One Bar Ahead®

BY KEITH FITZ-GERALD

MARCH 2024

Right Place, Right Time

AN INVESTMENT YOU MAY NOT HAVE CONSIDERED BEFORE

Prevent Overthinking

5 JAPANESE PRINCIPLES FOR LIFE AND PROFITS

What most investors fail to grasp about

Tech Investing

will cost ‘em

Keith Fitz-Gerald

Disclaimers

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Publisher's Statement

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

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Keith Fitz-Gerald

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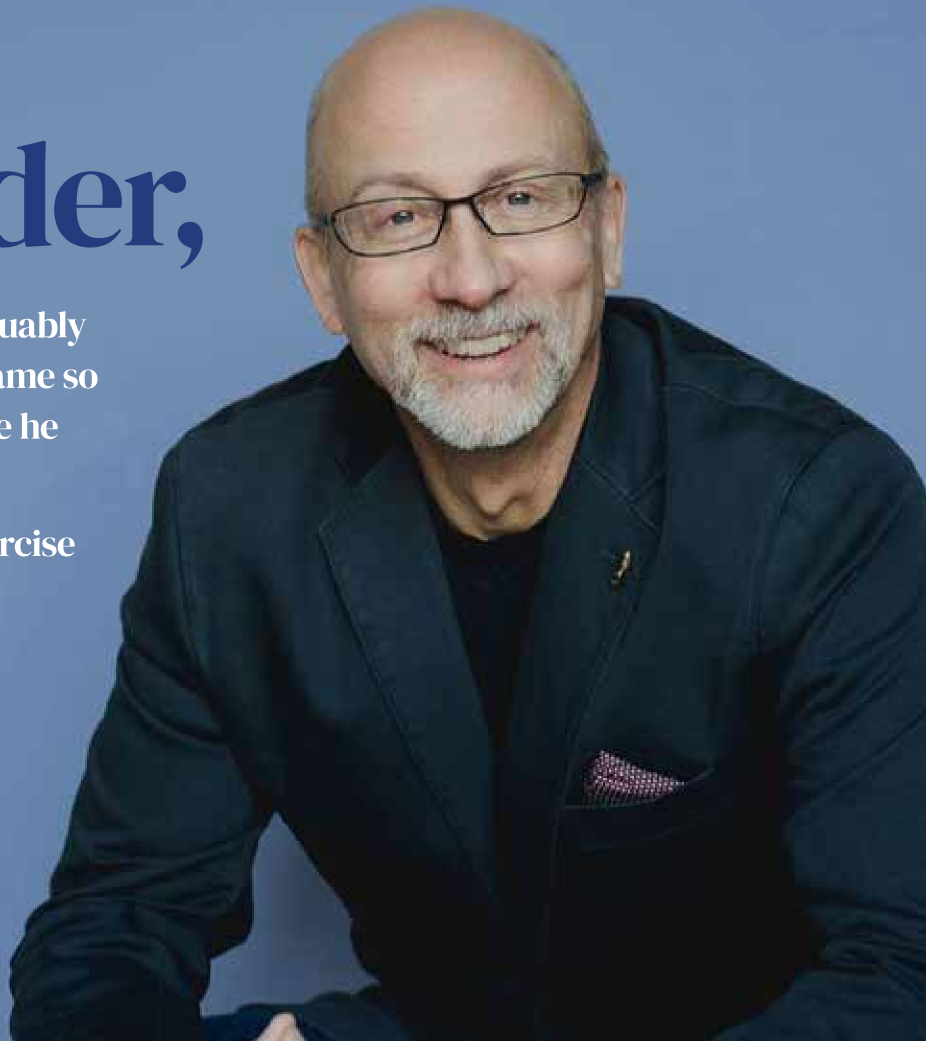
Dear Reader,



Legendary investor Jim Rogers is arguably one of the greatest to ever play the game so imagine my surprise when he told me he was "puzzled."

Honestly, I about fell off the hotel exercise bike I was riding next to him.

Rogers, you see, co-founded the Quantum Fund with George Soros in 1973 and helped propel it to a jaw-dropping 4,200% return over the next ten years. The S&P 500, by comparison, tacked on a mere 47%.

"How on earth could he be puzzled?" I wondered.

Me being me, I asked.

We'd been talking that day about the importance of recognizing investing opportunities at times when everybody else "knows" something or believes it to be true. That was very much the case in 1973 with defense stocks.

"Things didn't add up," Mr. Rogers said.

He explained that he'd watched better trained Israeli pilots losing to supposedly inferior Egyptian pilots during the Six-Day War in 1967. And deduced that the Egyptian pilots' success was the result of superior electronic weaponry, much of which was being supplied by Russia at the time.

American military commanders were apparently aware of the challenges and pushing for bigger budgets, breakthrough research and development to catch up. Yet, Lockheed was rumored to be on the cusp of bankruptcy. Loral Electronics and E-Systems were struggling as were several other defense company stocks he'd been buying.

I wasn't tracking.

The US had just exited Vietnam which created a rapid falloff in orders so the outlook for future earnings stunk. Defense budgets had cratered. Public sentiment was overwhelmingly against defense companies which made their stocks even more unappealing. Moreover, the US was struggling with inflation and high unemployment at the time.

The fact that defense stocks were in the proverbial doghouse made sense to me under the circumstances.

Little did I know.

Rogers told me that he knew he was on to something when two prominent fund managers visited his office and scoffed at him for having purchased positions in all three companies, saying something to the effect of nobody in their right mind would buy *those* stocks.

The light bulb went off.

He began buying even more shares more aggressively in the weeks and months that followed.

Less than a decade later, in 1982, *those* stocks – the ones nobody want to buy - were worth 20-50X what he'd paid for 'em and were on nearly every Wall Street buy list of the era.

The lesson has stuck with me ever since:

1) You buy the world's best companies making "must have" products and services when nobody wants 'em and sell when others can't resist buying; and,

2) Whenever everybody knows something to be true, it pays to look at the other side of the trade.

LEGENDARY INVESTOR JIM ROGERS IS ARGUABLY ONE OF THE GREATEST TO EVER PLAY THE GAME SO IMAGINE MY SURPRISE WHEN HE TOLD ME HE WAS "PUZZLED."

There's something else.

Contrary to what many people think today about Rogers being a trader, he is an exemplary *investor* who, like us, does his homework and who, also like us, is interested only in major trend changes. Themes, in OBA-speak.

Supply and demand, he has told me several times over the years, "always evens out – it's just a matter of when."

This month I stumbled into something that qualifies.

A convertible bond fund offering the best of both worlds - income and appreciation – at a time when very few investors see the upside because they're so enamored with AI.

It's got a great management team, specializes in assets that are otherwise hard to get and could appreciate nicely if tech stocks and the broader markets run like I think they will.

Plus, this month's recommendation has a low equity beta of just 0.55 and an effective duration of just 1.47 years which means that it's roughly half as volatile as the S&P 500, yet still capable of shedding much of the interest rate risk that'll surface when rates ultimately change.

It could easily be one of those "nobody saw it coming" situations when we get in first yet again.

Just like Nvidia.

As always, we'll shift gears to the portfolio review with a look at how and why stocks like Apple, Microsoft and, of course, Nvidia are still the obvious front runners but even laggards like Pfizer and Tesla have a story to tell. I've got the latest BBSI and MMI charts, too.

This month's fascinator is particularly interesting because it highlights something we talk about frequently… the need to focus on bigger, well-known names operating at scale rather than the smaller off the radar stocks many investors fancy. Not one in 1,000 folks will put two and two together.

And finally, we'll wrap up with a look at how to prevent overthinking using 5 Japanese principles to help keep you on course and free from the mental clutter that derails so many.

Chances are good you'll see life and the financial markets differently.

I know I do.

As always, thanks for being part of the OBA Family – I am thrilled you're here!

Best regards for health and wealth,

Keith Fitz-Gerald

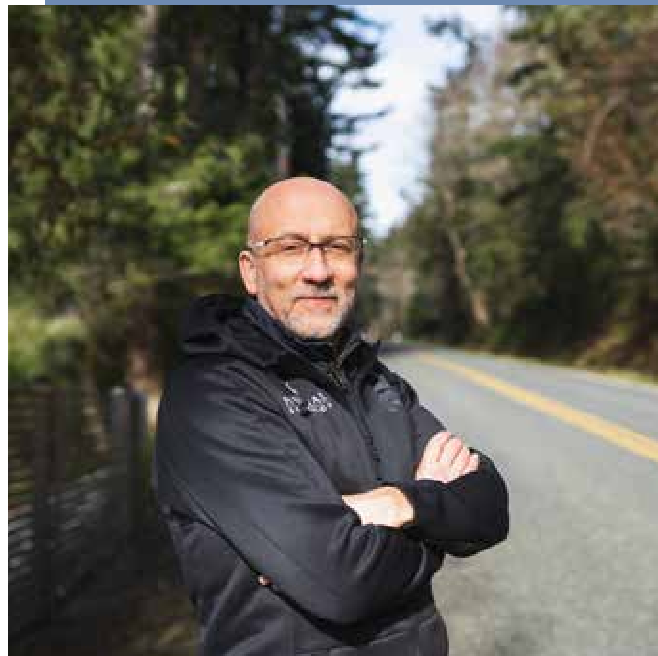
KEITH FITZ-GERALD ONE BAR AHEAD® | 5 WITH FITZ

"INVESTING SUCCESS ISN'T A ONE-TIME ACHIEVEMENT, IT'S A JOURNEY."

—KEITH FITZ-GERALD

Keith Fitz-Gerald

Ways to keep in touch



We love hearing from you!

Please drop us an email at subscribers@keithfitz-gerald.com and share what you're up to this fall, which companies you fancy, what tactics you'd like to learn, and, of course, anything else on your mind.

Other ways to keep in touch.

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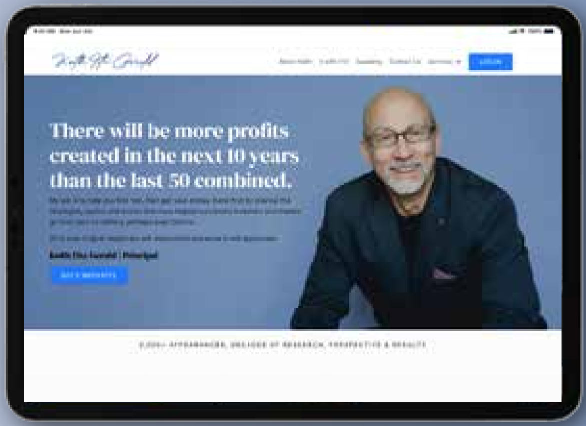
www.keithfitz-gerald.com

How to access the OBA archives

1. **Go to www.keithfitz-gerald.com**



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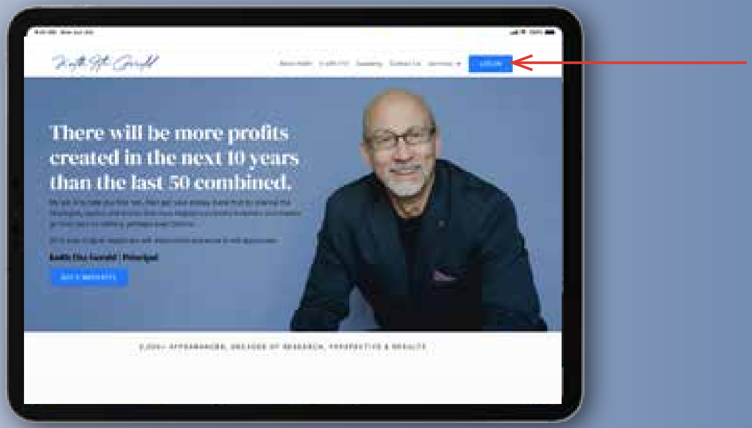
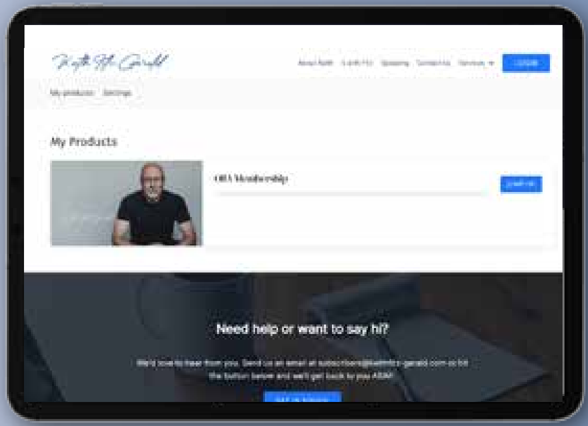


3. **Voilà!**



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

Right Place, Right Time

An Investment You May Not Have Considered Before

Growth, income, *and* stability.

"That's crazy... nobody will want to make that investment because almost everyone has tech on the brain" said Noriko earlier this month enroute to the Las Vegas MoneyShow.

"Exactly," I replied.

My bride oversees customer-success in our office and is intensely protective of the entire OBA Family. And the more skeptical she is, the "righter" the opportunity.

I've learned over the years that if I can explain what I'm thinking to her, then I'm on to something.

To be fair, I have an ace in the hole.

The lesson I shared with you about legendary investor Jim Rogers a few pages ago rings as true today as it did in 1973 when he chose to buy defense stocks at a time when other professionals literally scoffed at his decision.

It was much the same early last year when I said on national TV to load up on tech choices like Nvidia, AMD and Palantir and people scoffed at me.

The hardest choices are often those that make the least sense.

In fact, really good ideas often hinge on something we see that the rest of the world doesn't or can't.

Like why now is the time for convertible bonds and, specifically, the **iShares Convertible Bond ETF (CBOE: ICVT)**

First though, some quick background.

What's a Bond?
Bonds are what's called a "fixed income investment." They represent a loan made by the buyer – usually investors like us – to the corporation or government that issues 'em.

Practically speaking, bonds are an IOU that specifies when you're going to be paid back, how much interest you'll receive and the rate that you'll be paid.

Bonds are inversely correlated to interest rates, meaning when rates go up, bond prices fall (like they have since JPow started raising rates). And vice versa.

Bonds have maturity dates at which point the entire amount – principal – must be paid back in full or risk default.

Why Convertible Bonds are Special
Convertible bonds are like regular bonds with a special kicker because they can be converted into a predetermined number of common stock or equity shares. Hence their name.

The conversion is usually only doable at specific times in a bond's life cycle and usually at the discretion of the bond holder which, in this case, is you or a bond fund's manager.

Convertible bonds are often called "hybrid securities" because they are technically bonds with interest rate payments, maturity dates and other bond characteristics. Yet, also offer the opportunity to own stock in the company issuing 'em.

The most common convertible bonds offer buyers – again, investors like us – the choice to own the bond until maturity or convert it to stock.

If the company's stock price has gone down since the convertible bond was issued, it typically makes sense to hold to maturity at which point you get paid the face value of the bond.

If the company's stock price has gone up substantially, it typically makes sense to convert the bond to stock. Then, hold or sell the stock at your discretion.

Ideally, convertible bond buyers want to convert when the gain from the sale of the stock is greater than the face value of the bond plus the total value of the remaining interest payments.

Companies Issue Convertible Bonds for a Variety of Reasons

Issuing convertible bonds can help companies avoid the negative sentiment that often surrounds issuing more stock or taking on conventional debt financing.

Generally speaking, convertible bonds are cheaper than traditional bond offerings.

The tradeoff is that convertible bonds can be more volatile and are typically considered riskier than regular bonds.

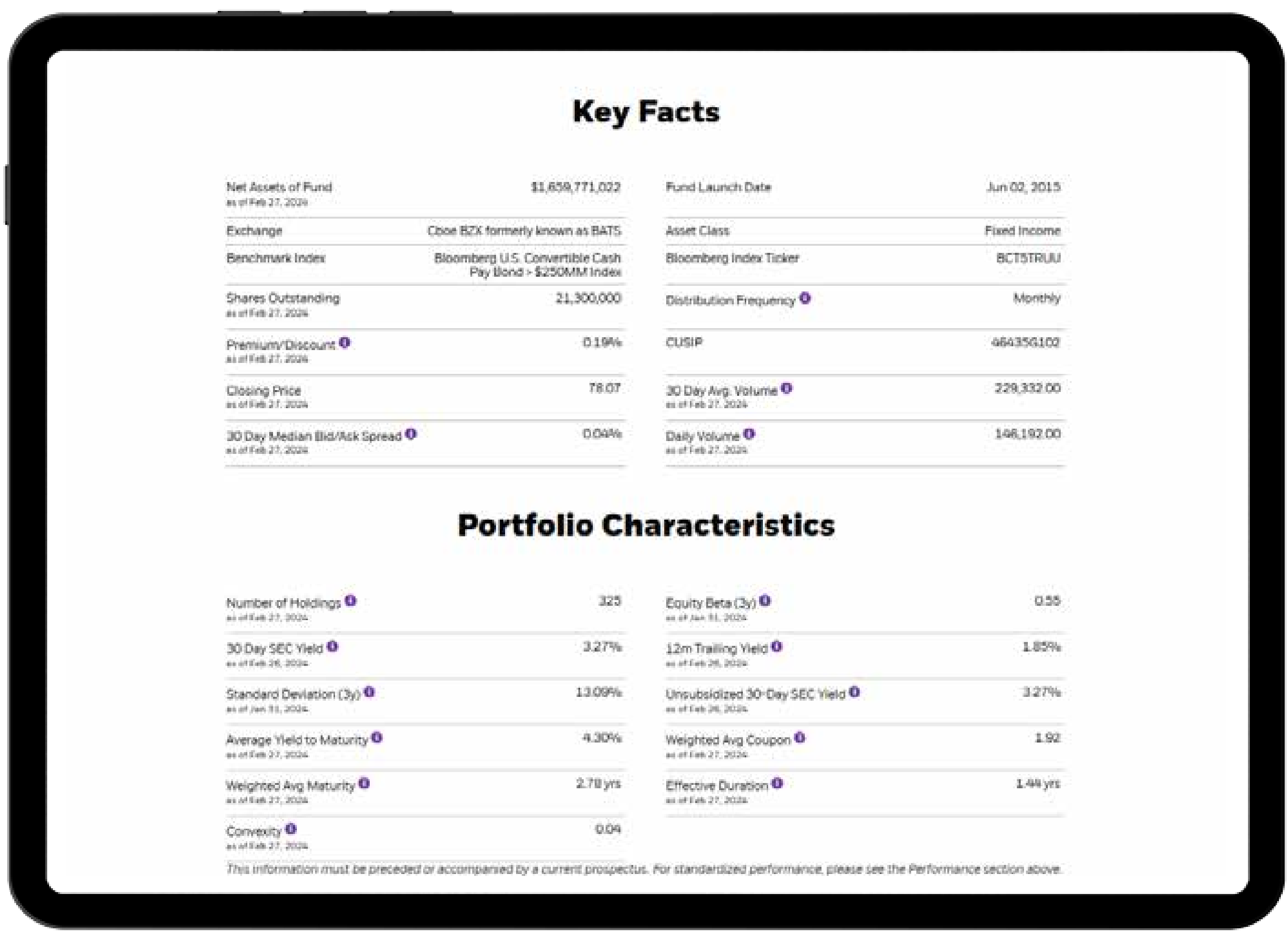
Why Convertible Bond Funds Can be a Great Investment Now

Convertible bonds are notoriously complicated, especially when you start talking about conversion, rates, timing, redemptions, contingents, valuation and more.

Adding insult to injury, convertible bonds can be challenging to buy.

In fact, the vast majority of convertible bonds are available exclusively to institutional investors and are not even visible to brokers, let alone the investing public.

So you have to call the "fixed income desk" at your brokerage firm if you want one (and hope



Key Facts

Net Assets of Fund as of Feb 27, 2024	$1,659,771,022	Fund Launch Date	Jun 02, 2015
Exchange	Cboe BZX formerly known as BATS	Asset Class	Fixed Income
Benchmark Index	Bloomberg U.S. Convertible Cash Pay Bond > $250MM Index	Bloomberg Index Ticker	BCT5TRUU
Shares Outstanding as of Feb 27, 2024	21,300,000	Distribution Frequency	Monthly
Premium/Discount as of Feb 27, 2024	0.19%	CUSIP	46435G102
Closing Price as of Feb 27, 2024	78.07	30 Day Avg. Volume as of Feb 27, 2024	229,332.00
30 Day Median Bid/Ask Spread as of Feb 27, 2024	0.04%	Daily Volume as of Feb 27, 2024	146,192.00

Portfolio Characteristics

Number of Holdings as of Feb 27, 2024	325	Equity Beta (3y) as of Jan 31, 2024	0.55
30 Day SEC Yield as of Feb 26, 2024	3.27%	12m Trailing Yield as of Feb 26, 2024	1.85%
Standard Deviation (3y) as of Jan 31, 2024	13.09%	Unsubsidized 30-Day SEC Yield as of Feb 26, 2024	3.27%
Average Yield to Maturity as of Feb 27, 2024	4.30%	Weighted Avg Coupon as of Feb 27, 2024	1.92
Weighted Avg Maturity as of Feb 27, 2024	2.78 yrs	Effective Duration as of Feb 27, 2024	1.44 yrs
Convexity as of Feb 27, 2024	0.04		

This information must be preceded or accompanied by a current prospectus. For standardized performance, please see the Performance section above.

