JNJ	PANW	BA	DIS	PLD	COST	AMD	NIO
151.52 ▲	187.70 ▲	206.97 ▼	98.00 ▲	122.60 ▼	481.78 ▲	77.54 ▲	8.99 ▲

MARCH 2023

One Bar Ahead®

BY KEITH FITZ-GERALD

THE FED'S BUNGLING MAKES THIS STOCK A NO-BRAINER

A special "re-rec" you won't want to miss!

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

The surprising link between $5 cigarettes and "must have" stocks

Disclaimers

Important Information You Need to Know

One Bar Ahead® ("The Content") is provided for informational purposes only and does not constitute and should not be construed as a solicitation or offer, endorsement, or recommendation to acquire or dispose of any investment or to engage in any other transaction whatsoever. Nothing in the Service constitutes, nor should it be construed as, investment, legal, tax or other advice of any nature whatsoever and it should not be relied on in making an investment or other decision. You should obtain relevant and specific independent professional advice before making any investment or other decision. You hereby agree that you will not hold Keith Fitz-Gerald Research ("KFGR") responsible at law or in equity for any decisions of whatever nature you make or refrain from making in connection with your use of the Service. You further specifically acknowledge and agree that:

(a) KFGR is a publishing company dedicated to providing innovative research for extraordinary times and fintech development. KFGR is NOT a United States Securities Dealer or Broker, or U.S. Investment Adviser, nor a registered trader, dealer, or broker of ANY jurisdiction and or country. Further, KFGR's principal, Keith Fitz-Gerald, is an independent market researcher, analyst, and subject matter expert. His opinions are his own and he does not accept compensation in any form from any company or companies he reviews.

(b) All investing has inherent risks, and it is impossible to guarantee future results or profits. You understand and agree that past performance does not assure future results and that you can lose some or all your money in any investment. You understand and agree that the content does not constitute a specific recommendation of any particular investment, security, portfolio, transaction, or strategy, nor that any specific course of action is suitable for any specific person, including you.

(c) KFGR's products and services are general in nature and are not tailored to individual financial circumstances, trading background, or experience. Neither KFGR nor any of its staff, analysts or other personnel will provide you any personalized investment advice, and you therefore agree that you shall not solicit or attempt to obtain any such advice from KFGR, or from any of its staff, analysts or other personnel.

(d) While KFGR's staff and/or personnel may own positions in certain securities mentioned in or on the Service, such ownership does not constitute an endorsement or recommendation of any such securities. You are advised to consult qualified investment and financial professionals before making any financial, investment, or trading decisions. It is your money and your responsibility.

(e) KFGR uses various methods to evaluate investments and trading opportunities which may, at times, produce contradictory recommendations with respect to the same securities. When evaluating the results of prior recommendations or performance rankings or scoring, you should also consider that KFGR may modify the methods it uses to evaluate investment opportunities from time to time. For this and for many other reasons, the performance of past recommendations or investments is not a guarantee of future results or that you will obtain similar results.

Publisher's Statement

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

Known office of publication is 1417 Sadler Blvd, PMB 415, Fernandina Beach, FL 32034, USA. Customer Service: subscribers@keithfitz-gerald.com. Telephone: +1 623-777-6737

Keith Fitz-Gerald's ONE BAR AHEAD™

One Bar Ahead®, March 2023

Letter from Keith

Dear Reader,

"But I was wearing the juice..."

That's what a man named McArthur Wheeler said back in 1995 when he was arrested after robbing two banks in broad daylight.

Not that Wheeler was hard to miss, mind you.

Reports say he was 5'6" and weighed in at a suave 260 pounds.

Wheeler wore no mask.

Just lemon juice.

Like many first-graders do, Wheeler knew that you could use lemon juice as invisible ink. He even went so far as to put lemon juice in his eyes, which stung so badly, he could barely see... but that's really a side note.

He even tested his hypothesis ahead of time!

Wheeler told detectives that he knew he was on to something when he snapped a Polaroid selfie but couldn't see himself in the image.

And the rest, as they say, is history.

You wouldn't be alone if you thought Wheeler was just stupid, but that's not true.

Wheeler suffered from what's called the Dunning-Kruger Effect, or simply, the blindness of incompetence.

Wheeler truly *believed* that he was invisible. In fact, he was so convinced of it that he later claimed the security footage catching him in action was faked.

To a rational person, this sounds ludicrous—but to Wheeler, it was logical, irrefutable truth.

Researchers chalk this kind of stuff up to two things…

1. Incompetent people make flawed decisions far more regularly than you'd think.
2. They are unable to realize that they're doing so, even when confronted with objective facts that contradict their subjective notions.

That's really where the rubber meets the road as far as the financial markets are concerned.

Take current market conditions, for example.

Many investors remain absolutely convinced that the markets are on the way to hell in a proverbial handbasket. Yet the S&P 500 has tacked on nearly 10.5% from October 2022 lows as we go to press.

Others tell me straight to my face that there's nothing to buy. Yet, NVIDIA is up 110% from its 52-week lows and could double again within the next 12–24 months.

Still more remain steadfast that Apple is doomed and should best be avoided. Yet, the company makes $1,080,350,685 a day, $45,014,612 per hour, $750,244 a minute, and $12,504 per second.

Why this happens.

Our brains are designed to protect us, which is why we often respond to information we don't want to hear or aren't prepared to accept by ignoring it.

Social media and 24-hour news headlines magnify the problem by allowing people who share the same ideas about something to reinforce each other. Anybody with a different viewpoint is weeded out or, more likely, hounded mercilessly until they are forced out.

Now comes the good part.

One Bar Ahead® is built with this in mind.

Everything we do, every bit of research I share with you, every recommendation, every tactic… it's all designed to help you make better, more consistent and—dare I say it—hopefully more profitable decisions over time.

It's why I insist that we build our foundation on optimism using good sources of information, not clickbait. And why I stress education, particularly when it comes to fundamental truths others simply cannot grasp.

Like, for example, the fact that the markets have a pronounced upward bias and that learning to play to it can give you a massive, life-changing advantage over time.

It's why we work on our critical thinking skills together, rather than accept the universal "truths" peddled by legions of social media experts and furus.

The simple reality of our world is that it will never be the ordered universe people think it is. That's why the markets behave the way they do.

The path to profits is super simple.

What you need is the confidence that you're on the right track. That you own the right companies. And a breakdown of everything needed to pursue both.

Speaking of which, this month we're going to start our time together with one of the oldest, most consistent dividend providers in the country. The company operates as a monopoly in an industry ripe for an overhaul while distributing something we cannot live without.

The Fed's bungling makes it a no-brainer, to my way of thinking.

Then we're going to move on to a quick re-recommendation I've been itching to make for months. Now could be your last chance to buy "on the cheap."

I say that because management just turned in the company's first-ever profitable quarter and is looking forward to what it expects to be the first profitable year.

Of course, I've also got a detailed portfolio review, the latest MMI charts, and the newly introduced Bull/Bear State Indicator on tap, too.

And last but by no means least, I want to share a story about $5 cigarettes that speaks volumes about changing consumer behaviour and what that means for your money in the years ahead.

Thanks, as always, for the trust you place in me and for being part of the One Bar Ahead® Family!

Best regards for health and wealth,

KF

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

The address is magazine@onebarahead.com.

Other ways to keep in touch

keithfitz-gerald.com/youtube

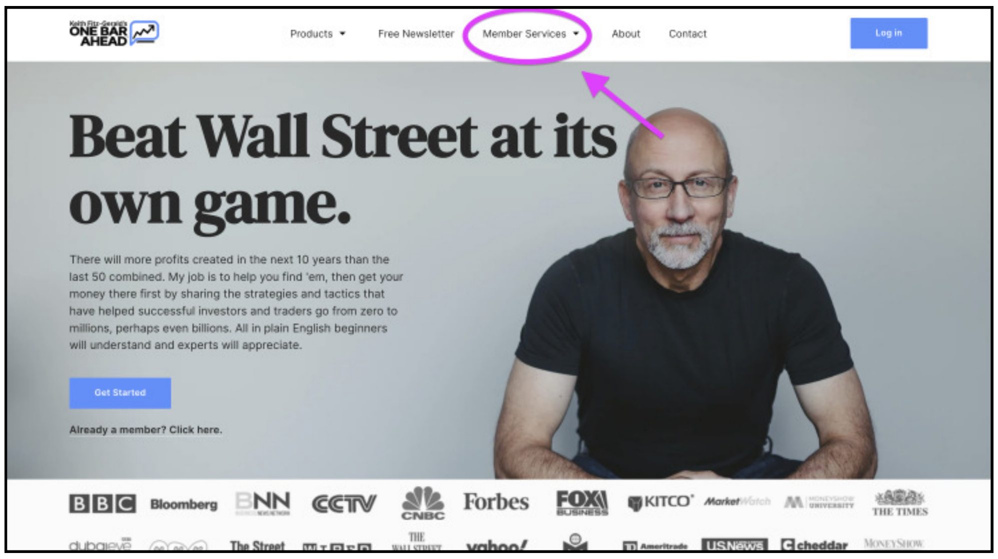
@keith.fitz.gerald

@fitz_keith

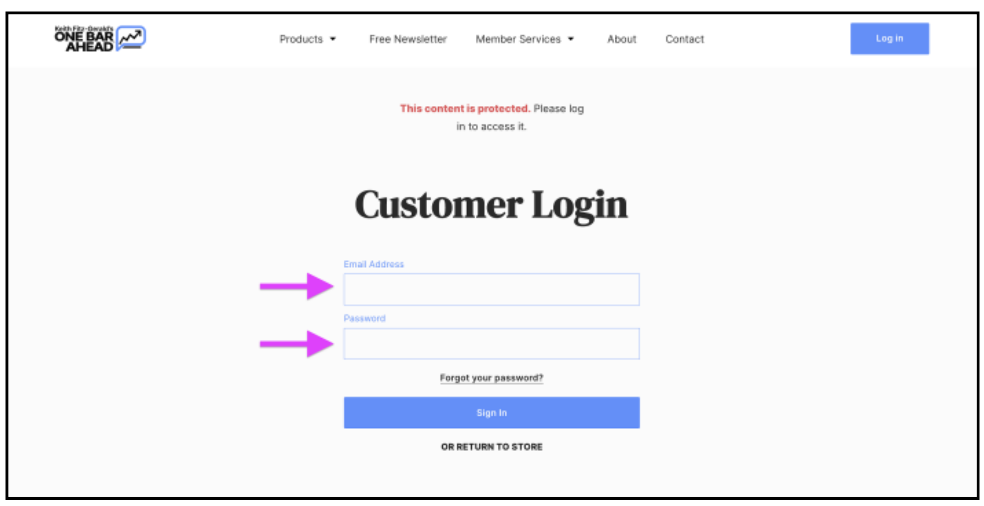
www.onebarahead.com

How to access the OBA archives

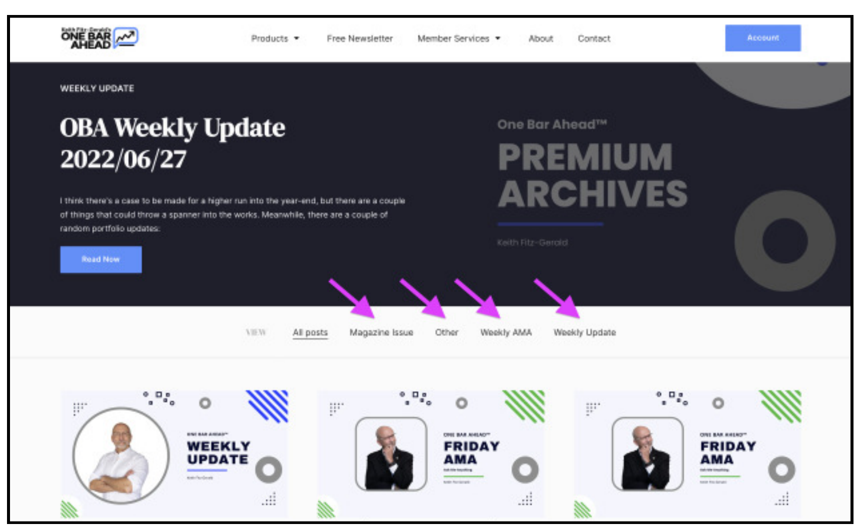
1. Go to onebarahead.com and click “member services”



