



22 January 2021

Overview

First, congratulations. If you're reading this, then you are one of the smart people. This image shows why.

Wealth Gap

The top 20% of earners own nearly all the stocks held by U.S. households

- 0-20%
- 20-40%
- 40-60%
- 60-80%
- 80-99%
- 99-100%



Source: Federal Reserve
Note: Chart displays holdings of corporate equities and mutual fund shares by income percentile

Bloomberg

More than £1trn of 'muppet money' costing savers billions

08 September 2020

With interest rates at record lows and equity yields at record highs, hoarding cash is costing UK savers £38bn in lost income, according to research by Janus Henderson Investment Trusts.



By **Abraham Darwyne**,
Senior reporter, Trustnet



The lockdown and fears over the severity of the economic impact of the Covid-19 pandemic have caused households to hoard record levels of cash and miss out on investment income, according to a study by Janus Henderson Investment Trusts.

In the first half of 2020, households set aside £77bn in cash. In comparison, £82bn was set aside during the whole of 2016 – the highest amount on record.

As such an eye-watering £1.5trn of cash is now stored in savings accounts spread across ISAs, savings and current accounts, according to the Bank of England, an amount roughly equal to the combined value of all UK residential mortgages.

You are all clever enough to be investors. Now let's make sure those investments count. Where should we invest now in the stock market?

The market is divided. One half says let's go nuts and buy (Robinhood and TikTok generation) and the other says 'crash and bubble'.

When that happens, it's a stock pickers market ie we need resilient stocks from falls and ones which will also rise in case markets boom on.

Some thoughts first – let's look at evidence.

RISK ON ASSETS Q1 2021

ASSET CLASS ↕	ALL INVESTORS ↕	MILLIONAIRE INVESTORS ↕
BIG TECH	53%	52%
CLEAN TECH	51%	46%
REAL ESTATE	42%	36%
ESG INVESTMENTS	44%	36%
TRADITIONAL ENERGY	33%	28%
IPOS	31%	25%
BLOCKCHAIN AND CRYPTO	30%	19%
CANNABIS STOCKS	30%	18%
SPACS	24%	16%

When asked about their current level of interest, the riskiest risk-on assets are less popular with millionaire investors, including IPOs, SPACs, cannabis stocks and cryptocurrencies.

E-Trade Financial

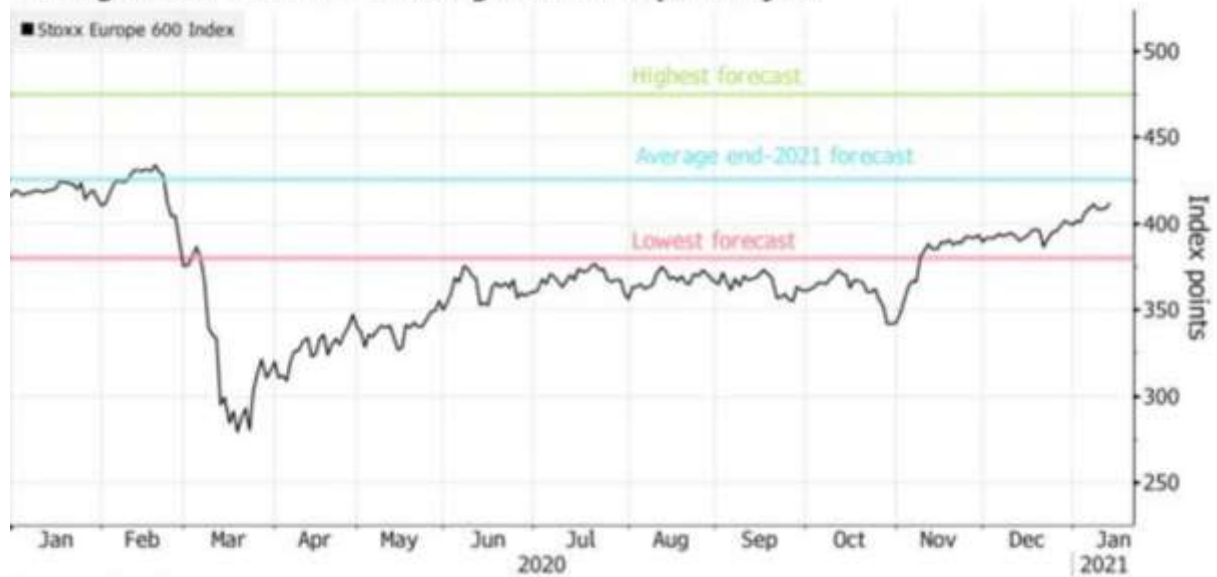
Banking on Europe

European stocks have a lot of catch-up potential to U.S. peers



More Gains

Strategists see room for further gains in Europe this year



Source: Bloomberg

Goldman Sachs' chief economist warns a pullback for stocks could be coming soon

Hedge Fund Returns for 2020 (%)