SOURCE: BLACKROCK ISHARES CONVERTIBLE BOND ETF to heck you get somebody who knows what they're doing).

Buying a convertible bond fund like the one I'm recommending keeps things simple.

Effectively, you're hiring a professional manager to handle everything the way you'd hire a building manager if you owned real estate or a coach if you owned a sports team.

Why Now
In as much as I believe that 2024 will be a year for the record books, I am increasingly concerned that the Fed hasn't yet gone to the sidelines.

That makes me want to add some stability to the portfolio.

There are three reasons why now is the time to begin accumulating convertible bond fund shares:

> 1) Convertible bonds are historically less sensitive to pullbacks and corrections. Nearly half of the convertible bond market is considered ultra-stable as shown by a bond-like delta that's 0.40-0.50. That's important because convertible bond market delta has hovered at levels near post-global financial market lows set more than a decade ago.
>
> 2) New convertible bond issuance has begun to accelerate this year as businesses seek less expensive financing and a path around higher interest rates associated with conventional borrowing or bonds.
>
> At the same time, bond issuance is broadening to include bonds from less traditional sectors including financials, communication and even utilities. And, the longer the Fed stays "on the field" without lowering rates, the more that

Key Concept:
Bond Delta

Bond Delta, often referred to as duration, measures the sensitivity of a bond's price to changes in interest rates. It represents the percentage change in the price of a bond for a 1% change in interest rates.

For example, if a bond has a duration of 5 years, it means that for every 1% increase in interest rates, the bond's price will decrease by approximately 5%. Conversely, if interest rates decrease by 1%, the bond's price will increase by approximately 5%.

Duration is a crucial concept for bond investors because it helps us manage interest rate risk and portfolio volatility.

Bonds with longer durations are more sensitive to interest rate changes, making them riskier in terms of price fluctuation. Conversely, bonds with shorter durations are less sensitive to interest rate changes and are considered less risky in this regard.

That's why I insisted on shortening up duration when it became clear that the Fed would begin hiking rates. And, conversely, why I am beginning to play at the long end of the (duration) curve with choices like ZROZ now that rates could go down.

activity is likely to continue.

What's more, I expect borrowers and lenders to converge with more convertibles issued to fill the gap between high yield debt and the notoriously conservative investment-grade world of corporate debt.

3) The markets will ultimately begin to broaden out, moving away from the AI/ tech-driven focus we've talked about in recent months.

That will mean an updraft in convertible bonds as broader stock market valuations rise which suggests that convertible bond holders can potentially share in a greater proportion of stock market upside than they have been able to in recent years.

The iShares Convertible Bond ETF Could a Perfect Choice

BlackRock is one of the most experienced financial managers in the industry and places clients first. The iShares products – of which this is one – are exceptionally cost effective, widely available and well run.

In this case, the fund is trading for a small 0.19% premium and has a tight median bid/ask spread which tells me that there's plenty of liquidity at a fair price.

I also like the low beta which, according to fund documents is 0.55 or just about ½ the volatility of the S&P 500. Plus, convertible bonds tend to show low correlation to traditional bonds. Plainly put, it fits the need in terms of stability.

And finally, the 30-day SEC yield is 3.27% which may not sound like a scorcher in the scheme of things, but is still plenty high enough to get my attention considering the potential upside if markets run.

Action to Take:

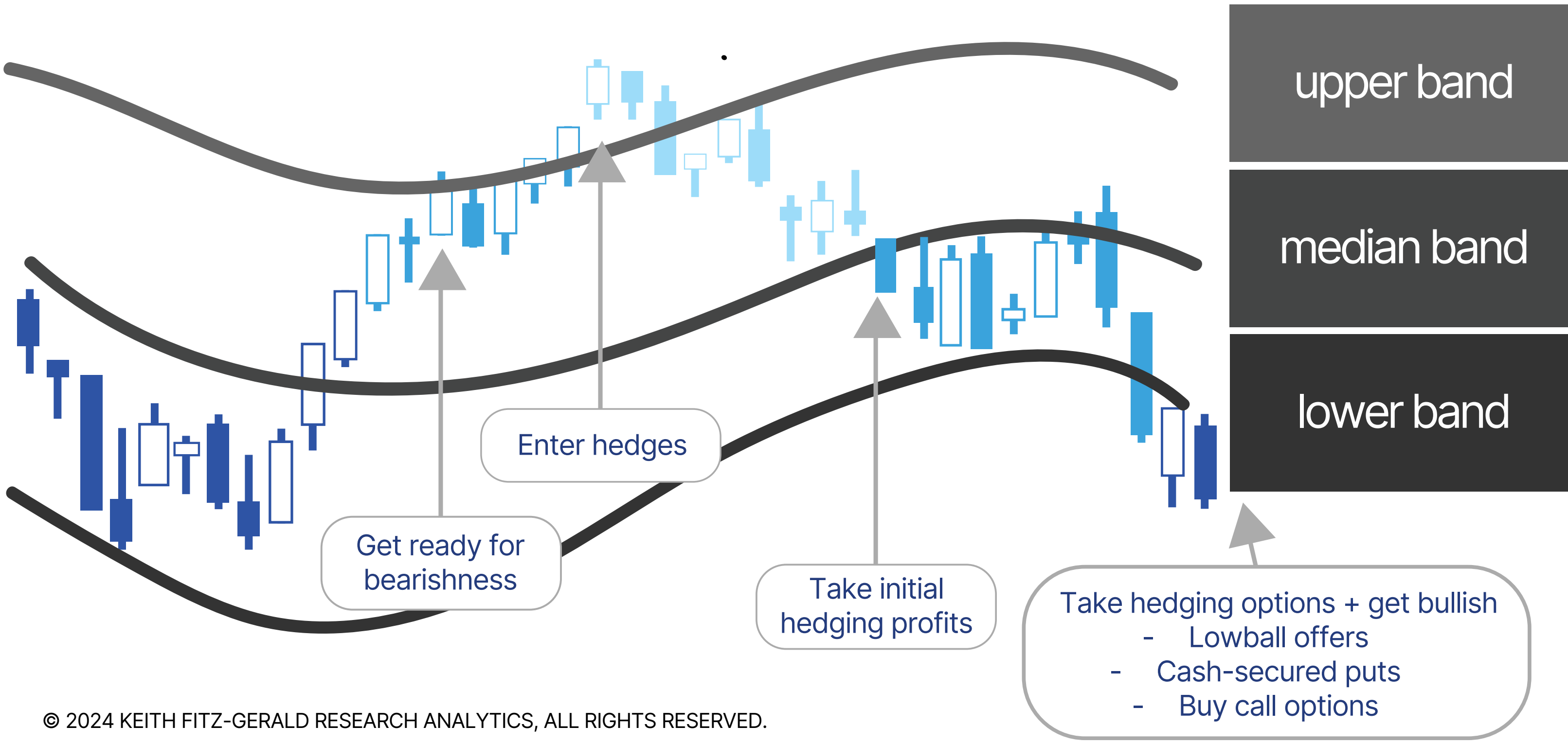
Buy a starter position in the iShares Convertible Bond ETF (ICVT) at market. Add shares over time using DCA/VCA to control risk as part of the purchasing process.

Tuck shares away in the Global Growth & Income section of your portfolio – the "40" in the proprietary One Bar Ahead® Model Portfolio.

There are options available but volume is non-existent so I wouldn't recommend 'em.

My initial target is $96, a 20% move higher over the next 12-24 months.

Keltner Channels for Hedging
Standard Deviations: 2.23 | Lookback Period: 21 Days



Portfolio Review

A quick note from Keith: You've asked, and we've listened. That's why we're returning to a portfolio breakdown by segment that'll make it easier to read, quicker to access and simpler to follow along: Foundation Stones, Global Growth & Income, Zingers, and of course, Las Vegas Money.

Foundation Stones (50%)

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

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

Global Growth & Income (40%)

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

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

Zingers (10%)

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

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

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

"Vegas Money"

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

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

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

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

Hedges

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

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

Position Sizing Guidelines

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

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

Portfolio Review

A special note for new subscribers

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

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

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

Profit targets are published as a convenience for those who 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.

2024

Speaking Engagements

WITH KEITH FITZ-GERALD

MAY
Investment Masters Symposium
Silicon Valley, CA
May 7-9, 2024

AUGUST
Lake Geneva, WI
August 21-23, 2024
We might be in your town, let's have coffee!

OCTOBER
MoneyShow
Orlando, FL
TBD

DECEMBER
Investors Masters Symposium
Sarasota, FL
December 5-7, 2024

Keith Fitz-Gerald

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Foundation Stones (50%)

Apple Inc. (AAPL)

Foundation Stones

Why I Recommend You Own It: Markets put a premium on certainty, and investors should heed that lesson. As one of the world's most-widely held stocks, Apple gives you liquidity and stability – premium factors given the somewhat uncertain outlook we face in the months to come. That's good, but Apple's proven record of innovation – and years of proving the doubters wrong over and over again – just adds muscle to our investment case.

Apple has more than 2 billion of its "iDevices" in play across the globe. And those devices work together – meaning Apple devotees tend to want anything "new" that the company unveils. (A case in point: A longtime friend is "going entrepreneur" for the first time, meaning he had to buy his own computer for the first time in years; with the decision up to him, he swapped from PC to MacBook – and is loving it!) That anecdote shows how Apple's wares touch consumers and businesses – including customers who operate as both. There's a "multiplier" effect here, too – since Apple can leverage that huge installed base of computers, iPads, iPhones and watches to offer "annuity stream" subscription services. I love the business model.

What to Watch: Remember what I said about Apple's record of innovation and new devices? The company's newest product – the Apple Vision Pro – launched in early February. And while some naysayers have jumped on the headset because of its $3,500 price and weightiness, CNBC tech columnist Todd Haselton wrote that his experience with Vision Pro "is easily the most fun I've had with a new product in years." Trust me on this: Apple already has a "vision" for how this headset will leverage its existing product lineup and services blueprint. And The Mac Observer newsletter just reported that "the product set the sales chart on fire in the first couple of days, as the company nearly sold 180,000 units in pre-order sales, selling like (very expensive "hotcakes.") Apple will navigate a path to victory here.

Chances are good that the company's developer day will set the world on fire the way the late Steve Jobs did when he launched the iPhone. AI + Apple = $$$

Instructions: Continue to accumulate/reinvest.

JPMorgan Chase & Co. (JPM)

Foundation Stones

Why I Recommend You Own It: Let's face it: In businesses like technology, pharma and banking, bigness has become the blueprint for victory. And JPM – like Apple – uses its bigness as a massive competitive edge. It's not just the $4 trillion balance sheet that gives JPM its fortress-like stature; it's also the reality that the investment bank's heft gives it an operational scale, product array and market savvy that its smaller adversaries can't rival.

What to Watch: JPM, America's biggest bank and Wall Street's largest trading operation, said it expects to pay more than $350 million to settle regulatory claims based on trade-reporting lapses. The news grabbed some headlines. But JPM also noted that it expects "[no] disruption of service to clients as a result of these resolutions." In another recent development, Bloomberg reported that JPM beat out private credit lenders to provide about $2.5 billion in debt financing in support of Cohesity's proposed buyout of the data-protection unit of Veritas Technologies. Remember what I just said about JPMorgan's market heft? This deal exemplifies the muscle Wall Street banks like JPM are displaying as they push aside private credit providers to grab the best opportunities.

Instructions: Continue to accumulate/reinvest.

Microsoft Corporation (MSFT)

Foundation Stones

Why I Recommend You Own It: While most investors continue to stereotype Microsoft as a software company, the truth is that that Team Nadella has been adroit in redefining itself over and over again. It shifted from software to cloud storage and now to AI. Like Apple, Microsoft makes its moves in a strategic way: All MSFT's forays fit together in a way that fosters longer-term growth. There's a corporate vision at play – and it works.

What to Watch: If you're one of those folks who likes to "label" things for simplicity – and any strategy that works for you is a good strategy – than make sure your personal label for Microsoft is "AI leader." Because that label is an accurate one. In mid-February, MSFT said it will invest $2.1 billion over the next two years to bolster its AI and cloud capabilities in Spain. That followed – almost immediately – a similar announcement about Germany, where MSFT will lay out about $3.45 billion over the next 24 months. Recently, it teamed up with Mistral in what I think may be the precursor to a true Universal Translator not all that different from the Star Trek reference I've just made.

Instructions: Continue to accumulate/reinvest.

PIMCO Strategic Income Fund, Inc. (RCS)

Foundation Stones

Why I Recommend You Own It: One rule of thumb for all successful investors is: "Always be able to explain why you own something." And with RCS, I can share two simple points that very easily explain why you *should* own it. First, RCS pays a high level of income – especially beneficial with a Fed rate-cutting cycle on the horizon. And second, the intermediate-term securities it holds will help dampen the portfolio's overall volatility. With that smoother "ride" in your hip pocket, you'll feel free to do some hunting-and-gathering for some higher-risk/higher-upside stocks – especially in tech.

What to Watch: I've referenced the Fed several times already – and I'll do it again here. With RCS, we're talking about a fund whose share price has pinballed between the high $5s and the low $6s for quite a stretch (it was at $6.20 a share when I penned this). But when the central bank starts paring rates – as it eventually will – RCS shares should rally nicely. For shareholders who've been reinvesting, the fund's intermediate-term shading will leapfrog bond investors who've focused on the extreme short end or short-term U.S. Treasury funds.

Instructions: Continue to accumulate/reinvest.

VanEck CLO ETF (CLOI)

Foundation Stones

Why I Recommend You Own It: I recommended CLOI because I believed that, when markets bottomed and rates surged, this fund would give us the one-two punch of yield and stability. I'm happy to say that I called this one correctly. Technically, CLOI is a "yield pickup" versus comparable corporate bonds and loans – with the added benefit of built in protection against credit loss.

What to Watch: Collateralized loan obligations (CDOs) -- the instruments CLOI holds – are typically less volatile than other rate-sensitive investment plays. And if the economy stumbles – in the "soft" or "hard" landings the pundits are handicapping – this fund contains less default risk, meaning it offers an added level of protection. We'll want to watch carefully to see how the fund's price responds when the central bank throttles back on rates.

Instructions: Continue to accumulate/reinvest.

Global Growth & Income (40%)

AbbVie Inc. (ABBV)

Growth & Income

Why I Recommend You Own It: As a company, Big Pharma firm AbbVie has been a long-term winner thanks to good management and a continued focus on new drugs. As an investment, ABBV has been a long-term winner thanks to a record of stock-price growth augmented by dividend payouts. Like many Big Pharma stocks, the company faces challenges – from competing drugs, legislative meddling, and new technologies. But AbbVie isn't standing pat.

What to Watch: The shares hit a new 52-week high in February. But AbbVie must deal with the sales erosion of its mega-blockbuster drug Humira, which last year faced biosimilar competition for the first time ever. But the company is battling back – both internally through its drug pipeline and externally via acquisition deals. And one of those deals – the $10.1 billion buyout of antibody-drug conjugate specialist ImmunoGen – just closed, and earlier than expected. The Immunogen buyout moves AbbVie into oncology. And a proposed $8.7 billion acquisition of Cerevel Therapeutics, announced in December, is focused on psychopharmacology. The company has doubled its research investments in the past decade, with a focus on AI and machine-learning to identify more and better drug candidates, and to accelerate the pace of new drug development. I believe this will be a big difference-maker. And we'll watch to make sure that it is.

Instructions: Continue to accumulate/reinvest.

Advanced Micro Devices, Inc. (AMD)

Growth & Income

Why I Recommend You Own It: AMD is part of what I call the “AI trifecta,” meaning that it’s one of a group of three power players in chips, data and processing . Those aren’t just words. The company’s new MI300 chip is touted as the most-powerful AI accelerator in the industry. The company’s strategy is to make AI easier to use. Based on its track record, I’m betting on success. AMD just reported 2023 revenue of $23 billion – four times what the top line was in 2014, when current CEO Lisa Su took that role. Last year, AMD leapfrogged Intel as America’s second-most-valuable chip firm.

What to Watch: On Jan. 30, in the company’s quarterly earnings call, AMD said it expects to sell $3.5 billion of those MI300 chips this year. The company will be releasing a new card lineup including the Radeon RX7600XT. What’s more, both Microsoft and OpenAI have adopted AMD’s chipset including the MI300. People ask me frequently if it’s AMD or NVDA but I think there’s plenty of room for both.

Instructions: Continue to accumulate/reinvest.

Costco Wholesale Corporation (COST)

Growth & Income

Why I Recommend You Own It: American consumers are freaked out by inflation – especially with food prices – and continue to stretch every dollar as much as possible. Costco helps make that happen. Traffic numbers are up, sales are up, memberships are up. And top-line growth continues to accelerate. Though many people believe Costco’s share price has peaked, I just can’t concur. Costco continues to open new stores around the world and, in keeping with its proven operational model, I expect those results to hit the top and bottom lines quickly.

What to Watch: Costco has changed CEOs. At the start of the New Year, CEO Craig Jelinek stepped down – and 40-year Costco veteran Ron Vachris replaced him . Costco said the changeover was “the culmination of the long-standing succession plan that Craig has discussed with the board,” so the move was planned. Vachris had been president and COO since February 2022. And he was certainly no stranger to the company: He started his Costco career as a forklift driver and served in “every major role” in the retailer’s business and merchandising operations in the four decades that followed. The company has consistently focused on the dignity of, and care for, its customers and employees. And elevating an insider as part of a planned succession move stands a pretty good chance of continuing that winning formula.

COST’s Kirkland house brand is a consumer dynamo capable of pressuring the likes of GIS brands which will have no choice but to react if they want to stay on the shelves.

Sales are accelerating by nearly 10% a year, consumers are charging through the doors. And, not for nothing, each new store Costco opens almost immediately bolsters the top and bottom lines.

My target on the stock was $725 a share. It’s already there. I also believe there could be a split within the next 12 months 24 months. I continue to suggest you consider using DCA/VCA to continue accumulating Costco shares .

Instructions: Continue to accumulate/reinvest.

CareTrust REIT, Inc. (CTRE)

Growth & Income

Why I Recommend You Own It: Conventional real-estate investment trusts (REITs) will be challenged this year as vacancies surge and valuations fade. CareTrust offers a super-specialized portfolio of medically oriented, elder-care-focused properties. The rent roll is rock solid. And its dividend yield – about 4.9% as I write this – is super appealing.

What to Watch: CareTrust has a superb balance sheet: Its $600 million line of credit has been completely paid off since November. And its debt ratio to EBITDA is the lowest it's been in company history. Late last year, CEO Dave Sedgwick said CareTrust was positioned "to take advantage of the favorable investment landscape in front of us. The entire team has excelled this year in facilitating a return to significant external growth and setting the table for 2024." He later told analysts that his "team has continued to drive forward, with its foot on the gas." I love to hear corporate CEOs speak that way – especially when it's a company that I'm following closely. It all tells me that CareTrust is a firm that is likely to grow significantly. I like what I see.

Instructions: Continue to accumulate/reinvest.

Chevron Corporation (CVX)

Growth & Income

Why I Recommend You Own It: When you're talking Big Energy, Chevron is in a class by itself. Not only does CVX boast a balance sheet that I'd label as "extraordinarily debt efficient," it's also made substantive capital investments over the past few years. Indeed, to underscore a point I've been making for several years, when it comes to those Big Energy players, I believe Chevron has the single most aggressive alternative energy portfolio on the planet.

What to Watch: Although the stock has rallied, it remains down from its highs. And all those benefits I just mentioned: Investors just haven't recognized it, yet. Chevron's got super-robust cash flow potential and, again, I think one of the most aggressive capital investment plans of all the big energy majors. Plus, CVX is extending operational agreements worldwide that give it additional runway and profit potential. I think cash flow could jump this year and that there will be a record payout for shareholders on top of the already generous shareholder yield in the neighborhood of 4%. This isn't just "an oil company." Keep that in mind.

