ADP	CAT	FFIV	JCI	STZ	CNC	ITW	SCHW
206.865 ▲	201.41 ▲	206.19 ▼	69.17 ▲	239.24 ▼	81.39 ▲	243.09 ▲	90.10 ▲

FEBRUARY 2022

One Bar Ahead™

BY KEITH FITZ-GERALD

2 "Tesla killers" to buy today

Invest with a parachute!

Cap your downside risk with this simple options strategy

Portfolio Review

Stops are no fun but you'll be glad you have 'em if the volatility continues!

Internet giants

Why monopolies aren't a big deal

HP50+
Reduce Stress & Overcome Turmoil

Disclaimers

Important Information You Need to Know

Publisher’s Statement

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Keith Fitz-Gerald’s ONE BAR AHEAD™

Letter from Keith

Dear Reader,

Somebody once asked me, “What does it take to make money in the markets?”

“Knowing you want to,” I answered.

The awkward, navel-gazing silence that followed was deafening. Not surprisingly, there was a blizzard of questions directed my way almost immediately to cover the otherwise excruciating lull in our conversation.

My inquisitor had apparently expected a nuanced list of indicators, economic secrets or maybe just stock market fairy dust. I still don’t know to this day.

My experience has been that if you strip away all the news, chat rooms, headlines, politics, indicators, data, hype and malarky, you’re left with one simple thing.

Desire.

Either you want to make money in the markets, or you don’t.

It’s really that simple.

Things fall into place when you know what you want, even if you have no idea how to make it happen.

You’ve got to decide to make money first.

Breaking complicated multi-year goals down to achievable bite-size pieces helps. For example, if you want to earn $1 million in the markets over the next 10 years, start by figuring out how to consistently make just $5 a day first. Then scale up to $10, $100, $500 a day and so on.

Next thing you know, you'll be totally at ease with the hunt for profits rather than the risk of loss that most investors fear. It's a chain reaction based on positivity that builds over time.

Admiral William McRaven, a retired SEAL Commander who was in charge of the bin Laden raid put it this way during a now-legendary commencement address to the University of Texas at Austin in 2014 when he told the audience to "make your bed in the morning."

For a split second, you could see the crowd short-circuit. Then the message hit home when McRaven continued, "it will give you a small sense of pride and it will encourage you to do another task, and another and another. By the end of the day, that one task completed will have turned into many tasks completed. Making your bed will also reinforce the fact that little things matter."

Indeed!

Investing is all about the results you achieve and performance over time which means that getting small details right is critical at specific moments in time. Often against prevailing wisdom.

I don't know if you remember Money Magazine's March 1994 cover story, but I sure do.

That was the year of the Great Bond Massacre when a rise in rates worldwide triggered a catastrophic bond selloff as yields rose faster than expectations. More than $1.5 trillion in bond value vaporized and the crash is considered by many to be the worst bond market financial event since 1927 to this day.

Not to get too far off track, but the cause is widely attributed to the US Federal Reserve meeting on February 3-4 that year when the FOMC reached consensus to raise rates by 25 basis points from 3% to 3.25% … then 25 bp in March and April, 50 bp in May and August, and a full 75 bp by November.

The stock market, of course, cratered.

The Nasdaq lost 14% in 14 weeks that summer with institutional players shedding shares as hard and fast as they could. Each decline was on higher volume than the last. Many big-name stocks got carried out feet first making the pain worse. Applied Materials, for example, fell 30% while Cisco dropped a full 54%. That'd be like Apple and Google halving today … it was simply unthinkable.

Famed hedge fund investor Stanley Druckenmiller lost $650 million in 48 hours if memory serves. Orange County, California went bankrupt because of leveraged bets on interest rates.

Anyway, not to get too far off track and to get back to the point I want to make …

Money Magazine's March cover story seemed perfect for the times, *8 Investments That Never Lose Money*. Yet, six of eight did exactly that by the end of the year!

My point is that the moment you shift your focus from making money to saving it, you forget to "make your bed."

The markets will sort themselves out soon enough … just like they did the very next year when they took off leaving scores of investors behind.

Staying in the game is *exactly* what we want to do, especially if we can buy quality stocks that are hated, ignored, or even dismissed entirely by the high-pinky club.

We're going to start our time together this month with two companies that fit the bill perfectly. Dare I say it, but both could be "Tesla killers" as they grow. Or at least equalizers.

Both companies are already key players in the EV industry with global aspirations. Both are beaten down and trading substantially off their 52-week highs.

Best of all, most investors cannot imagine either of 'em as world-class competitors because they're both in China.

No doubt your eyebrows just shot up … believe me, I get it.

Here's the thing.

The West has gone to great lengths to label China as the villain but what many don't realize is that China has no interest in playing the role assigned to it.

What's more, huge swathes of the world actually want to do business with Chinese companies which means we ought to think very seriously about doing so, too.

Especially when we can find tomorrow's blue-chips today for a fraction of the price people will pay a few years from now.

I've also got a few thoughts on how to invest in today's markets but avoid or at least substantially minimize the risks of owning stocks using a Power Trading Technique I call, "Trading with a Parachute."

I have not seen it discussed or taught anywhere, at least not with the twist I'll be sharing with you. You know, the one little detail that can keep you One Bar Ahead™ ... sorry, I couldn't resist! 😊

There's the portfolio review as well. The trailing stops we keep in place as a precaution against extreme market behaviour have kicked us out of a few stocks recently I'd otherwise just as soon hold but that's not a bad thing.

In fact, the opposite is true because: a) we've raised some cash and b) now have additional flexibility in the months ahead to buy back into great names at what I expect will be some pretty good discounts courtesy of more Fed follies.

And, finally, there's some dynamic new research about the relationship between metabolic health and stress. Getting the former under control can dramatically reduce the negative impact the latter has on our lives. Perhaps even change 'em entirely!

All because we "made our beds" this morning.

You did, didn't you?

Best regards for health and wealth,

Keith

KF

P.S. Before I let you turn the page ... I'd like your help.

As you probably figured out by now we're not into hype marketing and carpet-bombing your email like the "other guys". One Bar Ahead™ is a family. Which means that everybody gets a say around the dinner table, and I'd like yours.

What prompted you to become part of the One Bar Ahead™ family?

Ten years from now, if you were to look back at where we are today, what would you like to accomplish? And, what tools do you need to get there?

Thanks in advance for your time and reply.

Please send your thoughts here: **magazine@onebarahead.com**

Note:

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

The address is
magazine@onebarahead.com

Other ways to keep in touch

youtube.com/channel/UCeNYMU7yzjLqGHkApJEUvKA

@keith.fitz.gerald

@fitz_keith

www.onebarahead.com

Upcoming Conferences:

MoneyShow/TradersEXPO

February 24-26, 2022

Bally's/Paris Las Vegas

moneyshow.com

MoneyShow

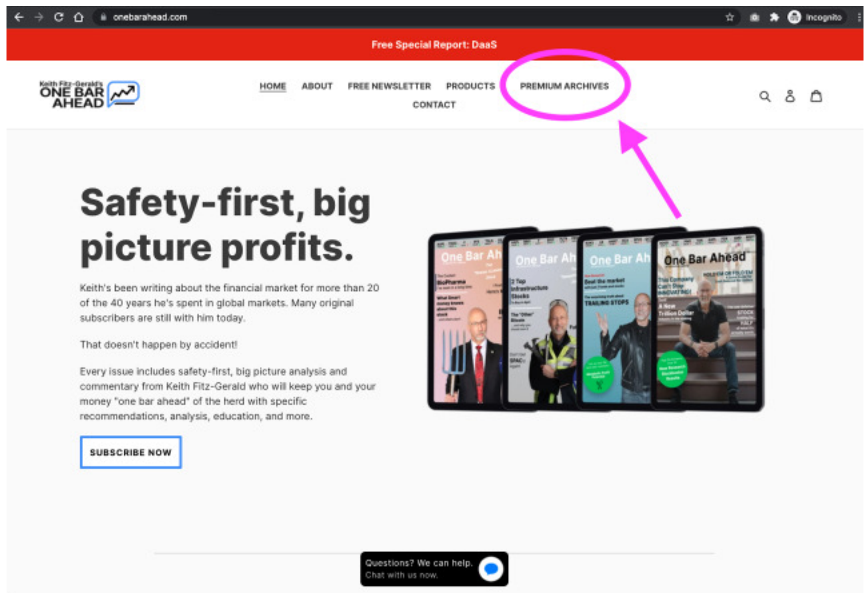
May 09-11, 2022

Bally's/Paris Las Vegas

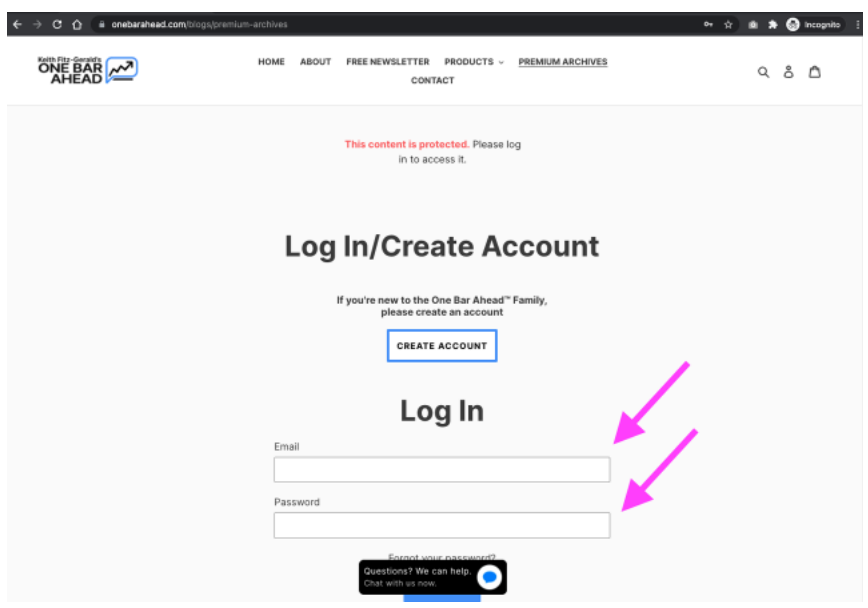
moneyshow.com

How to access the OBA archives

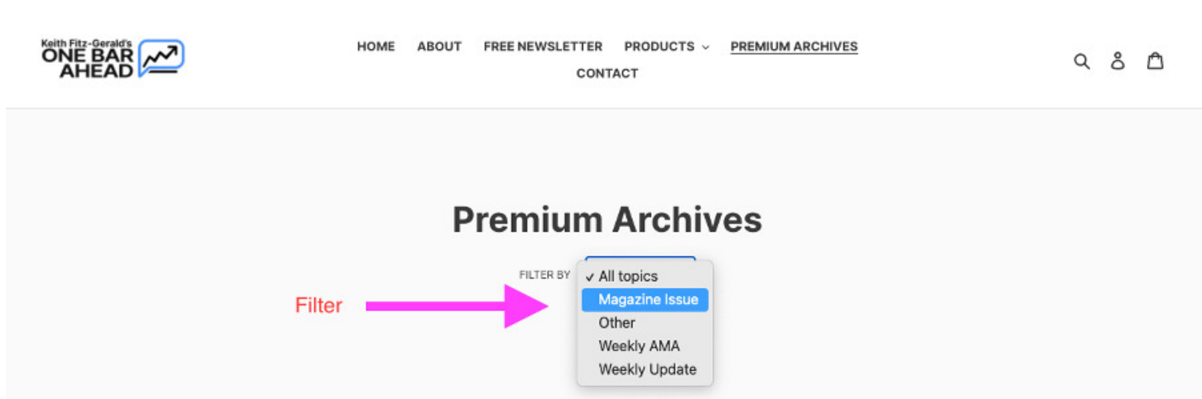
1. Go to Onebarahead.com and click “premium archives”



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



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



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

Chapter 1

INVESTING WITH A PARACHUTE

A Power Trading Technique for Uncertain Times

INVESTING WITH A PARACHUTE

As you might imagine given recent market conditions, I've been asked a lot lately about whether there's a way to invest in stocks without the possibility of losing money.

The answer, of course, is "no" ... all investments involve the risk of loss.

We can get dang close using one of my favourite trading tactics in uncertain times, however.

Here's what you need to know.

The Rolling Collar

There's no question that buying stocks when the markets are heading higher can be extraordinarily exciting and profitable.

Nor is there any doubt that buying stocks when the markets are falling can be terrifying.

But what do you do when you're bullish about the long-term but nervous about the short-term?

The Rolling Collar is an easy way to fix that.

There's a lot to like.

The Rolling Collar:

- Can be implemented on any optionable stock you own or want to buy
- Requires no additional margin because your stock is "covered"
- Low or no cost to implement
- Limits downside risk
- Removes emotion

My favourite part, though, is that I can sleep at night knowing that the risk of a catastrophic loss is "off the table" practically no matter what the Fed does next, no matter what shenanigans Wall Street wants to pull, or who's in the White House. Even geopolitical risk is largely removed from the equation.

I find that reassuring and suspect you may too, especially given current market conditions!

Like many of the strategies we talk about, the Rolling Collar can be a perfect fit for busy people because you can put it on when you want, how you want and for exactly the price that you want. Then get on with living your life!

The way I see it, there are very few strategies available to the individual investor today that are so consistently robust and effective.

Now and as always before we go any farther, I am going to assume that you have at least some passing familiarity with options and that you have brokerage approval.