Andurand Commodities Discretionary Enhanced	154
Brevan Howard U.S. Rates Opportunities	98.8
Andurand Commodities	68.6
Brevan Howard FG Macro Master Fund (Fash Golchin)	60.5
Odey Absolute Return Focus	46.2
Odey Special Situations	42.8
Brevan Howard Global Volatility Master Fund	35.8
Brevan Howard LB Macro Fund (Louis Basger)	33.1
LF Odey Absolute Return	29.1
Brevan Howard Master Fund	27.4

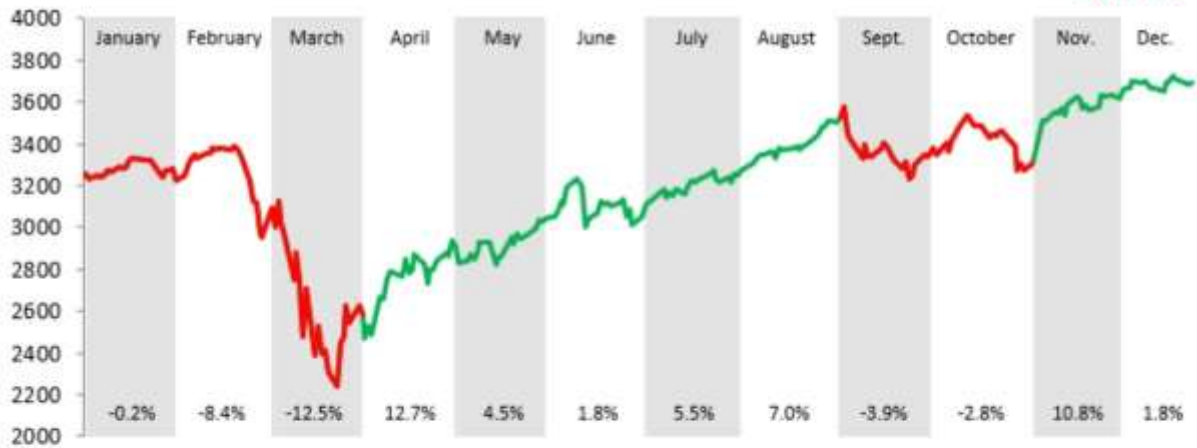
SEASONAL PERFORMANCE

S&P 500

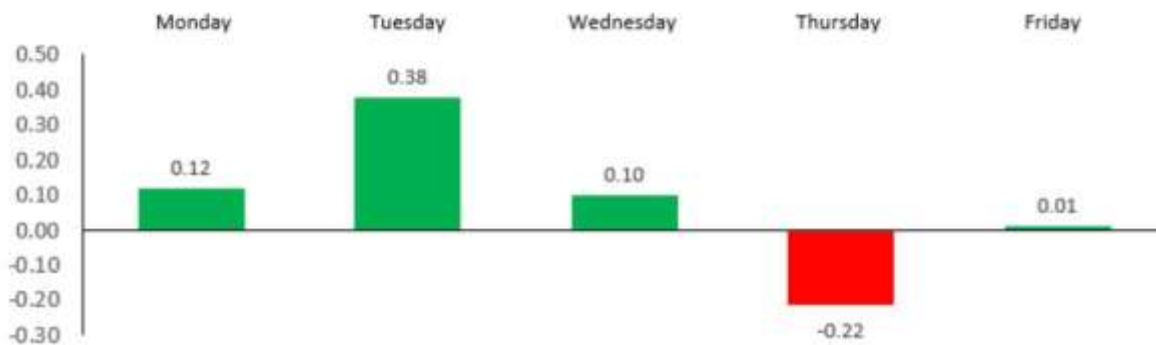
	'16	'17	'18	'19	'20	Avg
Jan	-5.07	1.79	5.62	7.87	-0.16	1.42
Feb	-0.41	3.72	-3.89	2.97	-8.41	1.57
Mar	6.60	-0.04	-2.69	1.79	-12.51	0.78
Apr	0.27	0.91	0.27	3.93	12.68	1.25
May	1.53	1.16	2.16	-6.58	4.53	-0.14
Jun	0.09	0.48	0.48	6.89	1.84	1.17
Jul	3.56	1.93	3.60	1.31	5.51	2.48
Aug	-0.12	0.05	3.03	-1.81	7.01	-1.02
Sep	-0.12	1.93	0.43	1.72	-3.92	0.26
Oct	-1.94	2.22	-6.94	2.04	-2.77	0.74
Nov	3.42	2.81	1.79	3.40	10.75	2.29
Dec	1.82	0.98	-9.18	2.86	2.42	-1.05

