April 2023 Mark(et) Rush Report
By
Mark Rush

http://traderwasteland.wordpress.com/

April 3th, 2023

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 remember that I am an *amateur* investor, and this document is a *hobby*. 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…

Please read this before continuing!

This report is neither an offer nor a recommendation to buy or sell any security. I hold no investment licenses and am thus neither licensed nor qualified to provide investment advice. The content in this report is not provided to any individual with a view toward their individual circumstances.

Do NOT ever purchase any security or investment without doing your own and sufficient research. This document contains forward-looking statements. Because events and circumstances frequently do not occur as expected, there will likely be differences between predictions and actual results. Always consult a licensed investment professional before making any investment decision. Be extremely careful; investing in securities carries a high degree of risk; you may likely lose some or all of the investment.

The material presented herein is for informational purposes only, is not guaranteed to be correct, complete, or up to date, and does not constitute legal, tax, or investment advice. While all information is believed to be reliable, it is not guaranteed by me to be accurate. Individuals should assume that all information contained in this document is not trustworthy unless verified by their own independent research. This report may contain numerous errors, and the opinions may change without notice. Past performance is not an indication of future results.

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

You can follow me on Facebook at "Theta Capital Partners."
https://www.facebook.com/Theta-Capital-Partners-203727433052941/timeline/

Introduction

Greetings!

Previously I stated that the Federal Reserve could be orchestrating a soft landing, or they could have caused a global debt crisis. We just got a signal for the latter with the recent bank failures. We now must add a banking crisis to the mix of fears while having the existing issues from prior installments of this report. Can the Fed keep the banking sector from blowing up while getting inflation under control, or are we in the early stages of an unstoppable debt spiral and currency collapse?

This report is a continuation of the last report; the themes and objectives have not changed much. All data and Appendixes were thoroughly updated. The next several months will be tough to get right, but I will present my thoughts…

All data for this report was gathered and compiled on the April 1st, 2023 weekend. Prices, ratios, indexes, and outlooks may have changed materially since that time. For those wanting a shorter version of this report, please jump to Chapter 6 and the updated investment ideas in the Appendixes.

Mark

You can follow me on Facebook at "Theta Capital Partners."
https://www.facebook.com/Theta-Capital-Partners-203727433052941/timeline/

Chapter 1
Considerations

Banking Crisis

In the simplest terms, the banking crisis is twofold. First, the banks have made loans against customer deposits; now that rates have moved up, they have many outstanding loans on their books that are below market, and they would need to take a loss to sell those loans. The second issue is that all the nearly free money deposited in the banks is disappearing at incredible rates as clients move money to venues with significantly higher yields.

I am inadvertently guilty of this practice; when money markets barely paid anything and bond funds were not much better, I was lazy with my excess cash. I did not move money often, kept my checking account fat, and when I received dividends from my stock portfolio, I tended to let the money pool up until I found a home for it. But now, with rates at 4%, I keep my money on a much tighter leash. I now tend to keep my money in bond funds until the last moment, transfer money to my checking account in smaller amounts far more often, and reinvent dividends much more frequently.

My checking account is now always skinny, especially when I see a statement that I have earned less than $0.10 monthly and compare that to my dividend stream in SHY. Now multiply this limited action by millions of accounts.

$500 billion in deposits have already left the banking system to find higher-paying venues to over, and it is increasing each day. Then we toss in the weakening confidence, making large depositors especially weary of keeping excessive and unguaranteed money in the system. The banking system may be sitting on as much as $1.7 trillion of losses.

It seems to be being managed now, but it could easily spin out of control…

War

The war is going badly for Russia, and the west keeps providing ever-increasingly sophisticated weapons and funding. Russia has had several attacks on military targets in its home territory, and the tempo is increasing. Western aid now exceeds the entire budget for the Russian military.

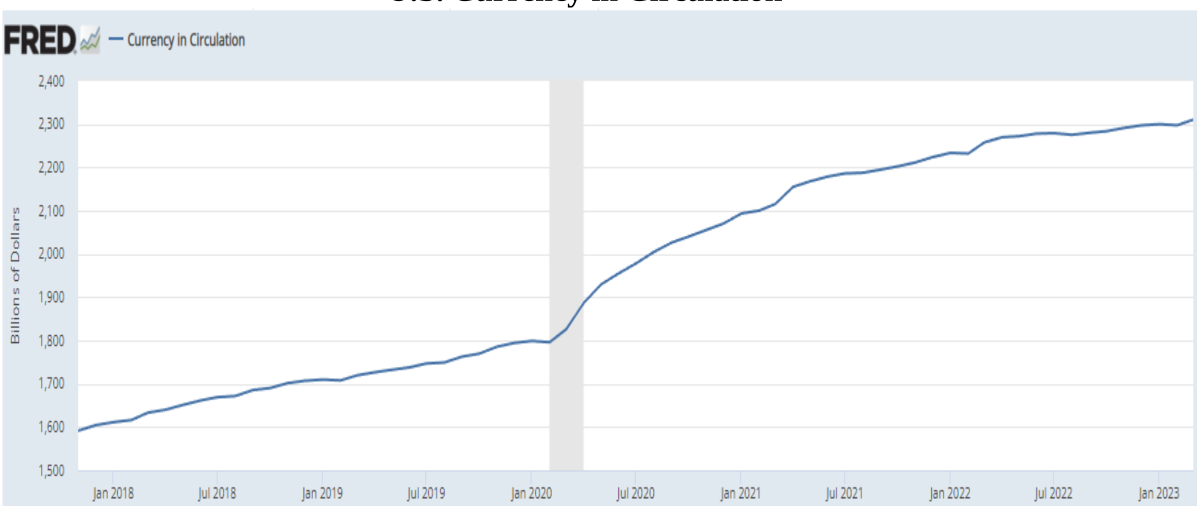
This event will likely resolve itself this year… How and the direction is unknown

