April 2022 Mark(et) Rush Report
By
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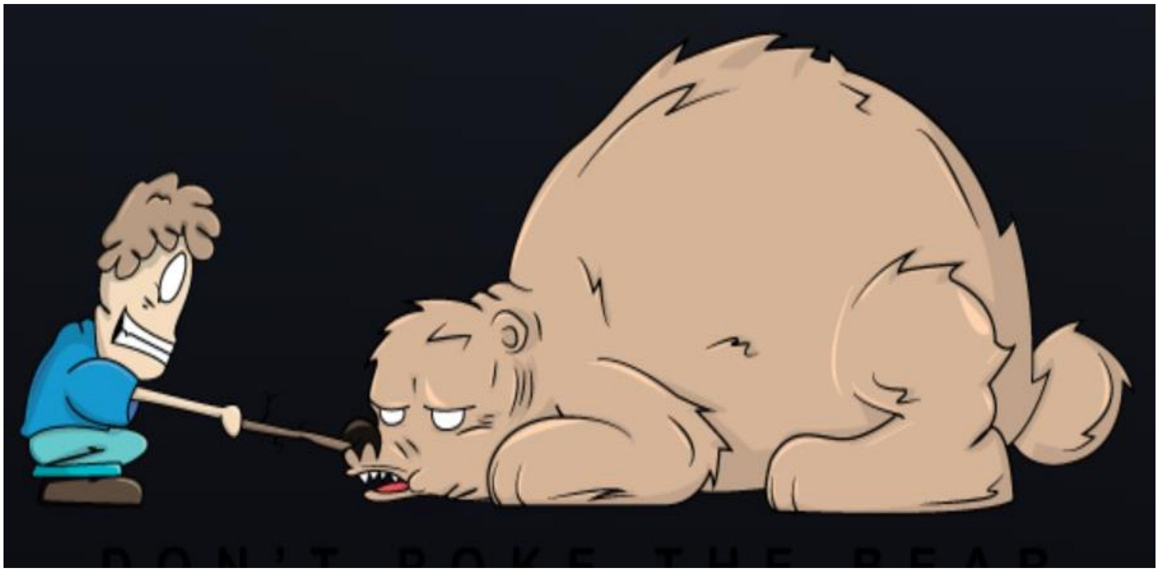

April 6th, 2022

Preface

Once again, it is time for my quarterly market review when I examine world events and attempt to understand their implications on the markets. This report is my time to reflect on current events, portfolio performance, event scenarios, and their subsequent consequences on world equity markets and investment strategies.

It is my goal in life to have my money working for me instead of me working for my money.

Please keep in mind that I am an *amateur* investor, and this document is a *hobby* for me. Any thoughts and concepts should be treated as such. Please consult a professional financial advisor before making any investment decisions regarding your investment ideas, goals, and strategies. Continue reading this document at your own risk…

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In plain English, I am NOT giving you investment, tax, or legal advice.

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Introduction

Greetings from an undisclosed location,

Words of advice to all the Western world leaders, STOP POKING THE BEAR, especially when armed with the world's largest stockpile of nuclear weapons…

No, this isn't some attempt to side with Russia in the current conflict for some sort of delusional political conspiracy theory. I spent my military career living on a nuclear submarine equipped with ballistic missiles armed with thermonuclear warheads. The capability of this one ship could deliver more explosive power than all of WWII munitions and kill over 100 million people in about 30 minutes. After living with such weapons for several years, you ponder the capabilities and consequences of such weapons. Honestly, I haven't given much thought to global nuclear war since leaving the military many years ago; I believed the possibility of such a total nuclear war was negligible… Until this year.

Western leadership is more concerned with "doing something" and, more importantly, being seen as "doing something" rather than proceeding dutifully and cautiously. They should be anticipating goals, precisely defining objectives, and covertly working toward them while thoughtfully considering the intended and unintended ramifications of implementing those plans. There are some dire ramifications of continuing to wage unrestricted economic and political warfare against Russia, and let's be clear we are in an existential economic war with Russia. Miscalculations could result in some very catastrophic unintended consequences.

Yes, I feel for the people of Ukraine, but getting tens of millions or potentially billions of people killed to make your outrage universally known is a dangerous game to play since it won't undo the wronged, injured, and dead. It potentially adds to it by many orders of magnitude.

Let's be clear; I do not think nuclear war (at least for the U.S.) is imminent. If you had asked me the odds of a nuclear war last year, I would have said somewhere between 0%-1%. I'm now more in the camp of 1%-5%. Ukraine? Higher, much.

All data for this report was gathered and compiled on the April 1st weekend. Prices, ratios, indexes, and outlooks may have changed materially. For those who may want a shorter version of this report, please feel free to jump to Chapter 5 and review the investment ideas in the Appendixes.

Mark

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Chapter 1
Considerations

Ukraine

Well, that got far more complicated than I thought it would. Russia's Army was more hollow than predicted, and Ukrainian resistance was firmer. Also, we are seeing what appears to be the potential demise of armor to some extent due to drones and modern shoulder-fired antitank munitions. It's a bit reminiscent of the demise of the battleship after WWII.

It seems to me Russia is starting to see the writing on the wall and is attempting an exit. Either that or they are regrouping for a new assault. We need to watch for further escalation or de-escalation. This won't be easy since deception is a fundamental tool in war.

I've added a new Appendix 6 for the newly converted doomsday preppers regarding the consequences of the U.S. being attacked by an EMP or full-scale thermonuclear strike. It is brief but a good starting point if you know little about these attacks, consequences, or mitigation strategies.

So, moving on to the economics of the situation…

In its urgency to punish Russia, the West is invoking sanctions haphazardly. The West is most likely causing more economic harm to itself than to Russia. The total GDP of Russia is only $1.5 Trillion; this is slightly more than Spain but less than Italy. This compares to $21 Trillion for the U.S., $15 Trillion for China, $17.1 Trillion for Europe, and $85 Trillion Globally. You cannot do more than $1.5 Trillion of economic damage to Russia since it's only a $1.5 Trillion economy; realistically, the maximum impact is likely more like $300 Billion. We have bills passed Congress without being read that had larger values.

The Russian share of harsh sanctions will reduce global GDP by less than 0.35% of global GDP growth this year. Forecasts of global GDP have already fallen 0.7% for 2022 due to higher energy prices making at least half of the effects of sanctions fall on the rest of the world, not Russia.

A simple example of the policy gone wrong, let's suppose that sanctions have cut Russia's oil export by 50%. It sounds ominous since it's their most significant export, except they are now selling oil at twice the price. This example shows how little Russia is being punished. Imagine if your boss decided to punish you for being late to work by cutting your hour in half, but you respond by doubling your salary requirements? Most of the "pain" of the sanctions occurs in the nations imposing them and innocent bystanders from third world countries, not by the country doing misdeeds. But hey, we ***are*** doing something!!

Russia's main exports are energy, raw materials, food, and fertilizers… Roughly 25% of all global wheat exports come from Russia and Ukraine. On top of that, about 20% of all global fertilizer comes from Russia, yet it is being sanctioned to punish Russia? We've seen the effect of gas prices, with Russia only being 10% of the world's oil supply.   The people living in marginal food security countries will genuinely become the unacknowledged victims of this war. I predict that more people will die from malnutrition in 2022-23 than lost on both sides of the Ukrainian conflict. Thankfully those people can rest easy knowing global western leaders were "doing something" about the Ukrainian invasion, and many have posted a Ukrainian flag on their social media profiles.

