

NATE'S NOTES

Winning Ideas for the Individual Investor

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*There will always be rocks
in the road ahead of us. They will be
stumbling blocks or stepping stones; it all
depends on how you use them.*

– Friedrich Nietzsche

| | Since Last Issue | Year To Date | Since Inception (10/31/97) |
|-------------------|---------------------|-----------------|-------------------------------|
| Model | +1.7% | +1.6% | +3,901.8% |
| Aggressive | -1.0% | -2.4% | +14,851.6% |
| DJIA | +4.2% | +3.5% | +361.0% |
| NASD | +3.5% | +5.9% | +595.2% |

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A Pleasing Start To The Year (at least so far)...

As you can see in the performance table above, the market is off to a great start so far this year, and while it is true that the Aggressive Portfolio is down a bit rather than up, given the sizable impact our intentionally oversized position in MannKind has on that Portfolio's performance these days (and the fact that I am quite comfortable with the pullback we have seen in the stock as part of its current uptrend), I am actually also pleased as punch with how that Portfolio is behaving as well at this stage of the market cycle.

And, as you can see in the Eyebrow Levels table below, four out of five of the major indices I use to gauge the health overall market are once again flashing bullish signals for us (and the badly beaten up Nasdaq is finally showing some signs of life again), so, as those of you who have been subscribers for a while now already know, my advice

continues to be for you to remain as fully invested as you can comfortably be while still sleeping at night.

Just about everything I want to say about the economy this month is a repeat of what I said last month (so I will refer you to that issue for a quick refresher), though it is worth noting that we now have another month's worth of data to help us feel good about where things stand... and with the consensus outlook among pundits still especially skewed towards pessimism, I think we can feel even better about how our Portfolios are positioned (but that could change in a hurry, so stay tuned!).

Some Quick Thoughts on Disney

As those of you who follow Disney already know, famed activist investor Nelson Peltz recently announced that he and his firm, Trian Fund Management, have accumulated a large

Nate's Latest Stock Recommendations (as of 1/13/23)

| Company | Symbol | Originally Rec'd @ | Closing Price | Strong Buy ≤ | Buy ≤ | New Orders [^] (Aggressive Portfolio in parentheses) | First Buys |
|-------------------------------|--------|-----------------------|------------------|-----------------|--------|--|---------------|
| Apple | AAPL | \$0.24 | \$134.76 | \$120 | \$140 | | ✓ |
| Bristol-Myers Squibb | BMJ | \$0.44 | \$72.51 | \$65 | \$85 | | ✓ |
| Illumina | ILMN | \$17.92 | \$201.11 | \$180 | \$220 | | ✓ |
| MannKind | MNKD | \$42.55 | \$4.83 | \$5 | \$10 | | ✓ |
| NVIDIA Corp. | NVDA | \$1.12 | \$168.99 | \$150* | \$180* | Buy 100 (200) | ✓ |
| Tekla Life Sciences Investors | HQL | \$21.17 | \$14.76 | \$14 | \$18 | | ✓ |
| Walt Disney Co. | DIS | \$13.00 | \$99.40 | \$80 | \$100 | | ✓ |
| Affirm Holdings | AFRM | \$23.06 | \$12.88 | \$10 | \$15 | Buy 150 (1,000) | ✓ |
| Alaska Air Group | ALK | \$30.00 | \$50.29 | \$40 | \$48 | Sell 500 (1,400) | |
| Cirrus Logic | CRUS | \$38.39 | \$84.89 | \$70* | \$90* | Buy 200 (400) | ✓ |
| Cleveland-Cliffs | CLF | \$11.15 | \$20.92 | \$16* | \$22* | | ✓ |
| Electronic Arts | EA | \$17.01 | \$125.46 | \$110 | \$130 | | ✓ |
| First Solar | FSLR | \$60.91 | \$180.19 | \$150* | \$170* | | |
| Lattice Semiconductor | LSCC | \$58.91 | \$72.62 | \$60* | \$80* | Buy 200 (400) | ✓ |
| NXP Semiconductors | NXPI | \$24.26 | \$171.82 | \$150 | \$180 | | ✓ |
| PetMed Express | PETS | \$37.99 | \$19.13 | \$16 | \$20 | Sell 1,400 (4,000) | |
| Invesco DB Ag. | DBA | \$36.90 | \$19.53 | -- | \$22 | Sell 750 (2,000) | ✓ |
| Invesco DB Cmdties. | DBC | \$35.30 | \$24.79 | -- | \$28 | Sell 750 (2,000) | ✓ |
| Qorvo | QRVO | \$8.29 | \$100.40 | \$90* | \$110* | Buy 200 (400) | ✓ |
| Skyworks Solutions | SWKS | \$29.63 | \$101.61 | \$90* | \$110* | Buy 200 (400) | ✓ |
| SPDR Gold Trust ETF | GLD | \$93.39 | \$178.76 | -- | \$175* | | ✓ |

*changes since last issue ^we will use closing prices 1/17/23 for all transactions

CORE STOCKS

position in Disney and are seeking a seat on the company's Board of Directors in order to help push the company to make some of the changes that Trian believes will benefit shareholders (and, of course, this includes Trian).

