



28 September 2021

Overview

Recent falls came after analysts were so bullish. This suggests this is not the big fall.



Other data shows where some of the big names where you may find a flight to safety.

Superinvestor Portfolio Stats

<p>Top 10 most owned stocks</p> <ul style="list-style-type: none"> FB - Facebook Inc. GOOGL - Alphabet Inc. GOOG - Alphabet Inc. CL C MSFT - Microsoft Corp. WFC - Wells Fargo V - Visa Inc. BAC - Bank of America Corp. CMCSA - Comcast Corp. AMZN - Amazon.com Inc. BRK.B - Berkshire Hathaway CL B 	<p>Top 10 stocks by %</p> <ul style="list-style-type: none"> FB - Facebook Inc. MU - Micron Technology Inc. GOOG - Alphabet Inc. CL C BRK.A - Berkshire Hathaway CL A BAC - Bank of America Corp. BRK.B - Berkshire Hathaway CL B MSFT - Microsoft Corp. JOE - St. Joe Co. GOOGL - Alphabet Inc. WFC - Wells Fargo
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Market falls could lead to option A – the purple arrow or Option B (the yellow). I think it is 80% option A.

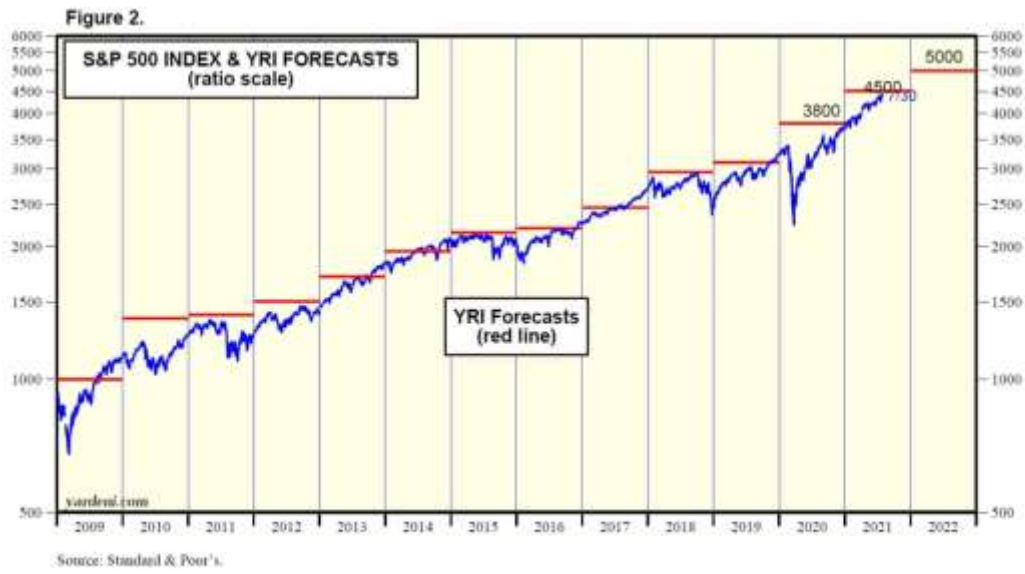


Some headlines that caught my eye

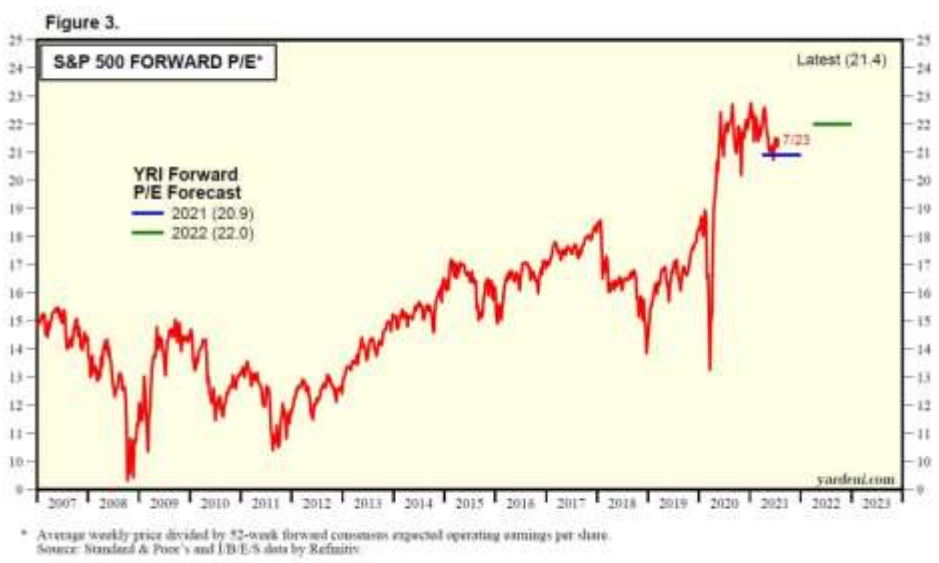
Investors are flocking to 'quality' in the stock market as the economic cycle nears peak growth, BlackRock says

