

**MSFT**  
201.53 ▲ 0.03

**AAPL**  
115.98 ▲ 2.1

**PFE**  
36.01 ▲ 0.51

**MMM**  
365.28 ▼ 2.69

**TSLA**  
419.65 ▲ 5.30

**PLTR**  
10.56 ▲ 0.47

**NVDA**  
340.87 ▼ 4.20

# One Bar Ahead JANUARY 2021™

BY KEITH FITZ-GERALD



**BUY TECH?**  
**KEITH SAYS YES!**

**MAKE YOUR**  
**PROFITS STICK**

**MASTER BIG**  
**DOWN DAYS**

**HIGH**  
**PERFORMANCE**  
**OVER 50**  
(HERE'S HOW)

Plus,  
the 2021  
outlook  
inside!

# HAPPY NEW YEAR!

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## **Letter from Keith**

**Dear Reader,**

I cannot think of a better, more exciting way to start 2021 than by welcoming you to the One Bar Ahead™ digital magazine. This is our first issue and something I've been itching to write for a long time – years, in fact.

I am absolutely positive you will find specific investment and trading research, tips, tactics and techniques on the following pages that can immediately improve your results and, hopefully, make this your best year ever!

I don't use those words lightly. I know that there are a ton of investment research services out there. Moreover, I am acutely aware that you've got choices and that you are placing your trust in me by signing up.

Please know that I take that responsibility very, very seriously and will do my absolute best to earn it every day and at every opportunity.



No doubt you've heard that many people set lofty New Year's goals but fail to meet 'em, especially when it comes to their money and their health. Studies, in fact, suggest that 80% or more go unfulfilled with many folks giving up by mid-February, a mere 45 days into any given year.

While that's terribly unfortunate, that's also entirely normal. You're not alone if you've ever made up your mind, for example, to buy a stock then had it leave the station without you because you never got around to it for one reason or another. Nor would you be the first person to own something because it's heading for the moon only to have it crash land in the financial dumpster.

I've been there, too!

I understand what it's like to look at the news and wonder what the (\*&% can possibly happen next???!!! 2020 saw to that.

I also know what it's like when seemingly everyone else around you appears to be making piles of money but you feel like you're not. It took me decades of hard work, thousands of hours of research time and more than a few visits to the school of hard knocks, but I eventually figured things out.

Young or old, newly minted investor or grizzled veteran with decades under your belt, starting early or finishing late ... it doesn't matter. The path to profits is very clear if you know what to look for.

I believe that anybody can become a fabulously successful investor when given access to the right stocks, at the right time and with the right techniques and tactics.

Things change when you understand not only what to buy, but how, why and when. It's empowering and, if I have anything to say about it, fun.

That's why I've started One Bar Ahead™

My goal is to help you and your money get "one bar ahead" of everyone else and stay there. I want you to be able to confidently look at any headline, any challenge, any unpredictable event knowing full well that you can see the upside and the profit potential it represents. Then, have the confidence and education to do something about it.

Speaking of which, I think 2021 could be a year for the record books.

I suggest starting our time together with my Annual Outlook so that you'll have a big picture perspective and framework you can refer to for the next 12 months. Then, check out how you can make your profits "stick."

If you're looking at tech stocks – and a lot of people are right now – but can't tell which ones may offer the best combination of upside potential and downside protection in the months ahead, I've got a few thoughts for you in Chapter 3. Turn to Chapter 6 if you'd like to know how to turn the big down days that will inevitably come our way from time to time when we least expect 'em into your own personal shopping bonanza.

There's a ton of opportunity out there and – bull or bear – my job is to help you find it.

Happy New Year and, again, welcome!

Best regards for wealth and health,

Keith

*P.S.*

*Please be sure to email me if you have ideas, suggestions, comments or any advice on what you'd like to see me cover in upcoming issues. I love getting feedback which is why my team and I read every message we get.*

*The address is [magazine@onebarahead.com](mailto:magazine@onebarahead.com).*





# 2021 ANNUAL OUTLOOK

Part 1: Reset, rethink, or risk missing  
out on 10 years of profits.



# 2021 Outlook Part 1

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## **This year – 2021 – is critical for two reasons:**

1) Investors and traders will create more wealth in the next 10 years than they have over the last 50 years combined as the world shifts from one limited by access to scarce resources to one enhanced by technical and informational prowess; and,

2) If you don't line up your fair share now, the profit potential associated with it will be gone forever ... and in somebody else's pockets.

Millions of folks think they've got this covered, but history suggests very few actually do or will. They simply don't think far enough ahead, nor do they have access to the kind of quantimetric analysis that you now do as a member of the One Bar Ahead™ Family – a term we'll come back to in a minute.

This year will be complete reset in every sense of the term.

The changes I see ahead are so profound that hunting down profits is no long simply a matter of placing your money in the right stocks this year but, rather, a matter of harnessing the profound changes already in motion to build wealth over the next decade. Perhaps more.

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## **Your time is now**

I hear frequently from investors who tell me two things in the same breath: 1) why they think passive investments or buying the indices is great because they want to avoid risk and 2) that they want to be fabulously wealthy. Good luck with that! The ONLY way to beat the market is to actually buy stocks that beat the market!

Anybody “buying the index” or relying on classic Wall Street “diversification” to grow their money is already being left behind. This is nearly unthinkable for an entire generation of folks brought up on the notion that spreading your money around is the key to better returns.

Tesla is a great example of what I'm talking about.

The company's stock was added to the S&P 500 Index on December 21st ... ten years after the company went public at just \$17 a share and several splits later. Many investors – but particularly those who “index” – have no idea what they've left on the table.

Every \$1,000 invested in Tesla when it IPO'd would have been worth an eye-popping \$168,380 on December 15th when I typed this paragraph. That's a staggering 16,838% gain in only a decade. Even just a \$100 investment could have had life changing implications having turned into \$16,838 over the same time frame.

To be fair, I also hear from investors who worry that've missed out whenever I share data like this but nothing could be further from the truth. Odds are that the next Tesla is already out there.

In fact, I think there will be 10-15 new “Tesla's” created over the next 10 years and, unless you have a way of identifying them early on, you will miss 'em.

Let's start with a very simple premise.

Missing opportunity is always more expensive than trying to avoid risk. You can diversify all you want but if you fail to harness another “Tesla” or uncover the next Amazon, or Google, or Apple, you will get left behind. There's just no two ways about it, especially now.

## **Tomorrow's markets and profits belong to those who “dare” today**

Concentration and liquidity are the new path to profits.

It's not a coincidence that just six stocks – Apple, Amazon, Microsoft, Google and Facebook – account for nearly 25% of total S&P 500 capitalization and profits. Nor is it random.



# 2021 Outlook Part 1

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The stocks that will chart the best, most direct and most sustainable path to profits over the next 10 years are actually some of the biggest, best known and most liquid in the world today.

There really are only about 50 that matter, a fact I'll let sink in for a moment.

## Characteristics of the top 50:

**1) They're operating ahead of unstoppable trends**

**2) They sell products and services that are inevitable**

**3) The changes they define are imminent.**

Think about that for a second ... these 50 companies are so special and so unique that we're talking about just 0.008% of the roughly 630,000 publicly traded companies worldwide according to Investopedia and 2019 data.

Finding 'em is obviously a challenge.

Today's commonly available screeners are simply not up to snuff because we live at a time when long-held assumptions about fundamental investment criteria are falling by the wayside. Compounding the problem is the fact that pure technical analysis has become so widely understood that the advantages once associated with it are vanishing faster than an ice cube on a hot summer afternoon in Texas.

## The key is something called "quantimental analysis."

That's a term very few people outside the highly specialized world of institutional investing have ever heard before. You are not alone if your eyebrows just shot up.

Quantimental analysis is not hard to understand conceptually. It relies on fundamental analysis you know – things like quarterly earnings reports and financial ratios – but rigorously examines those things against the broader context of market moves, price data, news and a myriad of other data.

The goal is a blend of quantitative discipline and fundamental analysis that can spot patterns and relationships that conventional analysis cannot identify and investing opportunities that go otherwise unrecognized. Hence, the term "quantimental" analysis.

Several billionaires and their funds are already using quantimental investment analysis to capture huge profits or are headed in that direction including Steve Cohen's Point72 Asset Management LP, Dan Loeb's Third Point LLC and Larry Fink's BlackRock among others. But I am, to my knowledge, the very first or certainly one of the first to make this form of analysis available to individual investors.

Quantimental analysis is the next big jump and anyone using it has a significant edge when it comes to lining up life-changing wealth potential.

I've spent nearly my entire career working on quantimental analysis in one form or another, even though the term itself is relatively new. It's been a slog. Frankly, I've lost count of the late nights, the thousands of hours of computing time and gallons of coffee I've consumed along the way. I've written and discarded more code than I'd care to admit but eventually figured things out.

The result is what you have in your hands right now – the first ever issue of One Bar Ahead™ - and the One Bar Ahead™ software that will be launching shortly.

Congratulations are in order and not to me, incidentally. To YOU because the fact that you're here and reading along means you are now a quantimental investor, too! Try dropping that term at your next Zoom Happy Hour and see what happens!!!

# 2021 Outlook Part 1

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Anyway, quantamental analysis is the reason why you often hear me say that I'm less concerned about how many iPhones Apple may sell, what Joe Analyst thinks of a stock, or whether one specific new service the company offers means life or death for the company.

I am using quantamental analysis behind the scenes to make systematic decisions about where prices go next, the best time to buy or sell or even whether a stock is worth owning in the first place. There is a predictive element to it.

A few years ago, this would not have been possible. We simply didn't have the computing power to do this kind of analysis on a regular basis. Thankfully, cloud computing and ever more powerful processors have changed all that.

Whereas I used to have to run thousands of lines of code to derive even the most rudimentary quantamental data every few days, my team and I now parse 2.4+ million data points every 24 hours. Sometimes double or triple that depending on what data I'm trying to make sense of when it comes to specific stocks.

Which brings me back to what I call the "OBA 50" – as in those 50 companies I mentioned a few moments ago as representing the best possible mix of fundamental quality and technical price/profit potential based on my research.

I will be updating the OBA 50 every month and you will have complete access to the entire list in each issue. Some companies you'll recognize while others will be comparative unknowns depending on what the quantamental underpinnings are when we run the analysis.

