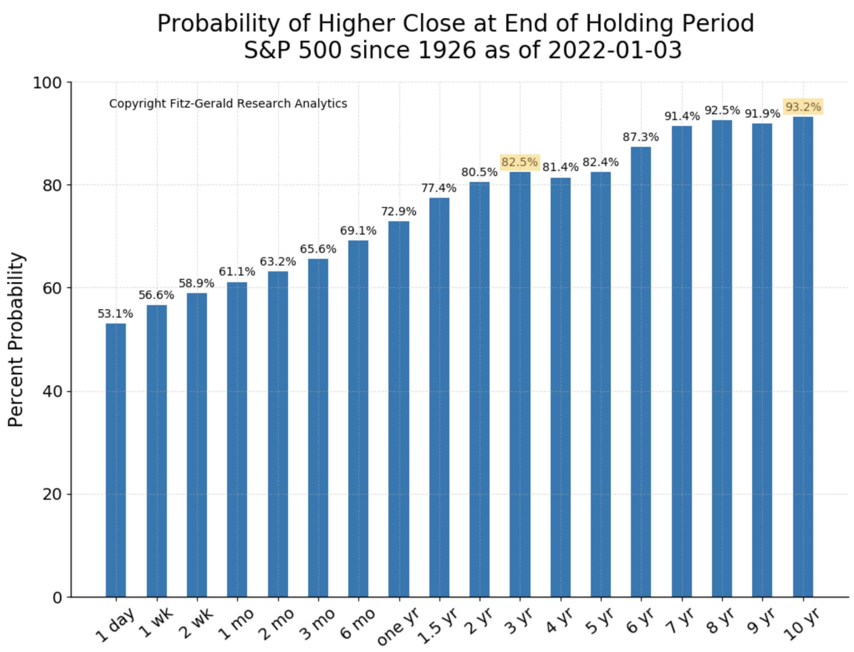
The "Rubes", of course, are still out there plying their trade. Some say the Fed will put an end to the current rally or that politics will be the death of equities. Others are simply peddling their version of doom and gloom and trying to remain relevant however they can.

The temptation to give in to whatever nonsense they're hawking is certainly tempting but history suggests a far different outlook.

If you're investing day to day, fine ... there's a role for that. The odds of a higher close are about 50/50 ... 53.1% to be exact.

Take your perspective out five years or even a decade like we are using within the One Bar Ahead™ framework and the game changes radically. That's not a word I choose lightly.

The odds of a higher close 5 years from now are 82.5% and a jaw-dropping 93.2% a decade from now. Let that sink in or tape this chart to your mirror if needed.



Specific stocks, of course, will do even better which is why the longer-term game we're playing matters. And why we focus so intently on finding 'em.

… the S&P 500 rose 26.89% last year

… Pfizer rose 60.27% over the same time frame

… Microsoft is up 441.23% over the past 5 years

… Apple is up 513.26% over the past 5 years

… Tesla is up 18,638.45% over the past 10 years

***as of 12/31/21*

Being in to win is exactly what we want to do.

It won't be easy.

Don't get me wrong on that. You're not alone if you're worried about market volatility.

The Fed, to a point I made repeatedly last year, has already caused the "next three crises." Any moves they make this year will cause a knee-jerk move to the downside. Several actually.

Computerization will make the selling worse as will passive investing. People find index funds and ETFs to be super-attractive.

What they don't realize is that their decision to buy those things actually makes the problem worse. In other words, they've got a direct hand in creating the very volatility many fear.

Data suggest that 75% or more of all equities are now trading for reasons completely unrelated to fundamentals and so fast that humans can't keep up.

Talk about an opportunity!

We know how the game is played and, importantly, why. That gives us an edge because it means we can harness the volatility that others fear in 2022 much the same as we did in 2021.

There will be more SPAC junk and IPOs ahead this year, the vast majority of which will be based on nothing more than the promise of being profitable someday. Concepts won't mean much even though Silicon Valley's finest will do you their very best to convince you otherwise. DAOs (Direct Access Offerings/Decentralized Autonomous Organizations) will become a new four-letter word.

Still, Wall Street *et al* will try their best to separate you from your money by enticing you to the party, much the same way touts on the Las Vegas strip try to get you into shows. Most of the SPAC/DAO offerings that have yet to hit the wires will be little more than thinly disguised ways of making them money using yours.

The headlines, of course, will remain a balance of greed and fear that isn't always indistinguishable. **The path forward remains clear … to focus on where the world is going rather than where it's been like everyone else**.

We now have more computing power, more resources, and more money at work than at any other time in human history. Covid has "10x'd" innovation.

Hunting down profits is no longer a game of figuring out which stocks work today or tomorrow or even this year. But rather which stocks will generate sustainable wealth for the next decade or more.

I say we get there first!

Every Dollar You Will Make for the Next 10 Years Is STILL on This List

Companies tied into the 5Ds will continue to remain out in front and in high demand while those that are not will increasingly fall by the wayside. This will catch legions of investors by surprise.

The 5Ds will see to that.

Why?

Two reasons.

First, the 5Ds mean that you're playing to win because you are focused on where the world is going. Anybody relying on conventional diversification is playing not to lose which is a very different proposition.

And second, each of the 5Ds is backed by trillions of dollars that will get spent no matter what the Fed does next, how Wall Street tries to hijack markets in its own interest or even which political party controls things.

The 5Ds are so powerful and so all-encompassing that they will produce more profits in the next ten years than the last 50 combined.

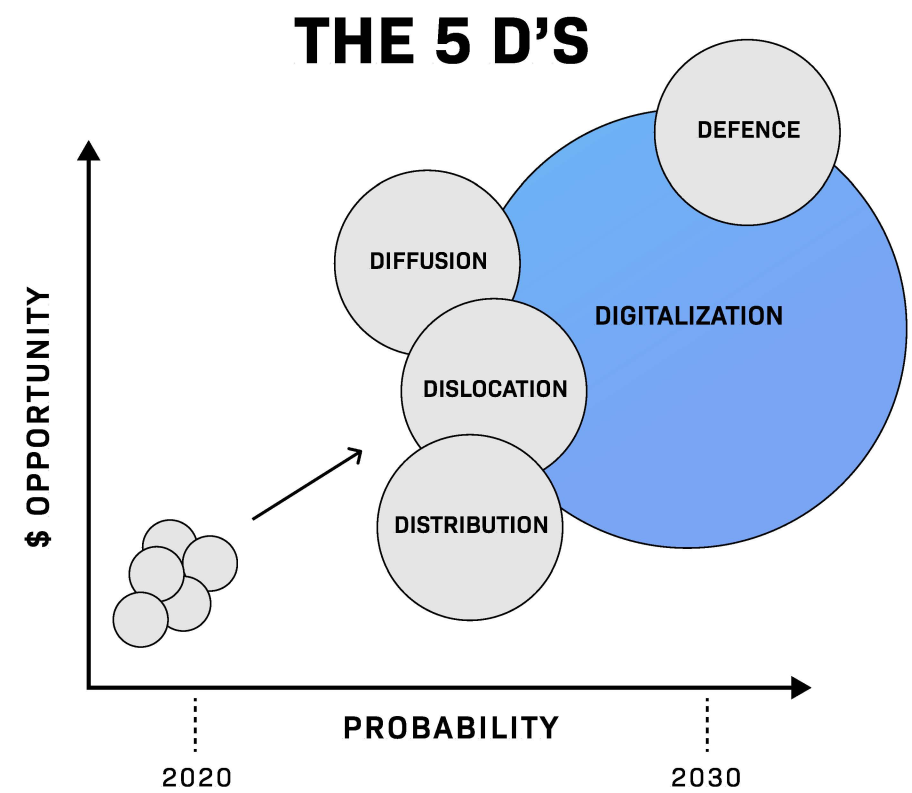
Which, of course, means that it's time to get ahead of 'em now ... early on before most investors recognize the profit potential they're missing.

Not to beat a dead horse here, but every $1,000 invested in Tesla November 2011 – a little more than a decade ago - was worth more than $204,000 ten years later. What's more, history suggests there are 10-15 "Teslas" out there right now!

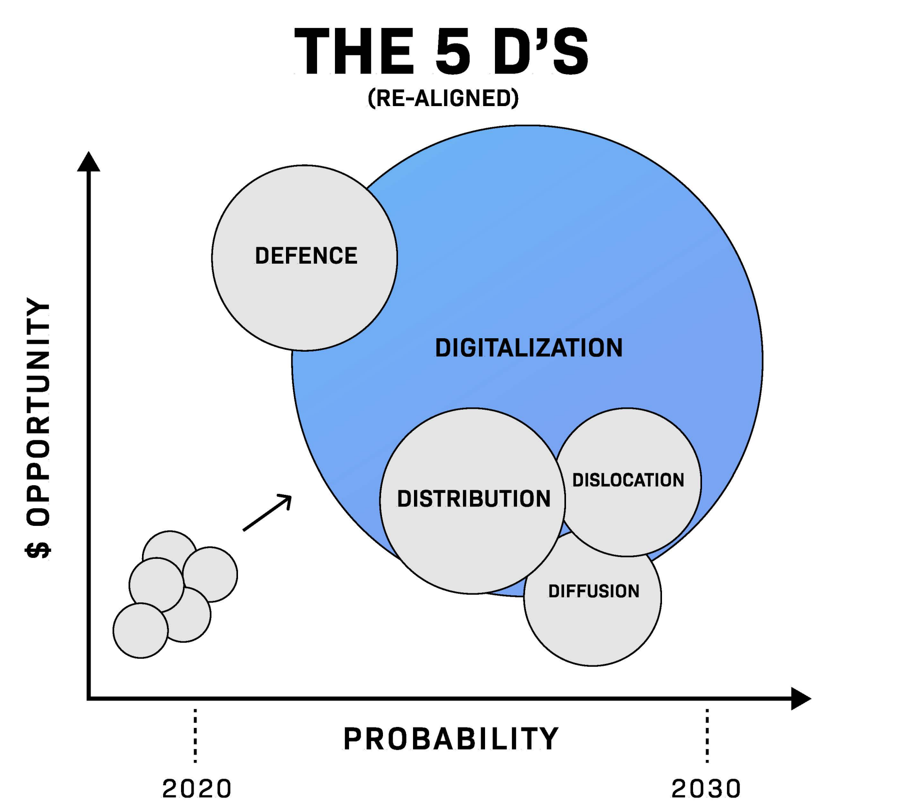
If you can afford to throw away that kind of profit potential, my hat's off to you. But the reality of the situation is that most investors and traders cannot.

Warren Buffett who is arguably one of the smartest investors to have ever played the game has 70% or more of his portfolio in just four stocks for a reason.

You've got to play to win or you won't ... win!



The world has obviously changed a bit, so we're going to re-align the 5Ds to reflect what my analysis suggests is this year's blend of economic, social, and financial impact/ opportunity:



1 - Digitalization

Digitalization refers to the ongoing transformational influence that's changing the human experience. Every industry, every sector, every business will be impacted by what's happening.

Historically people have tried to define this by sector or segment or around specific products like the iPhone, the car, data or even specific processes. But that's digitization.

Digitalization is thematic, which means it crosses segments commonly used to define investment allocation in the name of diversification.

Apple, for instance, is commonly thought of in terms of the iPhone but is involved in everything from personal data to medicine, cars, entertainment, payments and more. It's also tied into the AI/AR ecosphere that increasingly surrounds our lives.

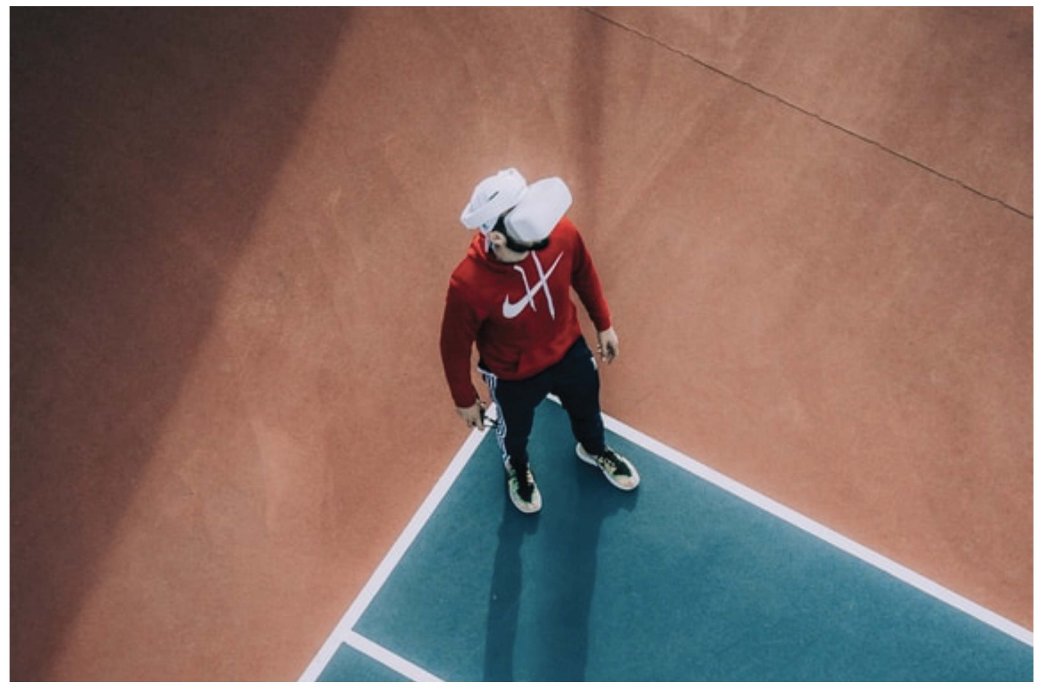
Tesla is thought of as a car maker but is involved in batteries, energy production and trading, insurance, data and more. It's also looped into SpaceX and any number of other ventures.

My point is that if you are investing by sector (which is what a lot of people using conventional diversification or asset allocation models do), you risk missing out because you don't have enough shares of companies like these. Or, worse, don't own shares at all.

Digitalization is the single largest investment theme in recorded history. The amount of money on the table right now will create an entirely new generation of millionaires and, dare I say it, even billionaires over the next ten years.

Two sub-themes are particularly worthy of our attention this year.

Cybercrime is now so big and so pervasive that there's an attack every 11 seconds. The total value of which would be the world's 3rd largest GDP if it were a country.



The metaverse will be one of the key digitalization themes in 2022

The metaverse, a newly hatched term meaning a network of 3D interactive worlds driven by social interaction. There will be a "gold rush" of sorts on the way in which is not a coincidental analogy on my part.

The real money won't be made in the metaverse but by those companies powering it.

2 - Defence

The world we live in is regrettably becoming more complicated and dangerous by the minute.

China's successful surprise hypersonic missile test last year created a Sputnik moment that caught virtually the entire world by surprise. And accelerated defence spending worldwide.

Russian posturing in Ukraine may amount to little more than an attempt to redefine NATO but the risks of an armed conflict remain higher than ever. Having that many troops in such proximity mean that the odds of a miscalculation are serious given the fog of war.

Thankfully, though, I don't see this peaking for another few years which means there is still every incentive to de-escalate potentially problematic relationships.

3 - Diffusion

Once rigid organizational structures including government and corporate governance continue to break down as the pandemic rages. At the same time, the world's centre of economic gravity continues to shift towards the Far East and, specifically, towards China.

Meanwhile, Washington will continue to delude itself at every level while losing relevance the way many great empires have over the centuries. The Beltway Boffins will attempt to vilify various state actors who increasingly have no interest in playing the role assigned to 'em.

To a point I make frequently at conferences and meetings around the world, the Dragon is coming to dinner on Tuesday; the only question you need to answer is whether you and your money want to be at the table or on the menu.

Case in point, Shanghai's city planning department recently released a 5-year plan that includes using the metaverse for city offices, processes and functions. Western planners and counterparts are oblivious!!

China's planning to release the digital Yuan while the Fed's still "talking about it." As I noted last year, I believe Beijing wants to weaponize bitcoin and is well on the way to doing so.

Western financial authorities can't see it coming because they still have not gotten their minds around the concept.

The rise of digital citizenship continues as does the notion of a transitory workforce. My analysis suggests that only about 30% of companies will return to centralized offices while roughly 10% go fully virtual leaving approximately 60% stumbling through a hybrid model that has yet to be fully hatched.

Geopolitically, the transition from long-established alliances to regrettable friendships and even more regrettable alliances that started last year will accelerate this year.

I'm watching the Chinese rollout of the E-CNY closely at the 2022 Winter Olympics

Peace will not break out because it's desperately needed or wanted but, rather, because former enemies will band together as a way of ensuring mutual survival in the face of self-serving Chinese and Russian interests.

Africa remains on the list when it comes to opportunity but is a much longer-game priority as is much of South America with very few exceptions.

4 - Distribution

More than 50% of the world will live in resource-challenged areas by 2030 which means that trillions of dollars must be spent to ensure access to food, water and sanitation.

Covid has brought formerly unthinkable cracks in the supply chain to the forefront while also highlighting just how behind the curve most of the world really is. Just in Time delivery – JIT - must be replaced by Just In Case inventory management and logistics – JIC.

Unfortunately, the prospects for this happening are remote because governments around the world are digging in their heels to preserve the status quo as a means of preserving power rather than finding a path forward.

Private industry continues to end-run failing government structures. Examples include remote work, data transfer, medical development, testing, shopping and delivery. 3D printing is on the cusp of breaking out in everything from heavy materials to medicine.

At the same time, the virus continues to brutally and unapologetically expose failed government policies for what they are. The war on success will continue with increasingly severe tax policies and equally severe capital flight from state to state and even internationally.

The transition will be complete when government authorities implement currency controls to prevent cross-border capital flight. After leaders move their funds, naturally.

5 - Dislocation

The deurbanization I called for last year will slow down in 2022 but continue as completely disillusioned citizens cash in their urban existence for the tranquillity of smaller rural locations.

This will create a reverse backlash when they bring their political norms with 'em.

At the same time, it will create new opportunities for last-mile delivery, increasingly fast remote internet services, and better infrastructure in places that wouldn't have even been on the map pre-pandemic. Shopping malls, for example, may ultimately be resurrected as hard as that is to imagine.

Internet services may finally catch up forcing cable companies into the financial graveyard once and for all. Musk's Starlink will come into its own and I, for one, can't wait!

Key Takeaways

Investors worry about a lack of growth as virus-related stimuli fade but the reverse is true. The virus will accelerate growth as it catches up with pandemic-driven innovation. The real risk is that many investors will fall even further behind because they are not positioned for enough upside!

Growth will continue into mid-2022 then taper off to more defensive market sectors which means the time to begin thinking about those things is Q1. This favours the US dollar with a pronounced shift in global credit relationships as mid-year risks rise.