If not, you need to do three things right away: 1) buy or borrow a basic options textbook containing details about what options are, how they work and the terms you'll need to know; 2) contact your brokerage for options approval; and 3) set up a paper trading account to PRACTICE using, placing and monitoring the Rolling Collar *before* committing real money.

Simple, Easy, & Effective

Many options courses and more than a few expensive seminars would have you believe that complicated strategies and indicators are the way to go. My experience has been the exact opposite.

Keeping things stupid simple can make a huge difference in how you approach the markets and in the results that you achieve over time.

The Rolling Collar is a great example of how you flip odds that are otherwise stacked against you to your favour. Imagine sitting down at a Blackjack table in Vegas and having the same odds the house enjoys ... or better.

I cannot understate the advantage.

Instead of being at the mercy of the markets and hordes of super well-capitalized traders who'd otherwise take your money like a greasy politician will steal your lollipop, you have control over your money from start to finish.

Just 3 Steps Are Needed

First, you identify a stock that interests you and buy at least 100 shares. If it's a part of the OBA 50 or a current recommendation, that's even better because it means you've screened out a good portion of the uncertainty that would otherwise be associated with a lesser quality stock.

Second, you buy a protective put to limit the downside risk of owning the stock itself.

Third, you sell a covered call to lock in profits and, ideally, pay for the put you've just purchased. Some argue that this limits your profit potential, but I don't think that's true if you manage the trade properly.

(I'll explain what each of these things means in a second.)

Why You'll Want to Use Rolling Collars, especially now

The Fed has finally decided to clean up the mess it spent 12 years creating. Team Powell is far more likely to raise rates aggressively than at any other point in recent history. And, each time they do, the resultant impact will create ripples in global financial markets.

At the same time, Russia is pushing into Ukraine while China is aggressively stalking Taiwan. A hot war would cause a knee-jerk and very serious downside move as computers – not humans – race to the bottom in an attempt to get clear.

And, finally, there are very real fears that growth is slowing. And, FB just proved my point. We talked about this in the January issue as part of the Annual Outlook.

The unintended consequence of the Fed's action when it comes to inflation isn't inflation itself, but the fact that high inflation will dramatically accelerate the business cycle and discussion turns to the possibility of a recession ... nobody else that I am aware of is talking about this yet but, mark my words, they will be.

There are a lot of risks right now, and it makes sense to hedge as many of your bets as possible

Let's run through an example that'll put this trade in perspective

As I write this, Microsoft has enjoyed a fabulous 368.62% run higher over the past 5 years. However, it's also sold off hard recently. So much so, in fact, that it recently triggered the trailing stop I recommended as a precaution against just such hijinks.

Many people – including me – know that there's a good chance history will reflect upon what's happened as a serious bargain. Getting back in makes all kinds of sense.

For purposes of this example, let's assume you buy **100 shares of Microsoft (MSFT) at $308.26** where it closed on January 28, 2022.

Let's also assume you are comfortable risking a maximum of $8.26 a share by June and that you'd like to put a "floor" under your shares at that price to get you through the next few months while eliminating much of the risk that is making you nervous.

A quick look at the put options chain for 17 June 2022 tells you that the June $300 puts are trading for $20.25 each. Or $2,025 per put option. You've bought 100 shares, so you'll want to buy 1 put option.

295	17.10 X	18.15 D	2,587
300	19.00 Z	20.25 Z	4,832
305	21.20 X	22.35 I	2,125

A snapshot of the 17Jun22 MSFT puts

From there, you begin looking at the calls. Normally, options courses teach you to put a "collar" in the same month but that defeats the purpose of what we're trying to accomplish here.

The rolling collar is intended to "buy" you time while also locking in a potential profit or exit by selling a call option for more money than you paid for the put. That means looking farther out in the expiration calendar to capitalize on the time premium that is a part of options pricing.

The other thing to think about is that normal profit collars involve 1:1 risk to reward. I'm a huge proponent of establishing asymmetric risk to reward, meaning that your potential reward is higher than your risk.

In this case, you can sell the 20 January 23 $340 calls for $22.50 each. Doing so means you a) lock in an exit at $340 if shares are above $340 at expiration in which case your shares would be called away and b) pay for the put option that is your insurance through June when it expires.

4,583	.44	24.50 P	26.10 X	20 JAN 23
7,923	.42	22.50 Q	24.95 X	20 JAN 23
5,764	.39	19.15 Z	22.55 X	20 JAN 23

A snapshot of the 20Jan23 MSFT calls

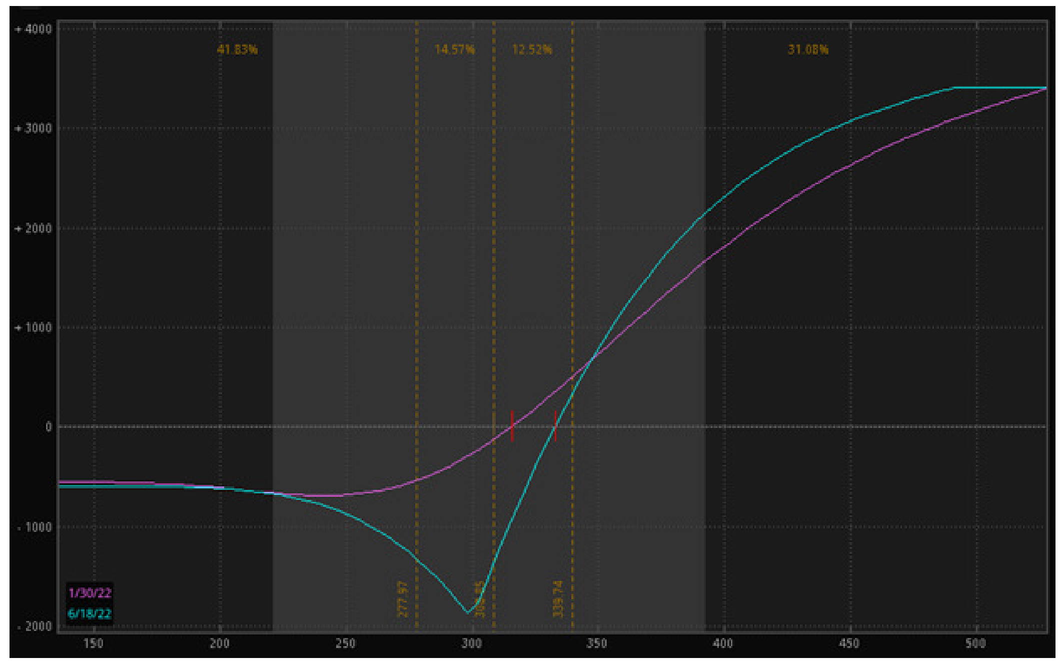
The orders to your broker would be:

1) Buy to open 100 shares of MSFT $308.26

2) Buy to open 1 17JUN22 MSFT $300 Put for $20.25

3) Sell to open 1 20JAN23 MSFT $340 Call for $22.50

Visually, your order and risk profile should look something like this:



SINGLE	BUY	+1	MSFT	17 JUN 22	300	PUT	20.25
STOCK	BUY	+100	MSFT			STOCK	308.26
SINGLE	SELL	-1	MSFT	20 JAN 23	340	CALL	22.50

The three orders together

Your maximum loss would be at the June expiration if MSFT were to close at $300 a share. However, your upside is now capped at $340 a share by January 2023.

This shows a risk/reward ratio of 1:5.7 which I like quite a bit.

I know that seems counterintuitive to lock in profits when you expect Microsoft to run higher in the months ahead.

Remember why we're talking about this trade in the first place ... because you're interested in capturing any longer-term run higher while also protecting against short term volatility that's making you nervous.

The other thing to keep in mind is that you can reset the "collar" as Microsoft moves higher over time if you want to avoid assignment and having your shares called away at $340.

For all intents and purposes, the profit potential can be as high as you want depending on your personal situation, risk tolerance and objectives if you manage the trade properly.

Potential Outcomes

1 – MSFT rises to close at or above $340 – and, I submit that's a great problem to have – at that point you can roll the profit collar by purchasing the short call to close, sell the put for whatever you can get. Then, reset the rolling collar around new price points that reflect the change in Microsoft's price at the time.

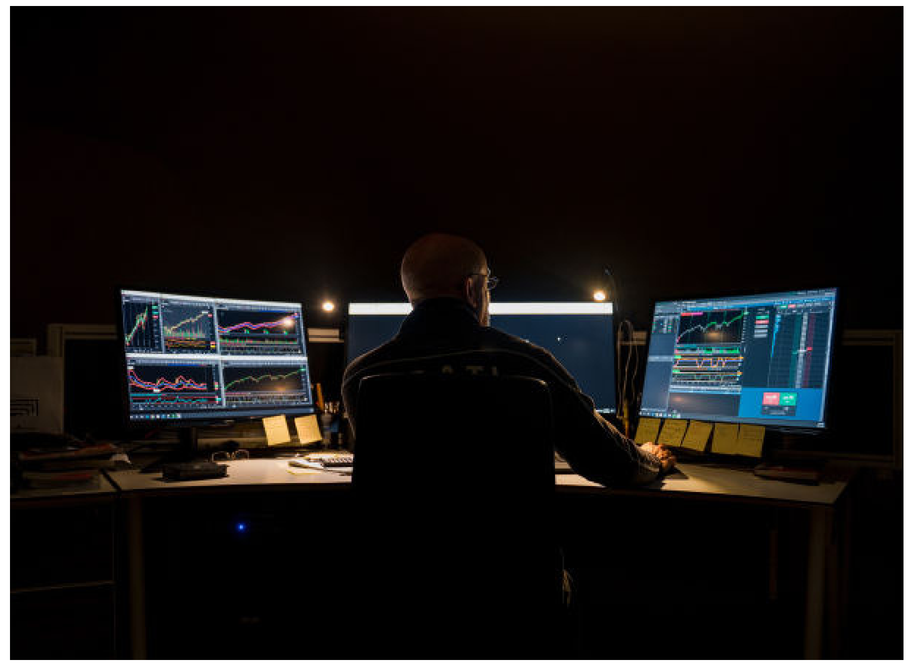
Assignment – meaning having your shares called away – is possible but not likely in this example because there is a considerable amount of time before the January expiration. That's because it would cost the owner of the call option you've sold more money to exercise than to simply buy. After all, he or she would be forced to eat the time premium that is key for your side of the Rolling Collar.

2 - MSFT falls, volatility will rise and that'll make the put you've purchased even more valuable. If that happens, you can buy to close the call you've sold and sell newer calls that expire sooner than January for more premium and at lower strikes. Doing so generates more cash and, in turn, lowers your overall basis too.

If you decide you no longer want to own MSFT, you could also sell the shares knowing that your losses are limited by the $300 put you've purchased as protection.

3 – MSFT suffers a complete flameout by June expiry and closes below $300. In this case, your losses would be limited to the difference between what you've paid for your shares less the strike price. ($308.26 - $300 = $8.26 per share, excluding commissions). It is even theoretically possible that volatility could expand sufficiently that the gain in your puts would more than offset the loss in share price but not probable.

The other thing to consider is if you're doing this on a stock you want to keep forever (like Apple) if may make sense to simply take profits on the collar and thereby lowering your overall cost basis. Then, rinse and repeat.



Choppy markets can be scary, but the Rolling Collar can help tame your portfolio

Keith's "Trade Secrets"

#1 The Rolling Collar is a conservative trade that can be perfect when you have bullish expectations but are nervous about market conditions, systemic or stock-specific risk.

#2 The trade is ideally used when you're establishing a new position but want to protect against unforeseen risks and lock in profit potential that allows you to place the trade for little or no cost.

Depending on market conditions and the strikes you select, the "insurance" you buy via your put can be paid for by the premium you sell when you "cover" your shares with a call option.

Generally, I advocate finding a combination that will allow you to receive a small credit (meaning you sell the call for more than the cost of the put).

#3 You can also put on a Rolling Collar to help repair a position that's fallen if you still believe in the stock. Management becomes more critical because the call option you've sold means the shares you own could be called away which would lock in a loss if you're not careful. The risk of this happening is biggest when the strike price of the call option you've sold is below your initial purchase price per share and you are close to expiration.

#4 Rolling Collars can also be used to protect stocks when you've had a huge run-up or if you're keen to lock in unrealized profits against a downside reversal. I'm thinking about stocks like COST, CVX or even TSLA here. They can also work well with LEAPS, which means the Rolling Collar can be a suitable proxy for smaller account sizes.

#5 The Rolling Collar is largely volatility neutral. Any corresponding jump in uncertainty will increase volatility which will increase the value of the put you've purchased – and that's good – while also increasing the value of the call you've sold – which can work against you depending on how much time remains until expiration and where prices are at that moment. At the same time, more certainty will decrease volatility which means the value of your put option falls – which isn't optimal – as does the value of the call option you've sold – which is actually good.

Practice makes perfect

As is the case with any strategy you're learning for the first time or re-learning because you want or need to, PRACTICE makes perfect. The last thing you want to do is place real money on the line without understanding what you're doing. I've heard all sorts of horror stories over the years about people who just "jump in" and wind up putting a serious dent in their portfolio. There's simply no need to join *that* club!

Remember:

- All investments involve risk.
- Options are not suitable for every investor.
- NEVER trade or invest money you cannot afford to lose.
- Do NOT scale up until you can be profitable consistently with small wins.

Additional Resources

There are a lot of investors who can't be bothered to "learn options" which is a serious shame to my way of thinking because the right options strategies can make a huge difference in overall results over time.