Instructions: Continue to accumulate/reinvest.

Gilead Sciences, Inc. (GILD)

Growth & Income

Why I Recommend You Own It: Gilead is a leading biopharmaceutical company when it comes to treatments for such maladies as viral hepatitis, HIV and cancer. Plus, it's got a rock-solid dividend (recent yield 4.3%) and plenty of longer-term potential. Near-term, the stock is down from its highs after a key drug failed to improve survival rates in a late-stage trial on patients with advanced lung cancer.

What to Watch: The drug-trial results are a near-term blow to Gilead and its dreams of being a power player in cancer drugs. It's a setback, to be sure. But I think you want to look forward – to the pipeline of new oncology drugs that we'll see clinical data for later this year. Those results could represent an "inflection point" -- and serve as a catalyst for a share-price rally. In the meantime, dividends will reward us well.

Instructions: Continue to buy/accumulate.

Lockheed Martin Corporation (LMT)

Growth & Income

Why I Recommend You Own it: Lockheed continues to deal with supply-chain issues – but has managed the resultant margin pressures very adroitly. There were also delays related to the F-35 Lightning II fighter jet program. But I think those challenges will be negated later this year. The fact is that this aerospace firm is crucial when it comes to missile-defense and hypersonic weapons programs. Defense spending will stay strong – in fact, most forecasts say it will grow – as skirmishes continue around the globe.

What to Watch: With global combativeness a given these days, a company like Lockheed plays an essential role. And not just for America. It's a key supplier to our strategic partners all over the planet. (In fact, Poland's president just met with Lockheed CEO Jim Taiclet to see about stepped-up U.S. investments in weapons and technology for that country. As I see it, Lockheed will generate earnings per share in the range of $25 to $30 here in 2024 – and as much as $6.5 billion in free-cash flow (FCF). Investors just aren't valuing this stock based on numbers of that magnitude. So Lockheed's shares are down from their highs, and undervalued, to boot. Add in a dividend yield of about 3% and you've got a "get-paid-while-you-wait" defense play in Lockheed.

Instructions: Continue to accumulate/reinvest.

McDonald's Corporation (MCD)

Growth & Income

Why I Recommend You Own It: I believe this is one of those stocks you can buy and tuck away – for years, if not decades. Indeed, since Wall Street doesn't really see what's really happening here, you're being gifted a chance to buy MCD shares before they race away. Institutional investors are obsessing over the business the company may lose overseas – especially in places like the Middle East . Wall Streeters are also worried about the blowback the company has been getting from its lower-income, urban customers – the so-called "core" Golden Arches fans who now say they can't afford the menu prices boosted because of inflation. But there's more to the story here.

What to Watch: After a sizzling (couldn't resist) year in 2023 , McDonald's is seeing a bit of a return to "normal" -- for the reasons I detailed a moment ago. But don't worry. Innovation – an investment in automation tech – will help McDonald's next chapter. It opened its first "employee-free" (automated) store back in late 2022. It is counting on tech and strategic expansion – including experiments in new food categories – to fuel its next growth phase. I'm confident company execs will deliver on those goals.

Instructions: Continue to accumulate/reinvest.

Pfizer Inc. (PFE)

Growth & Income

Why I Recommend You Own It: I recently said that Pfizer may be the "buy of the decade" at its current share-price level. We're talking about a stock that's trading at about $28 – about 43% below its 52-week high of $42.98. That fall, and its current dividend yield of roughly 6%, underscores my assertion that Pfizer may also be the single-most-hated-stock on Wall Street. I smell opportunity. Reinvesting and acquiring shares now at these low prices could pay off big later.

What to Watch: Many people obsess over the drop-off in sales that came after the COVID-19 Pandemic. I think that's a mistake. Pfizer has several hundred drugs in its pipeline – with 60 alone related to oncology. Add in the reality that there's a 47% to 57% chance of another pandemic over the next 10 years – and Pfizer's ability to scale up quickly – and you're covered in case of another "wild card" like the last one. It's also investing for the new pharma future: Pfizer is leveraging new mRNA technology for vaccines and other therapies – development efforts that will be leveraged by AI, a story that's not going away. medical treatments. Throw in AI, and those longer-term development efforts will get faster, and more profitable. It's not ignoring the near-term, either. In mid-February, Pfizer's drug to treat patients with ulcerative colitis was approved by the European Commission. The approval for the drug, called Velsipity, was followed by a formal backing from the European Medicines Agency's panel of experts back in December.

Instructions: Continue to accumulate/reinvest.

Palantir Technologies Inc. (PLTR)

Growth & Income

Why I Recommend You Own It: You'll only get a couple of shots – in your lifetime – to snag shares in a company like Palantir. The upside is huge. Better still: Wall Street just doesn't get it – just doesn't understand the company or how it's poised to win. I love that. Eventually, Wall Street will wise up – shooting up the price of the stock you will already own.

What to Watch: Palantir extracts insights – and revenue – from data sets in ways that virtually no other company does. In fact, Palantir CEO Alex Karp says demand is so high that his company can't get its products into the market fast enough. The military figures to be a big customer. Palantir's AI tools can be used to help with battlefield intelligence and real-time decision-making. We're talking targeting intel, battle plan creation and staying ahead of possible hostile actions. But don't label Palantir as a defense stock. It also just unveiled a first-of-its-kind deal with J.D. Power to create strategic decision-making tools for an auto industry that faces some hefty challenges. The goal is to look at data on incentives, inventory, customer service, vehicle features, auto prices and more to help carmakers make better decisions today – and to help with major strategic shifts like self-driving and EVs.

Instructions: Continue to accumulate/reinvest.

RTX Corporation (RTX)

Growth & Income

Why I Recommend You Own It: Raytheon, like OBA recommendation Lockheed, keeps us ready for war by helping keep the peace. Global defense spending is on the uptick – a trend that's expected to continue.

What to Watch: Back in January, RTX, formerly Raytheon, reported a record backlog and stronger-than-expected results. The owner of Collins Aerospace Systems and Pratt & Whitney said there was a continued recovery in its commercial aerospace business, with $95 billion in new awards for the year and a record backlog of $196 billion. Wall Street was worried about Pratt & Whitney engine issues – a fear that hammered the stock last year. The shares have rallied – but remain down from their highs. I still don't believe the Street understands the potential here. Buying now still gives you a chance to cash in on the rebound – and growth that follows.

Instructions: Continue to accumulate/reinvest.

Tesla, Inc. (TSLA)

Growth & Income

Why I Recommend You Own It:TLike founder Elon Musk himself, Tesla is a misunderstood entity. In short, it's much more than an electric-vehicle firm. The real value here is the way the firm is redefining our concept of electricity. The charging network – which I correctly identified in 2011 and 2012 as being critical – is shaping up as an annuity that will put a multi-billion-dollar charge into Tesla's top line. And Tesla's EV rivals are playing the worst game of all: Catch up. Stir in Tesla's move into AI, robotics, energy trading, insurance, finance and more and you're talking about the rarest of companies to invest in: A game-changer.

What to Watch: Morgan Stanley recently did an informal poll of institutional investors and found that many are bearish on Tesla, and even expect the stock to underperform over the next six months. "Just back from easily the most bearish of our Tesla bull/bear lunches ... but for admittedly understandable reasons," Morgan Stanley analyst Adam Jonas wrote in a research note. "Some doubted if sales grow at all this year. Most see consensus falling and AI 'off-the-table' for now." Be a contrarian here. Be opportunistic. This will turn into one of the great franchises in the years to come.

Instructions: Continue to accumulate/reinvest.

Waste Management, Inc. (WM)

Growth & Income

Why I Recommend You Own It: Some of the best moneymaking opportunities sit with some of the least-glamorous businesses. Like trash. And with Waste Management, that trash can turn into cash. This is a well-run, forward-thinking company – and one that recently announced a 7.1% increase in its quarterly dividend rate for 2024. That's the 21st consecutive year this company boosted its payout.

What to Watch: In the near-term, WM just turned in the best of all things: An impressive earnings report . Revenue and earnings beat estimates. Adjusted earnings per share of $1.74 surpassed the Zacks Consensus Estimate by 13.7% and improved 33.9% year over year. The $5.2 billion in total revenue cleared the consensus and represented a year-over-year gain of 5.7%. Then there's the long haul. Waste Management is making a big commitment to alternative, sustainable energy. There's a program to transform gas- to-energy from its landfills while also creating renewable fuels that power operations. The real pivot could be a turn to grid augmentation this year or next. The big institutional players don't understand this, yet. 2024 and 2025, neither of which the markets yet understand. As I've said several times here, that spells opportunity for us.

Instructions: Continue to accumulate/reinvest.

Zingers (10%)

CrowdStrike Holdings, Inc. (CRWD)

Zingers

Why I Recommend You Own It: Digital security is a necessity. Companies must make the investment. And that investment will have to increase – thanks to the looming ramp-up in AI. I think that imperative drives spending to more than 35% to 40% a year. CrowdStrike is the undisputed leader in endpoint protection when to comes to cloud security, identity protection, and threat intelligence.

What to Watch: The risk of non-state terrorism, particularly digital attacks, is increasing at a speed that the average individual does not understand. And would probably prefer not to even think about. Wall Street is starting to catch on. For instance, analysts at HSBC recently boosted their CrowdStrike target price to $411 a share – a number that would represent a 31% upside from the recent price of $321.

Instructions: Continue to accumulate/reinvest.

Caribou Biosciences, Inc. (CRBU)

Zingers

Why I Recommend You Own It: We are on the cusp of truly customizable medicine, much of which will come from revolutionary gene-editing technology its founders created.

What to Watch: Wall Street remains enamoured with big tech and hasn't yet focused on the potential here. It's only a matter of time before the company puts a game changer on the map with regard to donor-cells and antitumor allogeneic therapies. Meanwhile, shares are a bargain in much same way Palantir was at $6. We just need to be patient.

Instructions: Continue to accumulate/reinvest.

IonQ (IONQ)

Zingers

Why I Recommend You Own It: Quantum computing is still materially understood even though it's increasingly recognized as being on the horizon. I expect it to breakthrough to public consciousness within the next 12-24 months and, when that happens, shares to explode higher.

IonQ offers the first and only quantum hardware available and integrated with the big three cloud computing providers. Its solutions are already being used to power breakthrough computational solutions in chemistry, medicine, finance and logistics.

What to Watch: That said, there is a legal challenge related to its articles of incorporation based on a recent court ruling: Garfield v. Boxed, 2022 WL 17959766 (Del. Ch. 27, 2022) ("Boxed"). The company appears to have acted in good faith so I think it's highly likely that they'll get the relief sought; meanwhile, it's business as usual.

Instructions: Continue to accumulate/reinvest.

NVIDIA Corporation (NVDA)

Zingers

Why I Recommend You Own It: Arguably the best performing stock in the OBA portfolio as we go to press. If you want to understand Nvidia's place in the market, think back to the 1990s when Microsoft and Intel absolutely dominated their respective markets. Fast-forward to the present: NVDA dominates the big data-center space – with a market share of 80% or more.

What to Watch: When you're the leader, everyone comes after you. That's what some investors fret about with Nvidia. But the company isn't standing pat – not by a longshot. It's forming new global partnerships will diffuse some of that perceived risk – while also generating a hefty upside opportunity. Any short-term selloffs you see this year should really be viewed as a buying opportunity – and not a reason to cut and run.

Instructions: Continue to accumulate/reinvest.

Rocket Lab USA, Inc. (RKLB)

Zingers

Why I Recommend You Own It: The low-orbit space flight market is still in its infancy. And Rocket Lab is a pioneering early player. That's a great dynamic for us: It means investors don't yet understand, and haven't fully valued, this new industry, so stocks like RKLB are still low. That gives us a real opportunity to snap up shares before they start their surge. And Rocket Lab is doing some really cool things.

What to Watch: In mid-February, the company said it launched a successful mission to investigate removing "space junk" from orbit. It was also preparing to bring its in-space manufacturing capsule back to earth for Varda Industries. There's also the Neutron reusable rocket which is a viable SpaceX competitor. Each of these are potential payoff opportunities.

Instructions: Continue to accumulate/reinvest.

YieldMax TSLA Option Income Strategy ETF (TSLY)

Zingers

Why I Recommend You Own It: One of the problems with Tesla is that it's purely a growth stock. And that means there's no income to offset the risk of ownership. But TSLY can serve as a "synthetic" or "proxy" dividend payer – which, when you think about it, is a pretty cool idea. The fund is one of a new breed of actively managed, single stock ETFs that relies on options to produce that income – but doesn't invest in Tesla directly.

That said, I need to underscore that this is NOT suitable for every investor. It will be considerably more volatile than other investment choices. So do NOT buy it if that

makes you uncomfortable. Two things substantially elevate the risk of loss: First, it is options-driven, which is self-explanatory; and, second, it's a single-stock ETF, which means that it can perform substantially differently from traditional pooled ETFs or the market as a whole.

What to Watch: The distribution rate is a staggering 26.08% as we go to press, and the 30-day SEC yield is 5.15% . If Tesla starts to run, this fund will not keep up. However, the income will help balance that out whenever TSLA "stalls," or when the TSLA share price gets stuck in a sideways range. And, quantitatively speaking, that's the appeal.

Management recently approved a 1 for 2 reverse split that will reduce the number of shares while proportionately increasing the ETF's net asset value. The split became effective earlier this week on the 26th. Total fund's market value is not affected, with the exception of redemption of fractional shares that could potentially be a taxable event for those redeeming. Further, there is no impact on performance.

Instructions: Continue to accumulate/reinvest.

PIMCO 25+ Year Zero Coupon US Treasury Index ETF Trust (ZROZ)

Zingers

Why I Recommend You Own It: The Fed is about to get sidelined – meaning there's a good chance rates will fall. Zero coupon bonds -- "zeroes" in industry parlance – tend to rise far more sharply than traditional bonds when rates fall. And with good reason: The discounted future cash flows associated with them gain value in a low-rate environment.

What to Watch: Zero coupon bonds can move up quickly and materially when rates fall. The Fed will move, and when it does, I expect ZROZ to track sharpy higher. For now, we'll have to be patient.

Instructions: Continue to accumulate/reinvest.

Vegas Money (0.5%-1%)

Nio Inc. (NIO)

Vegas Money

Why I Recommend You Own It: If you've been around the markets and global economy as long as I have, you'll remember the disdain U.S. consumers directed at the first Japanese auto imports in the late 1960s. (Until those same consumers realized the quality and engineering that, for a time, put Hondas and Toyotas way above Chevys and Fords.) China automakers Nio and XPEV face that same challenge today: American consumers view their offerings as chip tin (or plastic) on wheels. So those companies are embracing Toyota's playbook from five decades ago – and angling for the same results. After all, the Toyota of today is a market leader, a trend setter and a world-class player with top-quality ratings. The company has just launched a flagship EV to take on the Maybach and Panamera.

What to Watch: Since Nio wants to avoid the U.S. regulatory morass for now, it's targeting Europe and other non-American markets. In the meantime, quality and consumer perceptions are rising. In that near-term time frame, take care to watch how Nio deals with its excess capacity and the slowdown in the EV market .

Instructions: Continue to accumulate/reinvest.

XPeng Inc. (XPEV)

Vegas Money

Why I Recommend You Own It: Like NIO, this is for investors playing the "long game." But that's okay, since I believe NIO and XPEV are blue chips in the making.

What to Watch: Back in January, Morgan Stanley reiterated its "overweight" rating on XPEV – as well as its $23.10 target price. Based on its recent price at about $9, you'd be looking at a potential upside of nearly 160%. Analysts at Morgan said that a selloff in the stock – ignited by a focus on the near-term – gives longer-term investors a shot at buying in cheap.

Instructions: Continue to accumulate/reinvest.

Cash Alternatives

iShares 1–3 Year Treasury Bond ETF (SGOV)

Cash Alternatives

Why I Recommend You Own It: I suggested SGOV because it's convenient, easy to own, and a great cash alternative with the U.S. 10-year Treasury still near 4% . For now. I thought the Fed's next move would have already been baked into the proverbial cake but that's not to be... yet.

What to Watch: Stash your extra cash. The 30-day SEC equivalent SEC Yield is 5.19% according to iShares/BlackRock as we go to press.

Instructions: Continue to accumulate/reinvest.

Hedges (as needed/desired)

ProShares Short S&P500 (SH)

Rydex Inverse S&P 500 Strategy Inv (RYURX)

ProShares Short QQQ (PSQ)

ProShares Short Dow30 (DOG)

Portfolio Details

PORTFOLIO DETAILS

2/23/2024	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/2021	$ 129.59	$ 182.52	1.31	0.53%	40.8%	$ 275.00	Buy/Accumulate
	CLOI	10/7/2022	$ 47.21	$ 52.55	0.00	5.57%	11.3%	$ 52.00	Buy/Accumulate
	JPM	3/7/2022	$ 121.61	$ 183.99	1.12	2.28%	51.3%	$ 175.00	Buy/Accumulate
	MSFT	3/7/2022	$ 273.95	$ 410.34	0.90	0.73%	49.8%	$ 500.00	Buy/Accumulate
	RCS	10/1/2021	$ 5.32	$ 6.30	0.99	9.71%	18.3%	$ 8.25	Buy/Accumulate
Global Growth	ABBV	2/3/2023	$ 139.56	$ 178.09	0.54	3.48%	17.8%	$ 180.00	Buy/Accumulate
	AMD	8/4/2022	$ 103.91	$ 176.52	1.63	0.00%	69.9%	$ 187.31	Buy/Accumulate
	COST	8/6/2021	$ 422.48	$ 737.93	0.76	0.55%	74.7%	$ 725.00	Buy/Accumulate
	CTRE	6/6/2022	$ 16.29	$ 23.09	1.06	4.85%	41.7%	$ 25.00	Buy/Accumulate
	CVX	9/3/2021	$ 88.54	$ 154.66	1.13	3.98%	74.7%	$ 219.00	Buy/Accumulate
	GILD	3/7/2022	$ 55.49	$ 73.55	0.21	4.19%	32.6%	$ 107.90	Buy/Accumulate
	LMT	11/5/2021	$ 319.80	$ 431.12	0.49	2.92%	34.8%	$ 502.02	Buy/Accumulate
	MCD	7/17/2023	$ 291.36	$ 297.75	0.73	2.24%	2.2%	$ 364.44	Buy/Accumulate
	PFE	3/4/2022	$ 44.74	$ 27.76	0.57	6.05%	-38.0%	$ 70.00	Buy/Accumulate
	PLTR	1/8/2021	$ 25.20	$ 22.97	2.66	0.00%	-8.8%	$ 50.00	Buy/Accumulate
	RTX	6/13/2022	$ 87.98	$ 90.01	0.63	2.62%	2.3%	$ 110.00	Buy/Accumulate
	TSLA	7/25/2022	$ 268.43	$ 191.97	2.43	0.00%	-28.5%	$ 300.00	Buy/Accumulate
	WM	10/31/2022	$ 155.00	$ 208.05	0.71	1.35%	34.2%	$ 225.00	Buy/Accumulate
Zingers	CRWD	1/6/2022	$ 187.49	$ 311.49	1.05	0.00%	66.1%	$ 400.00	Buy/Accumulate
	CRBU	1/5/2024	$ 4.82	$ 6.94	2.50	0.00%	44.0%	$ 15.00	Buy/Accumulate
	IONQ	2/5/2024	$ 9.87	$ 10.65	2.22	0.00%	7.9%	$ 15.00	Buy/Accumulate
	NVDA	3/7/2022	$ 213.26	$ 788.17	1.68	0.02%	269.6%	$ 1,000.00	Buy/Accumulate
	RKLB	12/2/2021	$ 14.81	$ 4.38	1.25	0.00%	-70.4%	$ 17.00	Buy/Accumulate
	TSLY	9/1/2023	$ 10.90	$ 9.04	0.00	0.00%	-17.1%	NA	Buy/Accumulate
	ZROZ	12/1/2023	$ 77.27	$ 78.33	3.12	0.00%	1.4%	$ 100.00	Buy/Accumulate
Vegas Money	NIO	2/4/2022	$ 23.96	$ 5.40	1.98	0.00%	-77.5%		Buy/Accumulate
	XPEV	2/4/2022	$ 37.25	$ 8.63	2.99	0.00%	-76.8%		Hold/No New Money
Cash Alternatives	SGOV	10/6/2023	$ 99.04	$ 100.63	0.00	0.00%	1.6%	$ 100.00	Buy/Accumulate