Inflation will be far more intense and far stickier than central bankers and economic policy wonks envisioned. This will result in a far hotter business cycle, albeit one that burns considerably quicker than normal business cycles in the past. Reflation, not inflation, is key.

Last year – 2021 – was the year of technology makers but 2022 – 2025 will be dominated by technology takers, meaning mundane businesses absorbing technology to improve otherwise unthinkably drab businesses.

Passive investing will continue to fall by the wayside. Predictably, anybody using it will fall farther behind. I won't go as far as saying that passive investing is doomed to fail but the day is coming when long-held assumptions about diversification, efficient markets and investment allocation are thrown to the curb for good.

2022 will be a stock picker's market dominated by the best companies and propelled by concentrated liquidity. The rest, in a continuation of 2021, will increasingly prove to be risk unsuspecting investors don't know they carry. Earnings will make that abundantly clear.

Rising rates will trigger a massive realignment of credit markets with the distinction finally drawn between expensive credit and unsound risk. Central banks collectively missed one of the most self-evident and critical inflationary calls in recorded market history. Replacing interest rate risk with lower volatility/high liquidity stock-oriented choices will continue to be a priority.

Volatility will increase, fueled by a mix of highly leveraged traders, computerization, and liquidity. Badly outdated investment allocation models will fail because they are incapable of recognizing convexity.

Tactically Speaking...

Volatility will increase. Unprepared investors will increasingly find themselves shaken out at key turning points. Right now that looks to be about 3ATR from the mean but the math is something I'm watching constantly.

Liquidity will be critical because I expect to see a continuation of the same sort of violent de-risking behaviour through 2022 that we saw in 2021. Higher rates will prompt an immediate tap on the brakes with the small stocks getting sold off first and hardest because they can be the most challenging to get rid of. Bigger stocks like Apple, for instance, will be kept until the very last moment because they're easier to unload in a pinch.

Using a few basic options strategies will be worth the effort. Many investors regard options as hopelessly complex but that's not true when the right strategies are involved. Two of my favourites – selling cash-secured puts and using covered calls to lock in profits – are among the most conservative available to individual investors yet also among the most consistently profitable.

Expect choppy markets in 2022

Convexity management will be increasingly important as investors begin to realize that they want stock replacements for increasingly challenged bond markets in the face of higher rates. Most investors have never heard the term but my guess is that it'll be commonplace within the next 12 months.

Inverse funds – meaning those that track the inverse of underlying investments - will suddenly be in vogue.

Investors waiting for pullbacks will increasingly find themselves on the sidelines.

Computerization and liquidity dictate that being in before stocks start to run is the better bet.

Tactics like selling cash-secured puts, covered calls and position sizing will become increasingly important.

Timing and valuation will become more important as a profit enhancer than ever before.

The question isn't timing itself though, but rather identifying specific points in time when conditions favour buying or selling using tools.

The MMI will help tremendously and, interestingly enough, this is exactly why I developed it!

Special Notes and Investment Priorities

Oil – Evidence increasingly suggests that the President badly miscalculated when it comes to oil. Keen to push his "Green" agenda, he shut down the Keystone Pipeline, slow-walked or stopped leasing, and crippled production and drilling. Then to top it all off, effectively handed the keys to OPEC, China, and Russia which now have every incentive to keep prices as high as possible for as long as possible.

Simple supply and demand suggest prices could hit \$100 - \$120 a barrel by summer barring a change.

Energy – Most investors think of energy like an on/off switch, but the more effective consideration is to regard it as a continuum running the gamut from dinosaur juice to fusion. At the same time, I see breakthrough solid-state batteries finally on the horizon.

Gold – I expect gold to languish in 2022. The Fed will hike rates which, in turn, has traditionally capped gold prices and dampened the incentive to own it. Factor in the speculative shift to cryptocurrencies as well as reduced retail demand and I expect prices to fall then stabilize in the $1200 - $1300 range.

Chinese Stocks – I expect to re-engage China in 2022, not because I want to but because the world will. EV-related stocks are at the top of my list because that's what China will now sell "out."

Rising Rates – People worry about rising rates but that's overblown. History suggests the markets can handle rising rates if they rise slowly enough. I expect a knee-jerk selloff with each "hike" or mouthy press conference from Fed officials but that'll be a buying opportunity absent a "Volker-style" torpedo.

Investors will increasingly look for unconventional sources of yield including synthetic credit, dividend-paying stocks and private equity.

Cryptocurrencies – The market to digital money continues but it's still super-tough to pick winners. The key is being in the game which is why we're focused on Bitcoin & Ethereum along with JPMorgan Chase and Visa when we can get another favourable entry. I remain concerned that China is weaponizing Bitcoin which is why I am keeping a very close eye on the Digital Yuan as it debuts this year ahead of the 2022 Winter Olympics.

Covid-19 – I said early in the pandemic that the world would reach a tipping point when we learn to live with the virus as opposed to hunkering down in a futile attempt to prevent it. What's more, the psychology has changed. People worldwide increasingly "want out" and to get on with their lives.

One big fly in the proverbial ointment remains though ... that the virus outruns current medical technology in which case, frankly, the stock markets will be the least of our worries. There are a lot of letters in the Greek alphabet remaining.

Inflation – the Fed really screwed this up and the "transitory" narrative will go down in history as one of the worst calls of all time. Higher prices are here to stay, unfortunately. The Fed, while we're on the topic, has already caused the next several crises so it's a situation we'll be watching carefully.

Real Estate – I expect prices to relax a bit but probably not by much. People are acutely aware that the game's changed and once vibrant urban cores like Seattle, Chicago, Los Angeles and even New York will struggle to regain their mojo. Meanwhile, rural areas will continue to enjoy the net ingress of folks seeking a higher quality of life that, importantly, they now recognize as justly due.

Labor Prices – Companies are having trouble attracting employees. Some believe this is because the government has made it too easy to stay home while others say that companies aren't paying enough. Either way, labour costs are rising and that will cause companies to raise prices still further to maintain profit margins.

Supply Bottlenecks – Supply chains are beginning to recover but there's still a long way to go when it comes to getting 'em back on track. I don't see much new capacity developing through 2023 which means that the real key will be companies learning to do more with what they've already got on hand. The winners are going to be choices where technology can be applied while the losers will quickly shake out because of labour inputs.

Armed Conflict – China is becoming increasingly aggressive concerning Taiwan, but my sense is that they will not make a play until Russia moves on Ukraine. Or Beijing will simply create a pretext based on perceived weakness in the Biden Administration if they think a strong hand could return to the White House.

Either way, what happens next is straight out of Sun Tzu's playbook, "the whole secret (to winning) lies in confusing the enemy, so that he cannot fathom our real intent."

The Russia/Ukraine situation is also on my mind. Experts I spoke with initially believed that Russia would invade Ukraine but several have now changed their thinking to reflect the possibility of strategic misdirection. I believe (as of press time) that Putin may be attempting to redefine NATO and forestall non-NATO state cooperation.

In contrast to negotiation by strategic deception strategies used by the Chinese, Russia views negotiation as a power play based on confrontation and force. They are also prone to use obstructionist tactics intended to result in western concessions to end Russian delays.

Robotics – Coming into their own as a function of higher labour costs, mandated minimum wage and excessive stimulus. Machine vision coupled with newly emerging AI will allow unprecedented automation not currently possible.

Social Mood – Pandemic psychology has changed and that's increasingly reflected in the numbers. People want out and will do everything they can to get out and stay there. Companies like Peloton are already getting crushed, but I expect that to trickle to choices like Netflix, Hulu, Roku and more.

Pandemic psychology has changed, and we should invest accordingly

Simply put, the emphasis is returning to living life rather than hunkering down and watching it go by. This reinforces the need to focus on growth, technology and healthcare which will implausibly be increasingly intertwined.

Bottom Line

The world is re-opening at an unimaginable pace even as Covid continues to rage.

Optimism will prove to be a far more powerful wealth creator than pessimism, however seemingly well-justified the latter seems.

The best companies will continue to lead the charge through increasingly severe political shocks, disjointed monetary policy mismanagement and short-term market shenanigans.

As scary as it will seem at the time, concentration and liquidity will remain our path to profits when the markets get anxious for whatever reason.

Being "in to win" remains more critical than ever because that's how we harness opportunity long before other investors who lack the One Bar Ahead™ framework even recognize it exists.

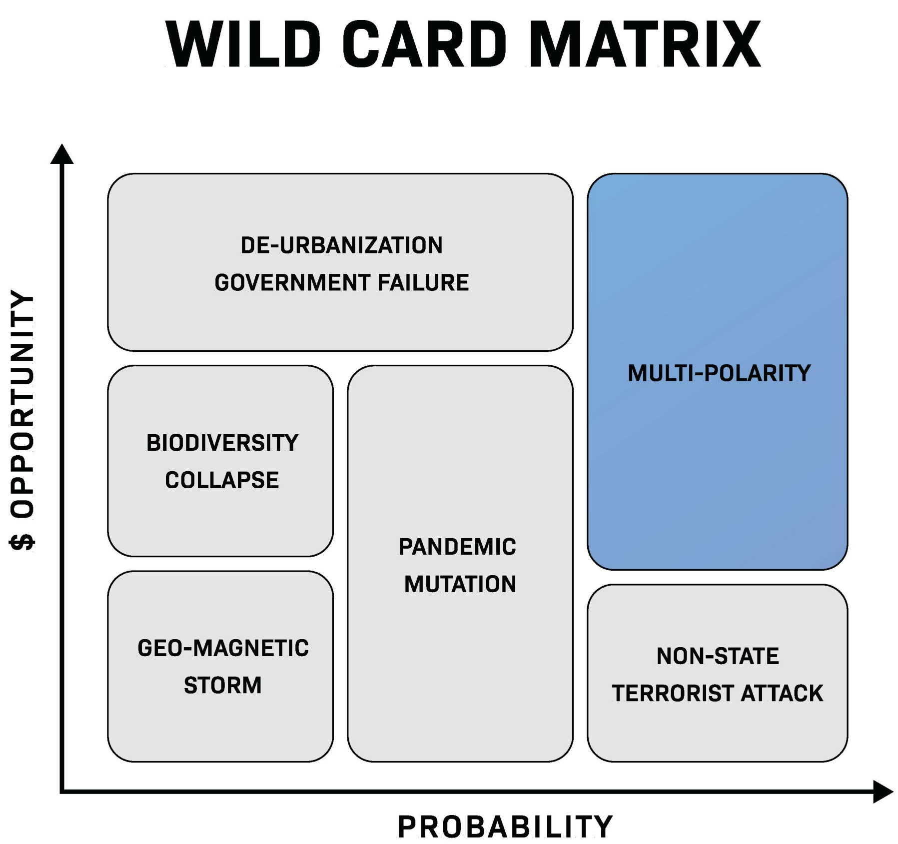
What a remarkable time to be alive and in the markets!

I'm thrilled we're in this together.

KF

Bonus: The Wild Card Matrix →

Bonus



Planning for profits requires that we do a lot of thinking about what could get in the way and the risks that could knock us off course. Then, figuring out how we'll get around 'em.

Admittedly, thinking about this stuff can be downright scary or at least unsettling but I'd be remiss not to for the simple reason that you place a lot of trust in me to get this stuff right.

1 – Pandemic mutation – The world continues to assume that the virus will be beaten but that's a dangerous, naïve assumption. The single biggest risk is that Covid mutates beyond current medical technology or there is "spill-back" transmission from humans to animals and back again.

2 – Multi-Polarity – I identified this as a risk last year, noting that the United States, the EU and Britain increasingly teeter on the edge of geopolitical irrelevance. That's still true and disturbingly, China continues to aggressively expand its influence to fill the vacuum it perceives. Russia has also stepped up.

3 – Geomagnetic Storm – Scientists I speak with remain extremely concerned about a magnetic storm like the one that blew through the earth in 1859 that's known as the Carrington Event. There was reportedly so much solar energy that telegraphs worked without power, auroras were visible in the Caribbean and more. A blast like that today would literally result in a modern Stone Age.

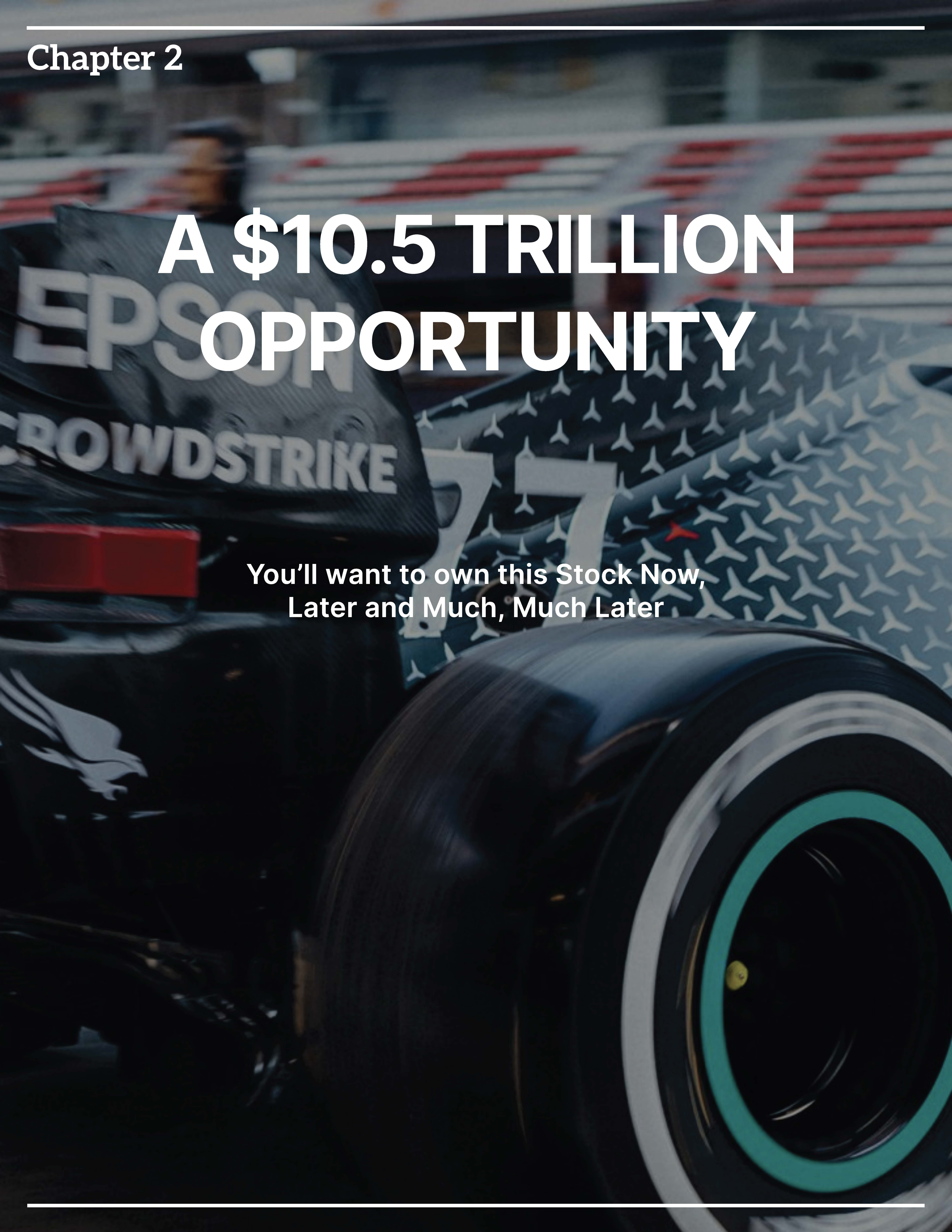
4 – Biodiversity Collapse – Unsustainable agriculture, overfishing and other long-held assumptions about how we grow, process and deliver our food could result in a catastrophic collapse. Synthetic biology will be a very real necessity in the years ahead.

5 – Non-State Terrorism – Digitalization has created an entirely new form of warfare the likes of which is hard to contemplate.

Proportionality and conditional action associated with historically defined boundaries no longer apply. The distinction between truly unknown risks referred to as "Black Swans" and known but previously unacknowledged risks referred to as "Black Elephants" is growing narrower by the day.

Investing safely is all about knowing what can knock you off course and plotting a course accordingly

Chapter 2



A $10.5 TRILLION OPPORTUNITY

You’ll want to own this Stock Now,
Later and Much, Much Later

A $10.5 TRILLION OPPORTUNITY BY 2025

This could be the single biggest transfer of economic wealth in recorded history.

There's so much money at stake that the tally could be larger than the cost of all natural disasters inflicted worldwide this year and more profitable than the entire global drug trade combined according to Forbes, Cisco, McKinsey and other sources.

Which, of course, means the investment proposition is equally ginormous.

Cybercrime is already a $6 trillion a year problem. If it were a country, cybercrime would be the world's 3rd largest economy after the United States and China. The tally will be at least $10.5 trillion by 2025.

Every industry *must* adapt.

Studies suggest there is an attack every 11 seconds. Yet, the risks of detection are just 0.05% in the United States. Even less in the rest of the world.

Companies holding sensitive data or dealing with otherwise highly personal information are particularly vulnerable to identity theft or simply looting your bitcoin account which is how most people think about cybercrime. And if that's where the problem stopped, I'd be fine with it.

Unfortunately, there's a far worse variety with less public visibility and an order of magnitude larger consequences on the horizon. People will die which is why there is every incentive to invest in preventative measures.

This is not alarmist thinking

Hackers went after the Wolf Creek Nuclear Operating Corporation which runs a nuclear power plant near Burlington, Kansas in 2016 using methods resembling the Energetic Bear, a Russian hacking group that has targeted energy facilities for at least the past decade.

The next generation of cybercrime is not just simple stuff like identity theft - it has a real impact on the world around us

That same year, cybercriminals took control of an unnamed US water treatment plant and changed the chemical composition of materials used to purify water. People would have been poisoned and an entire drinking water supply rendered unpotable had the changes not been noticed.

Petro Rabigh, an important Saudi Arabian oil refinery, was reverse engineered in 2017. Attackers wanted to learn enough about the control systems that they could override key systems and shut down critical safety measures. Bluntly, they tried to blow stuff up.

Months later, hackers shut down critical oil and gas pipeline monitoring systems spanning the entire United States. Fortunately, they just caused logistical problems, but things could have been far worse.

Cybercriminals also shut down enormous sections of Ukraine's power grid and gained similar access throughout the entire United Kingdom's electric grid in 2018.

More recently, India reported malware consistent with North Korea's state-backed cybercrime outfit the Lazarus Group at the Kudankulam Nuclear Power Plant in its administrative systems and networks.

