| CVNA | ALGN | AFRM | META | COIN | JHG | LAZR | COMP |
|---|---|---|---|---|---|---|---|
| 17.33 ▲ | 359.15 ▲ | 21.80 ▼ | 188.65 ▲ | 78.13 ▼ | 30.54 ▲ | 8.03 ▲ | 4.86 ▲ |

FEBRUARY 2023

# One Bar Ahead®

BY KEITH FITZ-GERALD

## THE FOUNTAIN OF YOUTH MAY NOT BE A MYTH!

Why savvy investors will want to buy this stock now

## Time to buy gold

(but not for reasons you'd think)

## New research into a 2,000-year-old secret

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

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Keith Fitz-Gerald's ONE BAR AHEAD™


# Letter from Keith

## Dear Reader,

Retired USN SEAL John "Jocko" Willink is as blunt as you'd think he'd be given his background as highly decorated special operations unit leader.

When you take ownership of your problems, he says, "the problems get solved." It's "true on the battlefield, it is true in business, and it is true in life," he observed during a 2017 TED Talk at the University of Nevada.

I agree.

Especially when it comes to investing.

Here's why.

People tend to dwell on the negative and everything that could go wrong when *the far more profitable consideration is everything that could go right!*

Take the Fed and current market conditions, for example.

I hear from concerned investors frequently about how this, that, or the other thing will lead to the end of the financial universe as we know it.

Odds are that's simply not true.

In fact, the chances are excellent that we're going to emerge from the current fiscal crisis into an era of unprecedented prosperity—just as we have after every other major financial crisis in recorded history.

Conventional wisdom holds that you've got to start with the cheap companies nobody's heard of to make the big bucks, but the truth is that the world's biggest, best, and even most expensive stocks are where savvy investors like us want to be hunting.

Case in point, what's happening now is almost a direct repeat of what happened during the Great Depression nearly 100 years ago. And I don't mean that in a negative way either.

Many investors are surprised to learn that the 5 top-performing stocks from 1932 to 1954 are almost stock for stock like those we prioritize now in the One Bar Ahead® Model Portfolio—digitalization, defense, technology, materials—and for the very same reasons.

For example…

… *Electric Boat Company (now General Dynamics) generated a staggering +55,000% return*

… *Container Corp of America, +37,199%*

… *Truax Traer Coal, +30,503%*

… *International Paper & Power, +30,501%*

… *Spicer Manufacturing, +26,221%*

The S&P 500, by comparison, generated "just" +1,543%.

Let that sink in.

Missing opportunity is always a more expensive proposition than trying to avoid risks you cannot control, a point you've heard me make many times.

Case in point, the S&P 500 is already up 13.97% off October lows. One Bar Ahead® recommendations like Shopify, NVIDIA, and Advanced Micro Devices—just to name a few—are doing considerably better with returns of 93.69%, 81.72%, and 45.98%, respectively, over the same time frame.

The world's best companies have three things in common, which is exactly why we invest in the best while ignoring the rest.

First, they line up with what I call the "5 Ds"—Digitalization, Defense, Distribution, Dislocation, and Diffusion—which are investing themes backed by trillions of dollars that will get spent no matter what the Fed does next, no matter who's in the White House, and no matter how Wall Street tries to hijack the system in its own interest.

Second, they make "must have" products and services the world cannot live without. This gives 'em tremendous pricing power as well as the ability to protect margins despite overwhelming economic challenges that'll sink lesser choices. What's more, they are capable of influencing customer behaviour for decades.

If that doesn't make sense, perhaps this might. Apple will be producing a trillion dollars a year in revenue or more by 2030. Peloton will be lucky if its gear is still a garage sale item.

And third, the world's best companies are led by executives who own their problems and who lead from the front as they solve 'em. Apple's CEO Tim Cook is a great example. So, too, is Tesla CEO and Mr. Tweet himself, Elon Musk.

To paraphrase billionaire Peter Thiel, I am not looking for companies making incremental changes. You shouldn't either, at least not if you want to build real sustainable wealth over time.

What we want to identify are companies making products and services that can rewrite the world we live in. The kind of stuff that will create profits for the next generation, not just the next 12 months.

Speaking of which, we're going to begin our time together this month with a company doing innovative anti-aging research that could ultimately be worth trillions… with a "T."

Shares have been beaten down and are being largely overlooked at the moment—despite tremendous upside potential as well as an appealing dividend. I think it's a compelling Global Growth & Income choice at a pivotal time in market history.

Then, we're going to move on to gold. The shiny stuff is back, but not for the reasons you'd think. The timing could be perfect given the Fed's latest moves and what I see as a potential mid-year shift in the dollar.

And because I realize that hard assets can be a challenge, I've spent a good deal of time putting together two special relationships exclusively for the One Bar Ahead® Family that I think you'll appreciate.

There's also the Portfolio Review, along with a detailed look at which companies are making headlines and why. Plus, the latest BBSI and MMI charts.

And finally, we'll wrap up with a look at why new research into a 2,000-year-old secret could have profound investing implications. I want to put it on your radar now before the herd takes notice.

As always, I'll be with you every step of the way!

Best regards for health and wealth,

KF

*PS: As always, please be sure to email me with ideas, comments, suggestions, and more. Heck, even pictures of your latest adventures. I love getting feedback, which is why the team and I read every message that comes our way!*

*The address is magazine@onebarahead.com.*

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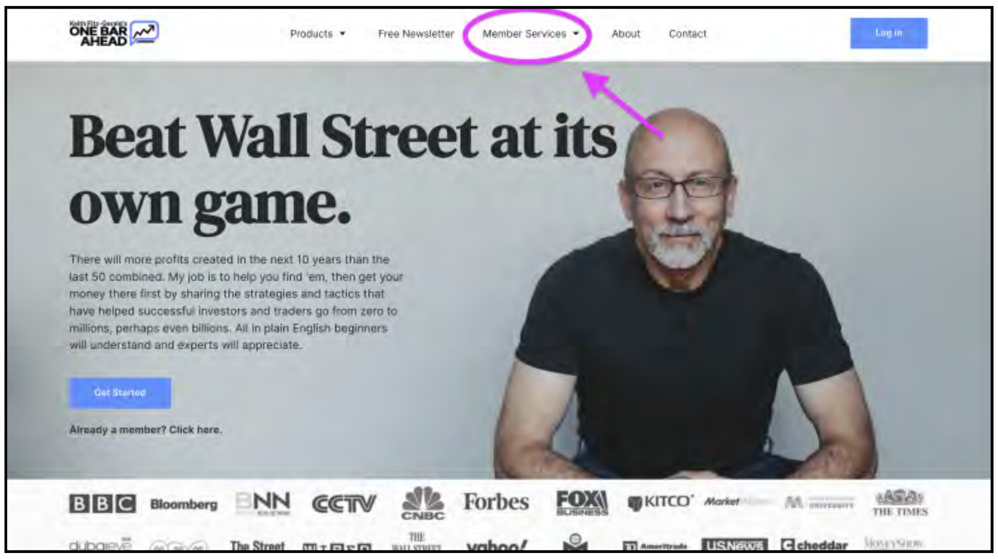


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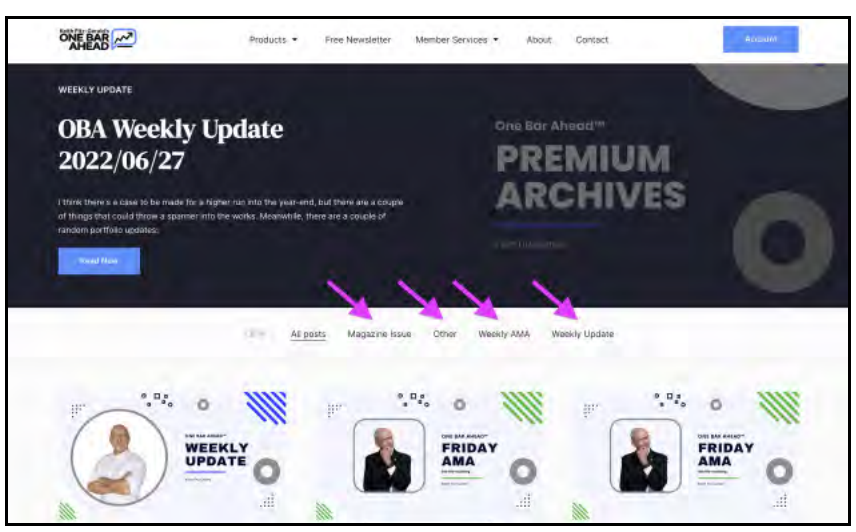



If you try the above steps and that doesn’t work, please contact us at **subscribers@keithfitz-gerald.com**

Chapter 1

# THE FOUNTAIN OF YOUTH MAY NOT BE A MYTH AFTER ALL

Your body could be worth trillions!

# YOUR BODY COULD BE WORTH TRILLIONS!

Many investors believe that it takes money to make money.

That's simply not true.

Success in the markets often comes down to just one thing: recognizing "key inflection points" before anybody else.

Your body is one of the biggest.

In fact, it may be the ultimate frontier and worth trillions!

Let me explain.

Studies vary, but something on the order of 90% or more of all the data that has ever been created since the dawn of time has been created within the last few years. Admittedly, that's hard to wrap your mind around, but it's important we try so that you understand the magnitude of the opportunity:

- Data solutions company Domo estimates that we create 1.7 MB of data a second for every person living on the planet today. That's so much data that it would fill *10 million Blu-ray disks*, all of which, stacked on top of each other, would be taller than 4 Eiffel Towers.
- According to the World Economic Forum, the number of bytes in the digital universe is 40X more than the total number of stars in the observable universe!
- Data storage provider Seagate projects there'll be more than 175 zettabytes of data by 2025. Using an average high-speed data connection, it'd take you *1.8 billion years* to download it all.

Medical information is especially critical.

And accelerating!

Nearly everyone else is thinking in terms of devices, processing, and security, but I'm thinking about how our bodies will usher in a new era of humanity, health, and longevity. And along with that, massive profit potential for those savvy investors who get in early.

## The fountain of youth may not be a myth after all

We've been tracking DaaS (Diagnosis as a Service), a term my son Kuni coined in 2019, for some time now via Apple. And customizable mRNA medicine via Pfizer and Gilead.

It's time to go deeper.

Medical exams haven't changed very much in the last 2,000 years. We feel under the weather, then visit a physician to whom we describe our symptoms. Chances are good they'll run a few tests and—*voilà!*—you receive a treatment based on a relatively limited set of data.

Imagine what happens when your doctor can proactively connect the dots, *then turn back the clock so perhaps you don't get sick again, or even in the first place!*

This isn't as far-fetched as you might think.

In 2018, Los Alamos National Laboratory released Sequedex, a licensable software package for genomic analysis. Scientists worldwide use it to help identify pathogen-caused diseases, optimize care, and even select specific medical treatments. Other applications are companion diagnostics, enzyme mining, and metagenomics. Incredibly, it's 250,000X faster than conventional research bioinformatics were just a few years ago.

Apple's ResearchKit helps medical researchers gather information from millions of people around the globe, practically in real time. It works seamlessly with HealthKit, a related open-source database that can build on participatory research trials.

IBM's Watson is hard at work helping human physicians make more effective treatment decisions by comparing patient data to databases around the world. And given Palantir's partnership with IBM, I've got to imagine that's far more extensive and effective than the public knows.

# YOUR BODY COULD BE WORTH TRILLIONS!

I think it's a super-exciting time to be alive and to be an investor given what's about to happen. Heck, what's *already* happening!

There is a very real possibility that scientists will solve many of the diseases we struggle with today within the next 10 years. Cancer, colitis, celiac disease, diabetes, and more... all are increasingly recognized as being driven by some sort of aging-related inflammation or breakdown.

**Our DNA is key.**

That's why research from Dr. David Sinclair, professor of genetics at Harvard Medical School, caught my attention recently.

The good doctor and his team discovered a link between epigenetic changes and aging. Epigenetic changes, in case you're not familiar with the term, are chemical and structural changes that affect our genes.