	TICKER	NAME	YIELD	Trailing 12 Months	Last Instruction
Hedges	SH	ProShares Short S&P500	5.43%	-10.69%	As needed/desired
	PSQ	ProShares Short QQQ	6.10%	-25.95%	As needed/desired
	DOG	ProShares Short Dow30	4.56%	-5.25%	As needed/desired

Fund Folio™

One Bar Ahead® Fund Folio

2/23/2024

Ticker	Name	2024	Price	Yield
VFQY	Vanguard U.S. Quality Factor ETF	32%	$131.28	1.38%
RCS	PIMCO Strategic Income Fund, Inc.	18%	$ 6.30	9.71%
BST	BlackRock Science and Technology Trust	31%	$ 36.57	9.83%
PFE	Pfizer Inc.	4%	$ 27.76	6.05%
MO	Altria Group, Inc.	2%	$ 41.13	9.53%
ABBV	AbbVie Inc.	2%	$178.09	3.48%
CVX	Chevron Corporation	2%	$154.66	3.98%
BSTZ	BlackRock Science and Technology Term Trust	9%	$ 18.76	8.30%

Master Market Indicator®

Master Market Indicator®

Bull/Bear State Indicator

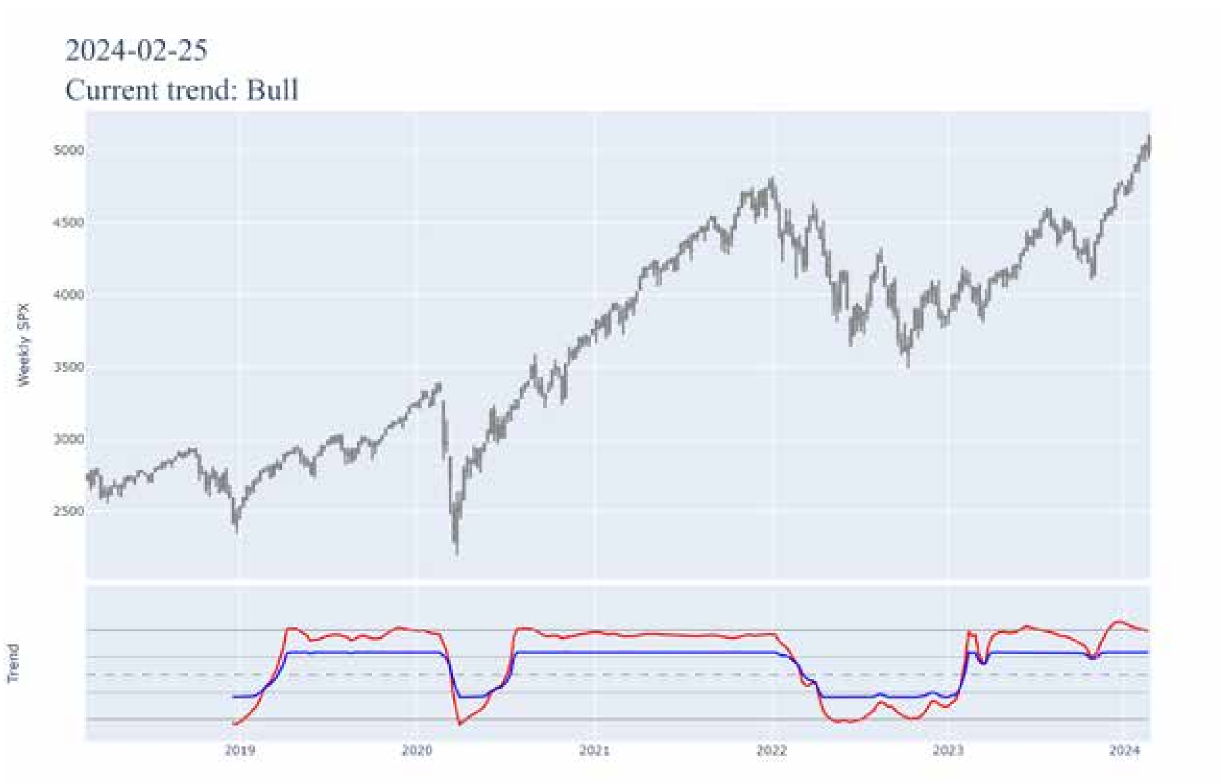
Bull/Bear State Indicator Understanding the “state” of the markets is key when it comes to investing. Traditionally, investors have used the 200-day simple moving average (SMA) to gauge bullish or bearish conditions. But because today’s markets move so quickly, the 200-day SMA has become too unwieldy and sluggish.

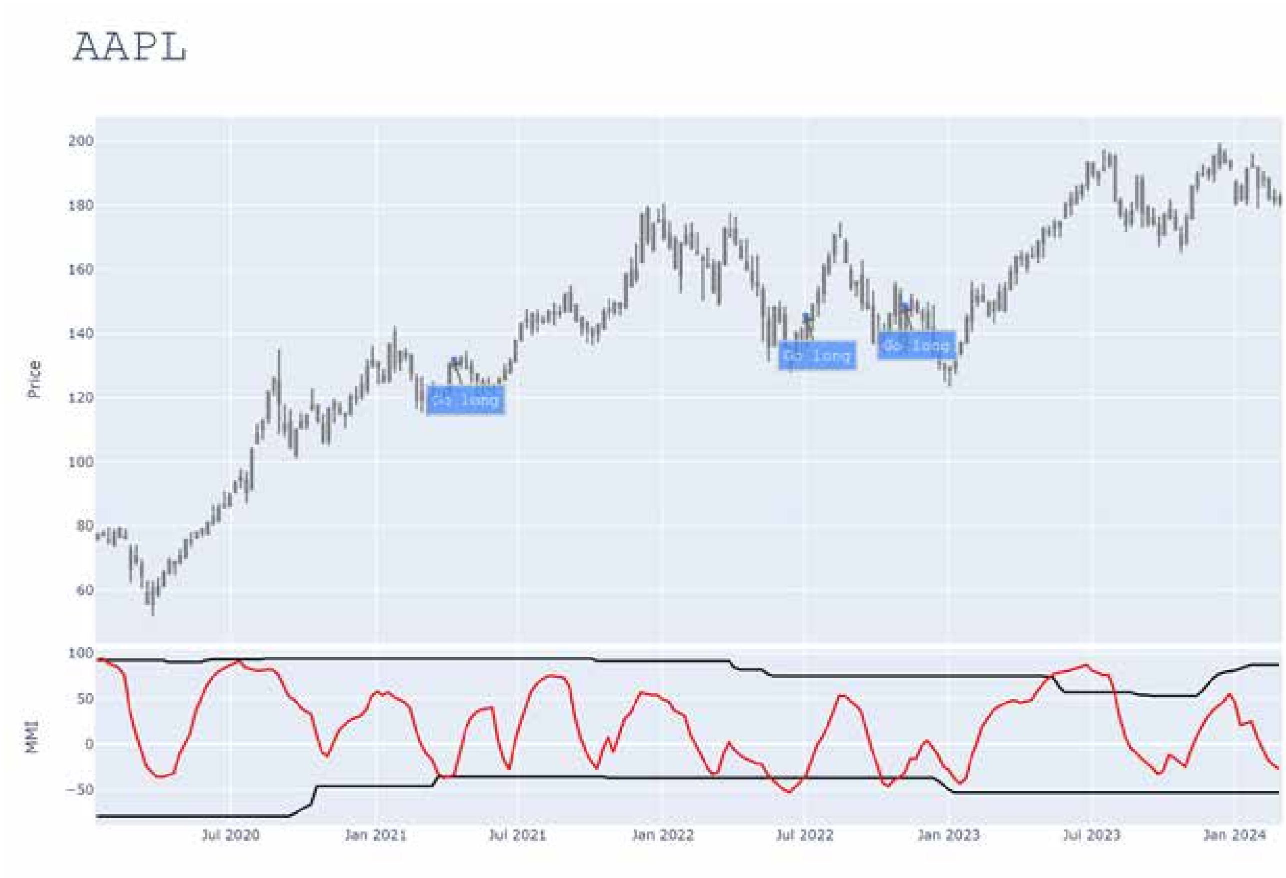
That’s why I created the Bull/Bear State Indicator® (BBSI). Reading the BBSI is very simple:

- 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 ‘ern using the Bull/ Bear State Indicator. And in doing so, invest accordingly. When conditions shift, you will see that the red line crosses above the blue ushering in the promise of more sustainable momentum and a normal statistical range.