A $10.5 TRILLION OPPORTUNITY BY 2025

Now there are signs that hackers have already placed weaponized software inside critical US power and water systems where it lurks awaiting a "go" code.

That's according to MIT researchers and Dragos, a security firm monitoring potentially fatal intrusions in dozens of United States power grids and water supply systems.

And that's just the stuff we know about!

Enter CrowdStrike (CRWD)

I've been watching CrowdStrike for some time now but have held off because share prices were just too hot to handle.

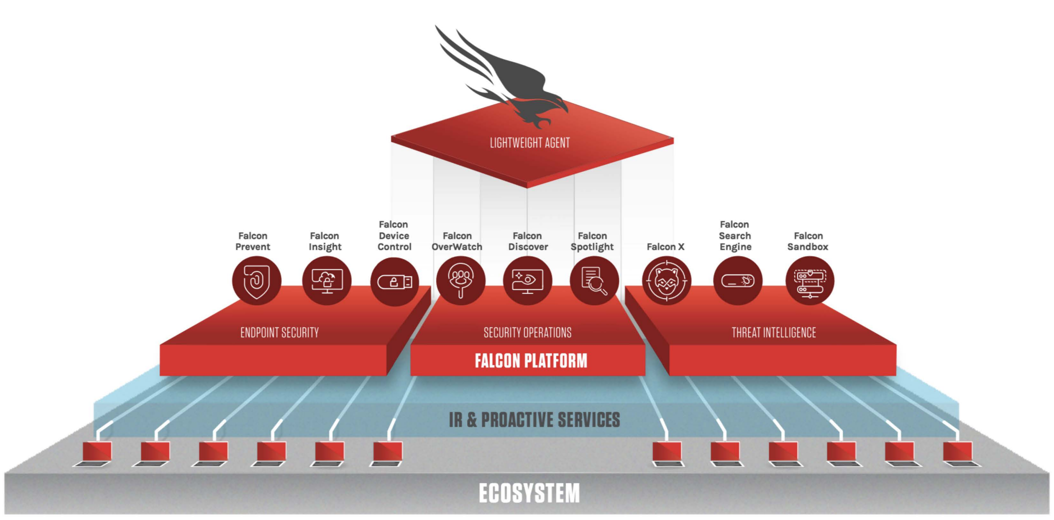
That's changed.

Like many tech names, CrowdStrike got pummeled by inflation-induced selloffs in late 2021. Shares are off nearly 30% as we go to press, in fact.

I don't think they're going to stay at these levels for long for several reasons.

First, CrowdStrike is a cloud-based offering, not installed locally.

This gives companies using CrowdStrike products an advantage because they do not have to worry about the complexity of maintaining, scaling and localizing protection.



How CrowdStrike's Falcon works through the cloud

Source: Crowdstrike.com

Like Palantir and Microsoft, CrowdStrike uses a "land and expand" approach to sales – meaning that the company typically latches onto a customer with a module or two initially, then expands the footprint through a combination of upselling and cross selling.

Second, retention is 120% and rising.

The land and expand strategy is key because customers spend a lot of money bringing a solution on board but then stick with it because it's costly to switch away. The module use ratio has jumped from 22% to 32% for those using 6 or more but from 61% to 66% for those using just 4 modules.

Revenue per customer is also increasing.

Analysts suggest 80-90% YoY growth through 2022 but I think the figure could top 100% with 75% top line growth for the full year possible. If I'm right, that'll translate into something north of $2-2.5 billion.

Margins are 70% or more which is unheard of for comparable offerings and super-rarified air amongst competitors.

And third, the company's products are nearly frictionless.

Companies and businesses have to get it right every time, but a criminal has to get it right just one time. Executives know this which is why they will spend whatever it takes to defend against those with nefarious purposes in mind. I don't see a slowdown in growth for the next 5-10 years.

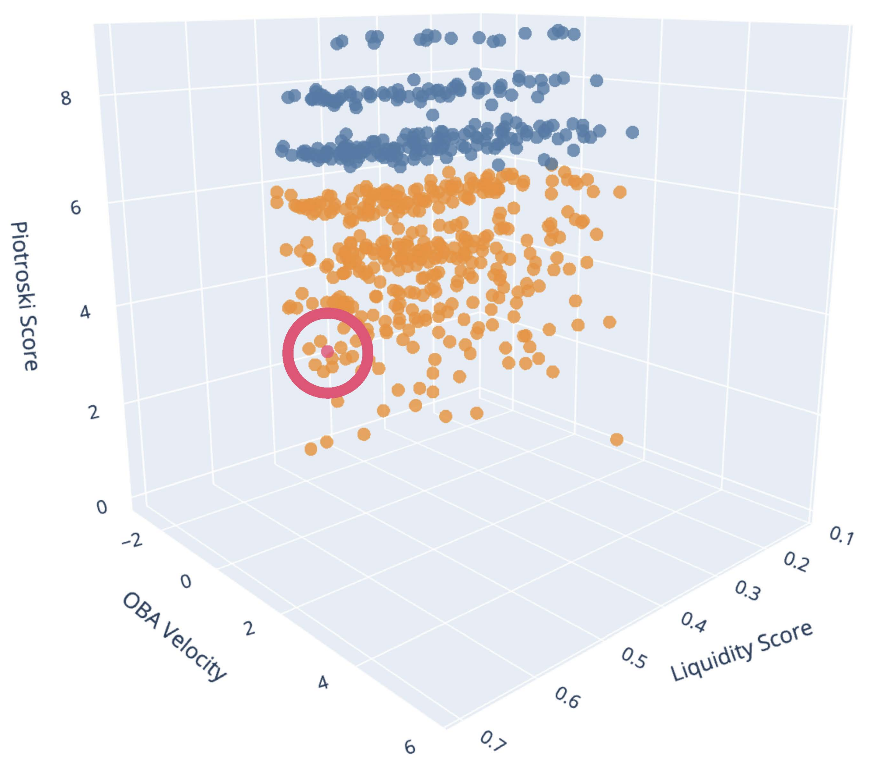
Here's what One Bar Ahead™, our proprietary analytics suite says about CrowdStrike.

The Universe

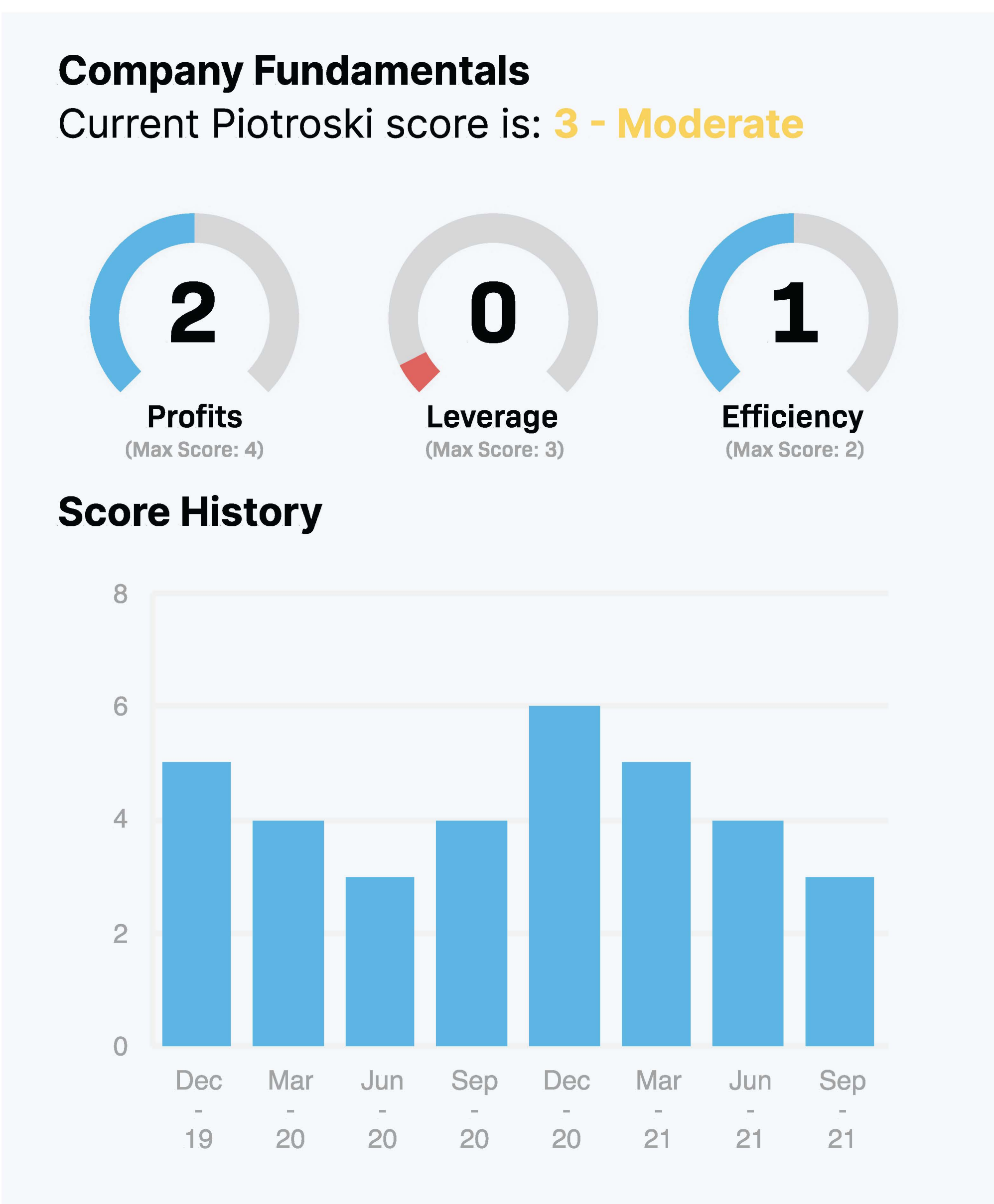
CrowdStrike is in the lower left in the Value Spectrum™ which is consistent with what we know about market conditions and the scale of the opportunity.

A $10.5 TRILLION OPPORTUNITY BY 2025

I like the fact that the stock has sold off dramatically last year because this positions shares in the lower left quadrant while also increasing the upside potential I see ahead.



The Fundamentals



CrowdStrike sports a Piotroski Score that's 3 of 9 possible points. This is consistent with a high-growth, high value business under normal conditions but especially promising against the background I've just described. I envision this improving to at least a 5 within the next 12-24 months.

CrowdStrike's beta is 1.43 which means it's considerably more volatile than the broader markets. But not overly so.

The MMI

The MMI is consistent with CRWD's trajectory. It bottomed out in late December 2021 and prices appear to be building a solid base in the low $200 a share range as we go to press. We know from our research that an MMI reading at these levels favours buying over selling.

Speaking of which, I suspect CrowdStrike may get hit again when the Fed first starts to tighten but that's exactly where a higher beta stock like this one becomes more attractive because it'll move more and, potentially, rebound faster after the initial rate-related shock than other lower-beta alternatives.

The MMI, while a little high, is signalling a good base to build upon

Action to take

Buy CrowdStrike at $195 or less. Accumulate on dips or as new cash becomes available. Anything under $180 a share could be a steal. Implement a trailing stop that's 25% below your purchase price to limit risk and protect profits. As always, feel free to tighten that "up" to levels that match your personal risk tolerance, investment objectives, and situation. Tuck shares away in the Global Growth and Income segment of your portfolio.

If you fancy a more aggressive bet or simply want a lower cost alternative, **consider buying the 19 Jan 2024 $185 LEAPS calls** which are trading at $48.70 as I type. Be prepared for a slightly bumpier ride though because options come with time decay and volatility characteristics all of their own. Be sure to run any trailing stops as if you'd purchased the stock, not the option.

And, finally, consider **selling cash-secured puts like the 21 Jan 2022 $175 puts** which are trading for $4.10 as I type at the moment. The probability of profit is roughly 66.2% as I type while the return on margin is already a healthy 11.57%. Do not use this strategy unless you have the cash to buy 100 shares for every put option you sell at the strike price you sell 'em. In this case, that's $17,500 per lot.

Target: $295 within 12 months

Yield: ~

CROWDSTRIKE

Chapter 3

THIS STOCK COULD BE SLEEPER OF THE YEAR

Perfect for the Metaverse

COULD BE SLEEPER OF THE YEAR

Let's talk about the House of Mouse.

Shares got beaten down mercilessly when Covid hit and again more recently when Delta and Omicron emerged. The first time around they fell 48% from a pre-pandemic high of $152 or so to just a notch over $79 while the second go-round saw prices plunge 30% from a 52-week high of $203.02 to a 52-week low of $142.04 in early December.

More than a few investors are scared to own shares at this point but, as is often the case, that's exactly why we ought to!

I believe the Walt Disney Co (NYSE: DIS) could be one of the best stocks to own this year.

The business case for owning Disney is very straightforward.

First, Disney has one of the single most valuable brand franchises ever assembled.

People are focused on Disney+, the company's streaming content service but they're missing the point. The game isn't streaming itself nor is it competition with the likes of Netflix, Hulu or other online entertainment options.

The real profit potential comes from integrated branding associated with Marvel Comics, Star Wars, Pixar, National Geographic and, of course, Disney itself. Management intends to release new content in a dramatic ramp up that will ultimately have what it calls a "steady-state" cadence.

One of the

most valuable brand portfolios in history

Getting there will require a $33 billion spend during fiscal 2022 which will take the company straight to consumers rather than through middlemen. The plans are for 50 streaming and theatrical releases.

This is a dramatic change from the pandemic pace which significantly constrained customer spending because new content couldn't be released via theatres with all the usual fanfare and related branding.

At the same time, Disney recently returned to YouTube TV after a contentious battle over "carriage fees" – amazing what a motivator profits can be!

Second, people have had it with being cooped up.

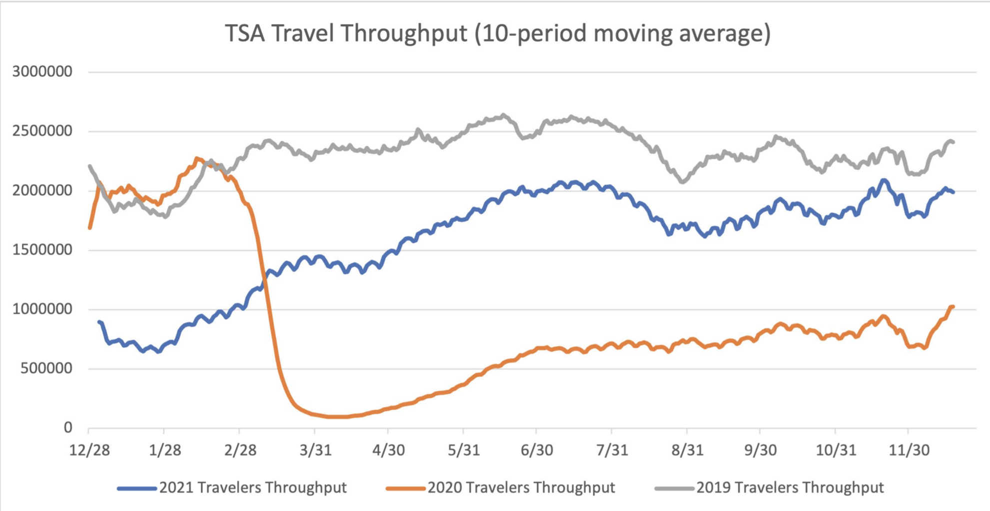
Covid, Delta, Omicron ... or not, many want to be out and they're going to make a beeline for Disney's parks. People assume that the parks are already back to normal after having been completely closed in 2020 but that's not true.

In fact, there's a long way to go which is where I get interested.

Guest spending is up 30%-40% and rising. There is some evidence that inflation has hampered ticket sales in the short term, but I think Disney will find a way to boost park profit margins.

Moreover, I believe that Disney will overhaul the daily park management model to more closely align with the new content generation I've just mentioned. That's key because the primary driver is not the 5-11 year old age bracket most analysts are focusing on but, rather, the parents of 5-11 year old kids who want to recapture what they perceive as a pandemic-lost childhood experience. They've got the money and, importantly, the motivation.

On a related note, it's worth noting that air-travel is returning to normal, even approaching pre-pandemic levels. My research suggests that will continue to accelerate which, of course, means more people can get to Disney Parks. Hi-spending international travelers specifically.



TSA Data show travel returning

Third, Disney's new CEO Bob Chapek will be keen to put his mark on things as the legendary Bob Iger retires.

I like the move because Chapek brings new thinking at a time when new approaches are needed. Outgoing CEO Bob Iger actually put the move in motion noting to CNBC's Jim Cramer that he was stepping down because he was saying "no" to other people's ideas too quickly.

Many analysts say that Iger's shoes are too big to fill but I disagree.

Former CEO Michael Eisner is one of Chapek's biggest fans because Chapek led the charge under his direct supervision when Disney transitioned from selling video cassettes to retailers to selling directly to consumers. A move that paid off handsomely under similar conditions.

I think Chapek knows exactly what he's doing and that the pay off in a post-covid world will be spectacular.

Here's what the proprietary One Bar Ahead™ analytics suite says about Disney.

The Universe

Disney is in the upper left quadrant in the Value Spectrum™ which is about what I'd expect at this point in time given the technical selloff in shares that's brought us to this point.

Our research suggests that the stock has plenty of room to run to the right which is, of course, exactly what we want to see as more investors begin to understand the story I've just laid out and the tremendously undervalued nature of shares at the moment.

The Fundamentals

The company's beta is 1.06 as of press time which is abnormally high for the role I expect it to play in our portfolio.

Normally I'd shy away under the circumstances but in this case, I expect beta to fall considerably as shares regain their footing and make up lost ground.

Disney has historically paid a handsome dividend, but management suspended that in 2019 to hoard badly needed cash during the depths of the pandemic. I expect that to restart as the currently bloated balance sheet is trimmed, debt reduced and profits return.

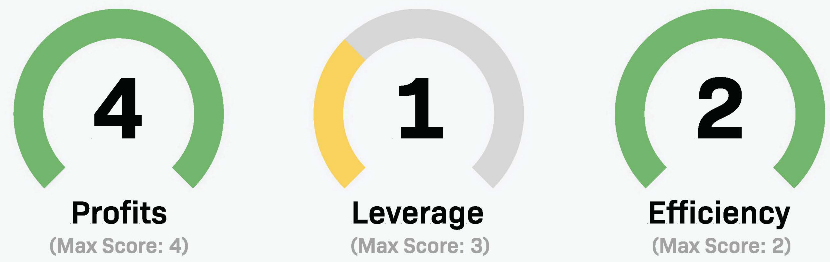
That, too, is an opening because the move will begin when the investing public catches wind of a "restart."