While it is true that Peltz has led other successful proxy fights in the past (and often gone on to unlock shareholder value after winning), I have to admit that I am somewhat puzzled by Trian's decision to continue moving forward with their campaign, as it is a campaign that they were likely already building a position and strategy for *before* it was announced that Bob Iger was returning to Disney as CEO... and, to be honest, now that Bob Chapek is out and Bob Iger is back in, I'm not sure if Peltz and his team will add anywhere near as much value to the conversation as they would have prior to Iger's return.

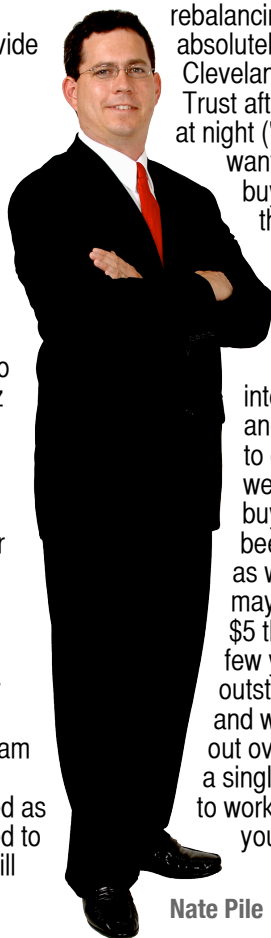
The good news is that Trian's presence will likely provide a catalyst for lots of intelligent discussion about what Disney might be able to do to get the train back on the tracks, but the bad news is that sometimes "too many cooks spoil the broth," and given Iger's unique background and skill set, this may be a case where Peltz and his team may prove to be more of an unnecessary annoyance than anything else (and, in fact, could get in the way of Iger moving things forward if they try to push too hard).

My gut feeling is that, as time goes by, Peltz will get to give his advice, Iger will get to acknowledge it, and Peltz and shareholders alike will end up being happy with whatever set of changes end up being made regardless of whether Peltz gains a seat on the board; consequently, I am currently viewing the turn of events as a positive, even if I may have to change my tune later if the conversation starts to turn uglier.

That being said, because I am still somewhat concerned that some of our "big name" stocks that have been tracing out ugly chart patterns for a while now may experience another leg down if the market does start to head south again (and Disney is one of these stocks), I am holding off adding more shares to either Portfolio this month: however, please note that the stock is still flagged as a "first buy" for new subscribers, and you are encouraged to work on building a position at today's prices if you are still underweighted in this iconic company.

Rationale for this month's trades

This month's sales are pretty much a duplicate of last month's, and they are being made for essentially the same reasons as last month, as well; in particular, I am selling another chunk of our DBA and DBC positions in order to help pay for new purchases, and, as part of my plan to completely exit our positions in Alaska Air and PetMed Express over the next couple of months in order to free up space for new recommendations, I am selling half of our remaining position in each of these stocks (and, while my current plan is to finish the process next month, there is a chance I will stretch it out even longer and/or may change my mind about exiting our positions in either stock, so please be careful to not jump the gun, so to speak).



Nate Pile

As far as what I am buying goes, I am adding a few more shares of Affirm to both Portfolios (and being quite a bit more aggressive about doing so in the Aggressive than the Model, I might add), and I am buying more of almost all of the chip stocks; however, I am not buying more NXP simply because it is already our largest chip position... and if you download the "portfolio data" spreadsheet available on the same page of the website that you got this issue from, you will also notice that I am throwing a bit more money at our smaller positions than I am at the larger positions as part of my efforts to bring the weightings of each more closely back into alignment (e.g. due to their poor performance relative to others, we have become extremely underweighted in Qorvo and Skyworks).

Finally, though I am choosing to "just let things ride" rather than take any profits in them as part of this month's rebalancing efforts, I want to remind you that there is absolutely nothing wrong with selling a bit of your Cleveland-Cliffs, First Solar, MannKind, or SPDR Gold Trust after their recent runs if it will help you sleep better at night ("peace of mind is key!")... and, on the flip side, I want to also remind you that even though I am not buying any of them this month either, all four of them (and a few others that I am not buying, as well) are all flagged as "first buys" for those of you who are still working on building positions around the ideas in the newsletter.