The key thought to keep in mind is that the OBA 50 are very much a "buy the best, ignore the rest" choice.

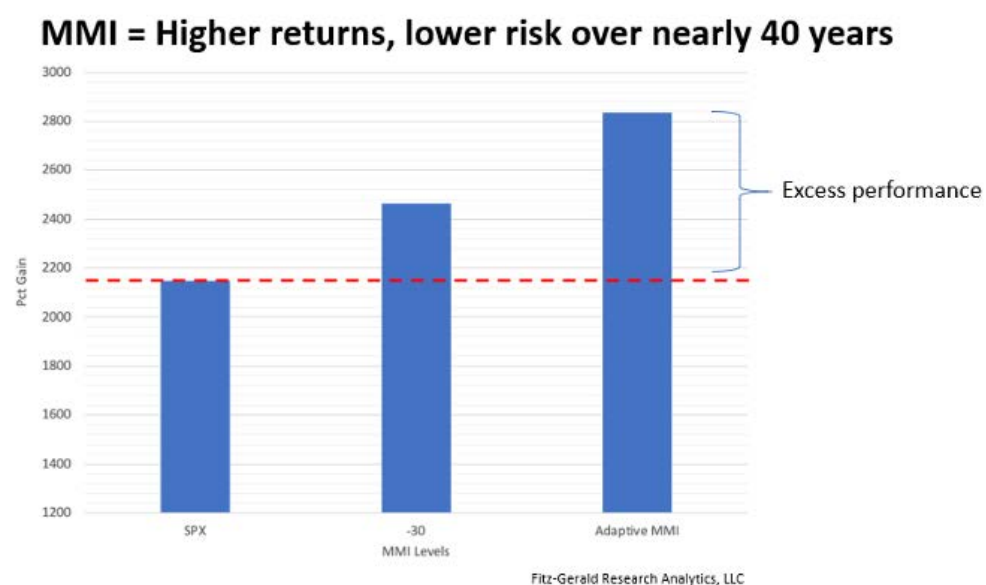
Be sure to take a hard look at the corresponding "fascinator" for a look at why this matters.

There will also be a corresponding 3 – tier ranking based on the Master Market Indicator ("MMI" for short) that I created to determine whether conditions favorable to buying or selling at any given moment in time. I'll be applying the MMI to the markets as a whole and to individual stocks so that we – you and I – understand where the markets are at any given moment and, importantly, what that says about what happens next.

Buying when the MMI approaches "peak efficiency" is important because that's what creates excess returns over long periods of time. Selling or simply standing aside when the MMI suggests inefficiency is obviously something we're also interested in because doing so helps minimize risk.

I am obviously well aware that conventional wisdom says you can't time the markets, but I've never believed that especially since my research suggests otherwise.

Adding the MMI to the S&P 500 Index, for example, significantly improved buy and hold results on nearly every stock, fund, and index we've tested but particularly for high liquidity stocks regardless of sector or market cap.



*MMI returns excess performance of nearly 700% over 40 years on SPX alone*



# 2021 Outlook Part 1

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Interestingly, low-liquidity stocks don't appear to generate the same kind of advantage, so the vast majority of small cap stocks don't make the cut at the moment. My team and I are still researching that however and hope to have some answers by mid-2021.

I will highlight one or more of the OBA 50 every single month in accordance with market conditions that make them an optimal buy, sell or hold. We'll also be profiling companies that are added to or dropped from the list because that can be an important precursor to subsequent profit potential – either long or short.

Now, I can hear your brain cells ticking ... you do NOT need to own all 50 stocks at once, unless of course you want to!

The OBA 50 is a “universe” that has been pre-screened for quality, suitability and investment potential based on the quantimetric analysis of related trends and data. Like a menu at a great restaurant, you can pick and choose what you want knowing you're probably going to get a fabulous meal.

Practically speaking, I suggest using the OBA 50 to fill in any gaps in stocks that you already own through your own investing or via other sources. I also suggest that you gradually begin aligning the OBA 50 with your own risk tolerance, investment objectives and situation using recommendations in each issue as your guide.

There's no need to do everything at once nor is that even remotely prudent for the vast majority of investors.

If you're just starting out and don't have a lot of money, don't worry ... you are NOT out of luck by any stretch of the imagination. In fact, you actually have a tremendous advantage over those of us who have been around since dinosaurs roamed the earth because you can start from scratch.

There are several brokerages now offering fractional shares which gives you all the upside you can handle even if you have a significantly smaller bankroll or comparative lack of experience. What I would have given to have had access to something like that back when I cut my teeth!

My goal is that we – you and I - build up a blend of long-term “steady Eddies” characterized by excellent liquidity and fundamentals and price action as well as an appealing combination of short, fast profit potential driven by shorter-term market dynamics. Apple (AAPL) is a great example of the former and Palantir (PLTR) the latter.

Where possible, I'll provide alternatives so that you have more than one way to tap into the profit potential. Tesla (TSLA), for instance, is extremely expensive at \$801.53 a share but the BlackRock Technology Sciences Fund (BSTZ) which holds a good chunk of Tesla is only \$35.43 a share.

I will also be highlighting special situations from time to time when the profit potential for a short-term move is compelling even though there may not yet be enough data to develop a full-blown OBA 50 rating. Luminar (LAZR) comes to mind, for instance.

We're going to be shooting for huge winners over time but that does not change the fact that short-term market conditions can and will pressure the OBA 50 at moments in time despite their overwhelmingly attractive investment potential. Not every stock I recommend will be a winner.

I want there to be no misperceptions about the possibility of losses; they happen, and they are a part of the investing/trading process without exception. If that makes you uncomfortable, then I urge you to seriously rethink your involvement in the financial markets.

Not every investment is suitable for every investor and there's just no getting around that.

# 2021 Outlook Part 1

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I wish I didn't have to be so blunt, but you place a lot of trust in me and I take that very, very seriously. I simply do not want to let you down and my team and I do our very best to ensure that we earn that trust every single day.

Speaking of which, let's move on to the fun stuff!

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## THE OBA 50 (JANUARY 2021)

Ticker	Name
TSLA	Tesla Inc
MRNA	Moderna Inc
ZM	Zoom Video Communications Inc
ENPH	ENPHASE ENERGY INC.
FSLY	FASTLY
PTON	Peloton Interactive Inc
NET	CLOUDFLARE
ETSY	Etsy Inc
CRWD	CROWDSTRIKE HOLDINGS INC
SQ	Square Inc
ZS	Zscaler Inc.
PINS	Pinterest Inc
TWLO	Twilio Inc
TTD	Trade Desk Inc
DOCU	DocuSign Inc
SEDG	Solaredge Technologies Inc
W	Wayfair Inc

Ticker	Name
BILL	BILL.COM HOLDINGS
Z	Zillow Group Inc Class C
ROKU	Roku Inc
DDOG	DATADOG
NVDA	NVIDIA Corp
CVNA	Carvana Co
AMD	Advanced Micro Devices
PYPL	PayPal Holdings Inc
COUP	Coupa Software Inc
MDB	MongoDB Inc
TDOC	TELADOC HEALTH
NOW	ServiceNow Inc
HUBS	Hubspot Inc
OKTA	Okta Inc
RNG	RingCentral Inc
AAPL	Apple Inc
AMZN	AMAZON COM INC

Ticker	Name
SPOT	SPOTIFY TECHNL
FDX	FedEx Corp
TEAM	Atlassian Corp Plc
NUAN	Nuance Communications Inc
WORK	Slack Technologies Inc
FCX	FREEMPORT MCMORAN INC
BYND	Beyond Meat
ALGN	ALIGN TECHNOLOGY INC
QCOM	QUALCOMM Inc
TWTR	Twitter Inc
PLTR	Palantir
TMUS	T-Mobile US Inc
NFLX	Netflix Inc
UBER	Uber Technologies
IPHI	INPHI CORP
VEEV	Veeva Systems Inc



# 2021 ANNUAL OUTLOOK

Part 2: Five Trends That Will Power  
the Next Ten Years of Profits





# 2021 Outlook Part 2

## ● Five Trends That Will Power the Next Ten Years of Profits

There are five trends that will produce more profits in the next ten years than the next 10-20 sub-trends combined. These are what I call “persistent” certainties – meaning they’re Unstoppable, Inevitable, and Imminent (“UII”).

The time to get ahead of ‘em is now, early on and long before most investors recognize the potential.

In order of economic, social and financial impact/opportunity, these are:

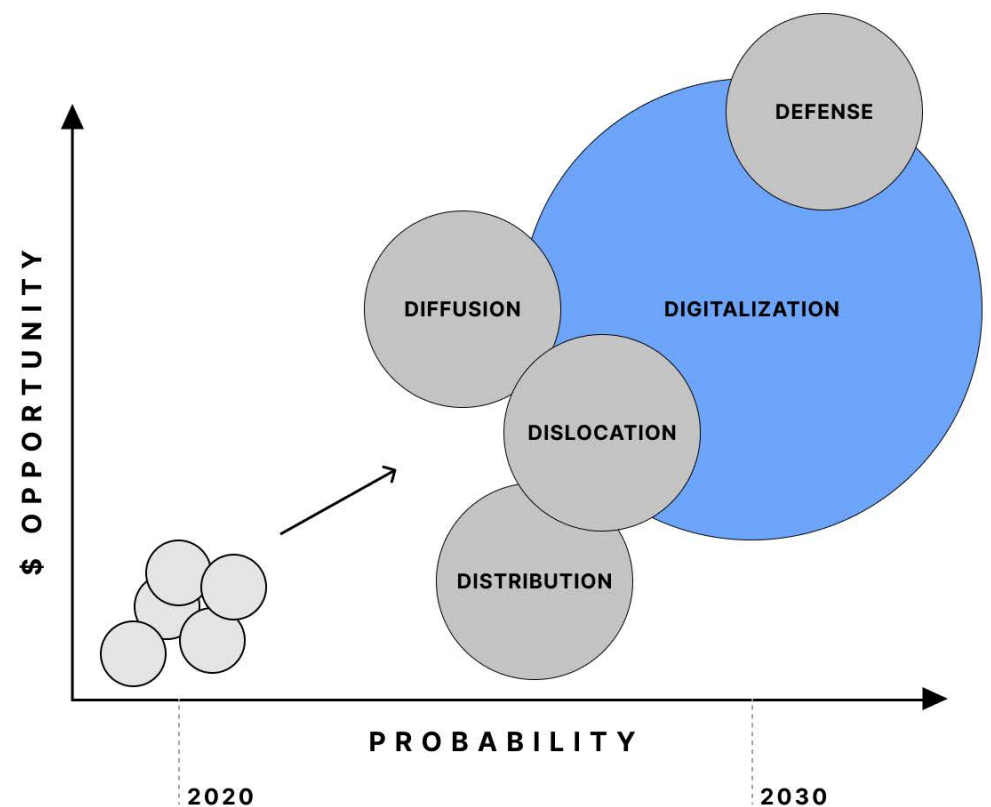
### 1: Diffusion

Traditional geopolitical structures are breaking down as the global economic center of gravity continues to shift towards the Far East. This is an extraordinarily uncomfortable thought for millions of people who’ve spent their entire lives in a world where this has been a European-centric reality. But the truth is that China has had the world’s largest GDP for 18 of the last 20 centuries and, starting this year, it will again.