Let's get there first!

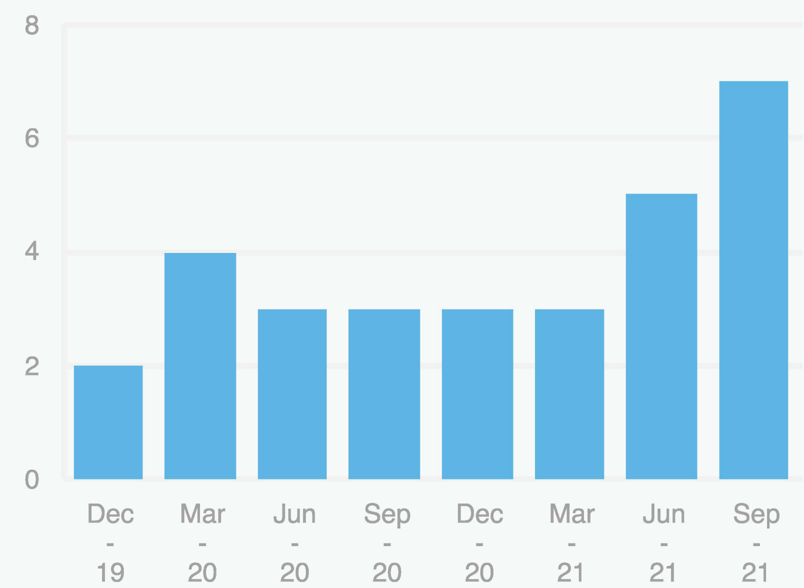
COULD BE SLEEPER OF THE YEAR

Company Fundamentals

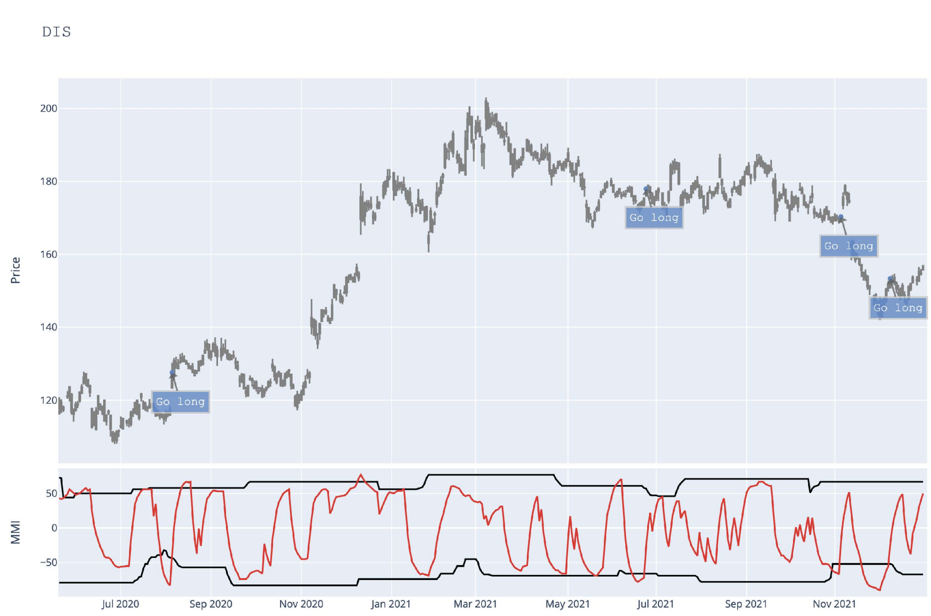
Current Piotroski score is: **7 - (Good health)**



Score History



The Master Market Indicator™



Disney's MMI is consistent with a stock poised to rebound - and in fact, it's already starting.

After the most recent bout of selling, the stock is rebounding and setting up a nice base to run higher.

Action to take

Buy Disney (DIS) as close to $150 a share as you can. Accumulate on dips or as new cash becomes available. Implement a trailing stop that's 25% below your purchase price to limit risk and protect profits. As always, feel free to tighten that "up" to levels that match your personal risk tolerance, investment objectives and situation. Tuck shares away in the Global Growth and Income segment of your portfolio.

If you fancy a more aggressive bet or simply want a lower cost alternative, **consider buying the 19 Jan 2024 LEAPs calls** which are trading at $33.80 as I type. Be prepared for a slightly bumpier ride though because options come with time decay and volatility characteristics all of their own. Be sure to run any trailing stops as if you'd purchased the stocks, not the option.

And, finally, if you fancy a discount like I do, **consider selling cash-secured puts like the 18 Feb 2022 $140 Puts** which are trading for $1.94 as I type. The probability of profit is roughly 76.85% as I type while the return on margin is already a healthy 6.93%. As always, do not use this strategy unless you have the cash to back it up and to buy 100 shares for every put option you sell at the strike price you sell 'em. In this case, that's $14,000 per lot.

Target: $219 within 24 months

The markets are acting like Disney's going out of business but that's our opening!

Chapter 4

PORTFOLIO REVIEW

Plus

the Fund Folio™

&

OBA 50™

PORTFOLIO REVIEW (JANUARY 2022)

Buy the best, ignore the rest!

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.

Global Growth & Income (40%)

This category houses companies offering a unique twist on one or more of the "5 Ds" 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 heros 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 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.

SH and **RYURX** are both 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

PORTFOLIO REVIEW (JANUARY 2022)

Foundation Stones (50%)

AAPL

APPLE, INC

Beta
1.09

Yield
0.50%

Notes
Apple just became the world's first $3 trillion company. Record-breaking cash flow for several quarters in a row highlights big growth in EVERY product line. Wearables, in particular, sold like gangbusters over the holidays. Apple, by the way, has reportedly hired away Meta's communication chief for all things AR. Combine that with recent digital payments hiring, I think the company enters the metaverse shortly.

JPM

JPMORGAN CHASE & CO.

Beta
1.16

Yield
2.53%

Notes
Earnings will be out on January 15th and I'm expecting some super solid numbers. Rising interest rates will benefit the company's spreads enormously. The stock is a healthy blend of income and growth. The company trades at a super reasonable price multiple. Don't forget the bank is working very quietly but very aggressively on digital currency behind the scenes. The company's been building up cash reserves which doesn't strike me as a coincidence. I think it makes a splash in healthcare payments this year which will build upon the $500 million InstaMed acquisition in 2019.

MSFT

Microsoft Corporation

Beta
0.98

Yield
0.74%

Notes
The usual "it's expensive" pundits are plying their trade lately but I don't think they've got the half of it under control. Microsoft has been and will continue to be one of the single strongest stocks you can buy for at least the next decade. The company has extremely strong fundamentals and benefits from rising global demand, deep and sticky licensing agreements and, of course, a blizzard of cloud-based offerings. MSFT is a key beneficiary of the rapid drive to digitalization worldwide. Not for nothing, but they've all but announced a metaverse version of Office.

RCS

Pimco Strategic Income Fund

Beta
0.78

Yield
9.01%

Notes
The Fed will make the most telegraphed rate hike in recorded history and expectations are that bond funds like RCS will tank. Not so. Obviously, they'll come under pressure but huge swathes of the market including pension funds, endowments and other major corporate funds must own bonds. The fund has paid 98% of all returns to shareholders through good and bad. Oh, and the 9% yield is one of the few that can keep you ahead of inflation which is running at a mind-warping 7% YoY as of last November.

Global Growth & Income (40%)

AMZN

Amazon.com Inc

Beta
0.70

Yield
0.00%

Notes
I think Amazon will be a test of patience in 2022. The retail side will come under pressure as competitive offerings from the likes of Walmart show up. Or via lawmakers who are out to ruin one of the most innovative companies in recorded history. Antitrust risks are rising but I think it's worth owning shares as long as the rodeo continues. Healthcare and personal financial services are the two bigger growth areas we should expect to follow for the balance of 2022.

PORTFOLIO REVIEW (JANUARY 2022)

COST

Costco Wholesale Corporation

Beta
0.38

Yield
0.56%

Notes
Costco's Q1 FY 2022 earnings easily surpassed analysts' expectations, rising 13.7% year over year. Revenues continue to rise as do earnings. I don't see that slowing down any time soon as consumers increasingly need to make every dollar count. I expect the company to pay a special dividend this year based on its past history and strong cash flow.

CVX

Chevron Corporation

Beta
1.32

Yield
4.57%

Notes
OPEC is once again firmly in the driver's seat and has every incentive to maximize prices for as long as possible. Barring a change in Presidential policy, $120 a barrel by summer is absolutely possible. Chevron is the strongest and best of the integrated energy plays because it's more efficient, has a better dino juice portfolio and has the best breakthrough energy investments on the planet.

GILD

Gilead Sciences, Inc

Beta
0.33

Yield
3.91%

Notes
The company continues to be an important player in the Covid treatment space but I think the real move will be from oncology. Shares have been largely under the radar lately for most investors but I see 2022 as a chance to get back on board before the attention shifts. Meanwhile, the yield is appealing.

GIS

General Mills, Inc

Beta
0.28

Yield
3.03%

Notes
General Mills reported fiscal second-quarter 2022 results on Dec. 21. Revenue grew 6.4% year over year to just over $5 billion, beating Wall Street analysts' estimates by $163 million. I see the pet food segment doing particularly well in the next year, as the latest data suggest that pet food purchases are up 6.9% YoY compared to just 2.3% for human food.

LMT

Lockheed Martin Corporation

Beta
0.96

Yield
3.15%

Notes
Finland will purchase 64 F-35A fighter jets from Lockheed Martin in a deal worth $9.5 billion. A reliance on government contracts and R&D funding bodes well for Lockheed. The DoD is looking for its largest-ever spend request for research and development in 2022--$112 billion, a 5.1% increase. Russian and Chinese shenanigans will only open doors to more defence spending.

MCD

McDonald's Corporation

Beta
0.87

Yield
2.06%

Notes
McDonald's managed to navigate the pandemic by addressing consumer demand through what it calls 3Ds - Digital, Delivery, and Drive-Thru - not be confused with OBA's "5Ds." In the first three quarters of 2021, sales from digital channels (which include a mobile app, delivery and kiosk) came in at $13 billion and represented 20%+ of the systemwide sales in the company's top six markets. The burgers and fries always brought in customers, but the integration of technology is what will fuel growing sales in 2022.

PORTFOLIO REVIEW (JANUARY 2022)

PFE

Pfizer Inc

Beta 0.69

Yield 2.71%

Notes
Pfizer's new Covid pill, Paxlovid, was authorized by the Food and Drug Administration, pushing the stock near record highs. UBS estimates that Paxlovid could add another $14 billion to PFE's top line, but I think that figure is an order of magnitude low. The real tally may well be $20+ billion. Pfizer is also in the process of acquiring Arena Pharmaceuticals (ARNA) for $6.7 billion, a company working on treatments for immuno-inflammatory diseases through medical marijuana. I think it's a great fit and one that will benefit shareholders like us tremendously over time.

PLTR

Palantir Technologies Inc

Beta 1.81

Yield 0.00%

Notes
Palantir is growing at 30%-40% a year, has a 57% margin, is increasing revenue per customer, generating more cash, expanding margins and, most importantly, has positive cash flow. The company also reiterated growth of at least 30% through 2025. Hedge funds and investors continue to accumulate the stock while bagging on it in the public. I think earnings will rock and that the company's recently publicized moves into crypto are going to pay off big time eventually.

RTX

Raytheon Technologies Corporation

Beta 1.45

Yield 2.37%

Notes
Raytheon is the best pure-play aerospace and defence company on the planet to my way of thinking. Continue to nibble back in using instructions from the Special Alert on December 2, 2021 (it's in the archives). It's going to be a bumpy, but ultimately profitable ride me thinks.

V

Visa Inc

Beta 1.04

Yield 0.69%

Notes
Visa has its sights set on integrating blockchain technology. The company launched the Global Crypto Advisory practice as a way to help clients "on their own cryptocurrency journey." The latest spat with Amazon UK has blown over but is a warning shot. We will re-enter but some patience may be required for a bit longer.

WM

Waste Management, Inc

Beta 0.62

Yield 1.49%

Notes
This company just may well be the ultimate pre/post-pandemic play. The company recently declared a 13% increase in its quarterly dividend from $0.57 to $0.65, marking the 19th consecutive year that the company has increased its per-share dividend. WM will also be repurchasing up to $1.5 billion in stock. The company projects total 2021 revenue of $17.8 billion, a 17.06% increase from last year.

Zingers (10%)

TSLA

Tesla Inc

Beta 1.57

Yield 0.00%

Notes
Record deliveries and even more impressive results on tap. CEO Elon Musk continues to defy naysayers and I think the stock powers higher for years to come. Albeit with all sorts of ups and downs.

PORTFOLIO REVIEW (JANUARY 2022)

RKLB
Rocket Lab USA, Inc

Beta
n/a

Yield
0.00%

Notes
Billionaire Ken Griffin has apparently gone in "heavy" on Rocket Lab which means we're in good company for having done the same thing. Space will be challenging but ultimately super profitable for those with the guts to hang on. I think this year is a tipping-point.

Vegas Money (1-2%)

UBX
Unity Biotechnology, Inc

Beta
0.74

Yield
0.00%

Notes
No news to report.

CWBR
Cohbar, Inc

Beta
1.44

Yield
0.00%

Notes
The company will present at the HC Wainwright BIOCONNECT Conference (virtual).

GOEV
Canoo Inc

Beta
0.36

Yield
0.00%

Notes
Worth hanging on to see if there's a deal brewing with WMT (Walmart).

Cash Alternatives (1-2%)

While it's a good idea to own at least a little each of Bitcoin and Ethereum, I'm increasingly leaning towards **Ethereum (ETH)** exclusively. The use case is simply leaps and bounds above Bitcoin, and acts as the "picks and shovels" of Web3.

PORTFOLIO REVIEW (JANUARY 2022)

One Bar Ahead™ Model Portfolio

PORTFOLIO DETAILS										
As of 01/03/2022	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	STOP	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/21	$ 132.05	$ 182.01	1.09	0.50%	37.8%	$ 135.25	$ 200.00	Buy/Accumulate
	JPM	1/14/21	$ 141.17	$ 161.69	1.16	2.53%	14.5%	$ 144.44	$ 200.00	Buy/Accumulate
	MSFT	3/5/21	$ 226.73	$ 334.75	0.98	0.74%	47.6%	$ 297.71	$ 400.00	Buy/Accumulate
	RCS	10/1/21	$ 6.99	$ 6.81	0.78	9.01%	-2.6%	$ 5.78	$ 8.25	Buy/Accumulate
GROWTH INCOME	AMZN	8/23/21	$ 3,265.87	$ 3,408.09	0.7	0.00%	4.4%	$ 3,270.00	$ 3,850.00	Buy/Accumulate
	COST	8/6/21	$ 439.63	$ 566.71	0.38	0.56%	28.9%	$ 446.34	$ 540.00	Buy/Accumulate
	CVX	9/3/21	$ 97.06	$ 119.25	1.32	4.57%	22.9%	$ 101.31	$ 115.00	Buy/Accumulate
	GILD	1/11/21	$ 62.51	$ 72.58	0.33	3.91%	16.1%	$ 63.00	$ 88.00	Buy/Accumulate
	GIS	6/4/21	$ 63.72	$ 67.26	0.28	3.03%	5.6%	$ 62.50	$ 70.00	Buy/Accumulate
	LMT	11/5/21	$ 341.78	$ 354.30	0.96	3.15%	3.7%	$ 266.56	$ 380.00	Buy/Accumulate
	MCD	6/4/21	$ 231.69	$ 268.56	0.87	2.06%	15.9%	$ 233.00	$ 270.00	Buy/Accumulate
	PFE	2/5/21	$ 34.92	$ 56.65	0.69	2.71%	62.2%	$ 45.94	$ 65.00	Buy/Accumulate
	PLTR	1/8/21	$ 25.20	$ 18.53	1.81	0%	-26.5%	none	$ 50.00	Buy/Accumulate
	RTX	Stopped out; nibble back in using instructions from special alert on December 2nd								Buy/Accumulate
	V	Stopped out; standing orders to reenter in place from weekly update on 10/29/2021								Buy/Accumulate
	WM	4/7/21	$ 132.41	$ 162.74	0.62	1.49%	22.9%	$ 144.93	$ 185.00	Buy/Accumulate
Zingers	TSLA	5/7/21	$ 672.37	$ 1,199.78	1.57	0%	78.4%	$ 922.43	$ 2,500.00	Buy/Accumulate
	RKLB	12/3/21	$ 12.61	$ 12.20	1	0%	-3.3%	none	$ 18.00	Buy/Accumulate

OBA 50

As of January 3rd, 2022

Ticker	Name	Ticker	Name	Ticker	Name
AAPL	Apple Inc	FTNT	Fortinet Inc	PFE	Pfizer Inc
ADBE	Adobe Inc	GILD	Gilead Sciences Inc	PLTR	Palantir Technologies Inc
AFRM	Affirm Holdings Inc	GOOGL	Alphabet Inc	PYPL	PayPal Holdings Inc
ALGN	Align Technologies	HCA	HCA Healthcare Inc	QCOM	Qualcomm Inc
AMAT	Applied Materials Inc	HUBS	Hubspot Inc	ROKU	Roku Inc
AMD	Advanced Micro Devices In	JNJ	Johnson & Johnson	RTX	Raytheon Technologies Inc
AMZN	Amazon Com Inc	JPM	JPMorgan Chase & Co	SQ	Square Inc
CAT	Caterpillar Inc	LOW	Lowes Companies Inc	TGT	Target Corp
COST	Costco Wholesale Corp	LRCX	Lam Research Corp	TMO	Thermo Fisher Scientific Inc
CRWD	CrowdStrike Holdings Inc	MA	Mastercard Inc	TMUS	T-Mobile US Inc
DE	Deere & Co	MCD	McDonald's Corp	TSLA	Tesla Inc
DHR	Danaher Corp	MRNA	Moderna Inc	TWLO	Twilio Inc
DIS	Walt Disney Co	MSFT	Microsoft Corp	V	Visa Inc
F	Ford Motor Company	MU	Micron Technology Inc	W	Wayfair Inc
FANG	Diamondback Energy Inc	NET	Cloudflare Inc	WM	Waste Management Inc
FB	Facebook Inc	NOW	ServiceNow Inc	WMT	Walmart Inc
FDX	Fedex Corp	NVDA	Nvidia Corp		

PORTFOLIO REVIEW (JANUARY 2022)

OBA Fund Folio™

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)	32%
Pfizer Inc. (PFE)	4%
Altria Group Inc. (MO)	4%

Zingers

BlackRock Science and Technology Fund (BSTZ)	10%

"Vegas Money" Portfolio

This is where we'll stash the most speculative stocks. Manage risk on the way in by position sizing. Use ONLY money you can afford to lose entirely if the worst happens. These are true "Hero or Zero" stocks and should be treated as such.