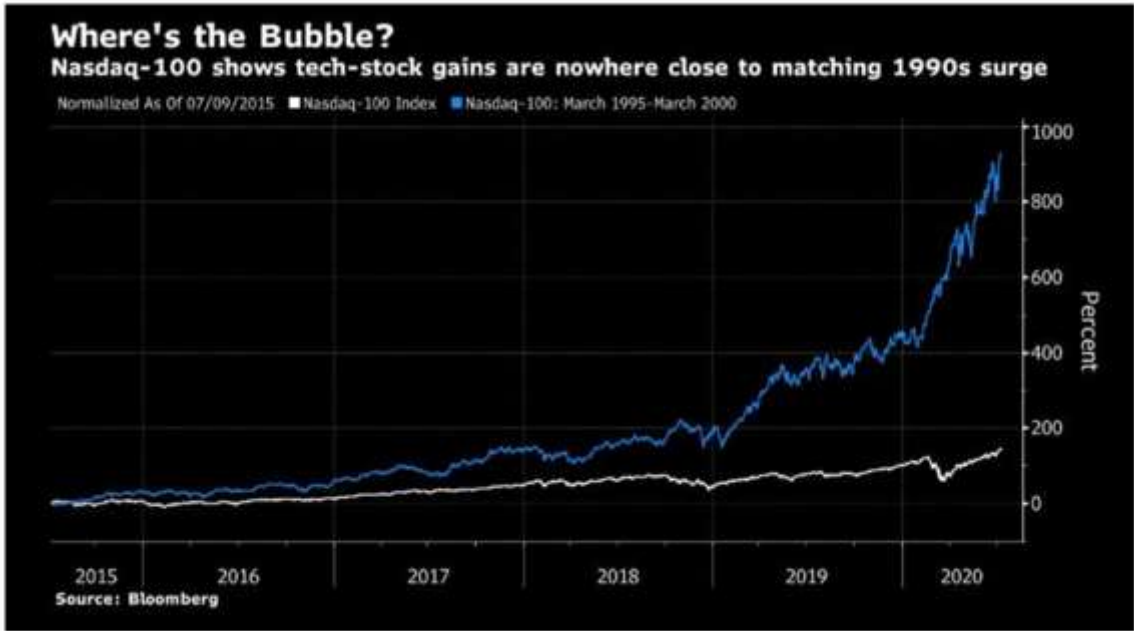
S&P 500 in 2020

+14.2% YTD



Average % Change by Day of Week





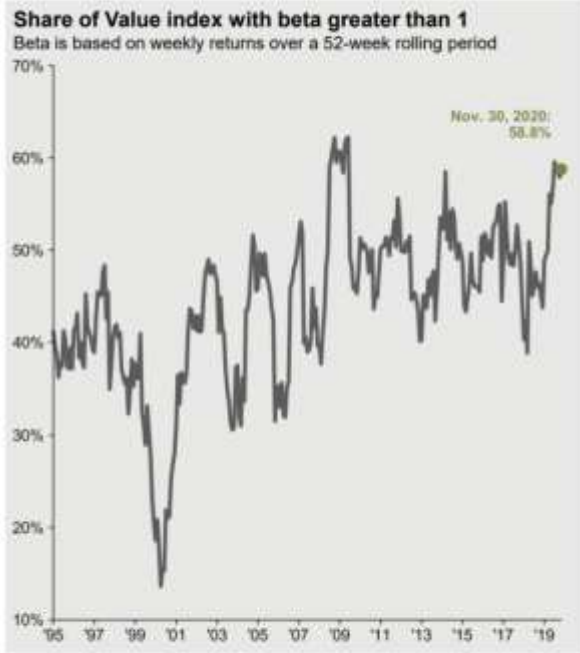
HEDGE FUND OWNERSHIP REPORT – Q3 2020

A REPORT COVERING HEDGE FUND STOCK OWNERSHIP
TRENDS AND INDIVIDUAL MANAGER PORTFOLIOS

SECURITIES ADDED	
Snowflake, Inc	SNOW
New Oriental Education & Tech Group Inc ADR	EDU
Liberty Broadband Corp Class C	LBRDK
Discover Financial Services	DFS
eBay Inc	EBAY
Roku Inc	ROKU
Air Lease Corp	AL
Advanced Micro Devices Inc	AMD
Etsy Inc	ETSY
Unity Software Inc	U
Electronic Arts, Inc	EA
Dolby Laboratories	DLB
Marriott International Inc/MD	MAR
KE Holdings Inc	BEKE
Bilibili Inc	BILI
GoodRx Holdings, Inc	GDRX
Taiwan Semiconductor Manufacturing Co Ltd ADR	TSM
T. Rowe Price Group	TROW
AppFolio Inc	APPF
SolarWinds Corp	SWI
Deutsche Bank AG (NYSE) ADR	DB
Mondelez International Inc. (Kraft Foods)	MDLZ
Moderna Inc	MRNA
Ryanair Holdings ADR	RYAAY

SECURITIES DROPPED	
Wix.com Ltd	WIX
Snap Inc Class A	SNAP
Interactive Brokers Group Inc	IBKR
Atlassian Corp Plc	TEAM
New York Times Co. Class A	NYT
Credit Acceptance Corp	CACC
Avalanche Biotechnologies Inc	ADVM
Twitter Inc	TWTR
FLIR Systems Inc	FLIR
Varonis Systems Inc	VRNS
Hilton Worldwide Holdings Inc	HLT
Anthem Inc	ANTM
Axcelis Technologies Inc	ACLS
Arco Platform Ltd	ARCE
Marvell Technology Group Ltd	MRVL
Agora, Inc. ADS	API
Carvana Co	CVNA
Five9 Inc	FIVN
Criteo S.A. ADR	CRTO
Tencent Music Entertainment Group	TME
MongoDB Inc	MDB
Raytheon Technologies Corp. (United Technologies)	RTX
Slack Technologies Inc	WORK
GreenSky Inc	GSKY

Value vs. Growth GTM - U.S. | 10



Source: FactSet, FTSE Russell, NBER, J.P. Morgan Asset Management.