People have been working in this area for a long time, but what makes Dr. Sinclair's research stand out is that for the first time, we have proof that *epigenetic changes drive aging* instead of merely accompanying it, as earlier studies assumed.

Dr. Sinclair's team figured out how to rapidly age mice by mimicking breaks in their chromosomes, a process that happens naturally over time, and then accelerating the process.

Here's where it gets interesting... and potentially very, very valuable.

*Epigenetic changes drive aging instead of merely accompanying it, as earlier studies assumed*

Dr. Sinclair's team applied a gene therapy that reversed the induced aging, effectively making the "old" mice young again.

What's really startling is that after the treatment, those same mice exhibited *no signs of aging*. Plus, the team found that the process was repeatable at will and that the mice returned to 50%–70% of their original age.

The team is now pressing ahead with primates. Ultimately, the goal is to conduct human trials on age-related diseases that cause blindness. Then, of course, other illnesses.

Critics say, "It'll never work," or that it'll be decades before that kind of medicine can be applied commercially. I beg to differ.

Here are just a few other famous "last words" that proved otherwise:

- *"Rail travel at high speed is not possible because passengers, unable to breathe, would die of asphyxia."* —Dr. Dionysius Lardner, Professor of Natural Philosophy and Astronomy, University College, London, 1825
- *"We hope that Professor Langley will not put his substantial greatness as a scientist in further peril [...] from trying to fly."* —The New York Times, 12/10/1903, a mere seven days before the Wright Brothers flew.
- *"I think there is a world market for maybe five computers."* —Thomas Watson, president of IBM, 1943

No doubt you see my point.

Now's the time to get ahead.

## My choice is AbbVie, Inc. (ABBV).

The company has a long history of research into age-related diseases and, for our purposes, already has epigenetic programs underway. More to the point, AbbVie teamed up with Calico —Alphabet's arm specializing in human life span research— in 2018 and has expanded that relationship several times.

# YOUR BODY COULD BE WORTH TRILLIONS!

Something else I like.

Many investors are poo-hooing AbbVie lately because they're concerned about Humira coming off patent, meaning the drug will lose its patent protection and the profits that come with premium pricing. Wall Street's sell-side analysts have certainly contributed to that line of thinking.

Predictably, I think they're missing the bigger picture.

Consider:

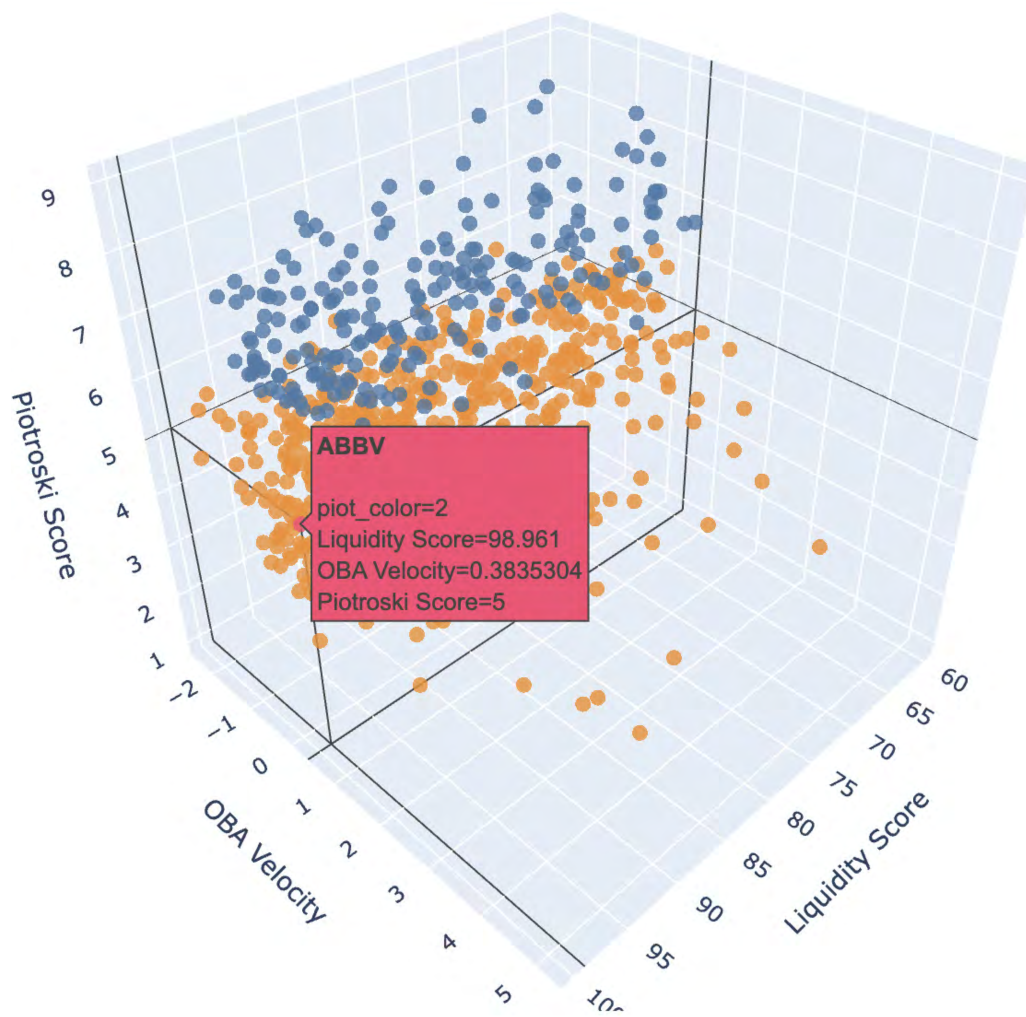
- Shares are down 16% from 52-week highs, largely because of the Humira situation. Which means, counter-intuitively, that most of what could already be priced in as bad news probably has been. Notably, shares are also substantially off 52-week lows of $132.83, which suggests there are plenty of quiet buyers like us on the hunt.
- AbbVie has more than a dozen Phase 3 clinical trials underway. That's a potential payout of $30+ billion, which could more than make up for Humira's expected trail-off of $21 billion or so. Two of the most promising immunology drugs—Skyrizi and Rinvoq—could tally as much as $25 billion all by themselves.
- Shares are trading at a discount to peers when evaluated using the P/E ratio. AbbVie's P/E ratio is 10.83 as of this writing (January 24); by comparison, Eli Lilly's P/E is 41.53, and J&J's P/E is 16.57.
- ABBV is a Dividend King with a long, proven track record of increasing payouts. This means you get growth AND income that ultimately could be worth far more than your initial or even ongoing investment over time. The company's free cash flow rose 30.97% to $21.99 billion in 2021. I expect that figure to track into the high teens for 2022 and 2023, despite economic pressure. Perhaps more, which suggests there's still plenty of room to increase both.

Let's see what the proprietary One Bar Ahead® Analytics suite says about AbbVie.

## The Universe

AbbVie shows a phenomenal amount of price efficiency, liquidity, and value. What's more the company's Liquidity Score is an appealing 98.9%, which means the big money is beginning to concentrate on the stock in anticipation of higher prices ahead.

This is consistent with our research, which shows companies with similar characteristics tend to move from the left to the right over time as that happens.



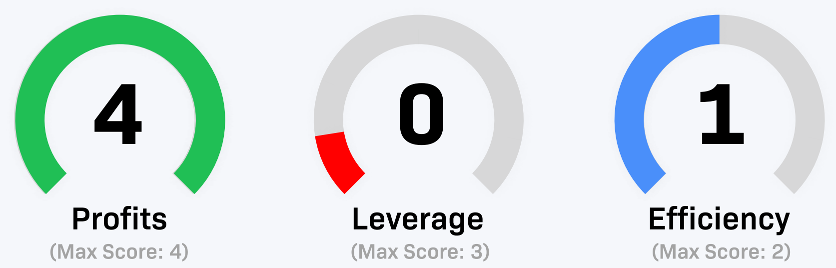

## The Fundamentals

AbbVie has a Piotroski Score of 5 of 9 possible points... which is consistent with the quality and growth I see ahead, even though prices don't yet reflect that outcome.

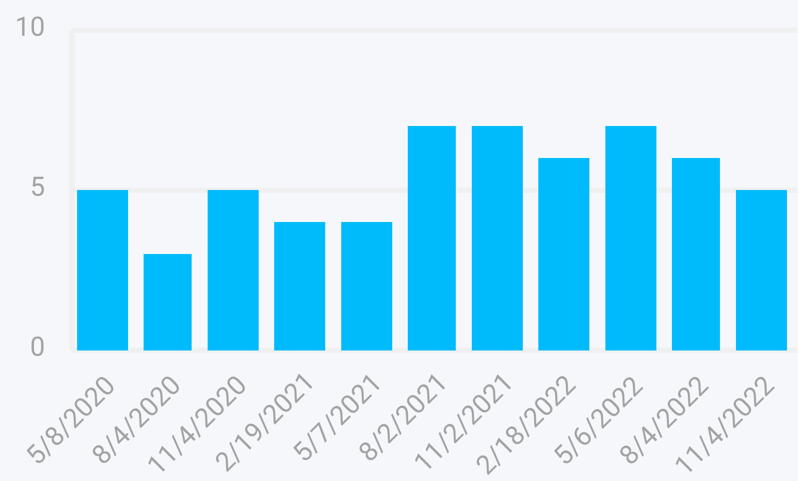
The only two concerns are a decrease in earnings at the same time the change in long-term debt versus assets is negative. Both strike me more as a Fed-induced hiccup than a problem with the business itself given the macro-environment.

# YOUR BODY COULD BE WORTH TRILLIONS!

**Company Fundamentals**
Current Piotroski score is: 5 - Decent




**Score History**




## The Master Market Indicator® (MMI®)

The latest MMI reading is -18, which is consistent with a company that could be about to pop but may still have a bit of selling ahead. Under normal market conditions, I'd hold back—but in this case, the overhang is decidedly more Fed-driven, so I'm keen to put a toe in the water anyway.


## Action to Take

**Buy ABBV up to $150 to establish an initial position.** Plan on averaging in using DCA or VCA to mitigate the risks associated with more Fed shenanigans, Ukraine, and potentially an "official" recession. Add to shares on dips, but definitely below $130… and even $120 if the markets really get funky.

Doing so helps control risk "on the way in" rather than "after the fact," which is how most investors do things, if they think about risk at all.

Tuck shares away in the Global Growth & Income segment of your portfolio—the "40%" in the proprietary One Bar Ahead® Model Portfolio. Plan on reinvesting from day one.

If you'd rather not use new money or are unable to for whatever reason, consider shaving off some PFE or GILD to fund ABBV.

**If you'd like a more aggressive, speculative choice and are prepared to accept the risk,** consider buying the 17JAN25 $125 calls, which last traded for $32.20 per contract as I type. They've got a delta of 0.70; that means they'll theoretically increase in price by $0.70 for every $1 change in ABBV stock.

LEAPS can be an appealing choice in a situation like this one because they can help you reduce capital exposure outta the gate, yet still give you a meaningful stake in the underlying stock.

What's more, if you're still worried about a big crash—and many are—LEAPS can reduce your downside risk because potential losses are limited to the money you spend on the option, not the total value of the stock going to zero.

The tradeoff, particularly with such a long-dated option, is that theta (time decay) will work against you as expiration draws near. The breakeven is $156.48 at expiration as we go to press.

# YOUR BODY COULD BE WORTH TRILLIONS!

**Alternatively, consider Selling Cash-Secured Puts if you'd rather go bargain hunting and get paid for your trouble.** Recent selling has increased volatility, which means you can potentially scoop up shares at a discount. Consider the 16JUN23 $115 puts, which last traded for $1.05 as I type. Assuming you get assigned, your basis would be ~$113.95 per share, excluding commissions and fees.

As we go to press, the Return on Margin and Probability of Profit are 8.15% and 88.74%, respectively, but both of those figures will have changed by the time you read this.

As always, though, Sell Cash-Secured Puts ONLY if you have the cash needed to buy a corresponding number of shares for each put option you sell at that price. 1 put option = 100 shares. If you're not sure, please review the February 2021 issue for a strategy breakdown. Please consult with a financial professional if needed.