In addition, though both Portfolios are already so intentionally overweighted in the stock that buying another small lot or two isn't really going to do much to change our eventual returns (so I am not), if they were not so overweighted, I would absolutely be buying more MannKind in light of how the story has been playing out lately (and how the stock is acting, as well); no, the stock is not the same once (or maybe twice) in a lifetime opportunity up here near \$5 that it was when the stock was trading near \$1 a few years ago, but I believe it still represents an outstanding risk-reward opportunity at today's prices... and with a reminder to always spread your purchases out over an extended period of time rather than making a single large purchase all at once, you are encouraged to work on becoming as fully-weighted in the stock as you can be while still sleeping easy night (and provided you are making sure to buy most of the other stocks as well since ALL of the recommended stocks (and their portfolio weightings) are meant to complement each other as part of a "whole portfolio" approach to investing).

More Info on *The Wagmore Advisory Letter (TWAL)*

As mentioned last month, now that MannKind is starting to act better and the 2,000 shares of the stock that are held in the real world account associated with *TWAL* once again represents a "large enough" chunk of capital to work with when it comes to publishing a covered call newsletter, I am planning to bring this covered call service out of hibernation in the near future (re-launch currently slated for early March)!

And, as the emails I received in response to the news were quick to point out (thanks for all the interest!), many of you

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.

wanted more information than was provided last month (mainly due to space constraints)... so here it is in bullet-point form, again to save space (with more expanded information to come prior to the actual re-launch):

- as mentioned above, the account is currently sitting on 2,000 shares of MNKD (and a tiny bit of cash), and I am hoping to use this position (or some of it converted to cash) as our starting point, so if you think you might end up subscribing, you should start building a similar position and/or mentally setting aside the dollar equivalent of 2,000 shares of MNKD (or round multiples thereof) so that you will be ready to go right out of the gate;

- unlike *Nate's Notes (NN)* and *The Little River Investment Guide (LRIG)*, which are both published on weekends and include trade recommendations that are rarely "time sensitive," *TWAL* will be making recommendations in a "running blog" format during regular market hours (with the usual email alerts for subscribers when there is new material available), and so, ideally, you will need to have the ability to read and act on these emails during the day in order for the service to provide the most value for you;

- that being said, 1) there will typically only be 1-3 such alerts per week (and sometimes none), and 2) given that the trades *TWAL* will be making will usually be based on time periods measured in weeks or months, it will not be absolutely critical that you are able to act on the recommendations as soon as they come out... but since option prices sometimes move faster than stock prices, there is a chance that you will end up missing out on certain trade recommendations if you cannot help but wait more than a day or two to act on them, so please keep this in mind;

- the underlying strategy will be a standard covered call writing strategy, namely, stocks will be bought in round lots of 100, and then covered calls will be written against those round lots on a rolling basis;

- pricing still TBD (though, yes - there will almost certainly be a "special offer" for existing *NN* and *LRIG* subscribers who

sign up for the relaunch); yes, more information about the service, including an example of what the "running blog" format looked like last time around, will be made available prior to the relaunch; and, finally, you can learn more about options and covered call writing on [this page of the website](#).

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:

Cleveland-Cliffs (CLF) – Barring the onset of a severe recession, the company appears to have positioned itself to do very well over the next several quarters, and the stock is showing great relative strength in response to the situation as well (which is always a good sign!).

MannKind (MNKD) – Same old, same old - the stock is still undervalued relative to what I think its assets are worth, and now that Wall Street seems to be taking a second look at the story, I believe the uptrend that is already underway is likely to continue.

SPDR Gold Trust ETF (GLD) – thanks to its great relative strength lately, GLD is once again a Top Pick this month...

Outstanding Orders

For the reasons discussed above and below, the Model (Aggressive) Portfolio will **sell** 500 (1,400) Alaska Air, 1,400 (4,000) PetMed Express, 750 (2,000) Invesco DB Ag., and 750 (2,000) Invesco DB Cmtties. and **purchase** 150 (1,000) Affirm, 200 (400) Cirrus Logic, 200 (400) Lattice Semi., 100 (200) NVIDIA, 200 (400) Qorvo, and 200 (400) Skyworks Solutions. We will use the closing prices on Tuesday, January 17th, for all transactions.



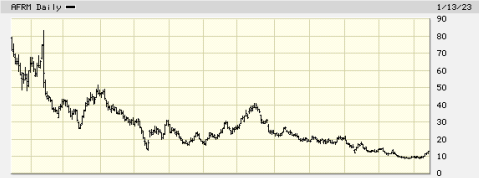
Nate Pile, Editor

"Eyebrow Levels"


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

| Index | Current | One Eyebrow | Two Eyebrows |
|--------------------|---------------|---------------|--------------|
| DJIA | 34,303 | 30,500 | 25,500 |
| Nasdaq | 11,079 | 12,250 | 10,500 |
| S&P 500 | 3,999 | 3,700 | 3,200 |
| BTK | 5,525 | 4,750 | 3,900 |
| SOX | 2,801 | 2,700 | 2,100 |


*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).