Inflation, The Fed, and Interest Rates

I believe the recent banking system issues have ended rate hikes in the coming months and will not likely start again unless we get another round of pronounced inflation. In the short term, any inflation will need to be ignored.

We can debate the impact of one component of current inflation; the amount of U.S. currency in circulation has increased from ~$0.55 trillion in 2000, almost doubling by 2010 to ~$1.00 trillion. By 2020 it had nearly doubled again to $1.80 trillion; in the past three years, it ballooned 30% to ~$2.30 trillion. In the past 23 years, we have put into circulation 400% more currency. Notice that in the graph's tail end, the amount of money in circulation went up again as the Fed attempted to stabilize the banking system.

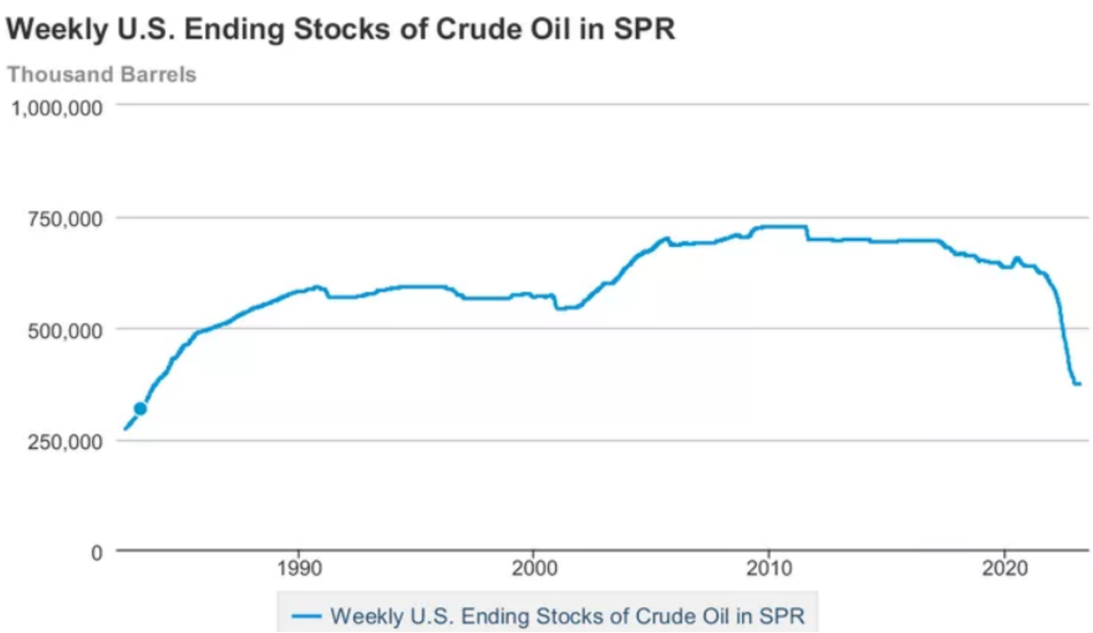
U.S. Currency in Circulation



Higher inflation is bad for the market in the short run

Energy

Energy supply is coming in line but still slightly above the pre-Covid range of $42.5-$75/bbl but was coming back into line. While writing this section, I was notified that OPEC+ is cutting production. This will likely raise the price of oil around $5-$10 a barrel, so we are back to elevated oil prices. There has been no attempt to refill the Strategic Petroleum Reserve.



Oil is still on the high side of the "normal" range but is heading higher

Chapter 2
The Charts

A picture is worth a thousand words… In my case, it may be only a couple of dozen. Let's look at the charts to understand what has happened and what may happen.

S&P 500 (4109.31)

This chart has been trending sideways, but I suspect it will go up with looser monetary policy. The risks are about evenly split. I see solid support around 3400, so there is a case to be made for the market to dip 20%. Also, I would be surprised if the market exceeded 4800 for a 17% gain.

The chart looks like there "could be" a positive change in direction soon

U.S. 10-Year Bond Rates

Remember that this is a log-normal chart; a straight line in a log-normal chart reflects an exponential increase. I suspect rates have peaked for now.

Rates were on an upward trend. It looks like the trend may be breaking??