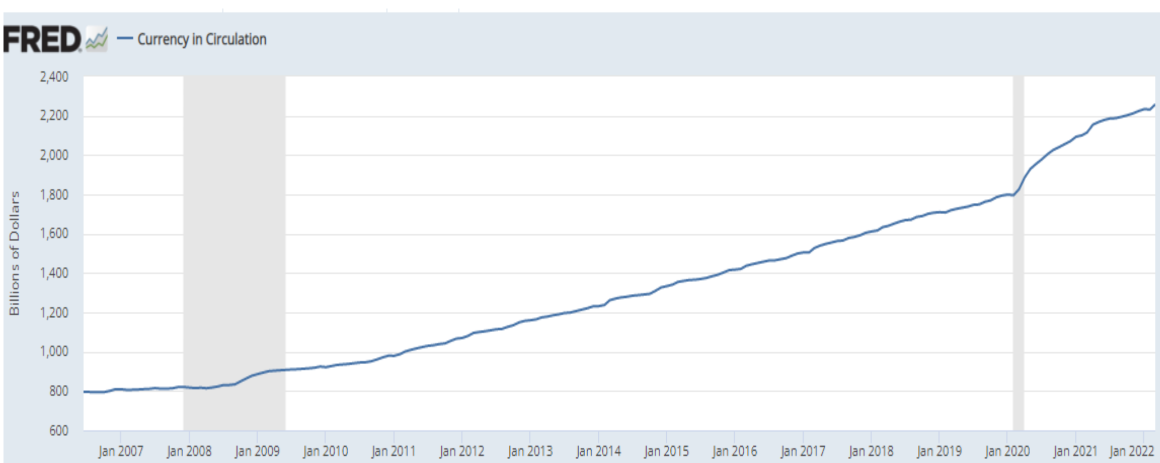
We are looking at the potential for a self-inflicted global recession, inflation, energy shortages, famine, and an off chance of global thermonuclear war. These consequences will be a complete shock to all those who proposed, supported, and implemented these ideas and thought they would somehow have a positive global outcome. These people cannot think through any of the ramifications of their actions. Their only goal was for immediate hollow self-aggrandizing gratification with a priority given to global virtue signaling.

I said, war, huh (good God, y'all). What is it good for? Absolutely nothing, just say it again!

Inflation

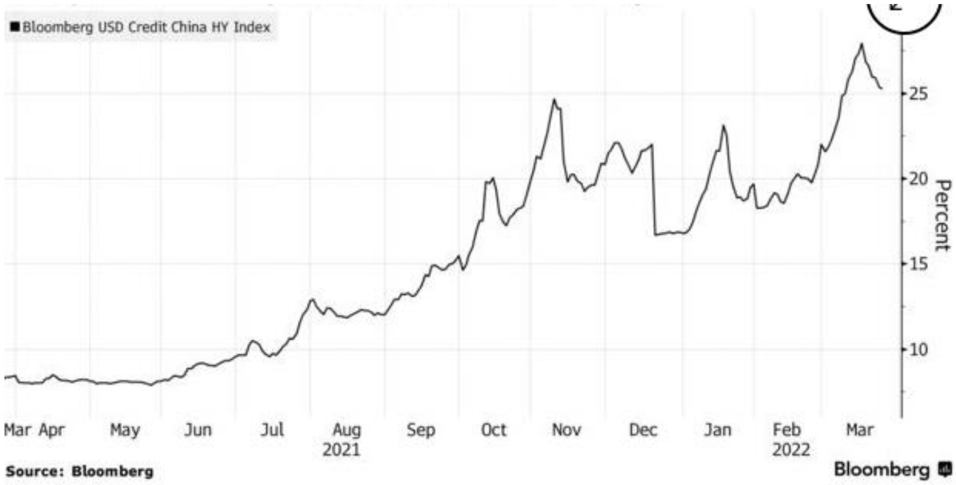
Once again, I'm afraid I have to disagree with what the Federal Reserve is doing. We are staring down the barrel of a global recession, a Chinese credit crisis, and a Russian-induced credit crisis, and now we want to raise rates? I believe that we have two choices: inflation with economic growth or modest inflation with a global recession. The time to raise rates was when the inflation was when it was "transitory" in my opinion, you have no choice but to let the inflation happen.

Below is a simple chart to explain current inflation. The currency in circulation has increased by 25% in the last two years. No emphatic hand-waving explanation is needed.



Higher inflation will cause higher volatility in the market

China Credit issues



China is continuing its mini-credit meltdown. If the conditions implode there, it will likely take down the entire global economy. In 2008, one of the things that softened the global economic blow was China's strong economy which helped support the global economy. This time, the reverse may be true.

It has eased some since the last report.

Credit issues are always bad

End of Covid

The Omicron variant is significantly more contiguous but much milder. It appears to grant immunity to previous versions of the virus. It has become another common cold in severity. I'm not even sure why we even talk about it anymore…

The end of the pandemic is good for the market but bad for ad selling journalism, Karen's, and other people who want to tell you how to live your life.

Chapter 2
The Fundamental Indicators

<u>Economic Projections</u>

The *<u>headline numbers were my predictions at the beginning of 2021;</u> these predictions may now be wrong by now.*

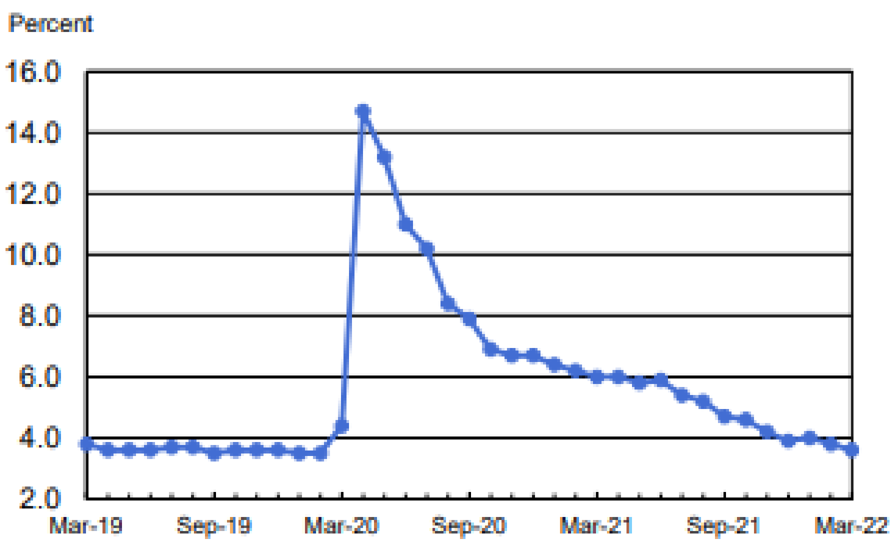
US Gross National Product (GDP) > 4.0% by the end of 2022

Current projections for GDP are now around 2.8%, which may be optimistic. I can't even guess what the U.S. economy will do this year, but it wouldn't surprise me if it goes negative. Global GDP Growth projections were at 5.0% for 2022 but are already down to 4.4%. Issues in Ukraine, credit issues in China, and other factors may weaken it further.