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) | Affirm Holdings • AFRM |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|---|
| \$23.06 | \$12.88 | \$83.57 | \$8.62 | 285.6 | \$3,678.5 |  |

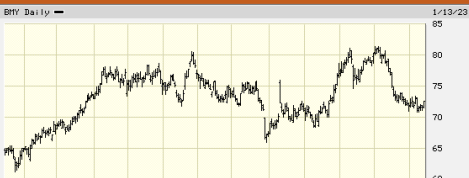
As was hoped might happen, I am pleased to report that rather than continuing to slide after tax-loss selling season came to an end, Affirm's stock did, in fact, find its footing as the new year got underway... and, while it remains to be seen whether the current uptrend is "for real" or just a short-term response to the removal of tax-loss selling, based on how the stock is acting (or, more specifically, how it is not acting), I am comfortable putting a bit of money to work in the stock again this month as part of our efforts to gradually get to a "full" position in this fairly new recommendation (and please note that I am being much more aggressive about it in the Aggressive portfolio). **AFRM is a strong buy under \$10 and a buy under \$15.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) | Alaska Air Group • ALK |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|---|
| \$30.00 | \$50.29 | \$61.55 | \$38.19 | 126.8 | \$6,376.8 |  |

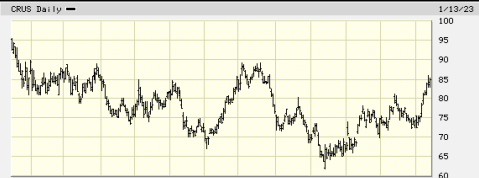
As you can see in the chart to the left, Alaska's stock has pretty much done nothing but go straight up so far this year, and though there are a number of possible explanations for the price action, I think we can count among them the idea that things may not be as bad as some are painting them out to be when it comes to the economy and the outlook for various industries (but investors sometimes get things wrong, so we don't want to become too complacent). That being said, as mentioned last month, I am working on scaling-out of this "special situation" that was added to the newsletter at the start of the pandemic, and so I am selling another chunk this month. **ALK is a strong buy under \$40 and a buy under \$48.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) | Apple • AAPL |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|--|
| \$0.24 | \$134.76 | \$179.61 | \$124.17 | 16,325.0 | \$2,199,957.0 |  |

In contrast to Affirm above, as was feared might happen, Apple's stock did, in fact, end up punching into new 52-week low territory as part of the last wave of tax-loss selling as 2022 came to an end... but it has since managed to rally a bit, and we now get to wait and see whether the fact that it made all of the bearish pundits dreams come true by "finally joining the market and hitting a new 52-week low" means that the bottom really has been put in for the overall market, or if there are even more new lows coming in the weeks and months ahead (which would be a very bearish clue about the health of the overall market). That being said, the stock is definitely a "first buy." **AAPL is a strong buy under \$120 and a buy under \$140.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) | Bristol-Myers Squibb • BMJ |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|---|
| \$0.44 | \$72.51 | \$81.44 | \$61.19 | 2,148.0 | \$155,751.5 |  |

Though it remains to be seen whether Bristol's stock will be able to hold above \$70 in the weeks and month's ahead, my experiences suggest that the longer it is able to do so, the more bullish-looking the chart will become. I am taking a break from adding more exposure to biopharma stocks this month in order to focus on the chip stocks (and Affirm) instead, but if you are still working on building a portfolio around my ideas, I believe the current price is a great point at which to do some nibbling as part of building a position in this more conservative "core stock" (but don't forget to also add some less conservative MannKind to complement the purchase as well!). **BMJ is a strong buy under \$65 and a buy under \$85.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) | Cirrus Logic • CRUS |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|---|
| \$38.39 | \$84.89 | \$94.37 | \$61.94 | 57.8 | \$4,906.6 |  |

Once again, Cirrus' stock is painting a much more bullish picture for us than most investors would expect given all the negative chatter about chip stocks these days! Though the trend could reverse as soon as soon as Tuesday, I want to remind you that the stock is more than due for a pullback after the great run it has made off the low that was set back in October, so don't be alarmed if we do see some profit-taking (and, in fact, I believe it can actually dip all the way back to the \$72ish range without triggering an actual reversal in the trend). I am buying a few more shares this month, but please remember to be disciplined about "buying small lots on a regular basis." **CRUS is now a strong buy under \$70 and a buy under \$90.**

Cleveland-Cliffs • CLF

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$11.15 | \$20.92 | \$34.04 | \$11.83 | 498.9 | \$10,437.0 |

While it remains to be seen how things will play out this time around, it is hard to not get excited by the chart pattern that is being traced out by Cleveland-Cliffs stock these days – not only does the stock appear to be breaking out of an extended consolidation period, I consider it to be an especially bullish sign that the "lift off" move now consists of not one, but two "gap ups." No, this does not guarantee more gains are in store for us, but my experiences suggest that the odds greatly favor a continuation of the uptrend in the months ahead, even if there is a pullback to make sure the upper gap gets filled along the way. Both Portfolios already own enough, but this is another "first buy." **CLF is a strong buy under \$16 and a buy under \$22.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$17.01 | \$125.46 | \$142.79 | \$109.24 | 281.0 | \$35,254.3 |