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

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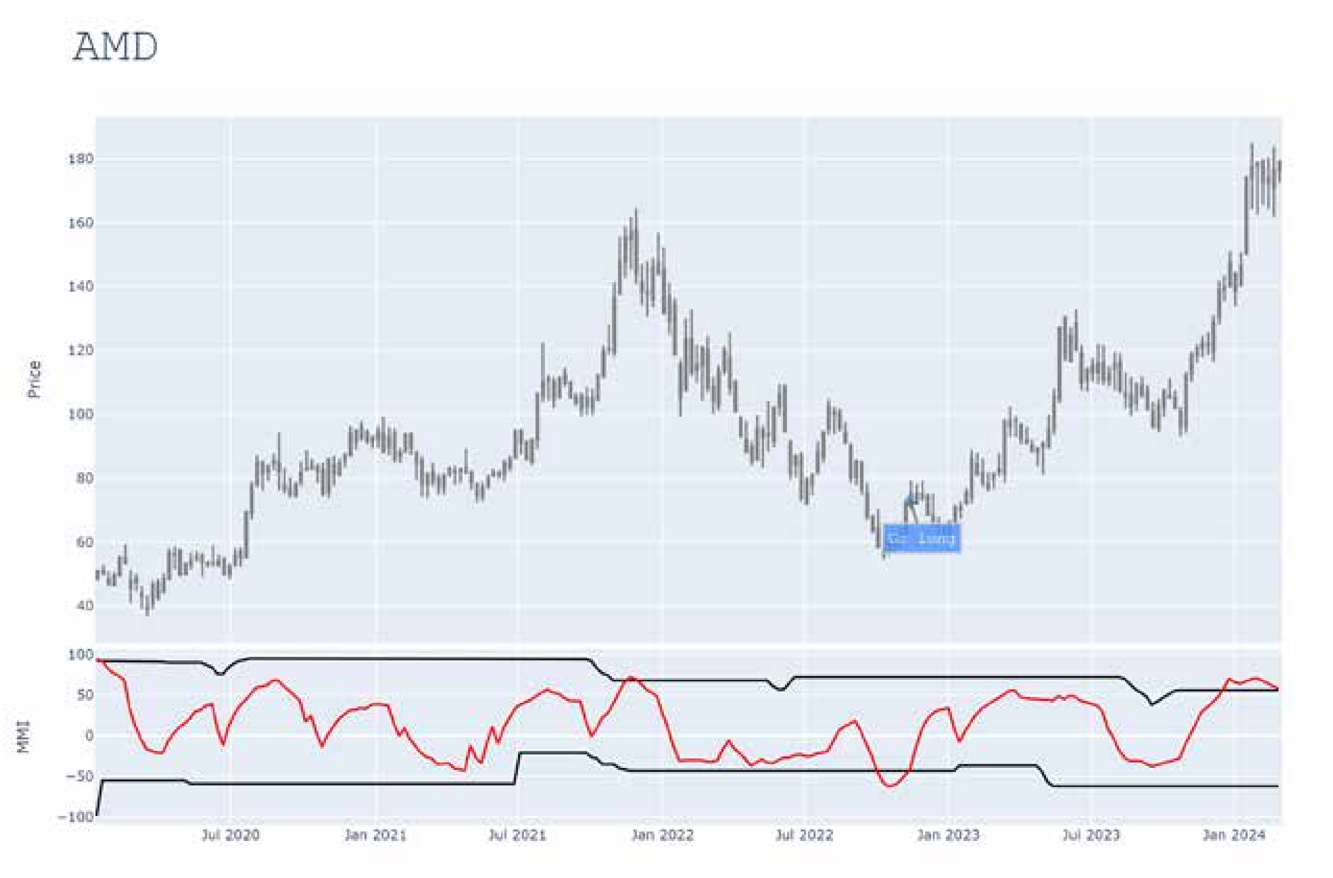
AMD
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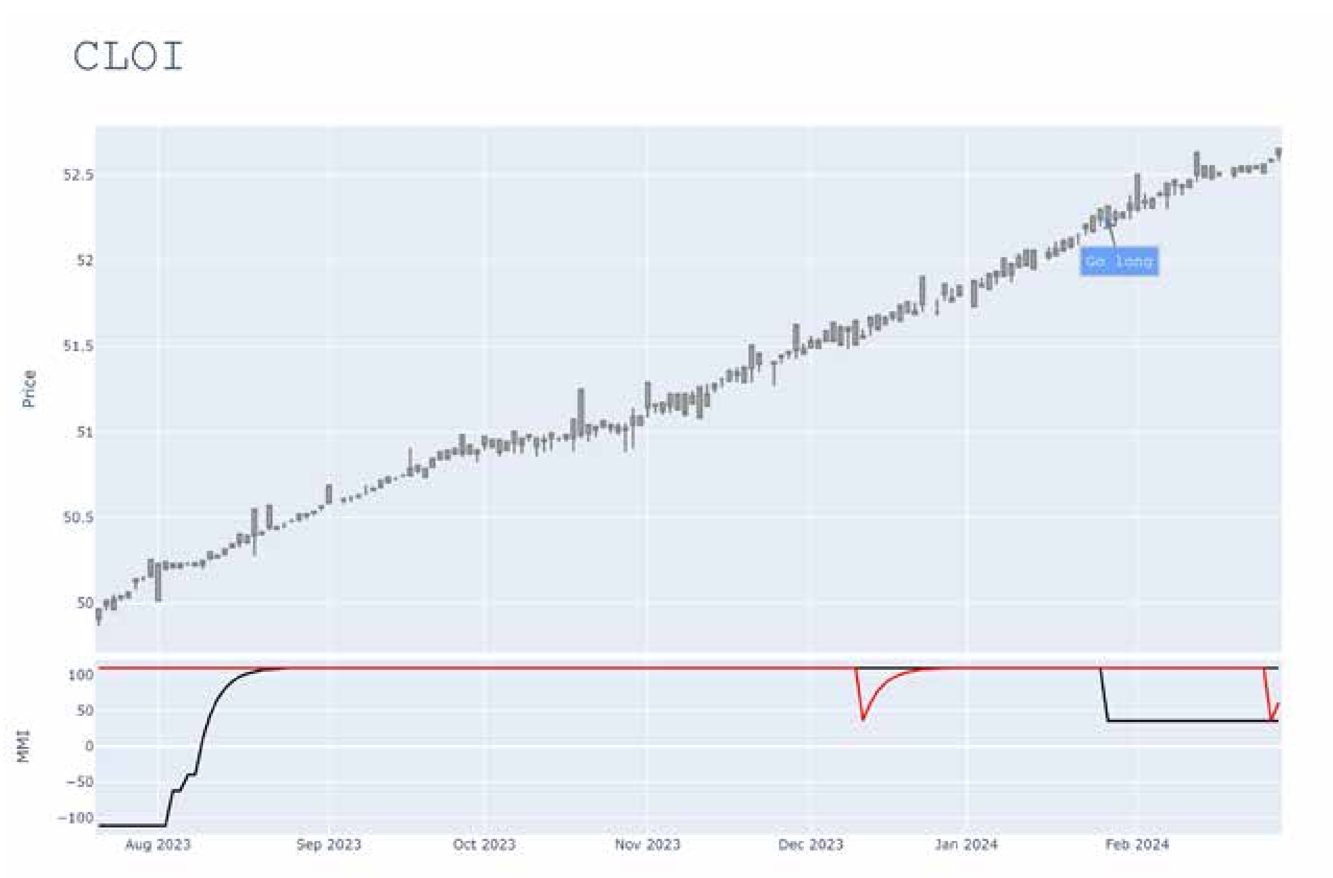
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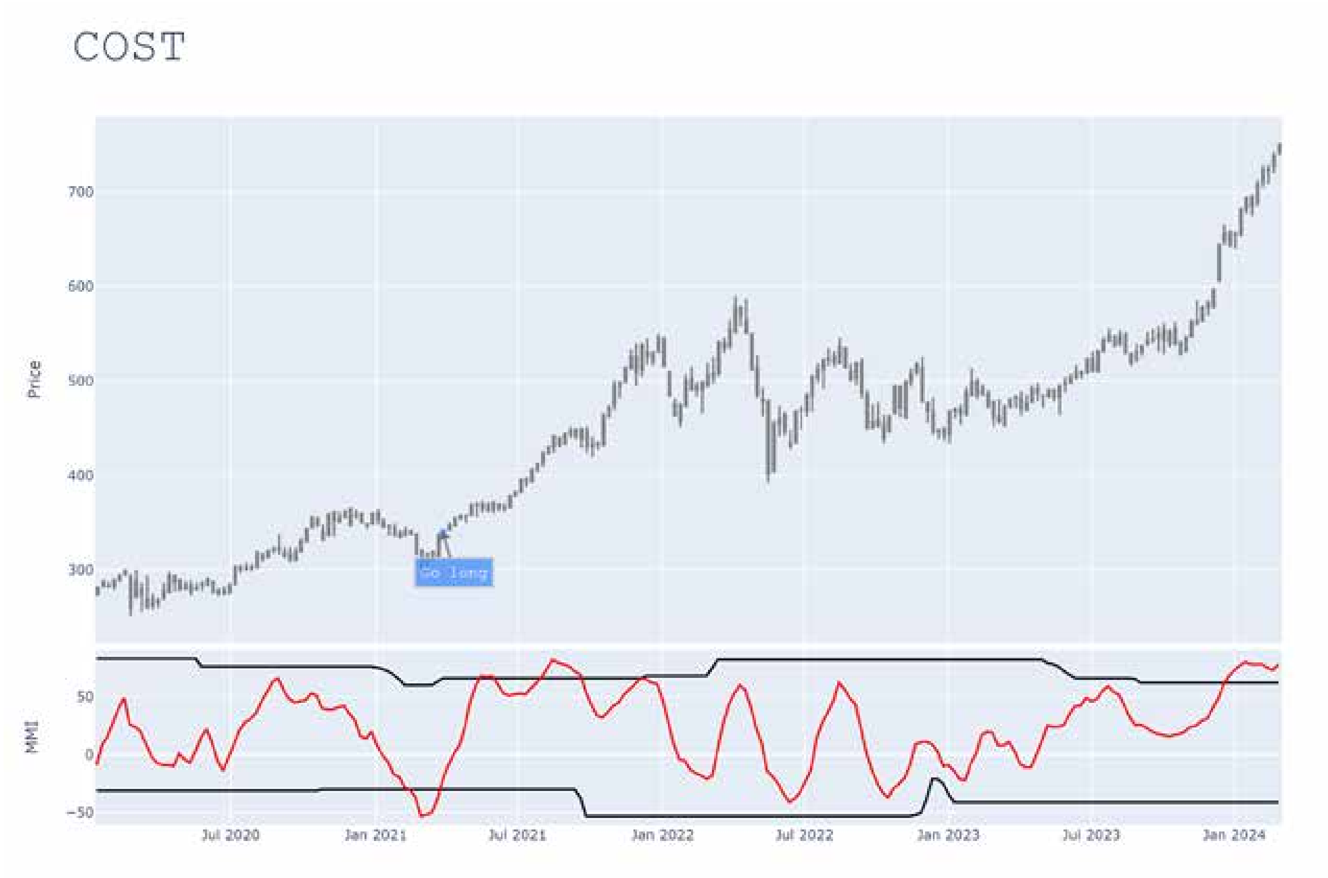
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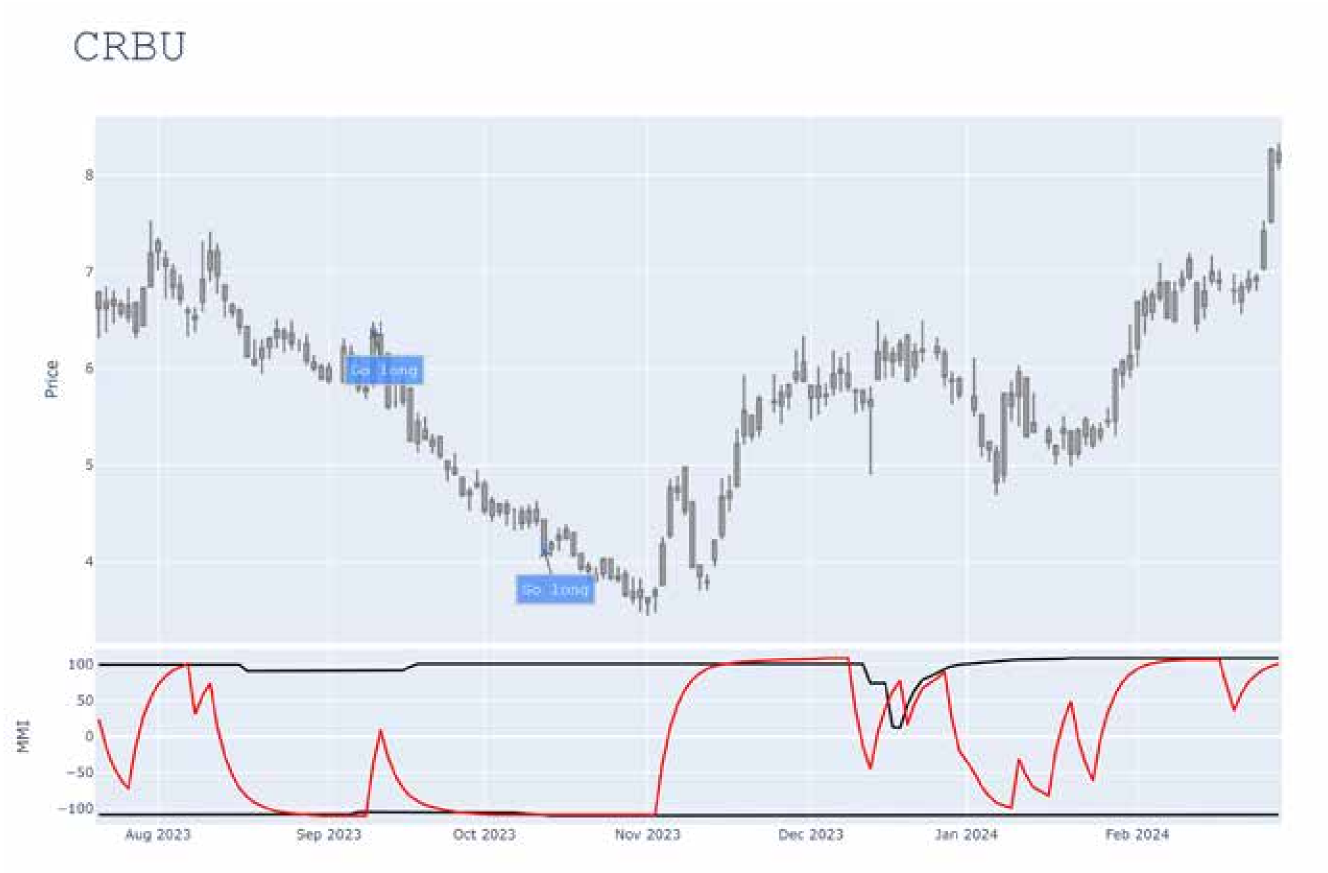
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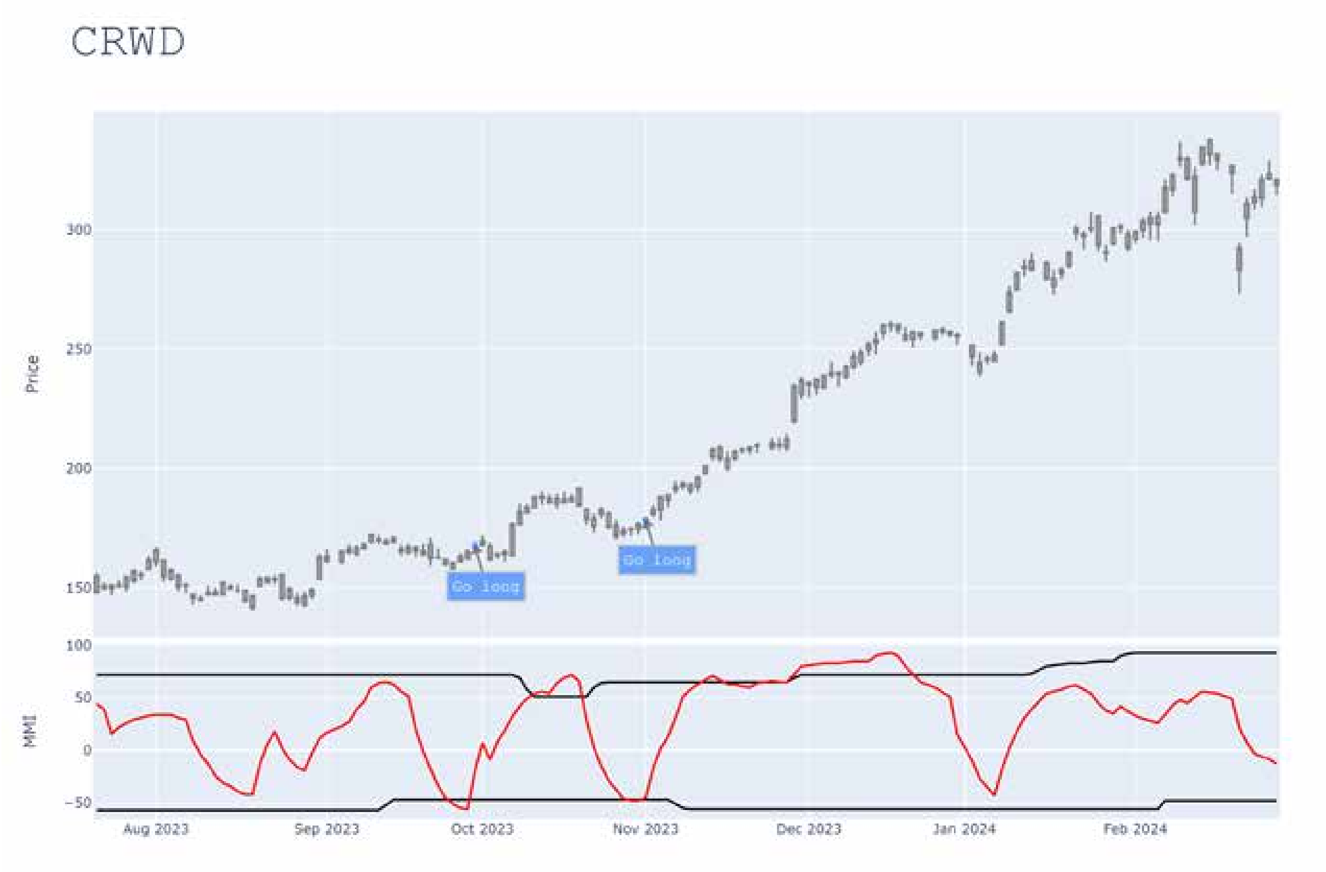
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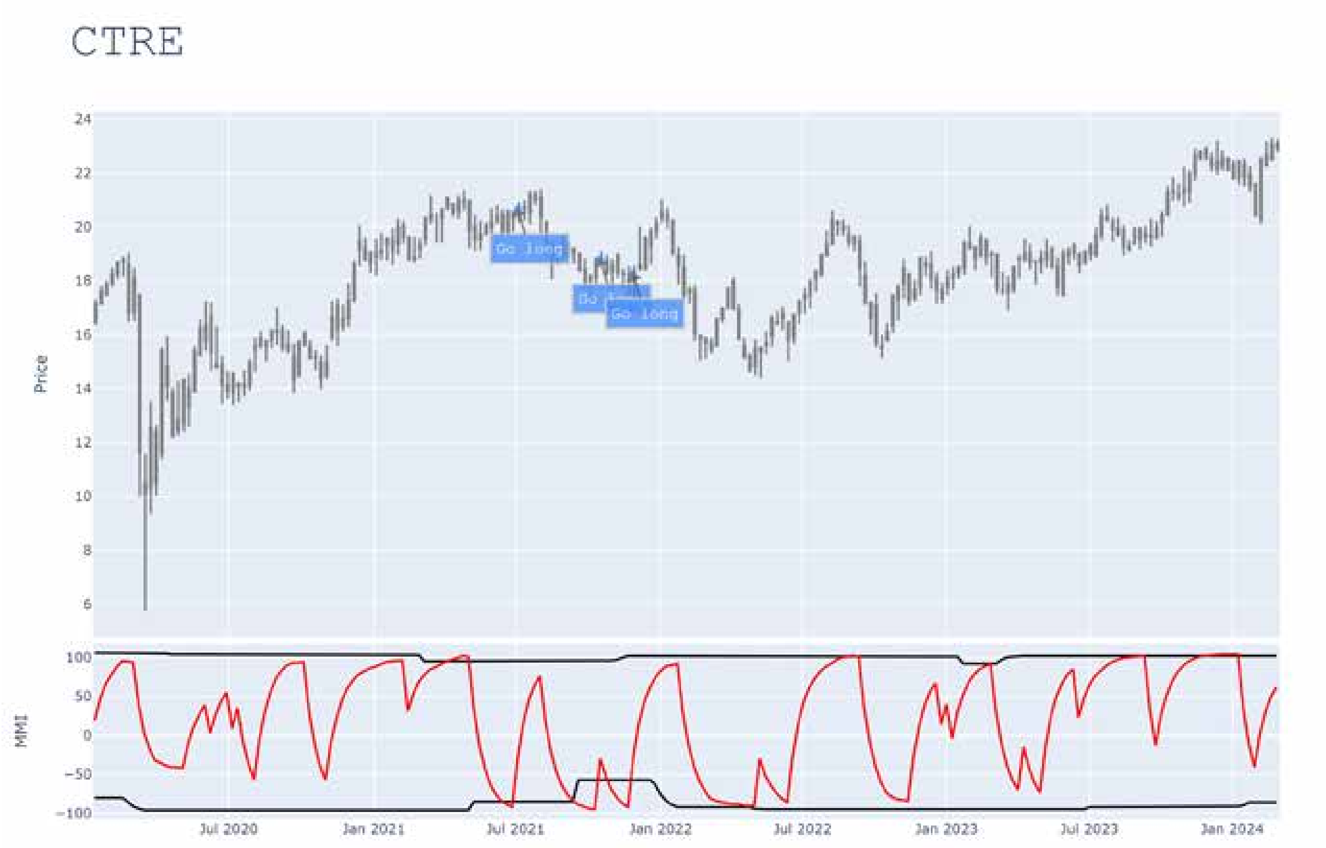