** All price data as of January 31, 2023.

**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.

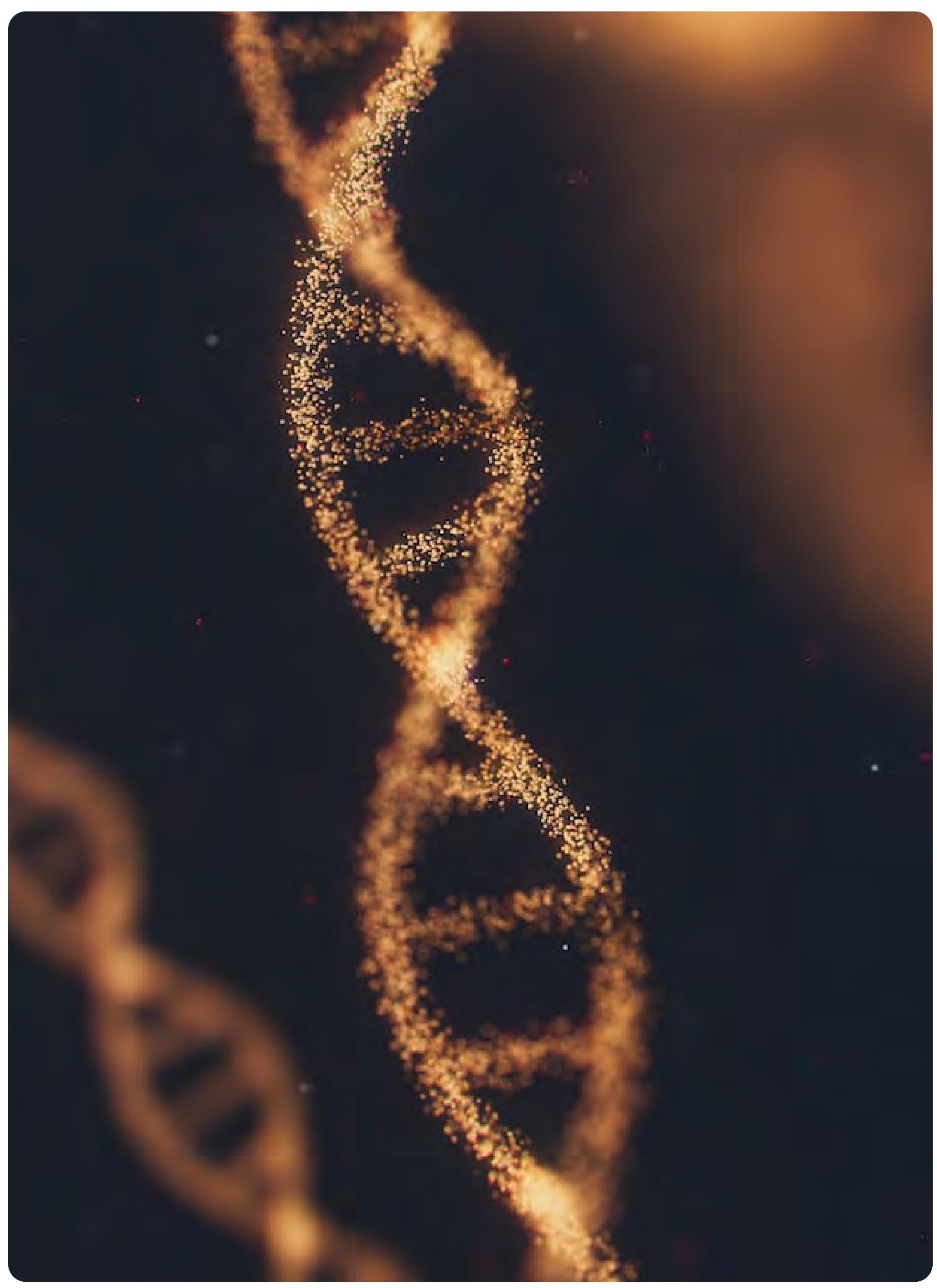
*The company has a long history of research into age-related diseases*

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

# TIME TO BUY GOLD

## But not for the reasons you'd think

# TIME TO BUY GOLD

I've put my career on the line many times over the years, based on one super-simple premise...

... *the right information at the right time can lead to incredible profit potential—practically no matter what the markets do next*.

People openly laughed in my face when I said that Elon Musk would be a "thing" when he started talking about planting vegetables on Mars at a time when more than a handful of conventional thinkers thought the man was a one-way ticket to financial hell.

Tesla has returned a jaw-dropping 7,312.20% over the past decade. Anybody who'd invested $1,000 on 2/5/2013, would have an eye-popping $74,113.60 today!

Big-money players scoffed when I suggested that the Japanese yen would be a power play back in February of 2012. Only to learn via the *Wall Street Journal* that I'd beaten financier George Soros to the punch by a full six months. According to the WSJ, Soros pocketed nearly $1 billion on wagers against the yen, which had hit the skids.

Anybody following along with my research had the opportunity to capture a peak 71% gain, roughly 60% more than Soros. Not bad, considering the WSJ reported Soros pocketed nearly $1B betting against the yen. Longtime readers may recall that David Einhorn's Greenlight Capital, Kyle Bass's Hayman Capital Management LP, and Daniel Loeb's Third Point LLC were also in on the trade that year.

More recently, I said that Facebook would fall under $100—at a time when it was trading above $350—and that Robinhood would be the biggest self-pump and dump in history. Shares of the former now trade at $194.15 having recovered while the latter is a shell of itself at just $11.19 a share.

I am *not* telling you any of this to brag. That's not my point and certainly not my style; I could just as easily have gotten those things wrong.

**My point is, I see more shakeups ahead.**

That's what makes gold such an interesting choice this month.

Let me explain.

My research suggests oil may top $100 a barrel very shortly, perhaps even within months, because the newly formed bromance between China and Saudi Arabia could leave the West fighting for leftovers.

That's going to be great for Chevron and Schlumberger. I hope you're following along with both.

What's more, I think the Fed will finally be forced to "give it a rest" when it comes to rate hikes. I see this happening mid-year—but perhaps sooner if earnings come in the way I think they could and inflation does, in fact, cool down.

JPMorgan is the obvious beneficiary here, but Big Tech, including Apple and Microsoft, will come roaring back faster than greased lightning.

Buying now is a no-brainer for anyone with the right perspective under the circumstances, to my way of thinking, even if there's more selling to come.

As an aside, I think it's possible that Team Powell will have to admit that they've been as wrong about rates and labour as they were about transitory... but that's a story for another time.

Both of these developments will pressure the USD—and that, in turn, could be *great* for gold.

*Adding gold to your portfolio mix now can help you dampen overall portfolio volatility.*

**Same movie, different dialogue.**

Gold is one of those assets that everybody thinks they understand, but in reality, very few do. It's smack dab in the middle of everything: currencies, resources, inflation, hedging, and more.

Late-night TV commercials and quick-buck artists would have you believe that gold is an inflation hedge or some sort of ongoing protection against calamity, but that's not quite right.

Gold has never been proven to provide an ongoing hedge against inflation, especially when it's short-term and Fed-induced. That's because the time to hedge has already come and gone.

Gold prices, you see, typically go nowhere as a stronger, crisis-driven dollar emerges, which is why the shiny stuff left many disappointed in 2022.

Other folks think you want to own gold because it'll help form the basis for a real currency in the event that the you-know-what hits the fan. That's off-kilter as well.

Hurricane Katrina wiped out an area roughly the size of England, and people weren't trading gold for a cheeseburger. They were, however, trading bullets, medicine, and diapers.

Still more people want to hold gold in the event the dollar collapses. But that has its challenges too, even though it's a popular train of thought. Gold has historically been priced in dollars, which means there is literally nowhere to go if there's a collapse.

Crises like the one Zimbabwe endured in 2008 when inflation spiked to a jaw-dropping *79.6 billion% a month* are survivable only if there's another currency to "go to."

Owning gold because the dollar will come under *pressure* is a different story entirely.

**We want to own gold now because the USD has become what may be the priciest illusion in modern financial history.**

The Fed raised rates without consulting other global central banks. Some would argue, at the expense of other global banks, and they'd be right too.

The situation has encouraged a flight to safety, liquidity, and higher-yielding US bonds on a scale not seen since the Global Financial Crisis in 2008–2009.

This tells me that gold could be a much stronger store of value than people think. And a perfect *deflationary* hedge.

This is a super-critical nuance and one not many people will think about... but, arguably, should.

I am not suggesting you buy gold because I think it's going to $5,000 or some other crazy figure. Honestly, the stock market would be the least of our worries if that happened.

I am advocating gold because history shows very clearly that adding gold to your portfolio mix now can help you dampen overall portfolio volatility. And, counter-intuitively, boost your profit potential as a function of the stability it provides.

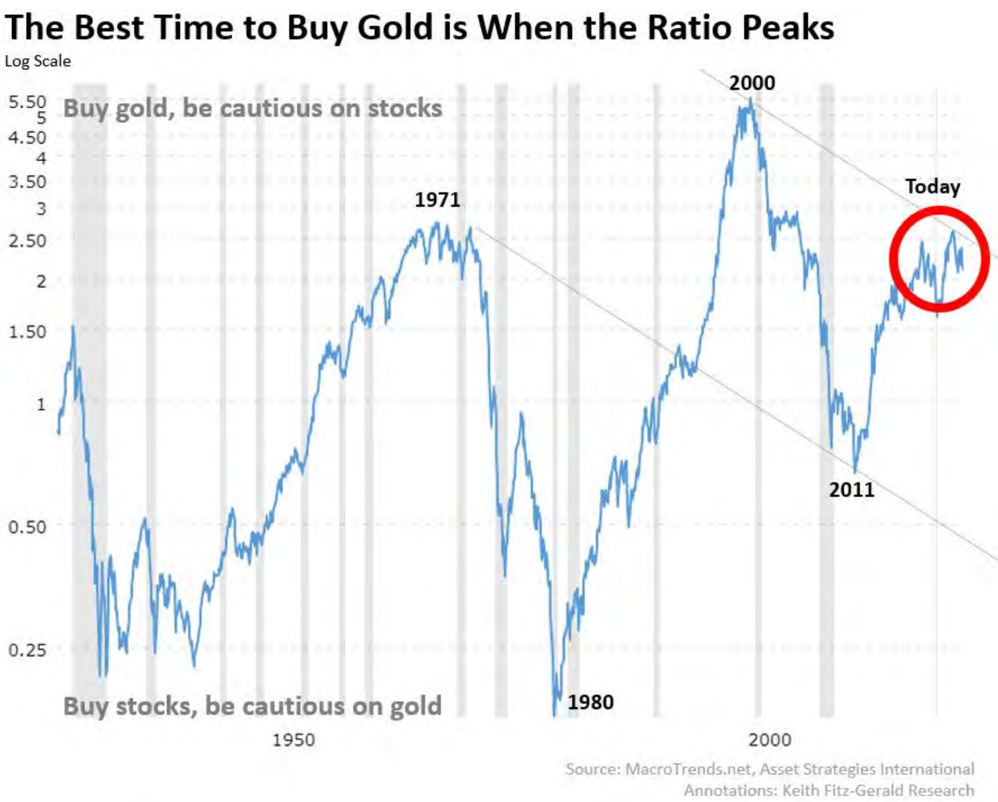
## The gold ratio suggests we're on target

Most investors are not familiar with the Gold Ratio, a calculation showing how much gold it would take to buy the S&P 500 Index.

Generally speaking, the higher the ratio, the more gold it takes to buy the S&P 500. Conversely, the lower the ratio, the less gold it takes to buy the S&P 500.

I know that sounds like hocus-pocus, but hear me out.

The ratio works because it provides a comparable "value" over time. And it's valuable because you can see the relationship I'm describing very clearly at other key points in history.




For example...

...**August 1971.** Nixon decoupled gold from the US dollar and the S&P 500 ratio to gold dropped from a high of 2.5.