At the risk of sounding like a broken record, I'll take things a step further ... any investor lacking even a cursory knowledge of options risks being at a serious disadvantage in the years ahead as markets evolve and volatility rises.

There are plenty of great resources out there.

The Options Industry Council

https://www.optionseducation.org/

The Chicago Board Options Exchange

Federal securities law requires that broker-dealers must provide investors a copy of the Characteristics and Risks of Standardized Options, also known as the options disclosure document or "ODD" for short. The ODD has just been overhauled and can be found here.

https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document

I realize this technique may be a bit difficult to internalize, but it's SUPER important in turbulent markets... so it will be the first video-based course I create.

We're hoping to release it sometime in March 2022, so mark your calendars.

In the meantime, please send your questions to: **askkeith@onebarahead.com.**

Chapter 2

“TESLA KILLERS”

There are only 2 companies in the world capable of giving Tesla a run for the money and I’m recommending both this month

History is poised for a repeat!

A CLASSIC BUY-LOW, SELL-HIGH OPPORTUNITY

Sometimes the biggest profits come from stocks the markets least expect to be up to the task.

It's counterintuitive, I know, but history bears me out.

Let me explain.

Japan's industrial machine was known for making cheap tin toys following WWII. Much of the world regarded "Made in Japan" as a joke.

Very few people at the time could fathom how "those guys" would ever produce anything that could seriously compete with American and European industrial giants.

A short 30 years later, nobody was laughing.

Companies like Sony, Toshiba and Panasonic dominated hi-tech manufacturing.

Mitsubishi and Kubota took over heavy machinery markets worldwide.

Sumitomo and Mitsui enjoyed banking relationships that redefined global trading for a generation.

The shift in automotive markets was particularly shocking for a still skeptical public.

Honda began in 1946 by making powered bicycles using surplus Japanese army generator engines. Today, it's one of the world's largest and most sophisticated internal combustion engine manufacturers.

History seems ready to repeat itself

Toyota started a few years earlier in 1933 making automatic looms for spinning and weaving. Today it's the world's leading automaker and sets the global standard for long-term durability, value, and dependability.

By 1997, Toyata began selling the world's first hybrid fuel-electric car, the Prius.

By 2003 Toyota's profit margins were 8X the industry average.

By 2008, Toyota overtook GM as the world's largest carmaker.

Last year, Toyota overtook GM as the number one selling automobile brand here in the United States.

GM's Senior VP Jack Hollis tried to play it off saying that being, "No. 1 is never a focus or priority."

In my best Tommy Lee Jones accent … like hell!

Savvy investors know better.

GM, and every other car maker around the world for that matter, have gotten their collective behinds kicked to the curb because they underestimated Japan's ambitions and technical prowess.

History is about to repeat itself

Only this time around with *Chinese* carmakers.

Western business leaders just cannot wrap their heads around China's development any more than they could Japan's phoenix-like rise from the ashes of WWII over the past 80 years.

On the one hand, they view China's economy as being so large that they cannot ignore it. On the other, they are dismissive.

What they don't understand - if they've thought it through at all - is how *China is rewiring the global landscape almost exactly the same way Japan did after WWII*.

China is already long past cheap toys.

In fact, the nation is pulling ahead in artificial intelligence, 5G, semiconductors, stealth technology and more. It is now what Harvard's Belfer Center for Science and International Affairs refers to as a "full-spectrum" competitor.

China, for example, has 9X the number of 5G stations the West does. It produces 7 solar panels for every 1 produced here. And makes more than 50% of all computers and smartphones worldwide.

Nearly 200 million Chinese carry 5G cell phones with average speeds of 300 or more megabits per second versus just 6 million who have access to 5G here and speeds of 60 megabits. American companies, reports the WSJ, have spent more on advertising 5G than on building 5G infrastructure itself.

Cars are next.

It's not like this is a surprise.

China laid out its roadmap in 2013 when it told the world that it intended to focus on technological innovation as a way to avoid getting stuck as a middle-tier, middle-income country.

And again, more recently as part of the "*Made in China 2025*" program, the goal of which is to dominate 10 emerging technologies including 5G, AI and – drum roll please – electric vehicles.

Global ambitions hiding in plain sight

Many western consumers have a hard time with this. They simply cannot imagine or, as is often the case, refuse to acknowledge the uncomfortable truth.

Chinese EVs may be as good or better than comparable offerings at price points that are beneath Western production costs.

They may well be "Tesla Killers."

Which brings me to Xpeng Inc (XPEV) and Nio Inc (NIO).

Let's tackle Xpeng Inc. first.

It's at the very top of my list for three reasons.

First, the company has put some serious numbers on the board.

Xpeng began delivering vehicles in late 2018 and is now on track for 100,000+ vehicles this year or roughly 300% growth. Profit margins are expanding as deliveries accelerate which means that the company will transition to profitability more quickly than most Western analysts anticipate.

Second, Xpeng plans to sell at least 50% of its vehicles worldwide.

This is right out of the Japanese playbook which is even more reason to pay attention.

The company is building super-stylish smart cars with what they call "Internet DNA." Unlike conventional automakers like GM, VW and even arguably Toyota that are trapped in legacy products facing a tough transition path forward, Xpeng is going straight for the jugular vein.

I think it's fascinating that they've chosen to begin with Sweden, Denmark, and the Netherlands rather than other European countries or the United States.

This, too, is straight out of the Japanese playbook ... start small and fail small. Then, scale up as you figure things out.

A CLASSIC BUY-LOW, SELL-HIGH OPPORTUNITY

Anybody who remembers laughing at the first Japanese sub-compacts when they were introduced in the late 1960s and early 1970s should pay careful attention!

The Toyota Corona of the time was well-built, economical to operate, and better equipped for American roads than the "home team."

And, third, Beijing is billing Xpeng's founder, He Xiaopeng, as a golden child.

This stands in stark contrast to Jack Ma's fall from grace and is a powerful signal that Xpeng is a front runner. Beijing will never put forth an individual unless he or she is already pre-ordained as a winner.

Xpeng has received hundreds of millions of dollars in financial support from government sources including a special $76.9 million round from Guangdong Yuecai Investment Holdings, Inc which is the Guangdong province's investment arm. It's also been granted a $2.3 billion credit line from three of the "big five" state-owned banks including Bank of China, China Construction Bank and Agricultural Bank of China.

Other prominent backers include the Qatar Investment Authority, Abu Dhabi's sovereign wealth fund, Mubadala, and Sequoia Capital China.

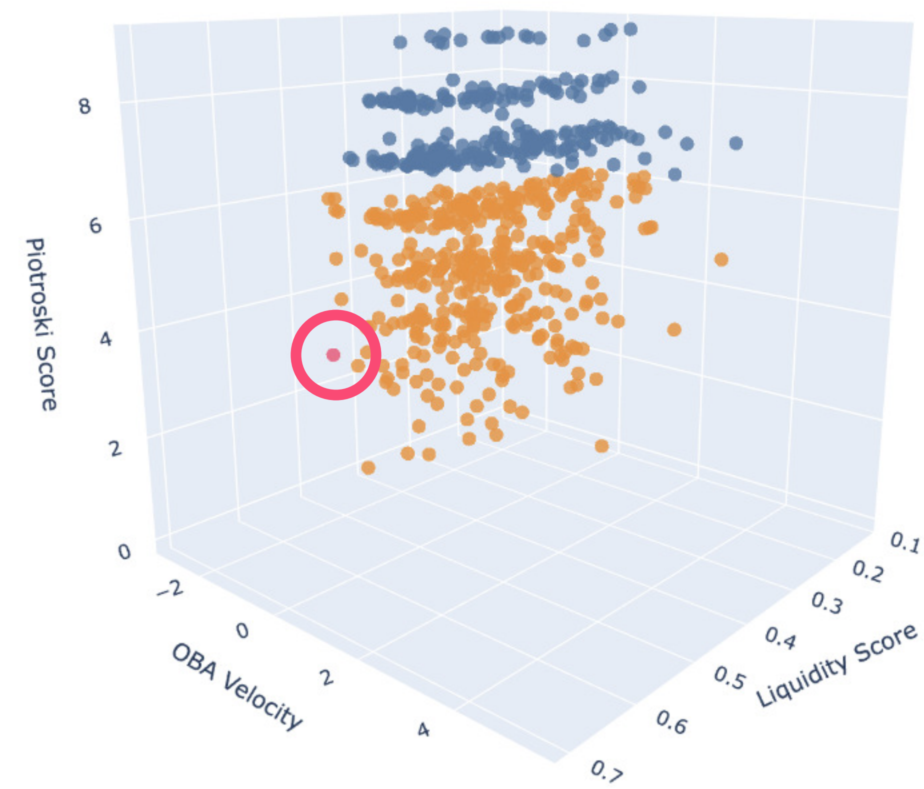
Yet unbelievably, shares are trading under $40 as I type.

Here's what the proprietary One Bar Ahead™ analytics suite has to say about Xpeng Motors.

The Universe

Xpeng is towards the middle and to the left which is expected given that the company is a relatively new player in the scheme of things.

Our research suggests that the company should track right first and then higher which would be entirely consistent with Toyota's trajectory.

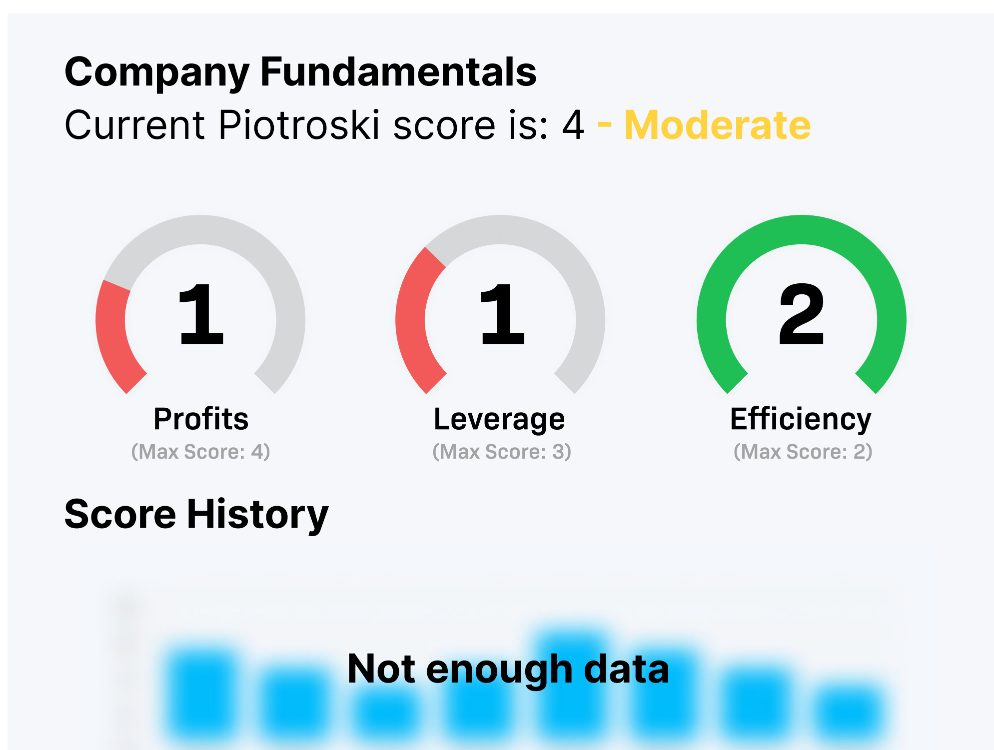


The Fundamentals

The company is still very early days by conventional standards and, as a result, reflects classic startup metrics. Case in point, Xpeng's Piotroski Score is just 4 of 9 possible points.

Interestingly, no fewer than 8 companies have recently initiated coverage with an average price target of $61 as I type. My own target is $89.

BlackRock, State Street Corp and Vanguard have all recently increased their holdings which bring the institutional tally to right around 30%. I see that jumping to 50% or more in the next 24 months which should provide even more price support.



A CLASSIC BUY-LOW, SELL-HIGH OPPORTUNITY

The MMI

XPEV's MMI reading is consistent with what I'd expect to see right now. The stock is gaining traction, pun intended, but still volatile. Every new "low" is a buying opportunity given the expected growth I see ahead.

Action to take

As always, there are several ways to follow along depending on your personal situation, goals, and risk tolerance.

Buy XPEV for $35.50 or less. Consider it a Zinger (1-2% of overall investment capital) and tuck shares away in that segment of your portfolio. Immediately place a 25% trailing stop below your purchase price to protect profits and your capital just in case the markets have other ideas. Alternatively, split your capital up and dollar cost average into dips.

If you fancy options or LEAPS because they're lower-cost alternatives, consider **buying the 20 Jan 23 $30 calls**, which are currently trading for $12.20. As with the stock, be prepared for a bumpy ride because the Fed's planned rate hikes will introduce more volatility than usual.

Be sure to run any trailing stops as if you'd purchased the stock, not the option.

And finally, if you'd like to buy shares at a discount, consider **selling cash-secured puts like the 18 Mar 22 $25 puts** which are trading at $0.60 as I type. Doing so will result in a cost basis of approximately $24.3 per share if you're "put."

In keeping with the One Bar Ahead™ focus on risk management, never ever sell more options than you can afford to buy stock. In this case, every $25 put sold requires $2500 in reserve.

Let's shift gears to NIO

If Xpeng is at the forefront of all things electric when it comes to taking on Tesla, then Nio is the underdog. Or at least that's what shares prices seem to imply.

