N A T E ' S   N O T E S

Nate's Notes

Winning Ideas for the Individual Investor

Off we go, into the wild blue yonder...

-from the song *The U.S. Air Force*

Inside this issue

	Since Last Issue	Year To Date	Since Inception (10/31/97)
Model	+12.1%	+2.3%	+2,187.3%
Aggressive	+23.2%	-1.2%	+5,340.0%
DJIA	+2.6%	-14.7%	+227.0%
NASD	+11.9%	+1.6%	+472.4%

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Is The Market Getting Ahead Of Itself?

As you can see in the performance table above, it has been another great four weeks for the newsletter's Portfolios, and though the Dow Jones Industrials are still lagging some of the other major indices by a fairly wide margin (more on this below), I am very pleased to report that the overall market is also acting quite a bit better than it was when the March issue was going to press just two short months ago (even if it seems like it has been an eternity since the magnitude of the situation surrounding COVID-19 began to sink in).

And, though I naturally prefer seeing the Aggressive Portfolio down only 1.2% on a year-to-date basis rather than the -35.8% number we were looking at when the March issue went to press, for example, I have to admit that I am surprised by how quickly investors have bid stock prices back up "as if things are just about back to normal again."

Of course, things are NOT just about back to normal again, and, perhaps more importantly, there is still a GIANT void of uncertainty ahead of us in terms of what levels of economic activity we are likely to see (as well as when we'll see them) as we start the process of re-opening the economy, and since I have been asked by a number of folks "*how can the market be acting like this, Nate?*," I thought this would be a great issue to do a quick review/overview of what the stock market is and how stock prices are determined in hopes it will help add some perspective on the situation.

Starting with the most basic idea, though it is easy to forget (especially for traders who trade stocks and couldn't care less what the underlying company does, i.e. "price movement" is all that matters), I think it is important to keep in mind that when you buy shares of a stock, you are literally buying a very small ownership interest in a company, and, in theory, you are buying that interest today in hopes of selling it to someone else at a higher price somewhere down the road.

Nate's Latest Stock Recommendations (as of 5/8/20)

	Company	Symbol	Originally Rec'd. @	Closing Price	Strong Buy ≤	Buy ≤	New Orders^ (Aggressive Portfolio in parentheses)	First Buys
CORE STOCKS	Apple	AAPL	$0.97	$310.13	$220	$280		✔
	Bristol-Myers Squibb	BMY	$0.44	$61.05	$45	$65		✔
	Illumina	ILMN	$17.92	$309.87	$280*	$320*	Buy 25	✔
	MannKind	MNKD	$42.55	$1.31	$5	$10	Buy 5,000 (100,000)	✔
	NVIDIA Corp.	NVDA	$4.49	$312.50	$280*	$320*	Buy 25	✔
	Tekla Life Sciences Investors	HQL	$21.17	$17.41	$15*	$19*		✔
	Walt Disney Co.	DIS	$13.00	$109.16	$95*	$120*	Buy 50 (100)	✔
	Alaska Air Group**	ALK	$30.00	$30.00	$26	$36	Buy 400 (1,000)	✔
	Catasys	CATS	$10.51	$22.23	$18*	$30*	Buy 250 (2,500)	✔
	Cirrus Logic	CRUS	$38.39	$76.30	$50*	$70*		
	Cleveland-Cliffs	CLF	$11.15	$4.82	$4	$6	Buy 1,000 (5,000)	✔
	Electronic Arts	EA	$17.01	$116.62	$100*	$125*	Buy 50 (250)	✔
	First Solar	FSLR	$60.91	$44.16	$30*	$45*		
	Luminex	LMNX	$19.58	$33.25	$32*	$40*	Buy 250 (1,000)	✔
	NXP Semiconductors	NXPI	$24.26	$104.84	$70	$110		
	PowerShares DB Ag.	DBA	$36.90	$13.87	--	$14		
	PowerShares DB Cmdties.	DBC	$35.30	$11.25	--	$12		
	Qorvo	QRVO	$8.29	$103.00	$60	$90		
	Skyworks Solutions	SWKS	$29.63	$111.22	$60	$90		
	SPDR Gold Trust ETF	GLD	$93.39	$160.42	--	$168*	Buy 25 (100)	✔

**New Recommendation *changes since last issue ^we will use closing prices 5/11/20 for all transactions

Naturally, this begs the question *"but how are stock prices actually determined?,"* and though there are literally hundreds (if not thousands?) of models and approaches that have been developed by investors as the years have rolled by to help them figure out what price a stock "should" be trading at, the reality is that, at the end of the day, stock prices are determined by "whatever investors are willing to pay," and this, in turn, is measured by the constant push and pull that goes on between buyers and sellers in the market place on a daily basis – when there are more sellers than buyers at a particular price level, the price will drop, and, conversely, when there are more buyers than sellers, the price will rise.