Vegas Money					
Stock	**Rec Date**	**Entry $**	**Current**	**Profit/Loss**	**Last Instruction**
UBX	10/1/21	$ 2.93	$ 1.75	-40.3%	Buy/Accumulate
CWBR	11/5/21	$ 0.68	$ 0.40	-41.8%	Buy/Accumulate
GOEV	8/13/21	$ 7.01	$ 8.11	15.7%	Buy Under $7.50

New Year Rebalancing

I'm a big fan of rebalancing at the beginning of each New Year because it's a) simple and b) something you don't have to worry about forgetting.

The Fed's going to make the most telegraphed market rate hike in recorded financial history, probably by March.

Minimizing bond exposure makes all kinds of sense under the circumstances. Gold is a similar story because rising rates typically pressure prices.

Here's what I suggest.

First, sell the Vanguard Wellington (VWELX) and replace it with the Vanguard US Quality Factor ETF (VFQY). The Wellington is a classic 60/40 portfolio (60% stocks / 40% bonds) that's been an amazing producer over the years. Rising rates will pressure the bonds it holds and, in doing so, drag on returns.

VFQY, on the other hand, uses a quantitative model that favours strong profitability and healthy balance sheets, absent the bonds. Top ten holdings include choices like Costco, Alphabet and Lowe's, which means there's a good OBA-style "match." All are great candidates for consumer "spending" as the reopening ontinues.

Second, sell the SPDR Gold Trust (GLD) and put the proceeds into the Pimco Strategic Income Fund (RCS). Rising rates will pressure gold for the foreseeable future. RCS will also come under pressure but the yield is super appealing and, for the long term, not something worth ignoring. Duration risk is minimized, too so I expect it to hold up better than other bond funds as rates rise.

Don't forget there's a handy rebalancing spreadsheet in the OBA archives if that's helpful!

Chapter 5

MMI™ CHARTS

Improve results, reduce risk, find opportunity
Gain confidence!

SIMPLE, UNDERSTANDABLE, ACTIONABLE

I've spent 40 years in global markets and if there's one thing I've learned in all that time it's that simplicity counts when it comes to making money. Knowing how to find great stocks, manage risk and which strategies matter is important but knowing *when* conditions favour buying or selling is critical if you want to be in the winner's circle more often.

I created the Master Market Indicator™ (MMI) to help me do just that, and I'll be sharing it with you for each recommendation in the One Bar Ahead™ Model Portfolio. I'll also be including the SPX for reference so you can better gauge broader market activity.

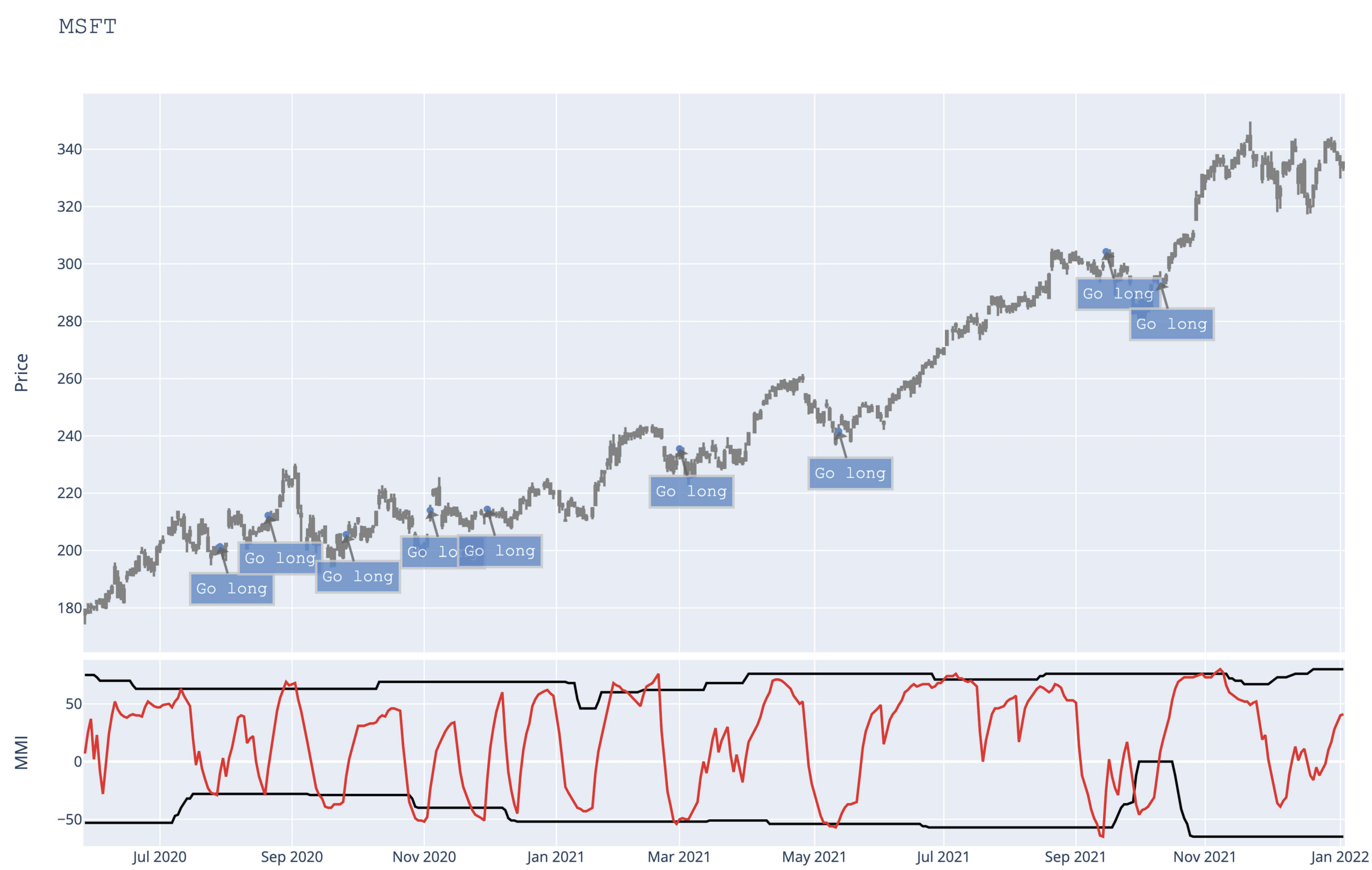
Reading the MMI is easy and straight forward.

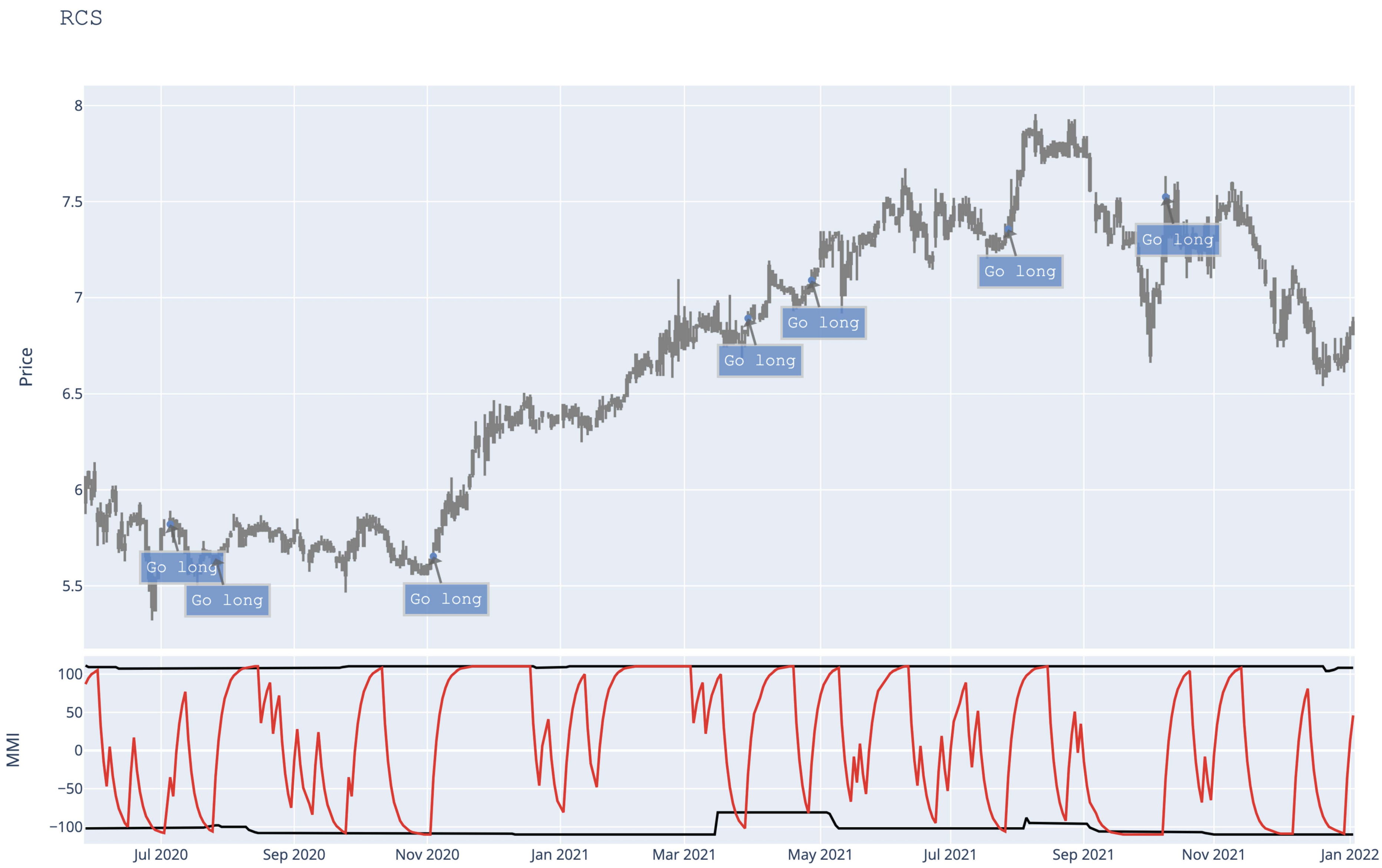
Lower readings suggest stocks that are positioned for maximum upside when the risk/reward ratio is highest. This is the time to add to positions, sell cash-secured puts or even rebalance into core positions you don't yet own. If you're a new subscriber, it answers the question of which stocks to buy first. If you're adding new money, the MMI can help you make that choice too.

Higher readings are typically associated with stocks that are at risk of flattening out, slowing or otherwise breaking down. This is the time to consider taking profits, raising trailing stops, selling covered calls to lock in an exit or even rebalancing into positions with lower MMI readings.

KF

SIMPLE, UNDERSTANDABLE, ACTIONABLE




RCS
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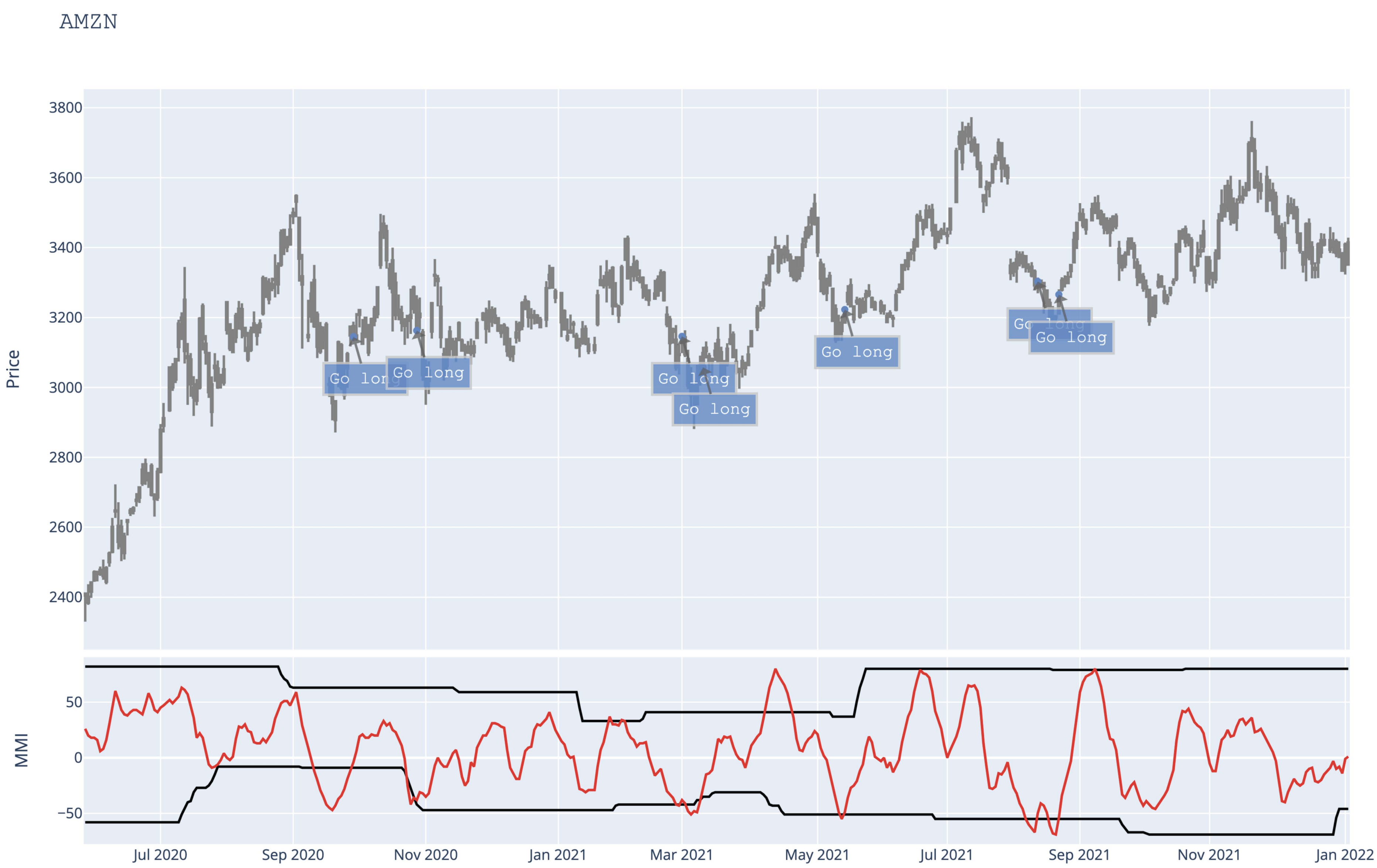
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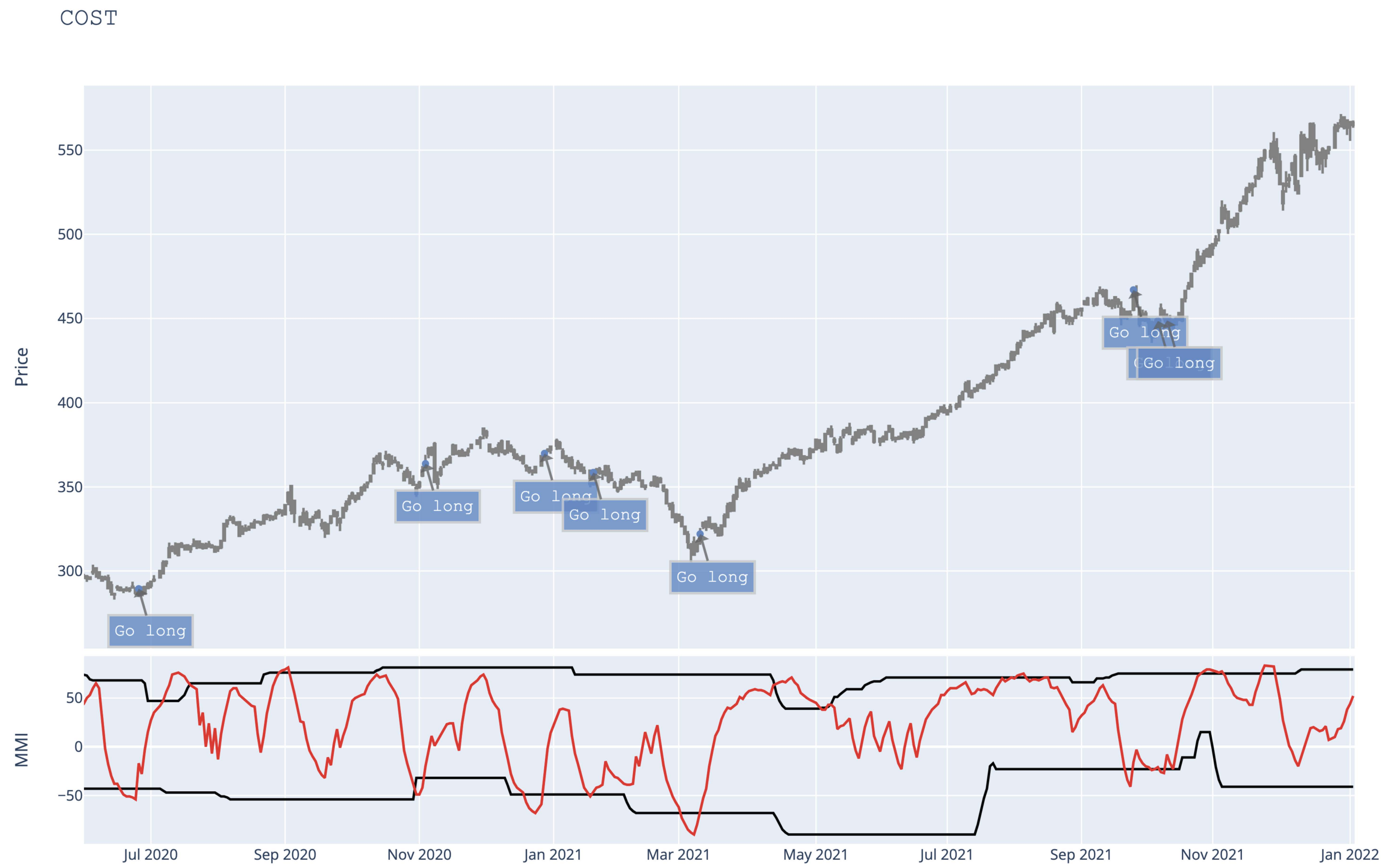