The stock is scraping along near 52-week lows around $24 per share after falling 64.8% from a post IPO high of $66.99 per share.

That's attractive to me because everything I learn about the company suggests it has a lot going for it. Even if I have to put up with the uncertainty of investing in a Chinese stock.

The appropriate target may well be north of $65 a share.

If I'm right like I think I am, that could work out to a healthy 150% gain over the next 24-36 months. Perhaps more.

Here's what I like about Nio. →

A CLASSIC BUY-LOW, SELL-HIGH OPPORTUNITY

First, Nio is on track for double and even triple-digit growth.

In contrast to American alternatives like Rivian and Canoo which will be lucky to produce a few thousand vehicles this year, Nio recently set a new record of 10,489 vehicles delivered last December alone. That, in turn, means 91,429 vehicles last year and a 109.1% increase over 2020's numbers.

Reports hit the wire just as we're going to press that deliveries tallied 12,922 vehicles in January, the fifth straight month of 10,000+ cars and a 115% YoY rise.

This may seem like small potatoes compared to the 936,172 Teslas delivered worldwide but, critically, that's nearly 10%. And, to my way of thinking, a very Toyota-like number in 1970 when it accounted for just 1% of US car sales and very few people could imagine that it would summarily dethrone GM on its home turf like it did recently.

Nio is planning to significantly increase the speed of new model introduction this year including the ET7, a super high-tech sedan offering ultra-long-range capacity and highly autonomous driving.

Margins, notably, are on the uptake as production grows to scale. The company is on track to achieve an annual vehicle gross margin of 25%. Tesla is right around 22% and GM is about half that or roughly 12-14%.

Second, Nio's quality ratings top Tesla's.

According to J.D. Power, Nio ranks highest of all EV brands with just 109 problems cited per 100 vehicles. Tesla comes in second.

Moreover, journalists who've tested Nio's flagship vehicle in Europe, the ES8, are raving about the experience. "I used to be a skeptic," said Chanan Bos simply in a write up appearing on CleanTechnica.com.

Nio has clearly taken its design vision from global markets and, in doing so, is building cars that can compete. Handling, speed, efficiency, and design ... they're all world-class.

I want one of these!

The company is also planning to expand into Europe with Germany, Netherlands, Sweden and Denmark on the plate this year.

Critically, Nio plans to have a presence in 25 countries and regions by 2025.

And third, BaaS – Battery as a Service.

(not to be confused with Batman as a Service)

You can buy a Nio without batteries then swap 'em out at purpose-built stations when you feel like it.

Waiting for your car to charge will become a thing of the past, at least if you drive a Nio anyway.

This means budget-conscious consumers can buy an otherwise expensive car with cheaper batteries. Then upgrade on their own if they want more performance or simply to take a longer road trip. This is like swapping gas canisters for your BBQ instead of hassling with filling up the propane. Nio batteries are also apparently backwards and forward compatible, too.

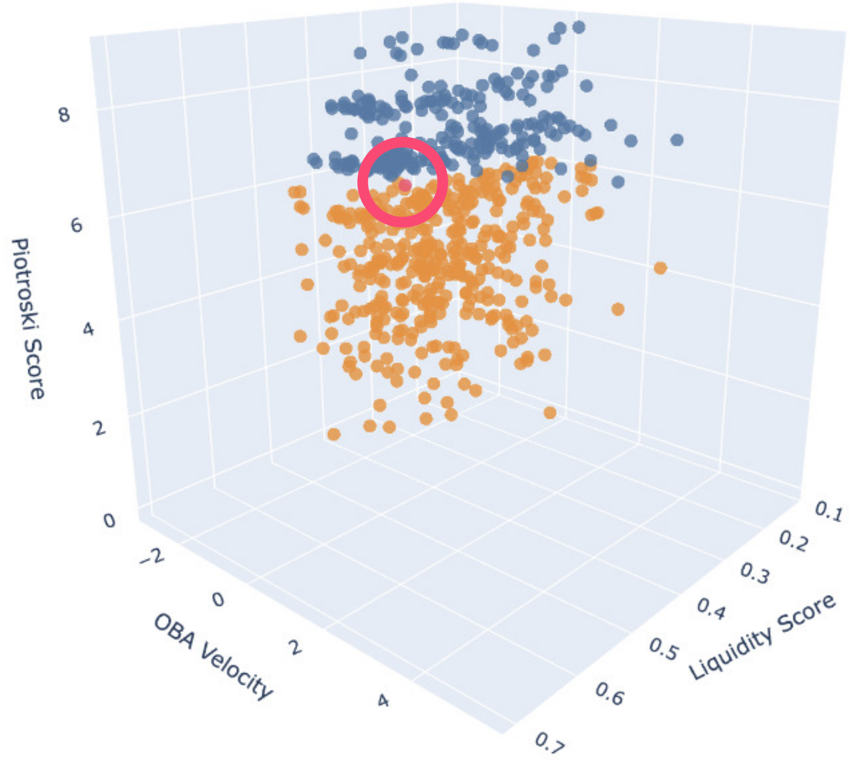
Frankly, I want one!

Here's what the proprietary One Bar Ahead™ analytics suite has to say about Nio.

A CLASSIC BUY-LOW, SELL-HIGH OPPORTUNITY

The Universe

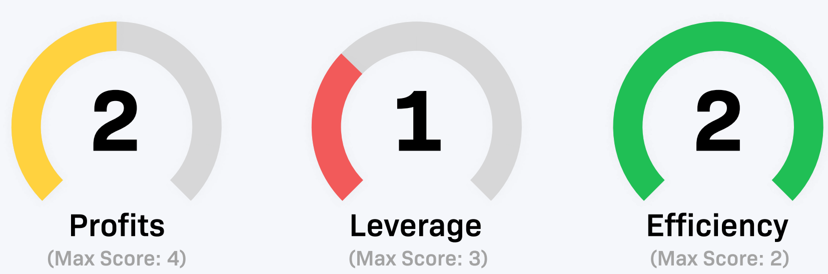
Nio is low in the mid-to-upper left corner which matches up to our research based on what we know about how aggressive winners look early on before the markets take notice of the potential on offer.



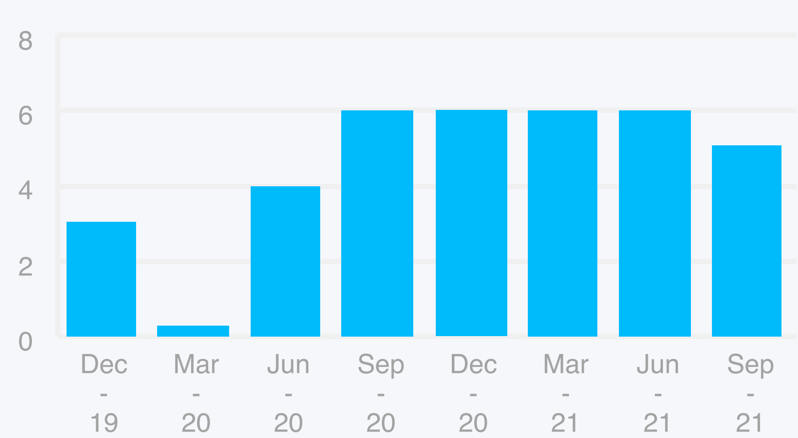
The Fundamentals

Like Xpeng, Nio is still early days and that's reflected in the company's Piotroski Score which is just 5 of 9 possible points.

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



Score History



The Master Market Indicator (MMI)

Nio's MMI reading is a low –103 which is consistent with everything else we know about the company. It also suggests that conditions favour buying over selling.

Action to take

There are several ways to get on board depending, as always, on your personal goals, objectives and risk tolerance.

Buy Nio Inc. (NIO) for $24 or less. Consider it a Zinger (1-2% of overall investment capital) and tuck shares away in that segment of your portfolio. Immediately place a 25% trailing stop below your purchase price to protect profits or, dollar cost average in over time to limit risk.

If you have a more speculative appetite, consider **buying the 20 Jan 23 $20 LEAPS call** which are currently trading for $8.00. Track any trailing stops you put in place using the stock, not the option because of the inherent volatility and valuation.

And, finally, consider **selling cash-secured puts like the 18 Mar 22 $17.5 puts** if you want to go shopping for prices at a discount and get paid for your trouble. They're trading at $0.70 per as I type. As always, have the required cash in reserve and set aside in advance.

Q – I thought you said to avoid China?

I did. But I also said that the day would come when we "go back."

Chinese companies themselves remain exceptionally risky. However, Xpeng and Nio have global ambitions which makes them a very different proposition from homegrown alternatives like Luckin Coffee which turned out to be a $300 million accounting scandal.

Put another way, China's ruling elite has every interest in kicking Tesla's proverbial asteroids which is why the government is backing both companies. But, has no interest in backing a coffee shop.

Think about what's at stake.

The global EV market is growing at nearly 30% a year and will grow at least that fast for the next 10 years.

Buying shares in tomorrow's blue chips before the herd notices new global players makes tremendous sense just like it did in the 1960s and 1970s when Japanese brands entered the game as unknowns. Even if they're Chinese.

Q – Is there a risk of delisting?

Yes. Beijing's tech tirade may have faded into the rear view mirror for now, but that's still a risk worth considering before you buy.

Shares will likely be relisted on the Hong Kong or Shanghai Exchanges if delisted here. There will likely be a corresponding move to the OTC markets as well.

Q –China isn't exactly known for transparent accounting. How do I know what I read about Xpeng and Nio is true?

You don't. What you do know is that both companies are making products that are receiving raving reviews by consumers, journalists, and others around the world over whom China has no control. Failing in their eyes would result in a massive loss of "face" for China as a matter of national pride; and that's the last thing Beijing wants.

PORTFOLIO REVIEW

Plus
the Fund Folio™
&
OBA 50™

PORTFOLIO REVIEW (FEBRUARY 2022)

Buy the best, ignore the rest!

Foundation Stones (50%)

This category contains companies intended to be the base around which all other choices are built and will account for roughly 50% of overall investable capital. The intent is to create stability that gives you the freedom to pursue more aggressive choices in the other two tiers over time. There will be some turnover here but, odds are, not much over time because the emphasis is on fundamental underpinnings.

Global Growth & Income (40%)

This category houses companies offering a unique twist on one or more of the "5 Ds" or which are technically of interest and will represent roughly 40% of overall investable capital. The goal with this segment is appreciation potential AND an income boost so expect to see dividend payers and players here. Turnover here may be based on a combination of technical and fundamental data and may be slightly higher. Market action could also trigger entries and exits.

Zingers (10%)

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

Zingers are fundamentally compelling but are going to be selected based on a higher relative technical analysis weighting using the OBA engine and the MMI specifically. Expect turnover to be highest in this tier based on technical market action. The probability of losses is highest in this segment.

"Vegas Money"

Vegas Money is exactly like it sounds - it's where we put the stocks that can be 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 this much risk makes you uneasy.

Hedges

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

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

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

PORTFOLIO REVIEW (FEBRUARY 2022)

Foundation Stones (50%)

AAPL

APPLE, INC

Beta
1.06

Yield
0.50%

Notes

Apple knocked the proverbial leather off the ball with earnings and quarterly revenue of almost $124 billion - up 11% from a year ago. Sales for every product category except for the iPad beat expectations. CEO Tim Cook also said that they're seeing improvements in the supply chain, which savvy investors should take note of. I've repeatedly said you should focus on the world's best CEOs, not analysts or politicians, and cases like this only reaffirm that concept.

JPM

JPMORGAN CHASE & CO.

Beta
1.19

Yield
2.69%

Notes

Stopped out - looking for another entry. Still the best bank in the business.

MSFT

Microsoft Corporation

Beta
0.88

Yield
0.80%

Notes

Stopped out - looking for another entry. Microsoft turned heads everywhere with their newly announced acquisition of Activision for the sum of nearly $69 billion. It's a move that takes the company further into metaverse territory and will provide shareholders with an extremely valuable asset. We were stopped out as a result of the Fed/ Ukraine carnage, but I am watching closely for another entry point.

RCS

Pimco Strategic Income Fund

Beta
0.81

Yield
9.82%

Notes

Under pressure from rising rates but healthy income, great management and an emphasis on quality makes it a keeper. The average leverage-adjusted duration is 5.99 years which helps minimize the volatility associated with longer bonds and rising rates.

Global Growth & Income (40%)

AMZN

Amazon.com Inc

Beta
0.65

Yield
0.00%

Notes

Stopped out - looking for another entry.

I worry about mounting legal pressure and a move away from core businesses.

COST

Costco Wholesale Corporation

Beta
0.58

Yield
0.64%

Notes

Contrary to what the stock price would seem to imply, the company's fundamentals have improved during the pandemic and sales are growing by double-digit rates. What's more, the company is super likely to increase membership fees and pay a special dividend this year on top of the recently announced quarterly dividend.

CVX

Chevron Corporation

Beta
1.19

Yield
4.32%

Notes

We identified CVX early on as a preemptive move against inflation and higher oil prices. Now that's paying off. Barring a change in energy policy and against the backdrop of accelerating demand, oil could top $100 by summer.

PORTFOLIO REVIEW (FEBRUARY 2022)

DIS

Walt Disney Co

Beta
1.08

Yield
0.00%

Notes

Disney is relatively quiet right now ahead of earnings which come out on Feb 9. Most analysts and investors are going to be watching for streaming numbers, but I'm more interested in the park traffic to see how the reopening is going with people learning to live with COVID.