...**January 1980.** Gold traded at an all-time nominal high of $850/oz while the ratio traded at an all-time low of just 0.17.

...**October 2000.** The ratio hit an all-time high of 5.29, and gold jumped higher from $264/oz as the ratio went into freefall.

...**September 2011.** Gold peaked as the ratio touched another low of 0.67.

...**TODAY.** Gold is trading at $1,916.30 while the ratio has again peaked at about 2.1 and appears ready to fall again as I type.

## How to buy & why you'll want to

People ask me all the time "how" to buy gold.

It's tempting to say that it doesn't matter, but the truth of the matter is that there are some important considerations.

Let's start with storage.

Many people keep gold at home or quite literally bury it in the backyard. That's problematic, for the simple reason that crime is on the rise. And —true story—Mother Nature can quite easily wash your stash out to sea, as was the case for a gentleman attending one of my lectures years ago. He sheepishly told the audience that his bullion was "100 miles out in the Gulf of Mexico" after a particularly violent storm flooded his property.

Putting your gold in a safe deposit box can help minimize both risks, but you've still got to have your gold re-assayed in the event you want to sell it... or even just simply value it for insurance purposes. That can take time you might not have if push comes to shove and you're in a hurry to sell.

The other thing that matters is that you—the owner—must prove that you haven't altered your gold in any way when it comes time to sell. Chances are good that the prices you're offered won't be what you expect if you can't.

ETFs like GLD are a popular choice I've recommended in the past. However, that ship has sailed—for two reasons.

For one thing, investors can push prices higher or lower than the net asset value, which means there's a tracking problem. In other words, share prices may be worth more or less than the underlying equivalent in gold ounces.

For another, ETFs typically charge a management fee, which means that cumulative fees constantly erode the amount of gold each share represents. Proponents will tell you that "just 0.4%" isn't much, but I beg to differ because fees can add up over time while reducing your potential returns.

And finally, gold jewelry is a popular choice because it looks great if you're wearing it. Like many people, my bride and I keep ours in a safe deposit box at the bank and take it out on occasion if we want to glam up.

## The best choice right now

I recommend buying gold using standard bullion bars or coins purchased through one of two preferred partners:

1. The Hard Assets Alliance (HAA)
2. Asset Strategies International (ASI)

**The Hard Assets Alliance** began in 2012 when investing professional Olivier Garret recognized the need for physical gold as a true financial asset without the shortcomings of paper assets or fractional bar ownership.

Olivier also is a trusted colleague and business partner of mine, which means I can vouch for his integrity. In fact, Olivier was HAA's very first customer and still holds an account there to this day. Mauldin Economics, our new business partner, also holds an account.

HAA has helped place more than $3 billion in precious metals over the past 11 years via an online platform created expressly to help investors buy precious metals while establishing true ownership. There's even an app if that's your bag.

Practically speaking, it's all very similar to a brokerage account. HAA accounts can be held personally, as tax-advantage retirement accounts, or even as trust and corporate accounts.

Funding your account is super straightforward using a variety of methods including checks, transfers, and wires.

Buying through HAA is done at the touch of a button online or via the app. When you decide to buy gold, HAA receives a bid from as many as 16 of the world's largest wholesalers, all of whom are LBMA approved.

Your purchase is then delivered to one of five LBMA-approved storage facilities located around the world, each of which is operated by Brinks, Loomis, or Malca-Amit, and insured by Lloyd's of London.

You can take delivery on demand anytime you like, though most folks opt to leave their gold in storage where is regularly audited, insured, and secured.

Selling is straightforward in that HAA will post your offer and receive bids from the same collection of world-class wholesalers. The trader in me likes the fact that you know your execution price almost instantly. Cash proceeds settle in an industry-standard three days, just like your brokerage account.

**Asset Strategies International** has been in business since 1982 when Chairman Michael Checkan and the late Glen Kirsch formed the company with the express purpose of helping investors protect their assets globally through precious metals, foreign currencies, and rare tangible assets.

ASI has helped clients purchase more than $5 billion in precious metals, including gold, over the past 41 years. I've known Michael for years and can personally vouch for his integrity just as I can for the current COO's forthrightness, Rich Checkan, whom I've also known for more than a decade.

Everything ASI does is *transactional*, meaning specific to your needs.

Practically speaking, that means you do not need to "open an account" in the conventional sense of the term. ASI will collect information for business records, but that's it.

ASI has helped clients with precious metals IRAs since those things were first allowed in 1986, by the way. So there is considerable flexibility in terms of how you structure your purchase.

Buying through ASI is simple. You give 'em a call, and they'll help you select the right products to meet your goals while also quoting you a delivered price.

# TIME TO BUY GOLD

If you agree, the company buys your gold immediately to “fix” your price in an otherwise volatile market. That helps eliminate market risk while also helping you know to the penny what you’re paying the moment you decide to buy.

You can pay ASI the day of the trade or even, in some cases, the next business day using a personal check, an ACH, or wire transfer—depending on the amount of your purchase.

ASI will ship your gold to you or a depository account in your name once your funds are received and cleared. The company can introduce you to a trusted network of third-party storage providers worldwide.

Selling is super straightforward too. You ring ASI on the phone to get a quoted spot price, then ship your gold to their depository in Delaware where its re-assayed. Assuming everything checks out, ASI will then cut you a check, and you’re done.

I encourage you to have conversations with both ASI and HAA straight away if you’re in the market for gold and keen to follow along.

**Action to Take:** Studies show that 1–3% of total investable assets may be an appropriate starting point for many investors. Feel free to adjust that number up or down in accordance with your personal risk tolerance, investment objectives, and situation (none of which I know).

Remember, the goal here is NOT raw price speculation. It’s important to ease into this position because we intend to leave it alone for a while as bullish sentiment returns and the dollar weakens later this year. Alternatively, consider taking money away from recommendations like SH, PSQ or DOG, particularly if the BBSI is again positive as we go to press.

KF

**The Hard Assets Alliance:** Click on this link to learn more or open an account online immediately.

**Special OBA Benefit: HAA will give you free storage for 12 months if you open an account before the end of February... no matter what the size of your account.

**Asset Strategies International:** Click here to learn more and get started. Or call ASI at (800) 831-0007 or (301) 881-8600. Mention you are a part of the One Bar Ahead® Family and you’re off to the races.

**Special OBA Benefit: ASI will throw in free shipping, handling, and insurance—along with a free 1-oz Silver American Eagle for every purchase over $5,000 through the end of February.

**FTC Disclosure:** Keith Fitz-Gerald Research may receive a small affiliate commission at no additional cost to you if you establish a relationship with ASI or HAA using the information provided. Full terms and conditions can be found here.

# PORTFOLIO REVIEW

Plus the Fund Folio™ and the December OBA 50™

# PORTFOLIO REVIEW (FEBRUARY 2023)

## 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 "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 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** 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 February 1st, 2023

## Foundation Stones (50%)

## AAPL

APPLE, INC

Beta
**1.09**

Yield
**0.64%**

30d
Δ vs SPX
**8.19**

Total
α vs SPX
**4.10%**

Notes

Apple will report Q1 '23 results as we go to press. So, let's plan on a more extensive update in next month's issue.

Meanwhile, Apple continues to develop the next generation in tech. For example, a recent press release highlighted the M2 Pro and M2 Pro Max, two next-generation systems on a chip.

Without getting into the nitty-gritty, the release for the M2 Pro Max stated: "Its industry-leading performance per watt makes it the world's most powerful and power-efficient chip for a pro laptop." Intel, AMD, and NVDA will all be watching—as will we!

And keep an eye on Apple's partnership with the MLS. It's part of what I expect to be a new series of deals allowing Apple to stream every single MLS game. The season starts off on February 25—sit back and watch the Apple TV subscriptions roll in and the revenue pile up.

Then there's Tim Cook himself. I was thrilled to see Cook request and be granted a pay cut that singles him out as a true leader. Granted, his total compensation is now "only" $49 million, but the move is undeniably the mark of a great leader.

More importantly, it's a powerful signal that shows Cook's interests are aligned with shareholders like us at a time when the S&P and shares of Apple dropped by 19.44% and 26.40%, respectively.

Shares are trading at a P/E of 23.6X and yielding 0.64% as I write.

# PORTFOLIO REVIEW (FEBRUARY 2023)

## CLOI

VanEck CLO ETF

Beta
0.06

Yield
5.84%

30d
Δ vs SPX
-5.93%

Total
α vs SPX
-9.11%

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.

## JPM

JPMORGAN CHASE & CO.

Beta
1.14

Yield
2.86%

30d
Δ vs SPX
-0.88%

Total
α vs SPX
11.83%

Notes

JPM reported stellar fourth-quarter and fiscal year-end 2022 earnings. Fourth-quarter revenue came in at $35.6 billion—up $5.2 billion or 17% year over year. EPS for the year came in at $12.09, beating analysts' forecasts of $11.61 by over 4%. Below is a breakdown of some highlighted business segments for JPM.

- Consumer & Community Banking revenue for the fourth quarter came in at $15.8 billion, an increase of 29% year over year.
- Corporate & Investment Bank revenue for the fourth quarter came in at $10.5 billion, a year-over-year decrease of 8.5% (more thoughts on this below).
- Commercial Banking revenue for the fourth quarter came in at $3.4 billion, an increase of 30.3% year over year.
- Asset & Wealth Management revenue for the fourth quarter was $4.6 billion, a 2.6% increase year over year.

There are two critical points to address from the bullet points above.

Notes (contd)

First, Corporate & Investment Bank segment revenue was down 8.5%. Some analysts don't take the larger picture into account. IPOs declined by 82.5%—from 1,035 IPOs in 2021 to only 181 in 2022. With that in mind, a revenue loss of just 8.5% is impressive. Mergers, acquisitions, and all other transactions involving investment banking will make a comeback, and JPM is in prime position to capitalize when they do.

Second, Asset & Wealth Management growing revenue by 2.6% year over year is a big deal. Wealth Management charges a fee for assets under management (AUM), typically on a quarterly basis. So, four times a year, an advisor's clients will be charged a fee on managed assets.

Remember, last year the S&P 500 and the Bloomberg Aggregate Bond Index were down 19.44% and 13.02%, respectively. That means the fee was charged on a lower AUM for existing accounts, yet JPM grew revenue by 2.6% due to higher deposit margins on lower balances and long-term net inflows. Excellent!

The net inflows are key for long-term investors because this is sticky/recurring revenue. In the fourth quarter alone, the net inflow was $10 billion.

At the time of writing, JPM is trading at a P/E of 11.6X and yielding 2.85%.

## MSFT

Microsoft Corporation

Beta
0.96

Yield
1.10%

30d
Δ vs SPX
-1.78%

Notes

Microsoft reported Q2 '23. Revenue for the quarter came in at $52.7 billion, an increase of 1.97% year over year. EPS was $2.32, topping Refinitiv estimates of $2.29.

Total
α vs SPX
-7.75%

Notes (contd.)

The press went into doom and gloom mode, but as I noted on Making Money with Charles Payne, I don't think they were listening to the same earnings call I did!

Here is a quick recap of what I wrote in a Morning 5 with Fitz:

- Microsoft beat on earnings, which shows that it can manage expenses properly and prudently.
- The growth of Microsoft's cloud computing division, Azure, "slowed" to just 31%.
- The company earned $52.75 million after taking a $1.52 billion charge to ensure that it takes care of the people it's laying off and to consolidate leases.
- More than 80% of enterprise customers use 5+ MSFT products—including more than 60% of the Fortune 500, which uses cloud-delivered Windows (as opposed to the desktop variety most home users are familiar with).
- MSFT is the ONLY company with integrated end-to-end identity security, compliance, device management. Team Blue processes 65+ trillion signals a day!

Using forward EPS estimates from Refinitiv for 2023, 2024, and 2025, Microsoft is trading at ridiculously attractive P/Es of 25.2X, 21.9X, and 18.8X, respectively. All that while yielding 1.12% and outperforming the S&P 500 by 4.58% since Microsoft reached its lows in early November.

To a point I've made many times, Big Tech will go back to the head of the class when the Fed blinks. There's still time to add to/get into this stock before it takes off.