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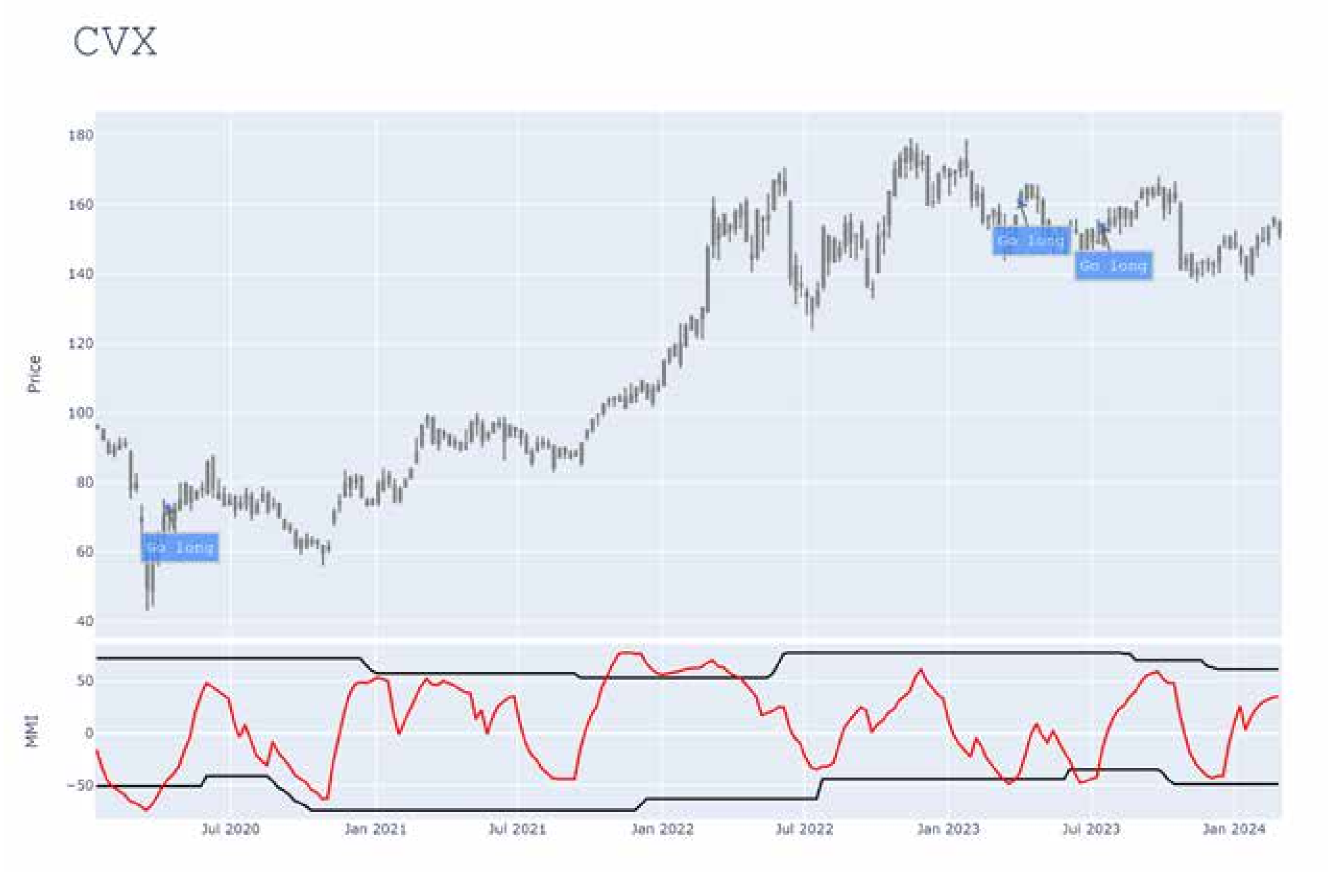
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GILD
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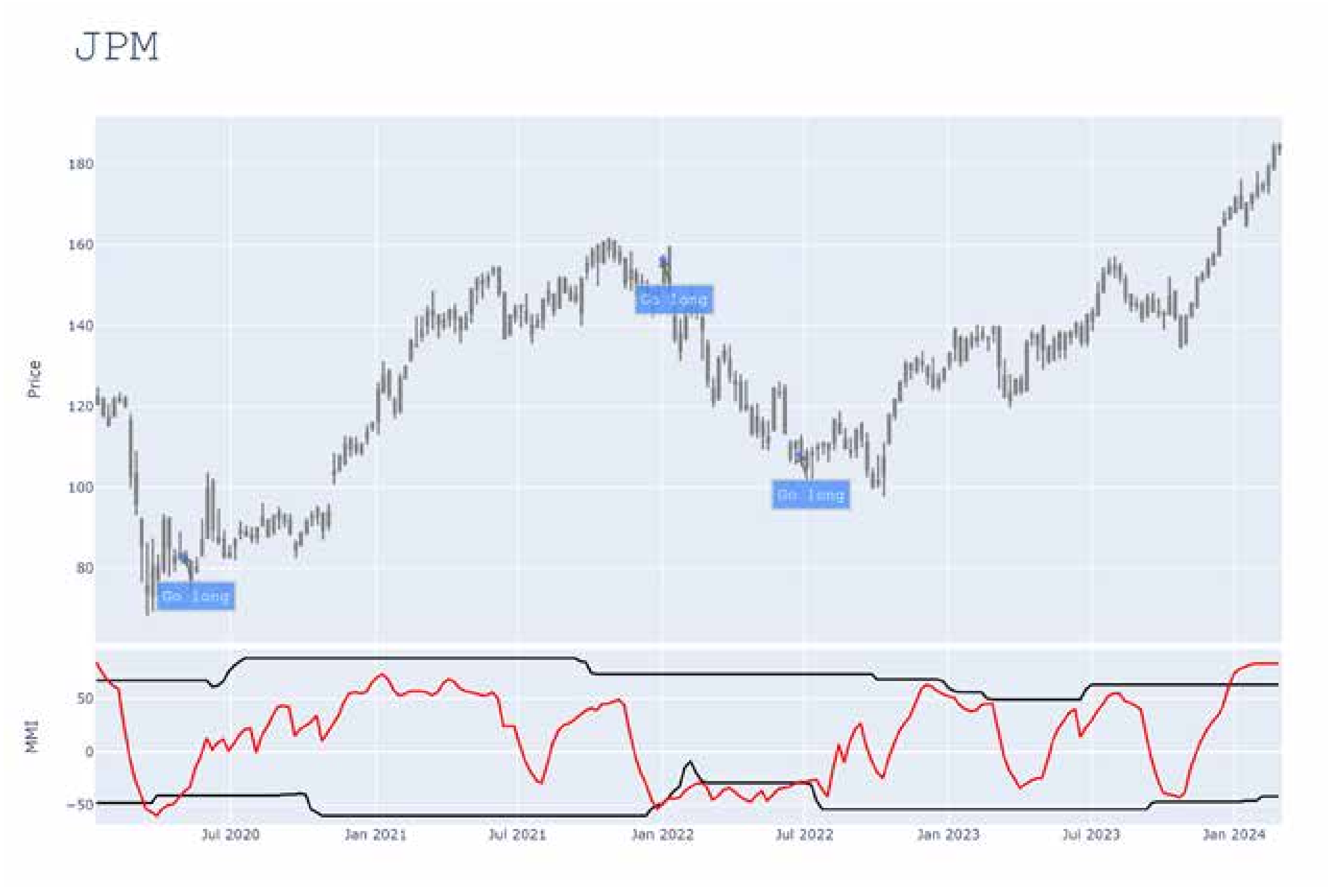
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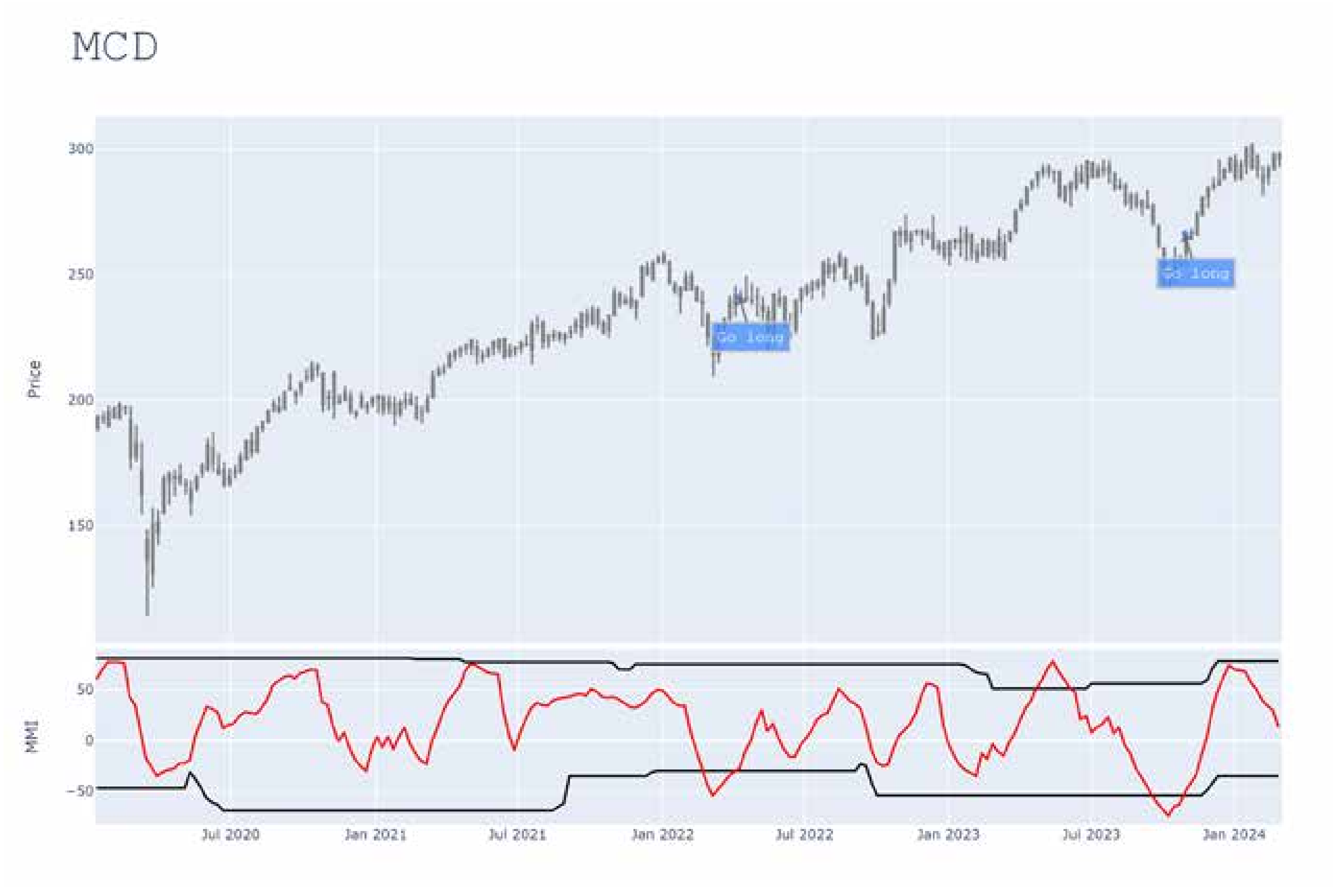
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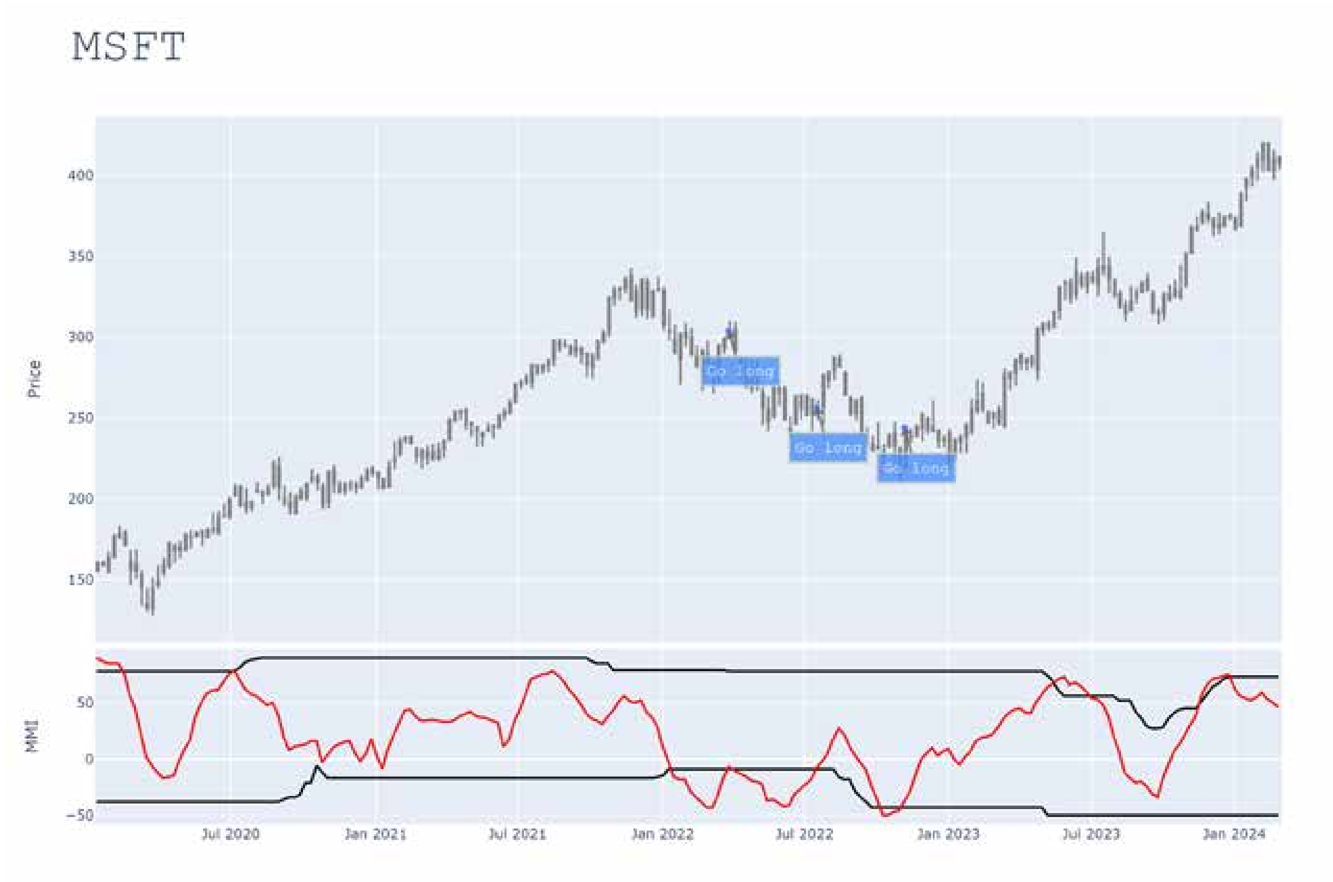
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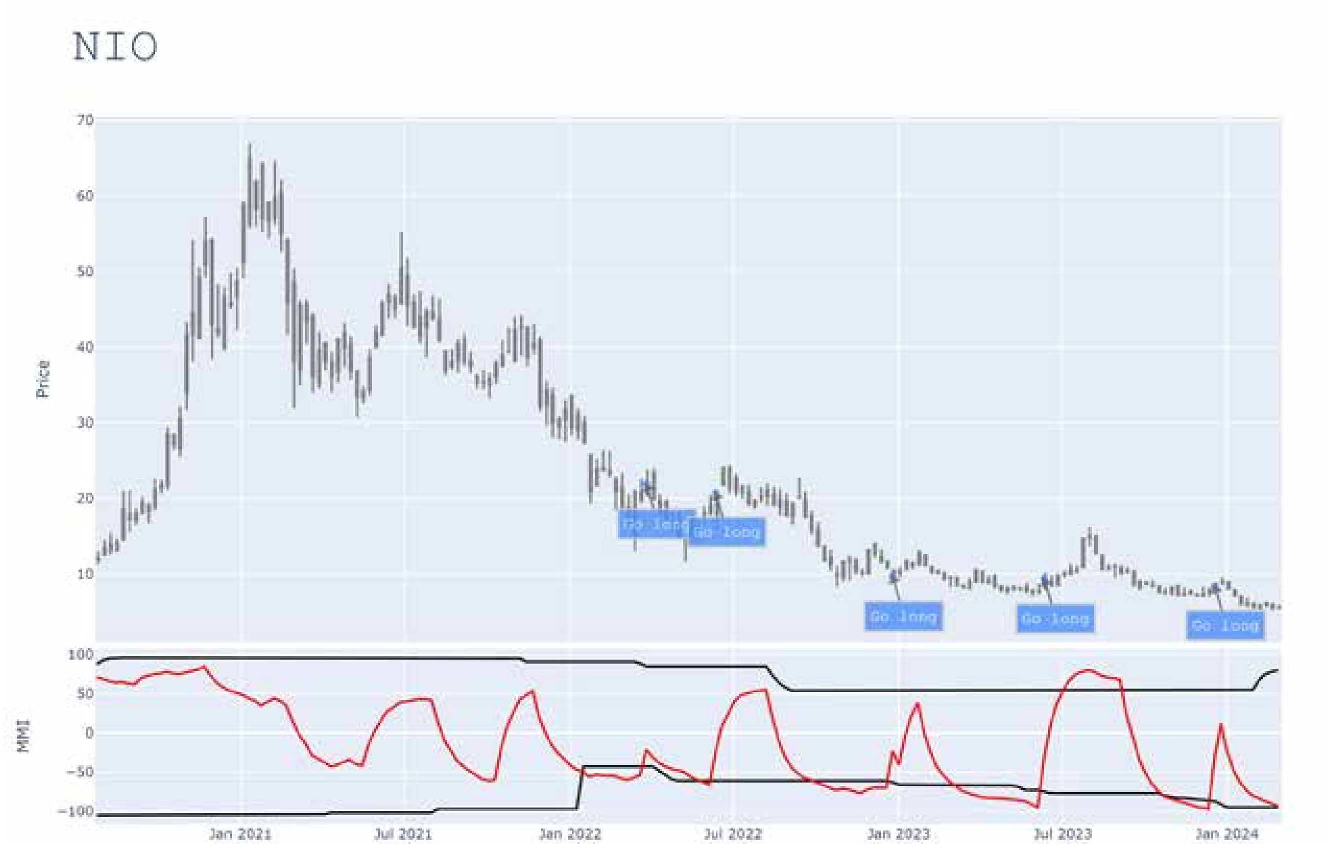
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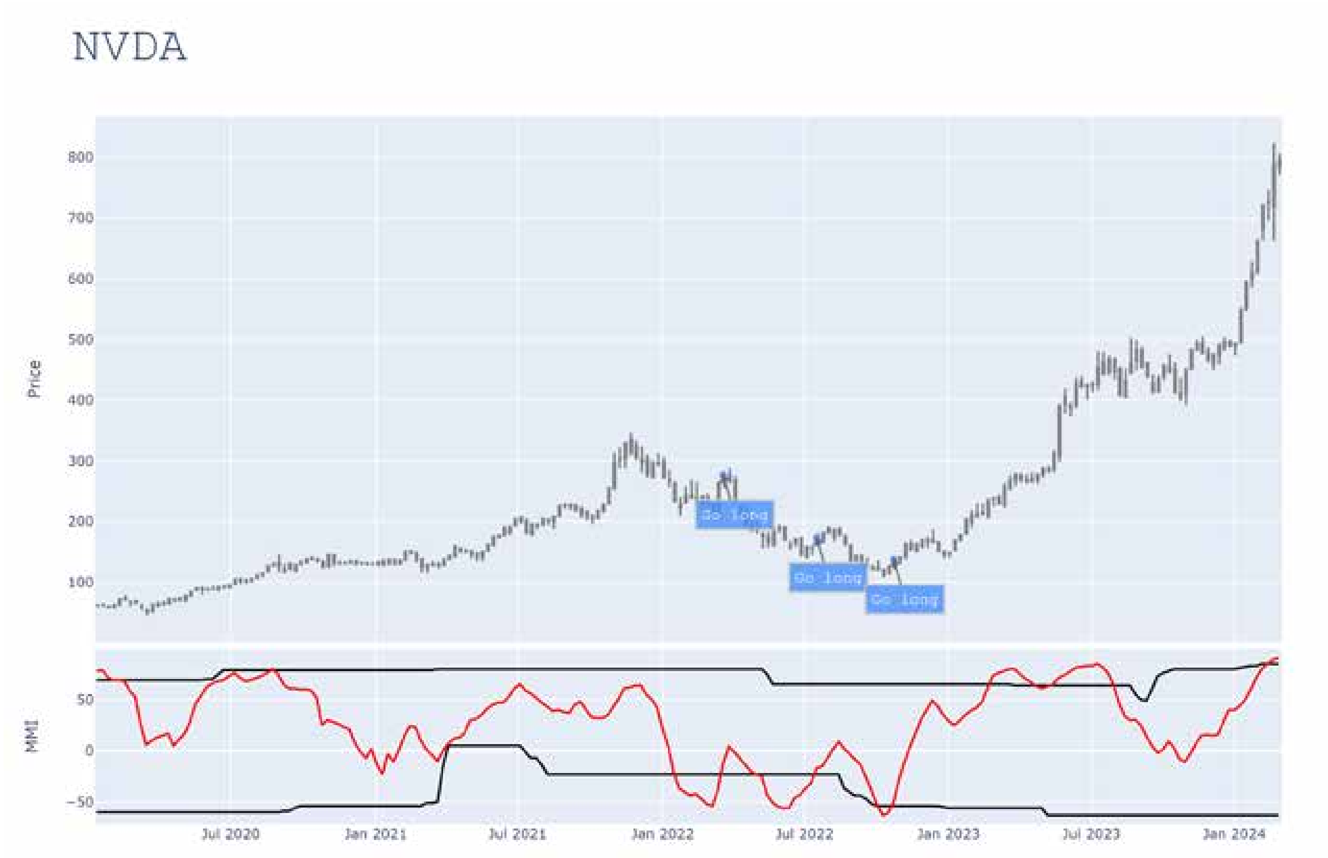
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RCS