Legendary tech VC Marc Andreessen says Warren Buffett's philosophy of putting all your eggs in one basket is the best investment advice

Goldman Sachs names 26 stocks with the solid balance sheets to continue beating the market as the Fed's tapering plans trigger chaos elsewhere



S&P 500 operating earnings per share continue to outpace the consensus expectations of industry analysts



"We are counting on ample Fed-led liquidity to continue to prop up the elevated forward P/E even once the Fed starts tapering (eventually). We also expect that a rebound in productivity growth will offset inflationary pressures up ahead, boost real wages, and lift profit margins." Yardeni - can't fault the analysis.

"In addition, the heating up of the Cold War between the US and China may convince more global investors to invest in the US rather than in China. All this suggests that technology stocks and technology-related stocks, which have relatively high valuation multiples, could continue to gain market-cap share of the S&P 500" Yardeni Research.

Wall Street stocks near record highs ahead of crucial jobs report

Indices rebased

Nasdaq Composite

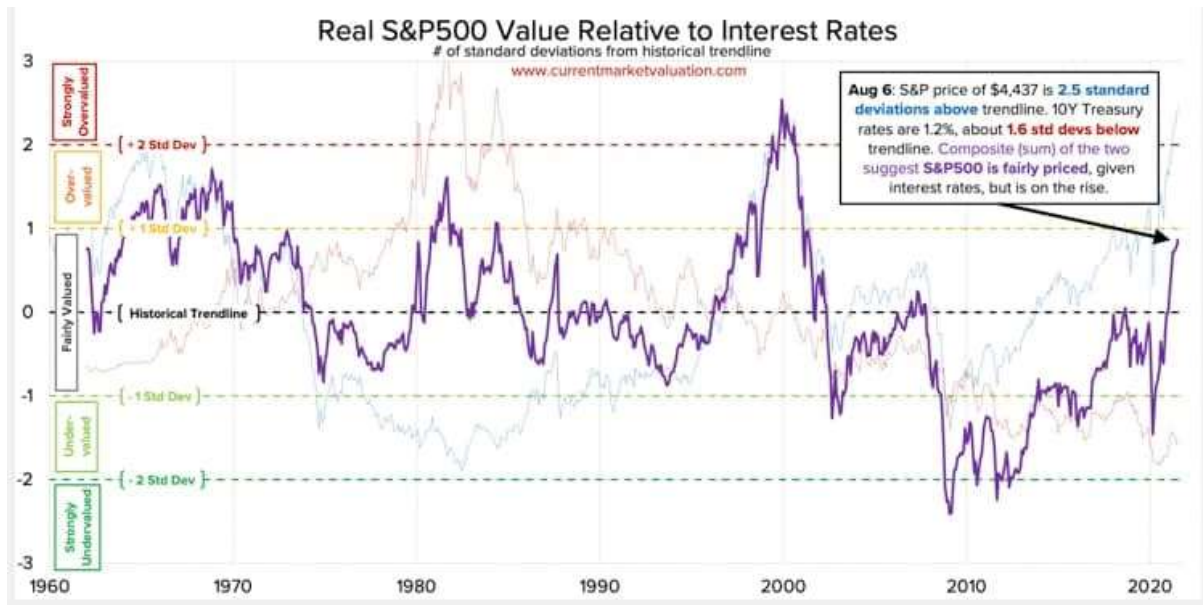
S&P 500