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



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



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

Chapter 1

THE FED'S BUNGLING MAKES THIS STOCK A NO-BRAINER

FED'S BUNGLING MAKES THIS A NO-BRAINER

There's an old joke that goes something like this…

The world's smartest man finds himself on an airplane that's doomed to crash, alongside the US president, a hippie, and a priest. But there are only three parachutes.

The president, of course, declares that he must survive for the good of the country. So he takes a parachute and jumps.

The world's smartest man declares that he is an intellectual gift to humanity and steps out the door.

The priest declares that he's lived a long life and what happens next is in God's hands before offering his parachute to the hippie.

At which point the hippie grins and says, "Relax, Padre. The world's smartest man just jumped out with my backpack!"

If you're like me, you've got a wry grin on your face right about now for one of two reasons: a) you've got a great sense of humour, or b) you can easily imagine how plausible it is that the world's smartest man could be so stupid!

Not for nothing, but how many brilliant people do you know who lack even the most basic common sense these days?

Many investors have written America off.

Others think it's past its prime… that inflation will destroy it, that the Fed is morally bankrupt, that our government officials are economically illiterate, that China and Russia will eat our lunch, etc.

They're wrong.

This country is filled with optimistic, clever, and resilient people. Folks will knuckle down even as they buckle up.

Which is, of course, why we want to invest accordingly.

Structurally speaking, I want to replace the dividend income that we lost when Intel went into slash-and-burn mode recently.

Tactically speaking, I am keen to introduce more stability to the portfolio at a time when the Fed is making noises about being even more aggressive as it fights inflation.

But how?

History is very clear about why "must have" companies are where you want to be when the going gets tough.

Water certainly qualifies.

The story is deceptively simple.

The World Health Organization estimates that half of the world's population will live in water-stressed areas by 2025.

That's not surprising.

Every cup of coffee requires 37 gallons of water from bush to table.

That juicy T-bone steak you recently ate had soaked up 1,800 gallons of water by the time you plated it.

NASA reports that 21 of the world's 37 aquifers are being depleted.

And get this.

More than half of the profits of the world's biggest companies would be at risk if water was priced to reflect its true value, according to research from Trucost.

Talk about an opportunity!

FED’S BUNGLING MAKES THIS A NO-BRAINER

Introducing The York Water Company (YORW)

There’s a lot to like.

For one thing, York has been in business since 1816 when a group of local businessmen who were concerned about fire protection in the York, PA area founded it.

To put that in perspective, James Madison was in the White House, Rene Laennec invented the stethoscope, and Joseph Niépce invented the world’s first camera.

York has paid dividends for more than 205 years and never missed a payment. That may well make it the single-longest consecutive dividend payor in the United States.

The closest second-place finisher, in case you’re curious, is Stanley Black & Decker, which has been paying dividends for “only” 147 years. But I digress.

York operates as a functional monopoly in its territory, which makes it particularly attractive given its intended role in the OBA Model Portfolio.

Consider:

- York is a regulated utility, which means the company’s cash flow is both predictable and stable at a time when those are both super-important investing inputs.
- The yield is 1.8%—not exactly a bellringer, but I’ll take it considering that the average price recovery post-dividend is just 4.5 days, and we’re interested in the comparative stability on offer.
- The company’s forward-looking payout ratio is roughly 51.32%, according to dividend.com. That’s at the upper end of the 30–50% range generally deemed acceptable by most sell-side analysts, but still in line with my expectations given the macro story.
- The dividend CAGR (Compound Annual Growth Rate) is 3.66% over the past 3 years and could hit 10.81% over 20 years by 2024.
- The company’s 5-year annualized return is 9.22% versus 8.13% from the S&P 500 over the same time frame, according to Bloomberg data. But, again, it’s the steady-Eddie nature we’re after, so even the slightest outperformance is a good thing.

Let’s see what the proprietary One Bar Ahead® Analytics suite has to say about York Water.

The Universe

York is pretty straightforward, but the one fly in the ointment is a low liquidity score. In fact, it’s so low that it doesn’t even rank in the traditional cube-oriented analysis!

I’m willing to overlook that at the moment, for three reasons: 1) York is a small cap at just $652.4 million, so wide spreads are not atypical; and 2) the company’s price has increased consistently, to the point where it is now trading in the 91st percentile of its 52-week high/low range.

It could be an unlikely mover, even though that’s not the primary reason we’re interested.

FED'S BUNGLING MAKES THIS A NO-BRAINER

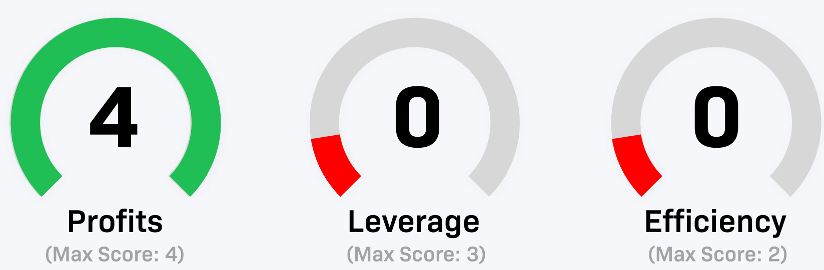
The Fundamentals

York has a Piotroski Score that's 4 of 9 possible points, which is consistent with recent growth. My research suggests that water will be repriced as it transitions from something that's taken for granted to an essential.

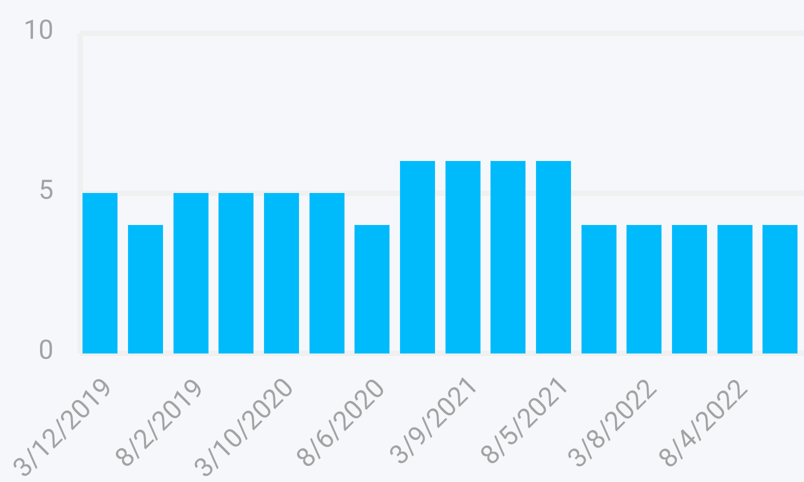
What's more, I've got to believe that York may find itself acquired by a larger player keen to consolidate revenues at a time when the industry needs an overhaul, so that could play to recent strength, too.

Company Fundamentals

Current Piotroski score is: 4 - **Decent**



Score History



The Master Market Indicator® (MMI®)

The latest MMI reading as we go to press is a -5, which suggests odds favour buying over selling, statistically speaking.

Action to Take

Buy YORW up to $45 a share. Plan on averaging in using DCA or VCA to mitigate the risks of more aggressive Fed action and recessionary fears. Plan to add on dips, but especially if prices drop below $40 and the market creates that opportunity.

Resist the temptation to pile in because there will be plenty of time to harness the volatility that continues to hang over this market like wet laundry.

Tuck shares away in the Global Growth & Income segment of your portfolio—the "40"—in the proprietary One Bar Ahead® Model Portfolio. Reinvest from day one to boost profit potential, mitigate risk, and help maximize compounding from the get-go.

If you'd rather not use new money or can't for whatever reason, consider diverting dividend income or harvesting profits from GILD, NVDA, or LMT, all of which have been on a tear lately, as of press time.

Ordinarily, I'd suggest buying speculative calls for anybody interested in a more aggressive choice, but the premiums really don't justify the hassle. Unfortunately, there are no LEAPS, so that's out the window, too.

The same is true for Selling Cash Secured Puts; the premium just isn't there. Alternatively, consider doing some bargain hunting using LowBall Orders in the $37–$40 range.

FED'S BUNGLING MAKES THIS A NO-BRAINER

** All price data as of February 24th, 2023.

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

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

"That good York water"
SINCE 1816

York has paid dividends (get this) for more than 205 years and never missed a payment.

Got questions about the tactics mentioned in this issue?

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

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

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

THIS COMPANY JUST POSTED ITS FIRST-EVER PROFITABLE QUARTER

Now may be your last chance to buy "on the cheap"

PALANTIR

Make no bones about it, Palantir (PLTR) is one of the most challenging stocks I've encountered in years, but that does not change the undeniable, inevitable nature of where I think it's headed next.

Here's why.

The company just posted its *first-ever profitable quarterly results.*

- Revenue: $509 million vs. $502 million expected
- EPS: 4 cents vs. 3 cents expected

Critics are, of course, saying that's just $7 million more than expectations and only a penny on the earnings side.

Don't let that ruffle your feathers.

A beat is a beat is a beat.

Palantir grew revenue by 18% year over year overall, with commercial (the non-military stuff) revenue growing 12% over the same time frame. That makes sense, considering the US commercial customer count jumped 79% from 80 customers to 143.

Palantir uses what's called a "land and expand" sales process that ushers clients through the door, then expands as projects prove a) valuable, and b) very sticky. So every dollar recognized now—however small—potentially turns into a higher-value, higher-margin offering down the line.