It’s a numbers game, pure and simple. Three of five people alive today live in just two countries – China and India – so the shift we are seeing now is not only unstoppable, but also inevitable and imminent. I put the situation this way at conferences around the world ... the dragon is coming to dinner – the only question is whether you and your money are at the table or on the menu.

Once rigid organizational structures will be replaced by individuals who are not only on the move, but who’s entire existence is nomadic in nature. Digital citizenship will become *de regueur* within the next 5 years and entirely normal by 2030. Taxation and regulatory assumptions will break under their own weight because the governments that created ‘em cannot keep up.

## THE 5 D’S



The global governance system, which is already at risk from the pandemic, will usher in an era in which the United States and Europe are no longer capable of nor interested in global leadership.

Contrary to what Washington has deluded itself into believing for the past 50 years, a newly powerful China has no intentions whatsoever of integrating itself into the existing world order. Instead, China wants to re-create the world order in its own interests using the doctrine initially laid out in Unrestricted Warfare by PLA Colonels Qiao Liang and Wang Xiangsui in 1999 and followed since. It will lie, cheat, steal and distract to achieve its objectives at any cost.

If the past 10 years can be characterized as a decade of changing alliances, I see the next 10 as a decade of regrettable alliances and strange new “friendships.” Peace is not breaking out in the Middle East, for instance, because peace is desirable; rather we are seeing formerly unthinkable bridges built to ensure survival in the face of China’s entirely self-serving strategic interests.

# 2021 Outlook Part 2



People WILL relocate

## 2: Dislocation

More than 2 billion people will climb into the middle class worldwide as poverty is gradually eliminated. This will push vast swathes of the world into uncharted territory politically, socially and economically.

I see Africa, for example, very much where I saw China 20 years ago and with similar investment potential. The relative lack of legacy infrastructure is perhaps the world's biggest competitive advantage although it has historically been viewed as something holding back future growth. For example, the continent can jump, straight into implementing technologies like 5G, distributed power generation and autonomous distribution rather than being held back by trillions of dollars sunk into antiquated phone lines, electric grids and decaying transit infrastructure.

The deurbanization that began in 2020 in top tier nations because of Covid-19 will accelerate around the world. I made the observation nearly a decade ago in a 2011 Annual Outlook that Las Vegas could become the world's first modern ghost town because of looming water shortages, but I now think it could be places like Silicon Valley, San Francisco, Los Angeles, New York and Seattle as a function of the pandemic. Early data suggests the return to formerly vibrant urban cores may be just 10%-15% at best, a figure I expect to fall under 5% in some areas.

## 3: Distribution

More than half the world will live in resource challenged areas by 2030 which means that an inordinate amount of money will be spent to ensure billions of people have access to food, water and sanitation.

Governments have traditionally attacked this problem as a scarcity-related issue but it's really a function of distribution and innovative science. The pandemic has highlighted just how behind the curve many really are when it comes to a massive, coordinated response.

Sadly, instead of addressing failed policies, changing course and pressing resources into service to fix the problem, governments around the world have dug in their heels to preserve power. Most people know it, even if only anecdotally. The push to socialism, the war on success, the widespread rioting, the virulent political discord playing out are all signs that huge swathes of society have had enough.

Private industry has, of course, picked up the ball and started to run creating what I call a "genie out of the bottle" scenario. Covid-19 has dramatically accelerated everything from medical development to transportation to shopping and delivery. It has also unapologetically and brutally called into question higher education, personal liberty, health care, economic policy, and more. The \$15 an hour minimum wage movement, central banking influence and debt forgiveness may provide a soft reset, albeit involuntarily and albeit only for a little while.

The much broader so-called "war on success" will accelerate, ultimately coming to a head within the next 10 years because the potent combination of rising expectations and falling reality is a key ingredient underpinning revolutionary change. Whether that is violent and driven by retribution and revenge or peaceful and prompted by the desire to build a brighter future remains unseen.



# 2021 Outlook Part 2

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## 4: Digitalization

Many people assume this is the same thing as digitization and, in fact, use the words interchangeably. That's a mistake - digitization is merely the process of making something digital.

Digitalization, as I define the term, is a much broader transformational influence that changes the very nature of the human experience.

Digitalization is measured in terms of productivity and efficiency gains, rather than bits or bytes. There isn't an industry segment, process or product that won't be impacted.

Many people view today's technology as being related to very narrowly defined segments that are typically oriented around specific products like iPhones, data security, social media.

However, the real opportunity is a hyper-connected "Super-App" because of the distributed trust inherent in the branding that will be associated with it. Apple is closest to this space now, but Microsoft, Amazon, Facebook and Alphabet are edging in but from different directions.

The first company to master it will be winner "take all" a la Tesla.

## 5: Defense

The world we live in 10 years from now will be very different from the world we live in today if for no other reason than the rise of disequilibria associated with religious, economic and political ideologies. Normally, this would be a function associated with progress, but my analysis suggests this will be a by-product of a significant shock to nearly every critical system in use today because of the role yet to be defined by non-state actors. The SolarWinds situation that came to light last year is an excellent example of what I am talking about.

Sadly, the potential for conflict is going to rise as non-state actors increasingly challenge the status quo.

Global uncertainty will peak 12 years from now with 10-15 new "Tesla" like entrants creating unprecedented wealth in the meantime.



The first to develop a "super-app" will take all



# 2021 ANNUAL OUTLOOK

Part 3: Wild Cards Loom



# 2021 Outlook Part 3

## ● Wild Cards Loom

Part of planning for profits includes identifying risks that could knock you off course. Then, figuring out how you're going to avoid 'em.

Personally, I'll be the first to admit that I don't like thinking about this stuff anymore than you do. I'm a husband, a father, a son, and a friend, too. I have a hard time believing that this is the world we live when I look around ... but it is.

One other thing to keep in mind.

*Every single one of the following Wild Cards risks is also an opportunity.*

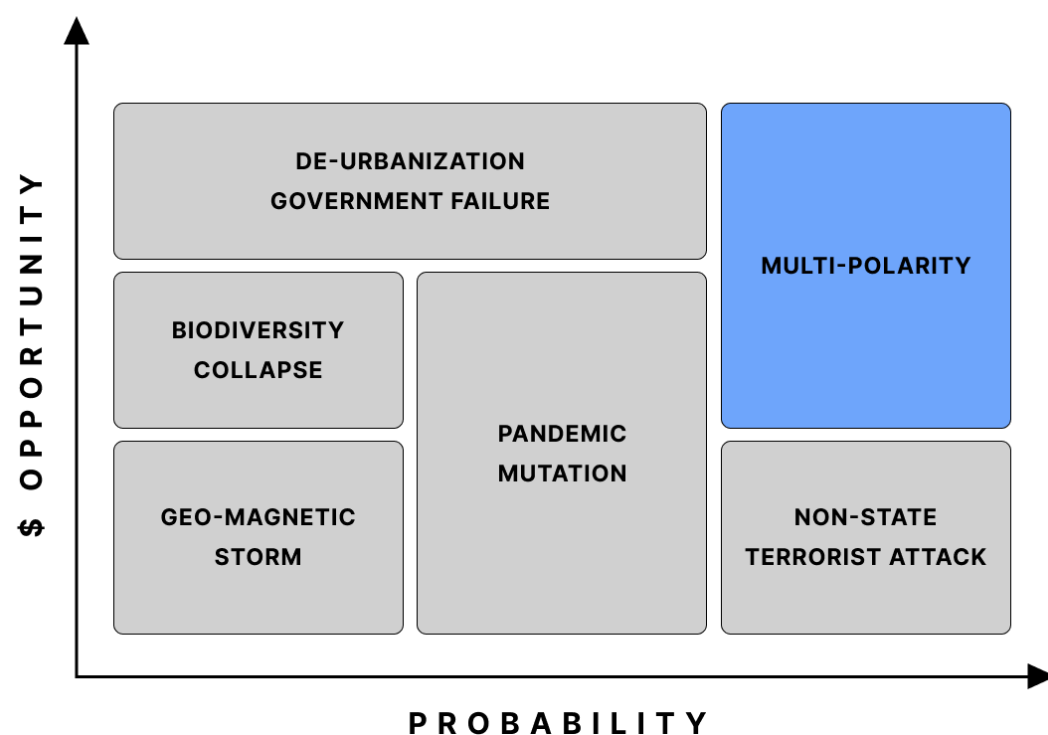
COVID-19, for example, has created unprecedented medical innovation and a lot of that is going to translate into better ongoing medical care, breakthrough drugs and entirely new diagnostic capabilities.

Pfizer is a great example. It's what I call a "Virus+" play because the company is operating waaaaay beyond the vaccines making headlines. Pfizer's oncology portfolio is second to none and I'll bet you dimes to dollars that the company's scientists are already adapting what they're learning from Covid-19 to what could be one or more cancer drug related breakthroughs a few years from now.

Interestingly, Wild Cards are unforeseeable but that does not mean that are unpredictable. That's an edge we can use as investors but which most people will miss because they can't get by the fear associated with 'em.

I call these "anti-persistent" certainties because they will come and go, perhaps even several times.

## WILD CARD MATRIX



### 1: Pandemic Mutation

The world is operating on the assumption that the race towards vaccination will "solve" everything, but I think that's a dangerously naive misconception. The real "race" is to find a vaccination that works before the virus can mutate to such a point that it is again beyond our understanding of the science involved.