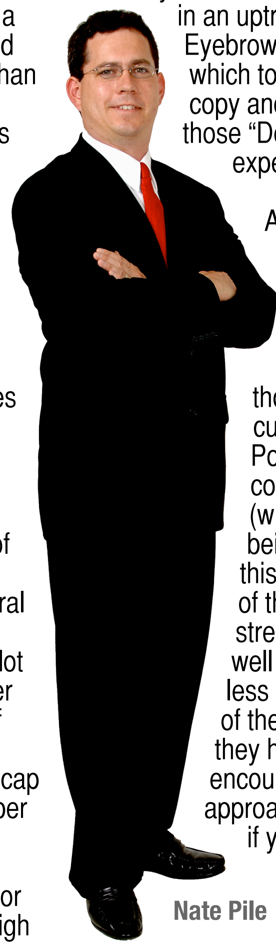
Of course, as just mentioned, there are a lot of analytical ways for investors to slice and dice financial data, track market action, and measure investor sentiment as part of the process of figuring out whether they'd rather buy or sell a stock at a given price… but, for better or worse, good old raw emotion also usually ends up playing a larger role than it should for most investors – when stocks are going up, "greed" tends to dominate their decision-making process ("making money sure is fun!"), and, at the other end of the spectrum, when stocks are falling, "fear" often takes over as investors scramble to get out of their positions before the pain gets even worse ("I can't afford to lose another 20%!").

Not surprisingly, it is this emotional component of trading/investing that makes the market so irrational (or perhaps "unpredictable" is a better word?) when it comes to the pricing of stocks over all but the longest of time-frames, and given the extraordinary circumstances we find ourselves in at the moment, I think it is fair to say that emotions are likely to remain in overdrive for most investors for the foreseeable future – not just because of the pandemic and all of its primary, secondary, and "tangential" impacts on both the economy and the general psyche of the population, but also because we have an election coming up that will almost certainly bring out a lot of emotional fear and excitement as well as it gets closer (and, of course, it will also introduce yet another level of uncertainty into all of the financial models mentioned above as the folks behind the formulas attempt to handicap the election results and their potential impact on a number of fronts going forward).

While there is no doubt that it probably made sense for stocks to lose some of their value in March due to the high degree of uncertainty associated with the potential for a serious slowdown in corporate revenues and earnings (never mind all of the secondary and tertiary implications for households and "the real economy") as part of our response to COVID-19, I think the fact that investors have so quickly decided to "look all the way across the void of uncertainty (no matter how wide it turns out to be!)" and bid stocks in number of sectors all the way back up to where they were in March (if not higher) is proof positive that we are in an emotional market environment these days.

That being said, though greed appears to once again be taking center stage as FOMO ("fear of missing out") takes over, I want to caution you that we are not even close to being out of the woods yet when it comes to the economic outlook, and I continue to believe the odds remain high that the market will eventually re-test the March lows once the current rally runs out of steam.

In the meantime, however, those of you who have been with the newsletter for awhile now already know that part of our game plan calls for us to position our Portfolios "based on what the market is <u>actually</u> doing, not on what we think (or are worried) it *might* do," and, consequently, if you are feeling anxious about your portfolio (or a particular stock) after the big moves we have seen over the past few weeks, I am going to give you the same advice I always do, namely, move as much of your portfolio (or the position that is causing your to lay awake at night worrying about it) to cash as necessary for you to once again start sleeping easily at night, but then do your best to let the rest "just ride" while the market remains in an uptrend… and don't forget that the whole point of the Eyebrow Levels table is to give a benchmark against which to measure things, so don't be afraid to print out a copy and incorporate it into your thinking, especially on those "Dow down 500 (or more)" sorts of days we've been experiencing lately!