We still have projected growth, but the projections are falling rapidly

Unemployment will be < 4.0% by the end of 2022

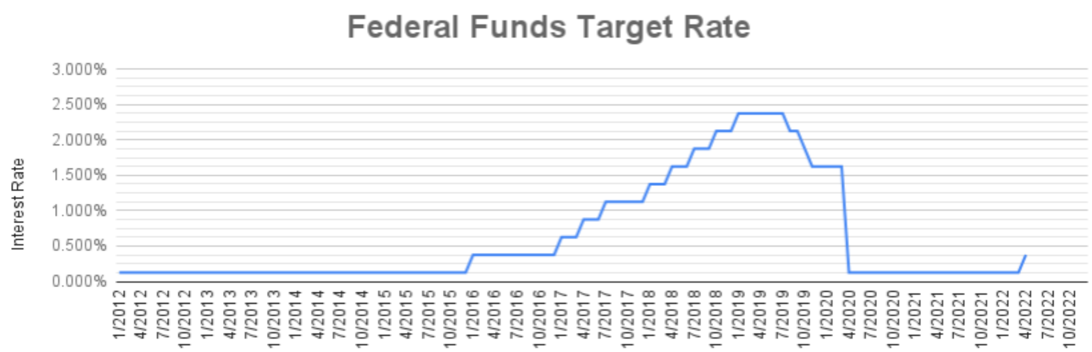
The official unemployment rate was 3.6% for March, down from 4.2% last year. Peak unemployment in 2020 exceeded that of the 2008 financial crisis.



Unemployment spiked due to COVID; it is rapidly returning to normal

Federal Reserve rates will be 1.00 and 1.50% by the end of 2022

Short-term rates are now between 0.25 to 0.50%. Rates will be very likely to go up in the coming months. This year, I am still expecting 3-4 rate hikes, but the market sees as many as 7 in the coming months. This opportunity is your last chance to refinance… wait… and it's gone.

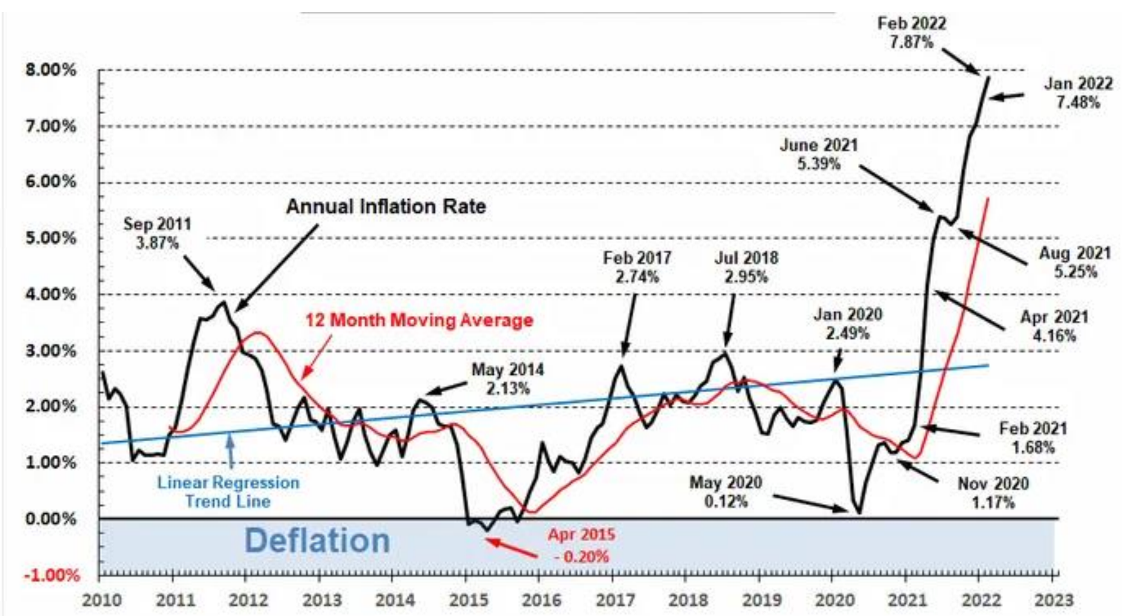


Rising rates are alarming for the market

Inflation < 4.0% in 2022

The latest inflation was an annual rate of 7.87%. We have likely saturated the money supply, and the economy has stabilized enough that inflation is more likely long term.

It's a busy chart but worth looking at it and understanding.



Current inflation is high; longer-term, it is another known unknown

S&P 500 index < 5000 at the end of 2022

The S&P 500 index started 2022 at 4766.18. Currently, we are at 4545.86 for a 4.6% loss so far this year.

Federal Reserve policy will be an essential item to watch this year. Rates will go up, which will likely push the market down.

The markets will be likely to continue the path down to sideways.

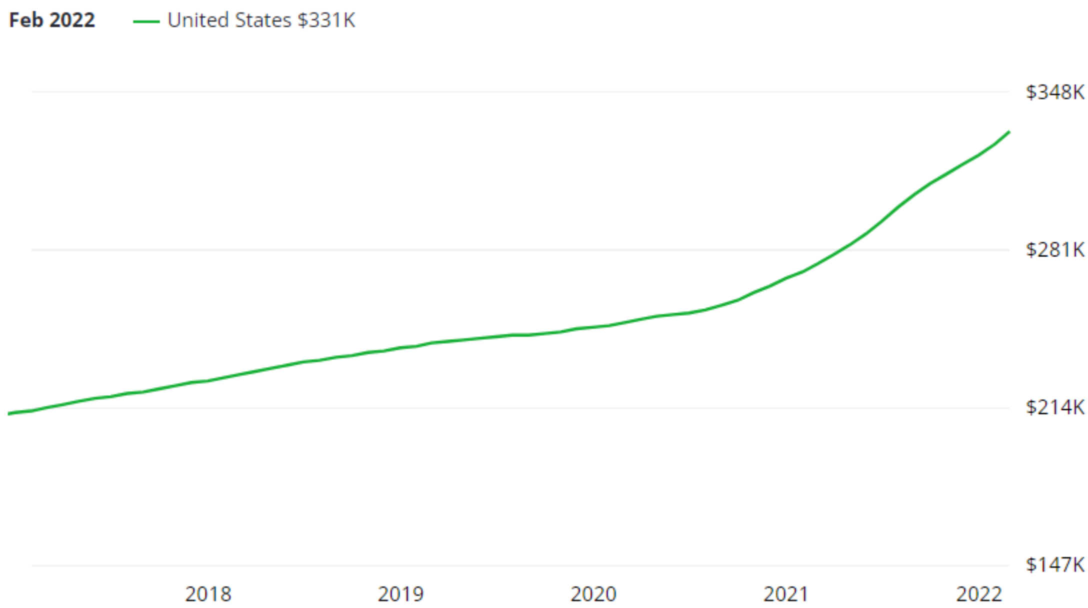
Real Estate Average Home <$350k in 2022

The 30-year mortgage rate is up from 3.02% at the beginning of 2022 to around 4.7%. The 2022 housing prices started at $316.4k and are now about $331.5k for a 4.8% rise in 3 months. The higher prices have also changed the average mortgage, assuming a 20% down payment, from $879 in 2020, $1070 at the beginning of this year, to $1375 now. These price and rate increases resulted in a *28.5% increase in a typical mortgage for a median house in the past three months*. And yes, I double-checked these numbers… This is very, very bad, if not frightening.