Viruses are known to mutate more rapidly to avoid their own extermination, particularly in partially vaccinated environments/populations. Jumping between species would be another potentially catastrophic development. Scientists working in London, for example, found that a more transmissible variant identified in December 2020 already had 17 distinct mutations. Scientists in the Netherlands determined that Covid-19 had jumped from humans to mink and back again based on at least one mutation called D14G that may increase "spill-back" transmission. The South African mutation is happening within spitting distance of Ebola.



# 2021 Outlook Part 3

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A big solar storm could send us  
back to the Stone Age

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## 2: Multi-Polarity

The situation resembles the late 19th century in terms of repercussions, but the magnitude is entirely different. The United States, the EU and Britain all teeter on the edge of economic irrelevance and the world has never seen a simultaneous shift of this magnitude. Should one, more or all fail, the result would be a *de facto* collapse of global markets superseded by Chinese dominance.

The Yuan will be the world's reserve currency much sooner than the West is prepared to accept only, chances are, it will be partially asset-backed.

## 3: Geomagnetic/Solar Storm

Most people are totally unfamiliar with the 1859 Carrington Event and why a modern repeat would cause worldwide havoc. There was so much solar energy at the time, that reports of the day suggest goldminers in the Rocky Mountains thought the sun had come up, auroras were reportedly visible in the Caribbean and telegraph operators were able to send and receive messages without their power supplies.

Today's world is far more critically dependent on electronic infrastructure which means a storm of that magnitude could send vast swathes of it back to the proverbial Stone Age by knocking out everything from satellites to your garage door opener.

## 4: Biodiversity Collapse

Long regarded as fringe thinking or simply not thought about, I see this as a massive risk and corresponding opportunity. Examples include overfishing, unsustainable agricultural practices, fossil fuels and dozens of other commonly accepted activities. The risk is not the actual decline in species or diversity itself but what happens as a result.

Many investors, for instance, draw a blank look when confronted with the fact that the global population of 4,400 monitored mammals, amphibians, reptiles, fish and birds as declined by 68% since 1970. Yet, they have a "holy \_\_\_\_" moment when they understand that more than 50% of the world's food supply comes from just three crops. And that just 15 crop plants account for 90% of all of the world's food energy intake according to the IDRC.

To that end, I'm researching several synthetic biology companies and will share what I learn in the February issue.

## 5: Non-State Terrorist Attack

Citizens and governments have viewed terrorism as a "just-cause" for decades, but that thinking is dangerously flawed because it depends on concepts like individual and state responsibility, proportionality, and conditional action. Non-state terrorists increasingly do not respond to any of those notions.

This is a multi-trillion opportunity and one closely linked to digitalization.

Whew ... we've made it. Hopefully that wasn't too difficult to stomach! Again, every risk actually represents opportunity, especially when you're thinking One Bar Ahead™.

Speaking of which...



# 2021

# ANNUAL OUTLOOK

Part 4: A year of rethinking  
priorities and portfolios





# 2021 Outlook Part 4

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## ● **A Year of Rethinking Priorities and Portfolios**

Many people will be tempted to carry on as usual when it comes to their money this year, but I can't think of a more profound mistake.

The world will reset which means, by implication that any investor or trader hoping to capitalize on that will need an entirely new playbook. I am not talking about making adjustments here and there or merely changing allocations up a bit but, rather, a profound, immediate shift in thinking.

This has never happened before in recorded history which is why it's such a big deal. The biggest risk for most folks, bar none, will be not having enough "skin in the game."

Here's how I see specific asset classes playing out over the next 12 months based on the quantimetric analysis I described earlier.

## ● **Right Stocks, Right Time, Right Tactics**

I believe the stock market will plow sharply higher fueled by a trifecta of vaccine distribution, low interest rates and earnings that remain considerably stronger than most people are prepared to believe.

FOMO will become a primary driver as investors come to terms with the "stay out" trade rather than merely the "recovery trade" or the "stay at home" trade. There will be a few bouts of volatility, most notably during the first half of the year before the virus is brought under control.

*Valuations remain high but are justified based on what will happen in the future* rather than where the markets have been in the past. There will be considerable discussion during each new leg higher about the market's "narrowness" or specific stocks being too expensive but most of that will be moot. Money will concentrate on the "winners" while losers and laggards usher in risks most investors do not yet understand but, sadly, will.

## **2021 Will be One for the Record Books**

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

Dividend risk remains a significant concern as once stalwart leaders are forced to confront new challenges. Preferred stocks may offer some shelter, but the stability once associated with 'em is long gone.

Success isn't about finding companies making a 10% better processor for example but, rather about finding those companies inventing entirely new products and services that will change the world. Investing in these companies as early in the game as possible is critical.

Best choices – digital infrastructure, health-related companies offering "Vaccine+" portfolios, breakthrough tech, synthetic biology, energy transition. Early game "because of China/Africa" plays even though they come with their own set of unique risks.

## ● **Debt Markets**

I don't expect much in the way of opportunity because I don't see the inflationary worries taking root. Yield spreads will tighten, and default risk is of particular concern for high-yield debt. However, ongoing central banking influence will keep rates lower for longer than many people are prepared to believe. Sticking to shorter duration maturities will be important as a function of avoiding risk.

Ultimately, this will end badly but for the next 12 months and indeed for the next few years the game is very much to kick the can down the road.

# 2021 Outlook Part 4

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Best choices – US dollar denominated bonds even though they are ultimately the best-looking horse in the proverbial glue-factory. Policy wonks do not want to acknowledge reality; the world is on the edge of a global currency regime change.

Investing in global companies charged with figuring this out for profit is a far more secure pathway to profits than investing in government paper spent by those who have no idea how it's earned.

## ● **Govt. Bonds/Munis/Inflation**

Perma-bears like to make the case that government spending is bad and, I agree. However, there is no other viable alternative - that it helps the world recover is what counts. Interestingly, I do NOT see bonds offsetting any potential decline or correction as has been the case historically. If anything, government bonds are now significant contributors to overall market volatility because of the leverage involved and central bank meddling.

I view municipal bonds similarly, as a source of risk and one that will strike unexpectedly at the least opportune moment. I don't think it's unreasonable, for instance, to expect one or more major defaults in California, New York, New Jersey or other historically debt heavy locales in the next 12-24 months. This places municipal bonds at particular risk and could catch millions of income-starved investors by surprise.

Inflation is a forgone conclusion, just not like most people think. While many are looking to higher rates, I think the real surprise and opportunity will be that yields do not rise much over present levels.

Former Fed Chair Janet Yellen is a very telling appointment to my way of thinking. She's never met a printing press she didn't like, or so goes the old joke.

Best choices – short duration bond funds or TIPS in limited quantities. Central bank meddling will keep rates lower longer than expected.

## ● **Real Estate Investment Trusts (REITs)**

REITs have long been popular among yield-starved investors, but I think there are significant changes on the horizon that make these far riskier than commonly thought.

Deurbanization is the most significant threat as rent rolls fall, stores, restaurants, and malls close ... many never to reopen again. Class A office space, long a mainstay for REIT investors is the financial version of an albatross to my way of thinking. Shopping malls, too, are an extraordinary risk as operating concerns yet perhaps a source of unanticipated capital gains as alternative uses begin to surface.

Best choices – none save public storage of government/high/med tech exclusives; deurbanization will challenge this asset class for years to come.

## ● **Private Equity/Credit**

The “pre-IPO” is one of the few truly bright spots with extraordinary investment potential. Sadly, it's beyond the reach of most investors directly so the key will be finding appropriately priced “back door” options including closed end funds and perhaps even direct investments. IPOs themselves remain one of the single most rigged games there is.

Best choices – tech, robotics, medical breakthroughs and artificial intelligence AI as identified through SPACs or specialized venture funds.

## ● **Gold/Metals**

While there is a good argument for far higher prices ahead, I think a re-opening trade potentially interferes with that. The result will be a far slower increase or even a decrease in prices.



# 2021 Outlook Part 4

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It's worth noting that one of the most significant arguments for owning gold historically has been that gold is hedge against global calamity. The pandemic certainly qualifies yet prices have not gone through the proverbial roof.

Anybody counting on such thinking would be prudent to revisit this assumption.

At the same time, investors are highly unlikely to move their money out of the US dollar given the global backdrop and absent a freely convertible Chinese yuan, which negates yet another historically touted reason for owning the shiny stuff.

Best choice – Studies suggest 2-5% of investable assets as a means of dampening overall portfolio volatility. Prices may actually decline as the world recovers.



Bitcoin remains raw speculation...BUT  
there is opportunity

## ● Bitcoin

I think Bitcoin could finally come into its own this year but not because it's a great investment. Bitcoin itself remains raw speculation. Convertibility, theft, and lack of fungibility remain concerns.

Heavy-hitters have established positions because they cannot afford to be wrong about it being a form of payment a few years from now. Examples include ARK, PayPal, and Square among others. Fidelity even announced that it would begin accepting Bitcoin as collateral on cash loans for institutions.

Bitcoin is one of the most highly manipulated assets in the world, and that means prices could go sharply higher just as easily as they can go sharply lower with no advance warning.

There is a role for cryptocurrency, but the investing potential and implied stability remains associated with processors, security and transactional infrastructure.

## ● Cash

It makes sense to hold some cash against unexpected market shocks, but only to the extent it is ready to go to work in pre-identified stocks for pre-identified reasons. Excess cash will be a drag on overall investment performance generally speaking.

# 2021 ANNUAL OUTLOOK

Part 5: Wrapping Up





# 2021 Outlook Part 5

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## ● Tactically Speaking...

- The biggest profits will go to savvy investors who reset, rethink and realign this year for profit potential based on certainties that will happen 10 years from now. This speaks to concentration and liquidity as a means of harnessing profit potential now, before most investors understand the implications.
- Diversification, once a source of investor protection is now a liability potentially robbing the unsuspecting of profit potential. Concentration is the true path to profits and will be for the next decade or more.
- Volatility will be a travelling companion, rather than a destination. Primary causes are likely to be vaccine, central banking or earnings-related news. Political fatigue will continue.
- LowBall orders, selling cash-secured puts to buy shares and even simple dollar cost averaging will be your best friends because those specific tactics help harness maximum profit potential and avoid unforeseen risk.
- Timing will be more important than it has been in the past because of the need to overcome Wall Street's highly computerized trading operations and shenanigans.
- Investors waiting for confirmation or a pullback may never get a chance once stocks start to run. Better to be in the scrum when it starts using position sizing, profit targets and trailing stops to control risk as you wait for the move to get underway.