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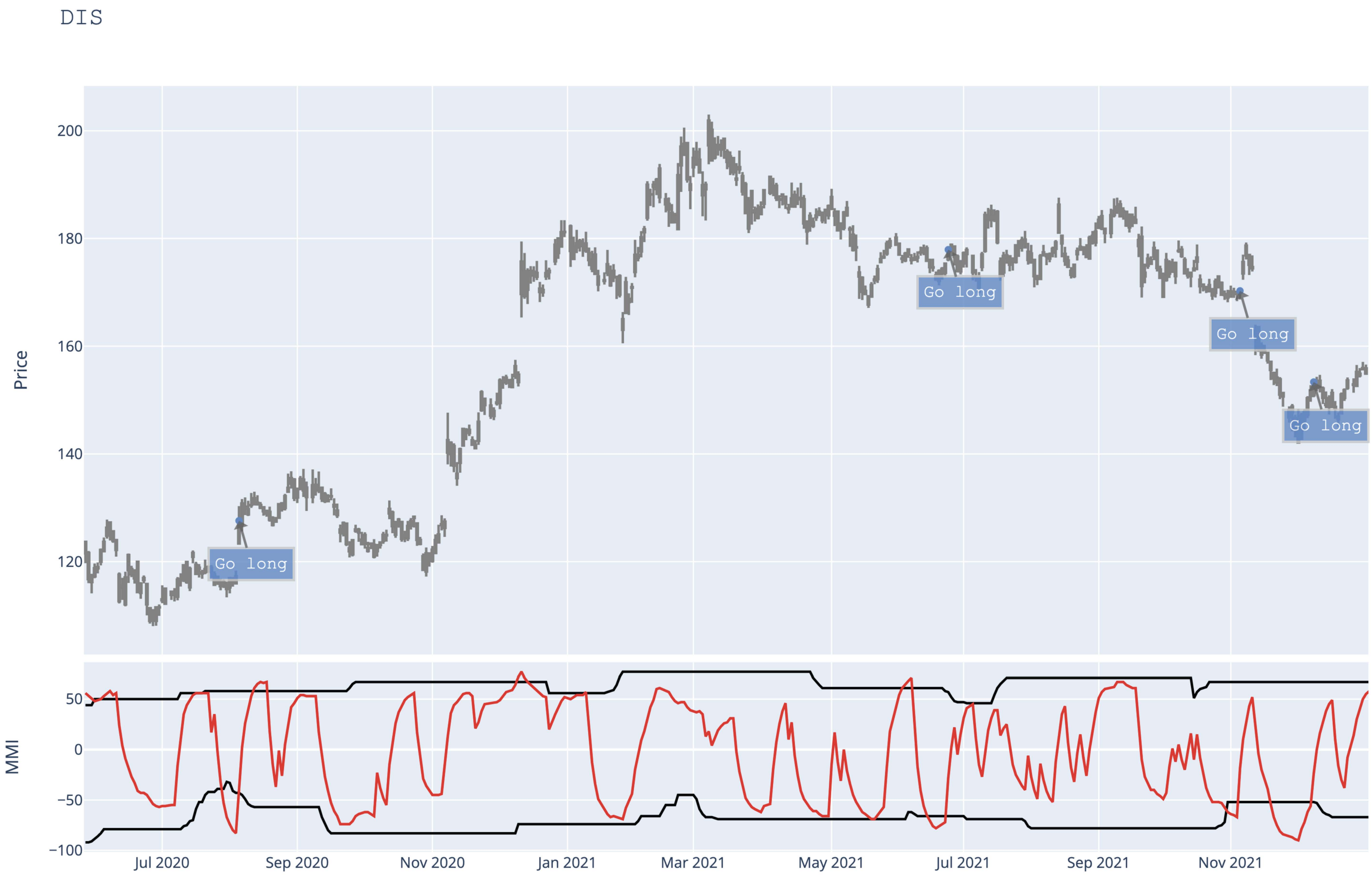

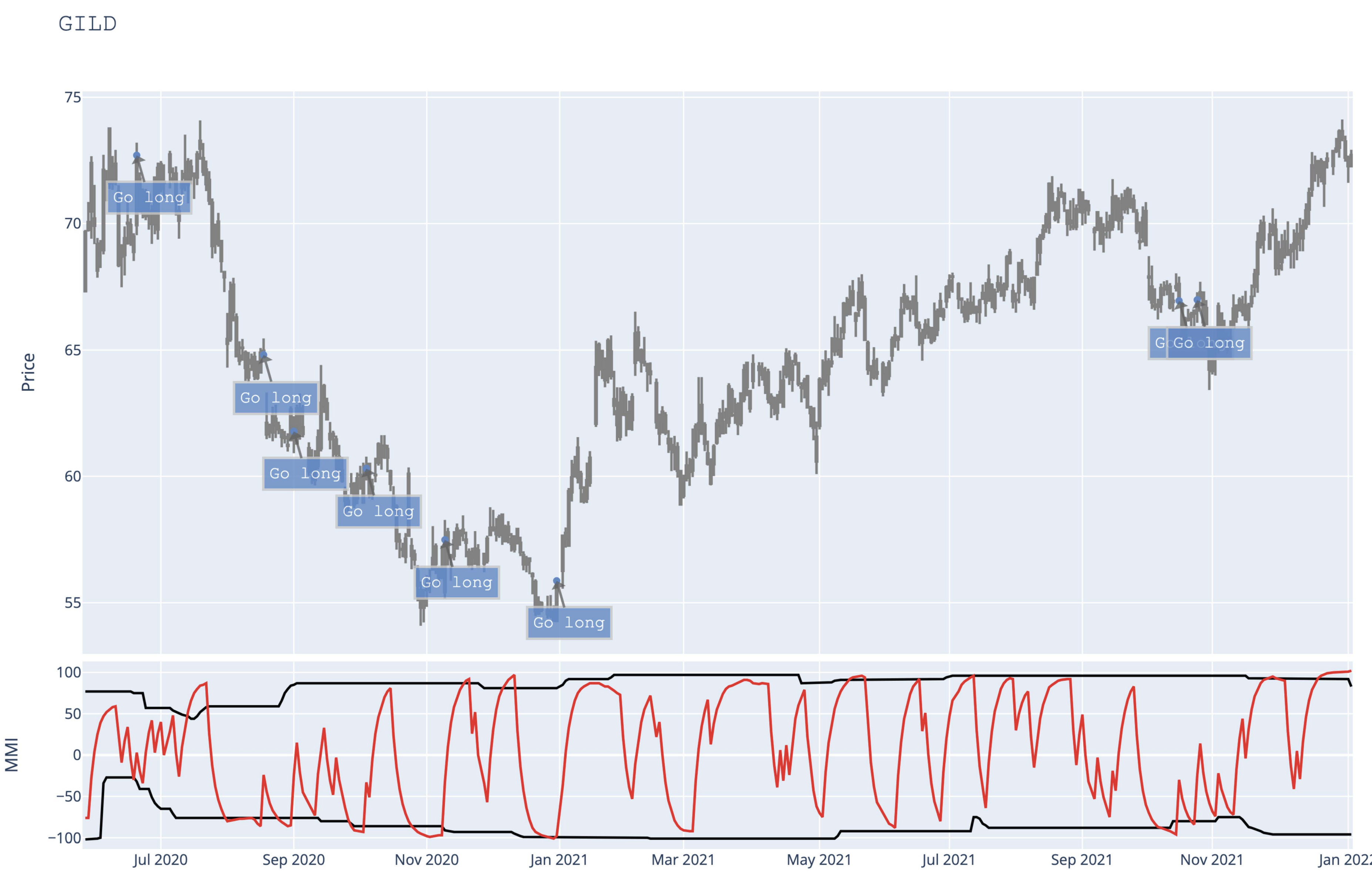

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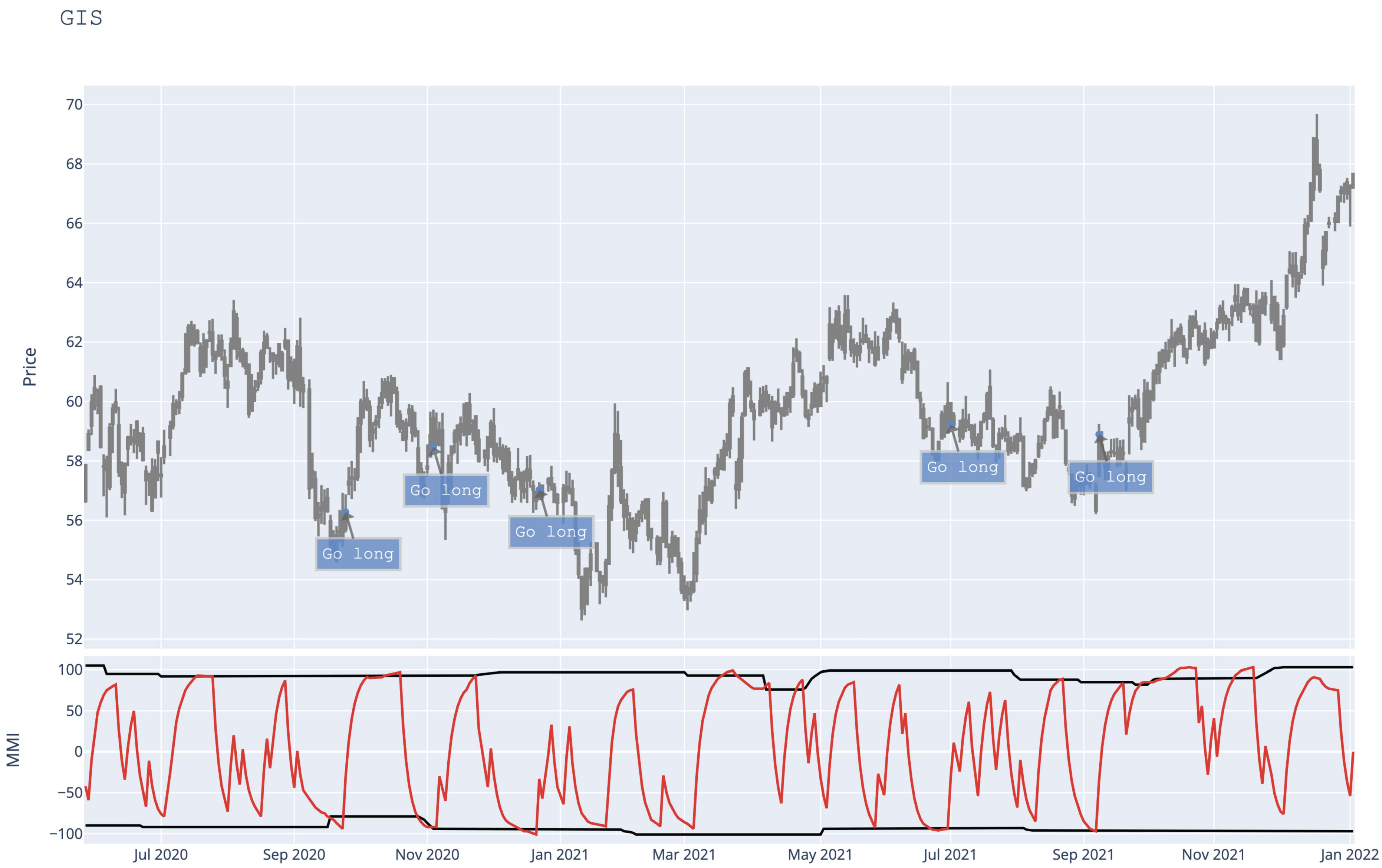
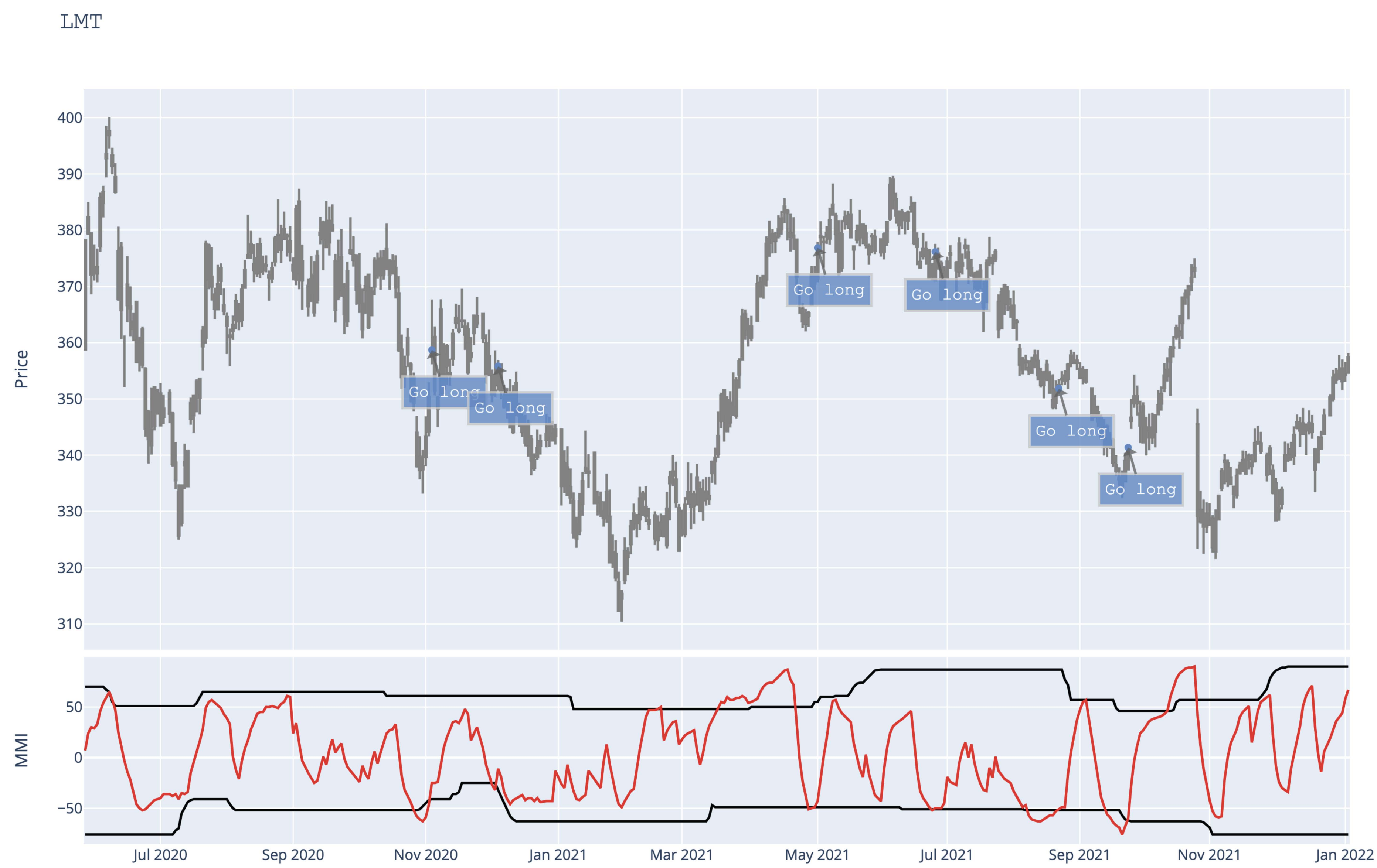
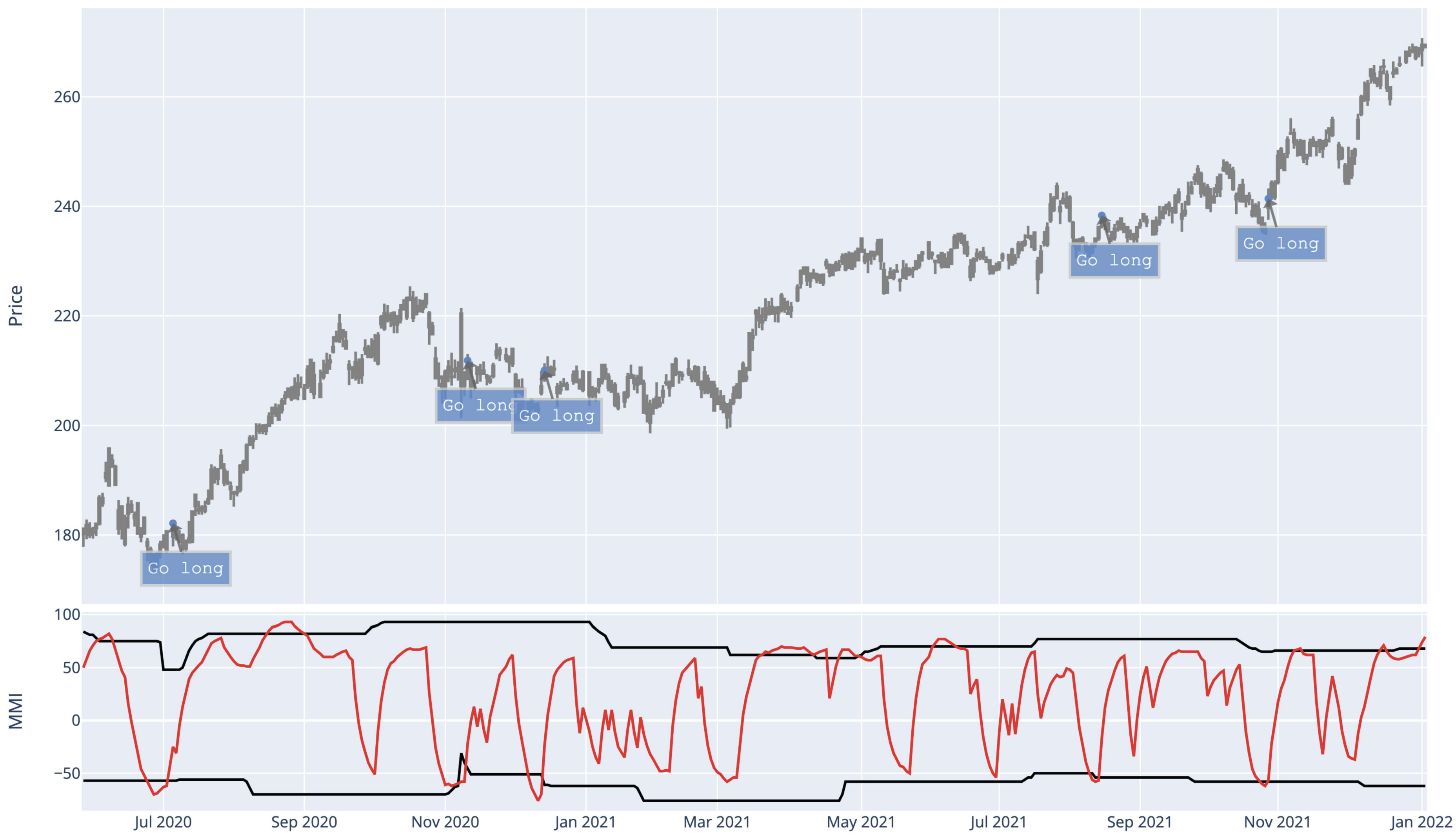