Nate Pile

As far as the newsletter's Portfolios go, as you can see in this month's list of trades, I am not doing any selling, but I am putting a little over a third of our remaining cash position in the Model back to work this month, as well as going a bit further out on a margin again in Aggressive, and though I am mostly avoiding the chip stocks (which currently account for roughly 18% of the Model Portfolio, for example) due to the fact that I am concerned they are getting ahead of themselves (with another small purchase of NVDA in the Model being my hedge against my own pessimism again this month), I am spreading the money across some of the stocks that have been showing great relative strength and/or are among our largest positions, as well as into other stocks that have been performing less well (but may represent better values than some of the chip stocks, for example, due to the fact that they have NOT run up as part of the rally), and you are encouraged to take a similar "across the board" approach as well (versus just buying one or two stocks) if you decide to follow my lead and put more money to work this time around.

And, along with adding to some of our existing positions per the criteria just outlined, I am excited to report that I am also starting a position in a new recommendation this month…

<u>New Recommendation: Alaska Air Group (ALK – $30.00)</u>

What?! An airline stock in *Nate's Notes?* Especially after Warren Buffet just got done selling all of his airline holdings?! Can it be true?? Yes, it is true… though the recommendation does come with a couple of important caveats!

First, unlike most other stock recommendations I make in the newsletter, I am not not making this recommendation with the same three- to five-year time horizon (minimum) that I usually take when recommending new stocks; rather, I am

New To The Newsletter?

Here are a few guidelines to help you get started:

- Decide how much of your overall portfolio you'd like to allocate to the ideas in *Nate's Notes*... and then plan on investing it in roughly equal amounts each month over a period of several months.
- Make your initial purchases based on the "first buys" that are check-marked in the table on the front page of the newsletter (note that you do not have to buy all of them each month!), as well as in the commentary found in the company write-ups.
- Try to invest slightly more money in "core stocks" vs. "non-core stocks" (60%-40%, respectively, is a reasonable ratio to aim for when first starting out).

You can read more on this topic in the May 2013 issue of the newsletter online.

making the recommendation in anticipation of an eventual rebound (be it partial or full) in the price of the stock once the outlook for travel starts to become less uncertain, and given the strength of Alaska's balance sheet relative to most others' in the industry, along with how the stock has been acting following its initial slide, I believe it will likely be one of the better performing airline stocks if/when the industry starts to recover (and, even if the recovery takes even longer than feared, the company ought to be able to weather the storm better than most of its peers).

Second, though I do not envision holding the stock for an extended period of time (and it is unlikely that it will ever become a larger position in either Portfolio), I do very much plan to make small purchases this month and for at least two more months (assuming the stock has not risen too much between issues!), and if you decide to get involved, you are also encouraged to make several smaller purchases over time rather than making just a single large purchase all once, especially since this sector will almost certainly experience another leg down if the market does decide to retest the March lows (and, naturally, if the stock and sector end up holding their own through any market sell-offs that may develop, you should view it as an excuse to become more aggressive with your purchases!).

Finally, while it IS a bit unusual to see me putting a stock like this in the newsletter (CLF was/is the only other one in recent memory), I actually "found" the stock while looking for potential candidates for the new "growth and income" service I will be launching soon, and though Alaska Air has suspended their dividend for the time being (as have so many others, it seems!), given how beat up so many "traditional economy" stocks are these days, there is a chance that I may end up including one or two more in future issues, especially if they continue to look so attractive on a relative basis (and double-especially if some of our true growth stocks like Catasys, Luminex, and MannKind, continue to perform well in the months ahead).

Alaska Air Group (ALK) is a strong buy under $26 and a buy under $36.

Catasys and MannKind

And, speaking of some of our stocks with the most upside potential relative to where the market is currently valuing them, I want to close out this month's commentary section by quickly addressing a few of the questions that I have been getting a lot lately when it comes to our two largest positions:

• yes, the fact that Catasys went from under $9 to over $30 in less than a month (and then back to $22 in a week!) is a perfect example of not only what can happen when emotions take over, but also what happens when buying sprees get underway AND there is a large short position in a stock;

• speaking of short positions, now that the underlying story is getting harder to attack, the shorts in Catasys appear to be adopting a similar approach to the one we have seen implemented with MannKind, namely, to start attacking the credibility of the players involved rather than the business opportunity itself, and for those of you worried about the "report" that came out last week, I want to point out that the report came from a website that has no names, no phone numbers, and no physical address associated with it… and, in the same way that I would encourage you to avoid taking medical or legal advice from anonymous sources on the internet, I would also encourage you to be equally cautious when it comes to anonymous investment advice as well;

• I did not hear anything in either companies' conference call that would change my outlook for either situation;

• and, finally, though your guess is as good as mine as to what is actually going on behind the scenes at MannKind, I can tell you that, from where I sit, things do not look anywhere near as bad as some of our "friends" on social media would lead you to believe, and so, if you are going be spending time in such realms, please be sure to take everything you read with a large grain of salt while remembering that there are still 36 million shares that need to be repurchased in order for the shorts to close out their position (and one of the easiest ways to find at least a portion of those shares is to scare them out of the hands of retail investors by spreading FUD – "fear, uncertainty, and doubt").