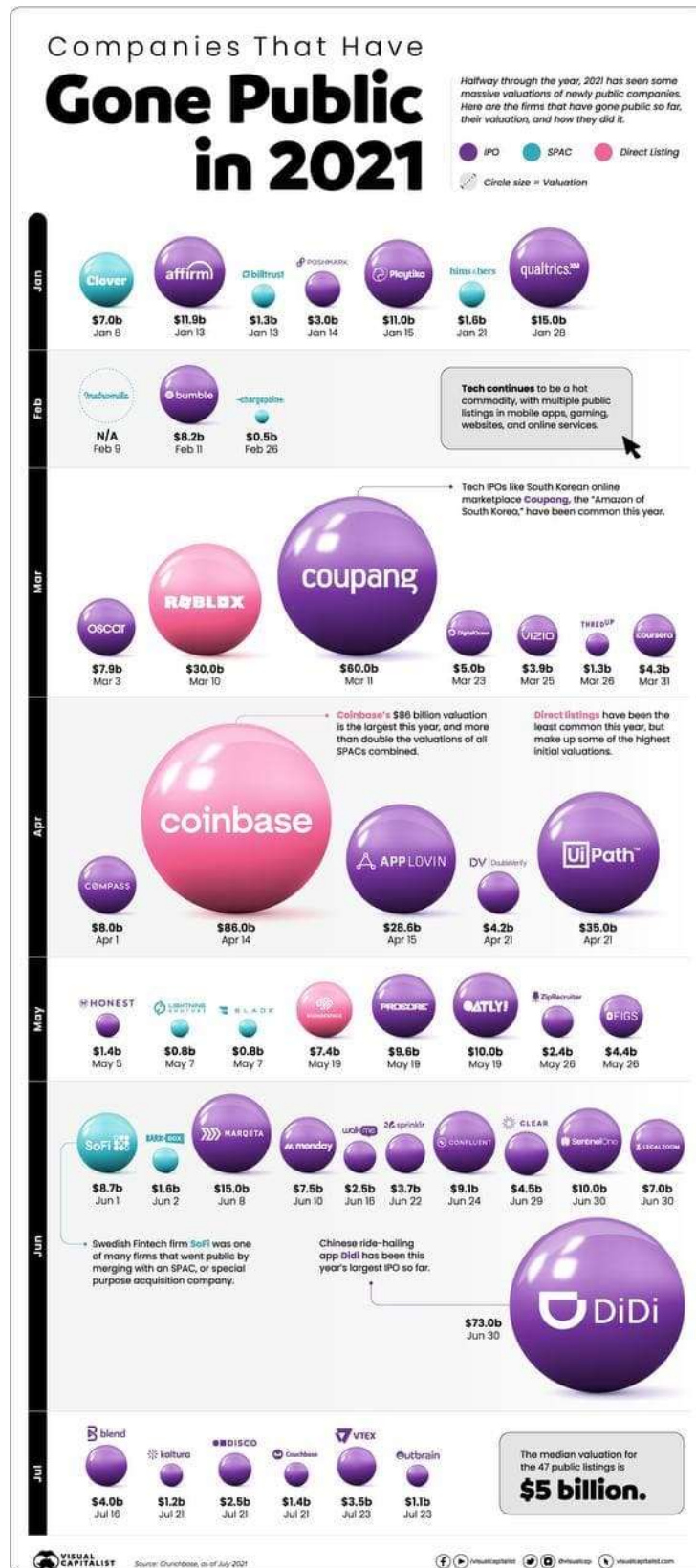
Source: Refinitiv

© FT

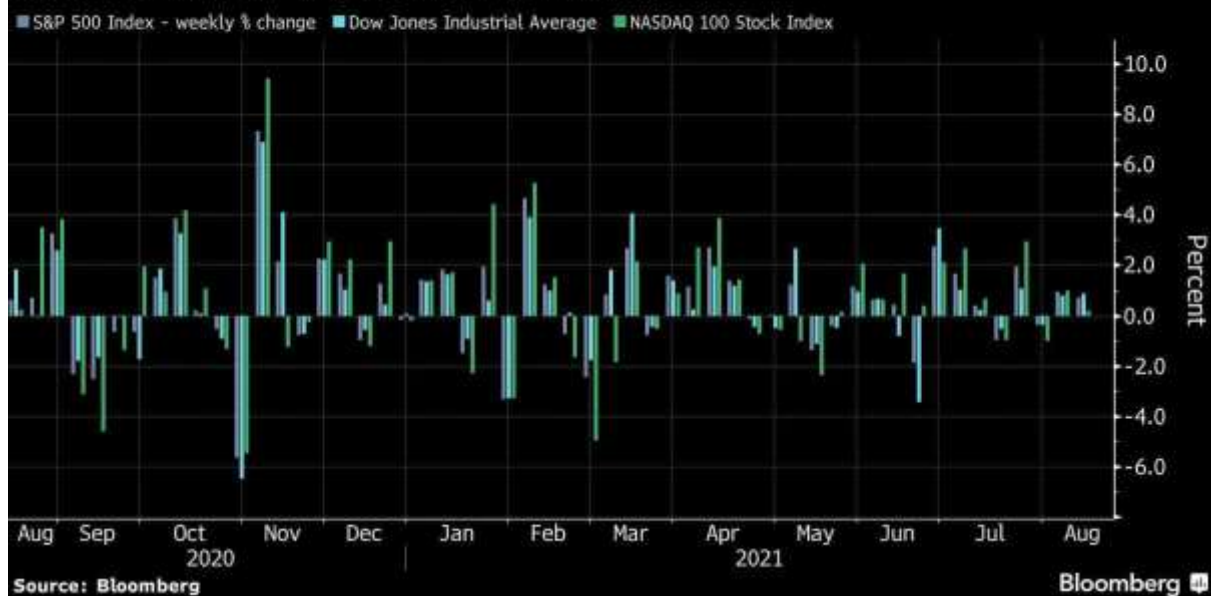
Goldman Sachs is now the biggest stock bull on Wall Street after adjusting its S&P 500 target to forecast a 7% gain by year-end



Of course most indications are the market is over-valued as a whole. But there are some which suggest it has more upside in pockets. As ever it is a stock pickers market.



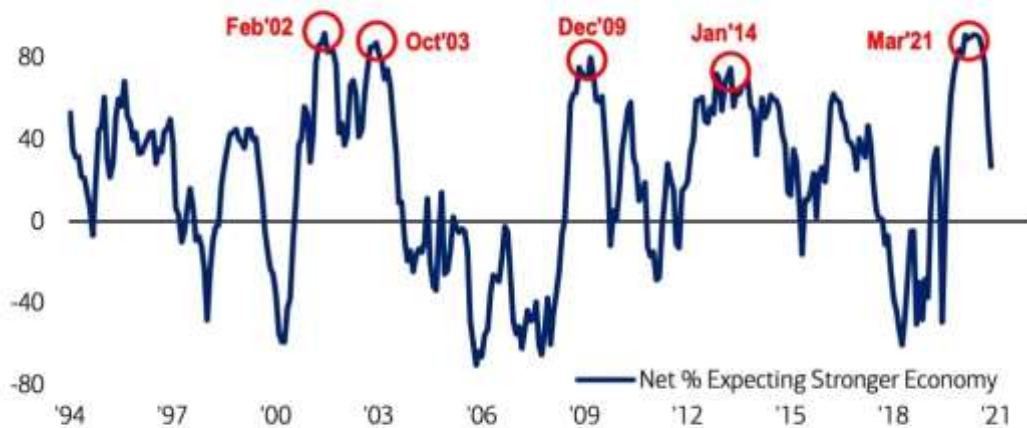
Up, Again Major U.S. stock gauges post weekly advances



More than \$720 billion of stock buybacks will help the S&P surge to 4,700 within months, Goldman Sachs says