Now, here comes the good part.

The company expects to be profitable for the current fiscal year and, if that proves to be what happens, it'll be the first profitable year in Palantir's history.

I think it's a lightbulb moment.

Wall Street has punished the stock relentlessly even as it quietly accumulates shares. This suggests an extremely bullish outlook behind the scenes, even though the big-money players continue to poo-hoo the company publicly.

Context is particularly important when you think about the trajectory at hand. Palantir generated just $38 million in sales from US commercial clients in 2018, but $335 million in 2022… an increase of 781.6% in just 4 years.

Even better, the company ended RY 2022 with a net dollar retention of 115%.

This is an important metric not many investors understand but should.

Net dollar retention is calculated as (a) revenue for the current year attributable to the customers, as counted for the prior year, divided by (b) revenue for the prior year recognized from those same customers.

It means that customers are staying with Palantir AND spending more money as they expand existing contracts.

Adjusted gross margin remains a whopping 82%.

And finally, the company ended 2022 with $2.6 billion in cash and no debt.

Palantir is a "re-recommendation," so I will dispense with the usual OBA Universe analysis because we already know that it's something we want in the portfolio, and there's no need to waste your valuable time by blathering on.

Action to Take

Buy Palantir at market and plan on accumulating shares using dips and gamesmanship to your advantage.

Do NOT pile in—instead, consider DCA/VCAing your way into the position over time. This takes away the meme stock-like volatility that has plagued it and provided a source of churn for much of the recent past.

Tuck shares away in the Global Growth & Income Segment of your portfolio. That's the "40" in the OBA Model Portfolio.

Chapter 3

PORTFOLIO REVIEW

Plus the Fund Folio™ and the March OBA 50™

PORTFOLIO REVIEW (MARCH 2023)

Foundation Stones (50%)

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

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

Global Growth & Income (40%)

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

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

Zingers (10%)

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

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

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

"Vegas Money"

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

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

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

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

Hedges

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

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

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

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

A special note for new subscribers

The One Bar Ahead® Model Portfolio remains in **Accumulate Mode** because prices have now dropped to such low levels that missing opportunities is the more expensive proposition than trying to avoid risks you cannot control.

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

Profit targets and trailing stops are published as a convenience for those who need the money or who simply prefer to use 'em.

The portfolio will return to **Trending Mode** if and when there is an identifiable, sustainable push higher. You'll know because the Bull/Bear State Indicator will reflect that. And, of course, I'll remind you. 😊

New OBAers: I suggest establishing positions using Dollar Cost Averaging or its lesser-known cousin, Value Cost Averaging. This lowers risk "on the way" into stocks while boosting returns over time and keeping otherwise frayed emotions out of the equation. Reinvest as your share count increases to magnify compounding and profit potential.

Existing OBAers: I suggest "tinkering" with core holdings to rebalance risk and harvest profits. Reinvest dividends to boost income and magnify compounding. Doing so helps lower your tax basis while also boosting profit potential over time. It also keeps emotions at bay.

All data as of February 24th, 2023

Foundation Stones (50%)

AAPL

APPLE, INC

Beta
1.09

Yield
0.63%

30d
Δ vs SPX
4.29

Total
α vs SPX
7.51%

Notes

People ask me frequently why I'm so laser focused on Apple, and the answer is deceptively simple. How many other companies do you know that made $1.08B last year, a figure that works out to $750,244 a minute and $12,504 a second??!!

Switching gears here. Apple reported first-quarter 2023 earnings.

Revenue for the quarter came in at $117.2 billion, just shy of Refinitiv estimates of $121.1 billion. EPS for the quarter was $1.88, just missing Refinitiv estimates of $1.94. Even though numbers turned out to be slightly below estimates, the stock has performed well since the earnings report, compared to the performance of the S&P 500 over the same period. Apple has returned -2.58% while the S&P 500 has returned -5.02%.

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

iPhone revenue for the quarter was $65.8 billion—down 8% year over year—but on a constant currency basis, sales were flat. I'm not too worried about the 8% decline as a result. Mac revenue for the quarter came in at $7.7 billion, in line with expectations.

The biggest eye-opener was the iPad revenue that grew a whopping 30% year over year to $9.4 billion.

Apple is one of the most important companies in human history and, to my way of thinking, still just getting started.

PORTFOLIO REVIEW (MARCH 2023)

CLOI

VanEck CLO ETF

Beta
0.06

Yield
3.36%

30d
Δ vs SPX
3.30%

Total
α vs SPX
-6.62%

Notes

CLOI is a collateralized loan obligation fund (meaning it's a single security backed by pooled debt). The fund is a great choice for investors willing to step out a little further on the risk spectrum but who still crave the comparative safety of an actively managed income stream at a time when rates are rising. In this case, investment-grade CLO bonds.

CLOs traditionally have low sensitivity to interest rate changes due to their floating rate coupons, a characteristic, according to VanEck, that makes them similar to leveraged loans, but with additional risk protection resulting from the CLO structure. I like 'em because CLOs typically trade like bonds, but with the longer settlement times associated with loan settlement.

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

JPM

JPMORGAN CHASE & CO.

Beta
1.13

Yield
2.84%

30d
Δ vs SPX
2.90%

Total
α vs SPX
12.56%

Notes

JPM CEO Jamie Dimon is exceptionally good at finding opportunity—and the fact that JPM is already in talks with Ukraine about rebuilding is proof positive that's the case. All via private capital, of course. Savvy instincts like this are why JPM is a must-have.

On another note.

The IPO market was frozen rock-solid at the beginning of the year… after an abysmal 2022 that saw just $6.2 billion raised, with only 2 listings north of $250 million each, according to Liberum data.

Notes (contd)

Not surprisingly, dealmakers hunkered down in their bunkers. Lawyers, founders, and early investors were nowhere to be seen.

Fast forward to mid-February. Financial analytics firm Dealogic reports that 5 IPOs raised $1.17 billion in proceeds in just one week, making it the busiest week in 15 months.

That'll be a major driver for JPM's stock.

Shares are up 38% off their 52-week lows; they're trading at a P/E of 11.6X and yielding 2.86% as I write.

MSFT

Microsoft Corporation

Beta
0.97

Yield
1.09%

30d
Δ vs SPX
2.97%

Total
α vs SPX
-4.39%

Notes

Like Apple, Microsoft is a straightforward opportunity.

- An estimated 95+% of Fortune 500 companies use Azure, and Office 365 controls nearly half of the office productivity software market.

It's only a matter of time until Microsoft takes off again. Until then, you have bargain prices to establish your position.

Shares are trading at a P/E of 27.7X and yielding 1.09% as I write.

RCS

Pimco Strategic Income Fund

Beta
0.78

Yield
13.72%

30d
Δ vs SPX
2.56%

α vs SPX
-9.99%

Notes

The Fed hasn't let off the gas yet when it comes to rates, but we may be closer to that point than people believe. If I'm right—heck, even if I'm not—the dang thing is trading at a 25.28% premium as I write, according to CEFConnect. This tells me we're not alone in our thinking because others are willing to "pay up" for the same stability we're after.

Notes (contd.)

Meanwhile, try not to smile too much at the 10.93% distribution rate/yield.

Continue to accumulate.

Global Growth & Income (40%)

AMD

Advanced Micro Devices Inc

Beta
1.45

Yield
0.00%

30d Δ vs SPX
6.12%

Total α vs SPX
-23.57%

Notes

AMD continues to expand support of its growing 5G partner ecosystem, which has more than doubled in the past year with the integration of the AMD and Xilinx product lines as well as the creation of its new Telco Solutions testing lab in collaboration with VIAVI playing a large part.

Shares of AMD are up more than 40% off their 52-week lows as I write.

ABBV

AbbVie

Beta
0.62

Yield
3.88%

30d Δ vs SPX
5.83%

Total α vs SPX
8.36%

Notes

AbbVie reported fourth-quarter and fiscal year-end 2022 earnings. Revenue for the quarter was $15.1 billion and for the year $58.1 billion, slightly below Refinitiv estimates of $15.3 billion and $58.3 billion, respectively. On the flip side, EPS beat Refinitiv's estimates. EPS for the fourth quarter came in at $3.60 (estimates were $3.56) and for year-end 2022 at $13.77 (estimates were $13.76).

Two drugs, SKYRIZI and RINVOQ, continue to fuel AbbVie's growing sales and contributed $2.3 billion in the fourth quarter alone. SKYRIZI's market share continues to grow and now makes up 28% of the US biologic psoriasis market and approximately 10% of the total US biologic market for psoriatic arthritis.

Notes (contd.)

These two blockbuster drugs coupled with a strong pipeline make AbbVie an attractive play.

This January also marked AbbVie's 10th anniversary as an independent company. Dividends have grown a whopping 270% during that time! Shares are yielding 3.9% and have a P/E of 22.8X as I write.

COST

Costco Wholesale Corporation

Beta
0.69

Yield
0.74%

30d vs SPX
0.45%

α vs SPX
22.16%

Notes

Costco reported sales of $16.84 billion for January, a 6.9% increase from the $15.76 billion in January 2022. These results clearly show why we should prioritize companies making "must have" products and services, especially when they pay dividends. Which Costco does. Its shares are yielding 0.72% as I type.

Costco should report second-quarter 2023 earnings in early March, not long after this issue hits your inbox. I'll update you with important details in next month's OBA.

In the meantime, Refinitiv estimates an EPS of $3.21 for the quarter, a 9.9% increase year over year. Inflation isn't going away anytime soon, and COST will be an ongoing beneficiary as stretched consumers try to make the most of their money.

CTRE

Caretrust REIT Inc

Beta
1.44

Yield
5.51%

30d Δ vs SPX
2.78%

Notes

CareTrust reported fourth-quarter and fiscal year-end 2022 earnings. Revenue for the year came in at $196.1 million, beating Refinitiv's estimates of $191.5 million by 2.4%.

Total
α vs SPX
13.83%

Notes (contd.)

CTRE's latest 10k states, "As of December 31, 2022, CareTrust REIT's real estate portfolio consisted of 216 skilled nursing facilities ("SNFs"), multi-service campuses, assisted living facilities ("ALFs") and independent living facilities ("ILFs") consisting of 22,831 operational beds and units located in 28 states."

High interest rates are starting to impact facilities with variable-rate loans and forcing them to exit. That gives CareTrust the opportunity to pick up facilities for dimes on the dollar. The CIO mentioned that he's seeing more and more of these deals come across his desk.

All this while the broader investment theme hasn't changed. The population is aging, and SNFs, ALFs, and ILFs are becoming more of a must-have every day.

Shares are trading at a reasonable Price/AFFO of 14X and yielding 5.37% as I write.