"Eyebrow Levels"

(used to help us gauge the overall health of the market*)

Index	Current	One Eyebrow	Two Eyebrows
DJIA	24,331	25,350	23,500
Nasdaq	9,121	7,600	6,500
S&P 500	2,930	2,750	2,500
BTK	5,369	4,200	3,900
SOX	1,776	1,450	1,275

**As long as all five indices are trading above their "one eyebrow" levels, it is a sign that the current uptrend is still intact; however, if the indices start to dip below those levels, it will cause me to raise an eyebrow and wonder if the trend may be coming to an end... and if both eyebrows go up, it will mean that things are deteriorating in a hurry (if you see eyebrow levels being broken, start looking for a "Special Alert" from me in your email box).*

NATE'S NOTES

Alaska Air Group • ALK

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$30.00	$30.00	$72.22	$20.02	131.8	$3,954.0

As mentioned above, I had actually been looking into making Alaska Air Group one of the first recommendations in the new service I will be launching next month, and though it is not going to be paying a dividend anytime soon after all, given that I was already somewhat intrigued when the stock was still trading in the $40s a few months ago, it seems like a logical fit at this point in time. Your guess is as good as mine as to when the stock might start to creep back towards the levels it was trading at it before travel came to a halt in this country, but given all that is going on in the world, I think this is a great place to park some cash and add some diversification to the Portfolios. **ALK is a strong buy under $26 and a buy under $36.**

Apple • AAPL

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$0.97	$310.13	$327.85	$170.27	4,520.8	$1,402,035.7

Pandemic? What pandemic! As you can see in the chart to the left, after losing roughly one-third of its value in less than six six weeks, Apple's stock has, with only a brief pause back in April, made a bee line back to the levels it was trading at just before the fear began to set in (no – investors are not emotional creatures!). For its second quarter, Apple reported revenues of $58.3 billion and net income of $11.2 billion, or $2.55 per share, as compared to revenues of $58.0 billion and net income of just under $11.6 billion, or $2.46 per share, in the same period a year ago. For now, I am leaving the buy limits alone and encourage you to be patient with new purchases. **AAPL remains a strong buy under $220 and a buy under $280.**

Bristol-Myers Squibb • BMY

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$0.44	$61.05	$68.34	$42.48	2,258.0	$137,850.9

And if you didn't think the "V" traced out by Apple's stock was convincing enough, take a peek at the chart to the right! For its first quarter, Bristol reported revenues of just under $10.8 billion and a net loss of $775 million, or $0.34 per share, as compared to revenues of $5.7 billion and net income of $1.7 billion, or $1.04 per share, in last year's first quarter. Given the speed and manner in which Bristol's stock both dropped and rebounded (along with the fact that Bristol is already a "mature" company versus still small company like Catasys, for example), I am afraid that this is another situation in which I'd rather just wait and be patient before becoming more aggressive. **BMY is a strong buy under $45 and a buy under $65.**

Catasys • CATS

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$10.51	$22.23	$32.55	$8.55	16.7	$371.2

Wow! As you can see in the chart to the left, volume in Catasys' stock has exploded over the past two months, and, especially given the market environment in which the explosion has taken place (not just in terms of volume but in terms of price action as well), it is hard to not consider it a good sign that a new school of "bigger fish" on Wall Street is starting to take an interest in the story! For its first quarter, Catasys reported revenues of $12.3 million and a net loss of $7.6 million, or $0.45 per share, as compared to revenues of $6.8 mllion and a net loss of $2.9 million, or $0.18 per share, in last year's first quarter. I am raising the buy limits a bit this month. **CATS is now considered a strong buy under $18 and a buy under $30.**

Cirrus Logic • CRUS

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$38.39	$76.30	$91.63	$37.25	60.4	$4,608.5