Though I am growing more and more intrigued by the chart pattern being traced out by EA's stock, I am afraid that we still do not know whether the resolution of the pattern is going to be a breakout to the upside... or a breakdown into new 52-week low territory; however, I do know that after all the push and pull between bulls and bears over the past twelve months that has created this "bird beak" pattern of lower highs but higher lows as well, history suggests the next move will likely be an extended one. I believe the fundamentals of the story suggest the move will be higher, but I don't mind waiting at least another month for additional evidence before I start to nibble again. **EA remains a strong buy under \$110 and a buy under \$130.**

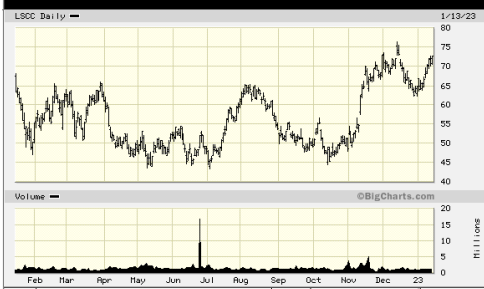
Electronic Arts • EA**First Solar • FSLR**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$60.91 | \$180.19 | \$182.58 | \$59.60 | 106.9 | \$19,262.3 |

As you can see in the chart to the left, First Solar's stock is another that has been on fire since the new year got underway! And, while it is hard to know how much of the move can be attributed to longer-term investors buying the stock based on the very exciting prospects for solar in the decades ahead versus shorter-term investors buying the stock based solely on its great relative strength, my advice for now is to continue to be as patient as you can be about taking profits, as trends often go on for far longer than investors think they will; on the flip side, however, if you are still building a position, please also be patient about waiting for a pullback below the buy limits. **FSLR is a strong buy under \$150 and a buy under \$170.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$17.92 | \$201.11 | \$405.62 | \$173.45 | 157.0 | \$31,574.3 |

Though Illumina's stock has continued to hold above the key support level of \$180 (or thereabouts)... and despite the fact that I continue to believe this is one of the "best of breed" stocks in the genomic-sequencing space... I will be the first to admit that if the next move ends up being to the downside rather than the upside, the long-term chart suggests (but does not guarantee, as charts are never 100% reliable, even if they do help assess the odds of various things occurring), the tumble is likely to be "fast and furious." For this reason (along with the fact that I am focusing on chip stocks as part of this month's rebalancing efforts), I am holding off with new purchases for now. **ILMN is a strong buy under \$180 and a buy under \$220.**

Illumina • ILMN**Lattice Semiconductor • LSCC**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$58.91 | \$72.62 | \$73.47 | \$43.41 | 140.2 | \$10,181.3 |

As was anticipated might happen in last month's issue, Lattice's stock did, in fact, experience a round of solid profit-taking shortly after that issue came out... and I believe the fact that the stock is now once again pushing up against the highs that were being set as that issue went to press cannot be considered anything but a bullish piece of evidence about just how strong the sector currently is at the moment despite all the negative commentary and pooh-poohing of the sector as a smart investment that is going on these days. With a reminder to place small bets regularly rather than buying an entire position all at once (as I am doing in the newsletter's Portfolios this month), **LSCC is a strong buy under \$60 and a buy under \$80.**

MannKind Corp. • MNKD



| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$42.55 | \$4.83 | \$5.47 | \$2.49 | 263.1 | \$1,270.8 |

MannKind's stock is continuing to trace out a very bullish chart pattern, and while it remains to be seen whether or not the stock will continue pushing into new 52-week high territory in the weeks and months ahead, I believe the odds greatly favor it doing so thanks to how the underlying story is playing out these days. Having said that, I want to remind you that continued strength should be looked at as a reason to buy/hold, not sell (but don't be afraid to take a few profits if it helps you sleep more easily at night!), and you are encouraged to have a game plan in place ahead of time for making sales so that you do not have make those decisions in the heat of the moment. **MNKD is a strong buy under \$5 and a buy under \$10.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$1.12 | \$168.99 | \$289.46 | \$108.13 | 2,508.0 | \$423,826.9 |

Though there continues to be great debate amongst analysts and pundits on Wall Street about what NVIDIA's future might look like, as you can see in the chart to the right, the stock is continuing to trace out a chart pattern that supports the idea that the stock (and the sector as a whole) may be in the process of turning the corner despite the fact that it is hard to find analysts willing to say the stock(s) should be bought. No, there are no guarantees the market will prove the consensus wrong this time around... but history suggests the odds are good it will. That being said, please be disciplined about scaling in to this core stock, as it could still fall back to \$100 (or lower)! **NVDA is now a strong buy under \$160 and a buy under \$180.**