## RCS

Pimco Strategic Income Fund

Beta
0.80

Yield
13.97%

30d
Δ vs SPX
5.42%

α vs SPX
-11.12%

Notes

The Fed hasn't let off the gas yet when it comes to rates, 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 an 21.52% premium as I write. 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 13.97% distribution rate/yield.

Continue to accumulate.

## Global Growth & Income (40%)

## AMD

Advanced Micro Devices Inc

Beta
1.44

Yield
0.00%

30d
Δ vs SPX
12.91%

Total
α vs SPX
-30.61%

Notes

Advanced Micro Devices will report Q4 fiscal-year 2022 results as we go to press.

Meanwhile, remember why we own it. Chips are as "must-have" as it gets—especially when it comes to breakthrough technology.

Autonomous driving, for example, will be a reality much sooner than people think. AMD's chips will play a critical role in making that happen. The company announced their adaptive computing technology powers leading mobility supplier DENSO Corporation's next-generation LiDAR platform.

LiDAR, in case you're not familiar with the term, stands for "light detection and ranging." Most cars being produced today have just one forward-looking LiDAR sensor. Next-generation cars will have multiple systems including forward- and rear-facing, and side-view LiDARs.

Notes (contd.)

It's pretty clear to me that AMD's technology is becoming an ever-bigger part of everyday life.

Shares of AMD are trading at a P/E of 43.4X as I write. The E part of the equation will keep growing as the tech gets more and more integrated into companies like DENSO.

## COST

Costco Wholesale Corporation

Beta
**0.72**

Yield
**0.72%**

30d vs SPX
**3.51%**

α vs SPX
**22.79%**

Notes

Costco reported net sales of $23.8 billion for the month of December, an increase of 7% from $22.24 billion last year.

I've said this many times, and I'm going to say it again here as a reminder for new OBA Family Members. Costco enjoys a strong revenue stream from its membership fees. The company is raising the fees in 2023, so I expect to see higher margins and excess cash flow being plowed into opening new stores. Which, in turn, will generate more high-margin memberships.

Margin protection remains a key investing point in 2023, and Costco has a better way of protecting them than most companies. Not to mention a far more efficient supply chain, too.

At the time of writing, Costco is trading at a P/E of 38.3X and yielding 0.72%.

## CTRE

Caretrust REIT Inc

Beta
**1.39**

Yield
**5.54%**

30d Δ vs SPX
**4.22%**

Total α vs SPX
**15.08%**

Notes

CareTrust completed the sale of five senior housing facilities (aggregate 240 units) in Virginia for $13 million. This transaction falls in line with CareTrust's plan to de-risk the portfolio.

Notes (contd.)

CareTrust has beaten Refinitiv's estimates of adjusted funds from operation (AFFO) for two quarters now. I think they'll be right on the Q4 estimate of $36.7 million. Perhaps just a skosh over even.

At the time of this writing, shares are trading at an attractive 12.6X price to AFFO per share using 2023 Refinitiv estimates, and 11.5X using 2024 estimates. Current yield is 5.64%.

Not to sound like a broken record, but we're all getting older, which means specialized property management like this will be key. And potentially very profitable for savvy investors who recognize the distinction between this and conventional REITs.

## CVX

Chevron Corporation

Beta
**1.04**

Yield
**3.22%**

30d Δ vs SPX
**-6.20%**

Total α vs SPX
**94.54%**

Notes

Chevron knocked Q4 and fiscal-year 2022 earnings outta the park! Revenue for the year increased by 51.6% to $246.3 billion. EPS jumped 132% year over year and was $18.83 for 2022. On top of all that, Chevron reported a record profit of $36.5 billion. Woah! Turns out we still need dino juice after all.

What's more, Chevron announced that the company is increasing its quarterly dividend by 6% and tripling the share repurchase plan to $75 billion.

Shares have tacked on 107.4% since I recommended Chevron while the S&P 500, by contrast, has lost -6.7% over the same time frame. That's a 114% performance advantage for anybody following along as directed. If my prediction of $100 per barrel for oil comes true—and I firmly believe it will —then Chevron still has a ways to run.

Notes (contd.)

Shares of Chevron are trading for a very reasonable P/E of 9.6X and yielding 3.35% (taking into account the 6% increase).

## GILD

Gilead Sciences, Inc

Beta
**0.29**

Yield
**3.49%**

30d
Δ vs SPX
-8.59%

Total
α vs SPX
42.22%

Notes

Gilead will report Q4 and fiscal year-end 2022 earnings as we go to press. I'll update you on the earnings in next month's issue. In the meantime, here are some updates on Gilead's pipeline and recent events.

The European Medicines Agency validated a marketing authorization application for Trodelvy for pre-treated HR+/HER2- metastatic breast cancer. Gilead had already submitted a Biologics License Agreement for Trodelvy to the FDA back in October. We'll know the decision if Trodelvy is approved by February 23.

(HR+/HER2-) breast cancer accounts for about 70% of all new cases, nearly 400,000 diagnoses worldwide each year. Almost a third of early-stage breast cancers eventually metastasize. Once they do, the survival rate becomes a bleak 30%, and there are limited treatment options. Trodelvy could really improve the lives of patients and their families.

Gilead is trading at a P/E of 31.6X and yielding 3.50% as I write.

## GIS

General Mills Inc

Beta
**0.19**

Yield
**2.81%**

30d
Δ vs SPX
-15.12%

Total
α vs SPX
-2.57%

Notes

General Mills continues to be a steady Eddy in our portfolio, exactly as expected. 2022 was the year of inflation and still will be a regular topic of conversation in 2023.

Notes (contd.)

Companies with pricing power were/are able to weather the inflation storm better than their counterparts. General Mills is a great example.

The S&P 500 returned -19.44% in 2022 while GIS returned +28.10%, a 47.54% difference and a performance advantage I'm super pleased to see.

From a qualitative viewpoint, many people consume a General Mills product with each meal of the day. Let's say you start your day with some Yoplait yogurt and Cheerios. Then move on to some Progresso soup for lunch. Don't forget the Nature Valley bars for a snack. For dinner, you whip up a quick Betty Crocker meal and polish the night off with some Häagen-Dazs ice cream.

Not only is that a fantastic day, but it's fantastic news for General Mills because all of those brands are General Mills brands. Seriously, check out all the brands for General Mills if you haven't already. It's mind blowing how many of 'em you and I interact with on a daily basis... maybe even multiple times a day.

At the time of writing, GIS is trading at a P/E of 16.1X and is yielding 2.77%.

## INTC

Intel Corporation

Beta
**0.94**

Yield
**4.85%**

30d
Δ vs SPX
2.66%

Total
α vs SPX
-31.58%

Notes

Intel reported fourth-quarter and fiscal year-end 2022 results. The results were dramatically less than analysts expected. Not surprisingly, the sensationalist claptrap has already started. Various news sources are calling the results everything from horrible to brutal. CNBC reported a "historic collapse."

Notes (contd.)

The real surprise is that analysts got it as wrong as they did and that "expectations" were as high as they were... at a time when overall chip demand is declining.

The main reasons for the decline are things we talk about frequently: supply challenges and less spending as consumers hang onto older machines because COVID (and now the threat of a recession) forced 'em to cut back. But, like it or not, that's how the game is played, and there's not a lot I can do about the tomfoolery.

Let's review:

- Revenue: $14 billion versus $14.4 billion expected
- Adjusted EPS: $0.10 versus $0.19 expected
- Client Computing: $6.6 billion versus $7.4 billion expected
- Datacenter and AI: $4.3 billion versus $4 billion expected

Intel will ultimately work through this, but it'll be a longer battle. They can't control the macroeconomic headwinds that are plaguing them right now. The company did go into slash-and-burn mode with salaries as we went to press, so we'll follow up on that in the days ahead.

Consider Intel a HOLD for now until the situation stabilizes. Divert any money that was intended for shares of INTC to better use, and purchase shares of AMD and CRWD instead.

I am concerned that Intel may cut its dividend, but there is no need to put the cart before the horse yet. Meanwhile, shares trade at a P/E of 15.2X and yield 4.88%.

## LMT

Lockheed Martin Corporation

Beta
**0.80**

Yield
**2.63%**

30d
Δ vs SPX
**-12.48%**

Total
α vs SPX
**48.63%**

Notes

Lockheed Martin Corporation

Lockheed reported Q4 and fiscal year-end 2022 results. Revenue for 2022 came in at $66 billion, and revenue for the fourth quarter was $19 billion, which beat Refinitiv estimates by 1.13% and 3.96%, respectively. EPS for the year came in at $21.66, beating Refinitiv estimates of $21.57, and at $7.40 almost matched estimates for the fourth quarter.

The Wall Street Journal said Lockheed reported a "disappointing" outlook that isn't expected to return to growth until 2024. Once again, I am not sure that journalists writing about this stuff are looking at the same reports we are.

Lockheed's backlog of $150 billion, which is a book to bill of 1.2X, says otherwise. I agree with Lockheed in that this strong demand bodes well for the company's future growth. And share prices.

As if that signal isn't strong enough, the following also plays in Lockheed's favor.

Congress signed the FY '23 OMNIBUS spending bill into law, appropriating $858 billion for national defense, including $817 billion for the DOD-based budget. That's about a 10% increase year over year for both national defense and Department of Defense.

These increases enable Lockheed, along with the Joint Program Office, to finalize the contract for the production and delivery of up to 398 F-35s for $30 billion.

## MUFG

Mitsubishi UFJ Financial Group

Beta
**0.75**

Yield
**1.43%**

30d
Δ vs SPX
**5.62%**

Total
α vs SPX
**5.15%**

Notes

The surprise BOJ move to increase rates on Japan's 10-year bonds that I recently wrote about puts the bank in the best position it's been in for a while when it comes to lending.

Here's a brief summary of the BOJ move from CNBC: "The central bank caught markets off guard by tweaking its yield curve control (YCC) policy to allow the yield on the 10-year Japanese government bond (JGB) to move 50 basis points either side of its 0% target, up from 25 basis points previously, in a move aimed at cushioning the effects of protracted monetary stimulus measures."

The hope here is that a smoother yield curve will improve the functioning of the markets and at the same time maintain accommodative financial conditions.

Mitsubishi was added to the OBA portfolio on 1/9/2023 during that Monday's OBA update.

Limit the initial position to 1% of investable capital to control risk "on the way in" and plan on reinvesting to maximize compounding. Tuck shares away in the Global Growth & Income segment of your portfolio.

Shares are up 9.75% vs. the S&P 500, up 4.59% since the recommendation—nearly double the index! The forward dividend yield is 3.12%, which should also come up a bit as currency headwinds diminish.

Mitsubishi will have reported earnings by the time this hits your inbox. I'll cover the earnings in detail in next month's update.

## PFE

Pfizer

Beta
**0.56**

Yield
**3.17%**

30d
Δ vs SPX
**-20.60%**

Total
α vs SPX
**-3.86%**

Notes

Pfizer reported fourth-quarter and fiscal year-end 2022 earnings and issued what is being deemed "weak" guidance in regard to COVID vaccines/treatments, which sent the media into a frenzy. We'll get to that in just a second.

Revenue for the year came in at $100.3 billion, a 23.4% increase year over year. EPS was $6.58 for the year… a 48.9% year-over-year increase, beating Refinitiv estimates of $6.49.

Speaking of the COVID vaccine/treatment demand here. In 2022, Comirnaty and Paxlovid (the first a COVID vaccine, the second an oral drug) made up $37.8 billion and $18.9 billion of Pfizer's $100.3 billion revenue. Stick with me here while I do some accounting magic.

Let's assume the worst-case scenario: Demand for Pfizer's COVID vaccine demand drops to 0. Nobody wants it. I'll back out $56.7 billion in revenue (Comirnaty and Paxlovid combined), so the new revenue for the year would be $43.6 billion.

Comparing the new $43.6 billion with the $41.9 billion in revenue from 2020, which would be the last year unaffected by COVID vaccine sales, it's still an increase of 4.05%. And that's worst case, as in ZERO demand for COVID products. I don't doubt demand and sales will be down, but they will not be zero.