CVX

Chevron Corporation

Beta
1.01

Yield
3.72%

30d
Δ vs SPX
-10.52%

Total
α vs SPX
77.81%

Notes

Chevron is down 9.5% since it reported earnings on January 27. A brief recap of the earnings highlights: Revenue for the year increased by 51.6% to $246.3 billion. EPS jumped 132% year over year to $18.83 for 2022. On top of all that, Chevron reported a record profit of $36.5 billion. The company also increased the dividend by 6% and tripled the share repurchase plan up to $75 billion. I don't think the stock being down 9.5% is warranted, so it just means a better entry price for you.

Notes (contd.)

The Strategic Petroleum Reserve (SPR) remains at 371.6 million barrels as I write. The Biden Administration announced they would sell 26 million more barrels to fulfill a congressional mandate enacted in 2015 for the current year. Whether it's right or wrong, it's happening. After completion, the SPR will be around 345 million barrels.

MyPOV: Selling a valuable resource that we clearly are still dependent on during a time filled with rising tensions with China is pure insanity. It also suggests oil prices will move higher from the current $74.11 per barrel as I type.

I certainly hope it doesn't come to this, but I think the US and China will be in a conflict by 2025… as I've stated before in the 5 with Fitz. Oil will likely hit over $100 by year-end… and could reach even higher if a conflict ensues. Any mobilization of military equipment is going to take a lot of oil.

Shares of CVX are trading at a P/E of 8.8X and yielding 3.75% as I type.

GILD

Gilead Sciences

Beta
0.31

Yield
3.72%

30d
Δ vs SPX
-1.31%

Total
α vs SPX
43.36%

Notes

Gilead reported fantastic fourth-quarter and fiscal year-end 2022 earnings, beating analysts' expectations. Revenue for the fourth quarter was $7.4 billion and for the full year $27.3 billion… both beating Refinitiv's estimates of $6.6 billion and $26.5 billion. EPS for 2022 came in at $7.26, beating Refinitiv's estimates of $7.11 by 2.1%.

Gilead has reached many new milestones and, over the past month, provided clinical trial updates, but one stands out in particular.

Notes (contd.)

In the US, the FDA approved Trodelvy® in pre-treated HR+/HER2- metastatic breast cancer. According to a company press release, this is the most common form of breast cancer and accounts for about 70% of all new cases. Roughly one in three cases of early-stage breast cancer eventually metastasizes, and the 5-year survival rate for patients is only about 30%. The need for effective treatment is huge.

At the time of this writing, Gilead is trading at 22.2X earnings and yielding 3.72%.

GIS

General Mills Inc

Beta
0.13

Yield
2.68%

30d
Δ vs SPX
7.23%

Total
α vs SPX
2.99%

Notes

General Mills presented at the Consumer Analyst Group of New York (CAGNY) conference this past month. Management highlighted the continued advancement of their Accelerate Strategy, but the real highlight was the updated guidance they provided.

A few brief data points:

- Organic net sales growth of approximately 10%
- Adjusted operating profit growth of 6–7% in constant currency
- Adjusted diluted EPS growth of 7–8% in constant currency
- Free cash flow conversion of at least 90% of adjusted after-tax earnings

Total returns to General Mills shareholders have grown at a 20% compound rate over the past 3 years and at a double-digit compound rate over the past 5, 10, and 20 years—up 9.55% since I recommended GIS in July 2022.

Shares are trading at a P/E of 16.75X and yielding 2.69% as I write.

LMT

Lockheed Martin Corporation

Beta
0.76

Yield
2.50%

30d
Δ vs SPX
6.70%

Total
α vs SPX
55.93%

Notes

I've written extensively in the 5 with Fitz about the integral part defense companies do and will continue to play in America's future. Lockheed is one of the prime names. Some of the recent headlines...

The US Navy awarded Lockheed a $1.1 billion contract to integrate the Conventional Prompt Strike (CPS) weapon system into ZUMWALT-class guided missile destroyers (DDGs). This is the nation's first sea-based hypersonic strike capability, and the contract is worth more than $2 billion if all options are exercised.

Lockheed Martin delivered the first of five C-130J-30 Super Hercules tactical airlifters to the Indonesian Air Force (IDAF).

Lockheed and Juniper Networks demonstrated the ability of mission-aware routing technology to the Department of Defense. This technology streamlines and prioritizes the flow of critical information from contested remote environments to commanders stationed around the globe.

It's obvious how central a role Lockheed plays in US defense... and will continue to play as the Russia/Ukraine war rages and tensions between the US and China continue to rise.

Shares of LMT are up 28% off their 52-week lows and have outperformed the S&P 500 by 29.88% over the last year. You can scoop up more shares now while it's trading at a P/E of 22X and yielding 2.50%.

PORTFOLIO REVIEW (MARCH 2023)

MUFG

Mitsubishi UFJ Financial Group

Beta
0.79

Yield
3.15%

30d
Δ vs SPX
-1.95%

Total
α vs SPX
3.35%

Notes

JPMorgan Research published currency outlooks/expectations for 2023. The report commented on the US dollar vs. Japanese yen, "What has changed for the yen has been the earlier-than-expected BoJ pivot.

Our baseline macro view now looks for a further relaxation of YCC later this year, which would form an additional bullish tailwind for the yen."

If you're a foreign investor (that is, an investor outside of Japan) this a good thing for you. If the yen appreciates or the dollar falls—as I think will be the case later this year—it will buy more of your domestic currency (US dollar, British pound, etc.).

On to other news. MUFG reported third-quarter 2023 earnings, which saw a 61.2% drop in third-quarter net profit. The loss was caused by the sale of its US unit, MUFG Union Bank, which would be mostly offset by an accounting profit in the fourth quarter. I'm willing to wait to see what fourth-quarter earnings do… I'm not overly concerned about the third-quarter results.

In the meantime, shares are up 6.11% vs. the S&P 500, which is up 3.09% since I recommended MUFG in early January.

PFE

Pfizer

Beta
0.56

Yield
3.93%

30d
Δ vs SPX
-3.42%

Total
α vs SPX
-4.82%

Notes

Pfizer shares have hung in there ever since the media frenzy over "weak" guidance. Shares are down -4.03% vs. the S&P 500, which is down -2.10% since Pfizer reported earnings at the end of January. More importantly, shares are trading toward their 52-week lows, and that means a better entry price for you, as I noted in a recent update.

Some news on Pfizer's current events and pipeline: Pfizer's elranatamab received a priority review by the FDA for the company's Biologic License Application. If approved, this could be a big-time winner for Pfizer and patients struggling with multiple myeloma (MM). Over 34,000 new cases of MM per year are diagnosed in the US and 176,000 globally.

The FDA also accepted for review a Biologics License Application for PF-06928316 (or RSVpreF), a maternal vaccine candidate for respiratory syncytial virus (RSV). It's supposed to prevent medically attended lower respiratory tract illness (MA-LRTI) and severe MA-LRTI caused by RSV in infants from birth up to six months by active immunization of pregnant women. The FDA will decide on the approval of the drug by the end of August at the latest.

There's a lot on the horizon to be excited about.

Shares are trading at 8X earnings and yielding 3.88% as I write.

PORTFOLIO REVIEW (MARCH 2023)

PLTR

Palantir Technologies Inc

Beta
1.67

Yield
0.00%

30d
Δ vs SPX
13.97%

Total
α vs SPX
-72.72%

Notes

Palantir knocked fourth-quarter and fiscal year-end 2022 earnings out of the park. Revenue for the year and fourth quarter came in at $1.9 billion and $509 million, respectively, falling in line with Refinitiv estimates for the year and beating fourth-quarter estimates by 1.2%.

More importantly, this is Palantir's first profitable quarter and year. 2023 should be just the same, and even better! Strong customer growth will help them get there.

The 976 deals closed in 2022 marked an increase of 61% year over year, and the total billings increased 21% year over year to $1.8 billion. That's a serious boost!

I should also mention that Palantir ended the quarter with $2.6 billion in cash on the balance sheet and $0 in debt. Stay the course.

RTX

Raytheon Technologies Corporation

Beta
1.28

Yield
2.21%

30d
Δ vs SPX
2.14%

Total
α vs SPX
2.49%

Notes

The CCP's Ministry of Commerce put Lockheed Martin and Raytheon on its sanctions list over sales to Taiwan.

According to various reports, both companies can no longer invest in China, senior management is barred from entering the country, residence permits for any staff in China are cancelled, and fines have been imposed that are double the contracted amounts of the companies' arms sales to Taiwan.

Notes (contd.)

Neither LMT or RTX currently sells defense products to China (although Pratt & Whitney, a subsidiary of Raytheon, sells aircraft engines and landing gear to China's aviation industry). A ban on product sales of $0 is $0 in lost revenue for Lockheed, and any sales decline from Pratt & Whitney will likely be offset by the gain in the Raytheon Missile & Defense segment.

In recent news, Raytheon received a $135 million contract from the US Air Force Life Cycle Management Center for subsidiary Collins Aerospace business to continue producing new, advanced propellers for C-130 aircraft.

Shares of RTX are 24% off 52-week lows and outperforming the S&P 500 by 14.65% over the past year—all the while still sporting a reasonable P/E of 28.4X and yielding 2.21%.

SLB

Schlumberger Limited

Beta
1.10

Yield
1.85%

30d
Δ vs SPX
-3.95%

Total
α vs SPX
-5.60%

Notes

Schlumberger continued to bolster its technology by acquiring Gyrodata, which adds its wellbore placement and surveying technologies to SLB's Well Construction business. This combination will improve wellbore quality and reduce drilling risk to unlock even the most remote and complex reservoirs.

My previous statements on the SPR and US-China tensions in the Chevron review above apply here too.

Shares of SLB are trading at a P/E of 22.3X and yielding 1.87% as I write.

TSLA

Tesla Inc

Beta
1.94

Yield
0.00%

30d
Δ vs SPX
25.07%

Total
α vs SPX
-27.42%

Notes

Tesla is up 93.38% off its 52-week lows and is outperforming the S&P 500 by 56.18% as I write. I recommended on 2/10/23 that anybody following along as directed convert to "FreeTrade" status by selling half of your holdings when prices hit 100%. It's okay if you missed it—I have a feeling the share price will be 100% off its 52-week lows again very soon. When it is, execute the FreeTrade if you missed the one earlier in the month.

Here's why I think the stock will shoot above the 100% mark off the 52-week lows again:

- Tesla delivered 1.3 million vehicles in 2022, compared to 936,000 in 2021. The demand is there!
- Operating margins for 2022 were an industry-leading 17%.
- This on top of whether you agree or not... the continued trend toward EVs.

With these tailwinds behind it, a P/E of 54.3X doesn't seem unreasonable. The E part of the equation will grow rapidly!

WM

Waste Management Inc.

Beta
0.64

Yield
1.85%

30d
Δ vs SPX
1.45%

Total
α vs SPX
3.61%

Notes

Waste Management recently priced $1.25 billion of senior notes, the proceeds of which are anticipated to be used to roll over the company's existing debt. The new notes are at a higher rate than the debt WM is retiring, but our thesis of the must-have product WM represents is still intact.