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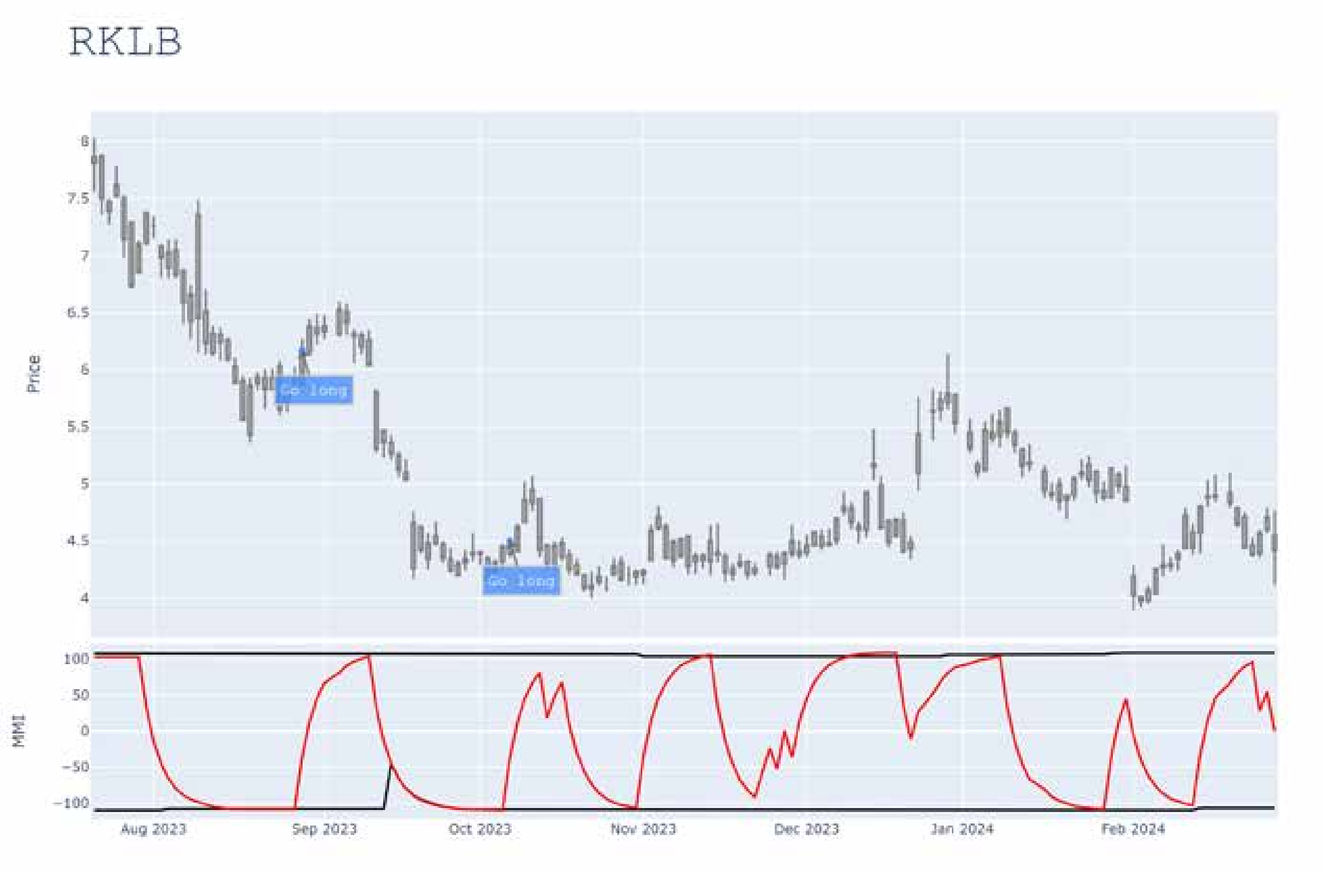
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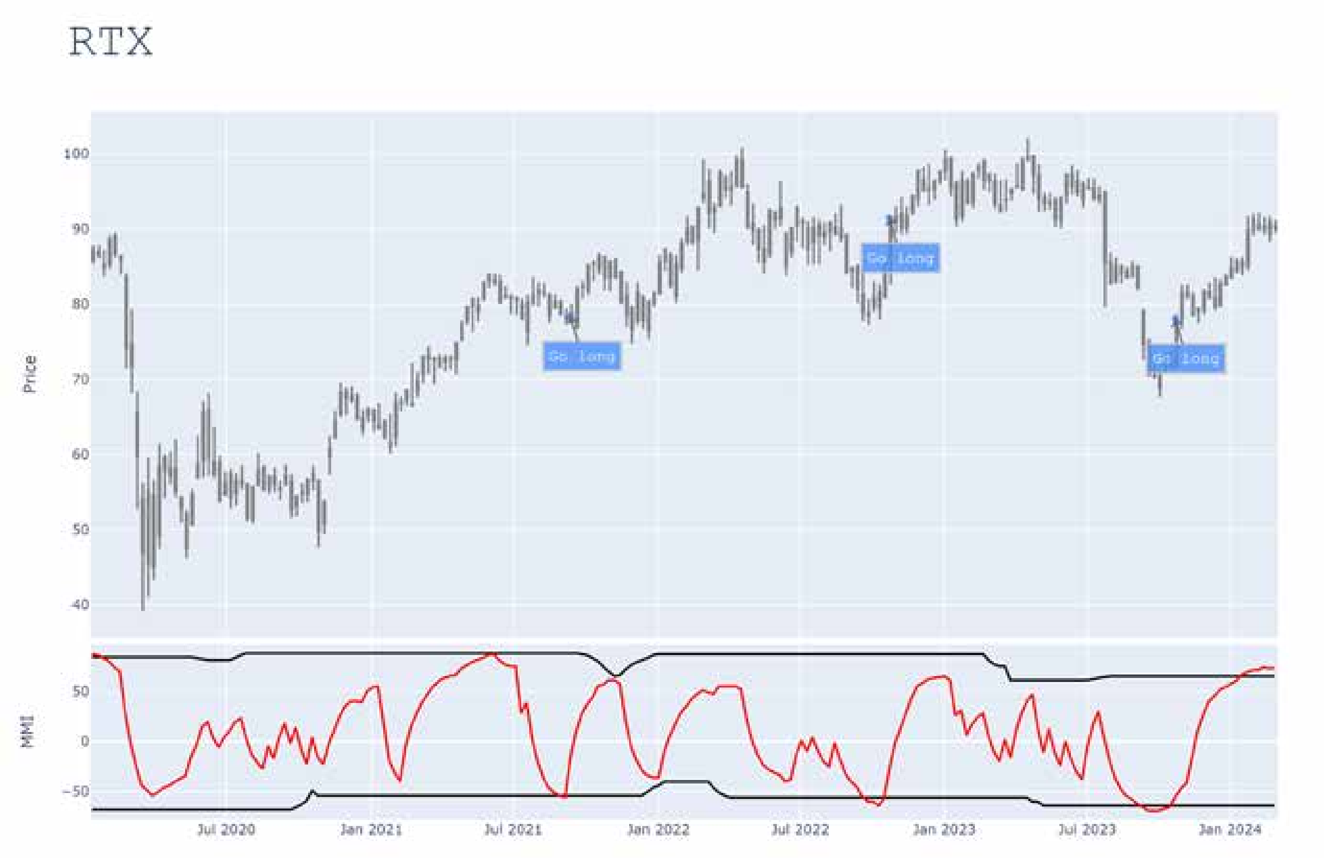
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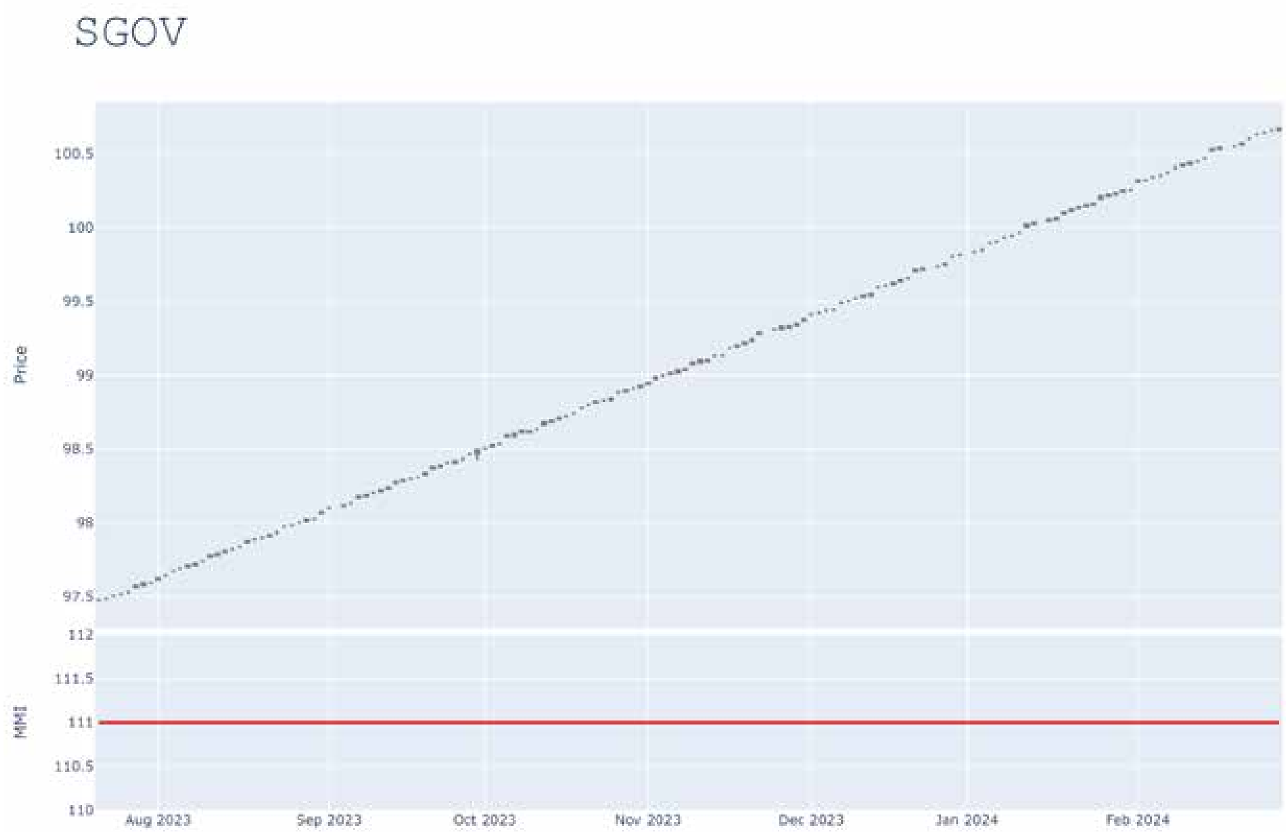
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SPX
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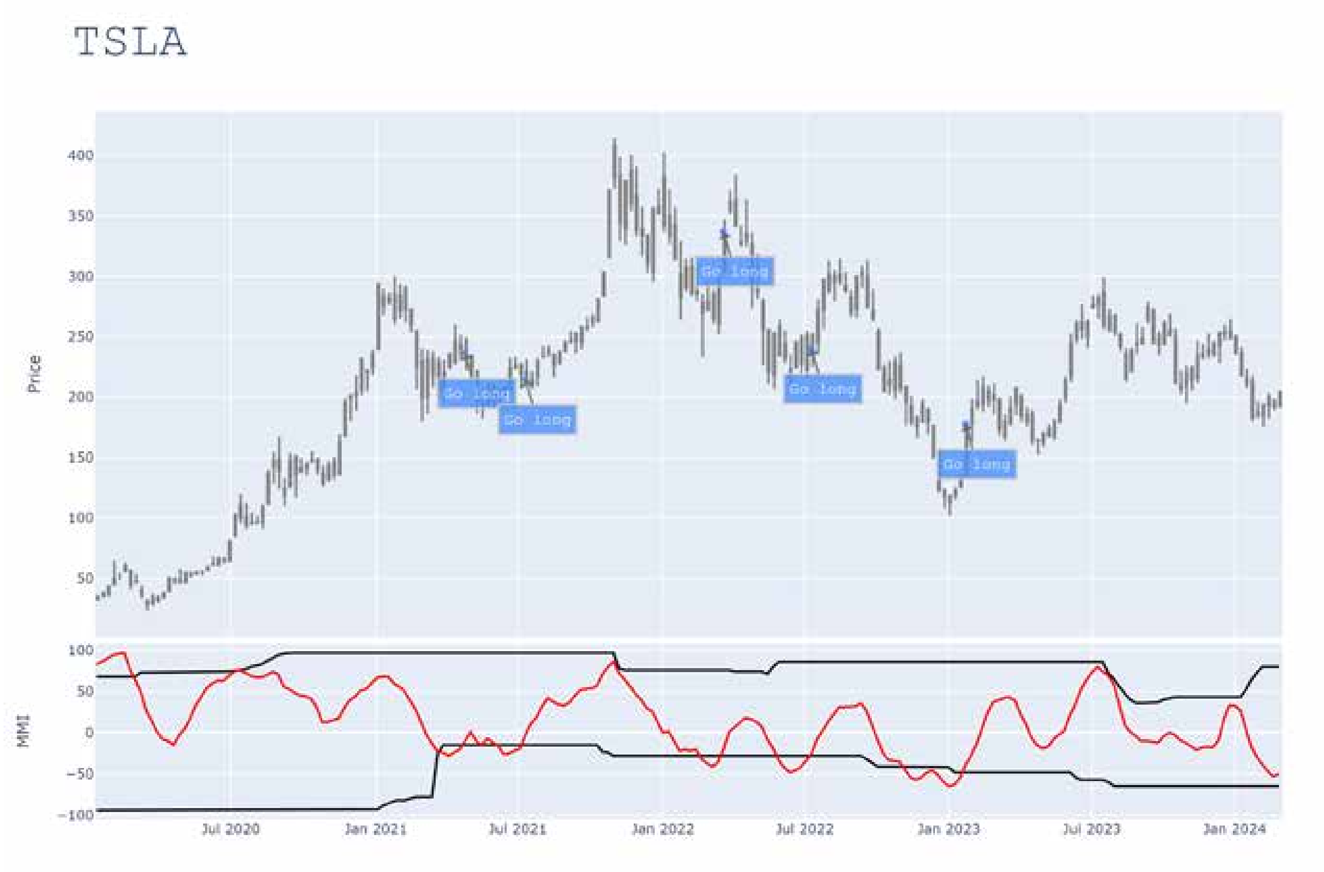
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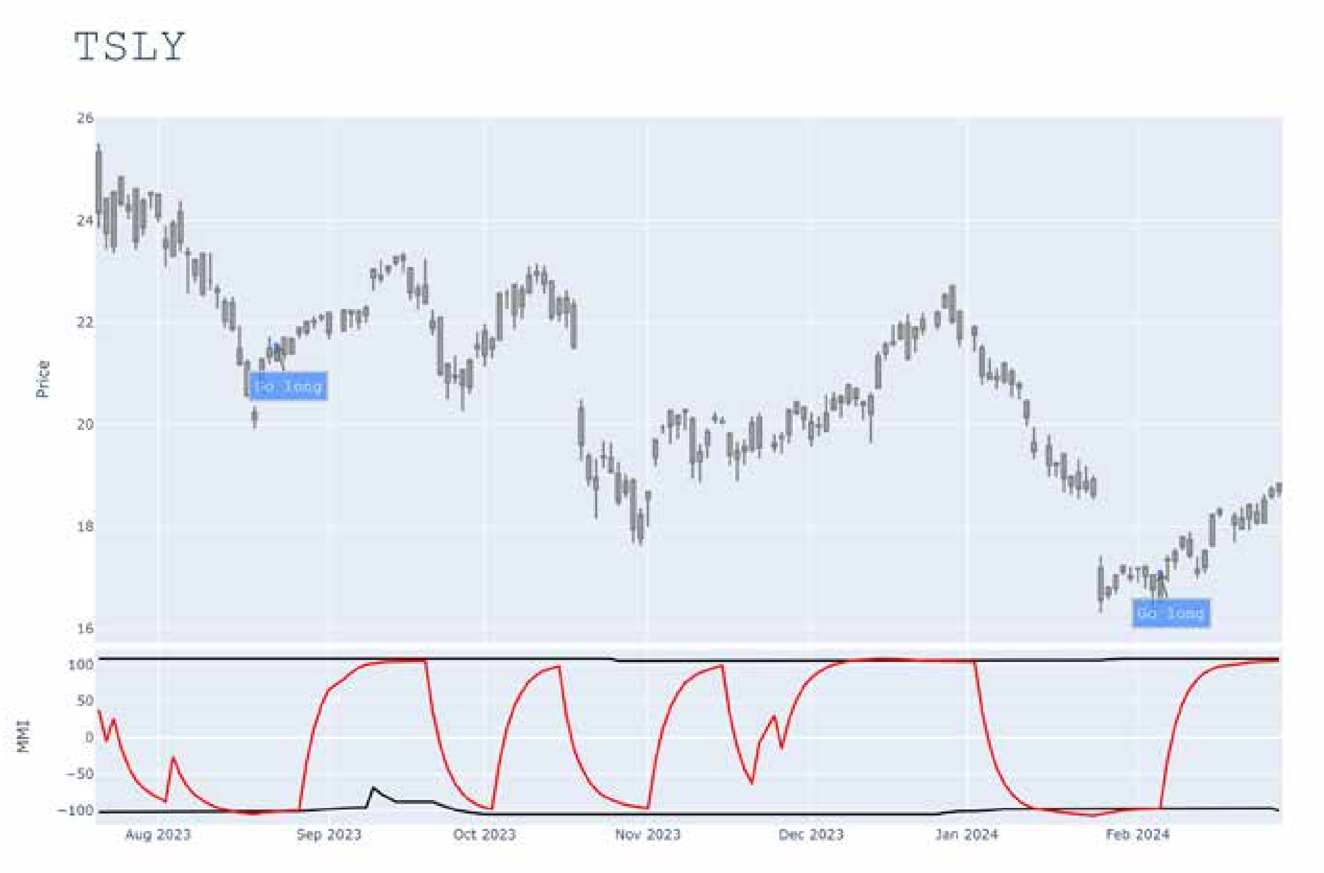
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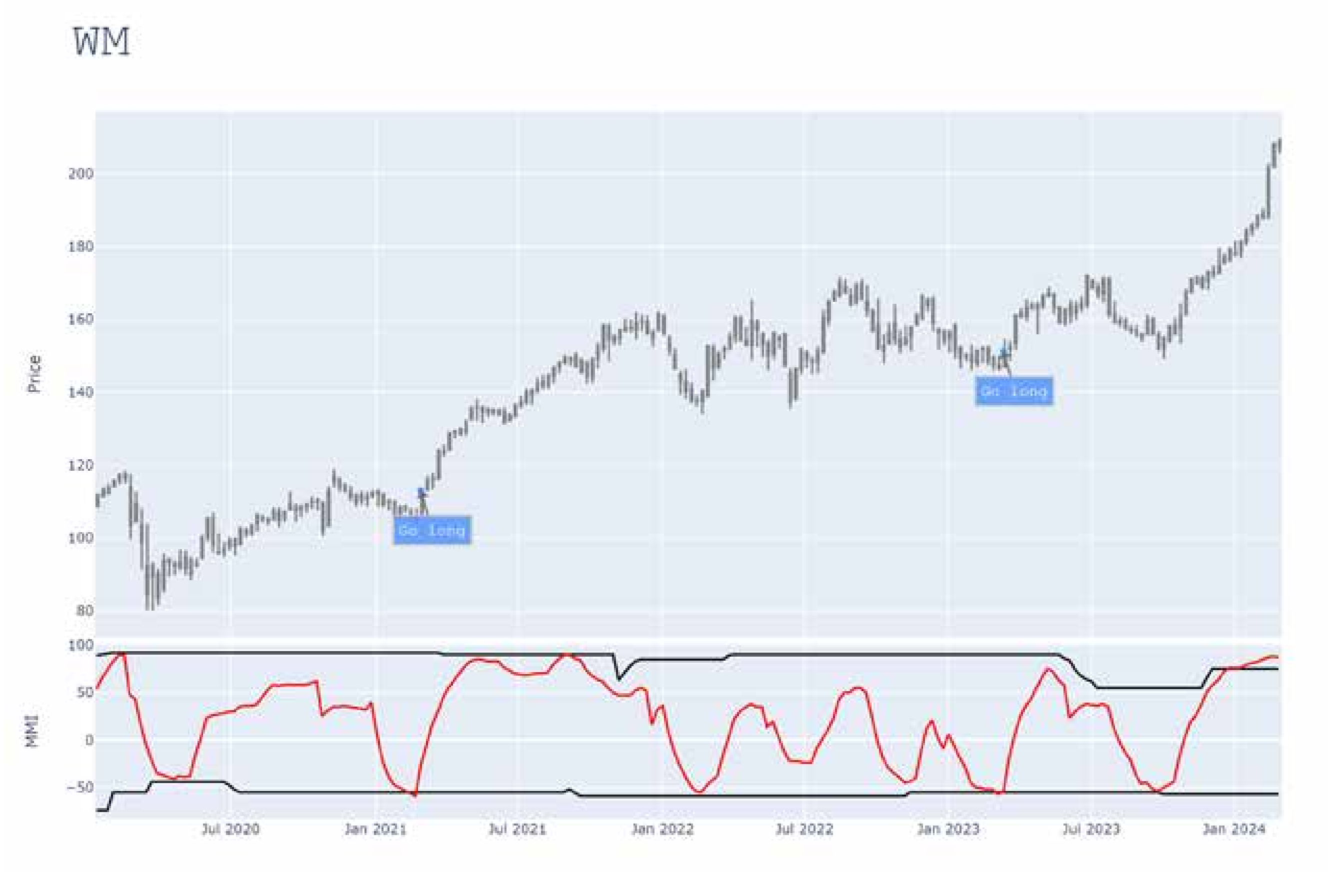
WM
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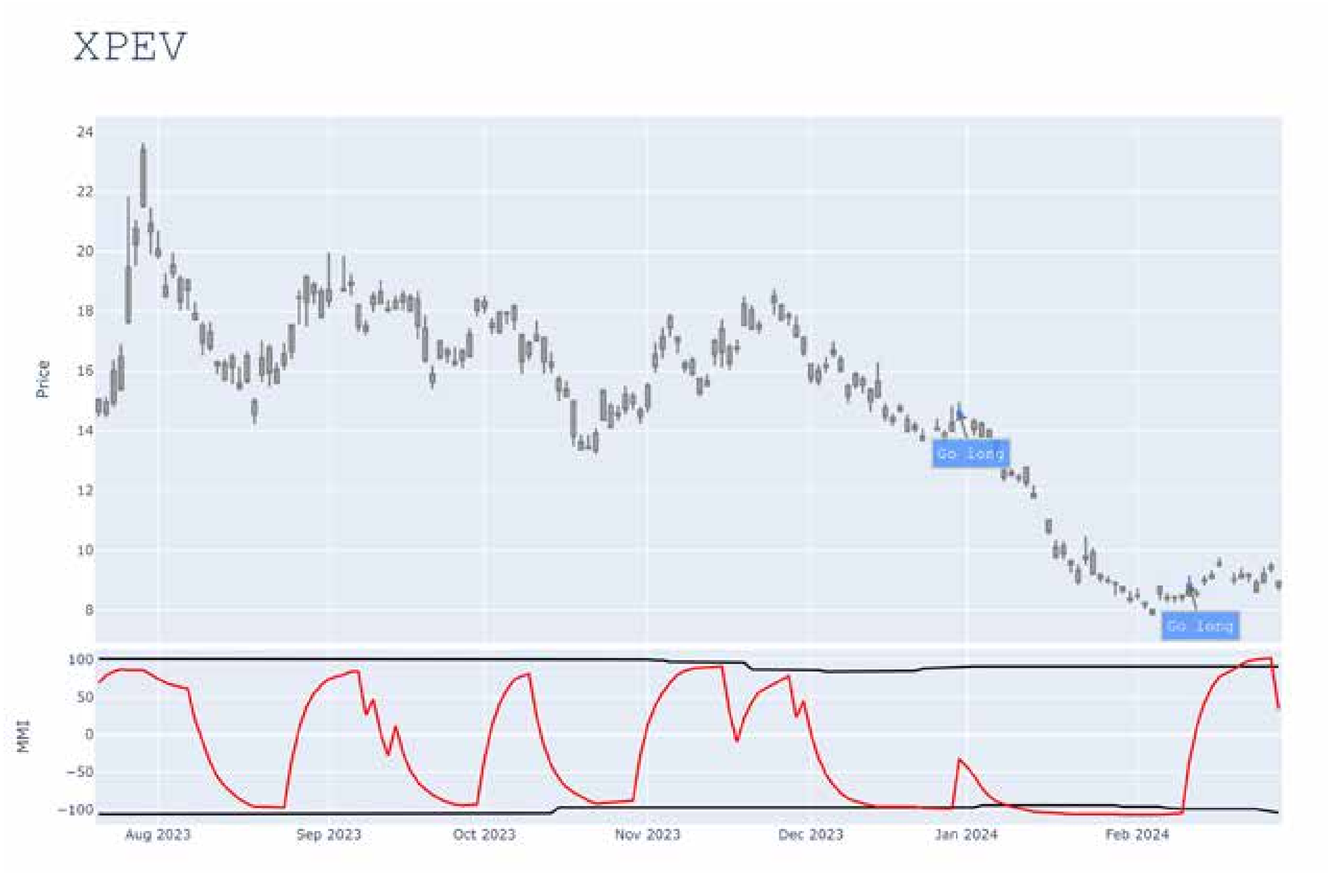
XPEV
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ZROZ
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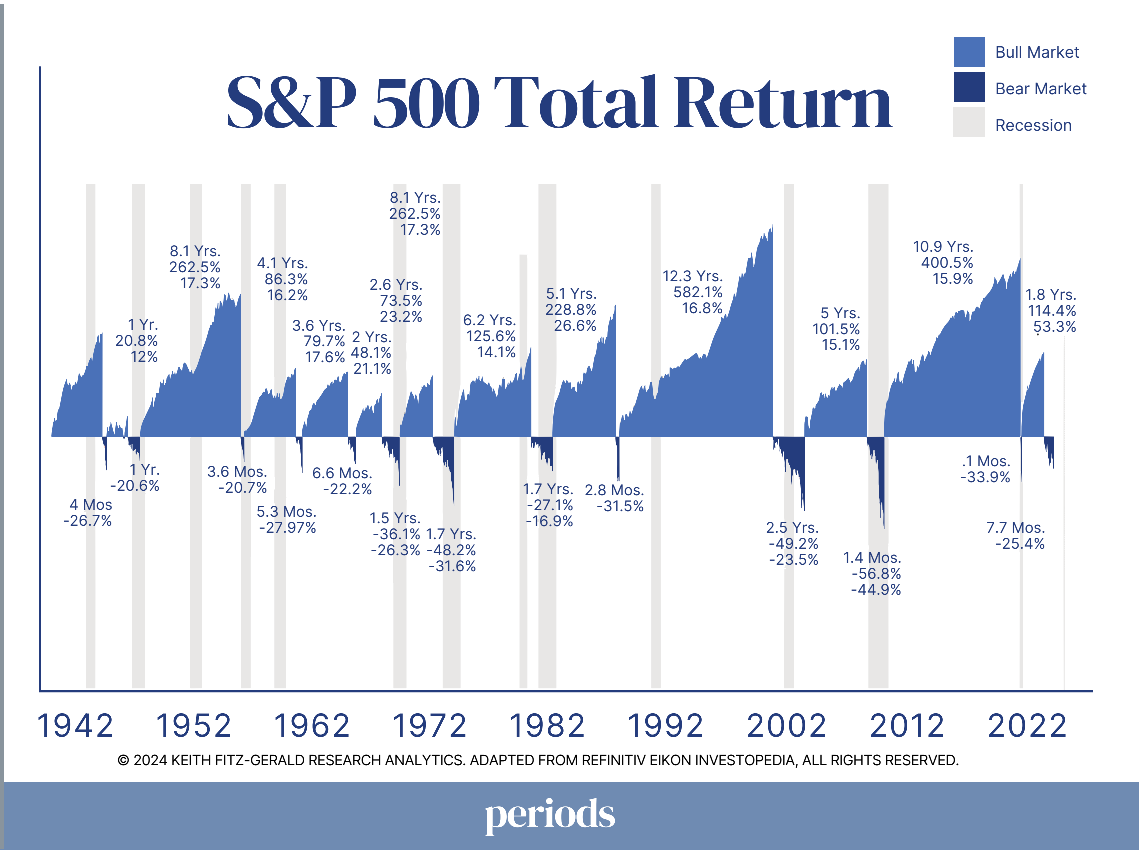
A lot more bulls than bears over time!
return
10.00
1.00
0