GILD

Gilead Sciences, Inc

Beta
0.27

Yield
4.14%

Notes

Gilead fell on news of a patent settlement but the company's low-beta nature provided some welcome stability as intended. Meanwhile, the healthy dividend yield of 4.14% remains a solid choice for income-starved investors.

Gilead and General Mills, with their ultra-low betas, have been great "dampening" stocks for our portfolio and, as such, have brought some much welcome stability as intended.

GIS

General Mills, Inc

Beta
0.20

Yield
2.94%

Notes

GIS, with its ultra-low beta of 0.28 has performed as intended while also providing the stability that made it a compelling choice. Despite lagging overall markets in the second half of 2021, shares now actually outperforming the index by 4.53%. And, with its high yield of 3.03%, I suspect we'll be holding it for a while still.

LMT

Lockheed Martin Corporation

Beta
0.87

Yield
2.85%

Notes

The Ukraine/Russia situation has lit LMT's afterburners along with the realization that defence is needed worldwide. As we go to press, the stock is up 12.4% and handily outperforming the S&P 500 by 20.35%. There is some headwind via the FTC which is suing to block the Aerojet purchase, that's probably a minor speedbump in the scheme of things.

MCD

McDonald's Corporation

Beta
0.85

Yield
2.16%

Notes

While the street labelled MCD's latest earnings as a "miss", I don't see it that way. The fact that same-store sales are growing at 7.5%-17% (depending on location) despite price hikes is very promising to me, and shows that MCD has global pricing power. Digital sales also surpassed $18 billion in the past year, accounting for 16% of its global sales. I expect this to climb to somewhere in the 18% neighbourhood as they're going to spend roughly 40% of 2022's CAPEX on modernizing US restaurants.

PORTFOLIO REVIEW (FEBRUARY 2022)

PFE

Pfizer Inc

Beta
0.59

Yield
3.04%

Notes
Pfizer announced this month that the company began testing an omicron-specific vaccine, which is likely to be in high demand as much of the world still lacks access. In addition, their new COVID antiviral treatment, Paxlovid, has been proven to cut down on hospitalizations by 70%, perhaps more. Between this and the vaccine, I suspect we may see nearly $100 billion on the table this year.

PLTR

Palantir Technologies Inc

Beta
1.99

Yield
0.00%

Notes
Palantir has been taken to the cleaners in recent months along with other high-growth tech names as part of the broader market, Fed-induced deleveraging. That's no fun and there's just no getting around it. On the bright side, however, the stock is approaching dirt-cheap territory compared to other high-growth stocks like Snowflake with a P/S ratio of 14.5x and 48x respectively. Once the deleveraging finishes across the board, I suspect companies like these will lead the way for many years to come. Meanwhile, it's "grit your teeth" time.

RTX

Raytheon Technologies Corporation

Beta
1.53

Yield
2.26%

Notes
Stopped out - seeking re-entry. Raytheon, like LMT, is a logical beneficiary to complicated geopolitics and, conflict or not, a key defence contractor.

WM

Waste Management, Inc

Beta
0.70

Yield
1.73%

Notes
WM has been stopped out, but we're searching for a reentry. The company has announced that it's working with Tailwater Capital, a private equity firm to further develop a trash-to-product project that could create new markets for usable construction materials, a first.

Zingers (10%)

CRWD

Crowdstrike Holdings Inc

Beta
0.63

Yield
0.00%

Notes
CRWD continues to grow at breakneck speeds of nearly 60% YoY, and I don't see that changing anytime soon with the emerging cyber threats around the world. While the stock has been caught up in the mass deleveraging like everything else, it too is approaching levels where it can be considered "cheap" in terms of high-growth valuations. Customers are increasingly switching from competitors like SentinalOne to CrowdStrike, and this paves the way for the next decade of profits. Music to my ears!

TSLA

Tesla Inc

Beta
1.94

Yield
0.00%

Notes
Stopped out - seeking reentry. Tesla's California plant is now the most productive automotive plant in North America, pumping out a staggering 51 cars per hour... no surprise that TSLA turned in a double-beat on earnings and revenue. That wasn't enough to stop shares from an immediate 11% drop based on analysts who were disappointed that Team Musk isn't planning to produce a $25,000 model this year.

Thankfully, we had a stop in place and missed most of that drop - setting up a nice reentry point. With the margin-increasing self-driving software, pure growth rate, and even humanoid bots on the horizon, we definitely want to be in this stock AFTER the storm passes.

RKLB

Rocket Lab USA, Inc

Beta
n/a

Yield
0.00%

Notes

Rocketlab has newly acquired SolAero Technologies, a company that specializes in space solar cells. This will bring solar production in house, further lowering the cost of each rocket launch, but also reinforcing the company's status as a reliable components manufacturer. Meanwhile, grit your teeth as they go through the same deleveraging process as other tech names. We do NOT want to let go of our exposure to the smallsat launch industry. Not for nothing, but Deutsche Bank named RKLB as the growth stock of the year, and sees a 120% upside.

Vegas Money (1-2%)

UBX

Unity Biotechnology, Inc

Beta
1.12

Yield
0.00%

Notes

The company's pipeline of novel biology in the treatment of age-related eye diseases continues to grow. UBX1325 in Phase 2 trials. Seven other novel treatments are in various stages of development.

CWBR

Cohbar, Inc

Beta
1.48

Yield
0.00%

Notes

Mitochondrial clinical-stage, pre-revenue research company. Still very early in the game with Phase 1 trials.

GOEV

Canoo Inc

Beta
0.34

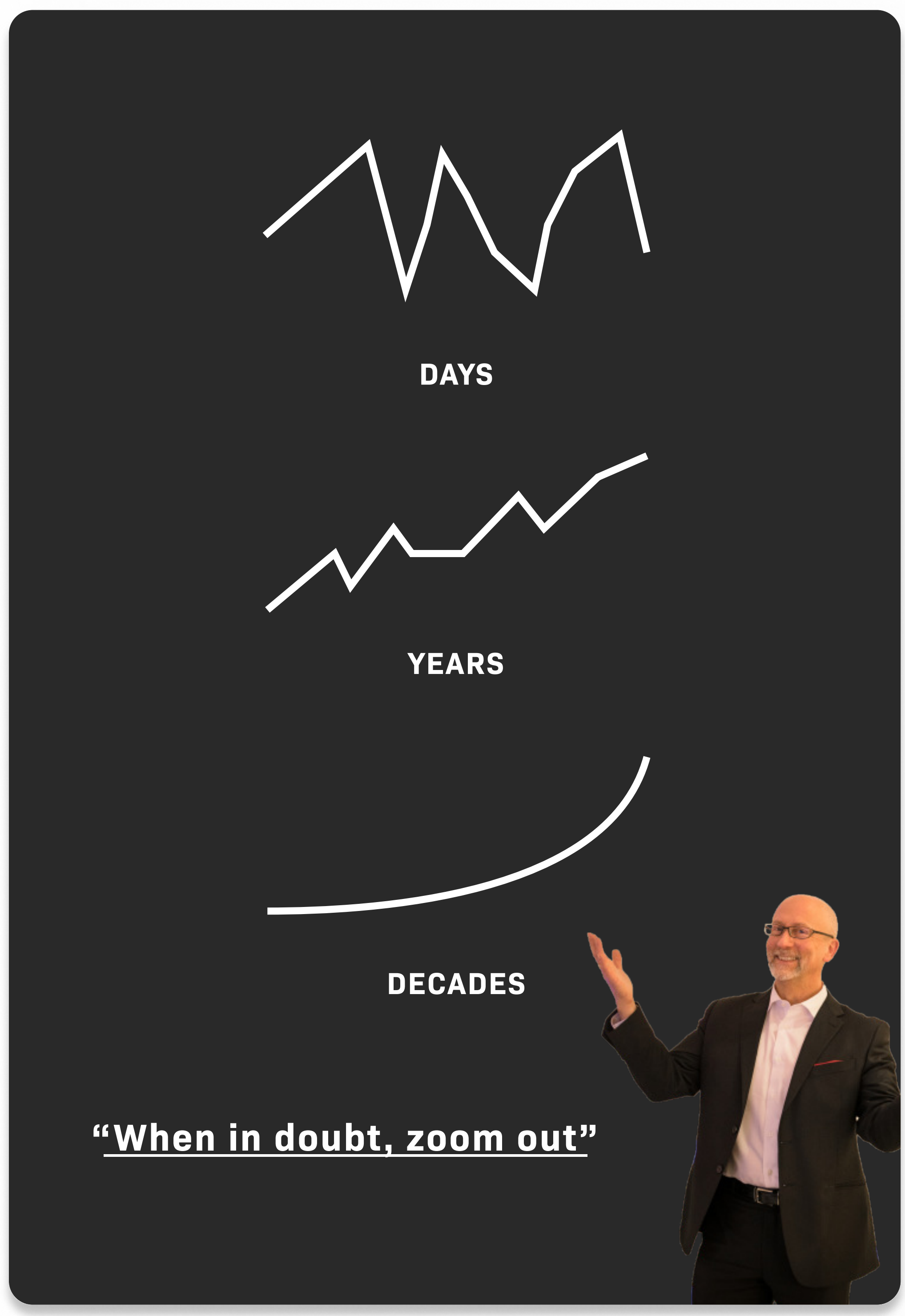
Yield
0.00%

Notes

Hawkish Fed is impacting EV makers in general. The company is still pre-revenue but could ultimately put out a win based on potential relationship with WMT. Worth a punt.

Cash Alternatives (1-2%)

Investors are shunning altcoins and flows suggest they're returning to both **Bitcoin** and **Ethereum**, albeit it slowly. Prices are still off all-time highs but that's not surprising given government regulators who are struggling to come to terms with digital money. Volatility remains the constraint.



PORTFOLIO REVIEW (FEBRUARY 2022)

One Bar Ahead™ Model Portfolio

The next few weeks will be tougher than they've been in a while ahead of the Fed's first move on rates. We will continue to play offense but, importantly, keep one eye on the exits at all times. I'd rather raise cash if the market forces our hand than try to second guess the narrative, especially if that means we can buy back into great names at a discount.

PORTFOLIO DETAILS										
As of 02/02/2022	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	STOP	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/21	$ 132.05	$ 175.86	1.06	0.50%	33.2%	$ 136.51	$ 200.00	Buy/Accumulate
	RCS	10/1/21	$ 6.99	$ 6.54	0.81	9.82%	-6.5%	none	$ 8.25	Buy/Accumulate
Global Growth	COST	8/6/21	$ 439.63	$ 524.35	0.58	0.64%	19.3%	$ 446.34	$ 540.00	Buy/Accumulate
	CVX	9/3/21	$ 97.06	$ 133.97	1.19	4.32%	38.0%	$ 101.56	$ 115.00	Buy/Accumulate
	DIS	1/6/22	$ 156.90	$ 141.45	1.08	0.00%	-9.8%	$ 125.60	$ 219.00	Buy/Accumulate
	GILD	1/11/21	$ 62.51	$ 65.84	0.27	4.14%	5.3%	$ 63.00	$ 88.00	Buy/Accumulate
	GIS	6/4/21	$ 63.72	$ 69.37	0.2	2.94%	8.9%	$ 63.72	$ 70.00	Buy/Accumulate
	LMT	11/5/21	$ 341.78	$ 390.65	0.87	2.85%	14.3%	$ 294.86	$ 380.00	Buy/Accumulate
	MCD	6/4/21	$ 231.69	$ 261.35	0.85	2.16%	12.8%	$ 233.00	$ 270.00	Buy/Accumulate
	PFE	2/5/21	$ 34.92	$ 53.34	0.59	3.04%	52.7%	$ 45.94	$ 65.00	Buy/Accumulate
	PLTR	1/8/21	$ 25.20	$ 12.77	1.99	0%	-49.3%	none	$ 50.00	Buy/Accumulate
Zingers	CRWD	1/6/22	$ 187.49	$ 172.60	0.63	0%	-7.9%	$ 147.08	$ 295.00	Buy/Accumulate
	RKLB	12/3/21	$ 12.61	$ 9.16	0	0%	-27.4%	none	$ 18.00	Buy/Accumulate

OBA 50

As of February 2nd, 2022

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

OBA Fund Folio™

No changes to the Fund Folio this month

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

Global Growth and Income	
BlackRock Science and Technology Fund (BST)	32%
Pfizer Inc. (PFE)	4%
Altria Group Inc. (MO)	4%

Zingers	
BlackRock Science and Technology Fund (BSTZ)	10%

"Vegas Money" Portfolio

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

Vegas Money					
Stock	Rec Date	Entry $	Current	Profit/Loss	Last Instruction
UBX	10/1/21	$ 2.93	$ 1.17	-60.2%	Buy/Accumulate
CWBR	11/5/21	$ 0.68	$ 0.34	-49.3%	Buy/Accumulate
GOEV	8/13/21	$ 7.01	$ 5.93	-15.4%	Buy Under $7.50

A special Q&A

It's always a good sign when I see OBAers hunting for opportunities in the chaos.

Like João who writes:

"Hi Keith

Regarding the Russia Ukraine tension, I was having a discussion with a friend about the alternatives for Europe to get natural gas in case Russia counter attacks. The sanctions the west will apply to them in case of an invasion and liquid natural gas came to mind. Of the three US companies producing LNG (maybe in missing some), Cheniere is doing that exclusively, without investments in oil.

With that in mind, do you think this could be a good short term investment (not sure about the long term though...), or am I missing something obvious on the analysis ?"