Shares are trading at a P/E of 28.3X and yielding 1.84% as I write.

Zingers (10%)

CRWD

CrowdStrike Holdings

Beta
0.95

Yield
0.00%

30d
Δ vs SPX
14.49%

Total
α vs SPX
-23.45%

Notes

CrowdStrike will report fourth-quarter and fiscal year-end 2023 earnings on March 7. I'll update you with important data in next month's issue.

CrowdStrike has beaten Refinitiv's EPS estimates every quarter since Q2 2019. I think the trend will continue.

ETN

Eaton Corporation PLC

Beta
1.13

Yield
1.99%

30d
Δ vs SPX
9.90%

Total
α vs SPX
21.96%

Notes

Eaton reported stellar fourth-quarter and fiscal year-end 2022 results. With an EPS of $2.06 for the quarter and $7.57 for the year, Eaton hit all-time records.

Let's unpack what led to these record numbers.

Q4 margins were 20.8% and up 150 basis points from the prior year. For the full year, they delivered record segment margins of 20.2%, up 130 basis points from the prior year. Setting record margins when tons of other companies are yelling margin compression is pretty impressive.

On a rolling 12-month basis, Electrical orders were up 25% and Aerospace orders increased 24%, which led to a record backlog of 68%.

Shares are trading at a reasonable P/E of 22.8X as I write, and the board announced a dividend increase of 6% for the divvy due in March. Taking the increase into account, shares are yielding 1.99%.

PORTFOLIO REVIEW (MARCH 2023)

NVDA

Eaton Corporation PLC

Beta
1.55

Yield
0.07%

30d
Δ vs SPX
19.82%

Total
α vs SPX
14.25%

Notes

NVIDIA reported fourth-quarter and fiscal year-end 2022 earnings and knocked them out of the park. Revenue for the quarter came in at $6.1 billion, beating Refinitiv estimates of $6 billion. Revenue for the year was $27 billion, beating Refinitiv estimates of $26.9 billion. EPS for the quarter and year was $0.88 and $3.34, respectively.

Digitalization may be one of the largest investing trends in human history.

NVDA shares are already up 91.9% from their 52-week lows.

I hope you've been buying all along as I've repeatedly encouraged.

I can easily envision $300 within the next 12–24 months, and I'm not alone in my thinking. The average price target is $214.41, according to Yahoo! Finance, but Rosenblatt's Hans Mosesmann reiterated $320.

NVIDIA is now the seventh-largest company in the S&P 500… actually, the sixth largest, if you count Google A and C shares as one company.

Shares are trading at a P/E of 71X, which seems high—but like I've said before, the E part of the equation is about to explode.

RKLB

Rocket Lab USA, Inc

Beta
1.73

Yield
0.00%

30d
Δ vs SPX
-6.59%

Total
α vs SPX
-56.31%

Notes

Rocket Lab continued to bolster its product line by adding two new high-performance space systems products designed to increase the availability of essential satellite components to the global small satellite market.

Notes (contd.)

So far, Rocket Labs space system components have supported more than 1,700 space missions, and the latest offerings will only expand that number.

The company will have reported earnings by the time this issue hits your inbox. I'll update you with important details from the earnings call in next month's issue.

SHOP

Shopify, Inc.

Beta
2.01

Yield
0.00%

30d
Δ vs SPX
-13.46%

Total
α vs SPX
41.45%

Notes

Shopify reported fourth-quarter and fiscal year-end 2022 earnings. Revenue for the quarter came in at $1.73 billion, beating Refinitiv estimates of $1.65 billion. Revenue for the year was $5.6 billion, beating Refinitiv estimates of $5.5 billion.

Shopify continues to entrench itself as a must-have business. Some highlights from the earnings transcript:

- The most successful Black Friday/Cyber Monday selling period ever generated $7.5 billion in sales—a 21% increase year over year.
- For the four-day period of Black Friday/Cyber Monday, over 52 million customers purchased brands at Shopify. That's a 12% increase from 2021.
- Shopify now makes up about 10% of the e-commerce market, with this year's gross merchandise value (GMV) surpassing $197 billion.

Shares are now 75% off their 52-week lows as I write. We executed a FreeTrade in early February. If you missed it, be patient. I expect shares of Shopify will trade 100% off their 52-week lows again soon.

Vegas Money (0.5-1%)

NIO

NIO Inc

Beta
1.71

Yield
0.00%

Notes

NIO plans to build 1,000 battery swapping stations in China in 2023. That'll give NIO a total of 2,300 stations, which shows they are starting to build out infrastructure. More importantly, they're one of the few EV makers that are betting on battery swapping as a major power solution for electric cars. If battery swapping does become the way of the future, then NIO has a big leg up on the competition.

NIO is expected to report fourth-quarter and fiscal year-end 2022 earnings as we go to press. I'll update you with important details in next month's issue.

POWW

Ammo Inc.

Beta
0.99

Yield
0.00%

Notes

AMMO reported third-quarter 2022 results. Revenue for the quarter came in at $38.7 million, well below Refinitiv's estimates of $54.2 million. EPS came in at -$0.04.

While these results are underwhelming, don't forget the larger thesis at play.

The ongoing Ukraine-Russia conflict, tensions between China and Taiwan as well as China and the US rising, and a presidential election in 2024, which inevitably will bring up the topic of guns/ammo. These are the catalysts that fuel the flames... especially the first two.

Remember, this is Vegas Money and should be treated as such.

SWBI

Smith & Wesson Brands

Beta
0.79

Yield
3.65%

Notes

Smith & Wesson hasn't announced it yet, but they should report third-quarter 2023 earnings sometime in mid-March.

In the meantime, the same thesis I stated for AMMO above applies here.

Shares of SWBI have gotten off to a strong start this year and have returned 25.1% vs. the S&P's 3.95%. They're trading at a low P/E of 6.3X and yielding 3.68% at the time of writing.

XPEV

XPeng Inc.

Beta
1.26

Yield
0.00%

Notes

XPeng is reporting fourth-quarter and fiscal year-end 2022 earnings on March 17. The company showed some strong yearly vehicle delivery figures, which we highlighted last month.

Quick recap:

- 11,292 vehicles delivered in December 2022, a -29.4% decrease year over year
- 22,204 vehicles delivered in Q4 2022, a -46.81% decrease year over year
- 120,757 vehicles delivered cumulatively for the full year of 2022, a 23.03% increase year over year

Total cumulative deliveries: 258,710 as of December 31, 2022

We'll see how these deliveries factor into earnings results, but don't lose sight of the larger picture. XPeng is using the tried-and-tested Toyota model. Also remember this is "Vegas Money" and should be treated as such.

Shares are close to 20% off their 52-week lows as I write.

PORTFOLIO REVIEW (MARCH 2023)

Hedges (as needed)

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

Notes

As much as I'd like to suggest otherwise, I think it's very prudent to keep all hedges in place. Doing so helps dampen overall portfolio volatility, enhances yield, and, importantly, allows us to focus on what's needed to stay "in to win!"

OBA Fund Folio™

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

The rationale is simple.

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

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

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

KF

Foundation Stones

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

Global Growth and Income

BlackRock Science and Technology Fund (BST)	31%
Pfizer Inc. (PFE)	4%
Altria Group Inc. (MO)	2%
AbbVie, Inc. (ABBV)	2%
iShares MSCI Japan ETF (EWJ)	2%

Zingers

BlackRock Science and Technology Fund (BSTZ)	9%

PORTFOLIO REVIEW (MARCH 2023)

One Bar Ahead® Model Portfolio

PORTFOLIO DETAILS										
3/3/2023	STOCK	REC DATE	ENTRY $	CURRENT	BETA	YIELD	Profit/Loss	STOP	12-24mo Target	Last Instruction
FOUNDATION STONES	AAPL	1/8/2021	$ 132.05	$ 149.29	1.28	0.63%	13.1%	$ 136.51	$ 200.00	Buy/Accumulate
	CLOI	10/7/2022	$ 50.05	$ 51.50	0.07	5.94%	2.9%	As Desired	$ 52.00	Buy/Accumulate
	JPM	3/7/2022	$ 129.21	$ 141.35	1.10	2.81%	9.4%	$ 107.85	$ 175.00	Buy/Accumulate
	MSFT	3/7/2022	$ 278.91	$ 253.57	0.92	1.10%	-9.1%	$ 236.56	$ 400.00	Buy/Accumulate
	RCS	10/1/2021	$ 6.84	$ 5.78	0.84	13.81%	-15.5%	None	$ 8.25	Buy/Accumulate
Global Growth	AMD	8/4/2022	$ 103.91	$ 74.94	1.98	0.00%	-27.9%	25% below entry	$ 132.65	Buy/Accumulate
	ABBV	2/3/2023	$ 145.20	$ 154.88	0.58	3.81%	6.7%	25% below entry	$ 180.00	Buy/Accumulate
	COST	8/6/2021	$ 439.63	$ 468.18	0.78	0.75%	6.5%	25% below entry	$ 634.38	Buy/Accumulate
	CTRE	6/6/2022	$ 18.01	$ 19.84	1.18	5.64%	10.2%	$ 16.56	$ 25.00	Buy/Accumulate
	CVX	9/3/2021	$ 97.49	$ 162.81	1.16	3.73%	67.0%	$ 141.04	$ 219.00	Take some profits + buy protective puts
	GILD	3/7/2022	$ 60.26	$ 79.75	0.41	3.77%	32.3%	$ 67.10	$ 107.90	Buy/Accumulate
	GIS	7/5/2022	$ 75.15	$ 78.35	0.30	2.74%	4.3%	$ 65.66	$ 74.00	Re-Enter/Accumulate
	LMT	11/5/2021	$ 339.89	$ 476.74	0.68	2.53%	40.3%	$ 372.17	$ 502.02	Buy/Accumulate
	MUFG	1/9/2023	$ 6.87	$ 7.08	0.85	3.16%	3.1%	25% below entry	$ 8.51	Buy/Accumulate
	PFE	3/4/2022	$ 48.65	$ 40.77	0.58	4.08%	-16.2%	$ 41.38	$ 70.00	Buy/Accumulate
	PLTR	1/8/2021	$ 25.20	$ 8.29	2.89	0.00%	-67.1%	None	$ 50.00	Buy/Accumulate
	RTX	6/13/2022	$ 91.95	$ 98.83	0.74	2.24%	7.5%	$ 82.80	$ 110.00	Buy/Accumulate
	SLB	11/4/2022	$ 53.10	$ 54.83	1.80	1.82%	3.3%	25% below entry	$ 65.00	Buy/Accumulate
	TSLA	7/25/2022	$ 268.43	$ 196.13	2.11	0.00%	-26.9%	25% below entry	$ 336.86	Buy/Accumulate
	WM	10/31/2022	$ 158.37	$ 148.95	0.72	1.88%	-5.9%	25% below entry	$ 180.38	Buy/Accumulate
Zingers	CRWD	1/6/2022	$ 187.49	$ 124.77	1.06	0.00%	-33.5%	25% below entry	$ 295.00	Buy/Accumulate
	ETN	9/6/2022	$ 138.46	$ 174.20	1.15	1.98%	25.8%	25% below entry	TBD	Buy/Accumulate
	NVDA	3/7/2022	$ 213.52	$ 232.08	1.79	0.07%	8.7%	25% below entry	$ 300.00	Buy/Accumulate
	RKLB	12/2/2021	$ 14.81	$ 4.26	0.80	0.00%	-71.2%	None	$ 17.00	Buy/Accumulate
	SHOP	10/7/2022	$ 27.21	$ 42.17	1.97	0.00%	55.0%	None	$ 41.00	Buy/Accumulate

	TICKER	NAME	YIELD	ling 12 Mor	Last Instruction
Hedges	SH	ProShares:Short S&P500	0%	15.58%	Add as needed
	RYURX	ydex Inverse S&P 500 Strategy Fund;Investo	0%	15.77%	Add as needed
	PSQ	ProShares:Sht QQQ	0%	26.03%	Add as needed
	DOG	ProShares:Short Dow30	0%	8.17%	Add as needed

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

All data as of February 24th, 2023

PORTFOLIO REVIEW (MARCH 2023)

OBA 50

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

Chapter 4

MASTER MARKET INDICATOR®

Improve results, reduce risk, gain confidence!