S&P 500 Total Return
Bull Market
Bear Market
Recession
1942
1952
1962
1972
1982
1992
2002
2012
2022
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periods

What Most Investors Fail to Grasp About Tech Investing Will Cost 'Em

What most investors fail to grasp about tech investing will cost 'em

96% of the Value Is Created *After* Year 10

Many investors struggle because they believe that they've got to find brand new companies that are "undiscovered" or somehow "off the radar."

Once upon a time, that was true.

No longer.

My research shows very clearly that you want to focus on "best in class" players at the very top of the game that have been in business for at least a decade.

Why?

Try this on for size... *an astonishing 96% of the value is created after year 10.*

Don't take my word for it, though.

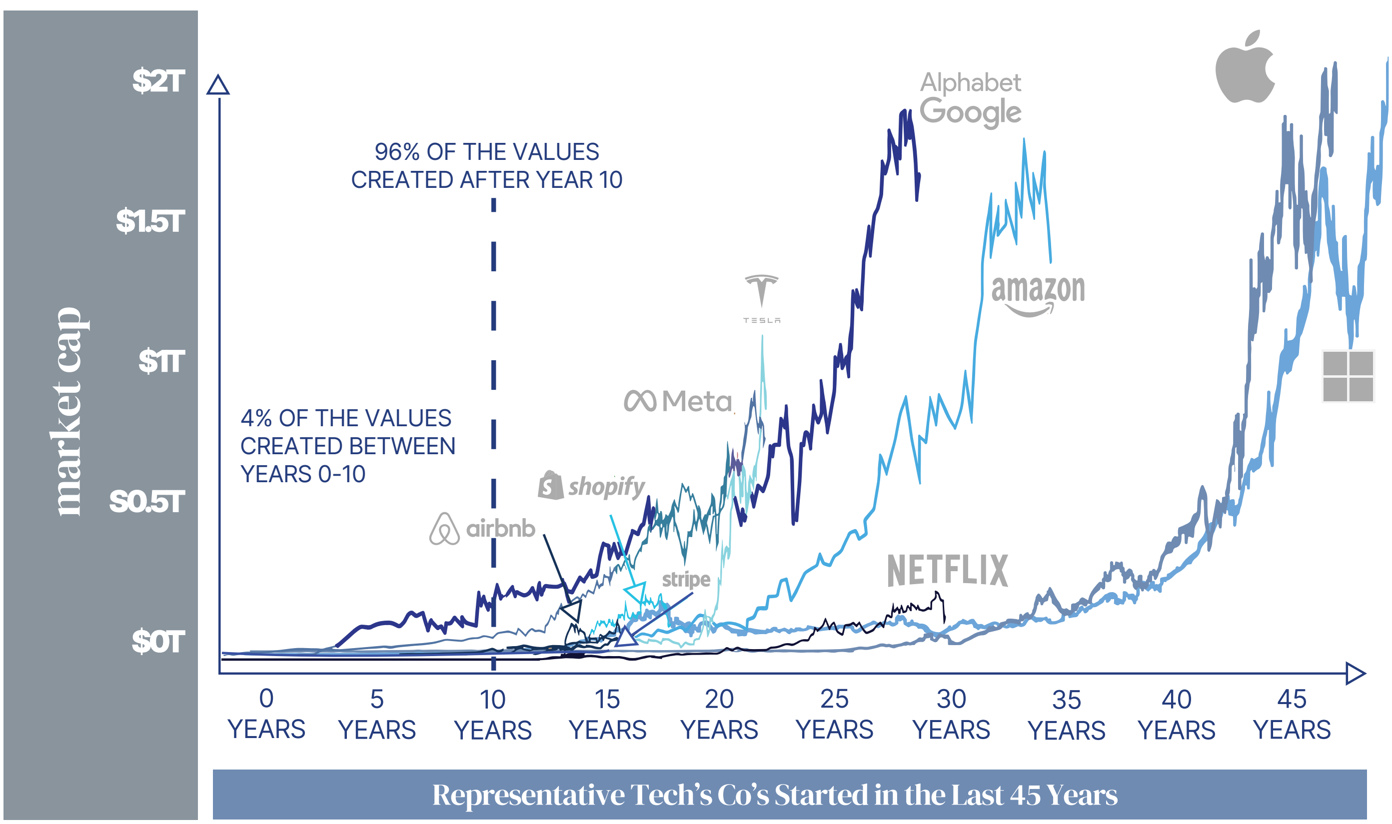
Here's a chart from NFX, a venture firm focused exclusively on pre-seed and seed stage start-ups, that makes my point nicely.

The thing to understand about how today's markets work when it comes to tomorrow's technology is that *materially new technologies create a significant shift in how stocks behave.* And not new stocks, either.

I'm talking about well-established companies.

Take AI, for example.

Many investors continue to think about it as "a" technology, but it is really "the" technology of our time.



Every company in the world will adapt, adopt, or die. The single most important thing to understand as an investor is that AI will radically change how the *incumbents* behave – meaning that they will accrue enormous profits fastest - by gobbling up new technologies, startups, and knowledge faster than those things can get to market.

Take the iPhone, for instance.

I figured out early on that the first disruptive wave would be confined to the market leaders of their time, Palm and Blackberry. But that the real move would come as Apple disrupted EVERY industry by creating a mobile interface for an entirely new range of offerings that we know as the "ecosystem" today.

Tesla's another great example.

People who continue to think about that company as an EV maker are completely missing the real impact... on energy efficiency, productivity, AI, machine learning and more. They will very likely miss the next decade as well because they cannot let go of the past.

Nvidia, too.

People scoffed openly at CEO Jensen Huang in the early 2010's when he began adapting GPU technology for AI applications that have only recently captured the public's imagination. What they don't understand is that Nvidia's chips will allow new competition in otherwise densely populated industries investors have all but given up for dead.

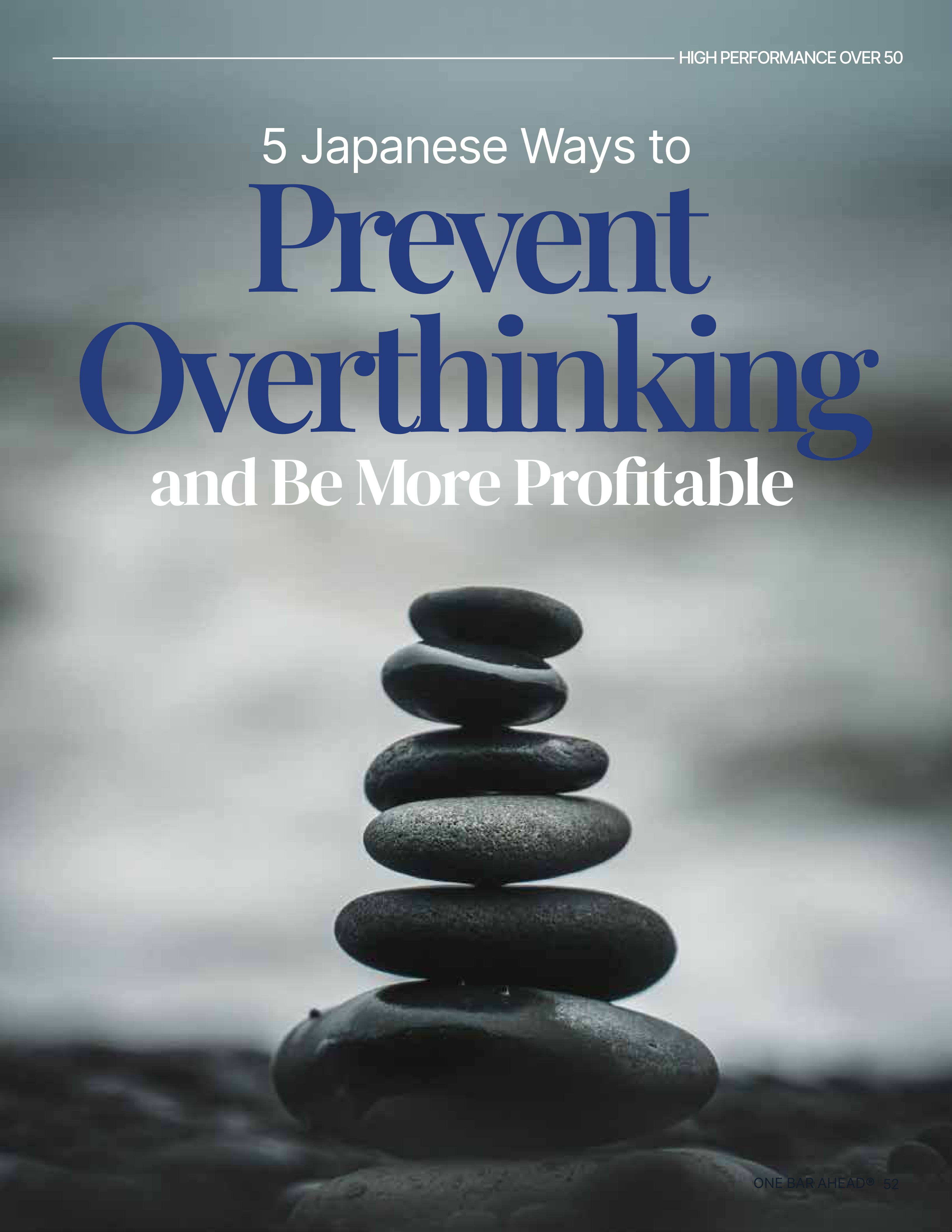
Contrary to what many investors stuck in their ways want to believe, winning isn't just a matter of getting to market first anymore but how innovation will enable "lagging" industries to catch up.

Palantir's next.

And, dare I say it, right on track.

--KF

5 Japanese Ways to Prevent Overthinking and Be More Profitable



It's been an amazing few weeks in the markets.

And that's got me thinking.

About thinking.

One of the most challenging problems for investors today is the amount of information we have at our disposal – and this is key – whether we want it or not.

Advertising, updates, crawlers, billboards... you name it.

The average individual sees an estimated 4,000 – 10,000 advertisements a day, depending on where you live and what you do, of course. That figure was 300-500 a day in the 1970s.

You'd think preventing overthinking would be simply a matter of turning things off which is what many experts suggest, but that's increasingly not possible.

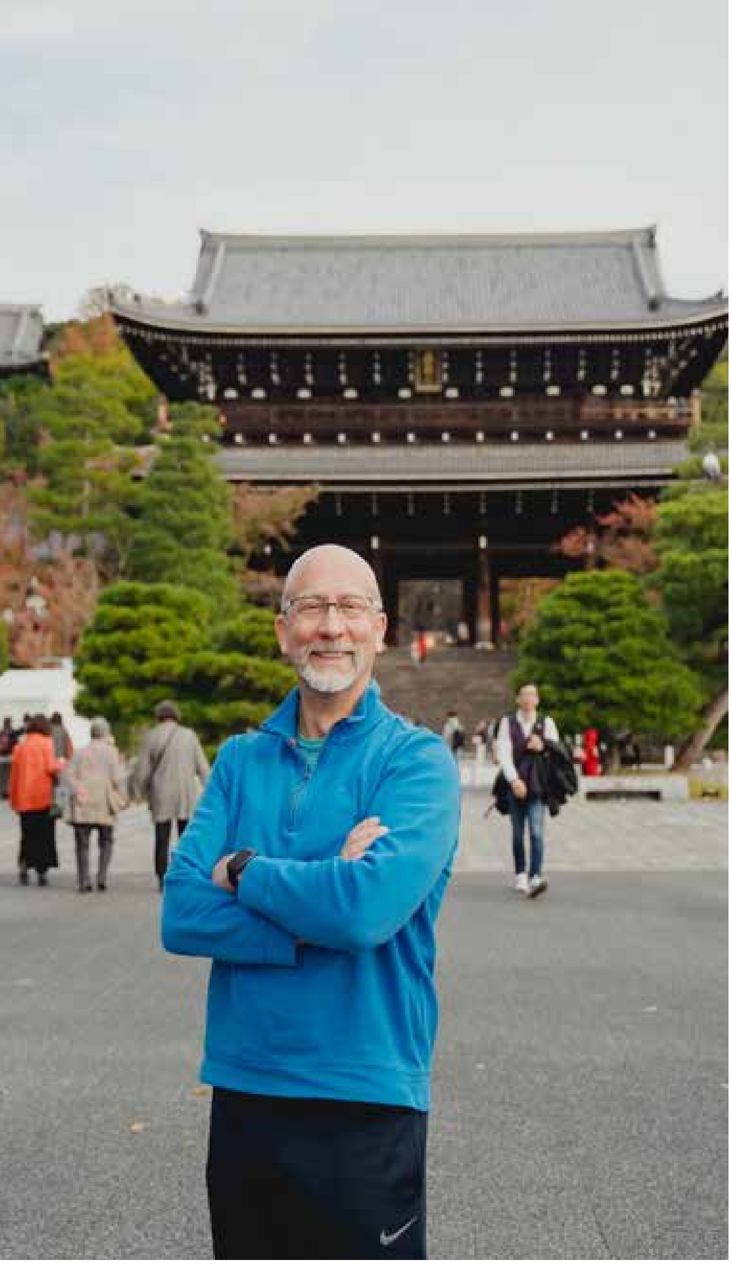
The average person gets interrupted once every 120 seconds when using the Internet or smartphones.

The average person gets interrupted once every 120 seconds when using the Internet or smartphones. That's 240 focus-breakers a day and very likely a *conservative* number. Keep in mind, that figure was effectively a big, fat "0" a few decades ago.

Every bit of tech we use today is designed to "bug" us because the companies doing the updating consider that "engaging behaviour." I have a few choice words about that, but we'll save those for another time... and the gutter.

And investing screeners, oh my... don't even get me started.

You can slice, dice, and organize to your heart's content these days. Yet, the vast majority of DIY research often leaves you with more questions than answers. Not to mention, a lot



We are not passengers. We have the steering wheel in our hands and that is critical when it comes to unlocking the results we want and the financial wealth we deserve.

of it is complete crap.

Finding ways to focus and prevent overthinking is more important than ever, especially when it comes to our money.

There are all kinds of ways to do this.

I find drawing on my 35+ years in Japan and a lifetime of martial arts helpful.

Here are 5 Japanese principes for you:

#1 – Shoganai

Shoganai (しょうがない) is a hard to translate but easy to understand concept meaning loosely to make peace with what you can't control, yet moving forward with a sense of calm, purpose, and resilience by focusing on what you can.

You hear me talk about this a lot.

For example, we can't control the Fed, politics, China, or a dozen other things that roil markets. But we absolutely CAN control which companies we buy, why, when and how.

We – you and I – are in control of our lives and our money.

We are not passengers. We have the steering wheel in our hands and that is critical when it comes to unlocking the results we want and the financial wealth we deserve.

#2 – Shinrin-yoku

Japanese culture is closely connected to nature and has been for thousands of years. The ancient rice harvest cycle, in particular, emphasizes a deep connection, simplicity and harmony with the world. It's viewed as a metaphor for life.

Shinrin-yoku, or "forest bathing," is an outgrowth of that.

Forest bathing, contrary to what the name implies, does not actually involve bathing in the woods. But merely immersing yourself in the forest atmosphere by taking a leisurely walk, going for a trail run, sitting by a stream, or even just spending time amongst the trees.

Shinrin-yoku (森林浴) is rooted in the belief that nature has healing powers, something I've written about before, and which science backs up.

Noriko and I will often take long walks in the woods because it's been shown to reduce stress, lower blood pressure, boost your immune system and improve mood. Not to mention it's fabulous to catch up with each other and remember all the reasons we got married nearly 30 years ago. Some people have date nights, but we have date walks… in the forest!

#3 – Nenbutsu

The Japanese concept of Nenbutsu (念仏) also called Nembutsu, is closely related to sacred phrases or chanting drawn from the Pure Land tradition of Buddhism, Jōdo. Japanese practitioners believe that they can attain rebirth in the Pure Land, a heavenly realm where enlightenment is easier to achieve. It's similar to repetitive prayers like the Rosary or Jesus Prayer – also known as the Prayer of the Heart – and Jewish "davening" which involves the repetitive recitation of specific prayers like the Shema or Amidah. Native American traditions include chanting as a way to connect with ancestors and to bring about healing and balance.

The common element is a pronounced mental focus, a meditative and more concentrated state and deeper connection within inner peace some call mindfulness.

#4 – Zazen

Japanese Zen Buddhists and many martial artists practice Zazen (坐禅), a specific form of seated meditation. It's usually done on a cushion, legs crossed, hands in your lap. Or, while seated in seiza ahead of practice as is the case in many dojos where I've studied.

The goal is to "simply" sit and allow your mind to observe your thoughts without judging 'em or forming pre-conceived opinions or thoughts. Ideally, you can let your mind and

the noise flow without becoming attached.

I will often take a quiet moment whenever the markets get nuts or I find myself drifting.

#5 – Gaman

Many westerners who visit Japan are completely stunned by Japanese patience, dignity and dedication. They struggle to understand how tea masters, sword makers, taxi drivers, chefs and others from all walks of life strive to perfect whatever it is they do.

The answer comes down to Gaman (我慢).

Gaman loosely means enduring the seemingly unbearable with dignity, grace and patience. Not complaining, whining or otherwise grousing is implied. There is no direct Western equivalent.

Practicing Gaman helps you build emotional character, strength and resilience as a way of coping with life's setbacks and embracing its successes. This translates into greater self-control and, in turn, empathy for those around us. Humility plays into it too, particularly as Gaman helps us realize that life is not always fair or even easy.

In closing, many investors tell me that it's harder than ever to remain on the right course.

I agree.

Which is why I want to leave you with a final Japanese proverb to drive my point home, *"Ishi no ue ni mo sannen"* (石の上にも三年), which literally means "Three years on a rock."

It sounds nonsensical to the Western mind at first; I know it did to me when I heard it in 1985.

Dig deeper.

The hidden meaning is really eloquent and powerful.

If you keep at it – whatever it is – long enough and with enough focus, even the hardest, coldest stones can be warmed by your determination and effort.

You got this – I promise!

Keith

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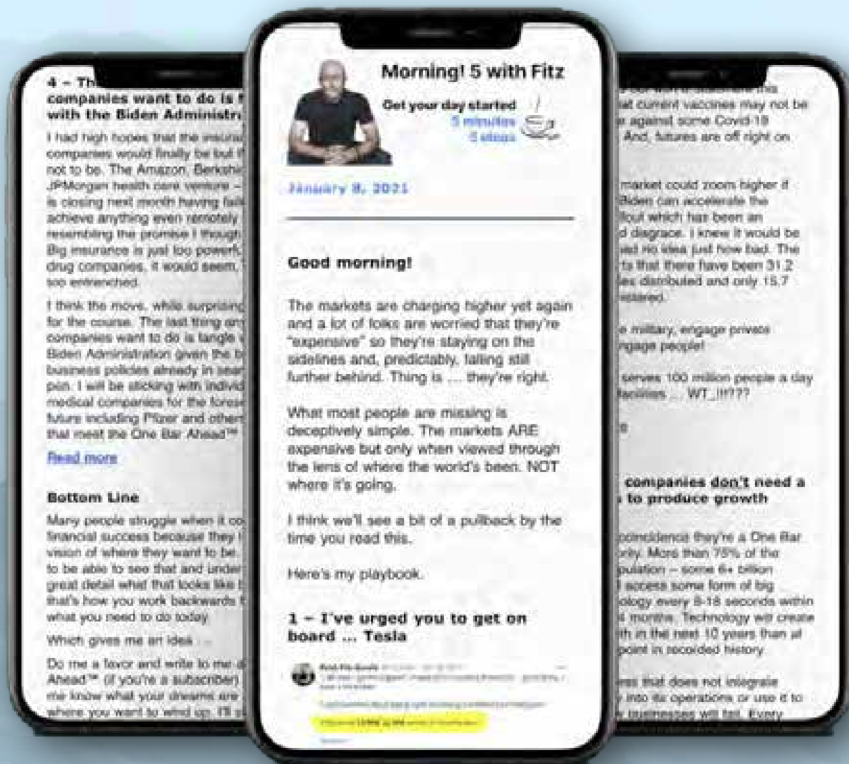

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