## ● Wrapping up

There are those who would bet against a recovery, but history suggests that anybody inclined to do so may as well not believe in gravity.

Optimism will prove a far more powerful wealth generator than pessimism, however seemingly well-justified.

We are only just beginning to understand the influences associated with a future that is rushing towards us and which will transform our lives whether we are ready or not.

Medicine, science, and computing power will beat Covid-19 and that – combined with \$3-\$4 trillion on the sidelines – is far more likely to set off a massive run higher than another collapse. Then, set the stage for another 10+ years of spectacular profit potential.

Being “in to win” is more critical than at any other point in history.

--KF

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## Resources

(Fuhrmann, 2019)





# THE “FASCINATORS”

Statistics, factoids, and other fascinating finds

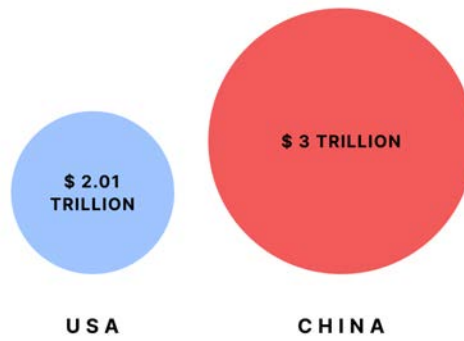


“  
**The world we think we know is often very different from the world that actually exists. And, that’s often an opportunity rather than a risk.**  
 ”

- Keith Fitz-Gerald, 2021

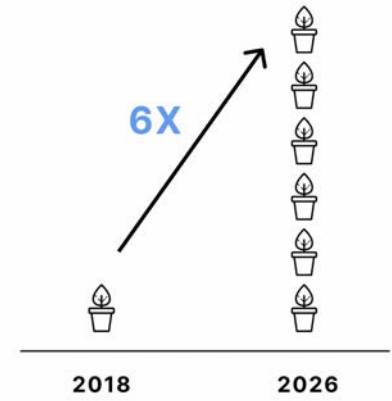
## DIGITAL ECONOMY SIZE

(ESTIMATED, 2021)



China's Digital Economy is Already **49.3%** Bigger

JP Morgan, 2020



Vertical farming is expected to increase almost **6X** between 2018 and 2026 at **24.6% CAGR**

Allied Market Research, 2020

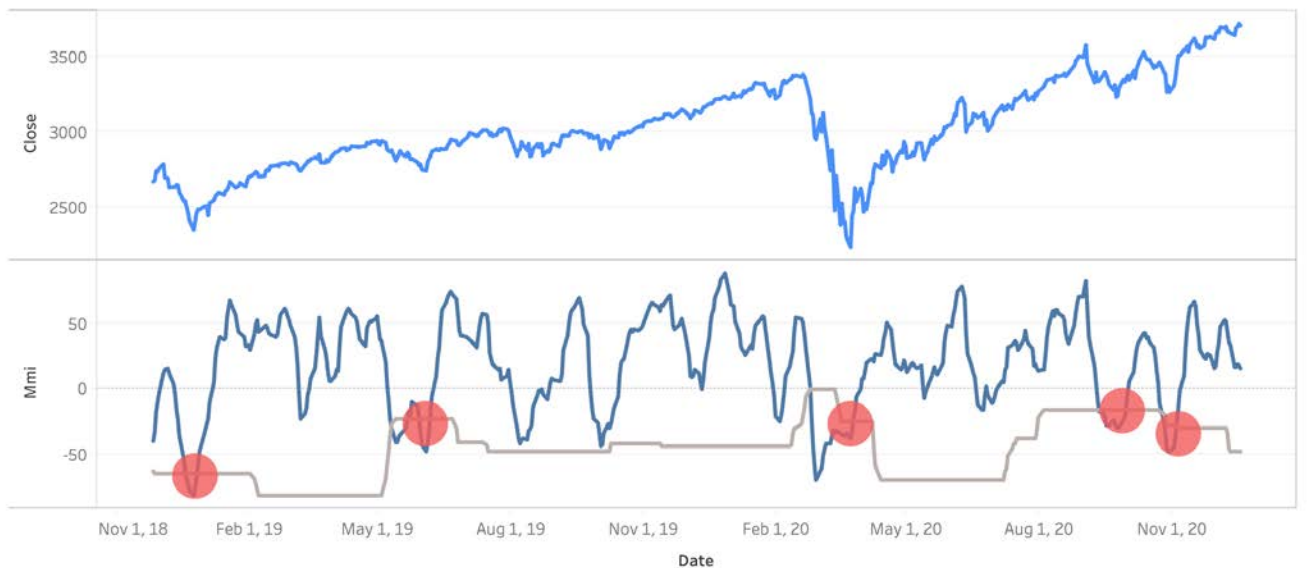
# 25%

2%

2% of the MSCI 1000 Contributed to 25% of the Index's Returns

Fitz-Gerald Group

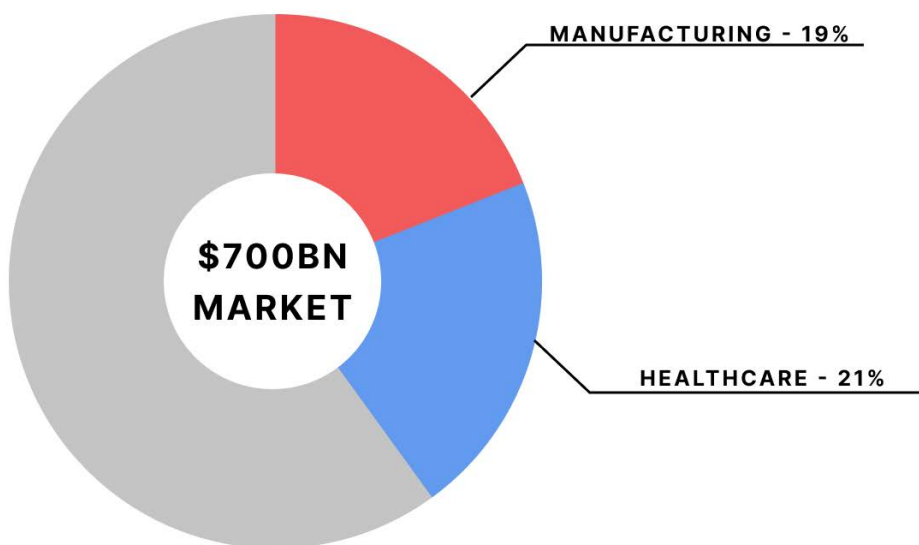
## Timing the Markets IS Absolutely Possible



Finding great stocks is only half the battle. You've got to know **WHEN** to buy to really get the job done!

This chart shows a proprietary One Bar Ahead™ indicator and is what I'm looking at behind the scenes every single day. I'll be sharing an updated version in every subsequent monthly issue. One Bar Ahead™ software subscribers will have access to this indicator at the touch of a button when the time comes.

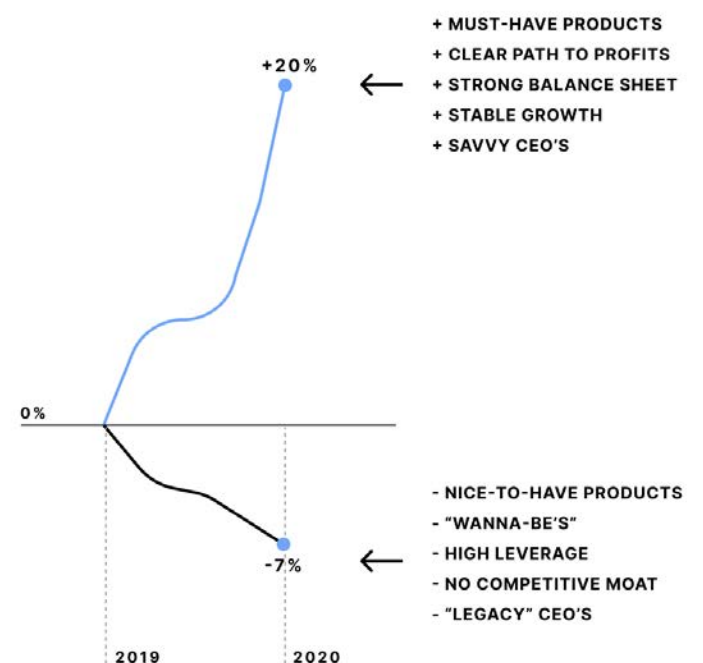
Fitz-Gerald Group



Healthcare and Manufacturing Expected to Account for **40%** of 5G-Enabled Revenue Opportunity by 2030

Ericsson, 2020

## “INVEST IN THE BEST, IGNORE THE REST”



Fitz-Gerald Group

# BUY TECH?

Keith says yes!





# Buy Tech?

The number one question I'm getting at the moment, bar none, is from investors wondering if they should buy tech and specifically which big tech?

It's a good and extremely savvy question.

Critics charge that "valuations are clearly expensive" and the "markets are too narrow" and they're right. The top 5 tech companies Apple, Microsoft, Amazon, Alphabet and Facebook account for roughly 25% of the S&P 500 all by themselves. Factor in Tesla which got added on December 21st, and I can see these six companies controlling 40% or more of the S&P 500 a year from now. It's tempting to call that a bubble and many do but I think that's simply reality.

Digitalization is the single largest investment opportunity in mankind's history.

It's one thing to pronounce that these companies are expensive when judged against the context of historic PE ratios, sales data and where the world's been. And entirely another to judge them against where the world's going.

I submit that Apple (AAPL), in particular, is actually dirt cheap which is why I'm recommending that you buy shares immediately or add to your pre-existing holdings opportunistically.

I believe Apple doubles within the next 12-24 months and then again within the next five years. I also happen to think there's a good case to be made that Apple will be the first company in recorded history to hit a \$3 trillion market cap.

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***Digitalization is the single largest investment opportunity in mankind's history.***

”

- Keith Fitz-Gerald, 2021

## ● Let's Talk Data

Let me share a few data points with you that help shape my thinking. Then, we'll take a look at Apple specifically.