Bull/Bear State Indicator

Understanding the “state” of the markets is key when it comes to investing.

Traditionally, investors have used the 200-day simple moving average (SMA) to gauge bullish or bearish conditions. But because today’s markets move so quickly, the 200-day SMA has become too unwieldy and sluggish.

That’s why I created the **Bull/Bear State Indicator®** (BBSI).

Reading the BBSI is very simple:

- The markets are **bullish** when the red line is above the blue line.
- The markets are **bearish** when the red line is below the blue line.

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

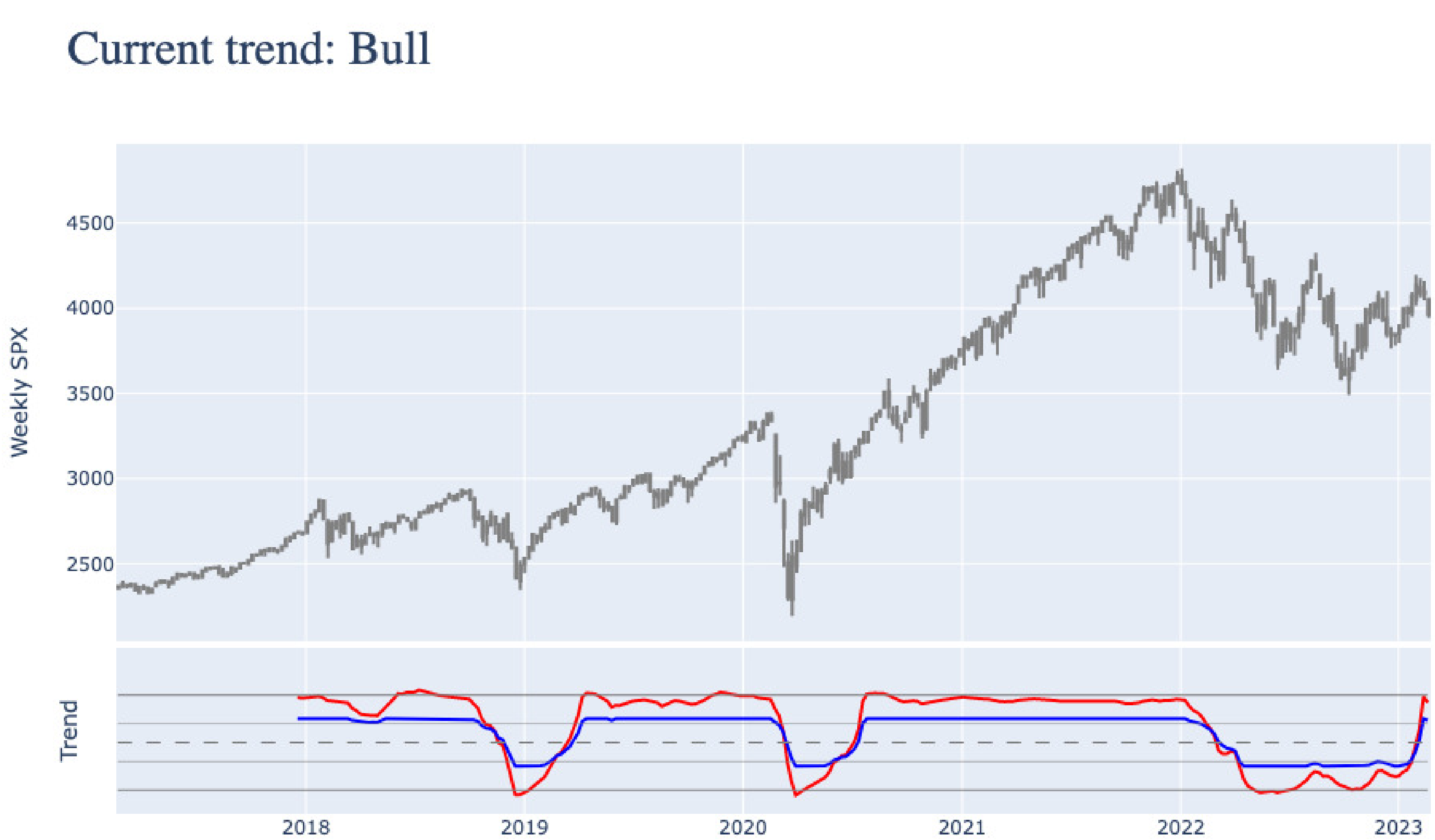
You cannot see those things using the 200-day SMA, but you can very clearly see ‘em using the Bull/Bear State Indicator. And in doing so, invest accordingly.

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

Current Reading = Bullish (as of 2/2/23)

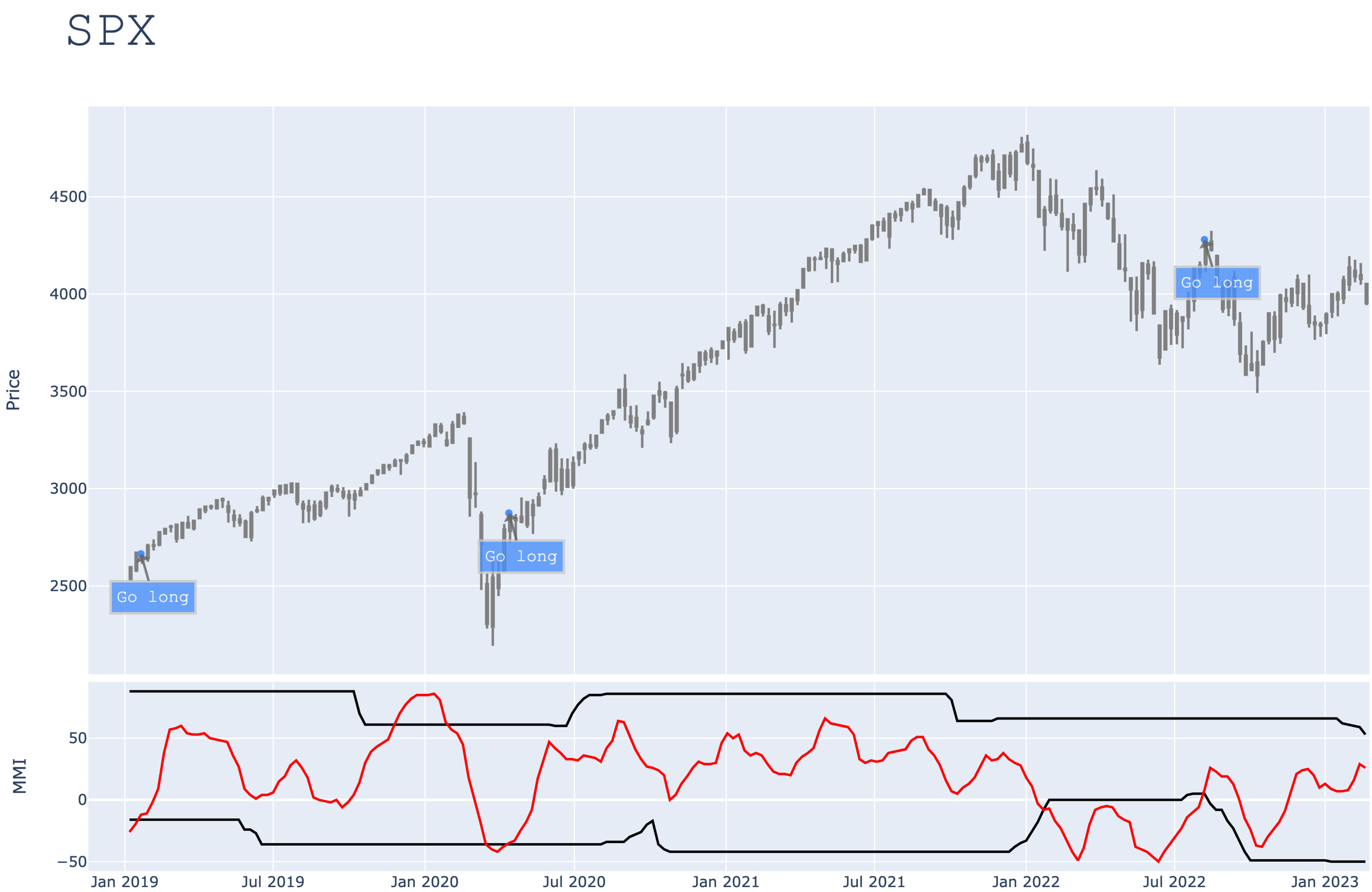
There is no doubt in my mind that Chairman Powell will continue to raise rates, but Atlanta Fed President Raphael Bostic made some decidedly dovish “cautionary” comments as we go to press. Therefore, I suggest we play it cautiously for at least a little while longer.