NXP Semiconductors • NXPI

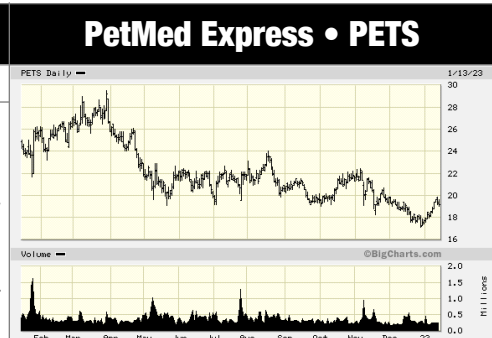


| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$24.26 | \$171.82 | \$225.39 | \$132.08 | 264.7 | \$45,480.8 |

Yep – NXPI's is another stock that I believe is tracing out a pattern that is consistent with the idea that the worst may be behind us in terms of investors bailing out of the stock (i.e. all of the potential bad news has probably been factored into the stock price at this point). That being said, just because a bottom may have been put in for the sector, it does not necessarily mean a new uptrend is going to start right away, and it is quite possible stocks in the sector could simply trade sideways for a while before they finally starting climbing in a meaningful fashion, so, again, please be disciplined about buying small lots regularly than placing a single bet all at once. **NXPI remains a strong buy under \$150 and a buy under \$180.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$37.99 | \$19.13 | \$29.53 | \$17.08 | 20.2 | \$766.3 |

As mentioned last month, though PetMed Express was added to the letter during a period when it was hard to get excited about making new recommendations in the newsletter in the types of growth stories that are more typical of the types of growth stories I look for due to the fact "just about everything was expensive" when the market was still chugging higher a few years ago, now that there has been a "meaningful repricing of assets," I am working on exiting this position in order to make room for some other ideas that may offer more upside potential, even if they may not come with the same sizable dividend we have been collecting from our PETS position along the way. **PETS is a strong buy under \$16 and a buy under \$20.**



Invesco DB Agriculture • DBA



| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Net Assets (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$36.90 | \$19.53 | \$23.01 | \$19.29 | ETF | \$328.7 |

While neither of them have actually broken down yet, a quick glance at the charts of both DBA and DBC certainly leaves one with more a bearish sense of things (at least that is what my interpretation of the charts leaves me feeling when I look at them), and since this lines up with the idea that inflation may be cooling off a bit, I am once again comfortable with the idea of using these two ETFs as a source of fund to help pay for the purchases I want to make (again, mainly in the chip stocks, which, if look at all of them one after another, ought to give the exact opposite feeling about which way a sideways trend seems to be resolving itself). That being said, as is (continued under "DBC" below) **DBA remains a buy under \$22.**

| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Net Assets (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$35.30 | \$24.79 | \$30.64 | \$21.60 | ETF | \$851.3 |

(continuing from "DBA" above) always the case, you are encouraged to follow my lead of selling small pieces on a regular basis rather than exiting your positions all at once, as there is still a chance (even if the odds seem to be shrinking as more and more data comes in) that commodity prices could still have another run left in them before all is said and done, and, naturally, we will want to still have some chips on the table (and will perhaps even buy back shares we have sold) if that ends up happening. And, of course, if you are new to the newsletter, please note that these two commodity ETFs are flagged as "first buys" this month, so you should focus on buying small lots on a regular basis! **DBC remains a buy under \$28.**



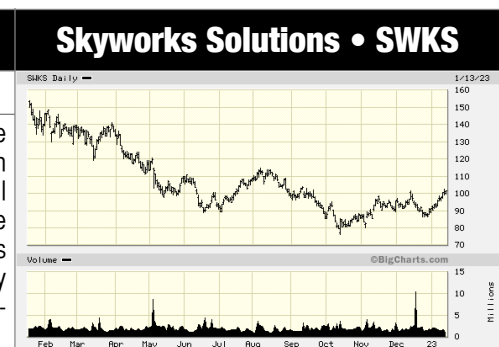
| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$8.29 | \$100.40 | \$148.86 | \$75.38 | 101.4 | \$10,176.5 |

As has been their wont for almost every issue for the past eighteen months or so, Qorvo's and Skyworks' stock are continuing to march in lockstep, and, as has been mentioned a number of times in the issue already, it is hard to not find the price action encouraging, especially given how our most analysts are when it comes to discussing the outlook for chip stocks. As discussed above, we are still quite underweighted in Qorvo (and Skyworks, as well) due to the fact that I almost always look at poor relative strength as a reason to lighten up on a position, but now that the tide may be turning, I feel more comfortable buying back those shares in a fairly aggressive manner. **QRVO is now a strong buy under \$90 and a buy under \$110.**



| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Net Assets (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$29.63 | \$101.61 | \$155.77 | \$76.16 | 161.5 | \$16,410.0 |