Chart 2: FMS economic expectations have fallen drastically since March

Net % Say Global Economy Will Improve



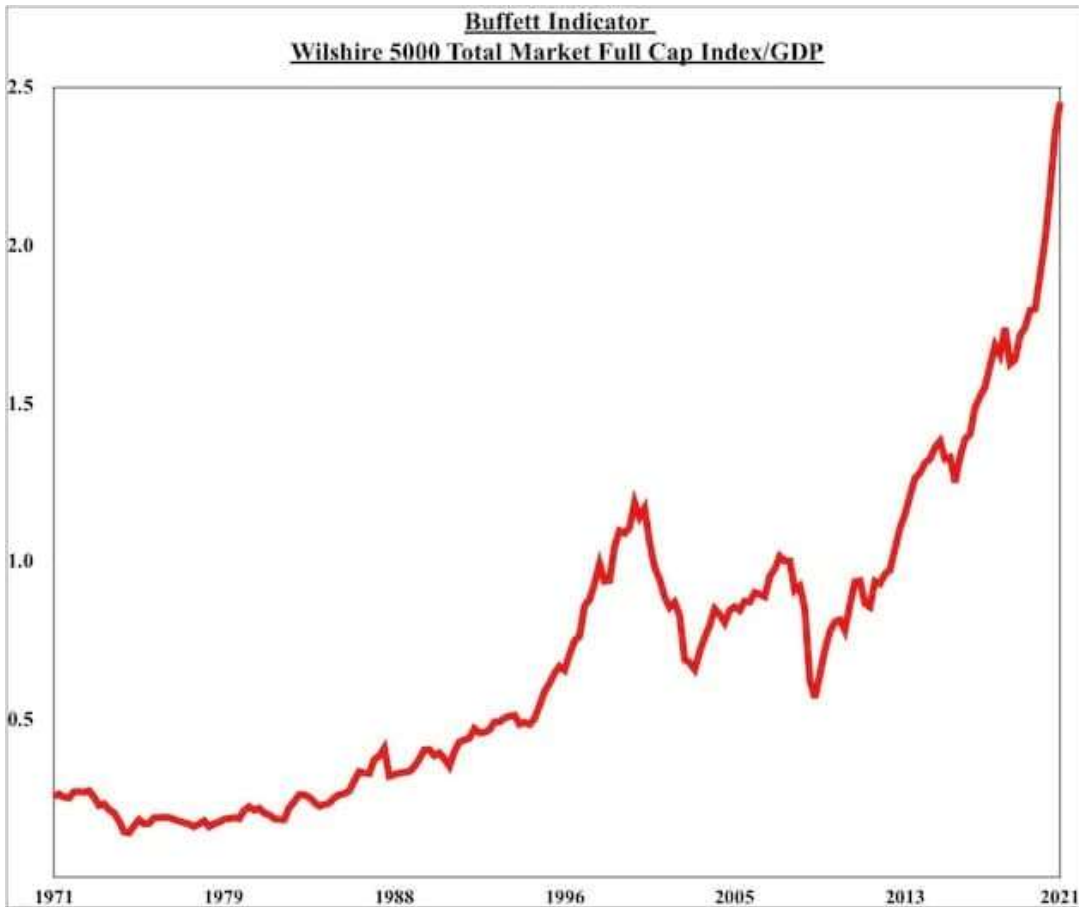
Source: BofA Global Fund Manager Survey

BoFA GLOBAL RESEARCH



1 year – it’s been a great year.

Cadence and Globant are at 52-week highs. As you know I have holdings since last year. Yes, I too wish stocks would only ever go up. But some take longer than others. Keysight - 52 week high



Interlude – My news

I spoke alongside CIO of UBS Wealth Management and Sir Danny Alexander former Chief Secretary to the Treasury at our joint alma mater. I'm sharing with you in the newsletter what I mentioned there.



Meeting Minds Global

September 2021

13-14 September 2021

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Monday 13 September | Tuesday 14 September

The Global and UK Economic Impact of Covid-19

Sir Danny Alexander, Former Chief Secretary to the Treasury
Paul Donovan, Chief Economist UBS Global Wealth Management
Alpesh Patel, UK Government Dealmaker at the Department of International Trade

Session time: 8am BST (3am EDT, 3pm HKT)