Here's the other big thing that, I believe, analysts overlook: If you ONLY consider non-COVID products, Pfizer issued a 7–9% growth forecast for 2023.

Notes (contd.)

The company also expects to have 19 new products or indications on the market through the first half of 2024.

Now there is a fly in the ointment, and it's one we need to address: the Veritas video that's making the rounds on social media.

Many folks believe that class-action lawsuits will bankrupt PFE, especially now that a Pfizer exec has apparently been caught on camera "lying," goes the thinking.

The situation reminds me very much of the Exxon Valdez, Union Carbide/ Bhopal, and even Tylenol Tampering, or the tobacco companies. All are still here despite similar concerns at the time.

As investors, it's important we remember that trial by media is very different than trial by law. I personally cannot believe a Pfizer executive would be so stupid as to speak about that the way he apparently did, but no doubt there's considerably more context that is not known at present.

At the same time, basic virus research often includes so-called gain of function research. I personally think it's scientific lunacy, but you may feel differently, and I respect that.

What's caught the public's attention and the broader discussion that now needs to take place is when, how, and why is it okay to deliberately do research that will change a virus in such a way that it could cause uncontrolled illness, spread widely, or result in increased mortality.

Notes (contd.)

Researchers don't know what will happen when they start down that path, and "oops" is simply not something I want to hear in the name of science.

If you think Pfizer is going to go feet up, I suggest selling your shares and splitting the proceeds between ABBV and GILD as an alternative. For better or for worse, I'm going to be holding mine for now.

## PLTR

Palantir Technologies Inc

Beta
**1.602**

Yield
**0.00%**

30d
Δ vs SPX
**16.79%**

Total
α vs SPX
**-76.47%**

Notes

Palantir had a busy month and announced two key partnerships.

Palantir announced a partnership with security company Cloudflare that will help organizations quickly generate meaningful cost savings from their existing cloud bills and transition to a more cost-efficient cloud infrastructure for the long term. Palantir Foundry and Palantir Apollo will play a large role in this.

The second partnership is with the Cleveland Clinic to deliver a "Virtual Command Center." This will help the clinic improve patient access by enabling data-driven decision making and resource allocation on hospital frontlines.

To be specific, it helps better forecast patient admissions, discharges, and transfers, as well as assess the availability of caregivers and hospital beds. That's a big deal for patients and the efficiency of medical practices.

The company will report earnings in mid-February, so I'll have an update on that in next month's issue.

# PORTFOLIO REVIEW (FEBRUARY 2023)

## RTX

Raytheon Technologies Corporation

Beta
1.29

Yield
2.19%

30d
Δ vs SPX
-7.13%

Total
α vs SPX
0.09%

Notes

Raytheon reported Q4 and fiscal year-end 2022 results. Revenue for 2022 and the fourth quarter came in at $67.1 billion and $18.1 billion, respectively—a 4.17% and 6.15% increase year over year. EPS for the year came in at $4.78 and $1.27 for the fourth quarter, an 11.9% and 17.6% increase year over year, respectively.

Three of the four segments saw growth, with two showing double-digit revenue growth year over year: Collins Aerospace +15%, Pratt & Whitney +10%, and Raytheon Missiles & Defense +6%.

The Raytheon Intelligence & Space segment saw a -8% decrease driven by the divestiture of the global training and services business in the fourth quarter of 2021. Don't get bogged down on this… I'm focusing more on Collins Aerospace, which is growing due to the continued commercial recovery in aerospace markets.

And then there's Raytheon Missiles & Defense, which will play an ever-larger role in the world, particularly as it backfills Ukraine and re-equips the US military as China continues to agitate Taiwan.

As with Lockheed, Raytheon saw strong demand for its products. The company captured $86 billion in new bookings, resulting in backlog growth of 12%, a book-to-bill of 1.28X… all in 2022. The rise in national defense spending and the DOD's budget mentioned in Lockheed's update apply here too.

Notes (contd.)

Raytheon is trading at 20.8X trailing earnings and a very attractive 14.5X forward earnings using Refinitiv's EPS estimates for 2025. This name has room to run and will collect a 2.29% yield along the way.

## SLB

Schlumberger Limited

Beta
1.16

Yield
1.74%

30d
Δ vs SPX
0.71%

Total
α vs SPX
-0.51%

Notes

Schlumberger knocked earnings out of the park as anticipated. Revenue for the fourth quarter came in at $7.8 billion—an increase of 26.6% year over year. Revenue for fiscal year 2022 was $28 billion—a rise of 22.5% year over year. EPS for the fourth quarter was $0.71, beating analysts' estimates of $0.68.

The international rig count stood at 1,872, which is 22% higher than last year and a source of great consternation for EVers. Clearly, the world still needs dino juice.

Meanwhile, the Strategic Petroleum Reserve (SPR) is at 371.5 million barrels, its lowest level since December 1983. The Department of Energy announced it was going to fill the SPR up in 2023 and start by accepting bids for 3 million barrels. So far, that has failed… it's no shock why. Oil companies aren't going to sell oil for $67 per barrel when current market prices are hovering around $80 per barrel—despite what economically illiterate policy wonks seem to think.

The lower the numbers sink in the SPR, the more valuable Schlumberger becomes. The demand for oil is still there… that's clear by the SPR draining more than 200 million barrels from the reserve in 2022.

Notes (contd.)

Schlumberger knows this. That's why the company has been cherry picking service and equipment contracts from rivals who have exited doing business in Russia. These contracts are for already-proven and producing reservoirs, not speculative deals that "might" pay off.

Switching gears here.

Schlumberger declared a $0.25 quarterly dividend… that's a 43% quarterly increase. The company plans to target a return of $2 billion to shareholders for 2023 in the form of dividends and share buybacks.

SLB is trading at a P/E of 23.8X and is yielding 1.77% as I write.

## TSLA

Tesla Inc

Beta
**1.98**

Yield
**0.00%**

30d
Δ vs SPX
**50.24%**

Total
α vs SPX
**-36.29%**

Notes

Tesla reported fourth-quarter and fiscal year-end 2022 earnings. Revenue came in at $81.5 billion for the year, a 51.4% increase year over year.

Really, let that sink in for a second. EPS of $4.07 for the year topped Refinitiv estimates of $4.01 and increased *80%* year over year.

At a time when it seems like everyone keeps repeating, "Margin compression, margin compression," Tesla has done the opposite.

Operating margins for 2022 were 17%. Compare that to 2021, 2020, and 2019 when operating margins were 12.1%, 6.3%, and negative, respectively. 17% margins are actually the highest among any volume car maker today.

Many questions from the media center around demand for Teslas. Elon addressed those questions in the call.

Notes (contd.)

Here is his response: "Thus far in January, we've seen the strongest orders year-to-date than ever in our history. We currently are seeing orders at almost twice the rate of production."

Of course, it's hard to predict if orders will *remain* at twice the rate of production, but don't let a few trees distract you from the forest view. Tesla delivered 1.3 million vehicles in 2022 compared to 936,000 in 2021. Demand is strong!

## WM

Waste Management Inc.

Beta
**0.67**

Yield
**1.70%**

30d
Δ vs SPX
**-10.62%**

Total
α vs SPX
**3.61%**

Notes

Waste Management is raising its annual dividend by 7.7%, from $2.60 per share to $2.80 per share. The board of directors also authorized the company to repurchase up to $1.5 billion of its own stock, replacing a 2022 authorization for the same amount that WM took full advantage of. This large

# Zingers (10%)

## CRWD

CrowdStrike Holdings

Beta
**0.89**

Yield
**0.00%**

30d
Δ vs SPX
**-3.20%**

Total
α vs SPX
**-31.04%**

Notes

CrowdStrike will report Q4 and fiscal year-end 2023 results in late February or early March. I think they'll knock 'em out of the park, just like they did in November. Even though the stock is down -21.5% since then, it's really just a better entry price for you.

Notes (contd.)

Just for a quick refresher… here are two highlights from the November report:

- 69 of the Fortune 100 are customers, as are 258 of the Fortune 500. Same goes for 15 of the top 20 US banks and 537 of the Global 2000.
- Annual Recurring Revenue (ARR) increased 54% to $2.34 billion, of which $198.1 million was net new ARRX.

The Annual Recurring Revenue is key to future success. An increase of 54% in "sticky" revenue is something to be excited about! Not something to fear.

## ETN

Eaton Corporation PLC

Beta
1.15

Yield
2.01%

30d
Δ vs SPX
-3.43%

Total
α vs SPX
13.35%

Notes

Eaton joined forces with BNP Paribas Leasing Solutions to offer a tailored finance solution to help business owners accelerate their energy transition, which will help clients preserve cash flow. They are offering predictable fixed payments that include infrastructure and equipment, as well as access to Eaton's global service network.

Europe is intent on moving to clean energy—whether you agree or not. More than 70% of Europe's energy comes from burning fossil fuels, according to eurostat, with petroleum products making up 35% and natural gas 24% of the total energy mix.

In August 2022, WTI crude oil peaked at $123.70 per barrel and natural gas at $9.68 MMBtu. These high prices will push Europe to accelerate the transition to renewables. Eaton will be a big beneficiary because of it.

Eaton is trading at a P/E of 28.1X and is yielding 2.01% as I write.

## NVDA

Nvidia Corp

Beta
1.52

Yield
0.08%

30d
Δ vs SPX
37.50%

Total
α vs SPX
-1.35%

Notes

NVIDIA and Dell Technologies partnered in their largest-ever joint AI initiative to launch a wave of Dell PowerEdge systems. The system will draw on NVIDIA's full AI stack and the NVIDIA AI Enterprise software suite, which provides a wide range of applications. Some of the applications included cybersecurity, speech recognition, and other language-based services.

That's not the only thing up their sleeve, though.

Biotech company Evozyne created two proteins with significant potential in healthcare and clean energy using a pretrained model from NVIDIA. You've seen me write about the incredible advances in biotechnology—specifically in the healthcare and anti-aging space—and how rapidly it's going to transform these fields. The fact that companies like Evozyne find NVIDA's technology useful speaks volumes for the future.

NVDA is trading at a P/E of 46X and is yielding 0.10% at the time of writing.

Some analysts look at the P/E and say 46X is overvalued. I beg to differ. The E part of the equation will rise sharply in the coming years. Just look at the Evozyne example above as a reason why.

## RKLB

Rocket Lab USA, Inc

Beta
1.64

Yield
0.00%

30d
Δ vs SPX
30.39%

Notes

The "Virginia Is for Launch Lovers" mission successfully launched Rocket Lab's 33rd Electron rocket and first mission from Virginia. It's also the first Electron mission from US soil.

Total
α vs SPX
-55.34%

Notes (contd.)

This is just the first of three Electron launches for HawkEye 360. Rocket Lab still has to launch 15 satellites to low-Earth orbit in 2023 and 2024 to complete its end of the contract.

Rocket Lab has now successfully sent a whopping 155 satellites into orbit!

Not to be too cheesy... but just like the "Virginia Is for Launch Lovers" mission, share prices for RKLB have skyrocketed this year. Shares are up 27.8% vs. the S&P 500, up 4.60% as I write.

## SHOP

Shopify, Inc.

Beta
**1.92**

Yield
**0.00%**

30d
Δ vs SPX
45.84%

Total
α vs SPX
72.24%

Notes

There's no new news for Shopify this month. They will report year-end 2022 earnings in February or March. I'll give you all the important details in next month's update.

In the meantime, shares are up 98.9% since I recommended SHOP in early October. The S&P is up 14.8%, a 84.1% performance advantage.

## Vegas Money (0.5-1%)

## NIO

NIO Inc

Beta
**N/A**

Yield
**N/A**

Notes

NIO provided a December, fourth-quarter, and 2022 update on vehicle deliveries. Here are some highlights taken directly from the report:

- NIO delivered 15,815 vehicles in December 2022, increasing by 50.8% year over year.
- NIO delivered 40,052 vehicles in the three months ended December 2022, increasing by 60.0% year over year.

Notes (contd.)