National Average Mortgage Rates

Housing price projections

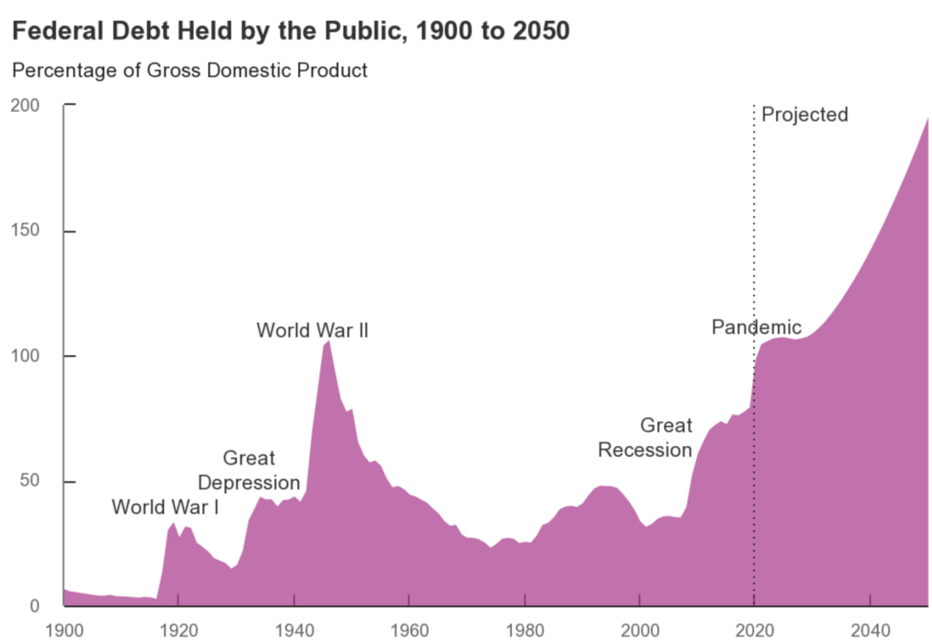
I expect housing prices to pause or move down in the coming months.



After many years of providing market projections, Zillow has stopped making projections. That is a projection within itself.

Rising rates will be a headwind for the housing market, therefore for the stock market

<1.8 Trillion Dollar Budget deficit for F.Y. 2022



The debt spiral had already begun; the pandemic has only accelerated it.

Chapter 3
The Technical Indicators

Technical analysis attempts to forecast the future direction of prices by studying past market data. I use Barchart (http://www.barchart.com/) to develop an investment's final "objective" opinion. Its primary ability (flaw) is to predict the future by extrapolating past performance. One phrase does come to mind, "Past performance is not an indication of future results," although this is precisely what these calculations try to do.

Model Portfolio and other technical indicators (+100% = strong buy; -100% = strong sell)

U.S. ETFs	12/31/20	12/31/21	4/1/22	Link
SPY	+100%	+100%	-8%	http://www.barchart.com/opinions/etf/SPY
QQQ	+100%	+96%	-40%	http://www.barchart.com/opinions/etf/QQQ
IWM	+100%	-24%	-40%	http://www.barchart.com/opinions/etf/IWM
International				
EFA	+100%	-72%	-64%	https://www.barchart.com/etfs-funds/quotes/EFA/opinion
EEM	+100%	-88%	-88%	http://www.barchart.com/opinions/etf/EEM

Bonds	12/31/20	12/31/21	4/1/22	Link
TLT	-88%	+64%	-100%	http://www.barchart.com/opinions/etf/TLT
SHY	-72%	-100%	-100%	http://www.barchart.com/opinions/etf/SHY
Gold/Oil/Dollar Index/Euro/Yen				
GLD	+32%	+56%	+88%	http://www.barchart.com/opinions/etf/GLD
USO	+100%	+64%	+88%	http://www.barchart.com/opinions/etf/USO
UUP	-100%	+80%	+88%	http://www.barchart.com/opinions/etf/UUP
FXE	+100%	-88%	-88%	http://www.barchart.com/opinions/etf/FXE
FXY	+100%	-100%	-100%	http://www.barchart.com/opinions/etf/FXY

Volatility Index (a positive number is bad for the markets)

VIX Index	+8%	+16%	-8%	http://www.barchart.com/opinions/stocks/$VIX

Volatility

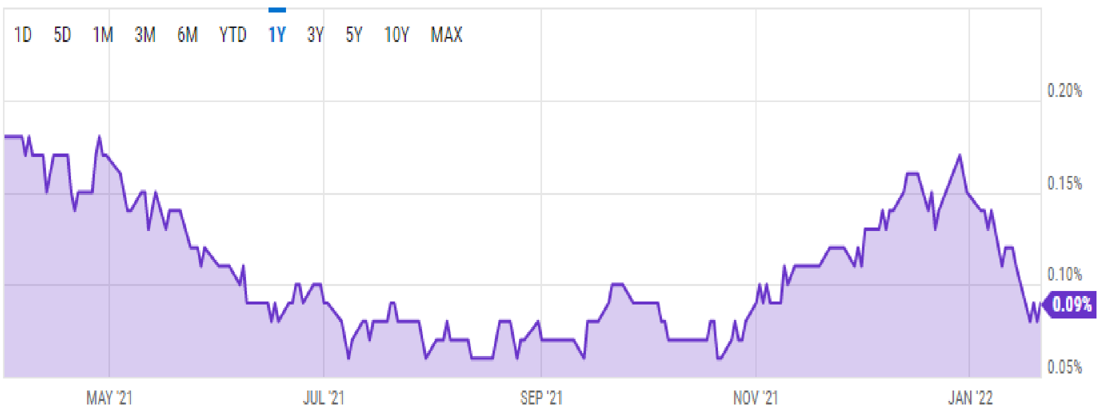
Volatility Chart (market fear index)

The Volatility Index (VIX) can be considered the level of "fear" in the S&P 500 stock index, but it is used as a proxy for the general U.S. stock market. A lower VIX indicates a lower level of fear in the market, and lower fear generally means more confidence, therefore, higher prices. A higher VIX shows more fear and declining prices.

I expect a lot of volatility in the VIX index this year. All the push me pull you of all the moving parts will give us lower and higher volatility periods. I think relatively low volatility or relatively high volatility are counter indicating signals this year. In other words, I will probably buy the market during a high VIX, expect the market to go higher, and sell it when we get a low VIX, expecting the market to go lower… Buy low and sell high; I wonder if anyone else has had this idea before?

Vix is trending toward normal levels…

TED Spread…



The U.S. Treasury vs. Eurodollar (TED) spread is like a "bond market fear index"; it is terrible for markets when it is higher. It hit near 4% during the great recession, and we had a ten-year high last March.

The Treasury Eurodollar spread is trending in the normal range

German Bond Yields

The German 10-year bond was at -0.179% three months ago and now jumped to levels we haven't seen in almost three years, +0.56%.

German 10 Year Bond Yield

I'm not sure what to make of this…

Technical Summary…

Generally, everything is negative except Gold, Oil, and the U.S. dollar. I don't track wheat, but it is up also… So, risk-off… due to inflation and an energy shortage.

The indicator "Risk-off"

Chapter 4
Mark's Model ETF Portfolios

Asset Allocation

I have constructed four portfolios, each with varying levels of riskiness from lower to higher risk, just by using a combination of 12 (or less) Exchange Traded Funds. The results (next page) include fund fees but not broker transactions or money manager fees.