+ Big data will add more than \$15.7 trillion to the world's economy by 2030 or roughly 7.6X 2019's estimated \$2 trillion tally.<sup>1</sup>

+ 75% of the world's population – roughly 6+ billion people - will interact with some form of online data every 18 seconds by 2025.<sup>2</sup>

+ Global datasphere will grow from 45 Zettabytes in 2019 to 175 Zettabytes by 2025 at which time nearly 30% of the world's data will need real time processing.<sup>3,4</sup>

+ 50% of the companies in the S&P 500 will be replaced by 2027 at current churn rates<sup>5</sup>

# Buy Tech?

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## ● Contrary to What Many Think...

The digital future is not about specific devices but, rather bundles of data driven by extraordinarily complex big data engines behind the scenes. Leverage will not come from advertising or customer acquisition like it does today but, rather customers who bring themselves based on trust and brand loyalty.

What most people haven't latched on to yet is that the future isn't so much about figuring out how to make a processor that's 10% faster or a data pile that's 200% bigger. It is about using data in entirely new ways that change the way we live.

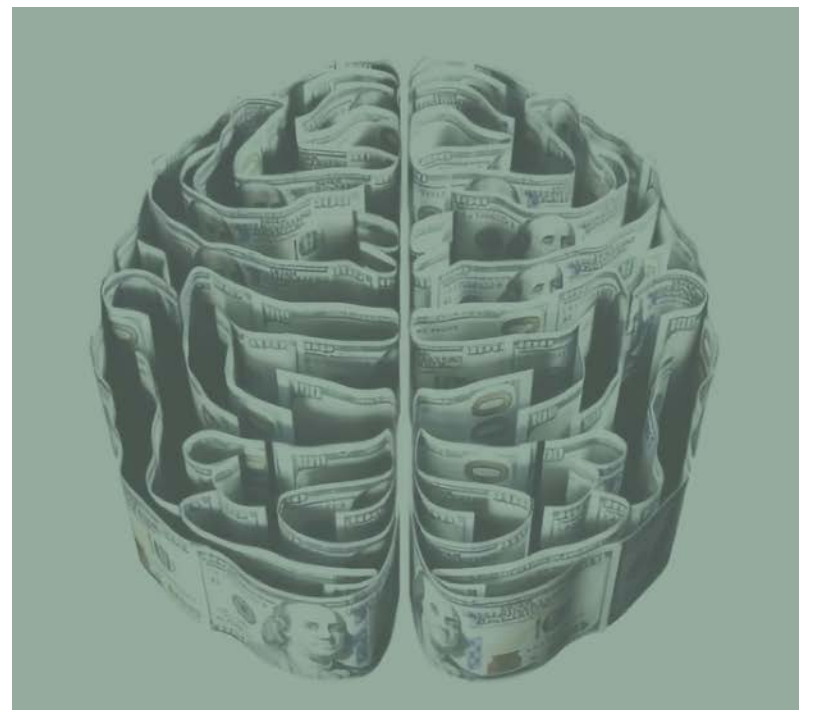
Data has to be collected, processed, synthesized and protected *before* it can be used and, right now, our understanding about how to do this is in its infancy. Estimates are hard to come by but organizations today may spend more than 80% of their time modelling data rather than hunting for insight.

The real opportunity a decade from now will be centered on what I call the "Super App" when data moves into the background and those numbers reverse. Not surprisingly, the time to move is now before others realize the implications.

Blackberry's founder Mike Lazaridis coined the term Super App in 2010 and defined it as a closed ecosystem of many apps that people would use every day because they offer a seamless, integrated, contextualized and efficient experience.

Most people assumed that Lazaridis was talking about a sort of "walled garden" into which users would go and the term platform quickly came into vogue because that's what BlackBerry was building.

Investors began to fight over which phones, what network speeds and switchgear mattered most. Analysts began to obsess over unit sales figures and completely lost touch with the bigger picture which, of course, still plagues 'em today in each earnings call.



*The first company to envelope your life in its products wins all the marbles*

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The far bigger and potentially far more valuable play has always been the "ecosystem" Lazaridis called for. The first company that manages to envelope your life in its products wins all the proverbial marbles and the investors who are on board have the opportunity to achieve life changing wealth as that happens.

To be fair Google, Facebook, Microsoft and Amazon are all charging hard into this space with varied degrees of success and I've recommended them over the years, too. However, Apple is the one you want to buy right now if you're interested in getting ahead of the future I see rushing towards us.

It took a few years for my hunch to play out, but I knew I was on to something in 2014 when Apple launched the Watch and there were rumblings about insurance company involvement associated with additional health related offerings. I quickly termed my vision "medical pivot," a term that I'm hearing come around lately.

People laughed openly in my face when I said that Apple's iPhone sales no longer mattered as a result of the future I'd identified, and that Apple had ceased being a device company. They chuckled and not very politely I might add when I said there would come a day when your doctor prescribes an Apple device, and your insurance company would gladly pay for it.



# Buy Tech?

## ● Fast Forward to Today

Buying Apple today is about breaking barriers a decade from now.

Apple is a play on digital infrastructure that most investors still don't understand even though they're already using very primitive versions of the Super App to come a few years from now. To be fair, there are a couple moves that have to happen before all of the pieces needed to pull it off are in place but those are coming quickly.

I can easily imagine Apple making a significant move into virtual reality within the next few years that puts you right in the middle of your favorite sporting games or which allows you to travel virtually. Facebook's Oculus will look like amateur hour by comparison. Team Cupertino, I might add has already signed deals with the likes of WWE, Wimbledon, the NBA, and other sporting giants so this isn't as far-fetched as you might think.

I also believe Apple is still working on self-driving cars despite widely held opinion that the company has given up and a report last December from Reuters about the company's breakthrough monocrystalline battery seems to support that. However, I don't see an Apple Car hitting the road until 2025-2030 because Apple's still got to figure out a staggering amount of AI-related data transmission first. 5G is critical that effort and it's not inconceivable that they link up with Tesla somewhere down the line to tap into what that company already knows and is gathering today (which is leagues ahead of the competition).



Apple cars are coming!

The Apple you know today will still be there and you're still going to be able to buy iPhones, tablets, computers and other wearables along the way. But, they're no longer going to be the focus.

There are a couple of numbers that will confirm we're on the right course. If anything changes, we'll rethink the thesis but for now, here's what you want to watch.

**The first is Apple's installed user base** which, at this point, is likely approaching 2 billion active devices. My guess is that roughly 50% of that is iPhones which, not coincidentally, Apple's planning to increase production of by nearly 30% next year. That's roughly 40%-45% of total revenue at a time when iPhone 12 preorders rose 100%+ to 2 million units.

**This is followed closely by services and subscription revenues** which include Cloud, Music and Fitness segments. The bottom-line impact is still comparatively limited but the growth rate is still early days so I don't see that being the case for much longer; I will not be surprised to see 50% or more a year for the next 10 consecutive years to give you an idea of the magnitude ahead.

Being stuck at home has been great for the company's digital content, and I would submit, highly addictive workout videos and high-quality entertainment. I think Apple will brand dang near everything it gets its collective hands on which further enhances the appeal over the coming decade.

**Then, there's software**, especially with regard to medical and consumer health applications. We are very rapidly approaching a time where you and I are going to chomp into an extra jelly donut one morning and see our insurance premiums go up that afternoon. Apple's already reportedly got 16% of the US health systems market but I think the figure will be far higher when COVID-19 is finally wrestled into submission.

# Buy Tech?

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Ultimately, I expect the company to move into consumer credit, finance, and insurance as well. That'll probably require a major acquisition or two. I don't think it's a stretch that we will be "banking with Apple" a few years from now.

The fact that stock has been languishing along for a few weeks is technically appealing because that's usually a sign that big money is building a base as of press time.

Apple is expected to report earnings on January 27th, and I think they're going to be a blowout. Consensus suggests \$1.39 per share versus \$1.25 a year ago but I think the actual figure could come in at \$1.43 - \$1.45, possibly even \$1.50 or more.

## Action to Take:

### Buy or add to Apple shares.

*Plan on a trailing stop of 25% below your purchase price. Feel free to use a tighter stop that matches your personal risk tolerance and objectives if doing so that makes you more comfortable.*

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## Note:

If you've been following my research for any length of time over the past 20 years, then you know I don't do anything randomly. You also know that every recommendation I make in my research is quantitatively-driven. Nothing is by chance if I can help it.

I've selected Apple very deliberately as our first recommendation because it's going to be the cornerstone around which we build every other investment in the One Bar Ahead™ portfolio over the next 20 years. It'll be a "base builder" – around which we harness profit potential, generate income and protect our hard-earned wealth. Chances are that concept will be very familiar to long-time readers.

If you've just joined us – and me – here's what you need to know ... studies show that *picking great stocks isn't enough if you don't have the right portfolio structure.*

I pioneered a portfolio model called the "50-40-10" nearly 20 years ago to help investors gain an edge over Wall Street's badly flawed diversification models and overcome the limits of Modern Portfolio Theory which isn't so "modern" at this point.

What makes the 50-40-10 different is that it uses something called "risk parity" to a) provide maximum upside potential, b) create overall portfolio stability and c) yet offer built-in safety brakes against market madness.

Many investors think they've got that covered with "diversification" but that is one of the greatest single lies foisted on the investing public in recorded history. Anybody using conventional diversification models today is being left behind (and Wall Street increasingly knows it but won't tell you, which is a sordid story for another time).

Long story short, the 50-40-10 Model worked fabulously. It gave hundreds of thousands of readers, viewers, and subscribers following along with my research at my former publisher a shot at life-changing wealth. Still does, in fact.

However, I started One Bar Ahead™ because of where we want to go and, in doing so, have made some serious upgrades to the 50-40-10 Model that will carry us through the next 20 years together. I'll tell you more about that in due course.

For now, make sure you've got your "cornerstone" in place – Apple (AAPL).