Growth is represented by the Russell 1000 Growth Index and Value is represented by the Russell 1000 Value Index. Beta is calculated relative to the Russell 1000 Index.
Guide to the Markets – U.S. Data are as of November 30, 2020.



Equities



Source: Compustat, FactSet, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management.
 Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat.
 Forward price to earnings ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.
 Guide to the Markets - U.S. Data as of November 30, 2020.



- **Up to \$1 trillion could flow into stocks next year in "one of the best environments for equities in a number of years," according to JPMorgan's Dubravko Lakos-Bujas said on Thursday.**
- **The head of equity strategy and global quantitative research **told CNBC** that market risks including the global trade war, the pandemic, and uncertainty around the US election will subside in 2021, and a massive flow of liquidity could help push the S&P 500 25% higher.**

4 reasons why the S&P 500 will soar 25% by the end of 2022, according to Goldman's US stock chief

Billionaire investor Paul Tudor Jones forecasts the economy will see an 'absolute supersonic boom' in 2021

Dow Jones Industrial Average Performance		
When U.S. government has:	% gain/annum	% of time
Democratic President, Republican Congress	9.1%	10.1%
Democratic President, Split Congress	10.4%	3.4%
Democratic President, Democratic Congress	7.2%	33.4%
Republican President, Republican Congress	7.3%	23.5%
Republican President, Split Congress	-2.9%	11.5%
Republican President, Democratic Congress	2.4%	18.4%

Source: Charles Schwab.

Taking all of the above into account, reinforces my view that I will not pick on a sector, or gamble on a theme or a style (momentum, value) – but I better pick stocks bottom up.