And, as has been my wont for quite some time now as well, I will once again report that the fact that the two stocks are not only acting the same but are also right next to each other in the newsletter means that "everything I just said for Qorvo applies to Skyworks as well." In all seriousness though, the fact that they are acting the way they are acting counts as two more pieces of evidence for me that our best bet at this point in time is to be adding to our positions in our chips stocks, even if we may have to change our minds later (it is always best to play the odds rather than bet against them right?). With a reminder to be disciplined about scaling-in to the stock, **SWKS is now considered a strong buy under \$90 and a buy under \$110.**



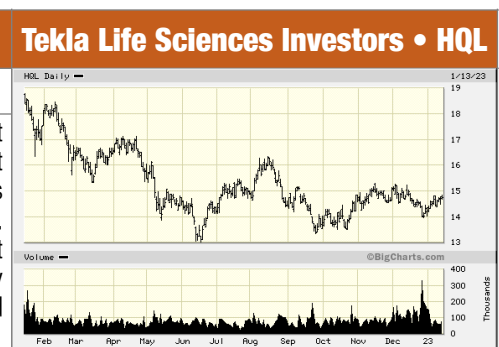
| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Net Assets (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$93.39 | \$178.76 | \$193.30 | \$150.57 | ETF | \$66,990.0 |

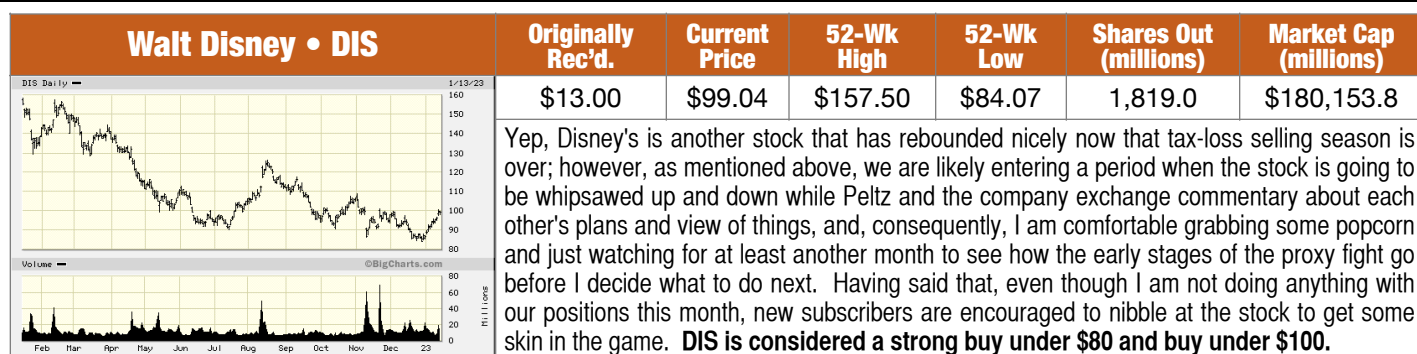
Repeating what I said last month since it is still exactly what I think this month: *Not only has a weakening dollar helped boost the price of gold over the past few weeks, as mentioned above, I believe the fact that a lot of folks who were sold on the idea that "crypto is the new gold" are changing their minds in the wake of the FTX situation is helping to drive the price of the precious metal higher as well.* And, while I do believe that there will always be more upside potential in owning the stocks of great long-term growth companies than in owning gold, I also believe gold represents a great way to hedge against all the uncertainty going on in the world these days. On any pullbacks, **GLD is now considered a buy under \$175.**



| Originally Rec'd. | Current Price | 52-Wk High | 52-Wk Low | Shares Out (millions) | Market Cap (millions) |
|-------------------|---------------|------------|-----------|-----------------------|-----------------------|
| \$21.17 | \$14.76 | \$18.59 | \$13.03 | 20.1 | \$297.0 |

As you can see in the chart to the right, shares of Tekla Life Sciences seem to have been hit with a sizable chunk of tax-loss selling as 2022 came to an end; however, the market managed to absorb all of the selling right at the \$14 level, and, not surprisingly, the stock has bounced a bit now that the new year is underway and tax-loss selling is no longer an issue. This is another case where the stock is tracing out a "pennant" pattern of lower highs but higher lows, and, consequently, the direction it ends up going when the pattern is finally resolved will likely be a very useful clue about where the sector as a whole might be headed next. This is another "first buy," and **HQL is a strong buy under \$14 and a buy under \$18.**