Description: As part of Meeting Minds, we will be hosting an online panel discussion and Q&A with St Anne's alumnae from the world of finance, chaired by Sir Danny Alexander. The panel, which will include Paul Donovan Chief Economist UBS Global Wealth Management and Alpesh Patel, UK Government Dealmaker at the Department of International Trade will be asked to give a short overview (five minutes maximum) on what they believe to be the impact on and the future of the global and UK economies as a result of Covid-19. This will then be followed by a panel discussion and audience Q&A facilitated, and with input from, the Chair. The session will cover the impact on markets, inflation, prices, and social

The screenshot shows the St Anne's College website. The main heading is "The Global and UK Economic Impact of Covid-19". Below the heading, there is a paragraph of text: "As part of Meeting Minds, we will be hosting an online panel discussion and Q&A with St Anne's alumnae from the world of finance, chaired by Sir Danny Alexander. The panel, which will include Paul Donovan Chief Economist UBS Global Wealth Management, Swee-Kheng Lee, Chief Operating Officer at Infinitum Investors Group Ltd and Alpesh Patel, UK Government Dealmaker at the Department of International Trade will be asked to give a short overview (five minutes maximum) on what they believe to be the impact on and the future of the global and UK economies as a result of Covid-19. This will then be followed by a panel discussion and audience Q&A facilitated, and with input from, the Chair. The session will cover the impact on markets, inflation, prices, and social inequalities." To the right of this text is a red box titled "Event details" containing the following information: Date: Sep 14, 2021; Time: 8:00 am - 9:00 am; Location: (blank). At the bottom of the screenshot, there is a navigation bar with links: Home, About, Events, The Global and UK Economic Impact of Covid-19, and social media icons for YouTube, Facebook, LinkedIn, Twitter, and Instagram.

Morgan Stanley just revamped its 'Vintage Values' stock list that's smashed the S&P 500 over the past year. Here are 15 high-upside stocks it says to buy now.

Are Big Tech Stocks Overvalued

Recently, the world's biggest tech stocks announced their quarterly earnings. Between Apple, Microsoft, Amazon, Alphabet, and Facebook, the performance was astounding. Revenues were up by \$332 billion — a rise of 36%. Tech stocks have been the story of the pandemic, raking in the money at stunning rates.

However, these earnings announcements failed to spur further investment. Alphabet share prices did rise slightly during the week, but the other tech giants dropped — with Amazon down almost 10%. Each of these stocks is near its all-time highs, and it seems many investors are taking this opportunity to cash out some profits.

Is this an admission that tech stock prices have peaked, or they're overvalued?

Have Big Tech stocks peaked?

Before the big tech companies announced their earnings, the Dow Jones Industrial Average took a tumble. There's been lots of talk about market crashes and bubbles since the pandemic market recovery, so this was an uncomfortable dip for many investors. However, the drop was soon reversed, with many tech stocks getting back to all-time highs.

Market sentiment seems strong, according to Morgan Stanley's E-Trade Financial survey. Those surveyed were all investors with \$1 million or more in a self-managed brokerage account. Only 6% of respondents felt the market would drop by 10% or more in the third quarter, while 65% of investors said they were bullish.

Tech stocks still seem to be favoured among wealthy investors, with 46% of those surveyed suggesting that the tech market is where they hope to make gains during Q3. Energy stocks are another favourite for millionaire investors, but big tech's consistent earnings meant it kept its place at the top.

Are Tech Stocks slowing down?

Of course, not everyone is quite as bullish about tech stocks. In July, Lisa Shalett, Morgan Stanley Wealth Management's chief investment officer, sounded warning signs about the market.

Shalett warned that low rates had pumped tech stocks up to dot-com era valuations. She cited price to sales ratios in tech at levels not seen since the 2000 peak. Additionally, because tech stocks have a more significant weight in the S&P 500 than they did in 2000, Shalett suggests the price to sales ratio of the index is 50% larger than ever.

Potential trouble lies ahead because of a weaker US dollar, increased competition, stricter regulations, and higher taxes. Many fear that a tech stock slowdown will disproportionately affect the broader market.

Conclusion

Recent months have seen tech stocks slow down while some investors shift their focus to cyclical stocks while reopening trade. Digitisation, remote working, and streaming were all trends that accelerated during the lockdown. But, as the vaccine rollout continues, some investors believe reliance on tech will slow down.