U.S. large-company funds:	**Stock Market Symbol**
S&P 500 fund	**SPY**
Nasdaq 100 (Tech) fund	**QQQ**
Dow Jones Industrial Average fund	**DIA**
Vanguard value fund	**VTV**
U.S. small-company fund:	
Russell 2000 small US company fund	**IWM**
International company funds:	
Europe, Australasia, and Far East	**EFA**
Emerging Markets Fund	**EEM**
Fixed Income (Bond) funds:	
20+ Year U.S. Treasury Bonds	**TLT**
7-10 Year U.S. Treasury Bonds	**IEF**
US Aggregate Corporate Bonds	**AGG**
Investment Grade Corporate Bonds	**LQD**
Short bond term fund (cash):	
iShares 1-3 Year U.S. Treasury Bonds	**SHY**

Allocation of Portfolio by Risk Level

	Low	Balanced	Growth	Aggressive
SPY	5%	7.5%	10%	7.5%
QQQQ	5%	7.5%	10%	7.5%
DIA	5%	7.5%	10%	7.5%
VTV	5%	7.5%	10%	7.5%
IWM	10%	10%	20%	30%
EFA	5%	10%	15%	20%
EEM:	5%	10%	15%	20%
TLT	12.5%	8.75%	2.5%	0%
IEF	12.5%	8.75%	2.5%	0%
AGG	12.5%	8.75%	2.5%	0%
LQD	12.5%	8.75%	2.5%	0%
SHY	10%	5%	0%	0%

Model Portfolio Results

Name	Symbol	12/31/21 Price	4/1/22 price	Yield Rate (Est.)	2022 Gain w/ Dividend
S&P 500 fund	SPY	$474.96	$452.92	1.21%	-4.35%
Nasdaq 100 (Tech) fund	QQQ	$397.85	$361.85	0.48%	-8.94%
Dow Jones Industrial Average fund	DIA	$363.32	$348.01	1.78%	-3.79%
Vanguard Value fund	VTV	$147.11	$148.36	2.14%	1.39%
Russell 2000 Small-Cap fund	IWM	$222.45	$207.57	0.77%	-6.51%
Europe, Australasia, and Far East fund	EFA	$78.68	$74.29	0.00%	-5.58%
Emerging Markets fund	EEM	$48.85	$45.90	0.00%	-6.04%
20+ Year U.S. Treasury Bond fund	TLT	$148.19	$132.38	1.16%	-10.41%
7-10 Year U.S. Treasury Bond fund	IEF	$115.00	$106.65	0.78%	-7.08%
U.S. Aggregate Corporate Bond fund	AGG	$114.08	$106.75	1.21%	-6.14%
Investment Grade Corporate Bonds	LQD	$132.52	$121.09	1.65%	-8.25%
1-3 Year U.S. Treasury Bond fund	SHY	$85.54	$83.14	0.23%	-2.75%

RESULTS	Low Risk	Balanced	Growth	Aggressive
’22 Return	-6.28%	-5.92%	-5.41%	-5.45%
’21 Return	5.46%	8.89%	14.06%	13.63%
’20 Return	13.13%	14.37%	16.39%	16.47%
’19 Return	16.75%	19.79%	24.18%	24.53%
’18 Return	-3.6%	-5.29%	-7.97%	-10.06%
’17 Return	12.10%	16.88%	22.60%	24.16%
’16 Return	6.92%	8.34%	11.58%	12.73%
’15 Return	-0.91%	-1.48%	-2.47%	-3.96%
’14 Return	9.16%	8.31%	6.71%	4.25%
’13 Return	8.34%	13.31%	22.72%	24.75%
’12 Return	8.97%	11.56%	15.30%	16.86%
’11 Return	7.02%	3.30%	-2.52%	-6.51%
’10 Return	11.17%	12.45%	15.53%	16.91%
’09 Return	11.14%	19.65%	31.48%	36.54%
’08 Return	-8.18%	-18.66%	-33.90%	-39.60%
’07 Return	7.82%	9.40%	10.04%	10.45%
’06 Return	9.72%	13.63%	19.09%	21.83%
’05 Return	5.49%	7.55%	9.73%	11.77%
Average annual return	**6.44%**	**6.93%**	**8.28%**	**8.15%**

Many pension funds and endowments would have paid handsomely for this performance. Yet, here they are offered up to anyone…. for free.

Chapter 5
The Plan

Every trader reserves the right to make a more intelligent decision today than he made yesterday. - Sheldon Natenberg

The Good

- The pandemic is over; follow the science
- Innovations and efficiencies are creating new real wealth daily

The Bad

- Rising interest rates
- Falling global and US GDP expectations
- Labor and input scarcity
- Partisan politics
- Excessive money printing
- Supply and demand equilibrium
- Known unknowns

The Ugly

- Repeatedly poking the bear armed with thousands of thermonuclear weapons
- World leaders who think the unthinkable is also unthinkable to their adversaries
- Reduced food and raw materials production in Ukraine
- Reduced food and raw materials exported from the former Soviet Union
- Potential Global Debt crisis triggered by a Russian credit default
- The potential Chinese credit crisis
- Unsustainable Federal, State, and local debt
- A populous that doesn't understand how their basic needs are produced
- Leadership unable to anticipate the outcomes of their actions
- EMP events, the kind that blindsides you at 4 p.m. on some idle Tuesday
- Unknown unknowns

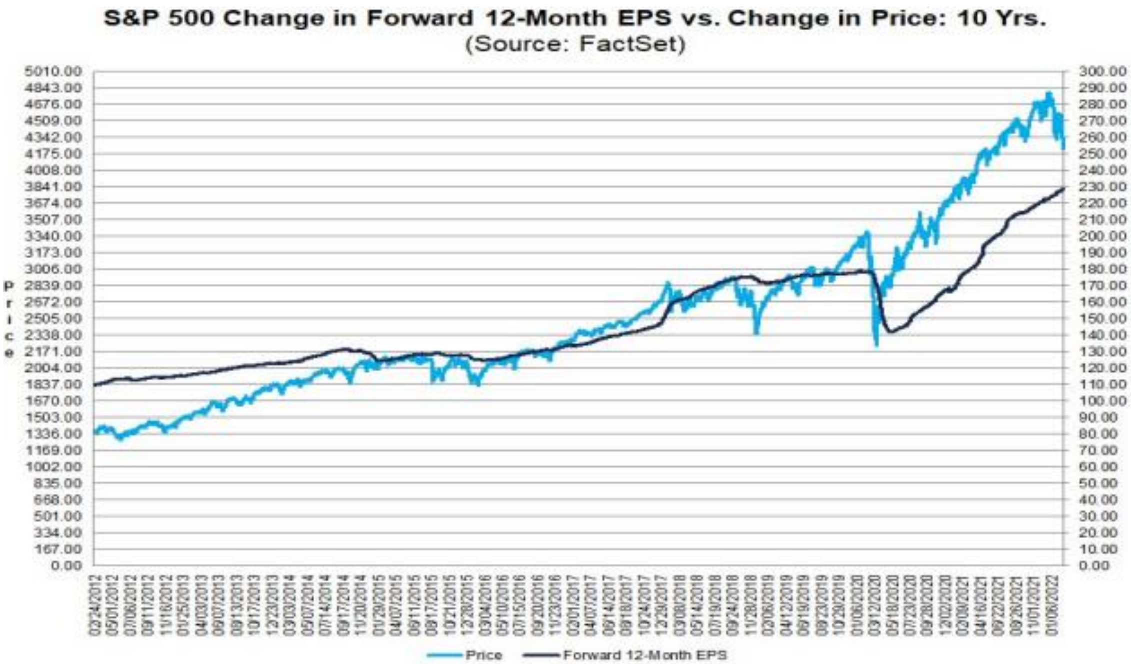
U.S. 10-Year Treasuries

The 10-year bond yields 2.38%. All the bond funds in Chapter 4 have lost money this year. I now expect 10-year rates to be between 2.5%-3.5% by the end of the year, assuming no recession or global economic setbacks, or 1.0%-2% if we have one.