| POSITION | | MODEL PORTFOLIO | | | | AGGRESSIVE PORTFOLIO | | | |
|-------------------------------|--------------|---------------------|--------------------|----------------|--------------|----------------------|---------------------|----------------|--|
| Company | Shares owned | Total Cost | Todays Value | Total % Change | Shares owned | Total Cost | Todays Value | Total % Change | |
| Affirm Holdings | 1,250 | \$32,126 | \$16,100 | -49.9% | 5,000 | \$128,502 | \$64,400 | -49.9% | |
| Alaska Air Group | 1,000 | \$48,614 | \$50,290 | +3.4% | 2,800 | \$140,326 | \$140,812 | +0.3% | |
| Apple | 900 | \$70,490 | \$121,284 | +72.1% | 2,700 | \$217,962 | \$363,852 | +66.9% | |
| Bristol-Myers Squibb | 2,850 | \$198,475 | \$206,654 | +4.1% | 7,000 | \$489,879 | \$507,570 | +3.6% | |
| Cirrus Logic | 1,400 | \$99,297 | \$118,846 | +19.7% | 3,850 | \$264,273 | \$326,827 | +23.7% | |
| Cleveland-Cliffs | 9,000 | \$83,948 | \$188,280 | +124.3% | 27,000 | \$253,393 | \$564,840 | +122.9% | |
| Electronic Arts | 850 | \$89,997 | \$106,641 | +18.5% | 2,500 | \$240,665 | \$313,650 | +30.3% | |
| First Solar | 1,200 | \$70,098 | \$216,228 | +208.5% | 3,400 | \$204,812 | \$612,646 | +199.1% | |
| Illumina | 700 | \$174,758 | \$140,777 | -19.4% | 2,400 | \$580,014 | \$482,664 | -16.8% | |
| Lattice Semiconductor | 1,900 | \$117,750 | \$137,978 | +17.2% | 5,000 | \$314,084 | \$363,100 | +15.6% | |
| MannKind | 300,000 | \$638,449 | \$1,449,000 | +127.0% | 2,200,000 | \$5,378,002 | \$10,626,000 | +97.6% | |
| NVIDIA Corp. | 725 | \$68,495 | \$122,518 | +78.9% | 2,600 | \$230,847 | \$439,374 | +90.3% | |
| NXP Semiconductors | 950 | \$141,695 | \$163,229 | +15.2% | 3,200 | \$510,236 | \$549,824 | +7.8% | |
| PetMed Express | 2,800 | \$70,274 | \$53,564 | -23.8% | 8,000 | \$226,641 | \$153,040 | -32.5% | |
| Invesco DB Ag. | 5,500 | \$101,900 | \$107,415 | +5.4% | 14,000 | \$258,263 | \$273,420 | +5.9% | |
| Invesco DB Cmdties. | 5,500 | \$96,866 | \$136,345 | +40.8% | 14,000 | \$246,579 | \$347,060 | +40.8% | |
| Qorvo | 600 | \$58,378 | \$60,240 | +3.2% | 2,000 | \$181,617 | \$200,800 | +10.6% | |
| Skyworks Solutions | 600 | \$67,514 | \$60,966 | -9.7% | 1,750 | \$197,090 | \$177,818 | -9.8% | |
| SPDR Gold Trust ETF | 800 | \$113,506 | \$143,008 | +26.0% | 4,000 | \$551,123 | \$715,040 | +29.7% | |
| Tekla Life Sciences Investors | 5,105.3 | \$66,240 | \$75,354 | +13.8% | 16,846.3 | \$212,139 | \$248,651 | +17.2% | |
| Walt Disney Co. | 750 | \$84,016 | \$74,550 | -11.3% | 2,500 | \$276,374 | \$248,500 | -10.1% | |
| | | Stocks: | \$3,749,266 | | | Stocks: | \$17,719,887 | | |
| | | Cash (Debit): | \$103,728 | | | Cash (Debit): | (\$2,768,243) | | |
| | | Total Value: | \$3,852,994 | | | Total Value: | \$14,951,644 | | |

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| Orders Filled 12/19/22 (Aggressive Portfolio in parentheses) | |
|--|--|
| Sold 500 (1,400) ALK @ \$42.90 | |
| Sold 150 (300) AAPL @ \$132.37 | |
| Sold 1,450 (4,000) PETS @ \$17.74 | |
| Sold 750 (2,000) DBA @ \$19.67 | |
| Sold 750 (2,000) DBC @ \$23.97 | |
| Sold 175 (500) DIS @ \$85.78 | |
| Bought 50 (200) ILMN @ \$191.59 | |
| Bought 100 (250) QORVO @ \$93.02 | |
| Bought 75 (250) SWKS @ \$91.68 | |
| Bought 75 (400) GLD @ \$166.32 | |
| credited \$162 (\$475) from EA dividend 12/21/22 | |
| credited \$29 (\$104) from NVDA dividend 12/22/22 | |
| credited 105.0 (346.5) shares HQL via dividend reinvestment 12/30/22 | |
| credited \$803 (\$2,704) from NXPI dividend 1/6/22 | |