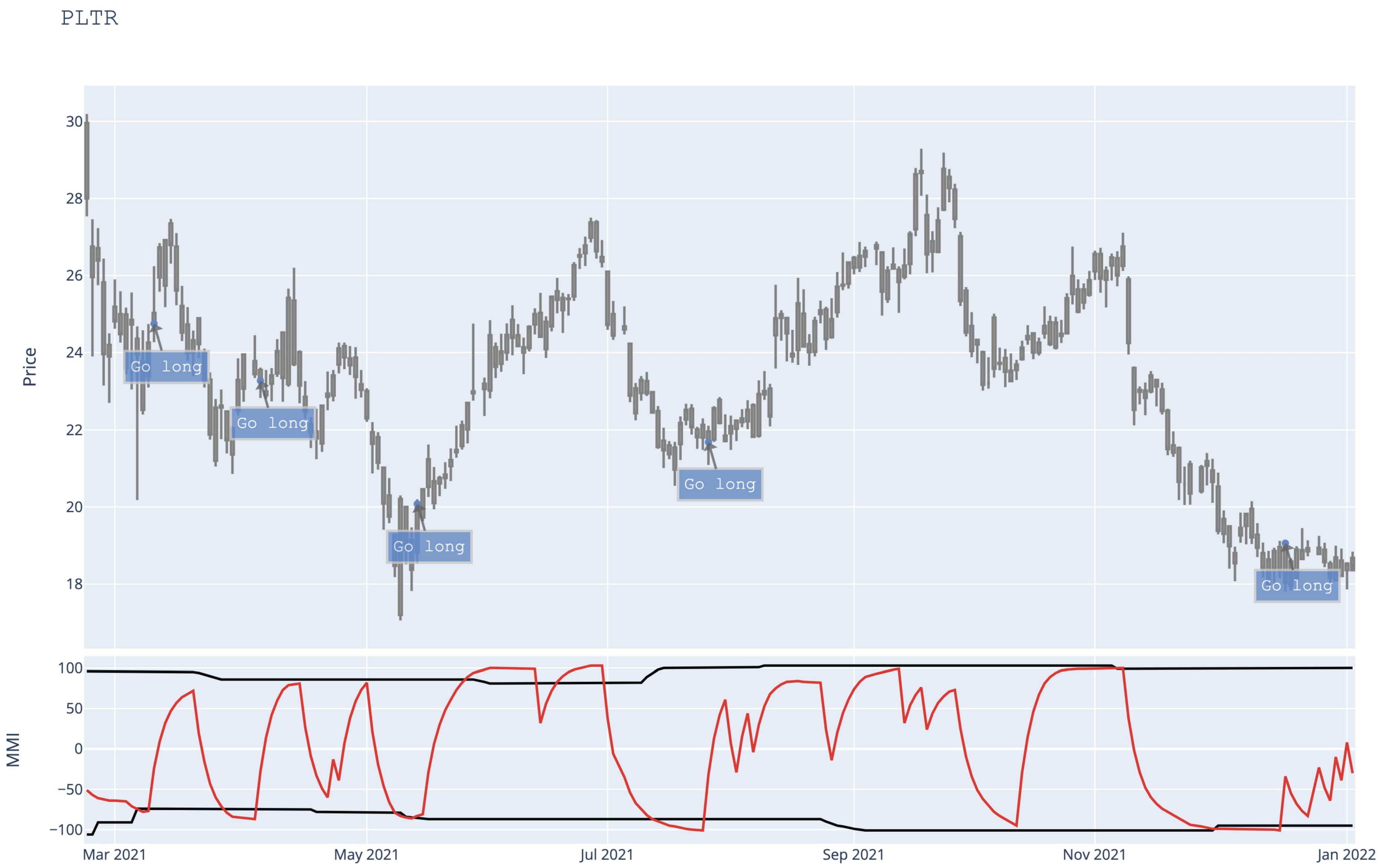
SIMPLE, UNDERSTANDABLE, ACTIONABLE

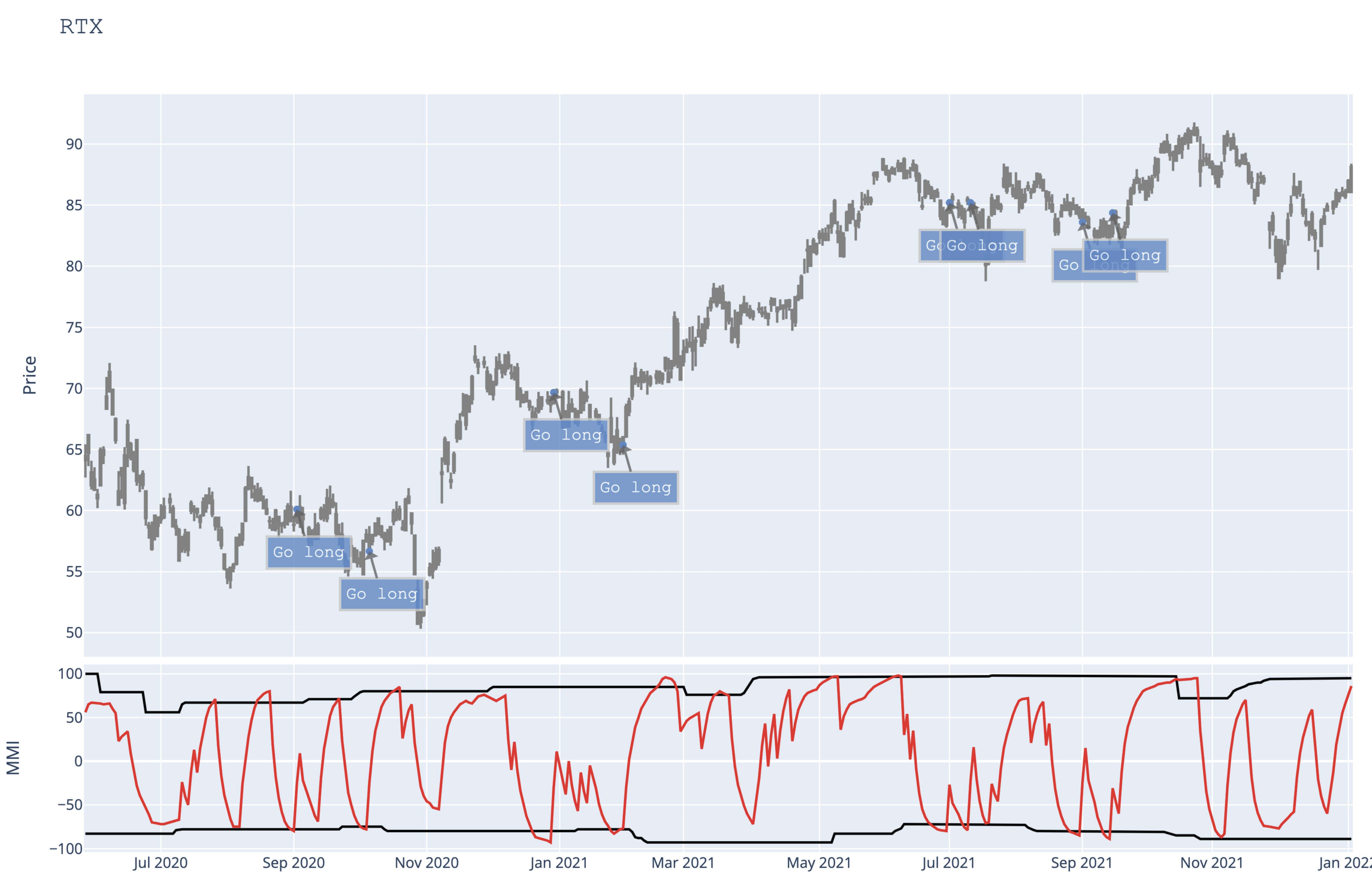
MCD



PFE

SIMPLE, UNDERSTANDABLE, ACTIONABLE





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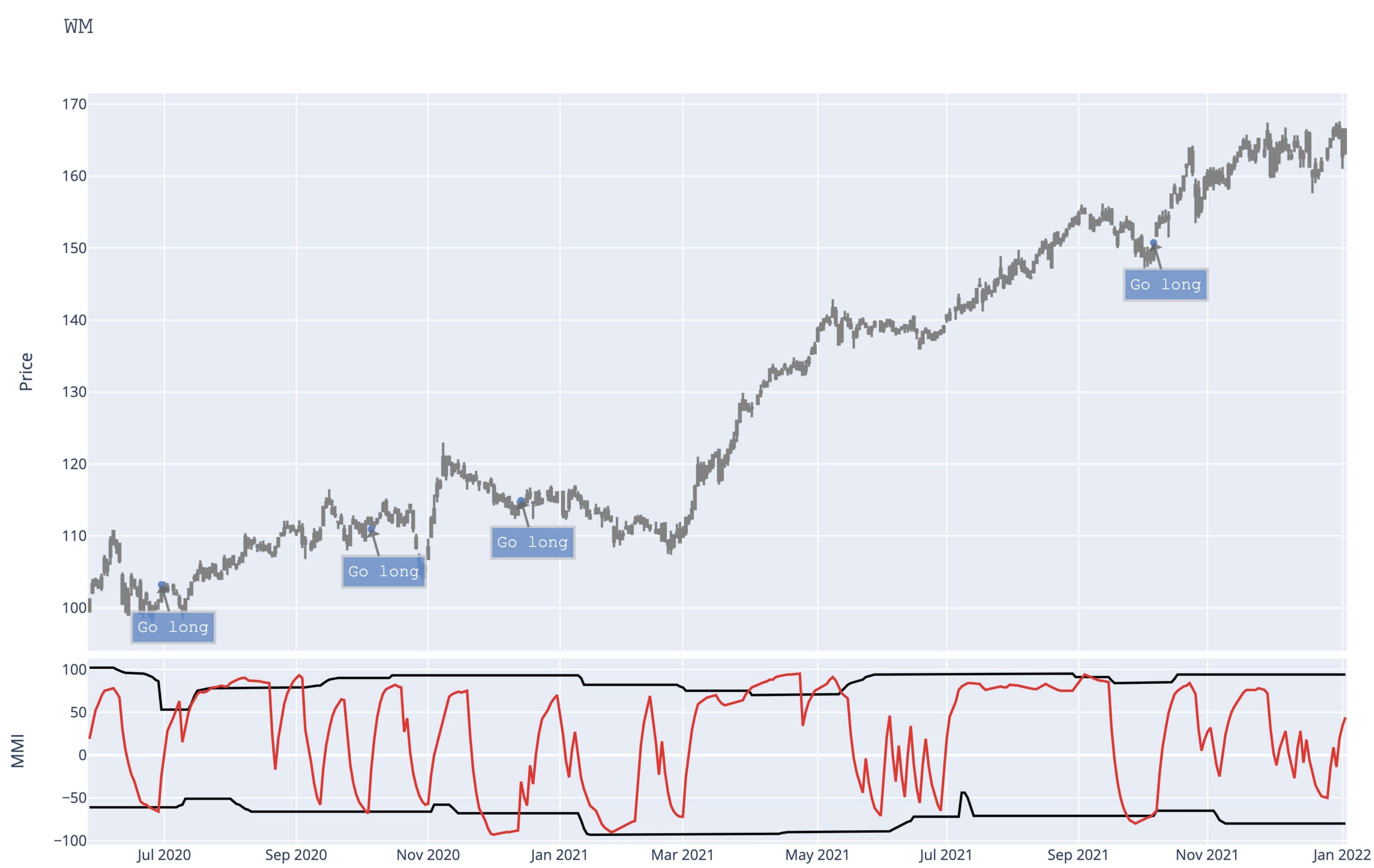
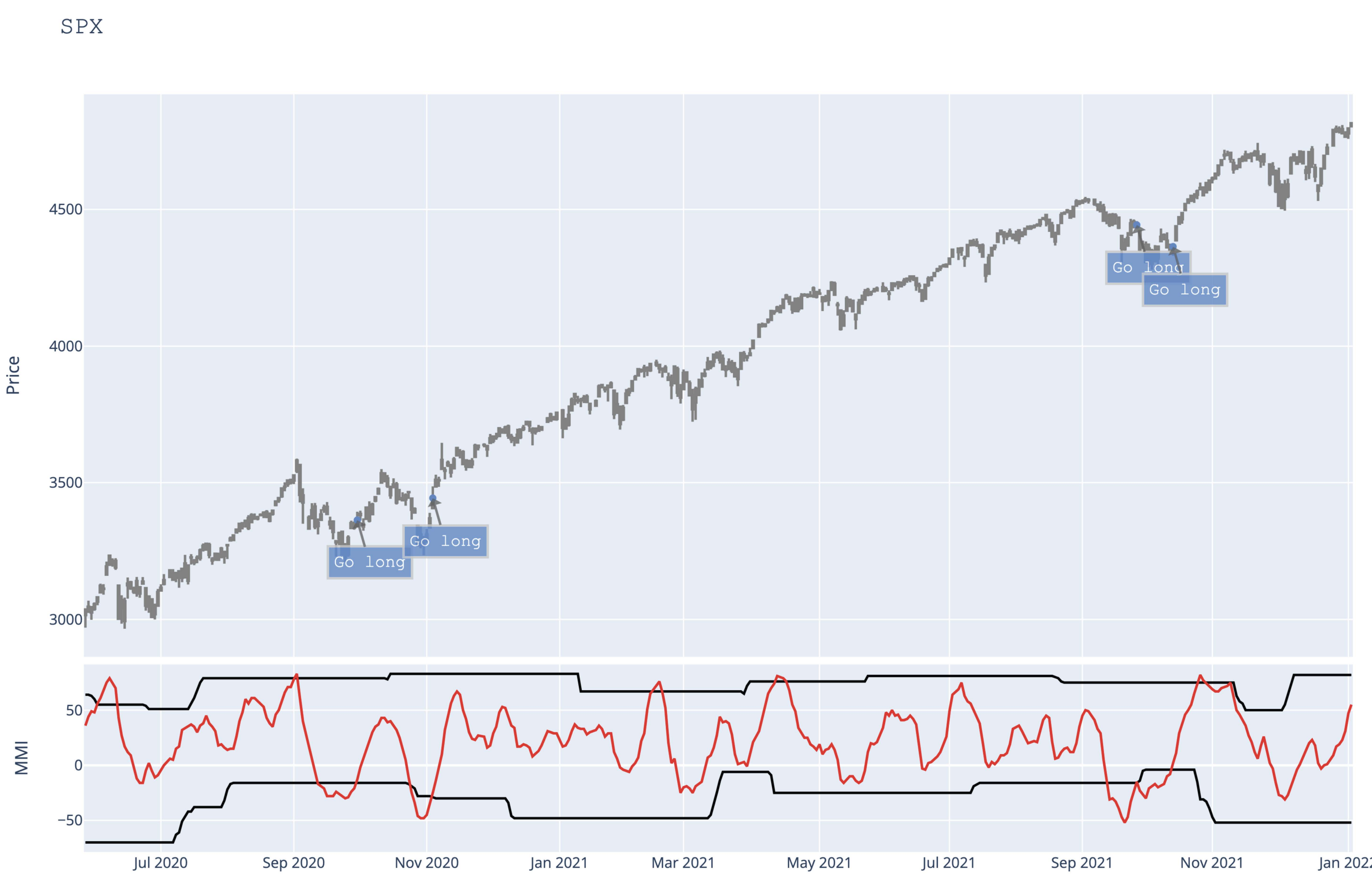


SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE



Chapter 6

THINKING ONE BAR AHEAD™

Your Map to the Metaverse

Investing in the metaverse: A roadmap

Investing in the metaverse is something a lot of people want to do because they think it's a path to quick riches. That could definitely be true but history suggests there is a cautionary tale.

The situation reminds me of the Gold Rush in 1849.

That's when more than 300,000 people dropped everything and made a beeline for California's goldfields. Most died penniless.

It also reminds me of "search" in 1996.

Netscape was the clear front runner back then, but Yahoo dominated the scene just two short years later. Google ran 'em both over in 2005 and has remained in front ever since.

The metaverse will be similar.

The entire industry is hot right now because it's new. And that makes it extremely dangerous for anybody who thinks a free lunch is on offer.

To paraphrase Charles Darwin, *"ignorance more frequently begets confidence than does knowledge."*

Not every Metaverse company will be a winner.

In fact, plenty will collapse and with 'em, the hopes and dreams of investors who take on risks they don't fully understand.

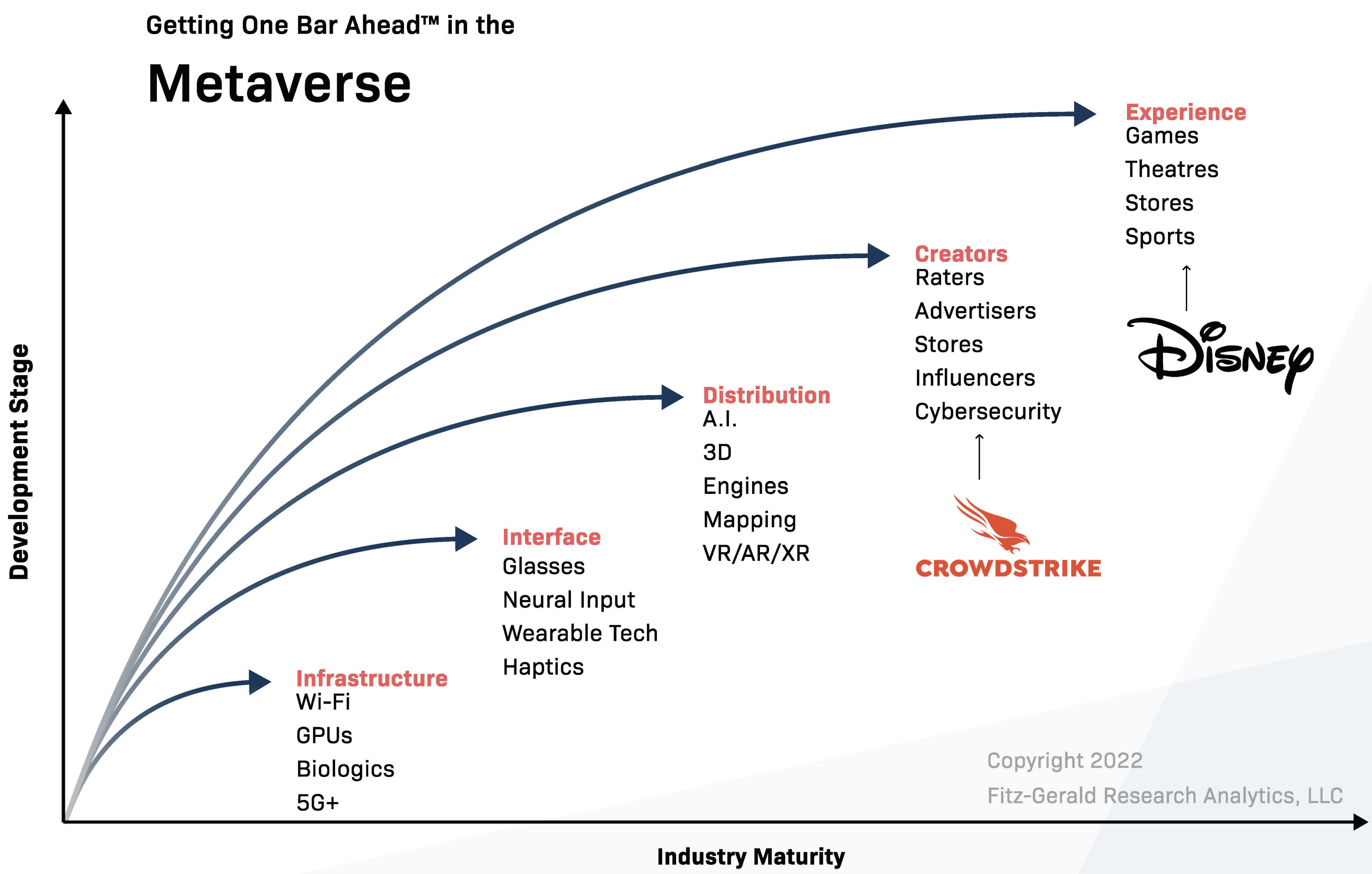
Which brings me to Samuel Brannan.