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## Sources

1:PricewaterhouseCoopers, Forbes, 2019

2:Seagate, Digitization of the World

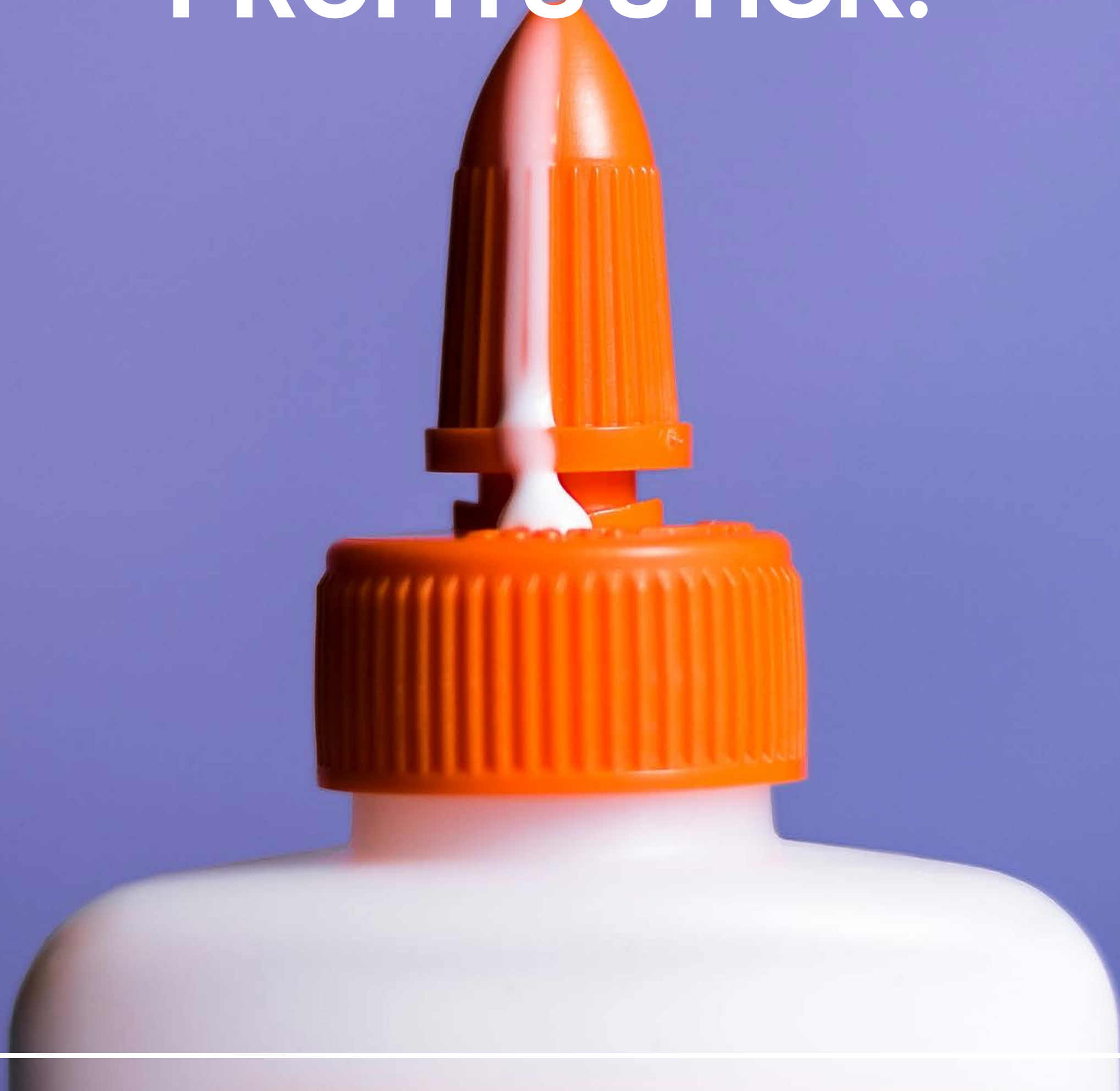
3:IDC

4:If you were to put 175 Zettabytes on a Blu Ray disk, you'd have a stack of disks that could get you to the moon and back 23 times.

5:Innosight, 2018



# MAKE YOUR PROFITS STICK!



# Make Your Profits Stick!

It's a much more common tale than people think.

I've heard from many investors and traders over the years about huge winners that became portfolio-wrecking losers because they didn't know how to capture profits or didn't plan ahead.

Don't beat yourself up if you're one of 'em. You're not alone; in fact, I've been there a time or two myself and probably will be again.

Here are three simple ways to make your profits "stick":

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## 1: Be Real + Specific

Many investors tell me they want to cut their losses short and let their winners run. That's great but not quite what you want in my opinion even though it's commonly accepted wisdom and taught as a near absolute truth in many investing courses.

Bluntly, I am not aware of a single person who's ever gone broke taking profits, but I know of plenty who have blown up their accounts taking losses.

I suggest setting specific profit targets and loss limits that reflect current market conditions, instead. You can swing for the fences if the markets are running hard or simply hit singles or doubles if they're choppy, to borrow a baseball analogy.

There is no wrong way to do this ... just a number that lets you sleep at night.

Dollar-based targets are the simplest because you simply figure out a price point that makes you happy and an action you'll take if the stock gets there. For instance, let's say you buy a stock at \$10 and want a 20% profit. Basic math says that's an exit price of \$12 ( $\$10 + 20\% = \$12$ ). Percentage-based targets work the same way.

## 2: Be Consistent

Many investors focus on "big" numbers, "home runs", "10X'ers" ... whatever term you want to use. What they don't realize is that smaller profits are often what win the game, especially if you achieve 'em regularly.

I'd much rather hunt down 2-5% wins with an 85%+ probability of success every few weeks, for example, than swing for one 100% winner with a 2% probability of profit over a six to twelve-month window.

This is usually more of a range-based target and something you'll set after a quick look at your favorite charting software. Back in the day, this used to involve a whole lot of paper, head scratching and pencil lead but today's brokerage platforms make quick work of things. Many have range and probability calculators built in.

Most charting packages also allow you to define ranges on the stocks you own automatically using support and resistance, volatility or other measures (that we're going to cover in future issues and seminars, so you'll be able to do this yourself).

Ideally, you buy at the bottom and sell at the top using visual cues to establish your range.

You can also use the Master Market Indicator, a proprietary market timing indicator I've developed, and which is working behind the scenes 24x7. See the Fascinators for a look.

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“

***Smaller profits are what win the game over time***

”



# Make Your Profits Stick!

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## 3: Be Ahead of the Herd

Almost every online brokerage gives you the ability to set your goals and your orders in advance or the moment you buy a stock, fund or option.

This is usually associated with a rules-based target because it is most commonly applied using technical indicators as a guide to when you should be selling or buying. It's actually my favorite because there is very little ambiguity involved.

You don't need to be really sophisticated to make this work. Even a 5-year-old can see, for example, which direction a MACD or moving average is pointing. It's fast or slow, up or down.

There's no excuse for not setting profit targets with this kind of tool at your disposal to my way of thinking, especially when the entire point of what we're doing – you and I – is trying to make profitable decisions.

Setting your targets and orders in place ahead of time can give you a huge advantage because market conditions can and do change in an instant. Not a lot of people think about that but probably should.

I can recall more than one occasion for example, where I've been at lunch with my wife or out on my motorcycles and had pre-planned orders triggered that captured profits I would otherwise have missed.

Chance always favors the prepared mind, especially when it comes to capturing profits.



**1 - Be Real + Specific**

**2 - Be Consistent**

**3 - Be Ahead of the Herd**

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### Note:

I'll be highlighting specific examples, tactics and techniques in the months ahead and in upcoming seminars that will help you put this information to work.

If there's one you'd like me to cover, please shoot me an email at [askkeith@onebarahead.com](mailto:askkeith@onebarahead.com).

I will also be identifying specific profit targets for each recommendation as we build the model portfolio over time.

# THE ONLY TRUE DISRUPTOR

There's only one company that's  
written a "digital engine"





# The ONLY True Disruptor



## ● The Premise is Super Simple

Digitalization is the single largest investment opportunity in mankind's history and there's only one company that's written the big data engine needed to process it.

### **Palantir (PLTR).**

The company is controversial and, according to some, overvalued. There was concerted short attack after shares rose following its trading debut as a direct listing on September 30, 2020 at \$7.25 and a 362% run to a post-IPO high of \$33.50.

I like the fact that several analysts including Credit Suisse and Morgan Stanley are poo-hooing Palantir because they're scaring the quick and scared money out. Billionaire George Soros is on record saying he regrets investing and intends to sell shares (as of this writing) because he doesn't like the company's business practices. Presumably that's a dig at the company's involvement in national defense which I find rich considering he knew exactly what he was getting into in the first place.

All of this paves the way for higher prices.

I believe Palantir is a \$50 stock a few years from now and I also believe that Wall Street is very quietly using the pullback to accumulate shares, but that data is not yet available to confirm my supposition.

Stocks like Palantir have a funny way of proving their detractors wrong over time.

## ● Consider the Following:

- The company's software is the *de facto* operating system for the entire United States and Allied Defense Network as well as the infrastructure backbone for the United States healthcare system.
- Palantir is also a key player in the fight against Covid-19 and vaccine distribution.
- Revenues are on track for 40%-50%+ growth year over year. Average revenue per client is rising at 35%-40% annually while revenue per customer is growing at 35%-40% year over year.
- Government business growth may track 65%+ in 2021 as defense spending accelerates.
- Palantir is 17 years old which means that fears about its destiny under a Biden Administration are likely overblown; it's already done business with prior administrations.
- Gross margin is rising and may remain 70%+ in 2021. Profitability is likely a lot closer than people think.

### **Action to Take:**

**Back up the truck if you can get Palantir under \$15-\$20.**

*Nibble in a bit at a time between \$20 - \$30. You've got time because the short-sellers and naysayers have not let go yet but they will as the company edges towards profitability.*

*Place a trailing stop 25% below your purchase price or use a tighter stop to reflect your personal risk tolerance.*

# ASK KEITH

Get your questions answered!





# Ask Keith - Master Big Down Days

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**Q: Trying to decide what I want to do with Kodak (KODK)?**

- Jeri R.

**A:** The situation strikes me as a lot like Nokia or Panasonic in that the company is a household name that's fallen on hard times. Buyers fancy upside based on the potential associated with chemicals and manufacturing expertise that could be applied to pharmaceutical ingredients in the fight against COVID-19. There is a ton of short interest as well which tells me that any move higher may be more a function of short-covering than actual profit potential.

I'd encourage you and every investor who owns Kodak to think long and hard about alternatives like Pfizer (PFE) which is actually IN the pharmaceutical business, pays a healthy dividend and has plenty of "Virus+" potential.