- NIO delivered 122,486 vehicles in 2022 in total, increasing by 34.0% year over year.
- Cumulative deliveries of NIO vehicles reached 289,556 as of December 31, 2022.

That's an impressive December, quarter, and year. Yee-haw!

NIO has had a strong start to 2023, returning 13.54% and outperforming the S&P 500 at 3.47% at the time of writing.

I haven't seen any more news on the data breach I mentioned in last month's update. It's important to note that the strong start to the year has brought NIO shares back to even from Dec. 20 when the data breach was announced. This makes me think good news is on the horizon.

Remember that this is still Vegas Money, so wild swings can occur. Invest accordingly based on your own tolerance for volatility.

## POWW

Ammo Inc.

Beta
**N/A**

Yield
**N/A**

Notes

AMMO will likely report third-quarter 2023 earnings in mid-February. I'll update you with any important info from the report.

Shares are trading at an attractive trailing P/E of 8.1X for 2022 year-end numbers. Using analysts' forecasts, shares are trading at a 10.4X P/E for 2024 estimates.

I suspect the earnings estimates are low. Remember how chaotic the 2016 and 2020 presidential elections were. The 2024 election—which we're now closer to than to the 2020 election—will probably be no different.

Notes (contd.)

When chaos erupts, businesses like AMMO and Smith & Wesson benefit. Still, this is Vegas Money and should be treated as such.

## SWBI

Smith & Wesson Brands

Beta
N/A

Yield
N/A

Notes

Smith & Wesson will likely report third-quarter 2023 earnings at the end of February or in early March. I'll update you with any important data from the report.

Shares are trading at a ridiculously low trailing P/E of 2.4X for 2022 year-end numbers. Using analysts' forecasts, shares are trading at a 12.8X P/E for 2023 and 9X P/E for 2024 estimates.

The same message about the upcoming presidential election in the AMMO update applies here. Earnings estimates are too low, in my humble opinion.

## XPEV

XPeng Inc.

Beta
N/A

Yield
N/A

Notes

Just like NIO, XPeng provided a December, fourth-quarter, and 2022 update on vehicle deliveries. Here are some highlights from the report (my own % calculations added):

- 11,292 vehicles delivered in December 2022, a -29.4% decrease year over year
- 22,204 vehicles delivered in Q4 2022, a -46.81% decrease year over year
- 120,757 vehicles delivered cumulatively for the full year of 2022, a 23.03% increase year over year
- Total cumulative deliveries: 258,710 as of December 31, 2022

Fourth-quarter results are less impressive than NIO's, but it is encouraging to see 23.03% growth for the entire year.

Notes (contd.)

The business is still modeled after Toyota's, and it is a sound one. I'm not giving up on this stock just yet—for the simple reason that Beijing wants it to succeed!

## Hedges (as needed)

| | YTD performance |
|---|---|
| **SH** ProShares Short S&P500 ETF | -5.43% |
| **RYURX** Rydex Inverse S&P 500® Strategy Fund | -5.32% |
| **PSQ** ProShares Short QQQ ETF | -9.92% |
| **DOG** ProShares Short Dow30 | -2.16% |

Notes

**As much as I'd like to suggest otherwise, I think it's very prudent to keep all hedges in place. 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™

We're going to make a rare mid-year change to the Fund Folio this month.

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

# PORTFOLIO REVIEW (FEBRUARY 2023)

## 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% |


## One Bar Ahead® Model Portfolio

PORTFOLIO DETAILS

| 2/2/2023 | STOCK | REC DATE | ENTRY $ | CURRENT | BETA | YIELD | Profit/Loss | STOP | 12-24mo Target | Last Instruction |
|---|---|---|---|---|---|---|---|---|---|---|
| FOUNDATION STONES | AAPL | 1/8/2021 | $ 132.05 | $ 149.00 | 1.09 | 0.63% | 12.8% | $ 136.51 | $ 200.00 | Buy/Accumulate |
| | CLOI | 10/7/2022 | $ 50.05 | $ 51.25 | 0.07 | 3.36% | 2.4% | As Desired | $ 52.00 | Buy/Accumulate |
| | JPM | 3/7/2022 | $ 129.21 | $ 139.01 | 1.13 | 2.98% | 7.6% | $ 107.26 | $ 175.00 | Buy/Accumulate |
| | MSFT | 3/7/2022 | $ 278.91 | $ 259.09 | 0.96 | 1.06% | -7.1% | $ 236.56 | $ 400.00 | Buy/Accumulate |
| | RCS | 10/1/2021 | $ 6.84 | $ 5.76 | 0.78 | 11.42% | -15.8% | None | $ 8.25 | Buy/Accumulate |
| Global Growth | AMD | 8/4/2022 | $ 103.91 | $ 77.28 | 1.43 | 0.00% | -25.6% | 25% below entry | $ 132.65 | Buy/Accumulate |
| | ABBV | | | | | | | | | |
| | COST | 8/6/2021 | $ 439.63 | $ 523.08 | 0.71 | 0.74% | 19.0% | 25% below entry | $ 634.38 | Buy/Accumulate |
| | CTRE | 6/6/2022 | $ 18.01 | $ 20.95 | 1.37 | 5.49% | 16.3% | $ 16.56 | $ 25.00 | Buy/Accumulate |
| | CVX | 9/3/2021 | $ 97.49 | $ 169.34 | 1.05 | 3.27% | 73.7% | $ 141.04 | $ 219.00 | Take some profits + buy protective puts |
| | MUFG | 1/9/2023 | $ 6.87 | $ 7.33 | 2.05 | 103.27% | 6.6% | 25% below entry | $ 8.51 | Buy/Accumulate |
| | GILD | 3/7/2022 | $ 60.26 | $ 81.00 | 0.29 | 3.29% | 34.4% | $ 67.10 | $ 107.90 | Buy/Accumulate |
| | GIS | 7/5/2022 | $ 75.15 | $ 76.60 | 0.21 | 2.48% | 1.9% | $ 65.66 | $ 74.00 | Re-Enter/Accumulate |
| | INTC | 4/4/2022 | $ 49.20 | $ 29.13 | 0.93 | 5.08% | -40.8% | $ 36.90 | $ 75.00 | Hold |
| | LMT | 11/5/2021 | $ 339.89 | $ 455.68 | 0.81 | 2.50% | 34.1% | $ 372.17 | $ 502.02 | Buy/Accumulate |
| | PFE | 3/4/2022 | $ 48.65 | $ 43.72 | 0.59 | 3.09% | -10.1% | $ 41.38 | $ 70.00 | Buy/Accumulate |
| | PLTR | 1/8/2021 | $ 25.20 | $ 8.76 | 1.53 | 0.00% | -65.2% | None | $ 50.00 | Buy/Accumulate |
| | RTX | 6/13/2022 | $ 91.95 | $ 97.16 | 1.29 | 2.20% | 5.7% | $ 82.80 | $ 110.00 | Buy/Accumulate |
| | SLB | 11/4/2022 | $ 53.10 | $ 53.62 | 1.88 | 0.00% | 1.0% | 25% below entry | $ 65.00 | Buy/Accumulate |
| | TSLA | 7/25/2022 | $ 268.43 | $ 188.27 | 0.67 | 2.97% | -29.9% | 25% below entry | $ 336.86 | Buy/Accumulate |
| | WM | 10/31/2022 | $ 158.37 | $ 150.47 | 1.11 | 0.00% | -5.0% | 25% below entry | $ 180.38 | Buy/Accumulate |
| Zingers | CRWD | 1/6/2022 | $ 187.49 | $ 114.99 | 0.92 | 0.00% | -38.7% | 25% below entry | $ 295.00 | Buy/Accumulate |
| | ETN | 9/6/2022 | $ 138.46 | $ 161.56 | 1.15 | 1.98% | 16.7% | 25% below entry | TBD | Buy/Accumulate |
| | NVDA | 3/7/2022 | $ 213.52 | $ 212.78 | 1.50 | 0.09% | -0.3% | 25% below entry | $ 300.00 | Buy/Accumulate |
| | RKLB | 12/2/2021 | $ 14.81 | $ 5.13 | 1.54 | 0.00% | -65.4% | None | $ 17.00 | Buy/Accumulate |
| | SHOP | 10/7/2022 | $ 27.21 | $ 53.08 | 1.88 | 0.00% | 95.1% | None | $ 41.00 | Buy/Accumulate |

# PORTFOLIO REVIEW (FEBRUARY 2023)

| | TICKER | NAME | YIELD | Trailing 12 Month Returns | Last Instruction |
|---|---|---|---|---|---|
| **Hedges** | **SH** | ProShares:Short S&P500 | 0% | 9.82% | Add as needed |
| | **RYURX** | Rydex Inverse S&P 500 Strategy | 0% | 10.76% | Add as needed |
| | **PSQ** | ProShares:Sht QQQ | 0% | 18.94% | Add as needed |
| | **DOG** | ProShares:Short Dow30 | 0% | 4.04% | 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 January 27, 2023

## OBA 50

| Ticker | Name | Ticker | Name | Ticker | Name |
|---|---|---|---|---|---|
| AAPL | Apple Inc | FTNT | Fortinet Inc | NOW | ServiceNow 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 Devices Inc | 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 Inc | LMT | Lockheed Martin Corp | TMUS | T-Mobile US Inc |
| CTRE | Caretrust REIT | LNG | Cheniere Energy Inc | TSN | Tyson Foods Inc |
| CVS | CVS Health Corp | LOW | Lowes Companies Inc | TSLA | Tesla Inc |
| 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 Inc | NET | Cloudflare Inc | | |

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.

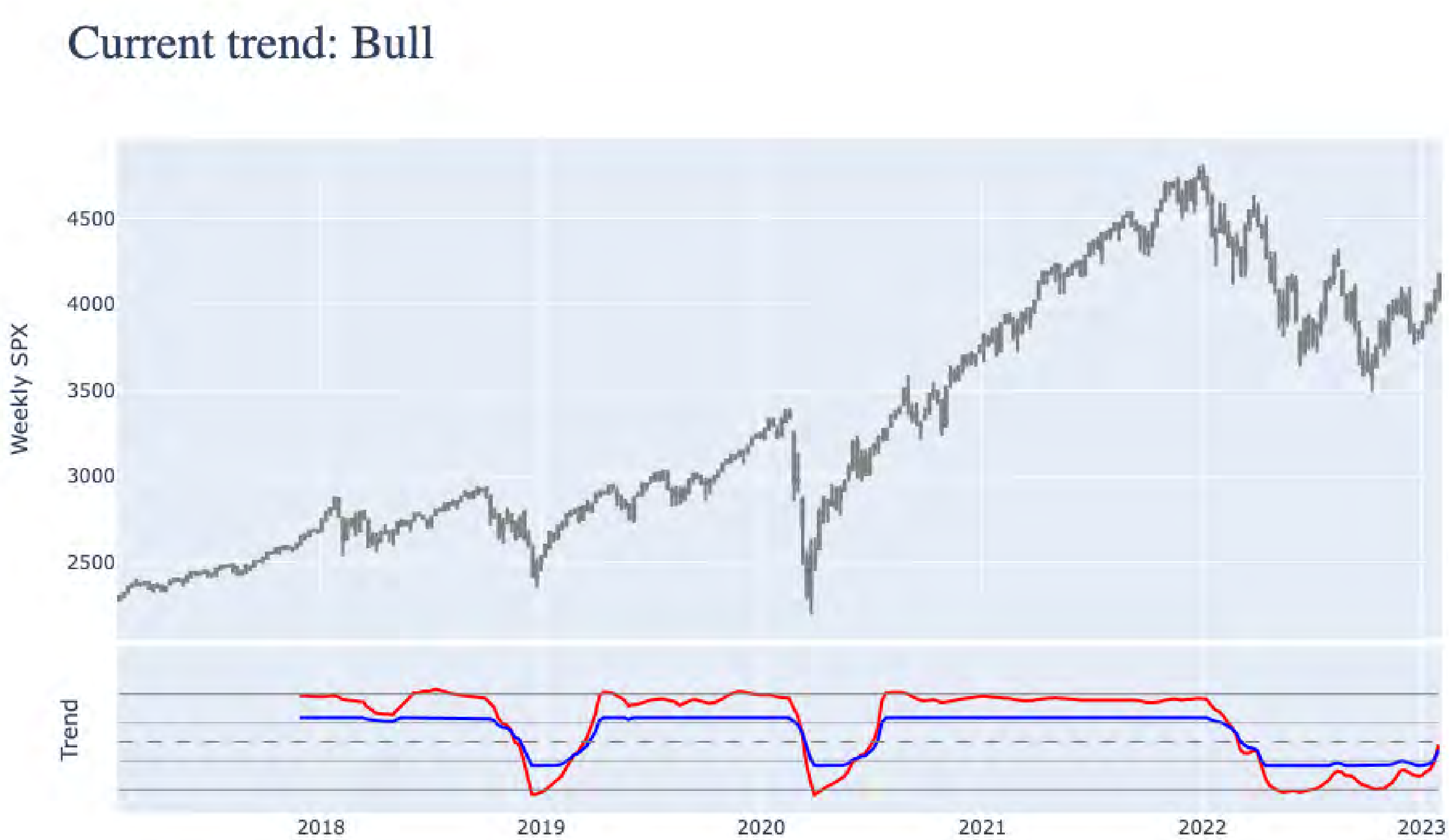
When conditions shift, you will see that the red line crosses above the blue, and price action reflects the promise of more sustainable momentum and a normal statistical range.