Here's my take:

João, that's excellent thinking.

Two alternatives come to mind.

First, I think the prospect of a "non-invasion" invasion is already built into current prices.

Putin could easily shut off gas to much of Europe and natgas prices could skyrocket. A leveraged fund like UGAZ may be appropriate but risky to time. Like most leveraged funds, UGAZ relies on derivatives which means the constant rebalancing needed works against anybody who buys it over time.

The second approach is unconventional, but it might be worth looking into Gazprom and/or Lukoil. War is VERY energy intensive, and both companies would be logical beneficiaries after a short-term drop at the onset of any hostilities.

Again, this is excellent thinking! Thank you for sending your question in!

-Keith

Chapter 4

MMI™ CHARTS

Improve results, reduce risk, find opportunity
Gain confidence!

SIMPLE, UNDERSTANDABLE, ACTIONABLE

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

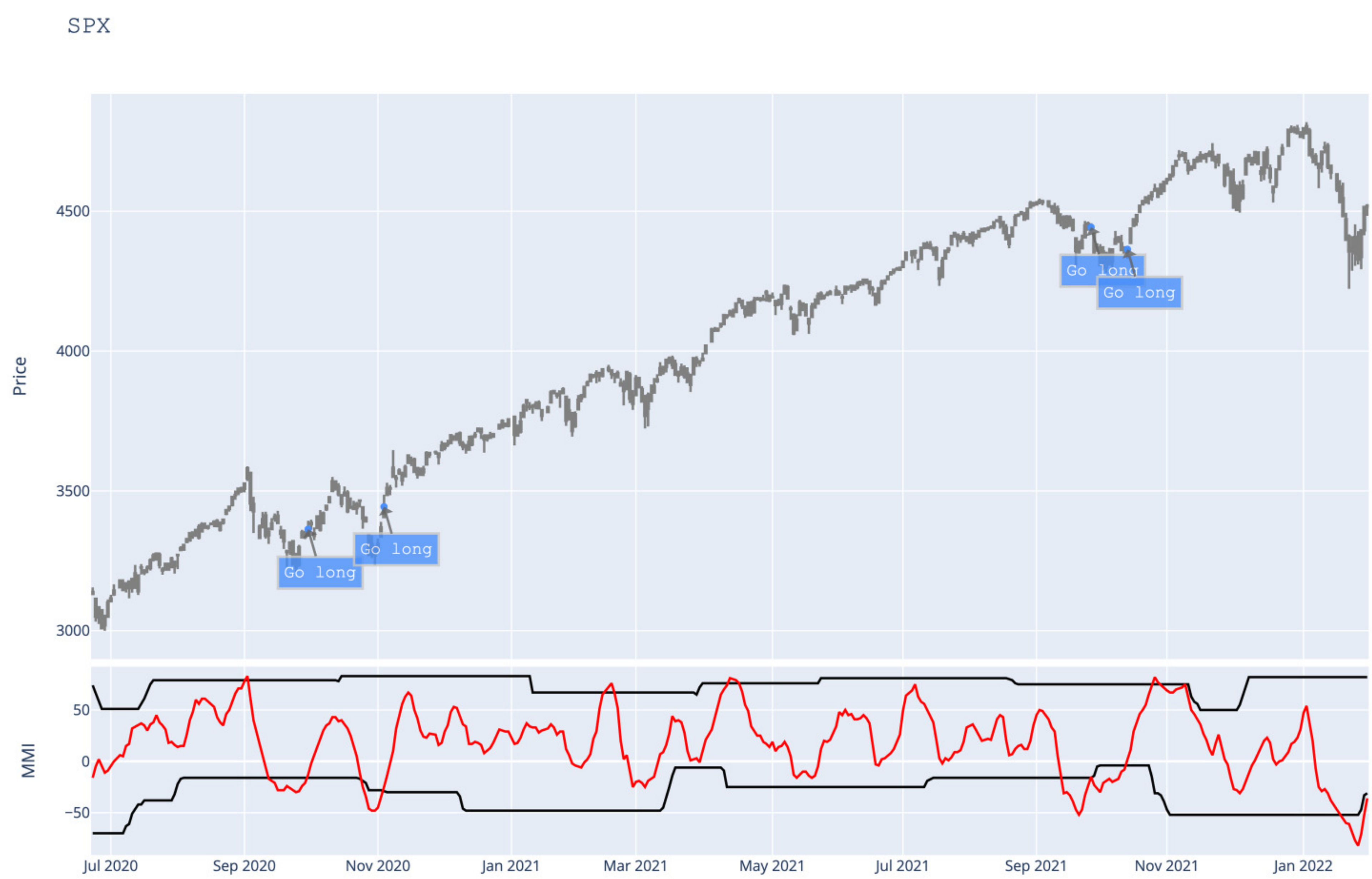
I created the Master Market Indicator™ (MMI) to help me do just that and include it in each issue so that you can have a visual reference for each recommendation in the One Bar Ahead™ Model Portfolio. I’ve also included SPX for reference so you can better gauge broader market activity.

Reading the MMI is easy and straight forward.

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

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

KF



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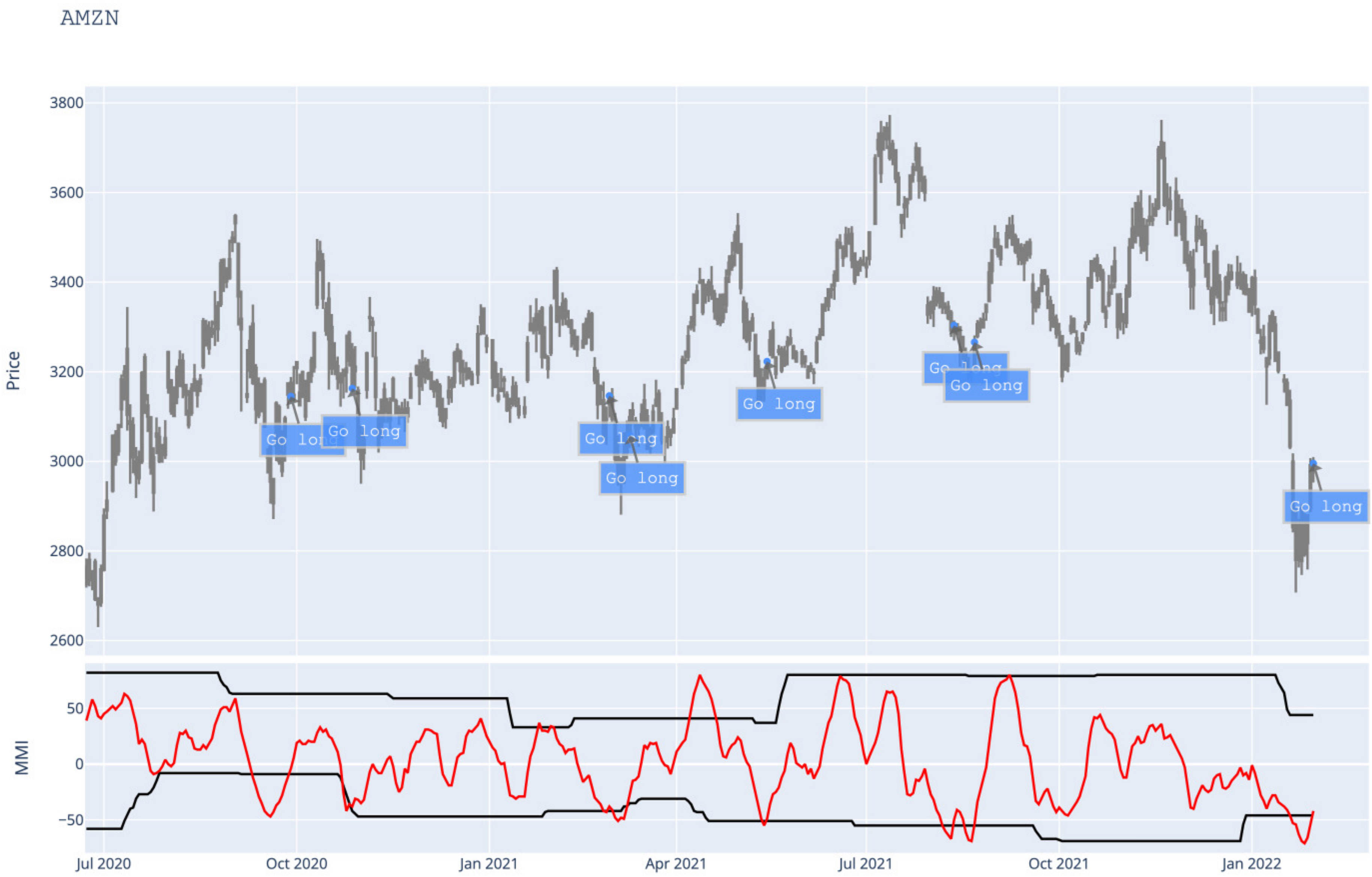