Assuming rates continue to tick up, investing will become a more challenging game than throwing money at the market.

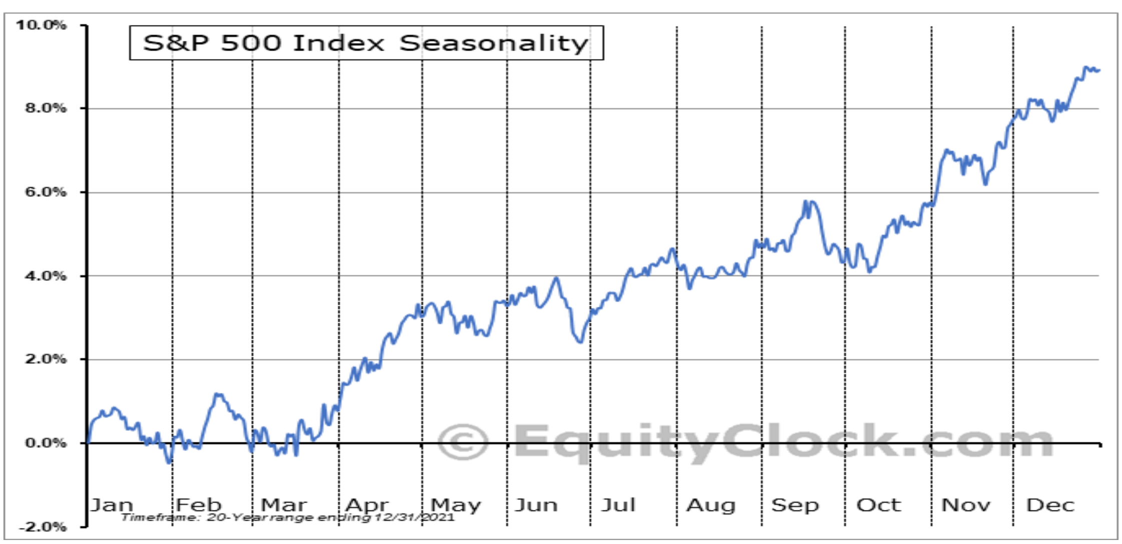
Stock Market

The stock market will likely continue sideways through June, assuming the Ukrainian war keeps getting more resolution. The Federal Reserve will likely continue raising rates. The market is currently about ~10% overvalued, by my estimation. As rates go up, some will want that guaranteed 2-3% yield, and some will sell stocks to own bonds again.



Seasonality

We are now in April to June timeframe when the market tends to go up. This time I think it's a tailwind preventing it from going down too much.



The plan (subject to change without notification):

This year, we have many moving parts—inflation, war, interest rates, economic growth, labor force participation, and supply chain issues. I have radically altered my portfolio over the past year. I got stopped out of all my high yield, commodities, and Chinese stocks, and I am currently around 70% cash. It's not the economy, stupid; it's the Fed… and Vlad.

I am very uneasy with the stock market valuations. I expect a double hit this year, with rising rates and inflation. I will still be avoiding bonds for the foreseeable future. Longer-term, I believe we have triggered the debt spiral, but it is hard to judge when the ill effects will occur in a year, three, five, ten, or last month?

I expect a choppy market for the next few months, with not much progress up or down. Dips are buying opportunities, and spikes are a time to sell. I don't see any compelling reasons to invest right now, maybe 5% upside in the next few months but possibly 10-15% downside, setting aside my doomsday scenarios.

The plan is to hold cash and wait…

Longer-Term plans (after a selloff)

I will be rebuying the SOXL soon after a long-overdue pullback. Anything computer-related as that sector continues to march toward because of self-driving cars, automation, Artificial Intelligence, Quantum computing, and cloud infrastructure. I will be investing in growth such as Booking Holdings Inc. (BKNG), Micron Technology, Inc. (M.U.), Taiwan Semiconductor (TSM), and Marvell Technology, Inc. (MRVL).

The risks of investing in China are high, both economically and politically. If China has a credit crisis, all bets are off.

Outline

- Cash Substitutes (Short-term)
  - Global X SuperDividend U.S. ETF (DIV)
- Cash Substitutes (Longer-Term)
  - Manulife Financial Corporation (MFC)
- Inflation bets
  - Black Stone Minerals (BSM)
  - UltraShort 20+ Year Treasury (TBT)
- Growth
  - Marvell Technology, Inc. (MRVL), Booking Holdings Inc. (BKNG), Micron Technology, Inc. (M.U.), Advanced Micro Devices (AMD)
- Avoid interest rate sensitive sectors and stock
  - Avoid high yield
    - Pipelines, REITs, Preferred shares, Bonds
  - Avoid companies with large debt

To-Do List

Reduce cash by buying short term cash substitute investments such as Global X SuperDividend U.S. ETF (DIV)

Short Moderna (MRNA) and add to NVAX short

Buy the dips, sell the rips…

Nibble individual growth names such as Booking Holdings Inc. (BKNG), Micron Technology, Inc. (M.U.), Marvell Technology, Inc. (MRVL),

Watch

- Watch for expansion or contraction of monetary policy and any other Fed action
- Watch China
- Watch foreign markets to invest in if the U.S. theme changes
- And clearly Ukraine

My sell Signals (subject to change without notification):
- Vix Above 20
- U.S. 10-year above 2.75%

My reentry/buy points
- Vix Below 20 or above 30
- U.S. 10-year below 2.0%

How I can be wrong

- Russian Escalation
- A new untreatable virus mutation appears
- The Federal Reserve slows or increases the number of rate hike
- China credit meltdown
- Unknown unknowns

Final Thoughts

This is the conclusion of my report!!

I expect my succeeding report to be distributed on July 5th, 2022, assuming we haven't achieved DEFCON 1 by then. At that time, I will once again attempt to entertain you with my updates, opinions, reflections, lousy grammar, and exceptionally bad poofreading. 😜 – Mark

Appendix 1
Value Stocks

This is a shortlist of some stocks that I follow that I think are cheap. I also show the expected earnings yield for this year, what it's expected to earn in '23 versus its current stock price (i.e., return on investment), and for those who prefer P/E ratios, I have included those also.

Stock	Symbol	Dividend Yield	Est. Earnings Yield (Earnings/Price)	Forward ('23) P/E
Olin Corp	OLN	1.5%	16.8%	5.9
General Motors	G.M.	-	16.7%	6.0
Micron	MU	0.5%	16.5%	6.1
Manulife Financial Corp	MFC	4.9%	14.4%	7.0
Suncor Energy Inc.	SU	4.1%	13.3%	7.5
Sunoco LP	SUN	8.0%	12.5%	8.0
Black Stone Minerals	BSM	6.6%	11.3%	8.9
Bristol-Myers Squibb	BMY	2.9%	11.0%	9.1
Medifast, Inc.	MED	3.7%	10.6%	9.5
Cigna	CI	1.8%	10.2%	9.8
American International	AIG	2.0%	9.7%	10.3
Enterprise Products Partn	EPD	7.2%	9.2%	10.8
The Carlyle Group Inc.	CG	2.0%	9.2%	10.8
KKR & Co. Inc.	KKR	1.0%	8.1%	12.4

Appendix 2
High Yield

High yield is a precarious investment by nature. I have made significant changes to the methodology; I am now focused on more stable items. Here is a shortlist of a few of the high yield investments that I follow along with the current market yield.