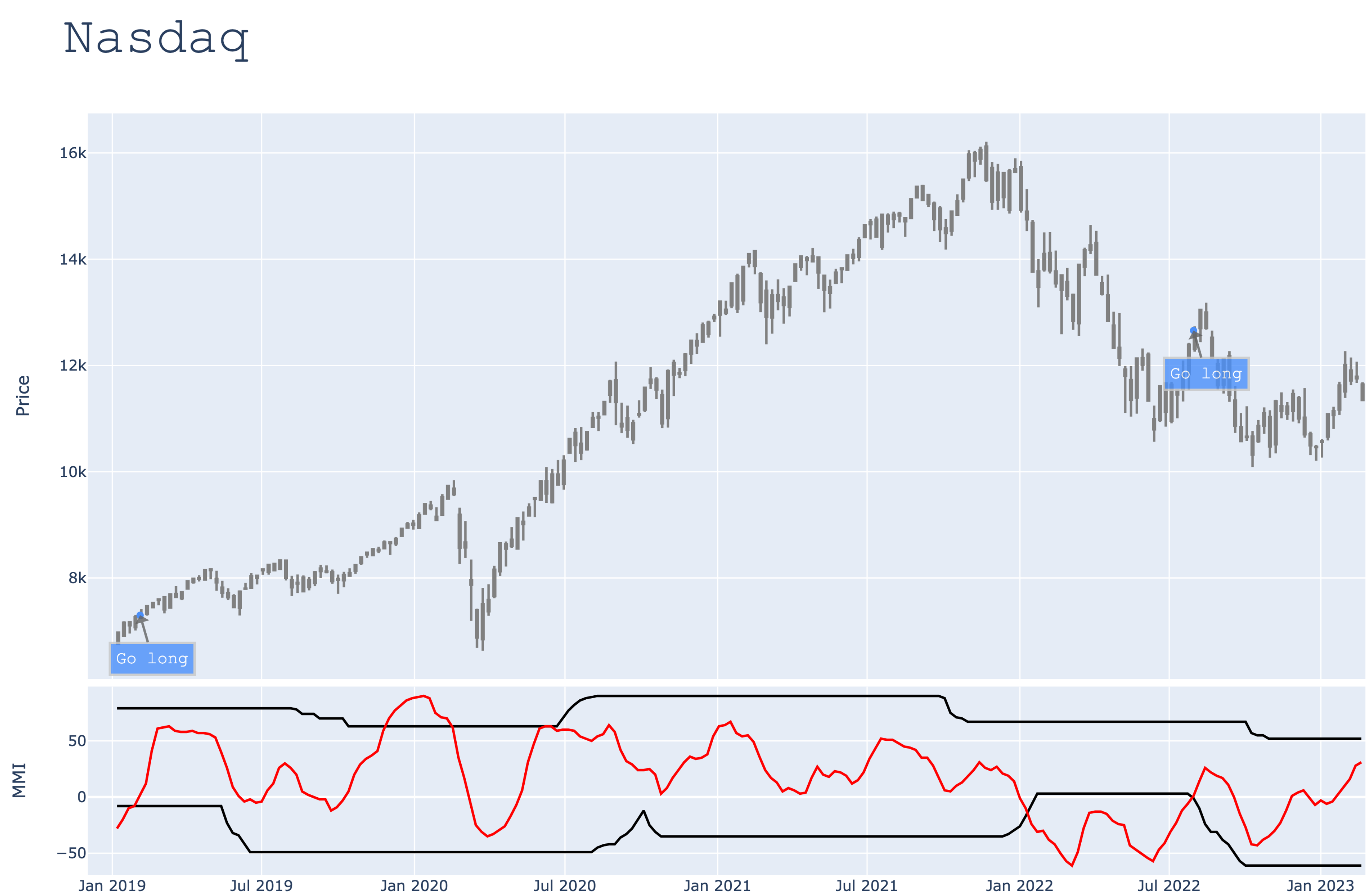
KF



All other chart data as of February 24th, 2023

SIMPLE, UNDERSTANDABLE, ACTIONABLE

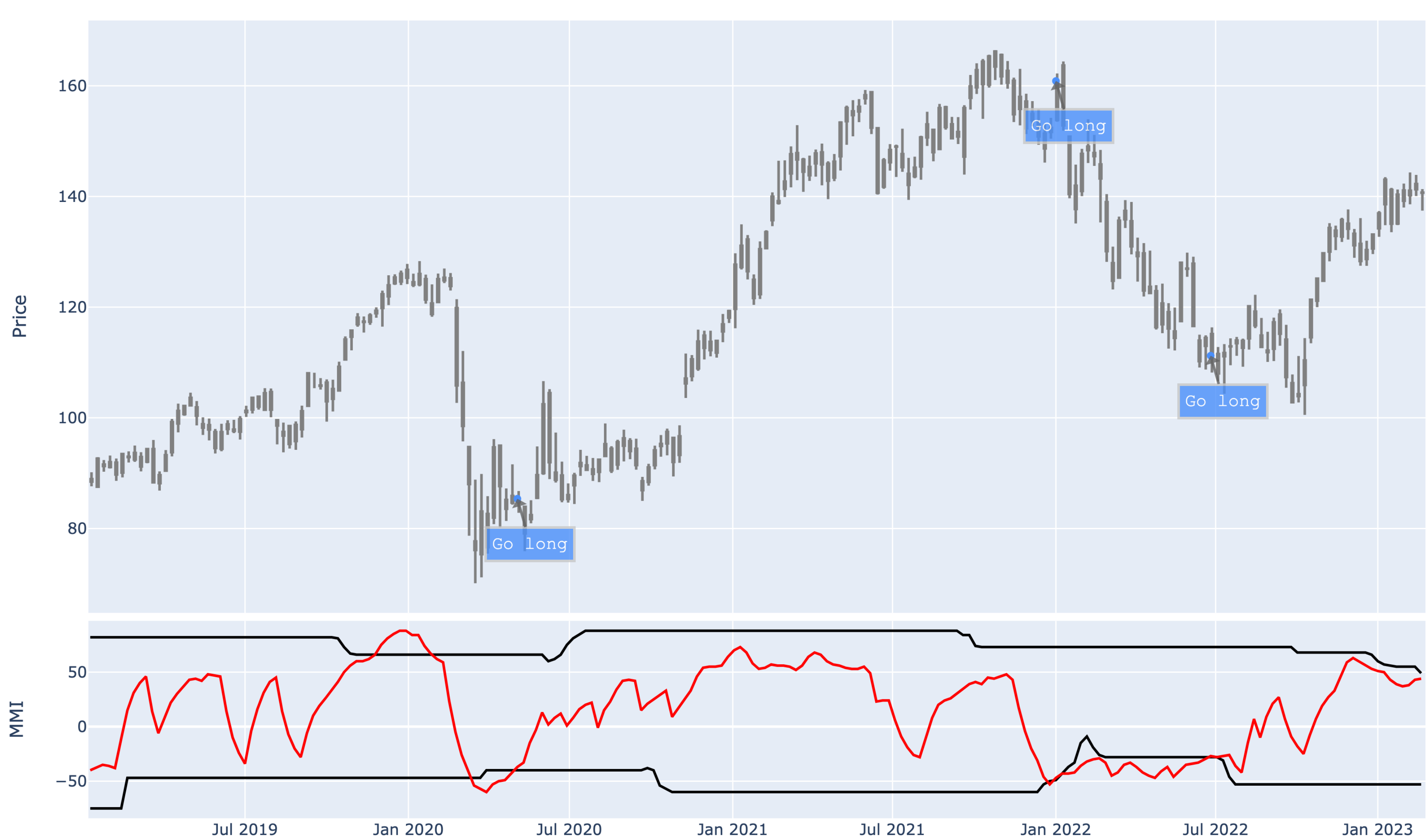




SIMPLE, UNDERSTANDABLE, ACTIONABLE

AAPL

JPM



SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

GILD

GIS

SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

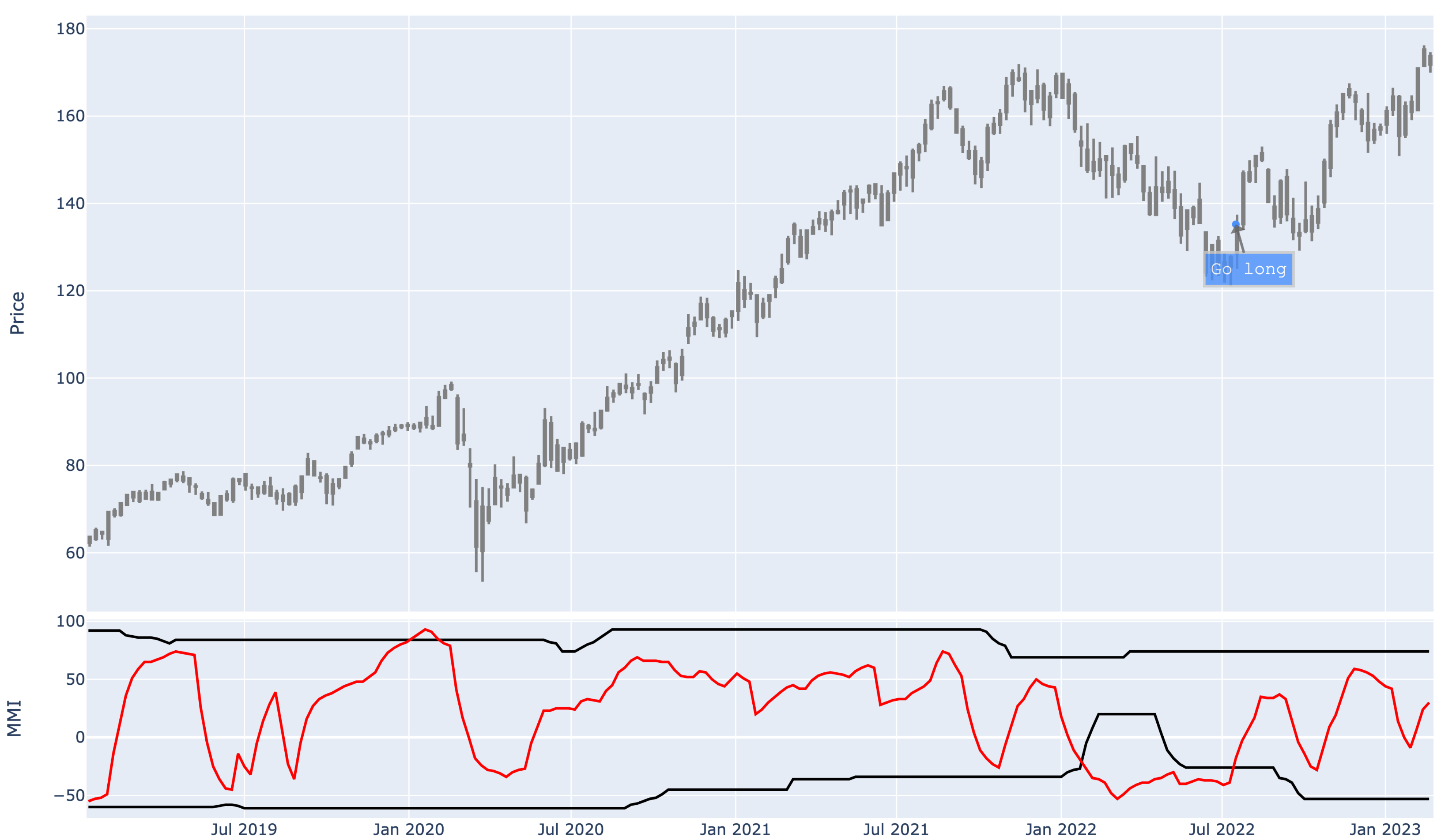
SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

CRWD

ETN



SIMPLE, UNDERSTANDABLE, ACTIONABLE

SIMPLE, UNDERSTANDABLE, ACTIONABLE

FASCINATOR

The surprising relationship between “must have” companies, consumer behaviour, and market capitalization

Many investors instinctively grasp "size" when it comes to buying stocks, but very few really understand the relationship between how big a company is, profits, and long-term investability.