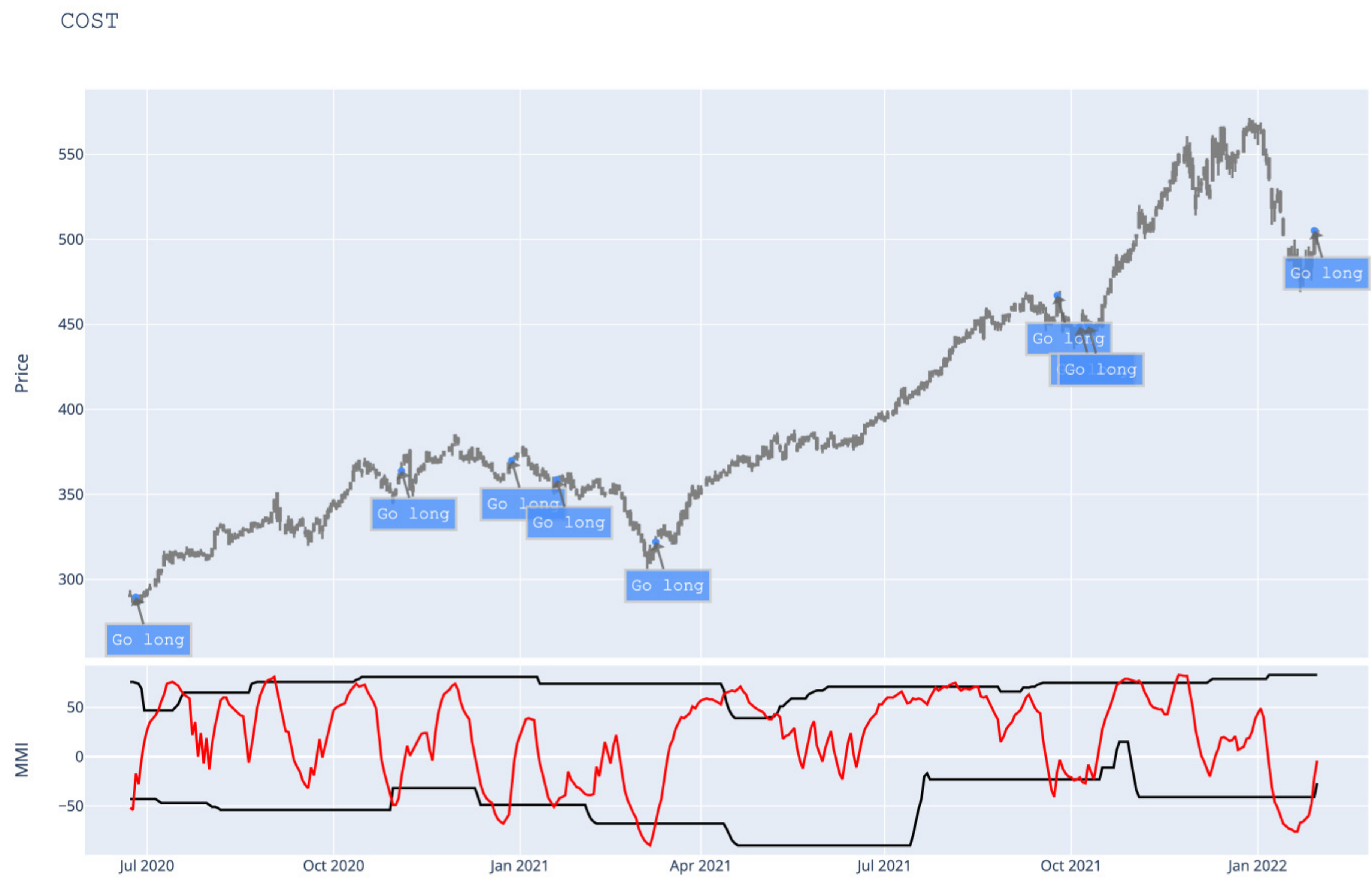

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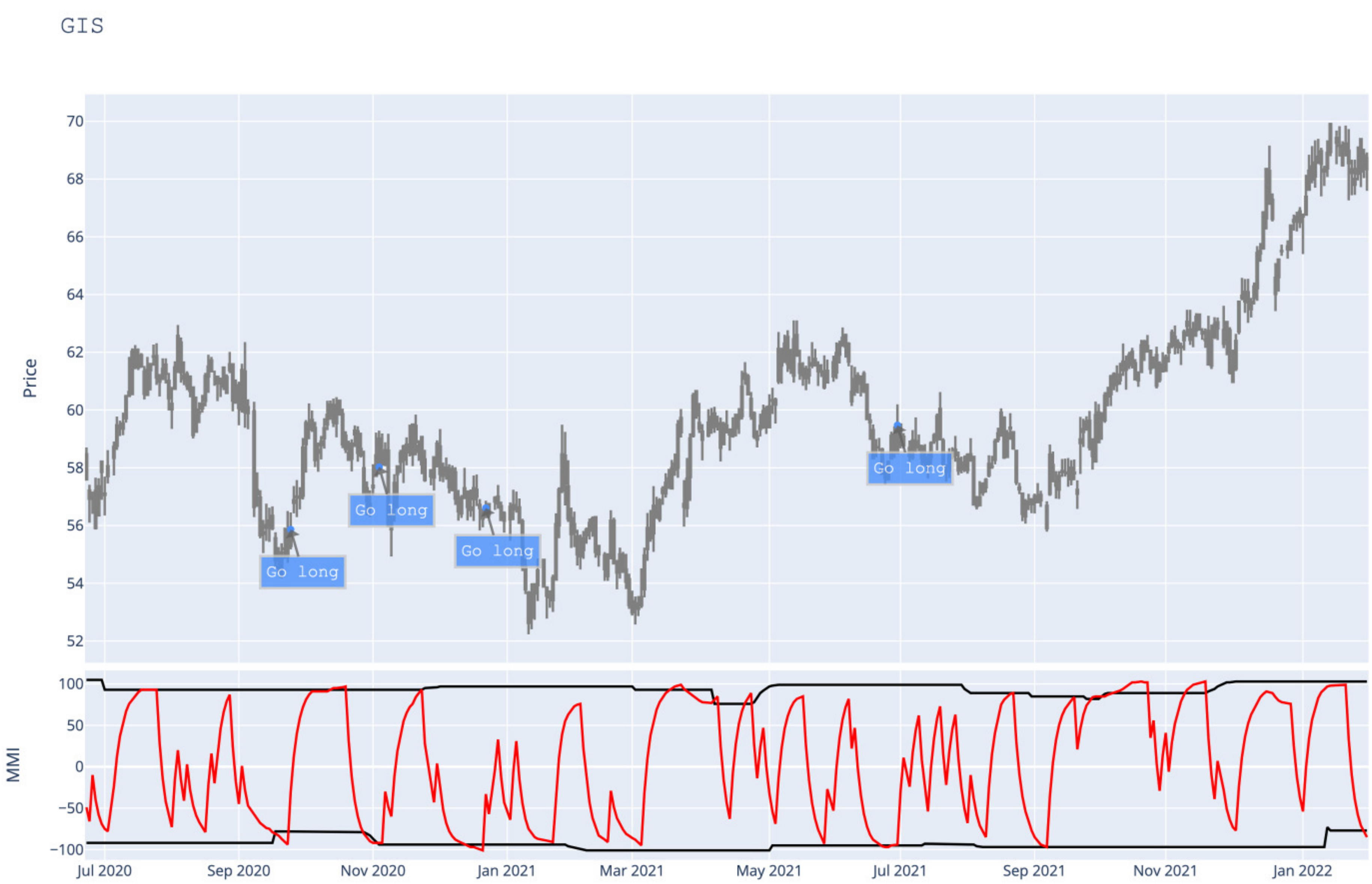

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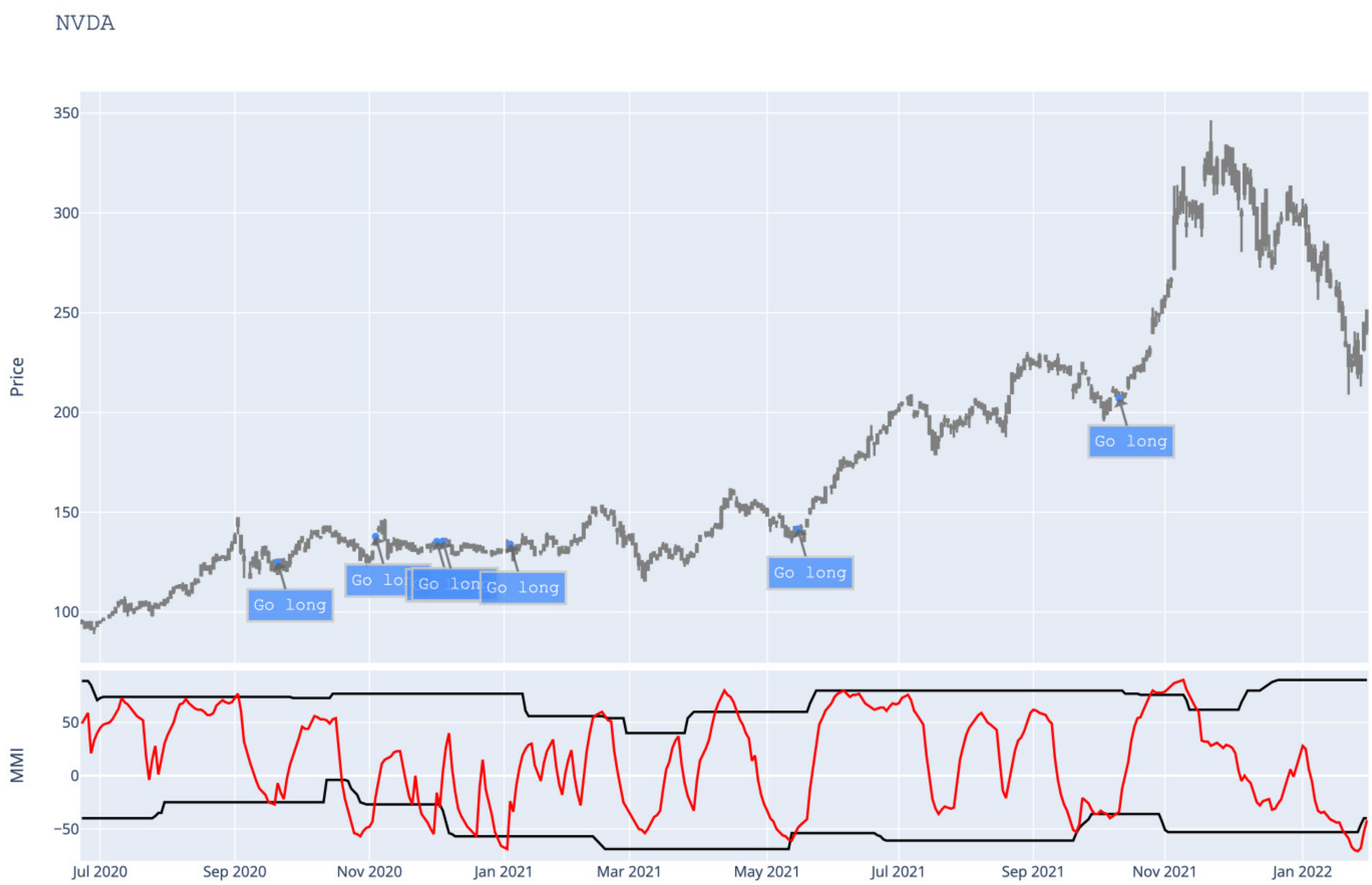
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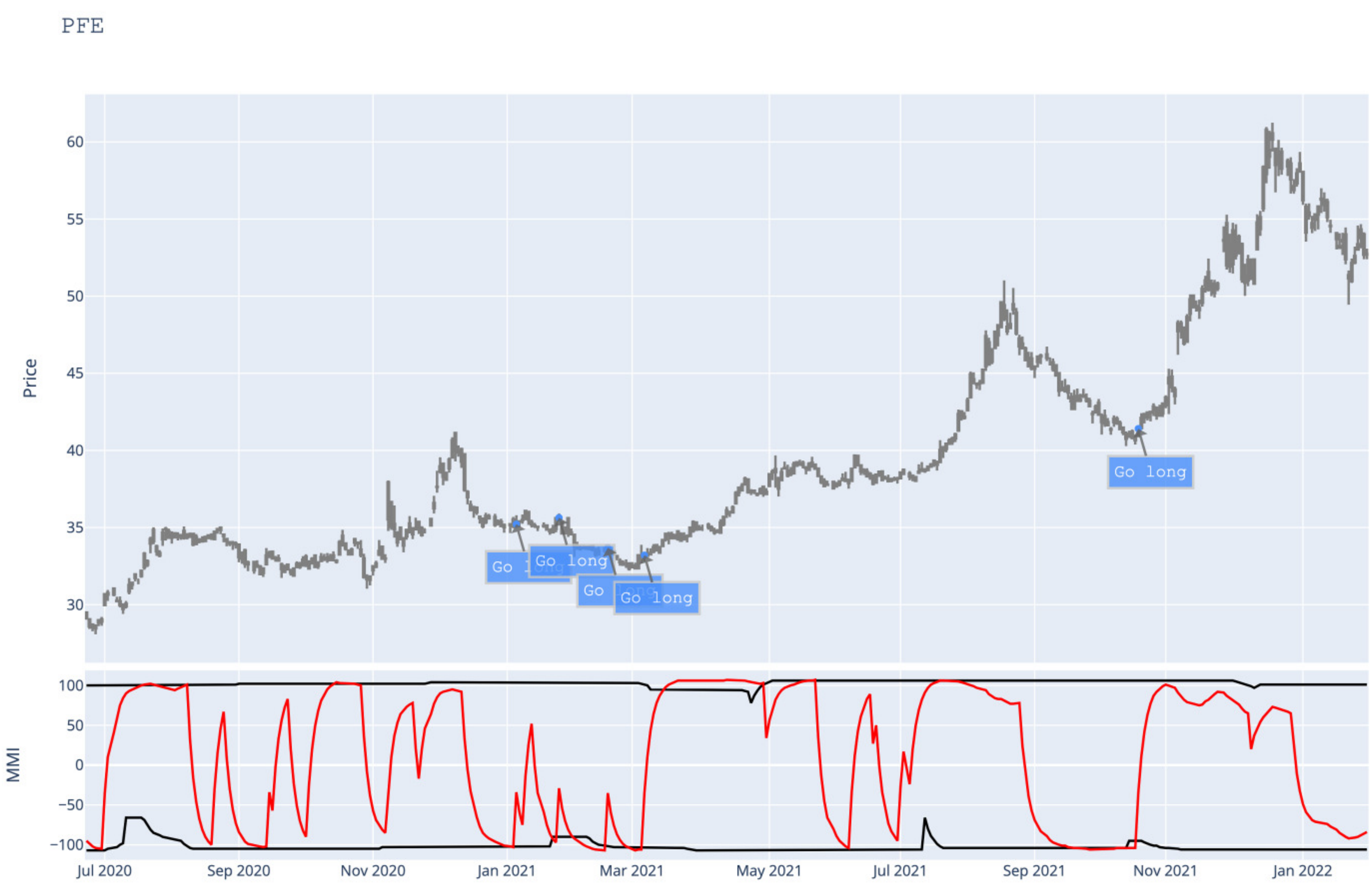
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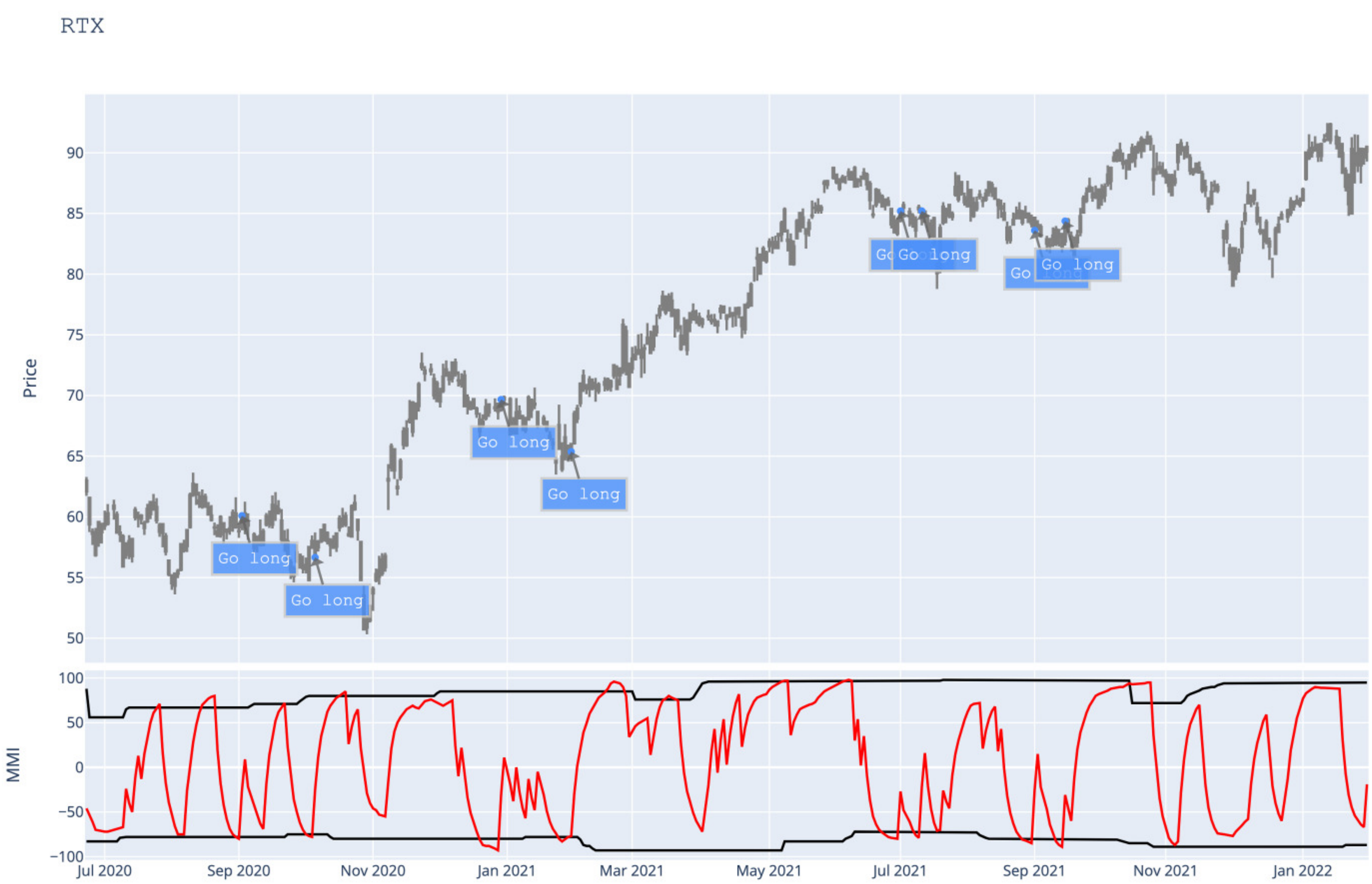

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PERSPECTIVE MATTERS

20 Internet Giants
Rule the Web

Congress and legions of well-intentioned but otherwise clueless regulators acting on their behalf would have you believe that just a few big companies – Apple, Amazon, Facebook, and Google – dominate the Internet.