Stock	Symbol	Yield	Structure
NASDAQ Covered Call ETF	QYLD	11.8%	ETF
Russell 2000 Covered Call ETF	RYLD	11.1%	ETF
SLR Investment Corp	SLRC	9.0%	Corp
Omega Healthcare Investors	OHI	8.4%	REIT
Black Stone Minerals	BSM	6.6%	L.P.
MPLX LP	MPLX	6.3%	L.P.
Global X SuperDividend U.S.	DIV	5.8%	ETF

* Are stocks that I own at the time of this publication.
^ Indicates a qualified dividend and may give you a lower tax rate on dividends

This list is small because high yield will do poorly as rates go up.

Most of these investments are not regular stocks and typically don't qualify for special tax treatment under U.S. capital gains rules. Most of these investments are a Trust, Real Estate Investment Trust (REIT), Bond fund, Master Limited Liability Partnership (LLP), Master Limited Liability Partnership (MLP), or other tax landmines. I put these instruments in my IRA rollover to avoid most of these tax headaches, but even that potentially creates some tax burden. Be sure you and your investment (tax) advisor knows what you may be getting into before investing and getting a crazy high tax bill at the end of the year.

Appendix 3
Growth

This is my shortlist of high-growth investments that I follow along with the current projected year-on-year growth, forward Price to Earnings ratio, and analyst five-year annual growth projections.

These are the stocks I would own after a selloff.

Stock	Symbol	'23 Growth	Forward P/E	5 Yr. Growth
Marvell Technology, Inc.	MRVL	**26.2%**	**24.6**	**42.1%**
Tesla, Inc.	TSLA	21.6%	83.8	**37.2%**
Booking Holdings Inc.	BKNG	**37.0%**	**19.5**	**34.8%**
Amazon.com	AMZN	**49.3%**	45.0	**34.8%**
NVIDIA Corporation	NVDA	20.0%	39.4	**30.7%**
Advanced Micro Devices	AMD	16.3%	**23.0**	29.9%
ASML Holding	ASML	15.5%	30.5	29.8%
Micron Technology, Inc.	MU	**31.9%**	**6.1**	29.7%
Chipotle Mexican Grill, Inc.	CMG	**32.1%**	38.4	29.0%
ServiceNow	NOW	**26.6%**	58.9	26.1%
Taiwan Semiconductor	TSM	14.0%	**16.0**	20.2%
Global Payments Inc.	GPN	17.2%	**12.6**	18.2%
Netflix	NFLX	**30.5%**	26.0	16.9%
Adobe Inc.	ADBE	17.9%	28.5	14.3%
Innovative Industrial Prop	IIPR	22.9%	27.0	n/a

* Are stocks that I own at the time of this publication.

Appendix 4
Country ETFs

Economic Growth (GDP) Forecast by Country for 2021

China	8.0%	United Kingdom	4.2%	**United States**	3.2%	Brazil	2.6%
India	7.9%	Indonesia	4.0%	South Africa	3.0%	Israel	2.3%
Vietnam	6.8%	Mexico	3.6%	Turkey	2.9%	Japan	2.3%
France	6.0%	European Union	3.6%	Germany	2.8%	Switzerland	2.2%
Spain	5.0%	Canada	3.5%	South Korea	2.8%	Greece	0.9%
Chile	4.2%	Australia	3.3%	Russia	2.8%	Venezuela	-1.9%

The yields shown below are '21 total returns, including dividends. I only update this section at the beginning of each year.

Country	ETF symbol	2021 Total Return
Australia	EWA	8.55%
Brazil	EWZ	-19.10%
Canada	EWC	**27.41%**
Chile	ECH	-6.01%
China	FXI	-20.10%
EU	VGK	13.57%
France	EWQ	18.35%
Germany	EWG	5.21%
Greece	GREK	3.58%
India	INDA	23.23%
Indonesia	EIDO	3.94%
Israel	ISRA	10.06%
Italy	EWI	11.67%
Japan	EWJ	3.73%
Mexico	EWW	9.97%
Russia	RSX	21.45%
South Africa	EZA	5.11%
South Korea	EWY	-7.49%
Spain	EWP	-0.54%
Sweden	EWD	18.59%
Switzerland	EWL	12.37%
Turkey	TUR	**-27.10%**
UK	EWU	14.52%
USA	SPY	26.67%

The big winner was Canada, with a respectable 27.41% gain last year. It shouldn't surprise anyone that Turkey, with its fairytale economic policies, came in last with a loss of 27.1%.

Appendix 5
My Current Portfolio Holdings

Roughly 70% of my portfolio is currently in cash.

Trading Portfolio (Taxed) - Options, short positions, short-term trades

ARQQ – Arqit - a quantum computer hopeful
IONQ – IonQ, a quantum computer hopeful
NVAX* - Short Moderna via diagonal put spreads for an end of covid bet
SOXL – Long placeholder position in the 3x SOXX ETF
SPY - Long puts, a position that makes money when the market goes down

IRAs (Tax-deferred) - Income and high yield

ARQQ – Arqit - a quantum computer hopeful
DVN – Long Devon Energy
ETHE – Ethereum Crypto Trust
GBTC – Bitcoin Crypto Trust
GPN – Global Payments, payment services
I.P. – Long placeholder position in International Paper
QUBT – Quantum Computing, Inc, another quantum computer hopeful
RGTI - Rigetti quantum computer hopeful
SOXL – Long placeholder position 3x SOXX ETF
SPY – Long puts, a position that makes money when the market goes down
TSM – Long placeholder position in Taiwan Semiconductor

* Denotes options positions

Appendix 6
Shall we play a game?

Electromatic Pulse (EMP)

A nuclear blast high in the atmosphere could potentially disrupt most electronic devices and take down the power grid across the entire nation. It could be many years until most houses in the U.S. have electricity again and the basic infrastructure that goes with it. Mass starvation will occur since you can't feed a 21st-century population using 18th-century technology. The 18th century had an advantage since they had draft animals, harnesses, and plows that do not exist today in numbers except for parts of Pennsylvania.