As mentioned above, I have to admit that I am perplexed as to why investors have been so willing to bid up the price of so many chip stocks in such an aggressive manner, as it is not at all clear to me that there is going to be same level demand for the products that contain the chips "anytime soon" – sure, there might be some pent up demand, but an awful lot of people have been put in a tight spot financially, and so, even if the economy starts to re-open fairly quickly without having to shut down again, it does not necessarily mean that spending habits will return to normal right away. Yes, I still like the company, but I am holding off on buying more until we have more data. **CRUS is now strong buy under $50 and a buy under $70.**

Core Stocks shown in orange • Charts courtesy of BigCharts.com • All prices shown are as of the publication date

Cleveland-Cliffs • CLF

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$11.15	$4.82	$11.61	$2.63	301.3	$1,452.3

Though the stock took another tumble shortly after last month's issue went to press on news that the company was raising capital via the sale of debt and suspending its dividend (among other things), I am please to report that it has been acting better since. And, while it is certainly possible that the stock could tumble again after the company releases its first quarter results on Monday, given how the story is shaping up (along with the fact that both Portfolios are still somewhat underweighted in the stock), I am adding a few more shares to both Portfolios this month, and you are encouraged to do the same (especially if you are in the "more optimistic" economic camp). **CLF is now a strong buy under $4 and a buy under $6.**

Electronic Arts • EA

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$17.01	$116.62	$120.19	$85.89	295.0	$34,402.9

Holy smokes! Not only did EA's stock trace out one of the most dramatic "V"s of all the stocks in the newsletter, it is a perfect example of one of those stocks that has not only returned to its "pre-pandemic" levels, but it is also pushing into new 52-week high territory again as well (and there is no way to characterize such price action as anything but "bullish"). For its fiscal 2020 that ended March 31, 2020, EA reported revenues of $5.5 billion and net income of just over $3.0 billion (due to one-time adjustments during the year), or $10.30 per share, as compared to revenues of just under $5.0 billion and net income of just over $1.0 billion, or $3.33 per share, in the previous year. **EA is now a strong buy under $100 and a buy under $125.**

First Solar • FSLR

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$60.91	$44.16	$69.24	$28.47	105.4	$4,654.5

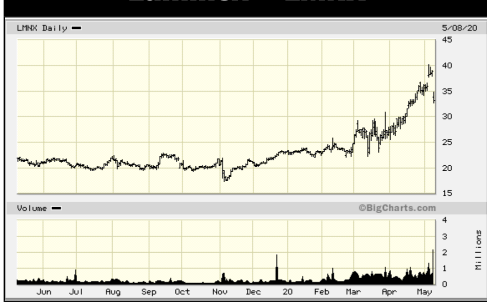
Yep – another stock that has traced out a nice "V" pattern, but, unfortunately, still has a ways to go before it gets back to the level it was trading at before the market sell-off got underway back in late February/early March. For its first quarter, First Solar reported revenues of $532.1 million and net income of $90.7 million, or $0.85 per share, as compared to revenues of just under $532 million and a net loss of $67.6 million, or $0.64 per share, in last year's first quarter. Given that we added a few shares to both Portfolios last month right around $40, I am going to hold off buying more this month while we wait and see where the stock (and the whole market) wants to go next. **FSLR is a strong buy under $30 and a buy under $45.**

Illumina • ILMN

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$17.92	$309.87	$380.76	$196.78	149.0	$46,170.6

After rallying nicely as part of its own "V action," I am pleased to report that Ilumina's stock has now spent a couple of weeks consolidating nicely following the move, and though I am naturally hoping to see the stock head higher rather than lower the next time it breaks out, I believe the fact that it is holding above $300 (knock on wood) is a very encouraging sign for both the stock and the sector (and market) as a whole. For its first quarter, Illumina reported revenues of $859 million and net income of $173 million, or $1.17 per share, as compared to revenues of $846 million and net income of $233 million, or $1.57 per share, in the same period a year ago. **ILMN is considered a strong buy under $280 and a buy under $320.**

Luminex • LMNX



Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$19.58	$33.25	$40.21	$17.35	44.2	$1,469.4

As you can see in the chart to the left, Luminex's stock has been on fire lately, though it did drop sharply in today's trading session on news that the company is offering $260M of 3.00% Convertible Senior Notes; however, while it is never fun to see a stock drop like that, the news is actually a positive for the company in terms of planning for future growth, and, as you can also see in the chart, this is another situation where the rising stock price in tandem with rising volume suggests that "Wall Street is taking an interest" (and this, in turn, suggests that you should be as patient as possible when it comes to taking profits, as there is likely more upside left in the stock). **LMNX is now considered a strong buy under $32 and a buy under $40.**