**Current Reading = Bullish**

Fed Chairman Jerome Powell’s most recent inflation related commentary was decidedly dovish. Traders, of course, picked up on that immediately and wasted no time getting on the “buy” button.

And that, I am pleased to report, has triggered a **Bullish BBSI** reading as of 2/2/23!

KF




All other chart data as of January 27, 2023

# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE


GILD


90
85
80
75
70
65
60
55
50
Price
Go long
MMI
50
0
−50
Jan 2019
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023

GIS


90
80
70
60
50
40
30
Price
Go long
100
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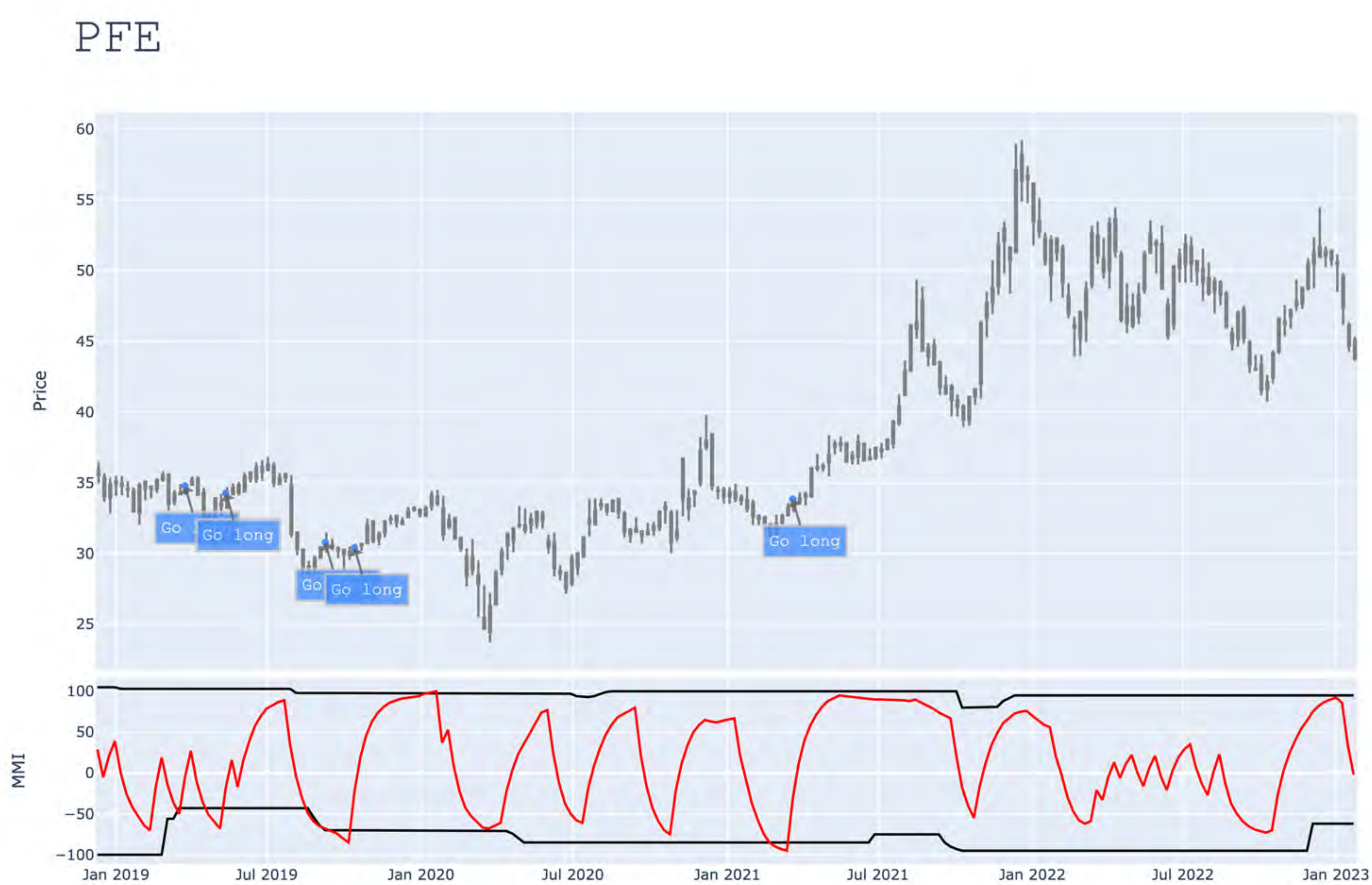
−100
MMI
Jan 2019
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023

# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE

# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# SIMPLE, UNDERSTANDABLE, ACTIONABLE



WM
Price
MMI
Go long
Jan 2019
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023


CRWD
Price
MMI
Go long
Go long
Go long
Go long
Jul 2022
Aug 2022
Sep 2022
Oct 2022
Nov 2022
Dec 2022
Jan 2023


ETN
Price
160
140
120
100
80
60
Go long
Go long
MMI
100
50
0
−50
Jan 2019
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021
Jan 2022
Jul 2022
Jan 2023


NVDA
Price
350
300
250
200
150
100
50
Go long
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Jan 2019
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Jan 2020
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Jul 2022
Jan 2023

# SIMPLE, UNDERSTANDABLE, ACTIONABLE


# FASCINATOR

## Why 2,000-year-old Roman concrete may hold the secret to tomorrow's construction and the profits that come with it

Modern concrete buildings last 50 years, perhaps 100 years if you take care of 'em.

The Roman Pantheon, on the other hand, was constructed in 128 AD and still stands strong. So too do many Roman buildings, roads, and other infrastructure like the ancient aqueducts that still serve Rome's residents today!

So why is it that many Roman buildings and other structures made from concrete are still with us 2,000+ years after being constructed?

Scientists had no clue until recently.

For years, they assumed that the key ingredient was pozzolanic material—a fancy way of saying volcanic ash—that was shipped from the Pozzuoli area near Naples for use across the Roman Empire.

In fact, the secret comes down to "lime clasts," another key element in Roman concrete, and something called "hot mixing."

Here's the skinny.

Researchers from MIT working with scientists from Harvard University and laboratories in both Switzerland and Italy recently discovered that the tiny white particles were not construction impurities as previously thought. But, rather, very deliberately included ingredients with "a previously unknown self-healing capability."

Spectroscopic and high-resolution scanning revealed that the lime was actually composed of various forms of calcium carbonate that could only have been created at extreme temperatures—meaning they wouldn't be there if the concrete hadn't been deliberately "hot mixed" using some form of quicklime as opposed to traditional slaked lime.

Naturally, the geek in me wanted to know why.

MIT Professor Admir Masic who led the effort determined that the lime clasts develop a nanoparticulate architecture that serves as an easily fractured and reactive calcium source capable of recrystallizing as calcium carbonate when needed to fill cracks or strengthen composite materials.

Or, in plain English, concrete that can spontaneously heal itself.

The investment implications are profound.

Imagine freeways, subways, commercial buildings, and sewer systems that can stand the test of time. Billions of dollars presently allocated to repairing shoddy modern concrete could be repurposed into healthcare, agriculture, or other crucially needed resources.

Think about pouring your driveway—once.

Or consider how 3D printing using self-healing concrete could dramatically lower the cost of homeownership… even provide shelter in areas of the world where there isn't any.

It could even improve air quality. I was surprised to learn that concrete production accounts for roughly 8% of global greenhouse gas emissions—which is why, perhaps not surprisingly, Professor Masic's laboratory is also working on concrete capable of absorbing $CO_2$ using this newly gained knowledge.

It's still too early in the game to pick the winners, but I want to put this on your radar right now… for the simple reason that construction companies are investing billions of dollars in advanced materials technology.

Profits won't be far behind!

KF

Additional Resources:

https://www.scientificamerican.com/article/ancient-roman-concrete-has-self-healing-capabilities/

https://news.mit.edu/2023/roman-concrete-durability-lime-casts-0106

https://www.npr.org/2023/01/14/1149245238/why-architectural-marvels-from-ancient-rome-are-still-standing

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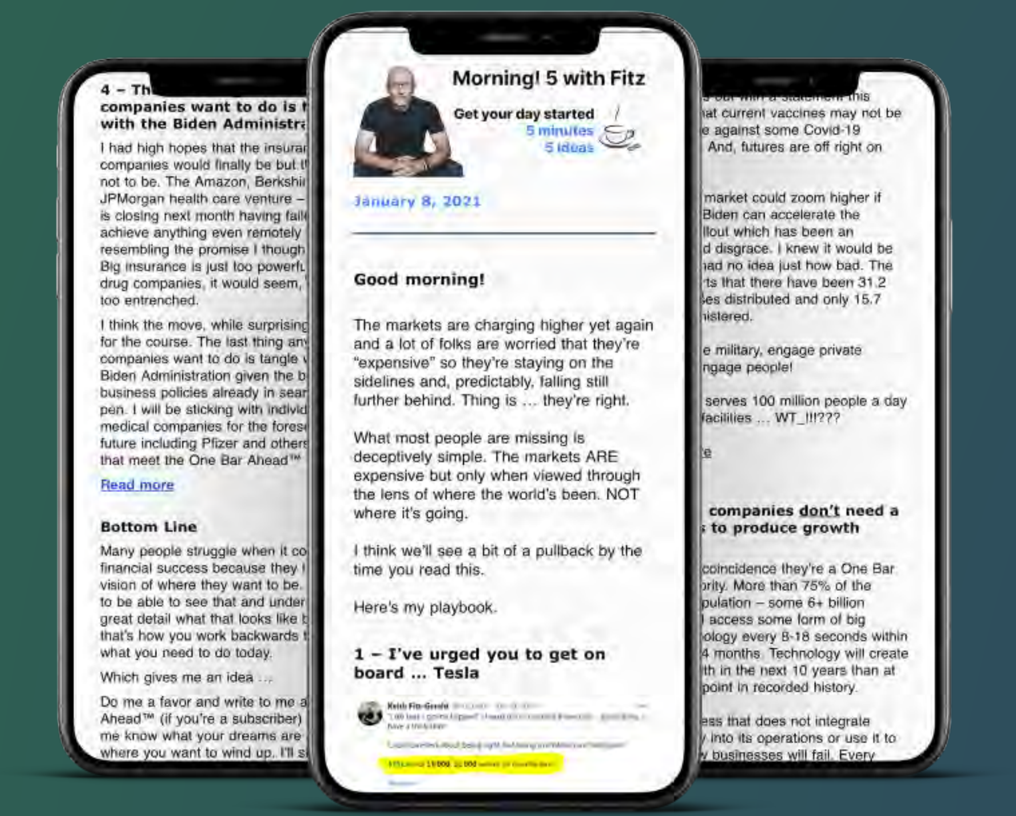


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