

Disclaimer

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InvestorsObserver
Workshop

InvestorsObserver Workshop

- Charts
- What Else is Happening?
- Hot Right Now
- Member-driven content: Questions, site demonstrations, etc.
 - Can prepare slides for questions submitted ahead of time: Mention “workshop”

S&P 500



S&P 500
One Year

NASDAQ



Nasdaq
One Year

Russell 2000



Russell 2000
One Year

S&P 500 vs. Equal Weight

One Year, Daily Candles



Growth vs. Value

one year, daily candles



Hot Right Now

- Energy
 - Thermal Coal
 - Oil & Gas Drilling
 - Oil & Gas Integrated
- Utilities
 - Diversified
 - Regulated Water
 - Regulated Electric
- Consumer Defensive
 - Confectioners
 - Tobacco
 - Beverages - Non-Alcoholic
- Industrial
 - Infrastructure Operations
 - Conglomerates
 - Airports & Air Services
- Basic Materials
 - Coking Coal
 - Copper
 - Other Precious Metals and Mining

What Else is Going On?

- Federal Reserve Still in the Driver's Seat
 - Slowing pace of hikes
 - Terminal Rate (how high will they go) remains a question
 - Rates likely to remain "elevated" for a while, but how long?
 - Data shows inflation slowing
 - Is it for real?
 - Will the Fed trust it without a rise in unemployment?
- Economic Data Generally Pretty Good
 - CPI tomorrow likely to be a big volatility maker
 - Most data shows some softening, but nothing that looks like a recession
- Earnings Season
 - Some companies are cutting guidance
 - Analysts also cutting estimates
 - Potentially sets up a situation where there are lots of "beats", but it doesn't move the market much.
 - Tech weakness likely to continue
 - Advertising-based businesses
 - Lots of them were advertising for other ad-based businesses.
 - In-app ads for apps that themselves are ad supported

Questions?

I noticed that most of the best stocks of the Farming sector had low fundamental scores, relative to other stocks. Is this a byproduct of the past couple of years, or is it just an inherent part of farming?

– Charles

- Farming is a commodity business. No real product differentiation. Corn is corn, eggs are eggs.
- This mean there's very little price competition. So you can only grow margins by saving on production costs... BUT those are also commodities. A pound of chicken is basically 2.6 pounds of corn. A pound of corn takes roughly a pound of nitrogen fertilizer.
- Exposure to weather, various global events... It's not easy to model or plan ahead for.
- So, if margins are set externally, all you can control is what you produce, which leads to the classic boom/bust commodity cycle. Increase production when margins are high, flood the market, margins collapse, cut production.
- Some of these companies pay a dividend, and aren't likely to disappear, but they're not really growth stories, which is what most of Fundamental score is about.

SANW, ADM, AGRO, DOLE, CALM, BG, VITL, IBA, AGFS, FDP

Questions?

Maybe an ETF to park \$ - like for rare earth metals.....I have copper but Nickel seems to be growing over lithium???
International issues and then TSM will need it in the US. Any comments? Thanks, Marceen

– Marceen

- Maybe depends on the definition of "park"
 - Small, emerging commodity-based industries can be really volatile.
- Certainly seems like an opportunity for growth
 - Is it included in some other ETFs?
 - Metals and Mining
 - International
- Risks
 - Biggest ones seem to have a lot of China exposure
 - A lot of the non-China companies are very small
- Thesis generally seems sound
 - I'm not sure how much nickel and lithium are considered "rare earth"

Questions?