Very few people know his name today, but they should. Brannan became the richest man in California because of the Gold Rush. Contrary to what you might think, though, he was not a miner.

No, Brannan made his fortune selling picks, shovels, and supplies to those on their way to "strike it rich." His store reportedly generated $5,000+ a day, or roughly $223,802.29 in today's dollars.

The temptation now is very much as it was then ... to hunt for nuggets because everybody wants to buy the next Microsoft or Apple. But the better, more profitable play is to buy companies selling the picks and shovels.

Starting with this month's recommendations.



8 BOOKS THAT WILL CHANGE YOUR LIFE

And possibly even make you a more knowledgeable & profitable investor, too!

8 BOOKS THAT WILL CHANGE YOUR LIFE

Many people don't have the luxury of reading every day.

One study I saw recently suggests that the average American spends 23 hours a week on social media yet has less than 17 minutes a day to read.

Jaw-dropping isn't it??!!

Reading can give you a tremendous advantage in today's financial markets.

You'll spot trends faster, identify opportunities earlier, and have a more complete picture of where the world is going and why than those who don't!

I make time to read and encourage you to do the same thing no matter what it takes.

Reading regularly improves brain connectivity, vocabulary, and comprehension. It also has been shown to prevent cognitive decline by 30% or more.

Not all reading is equal, though.

Books are decidedly better than online, because reading a good old-fashion page turner leads to deeper understanding of the subjects you're reading about.

The Internet has made is super easy to scan which is why, not surprisingly, reading online introduces intellectual decay in our brains. That catches a lot of people by surprise but is supported by a growing body of research.

Studies show that your brain is constantly interrupted with the decision to "click or not to click" and, as a result, the information you're assimilating if you're reading online rarely becomes deep knowledge. Which means you can't use it effectively.

Author Nicholas Carr makes the case very persuasively that Internet usage "rewires our brains" in his book *The Shallows: What the Internet is Doing to Our Brains.*

He argues that we become "mindless consumers of data" because there is no coherent pathway for the information we take in.

I agree and very strongly at that.

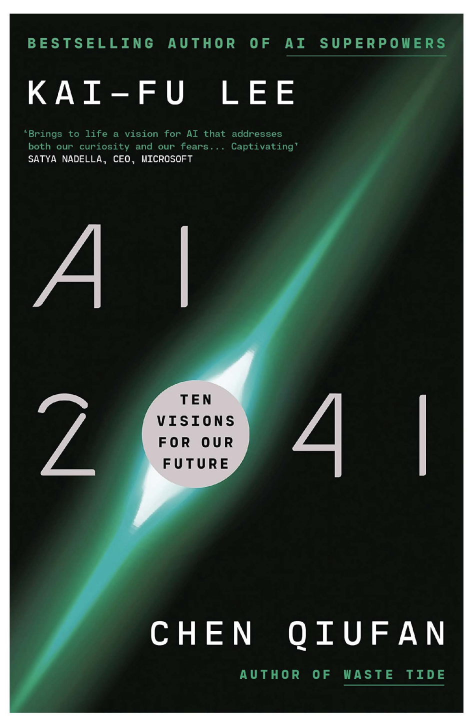
Long term success in the financial markets requires consistent focus, new neural pathways and associations between widely divergent data points others can't see or connect.

Being able to put this information together is a powerful edge, especially when you can tie it into a broader framework for decision making like the one we use for One Bar Ahead™.

Here are 8 books I think you should read immediately.

I've chosen them very deliberately because the information they contain will help you understand where the world has been as well as where it's going.

More importantly, the authors' work will make it abundantly clear why we need to get our money there first!

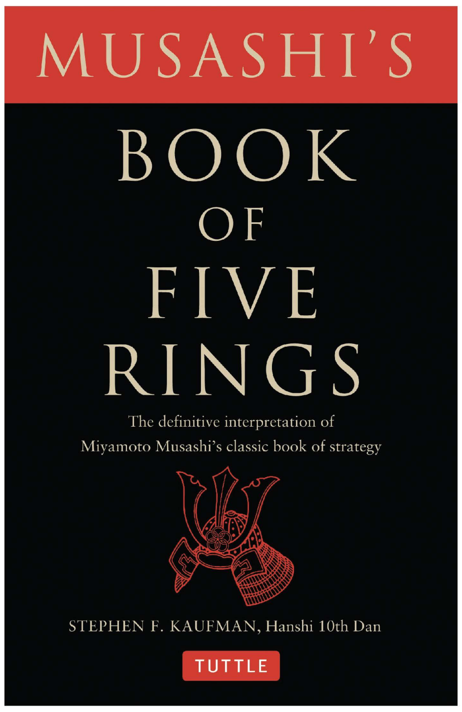


AI 2041

by Kai-fu Lee and Chen Qiufan

Artificial intelligence – AI for short – will create unprecedented profit potential, enable entirely new forms of medicine, revolutionize human-machine interaction and more. Yet, at the same time, it heralds in unprecedented risks most investors cannot fathom. The authors paint a compelling picture of our world in 2041 through a series of provocative short-stories.

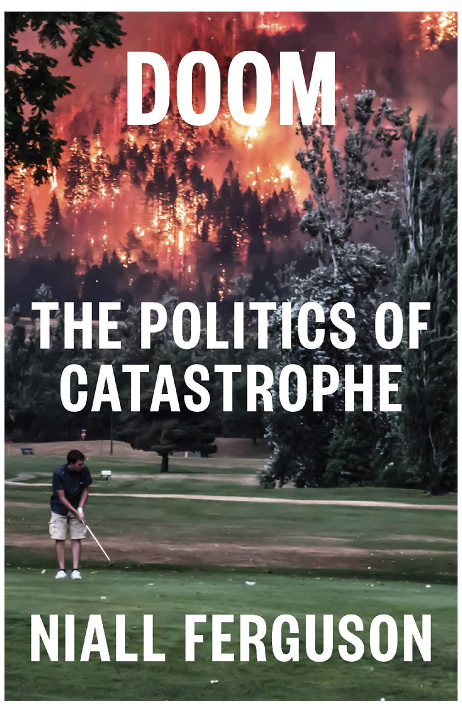
8 BOOKS THAT WILL CHANGE YOUR LIFE



Book of Five Rings

by Miyamoto Musashi

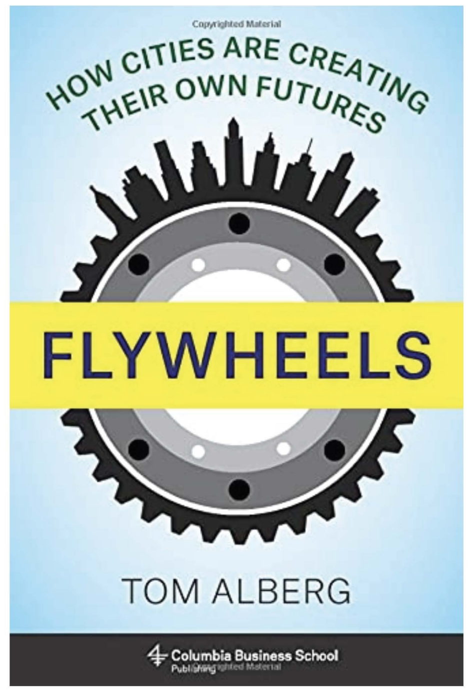
Penned in 1645 by Japanese swordsman Miyamoto Musashi, the book offers a look at simplicity and focus as guiding principles. He stresses putting the same effort into the smallest details that you put into the largest while also removing distractions that otherwise overburden our minds. I re-read it every year and learn something new each time despite the fact that I've now read it more than 35 times.



Doom, The Politics of Catastrophe

by Niall Ferguson

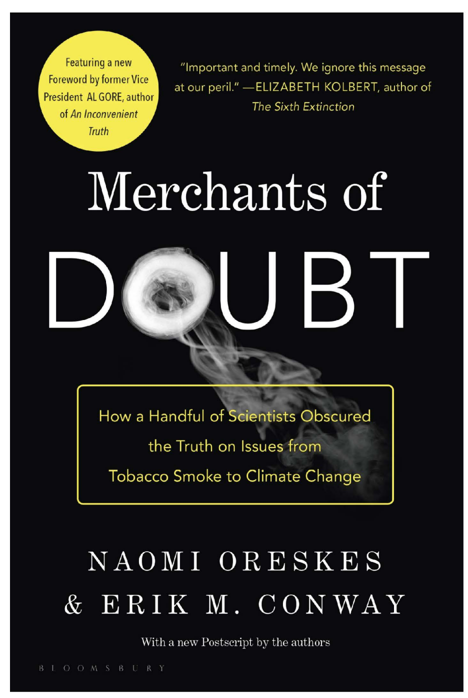
Covid, extreme weather, war, famine and more … this isn't the first time man has dealt with catastrophic events. I find the book especially compelling because Ferguson highlights the resourcefulness of human nature. And, as such, what he has to say is an important "in to win" addition to your library.



Flywheels, How Cities are Creating Their Own Futures

by Tom Alberg

Big tech is a target not because it's expensive or overvalued but because of the unspoken social narrative these companies have created. Skyrocketing housing costs, homelessness, crime, persistent social and economic inequality … these are all issues driving the case for smaller cities and better livability in ways many currently cannot fathom.

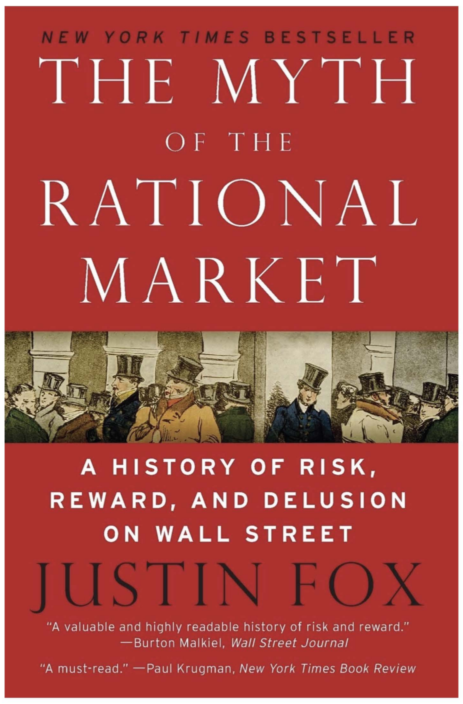


Merchants of Doubt

by Naomi Oreskes and Erik Conway

The world is a complex place and the Internet makes it super easy for a few vocal individuals to misrepresent and shape ideas. Especially when it comes to aiding government, corporate and industry interests like tobacco smoke, global warming and more. You may agree or not with the views expressed but provocative doesn't begin to cut it when you begin to see how information is manipulated for gain and why.

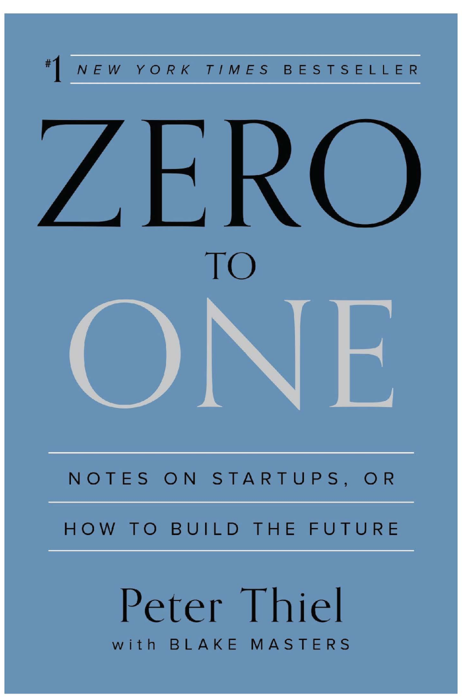
8 BOOKS THAT WILL CHANGE YOUR LIFE



The Myth of the Rational Market

by Justin Fox

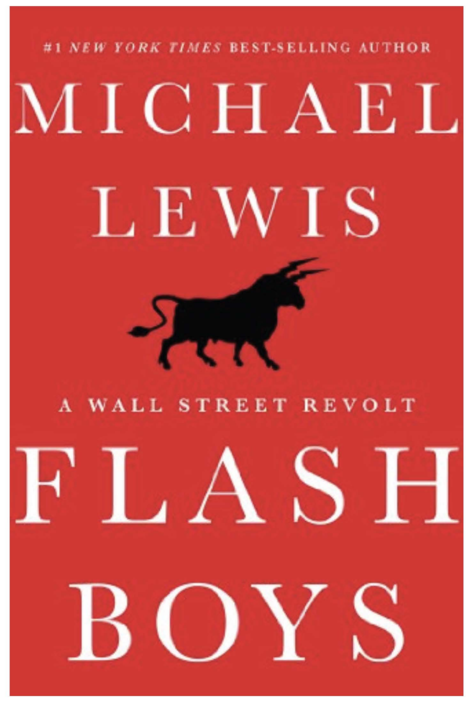
You've heard me rail on the efficient market hypothesis many times. I think that and diversification will go down as two of the single biggest, most devastatingly mistakenly adopted financial theories of all time. This book provides an excellent look at the history of risk, reward, and delusion on Wall Street. If you understand where everybody else is coming from, you can tell where they're going and why you'll make money as the journey continues.



Zero to One

by Peter Thiel

Iterative change won't cut it any more according to billionaire author Peter Thiel and I couldn't agree more strongly. My copy is completely dog-eared and highlighted at this point. Filled with personal stories and observations, the book is a good look into where, why, and how tomorrow's success will come from those who dare today. It's an important framework for evaluating profit potential.



Flash Boys

by Michael Lewis

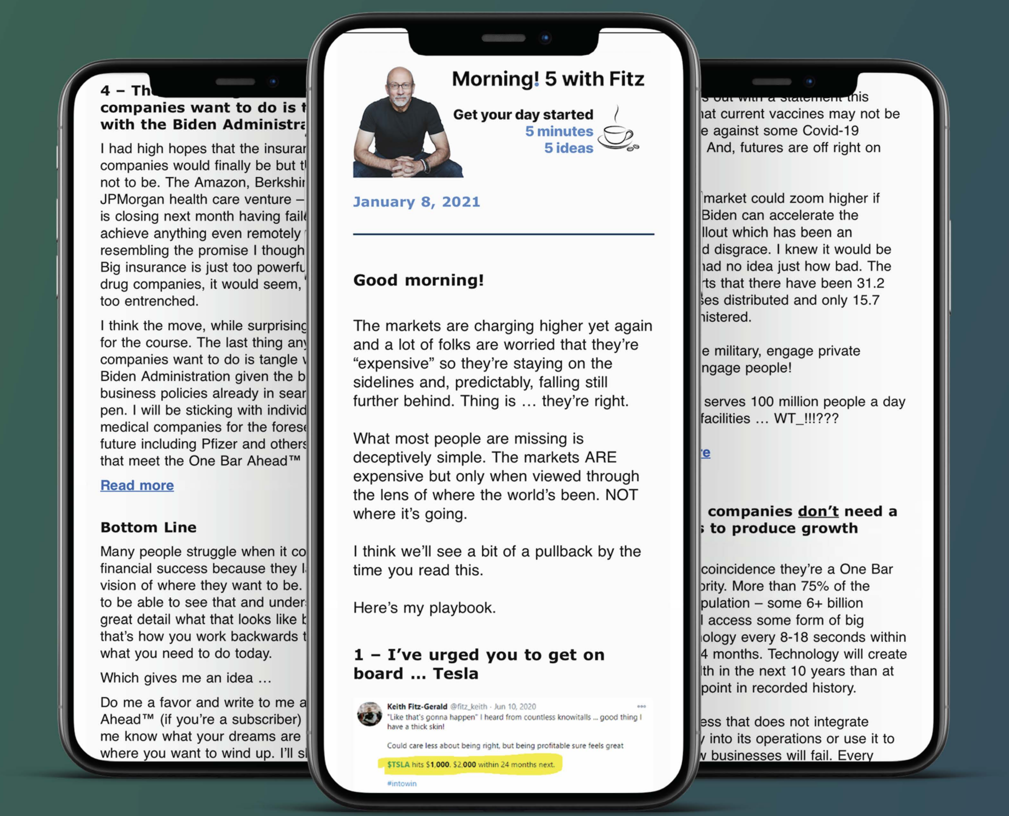
Flash Boys is an excellent look into the advent of high-frequency trading, dark pools, and what actually happens when you hit "send" on an order. Equal parts terrifying and fascinating, it'll show you how you can optimize your own orders and gain an insight into what the computers are looking for. It's a must-read to understand how the markets really work behind the scenes.

What's on your library shelf or nightstand?

Please send your favourite choices to me at **askkeith@onebarahead.com.**

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.



Morning! 5 with Fitz

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

Often the next best thing to actually sitting next to him every day, some subscribers even go as far as saying it's the best part of their morning!

SIGN UP NOW

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