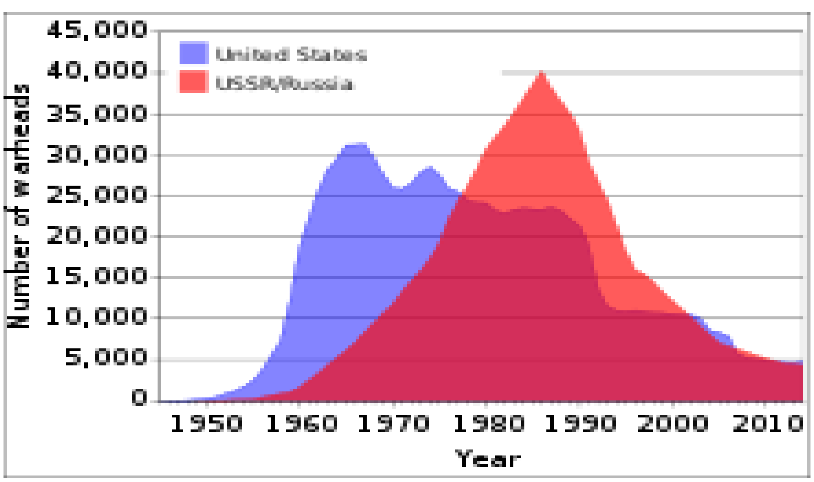
"The result could be to shut down the U.S. electric power grid for an indefinite period, leading to the death within a year of up to 90 percent of all Americans." - EMP Commissions chairman, William Graham

https://en.wikipedia.org/wiki/Nuclear_electromagnetic_pulse

https://www.cisa.gov/sites/default/files/publications/19_0307_CISA_EMP-Protection-Resilience-Guidelines.pdf

Global Thermonuclear War

The consequences of this type of event are "common knowledge," but keep in mind the number of warheads has dropped significantly since most of the literature was written. Still, the significant increase in survivability has not made its way into folklore. When I first looked at this subject a few weeks ago, I was shocked to see the expected radiation levels. It took me a while to realize that this information is grossly overstated due to arms control treaties and the limitation on delivery vehicles. Information about radiation protection from the 50s and 60s is still valid, but all the fallout maps are wrong, likely by a factor of ten or more. Again about 90% of the population will perish, but this could be cut substantially with a civil defense program that Congress defunded while keeping their bunkers.



Below is the most up-to-date source regarding nuclear war, be wary of any fallout maps since they haven't been updated in 30 years. I could not find any up-to-date map for fallout projections.

https://remm.hhs.gov/nuclearfallout.htm

The simulation below is probably the most accurate available to the public. It's essential to understand the difference between an airburst that creates more damage but relatively little fallout. On the other hand, a ground burst is used on "hardened targets" that crate a sizeable deep crater and massive downwind fallout. Note this simulation only covers the first 2 hours of a war… You will need to extrapolate the rest using the information in the above link.

https://nuclearwarmap.com/simulation01.html

If you live in a major city or near a high-priority military installation, your odds are low. In the rural areas or West of a target, your odds are much better. Even if your area was to be heavily contaminated, knowing what to do would substantially increase the odds of survival. Owning a home with a basement makes the task reasonable easy and makes most fallouts (not blast) events survivable. This may require up to 2 weeks in a shelter to bend the curve, but it could be as little as three days in many cases. I would wear an N-95 mask during the event to help reduce the amount of fallout I breathe in.

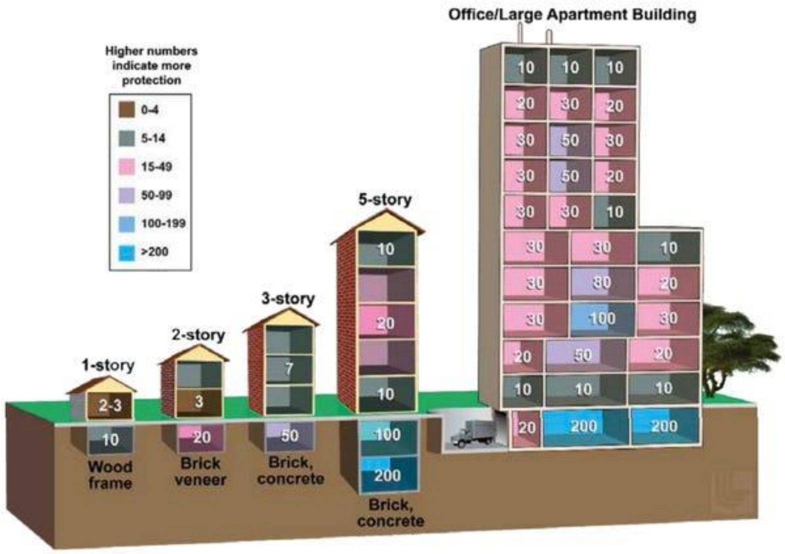
Radiation meters

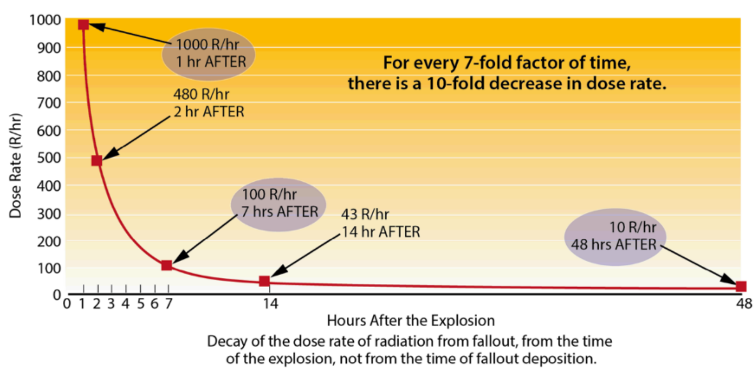
The one item that I would absolutely want is a "high" range radiation meter (Geiger counter). The difference between sitting in one location vs. another one foot away may make the difference, and without knowing the levels, one could not make that call. Have one that can read up to at least 10 REM/hr (100 mSv). Good luck finding one, a functioning one costs hundreds, if not thousands of dollars, and the old civil defense ones on eBay probably won't work since they are all about 60 years old. There is no way to test them without sending them to a lab and waiting weeks for a calibration check, and that will set you back about $150. If broken, there are no spare parts to repair these antique meters. You could list them on eBay, and no one would be wiser. Do everything to keep your dose rate under 1 REM/hour, which is still less than ideal. Anything over ~3 Rem/hour over three days is likely fatal.

Amazon has some meters for sale, but these are primarily low-range meters that will be pegged high for the duration of their life if a war breaks out. Be skeptical of new or sketchy sellers of meters. I would only buy a high-range meter from a reputable manufacturer directly from Amazon, assuming you can find one. This is the closest match I could find; I am unfamiliar with the manufacturer, and supply is limited. Learn how to use it *before* you need it!!

https://www.amazon.com/dp/B004CCRIKM/ref=cm_sw_em_r_mt_dp_STDX0WSGS16CWM6PNAWM

The numbers used below are by what factor the radiation is reduced. A factor of 2 indicates 50% shielding; only half the radiation can penetrate. The bare minimum would be a 10 (90% protection). Ideally, you want 50 -100 (98-99% protection) or higher. The 200 level gives you 99.5% shielding. This is very adequate protection in most circumstances outside the blast radius.





Potassium Iodide (K.I.) works for people under 40, but FDA-approved K.I. is largely unavailable right now from reputable sources. There is a method for using liquid Iodine on the skin, but it's risky for those who don't know what they are doing, so I won't cover it here. You can always switch from the trendy pink salt to the Walmart brand iodized salt…The dose isn't high enough, but it's a start. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4356652/

Also, I noticed some card dosimeters for around $25; those are only useful in telling you that you have already received a lethal dose. I see no value in these.

EMF detectors are not radiation detectors; dosimeters aren't particularly useful either, you would want an analog Geiger counter with a tube, and it needs to be a high range meter!!!

Appendix 7
My to-do-list for printing

I keep a hard copy of this on my desk to remind me of the plan and take notes.

Buy rice, beans, and canned goods.

Watch the TED Spread for indication of a global credit crisis

Buy cash Substitutes **DIV**

Buy Growth **BKNG, M.U., AMD, MRVL**

Enter options strategies **VXX** with covered calls

Look for promising Iron Condors

Watch Quantum Computing and buy **ETHE** on the next selloff

Adjust all trailing stop losses

WAIT!!!