Some of my highest rated ones:

03 List: FTSE 350 - All sectors - Alpesh Table (Linked)

No.	Name	Alpesh value/ growth rating	Sortino Ratio	CROCI (%)	EPIC
1	Imperial Brands PLC	9	-0.4356	17.2	IMB
2	KAZ Minerals PLC	9	0.0728	-2.3	KAZ
3	Man Group PLC	9	-0.2736	25.7	EMG
4	Morgan Sindall PLC	9	0.1983	7.7	MGNS
5	Savills PLC	9	0.1458	10.8	SVS
6	Aveva Group PLC	8	0.3740	4.9	AVV
7	Aviva PLC	8	-0.2036	1.3	AV
8	Balfour Beatty PLC	8	0.0424	9.4	BBY
9	Chemring Group PLC	8	0.3983	9.2	CHG
10	CMC Markets PLC	8	0.5814	21.8	CMCX
11	CRH PLC	8	0.2392	8.6	CRH
12	Dechra Pharmaceuticals PL	8	0.5736	7.2	DPH
13	Derwent London PLC	8	0.1447	-3.2	DLN
14	Ferrexpo PLC	8	0.2617	17.1	FXPO
15	Gamesys Group PLC	8	0.4070	6.9	GYS
16	Hikma Pharmaceuticals PLC	8	0.9555	13.8	HIK
17	Hill & Smith Holdings PLC	8	0.1666	9.8	HILS
18	IG Group Holdings PLC	8	0.1536	27.5	IGG
19	InterContinental Hotels Grou	8	0.0448	23.0	IHG
20	Legal & General Group PLC	8	0.0868	-2.6	LGEN

Above is FTSE 350

From AIM – focus on 7,8,9 on my value growth rating:

No.	Name	Alpesh value/ growth rating	Sortino Ratio	CROCI (%)	EPIC
1	Fonix Mobile PLC	7		938.2	FNX
2	Pathfinder Minerals PLC		0.0344	917.6	PFP
3	Cambridge Cognition Holdir	4	0.1629	344.7	COG
4	Tiziana Life Sciences PLC		0.4984	338.7	TILS
5	Best of the Best PLC	5	1.1795	181.3	BOTB
6	Catena Innovation PLC	2	0.0191	165.4	CTEA
7	Argentex Group PLC	5		142.5	AGFX
8	Brandshield Systems PLC	5	-0.0161	127.9	BRSD
9	7Digital Group PLC	4	0.5824	104.6	7DIG
10	Jarvis Securities PLC	6	0.5900	86.2	JIM
11	Mobile Tornado Group PLC	5	0.2094	79.3	MBT
12	Gattaca PLC	4	-0.1854	76.9	GATC
13	Mortgage Advice Bureau Hc	9	0.2950	71.0	MAB1
14	Alpha FX Group PLC	7	0.6650	69.5	AFX
15	K3 Capital Group PLC	8	0.3908	69.0	K3C
16	Bioventix PLC	6	0.7959	62.7	BVXP
17	Mind Gym PLC	5		59.6	MIND
18	Image Scan Holdings PLC	5	-0.0117	54.8	IGE
19	Strix Group PLC	6	0.5751	51.0	KETL
20	Tatton Asset Management F	8	0.3382	49.5	TAM
21	DX Group PLC	5	0.7548	47.8	DX
22	Eagle Eye PLC	5	0.4475	43.5	EYE
23	Numis Corporation PLC	5	0.0850	43.3	NUM
24	Focusrite PLC	4	0.7094	40.0	TUNE
25	Intercede Group PLC	5	0.7113	38.5	IGP
26	Billington Holdings PLC	4	0.1394	37.0	BILN
27	Ingenta PLC	2	-0.0221	36.7	ING
28	Polar Capital Holdings PLC	5	0.2484	35.9	POLR
29	Ramsdens Holdings PLC	5	-0.0665	35.6	RFX
30	Serica Energy PLC	9	0.3353	34.8	SQZ
31	Volex Group PLC	8	1.0716	34.3	VLX
32	Renew Holdings PLC	8	0.2894	34.0	RNWH
33	Sylvania Platinum Ltd	7	1.6067	33.9	SLP
34	Quartix Holdings PLC	5	0.1705	33.8	QTX
35	M Winkworth PLC	5	0.3192	33.6	WINK
36	ASOS PLC	6	0.0861	33.3	ASC
37	Character Group (The) PLC	5	0.1281	32.2	CCT
38	Fevertree Drinks PLC	4	0.1510	31.3	FEVR
39	Judges Scientific PLC	6	1.7337	30.9	JDG
40	Calnex Solutions PLC	6		30.9	CLX
41	Ergomed PLC	6	1.2359	29.7	ERGO
42	EMIS Group PLC	6	0.3723	29.6	EMIS
43	CPL Resources PLC	4	0.9193	29.5	CPS
44	Ienergizer Ltd	8	0.8689	28.1	IBPO
45	GetBusy PLC	4	0.5699	27.4	GETB
46	Orosur Mining Inc		0.8956	27.0	OMI
47	Somero Enterprises Inc	5	0.1195	26.7	SOM
48	Solid State PLC	8	0.2996	26.5	SOLI

If I had to pick some for the next 12 months on these AIM (higher risk stocks) – go for the ones with Sortino >1 and Alpesh rating at 7,8,9.