MannKind Corp. • MNKD

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$42.55	$1.31	$1.88	$0.80	212.1	$277.9

There's not a whole lot more I can say about MannKind that I haven't already said several times over during the past few years, but as part of helping you navigate the story with complete peace of mind, I want to remind you a) to not own more than you can comfortably sleep with at night, b) if you are going to add to your position, buy the stock in small lots on a regular basis rather than all at once, c) don't forget to buy other stocks as well, and d) figure out a game plan ahead of time for exiting your position (i.e. "sell 10% if it hits a certain price," etc.) for both a rising stock AND a falling stock (if it comes to that). I am adding a few more shares to both Portfolios, and **MNKD remains a strong buy under $5 and a buy under $10.**

NVIDIA Corp • NVDA

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$4.49	$312.50	$316.32	$132.60	627.0	$195,943.8

What a monster! As you can see in the chart to the right, though NVIDIA's stock has not yet started to hit new all-time highs as part of its rebound from the panic sell-off that hit the market a few months ago, it is getting awfully close to doing so (and is powering that direction with a full head of steam, as well)! The company will not be announcing its results until later in the month (May 21st, to be precise), and your guess is as good as mine as to which way the stock will move in response the earnings report and associated conference call. That being said, though I am not buying more in the Aggressive Portfolio, I am adding a few shares to the Model this month. **NVDA is a strong buy under $280 and a buy under $320.**

NXP Semiconductors • NXPI

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$24.26	$104.84	$139.59	$58.41	285.1	$29,889.9

And, while NXP's stock has also bounced nicely falling the tumble it took back in February and March, I am afraid that it is another example of a chip stock that "has done a good job rallying… but just hasn't managed to get back to where it was" (and this, in turn, causes me to categorize it as a potential warning sign rather than a reason for optimism when it comes to looking for clues about the health of the sector). For its first quarter, NXP reported revenues of just over $2.0 billion and a net loss of $21 million, or $0.08 per share, as compared to revenues of just under $2.1 billion and a net loss of $21 million, or $0.07 per share, in last year's first quarter. **NXPI is considered a strong buy under $70 and a buy under $110.**

PowerShares DB Agriculture • DBA

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)
$36.90	$13.87	$16.92	$13.20	ETF	$663.4

The good news is that, for the first time in awhile, we are starting to see some stability in commodity prices, at least as measured by the performance of these two ETFs (DBA and DBC); however, the bad news is that the charts of both ETFs are still pretty clearly in "downtrend" mode, and, consequently, I am still not in any rush to buy more of either of them. That being said, however, given the extremes to which so many aspects of the global economy have been stretched, it is quite possible that, as a result of disruptions in production and/or associated supply lines, there could easily be an emotion-driven spike in commodity prices as fears about "scarcity" start *(continued under "DBC" below)* **DBA is a buy under $14.**

PowerShares DB Commodities • DBC

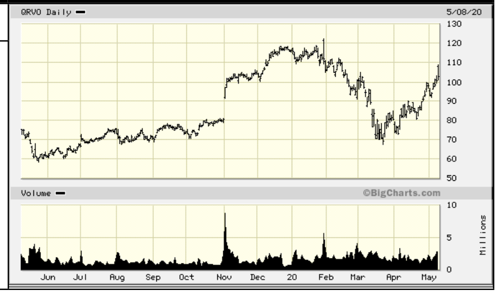
Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)
$35.30	$11.25	$16.30	$10.41	ETF	$2,500.0

(continuing from "DBA" above) to creep into investors' thoughts. Of course, if it turns out that "the system" really does experience a major hiccup as a result of how the pandemic is playing out around the world, the fears may turn into reality, and this, in turn, will almost certainly only add fuel to the fire when it comes to "locking in actual commodities for actual delivery" (with oil being a possible exception to this trend – if it develops at all in other commodities – due to the extreme oversupply that is currently in the system). In the meantime, however, I would rather see you put your money to work in some of the other ideas in the newsletter (though there is nothing wrong with keeping a small position "ahead of time"). **DBC is a buy under $12.**

Core Stocks shown in orange • Charts courtesy of BigCharts.com • All prices shown are as of the publication date

Qorvo • QRVO

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$8.29	$103.00	$122.37	$58.52	118.5	$12,200.4