That's why I want to share a story with you.

Then use it to make a point.

Every month, my team and I sit down for what we call the "brain trust." That's our term for the process we use to plan every issue and I use to relay critical thinking behind each investment recommendation.

This month, we talked quite a bit about the importance of "must have" companies at a time when the "nice to haves" are at risk as inflation rages, the Fed's follies continue, and geopolitical concerns are growing more complicated by the minute.

I was focused on the distinction between how and what customers buy when they're feeling pressured, but then my editor chimed in, saying simply, *"Sometimes they don't have a choice."*

"Many years ago," she began, "when I was a newly-wed, my husband and I moved to Oregon. It was right after 9/11, during the recession, and we couldn't find jobs. Soon, we went broke and could barely make ends meet. At that time, we were both heavy smokers. There were days when we looked at our last $5 and said, 'Are we gonna buy food or cigarettes?' The cigarettes almost always won out."

Now comes the good part.

Apply her behavior to the stock market and to the investing process.

Many investors buy "nice to have" companies because they think that doing so is the path to higher returns. What they don't realize is that it's the stuff you can't live without—the "must haves"—that can be really valuable, particularly over long periods of time and especially under conditions like the present.

Wall Street doesn't talk about this relationship very often because they don't understand it. Or, if they do, they choose not to talk about it, but arguably should.

Let me explain.

There is a direct link between sustained market capitalization and companies making "must have" products and services that the world—like my editor—couldn't live without.

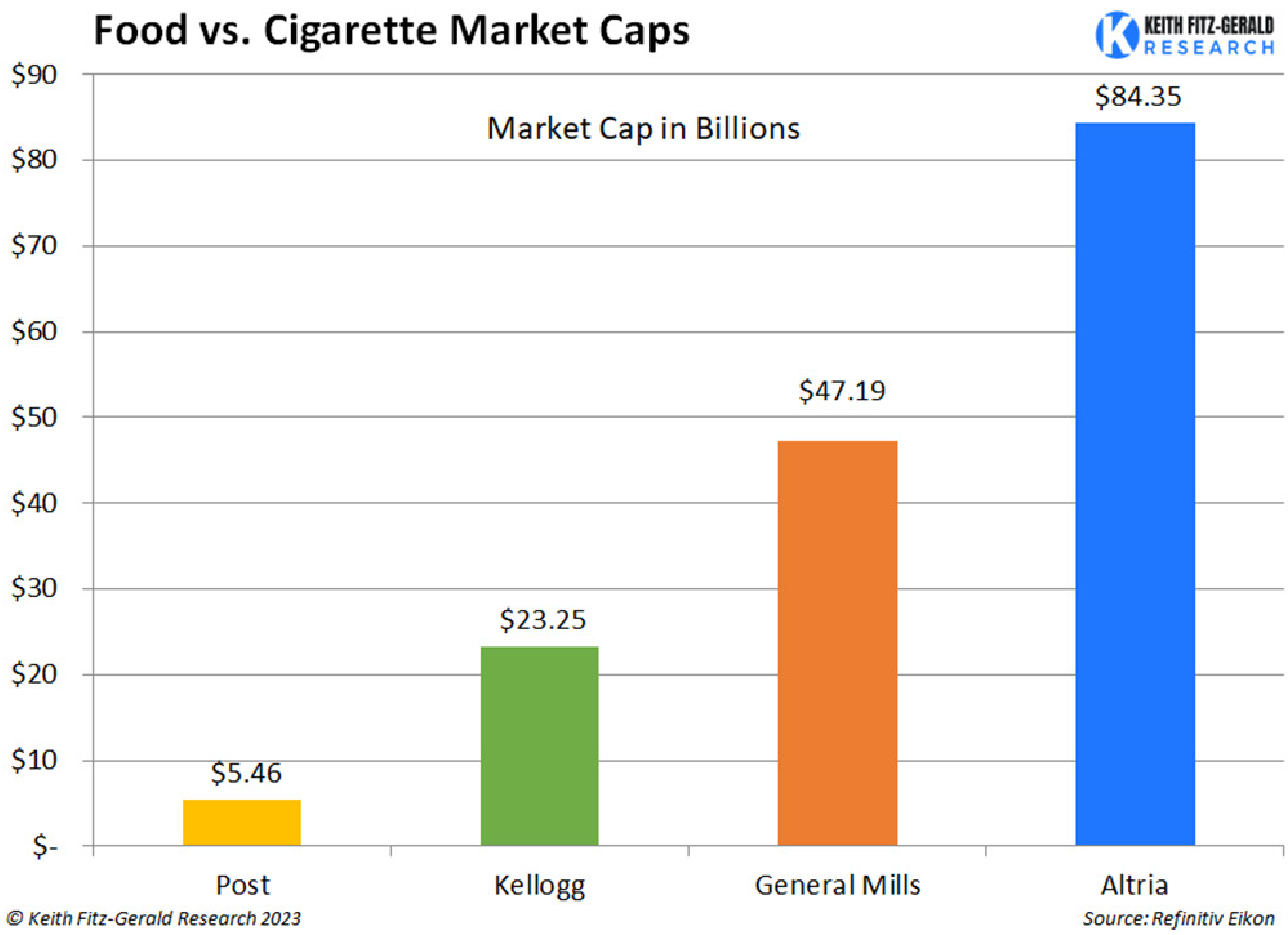
Altria, for example, has a market cap of $84.35 billion **As of 2/22/23.

So?

In isolation, that data point really doesn't mean much, which is why most investors reflexively dismiss it without a second thought.

We know better.

Altria—at $84.35 billion—is more valuable than General Mills, Kellogg, and Post combined.



Here's the thing.

Must-have companies like those we prefer are "must haves" in your portfolio because the same choice that drove my editor years ago still drives people today.

Many people want to buy stocks making nice-to-have products and services because they are enamored with the story, some new gee-whiz-bang technology or other doo-dad that catches their attention. But in doing so, they totally overlook the underlying behaviour needed to sustain the value associated with its share price.

Must-have stocks are typically driven by consumers who cannot help themselves, even though they want to… which is why Apple, Costco, and Lockheed Martin, among other names we talk about frequently, are so critical.

As for Altria…

Lots of investors are keen to buy the stock right now because the narrative is that it'll hold up in a recessionary environment.

I'm not so sure that's as true as it once was, for three reasons:

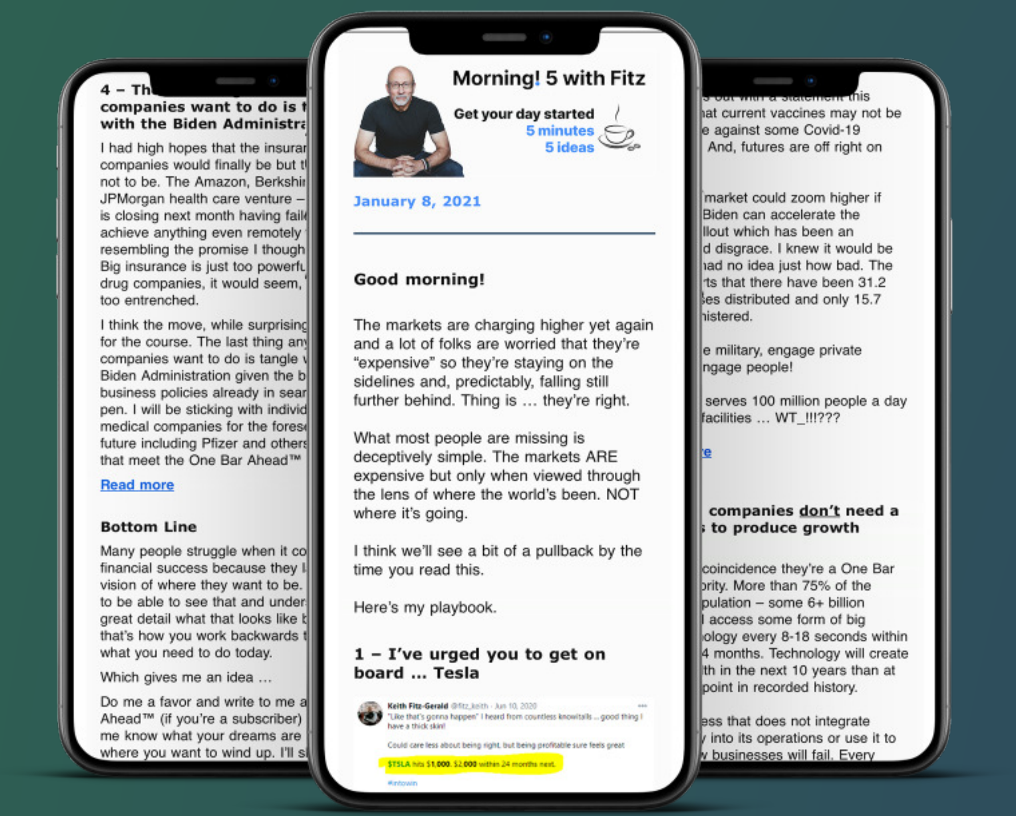
1. Healthy living is on the uptake, which means that smoking is on the way out, even though Altria is doing its best to clear the air with e-cigs (pun absolutely intended).
2. Rising regulatory risks could weigh on fundamentals, creating a dividend trap.
3. Socially responsible investing—like it or not—really is a thing, and that means so-called sin stocks like Altria are offsides when it comes to ESG-driven portfolios.

General Mills (GIS) is the better "must have" alternative, which is why it's in the OBA Model Portfolio and Altria isn't.

KF

Thank You for Reading One Bar Ahead®

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



So good, pros read it!

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

Often described as the next best thing to sitting next to him when the opening bell rings, some readers even go as far as saying it's the best part of their morning!

SIGN UP NOW

↓

www.FiveWithFitz.com

Please note that One Bar Ahead® is a monthly digital journal intended for paid subscribers only. If you are reading this and do not have a paid subscription, that's great because it means you're interested in Keith's research. However, it's also intellectual property theft. Please visit www.keithfitz-gerald.com to obtain your own subscription.

Keith Fitz-Gerald's
ONE BAR AHEAD™

@fitz_keith

www.keithfitz-gerald.com