Not true.

There's plenty of competition and the leaderboard changes constantly.

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Triumph over Market Turmoil

Market turmoil can create very real and very dangerous physical stress.

Learning how to beat it can make a huge difference when it comes to your life and your money.

Metabolic health is key.

Scientists used to believe that metabolic health was simply a matter of balancing calories in with calories out. They viewed food as "energy" and not surprisingly, we became a nation of calorie counters.

The latest research shows that's not enough.

You've got to learn to concentrate on overall metabolic health rather than calories alone if you really want to triumph over turmoil.

That's as true in life as it is in the financial markets.

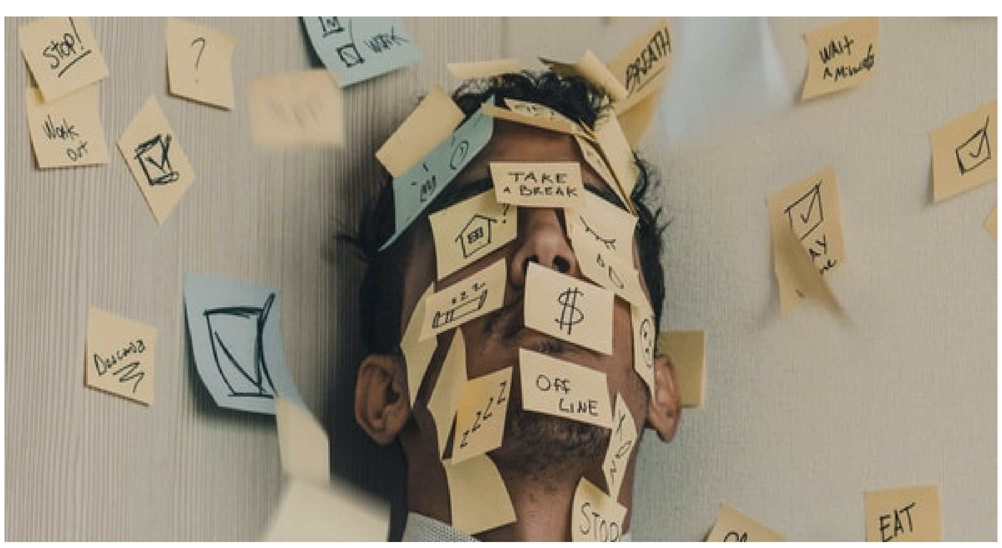
Here's the interesting part.

New research also shows the right kind of stress can actually be *good* for you.

Full stop … huh??!!

That caught me by surprise as I prepared this month's issue under what are arguably some of the most challenging financial conditions in modern financial history.

Like many people, my "stress meter" is pegged on overload lately; the risks of a misstep are exceptionally high.



Turns out stress can be… good for you?!

"How in the world could this be possible??!!," I thought to myself while burning the midnight oil a few weeks ago. Well …

Turns out stress can be grouped into two types:

Eustress is considered stress that we respond to positively. Examples include deadlines, challenges, family holidays, our spouses, kids or even finding great companies … choices about things we enjoy.

Distress is considered stress that we respond to negatively. Examples include jobs we hate, people we dislike but must put up with, the Fed, politics and more … choices about things we can't control or simply don't want any part of.

We have every reason to want good metabolic health.

Metabolic health:

- Can help maintain normal blood glucose without spikes or crashes
- Prevents metabolic diseases like obesity, high blood pressure, diabetes, and more
- Balances circadian rhythm
- Enhances muscle power
- Increases endurance
- Sharpens mental acuity

Insulin sensitivity is particularly important because – as scientists now understand – it can have a direct impact on overall metabolic health.

Normally our bodies are in a homeostatic state, meaning they're balanced by the need to consume calories and convert that into energy.

Stress can throw important relationships out of whack which, in turn, triggers compensatory reactions with all sorts of nasty effects. Fatigue, mental fog, fat, poor gut health, hypertension, diabetes, inflammation and more … are all related at some level to our metabolic health and to how we process insulin specifically.

Like anybody who's – ahem – getting older, I've struggled with this over the years.

Injuries, raising kids, the markets, various surgeries ... they've all taken a toll on my body and my metabolic health.

Personally, I fight to stay in the game every day because I know that I will lose if I don't.

Physical activity plays a huge part in helping me do that and managing stress at the same time. Doing something physical helps your body burn fatty acids that can otherwise interfere with insulin sensitivity and, by implication, metabolic health.

Exercise also helps eliminate microscopic fat droplets known as intramyocellular lipids. That's great because those things – intramyocellular lipids – reduce insulin sensitivity when you have too many running around in your bloodstream. It's no accident that we feel like a blob after a day on the couch or living a sedentary lifestyle for any length of time.

Physical activity also increases the demand for muscular involvement by boosting the need for muscular glycogen. This allows you to go harder, faster, and stronger at anything from weights to your afternoon walk.

Makes perfect sense ... our muscles store as much as 80% of circulating glucose.

Exercising before or after you eat can improve results. Not only will your appetite be better, but your body will "Hoover up" excess glucose and, critically, burn it before it catapults your blood sugar into the nosebleed section or gets stored as fat.

I asked the fabulous Steve Diamond, one of the nation's leading fitness trainers, for his thoughts.

Steve notes that you can, "absolutely take control of your metabolic health."

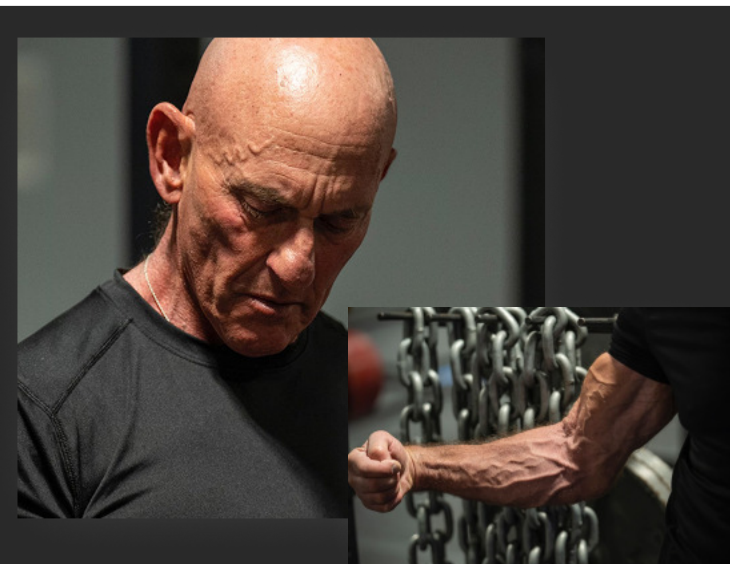
"With very few exceptions," he observes, "metabolic health is not dictated by age nor is it predetermined by genetics. You are capable, through proper adaptation, of doing far more physically than you can imagine. So, grab the bull by the horns and take command!"

I couldn't agree more strongly.

We live in extraordinary times and that means we have every incentive to do our best to be our best!

Starting with excellent metabolic health.

KF



Fire up your Metabolic Health with Steve!

All the money in the world isn't worth a dang if you're not healthy enough to enjoy it.

That's why I've trusted Steve Diamond with my fitness for years. He's a former Naval Aviator, a lifelong athlete and a super motivating guy who will help you get fit at any age. Then stay that way!

Don't believe me?

Steve's 66 years young and living proof that the best years of your life are ahead!

SteveDiamondFitness.com

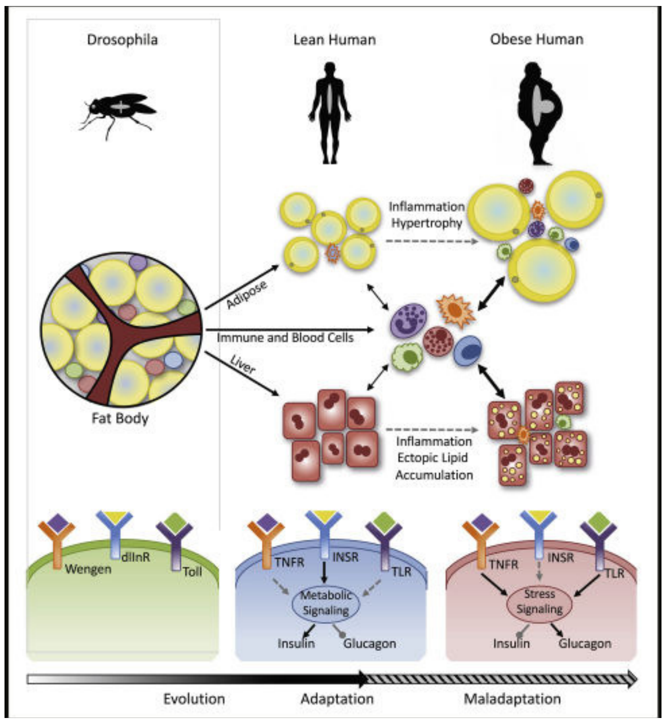


Image: The Evolution of Immunometabolism, Cell.com

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What's Your Take?

Have you tried any of the techniques and tactics from previous issues, or have you learned something new? Made a great buy? Discovered a new stock or fund? Tried Noriko's recipes? Started travelling again?

Drop us a line at

magazine@onebarahead.com

If you have pictures send 'em along!

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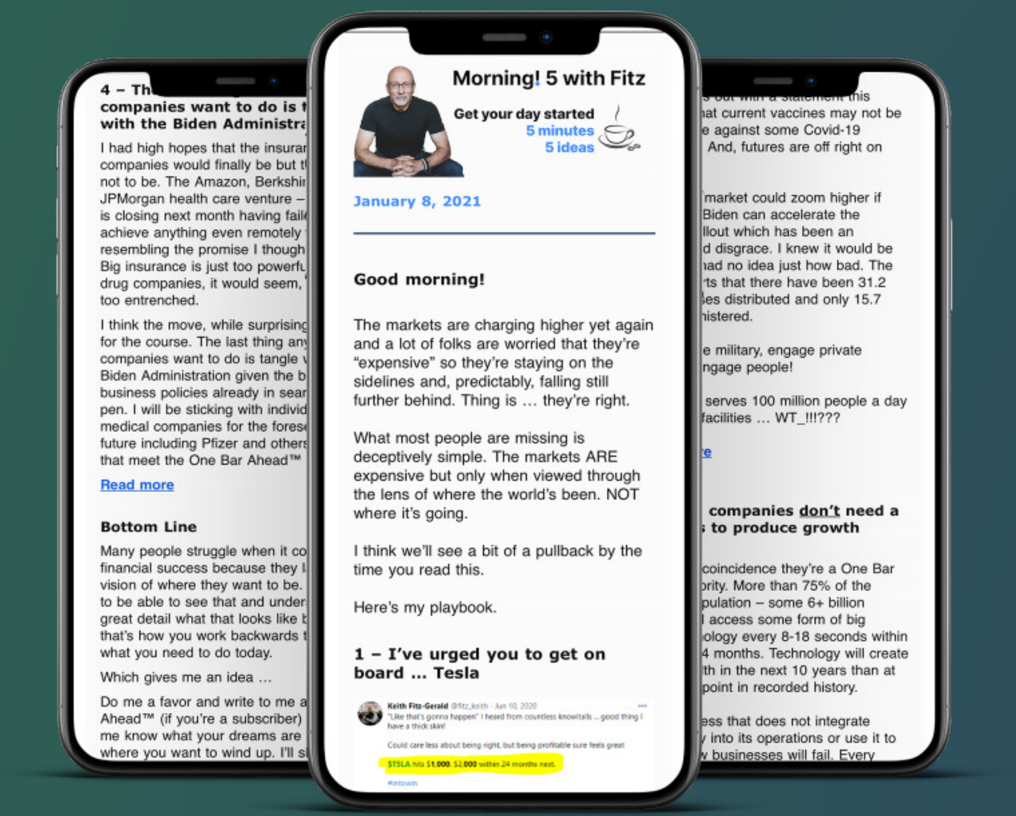

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