When it comes to putting each month's issue together, it is always interesting to see Qorvo's and Skyworks' charts so close together, as they have, for quite some time now, been following very similar paths (and, in doing so, have also provided a quick "snap shot" of the current trend for the sector as a whole). And, while today's big rally in Qorvo certainly was encouraging (and took a big step towards helping the stock reach the goal I'm about to describe), I'm afraid that both of these stocks still need to get back to levels closer to where they were four or five months ago before we can get too excited about buying them "without much a pullback yet." **QRVO is considered a strong buy under $60 and a buy under $90.**

Skyworks Solutions • SWKS

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$29.63	$111.22	$128.48	$66.29	171.6	$19,085.4

Yep – you can see a nice little pop on the chart today for Skyworks' stock too, but, as is the case with so many of the other chip stocks out there (both in the newsletter and outside of it), I'd really like to either see the stock pullback a bit (or at least trade sideways for awhile)… or I'd like to see it actually back up near new 52-week high territory again... before I start to become more aggressive with my buying. For its second quarter, Skyworks reported revenues of $766.1 million and net income of $181.1 million, or $1.06 per share, as compared to revenues of $810.4 million and net income of $214.0 million, or $1.23 per share, in the same period a year ago. **SWKS is also a strong buy under $60 and a buy under $90.**

SPDR Gold Trust • GLD

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)
$93.39	$160.42	$164.42	$119.83	ETF	$36,370.0

No, there are never any guarantees when it comes to the pricing of any asset, but it is hard to argue with the fact that shares of GLD (and, by extension, the price of gold itself) are once again bumping up against multi-year highs… and, as you know, my experiences suggest to me that you can call this sort of price anything but "bullish." To be sure, the uptrend could come to an end as soon as Monday; however, given the strength of the move so far, along with all that is going on in the world these days, I believe that if gold does start to hit new multi-year highs in the days, weeks, and months ahead, you should look at it as a reason to buy, rather than sell, shares of this ETF. **GLD is now considered a buy under $168.**

Tekla Life Sciences Investors • HQL

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$21.17	$17.41	$18.00	$11.45	20.1	$350.3

Yep – as you can see in the chart to the left, HQL's stock is another that has traced out a nearly perfect "V" over the past few months, and though it hasn't quite managed to start hitting new 52-week highs again yet, I do take heart in the fact that it appears to be going through at least a bit of a "cooling off period" after the big run it has made off the lows that were set back in mid-March. As always, though you can get more bang for your buck owning individual biotech stocks (and Luminex and MannKind are both especially attractive at the moment), I also believe that this closed-end fund represents a great way for investors to participate in the sector with a single purchase. **HQL is now a strong buy under $15 and buy under $19.**

Walt Disney • DIS

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
$13.00	$109.16	$153.41	$79.07	1,530.0	$167,014.8

As you know, Disney is involved in a number of businesses that have been hit hard by COVID-19, but it is also involved in a number of businesses that have benefited from what has been going on lately, with its recently launched streaming service being the most obvious piece of the puzzle that falls into this category. For its second quarter, Disney reported revenues of just over $18 billion and net income of $460 million, or $0.25 per share, as compared to revenues of $14.9 billion and net income of just under $5.5 billion, or $3.55 per share, in last year's second quarter; in addition, the company has also suspended its semi-annual dividend for the time being. **DIS is a strong buy under $95 and a buy under $120.**

Top Picks (for new money this month)

All else being equal (i.e. you already own "pretty much everything" in the newsletter), my top picks for you this month are:

Catasys (CATS) – Though the stock is likely to remain volatile in the weeks ahead, the fact that volume is starting to grow suggests that Wall Street is finally starting to take an interest!

Luminex (LMNX) – Given the strength of the stock lately (and the reason for today's sharp drop), I believe this is a case where it is absolutely a great idea to "buy the dip" if you have been waiting to add to your position!

MannKind (MNKD) – With volume having dried up to virtually nothing at the same time that there is still a 36 million share buy order on the books, I continue to believe that it is only a matter of time before our patience will finally start to be rewarded in a more meaningful way.

Outstanding Orders

For the reasons discussed above and below, the Model (Aggressive) Portfolio will not make any sales this month but will **purchase** 400 (1,000) Alaska Air, 250 (2,500) Catasys, 1,000 (5,000) Cleveland-Cliffs, 50 (250) Electronic Arts, 25 Illumina, 250 (1,000) Luminex, 5,000 (100,000) MannKind, 25 NVIDIA, 25 (100) SPDR Gold Trust ETF, and 50 (100) Disney. We will use the closing prices on Monday, May 11th, for all transactions.