Indeed, tech stocks are up 10% in the last six months, less than the S&P 500 at 13%. Despite this, tech stocks' impressive recent earnings suggest that their price-earnings ratios are dropping, indicating a solid long-term bet. With some twists and turns expected in the broader economy, tech stocks might be the only safe haven in the case of a market fall.

All You Need to Know About Retirement And the Stock Market

Everybody wants a comfortable retirement. It's never too early to start saving for life after work, but what happens when you are at or near retirement? Should you keep doing the same thing? Or should your retirement strategy change?

Saving money is essential if you want to enjoy your retirement. However, current monetary policies are making many of the traditional savings options unattractive. Interest rates are meagre in the U.S. and Europe, and many low-risk investments produce returns that can't keep up with inflation. As a result, more retirees need to increase their risk exposure to access better yields.

A Federal Reserve report on the Economic Well-Being of U.S. Households found that only 1/3rd of non-retirees felt that their retirement plans were on track. While traditional retirement portfolios typically consist of a 60%- 40% split between stocks and bonds, retirees will need to review this if they want to afford retirement.

So what are their options?

Are ETFs a good option for retirees

Low-interest rates and high inflation are big worries for anyone saving for retirement. Bonds were considered solid investments in the past, but their yields are currently too low.

Many retirees are beginning to understand that they will need to up their risk appetite to access the returns they need to be comfortable. While mutual funds are one way to do this, ETFs provide some considerable advantages.

Firstly, ETFs are very tax-efficient. Secondly, they allow investors more flexibility when deciding where to invest their money. Lastly, mutual funds often come with active management fees, which harm returns.

Retirement Investment Mistakes To Avoid

The market has produced stellar results over the years. However, there are times when it takes a dip. For retirees dependent on stock dividends, market downturns can force them to sell some of their shares while the market is low. Keeping cash reserves to cover expenses can help avoid these difficult decisions.

In a recent Vanguard annual survey, they underlined another typical retirement investment mistake. The report showed that the average U.S. stock portfolio is heavily weighted towards U.S. shares. The problem? According to MSCI, the stock market financial data company, U.S. share indexes have only beaten non-U.S. share indexes 51% of the time since 1970. A portfolio of nearer 50/50 would produce better results.

What to do with extra cash

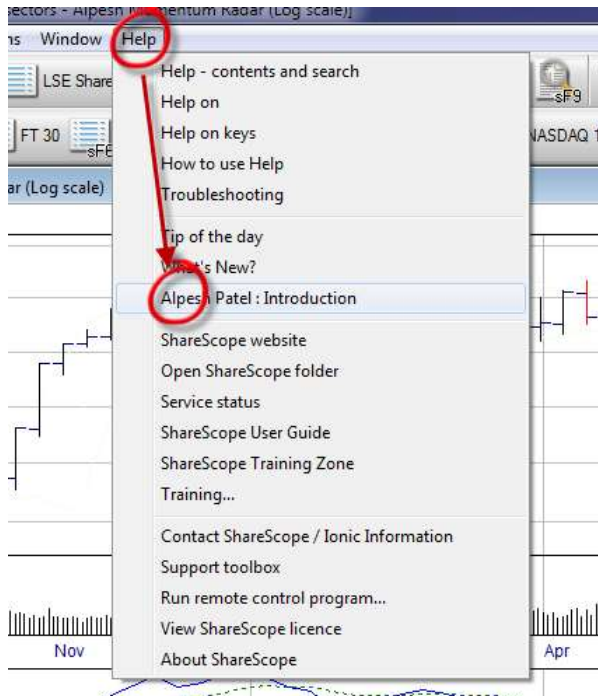
Many retirees have savings alongside their stock market investment. Having emergency funds is smart, but too many savings will harm your retirement plans because inflation rates outstripped interest rates. Savings earmarked to pass onto children could be best put to work in the stock market.

Conclusion

Current monetary policies are keeping interest rates low. This situation punishes savers and those who invest in low-risk options like bonds. Conversely, it has a favourable effect on the stock market because it is one of the best places to invest money.

Anyone who is retired or close to retirement should consider investing in the stock market. Options like ETFs are a great way to get started due to their simplicity. Additionally, they don't have investment minimums or excessive charges like most mutual funds.

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