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**Q: I got stopped out in March but missed getting back in. How do I avoid that in the future and master big down days?**

- Jim S.

**A:** Try using the Parabolic SAR if you've got a charting package or some sort of online charting capability. SAR stands for Stop and Reverse and can be a great fail-safe for being long or short under circumstances that cause other indicators to fail. Of course, you will have access to the MMI – Master Market Indicator - via the weekly updates going forward so I have you covered. Still, the SAR is a helpful indicator, nonetheless.

**Q: Is it a good idea to sell half of your shares in a stock after it has doubled in price?**

- Donald R.

**A:** Yes, and your question is music to my ears. That's a pro-grade move I call the "Free Trade" and something I pioneered years ago that's since become widely copied in the newsletter world.

Doing so allows you to recover the initial cost of capital which means that you own the remaining shares "for free." This not only gives you the ability to redeploy your capital into fresh opportunities, but also frees you up to let the remaining shares run regardless of market conditions because you're effectively playing with house money. As always, double check with a professional who knows your circumstances to ensure doing so doesn't create unintentional tax liability or a portfolio mismatch, etc.

I'll have a more detailed educational module on it later this year, BTW.



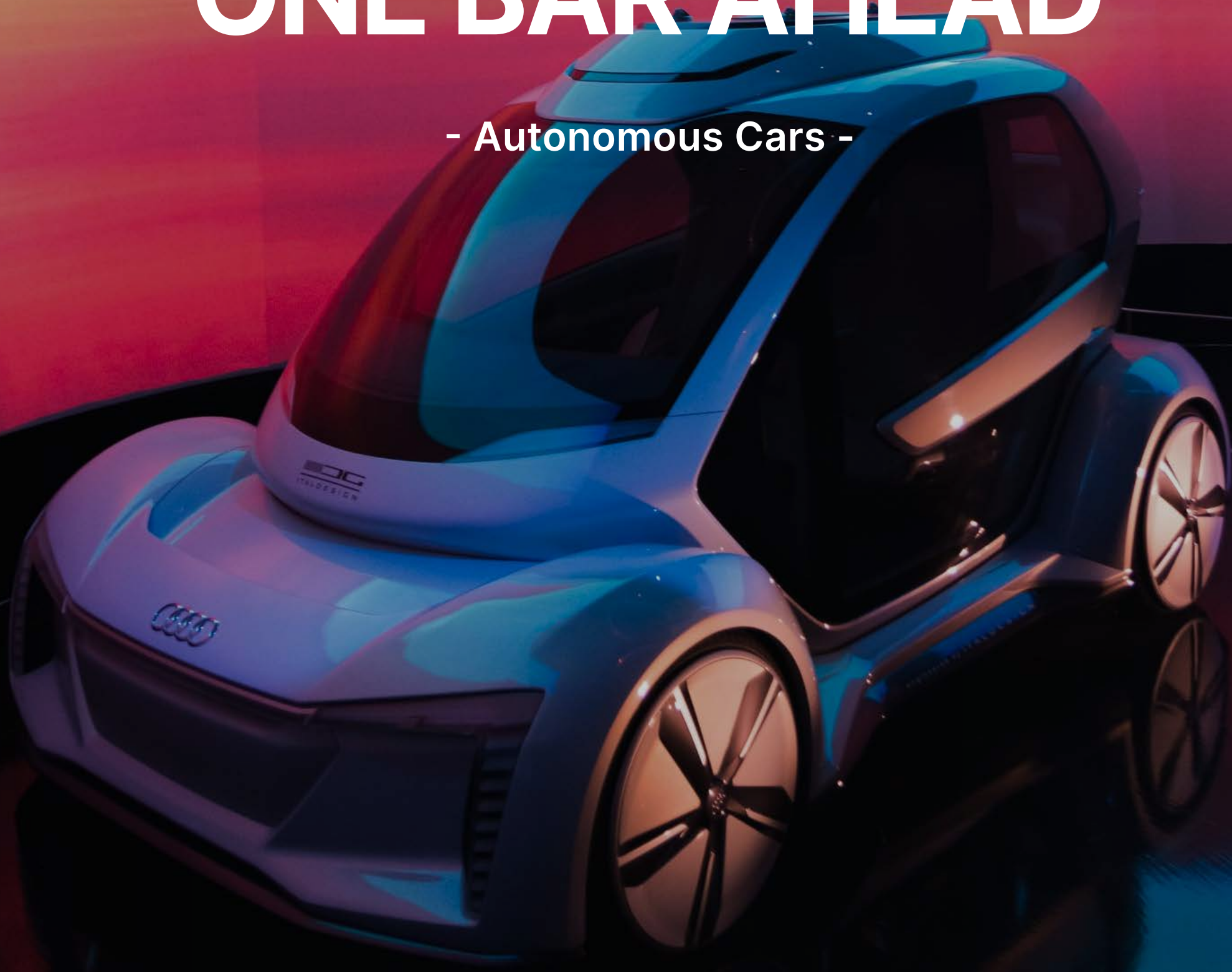
**Send your questions in!**

There's nothing I like more than great questions, comments, and suggestions.

Please send me yours via email using [askkeith@onebarahead.com](mailto:askkeith@onebarahead.com) or hit me up on Twitter @fitz\_keith

# THINKING “ONE BAR AHEAD”

- Autonomous Cars -





# Thinking “One Bar Ahead”

Many investors focus on the obvious in pursuit of profits and there's nothing wrong with that if you're content to use short-term information everybody else already has access to and probably understands anyway.

Thinking One Bar Ahead™ requires a deeper look.

My goal is to identify deep-rooted changes and profound insights capable of altering our world, often years in advance of them actually happening. That way, I can chart a path from where we are today to where the world is going. And, share that with you.

## Here's my take on autonomous cars.

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### ● Vice

Early versions won't be much different than the vehicles we drive today but a few years from now it's not hard to imagine ultra-posh and very private vehicles being used for nefarious purposes not the least of which includes prostitution.

*Potential investment implications: bio-aware vehicles, passenger sanitation, data security and privacy*

### ● Organ Donation

Fatal car accidents account for approximately one in five organ donations but autonomous cars will presumably have far less traumatic accidents far less often. Bluntly, they will change the way we die.

*Potential investment implications: 3D organ printing, an increase in the availability of undamaged organs, changes in the sale of organs and a reduction in black market medical operations involving illegally obtained organs.*

### ● Municipal Tax Base Collapse

Cities may lose 20-25% of their operating revenue as autonomous cars cut into parking, storage, registration, and traffic. The situation will be most visually apparent in big, dense cities like New York, Seattle and San Francisco but financially most graphic in resort areas where parking revenue can account for 10%-30% of total city budgets. Chicago, New York and DC reportedly make \$100 million or more from speeding and red-light cameras that autonomous cars will be programmed to avoid. Etc.

*Potential investment implications: Higher taxes on remaining drivers, wider bike lanes and sidewalks as street parking is repurposed, diminished litigation and fine revenue.*

### ● The Car “Did It”

Our legal system is totally unprepared for autonomous driving. I can only imagine how lawyers will argue that the “car did it” if there's a situation where a driverless vehicle made the decision to sacrifice its passengers under specific circumstances.

*Potential investment implications: Liability may not be limited to manufacturing or specific actions, but a function of programming. Data security, mobile identification, real time police involvement, anticipatory enforcement.*

Talk about a can of worms!





# HIGH PERFORMANCE OVER 50™

Charge your brain, increase  
your profit potential





# High Performance Over 50™

Most investors don't associate the importance of thinking clearly with big profits, but they should. My favorite technique for doing that is something called "mindfulness."

It's a mental practice stemming from Buddhist teachings 2,500 years ago that's meant to create presence of mind but also the focus needed to clearly choose the path in front of you.

My own journey towards mindfulness began nearly 40 years ago when I first entered the dojo. That's a word many Westerners understand to mean a place where you train in the martial arts but, in Japanese, it actually means "place of the way."

It's an important distinction because mindfulness, regardless of how and where you practice it, involves everything from stress reduction to calming to creative thinking. Studies show that mindfulness can actually create structural changes in your brain with as little as 8 weeks of practice.

Mindfulness is a great way to reduce pain, clarify thinking, diminish anxiety and – you guessed it – become a better investor and trader. I like it because mindfulness helps me spot opportunities faster, remain focused longer, and avoid risk earlier.

Even a few minutes a day can make a huge difference.


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## Here are 5 easy rules for creating mindfulness:


- 1: Sit comfortably. In a chair, on the floor ... it doesn't matter. Just keep your back straight and, ideally, away from anything you'd lean on.**
- 2: Concentrate on your breathing. Hear the sound of the air moving in and out. Feel your chest rise and fall. Soften your gaze. This is about looking internally.**
- 3: Acknowledge your senses... the air, the temperature, your stress, the sounds around you. Begin to process sensations from all points in your body. You'll be amazed at how busy our bodies are ... from the tips of our toes to the very tiniest of nerves in our scalp.**
- 4: Let those things dissipate. The mind will start to slow down as you do and those things fade. I often imagine a calm pond or a favorite mountain stream to help. The inherent stillness we crave will surface, I promise.**
- 5: Try counting with each inhalation if you need to. Restart every time your mind wanders, or a stray thought bashes its way to the front of your brain. My goal is just 30 counts which sounds easy but often isn't especially lately. I started my own journey just trying to get to 5, by the way!**

# Thank You for Reading One Bar Ahead™!

The quest for bigger, more consistent profits never stops. You simply need access to the right stocks, the right strategies and the right education. No gotchas, no gimmicks. In plain English.



**Morning! 5 with Fitz**

Get your day started  
**5 minutes**  
**5 ideas** 

January 7, 2021

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**Good morning!**

Futures are up after a riotous assembly in Washington DC that defies everything I thought I understood about this country and what it stands for. My jaw dropped, frankly but not for reasons you might think.

What happened yesterday is an important reminder that money doesn't do politics even though politics likes to believe it does money.

Here's my playbook

**1 – JPMorgan Chase upgraded**

JPMorgan (JPM) is a long-time favorite of mine and a personal holding I'm counting on for years to come. I think CEO Jamie Dimon is the only banking CEO out there

**Morning! 5 With Fitz**  
Get Keith's daily personal investing and trading notes for free.



[onebarahead.com/products/5-with-fitz](http://onebarahead.com/products/5-with-fitz)



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