Nate Pile, Editor

POSITION	PORTFOLIO #1: MODEL				PORTFOLIO #2: AGGRESSIVE			
Company	Shares owned	Total Cost	Today's Value	Total % Change	Shares owned	Total Cost	Today's Value	Total % Change
Alaska Air Group**	0	$0	$0	0.0%	0	$0	$0	0.0%
Apple	375	$51,230	$116,299	+127.0%	1,000	$111,988	$310,130	+176.9%
Bristol-Myers Squibb	900	$67,662	$54,945	-18.8%	1,500	$110,582	$91,575	-17.2%
Catasys	16,000	$212,277	$355,680	+67.6%	52,500	$657,971	$1,167,075	+77.4%
Cirrus Logic	950	$47,916	$72,485	+51.3%	2,700	$121,275	$206,010	+69.9%
Cleveland-Cliffs	11,000	$87,618	$53,020	-39.5%	30,000	$259,311	$144,600	-44.2%
Electronic Arts	1,000	$84,847	$116,620	+37.4%	3,000	$218,122	$349,860	+60.4%
First Solar	1,500	$74,925	$66,240	-11.6%	4,000	$208,804	$176,640	-15.4%
Illumina	200	$36,194	$61,974	+71.2%	550	$88,710	$170,429	+92.1%
Luminex	3,500	$79,489	$116,358	+46.4%	11,000	$183,200	$365,695	+99.6%
MannKind	270,000	$519,488	$353,700	-31.9%	2,000,000	$4,620,392	$2,620,000	-43.3%
NVIDIA Corp.	375	$37,116	$117,188	+215.7%	1,200	$70,791	$375,000	+429.7%
NXP Semiconductors	775	$80,080	$81,251	+1.5%	2,000	$199,337	$209,680	+5.2%
PowerShares DB Ag.	1,750	$37,400	$24,273	-35.1%	4,000	$86,916	$55,480	-36.2%
PowerShares DB Cmdties.	2,000	$32,285	$22,500	-30.3%	3,500	$58,269	$39,375	-32.4%
Qorvo	700	$48,542	$72,100	+48.5%	2,500	$139,468	$257,500	+84.6%
Skyworks Solutions	525	$46,542	$58,391	+25.5%	1,100	$87,103	$122,342	+40.5%
SPDR Gold Trust ETF	1,000	$120,856	$160,420	+32.7%	5,000	$605,714	$802,100	+32.4%
Tekla Life Sciences Investors	1,313.0	$9,913	$22,859	+130.6%	4,726.9	$37,062	$82,295	+122.0%
Walt Disney Co.	1,075	$102,885	$117,347	+14.1%	3,600	$333,560	$392,976	+17.8%
**New Recommendation		Stocks:	$2,043,648			Stocks:	$7,938,762	
		Cash (Debit):	$158,568			Cash (Debit):	($2,498,773)	
		Total Value:	**$2,202,216**	**+2,102.2%**		**Total Value:**	**$5,439,989**	**+5,340.0%**

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Orders Filled 4/13/20 (Aggressive Portfolio in parentheses)
Sold 3,000 (10,000) HDGE @ $6.57
Sold 50 (300) CRUS @ $65.63
Sold 100 (500) FSLR @ $40.61
Sold 50 (200) NXPI @ $89.11
Sold 75 (250) QRVO @ $84.73
Sold 50 (150) SWKS @ $90.47
Sold (250) GLD @ $161.41
Bought 150 (500) BMY @ $58.92
Bought 1,000 (2,500) CLF @ $4.44
Bought 200 (1,000) LMNX @ $29.55
Bought 5,000 (100,000) MNKD @ $1.16
Bought 25 (100) NVDA @ $269.85
credited $600 ($1,650) from CLF dividend 4/15/20
credited $338 ($450) from BMY dividend 5/1/20

The Model and Aggressive Portfolios are designed to hypothetically track the results of our recommendations over time. The Model Portfolio was started with $100K in February 1995. The Aggressive Portfolio was started with $100K in October 1997 and is designed for investors with a shorter time horizon and higher tolerance for risk (due to regular use of margin). For the purposes of tracking performance, a commission of 1% is charged on all stock transactions. All realized gains (and any dividends paid on existing positions) are reinvested in their respective Portfolios. As is standard in the newsletter industry, due to the variability of tax rates and margin rates depending on an individual's situation, no effort is made to factor either of them into the returns reported.