My US 500 list

No	Name	Alpesh value/ growth rating	Sortino Ratio	CROCI (%)	Price % 6 months ago
1	Anthem Inc	9	0.3298	6.5▲	22.58
2	Broadcom Inc	9	0.4860	17.3▲	42.58
3	CVS Health Corp	9	0.0636	6.3▲	16.68
4	HanesBrands Inc	9	0.0130	12.2▲	12.05
5	Interpublic Group of Compe	9	0.2016	15.9▲	38.42
6	Leggett Platt Inc	9	0.0976	16.0▲	19.56
7	Lennar Corp Class A	9	0.2305	0.0▲	10.04
8	McKesson Corp	9	0.1835	18.2▲	19.09
9	NRG Energy Inc	9	0.3573	12.7▲	21.09
10	Prudential Financial Inc	9	-0.1227	2.3▲	30.27
11	T Rowe Price Group Inc	9	0.3160	16.0▲	16.93
12	Travelers Companies Inc (T	9	0.1356	4.8▲	20.18
13	Abbott Laboratories	8	1.8533	7.7▲	12.14
14	AbbVie Inc	8	0.1832	20.5▲	9.59
15	Accenture Ltd	8	0.4867	34.7▲	14.38
16	Advance Auto Parts Inc	8	0.3556	6.6▲	14.14
17	AFLAC Inc	8	0.1461	3.7▲	28.27
18	American International Grou	8	-0.0093	-0.2▲	28.66
19	American Water Works Co li	8	3.2743	-1.8▲	13.17
20	Applied Materials Inc	8	0.5095	20.4▲	65.55
21	Assurant Inc	8	0.4058	3.1▲	34.36
22	AutoZone Inc	8	0.4313	35.2▲	7.95
23	Baker Hughes Co	8	-0.0484	2.0▲	49.61
24	Bank of New York Mellon Ci	8	-0.0984	▲	26.13
25	Best Buy Co Inc	8	0.3886	26.7▲	29.60
26	BlackRock Inc	8	0.3112	0.0▲	23.79
27	Catalent Inc	8	0.7472	-0.4▲	35.39
28	CF Industries Holdings Inc	8	0.1692	9.3▲	50.13
29	Chubb Ltd	8	0.1330	3.7▲	14.05
30	Cigna Corp	8	0.1180	5.3▲	21.77
31	Cincinnati Financial Corp	8	0.2764	5.0▲	22.23
32	Citizens Financial Group Inc	8	0.1185	▲	61.63
33	Comcast Corp Cl A	8	0.1746	5.7▲	15.43
34	Danaher Corp	8	1.2928	6.6▲	24.03
35	Discovery Inc	8	0.3899	10.1▲	71.62
36	Dover Corp	8	0.3780	11.3▲	21.05
37	DR Horton Inc	8	0.3213	8.4▲	9.20
38	Duke Energy Corp	8	0.3282	-2.0▲	11.79
39	Eli Lilly & Co	8	0.7793	11.2▲	15.00
40	Equity Residential	8	0.0754	6.6▲	8.15
41	FMC Corp	8	0.2692	5.3▲	12.79
42	Fortune Brands & Home Se	8	0.2747	9.8▲	27.57
43	Hartford Financial Services I	8	0.0579	5.0▲	23.19
44	Hasbro Inc	8	0.1197	9.0▲	25.44
45	Henry Schein Inc	8	0.0579	10.0▲	6.70
46	Hilton Inc	8	0.2904	10.0▲	35.75
47	HP Inc	8	0.1675	41.6▲	43.34
48	Invesco Ltd	8	-0.0954	4.9▲	90.84
49	IQVIA Holdings Inc	8	0.5964	4.3▲	21.86

My Picks for the Year Ahead:

1. eQ Oyj
2. Volex
3. Aerojet
4. BTS
5. Digia Oyj
6. Haemonetics
7. Hapag
8. Ienergizer
9. Moncler
10. Oxford Instruments
11. Perficient
12. Progressive Corp
13. Somfy
14. Vipshop
15. AlphaFX
16. CMC Markets
17. Edwards Lifesciences
18. Gentherm
19. Great Lakes Dredge and Dock
20. Hermes
21. HMS Holdings
22. JD Sports
23. Learning Technologies
24. RealPage
25. Softcat
26. Sylvania Platinum
27. Teledyne Tech

Results for my 2020 Picks:

Picks for 2020: (13 Jan – end Dec) – a lot got hit by the stop loss and market collapse of Feb – c'est la vie. If however you read the newsletters and followed my Telegram on <https://t.me/pipspredator> you saw our capital deployed in March and beyond to capture solid gains. But that's not the rules of this portfolio. The rules are buy, hold, forget for 12 months.

Avation -25% (stop loss)

Alumasc +9.1%

Belvoir -0.7%

Brooks Macdonald -25% (stop loss)

Cairn Homes -25% (stop loss)

Care Tech Holdings +11%

International Consolidated Airlines -25% (stop loss)

Liontrust +8.3%

Menzies -25% (stop loss)

DS Smith +1.9%

Plus500 +52.7%

Smiths Group -13.2%

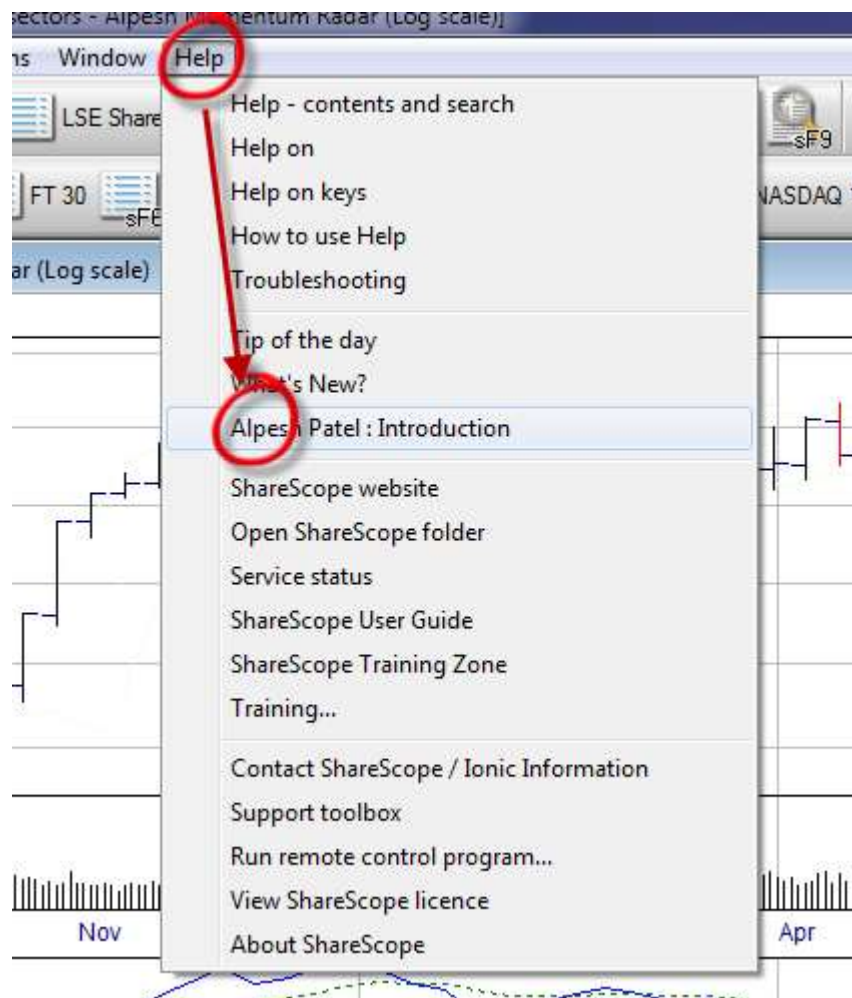
Polymetal +35.7%

Ten Entertainment -25% (stop loss)

British American Tobacco -22.25%

Vp - 22.5%

Help Page



Personal

Good old days when I was a Dalek...I mean I could fly. This is Bangalore airport.