TIPS

Since this instrument is tied to the inflation rate, lower inflation will make this yield drop, so the 6% yield may be temporary. Longer-term, Tips are worth watching.

The TIP is down 20% from the peak, but its 6% yield offsets some of that decline. It looks like it may begin to rise again, indicating higher inflation expectations in the future.

This chart shows a drop in inflation expectations, but it may increase again?

Crude Oil

OPEC+ is cutting production so that prices will be higher

Copper

They say Dr. Copper has a Ph.D. in economics… copper has been treading up.

U.S. Dollar

The dollar has weakened, which will help exports and stabilizes global debt.

Conclusions:

S&P 500: Sideways; it may be forming an upward trend; a bounce is possible.
Rates: Still trending sideways, with a possible downside break.
Tips: Sight trend up, reflecting a looser monetary policy.
Oil: Unknown currently.
Copper: It has stabilized and is in an upward trend.
U.S. Dollar weakness: The Fed has slowed its rate rise.

Overall conditions have improved significantly since the last report.

Chapter 3
The Fundamental Indicators

Economic Projections

The *<u>headline numbers were my predictions at the beginning of 2023;</u> these predictions may now be laughably wrong.*

US Gross National Product (GDP) > 1.0% by the end of 2023

US GDP forecasts are now for 1.5%, while Global GDP is expected to grow at 2.6%

The GDP projections are falling, and recession is likely later this year

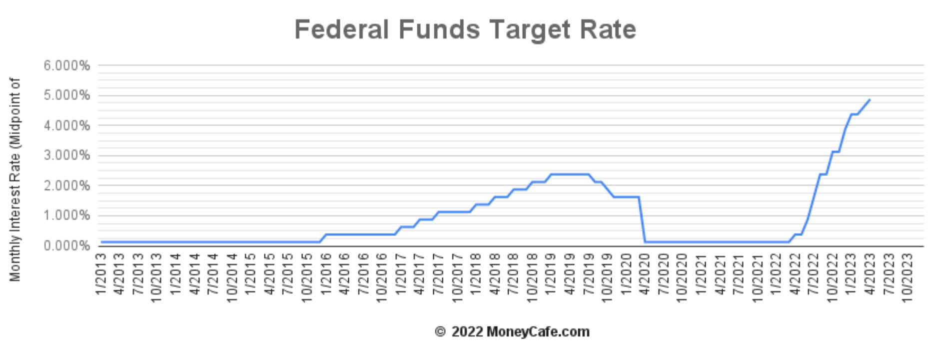
Unemployment will be > 4.0% by the end of 2023

The official unemployment rate was stable at 3.6% for February, down from 3.7% last year. Unemployment may be bottoming.

Unemployment spiked due to COVID and is currently below normal

Federal Reserve rates will be < 5.00% by the end of 2023

I believe we are at the end of rate hikes.

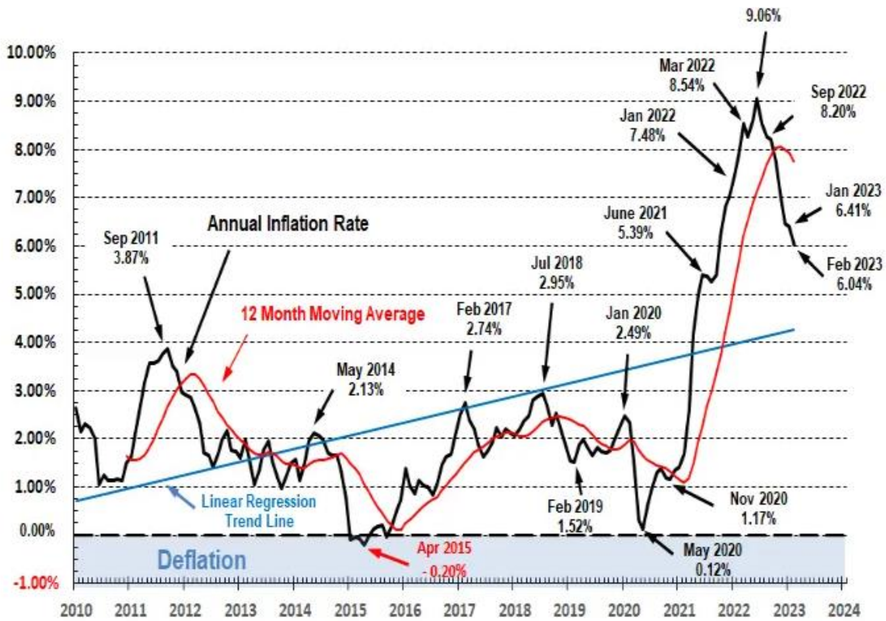


I believe the Federal Reserve is done raising rates

Inflation < 4.0% in 2023

The latest inflation was an annual rate of 6.04%. We have likely saturated the money supply; I expect inflation to come down to 5% this year, but I think something in the 4% range is the new normal due to excessive U.S. debt levels.

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



Current inflation is high; but trending down…

S&P 500 index > 4000 at the end of 2023

The S&P 500 index started 2023 at 3,839.50 and is now at 4109.31 for a 7.0% gain.

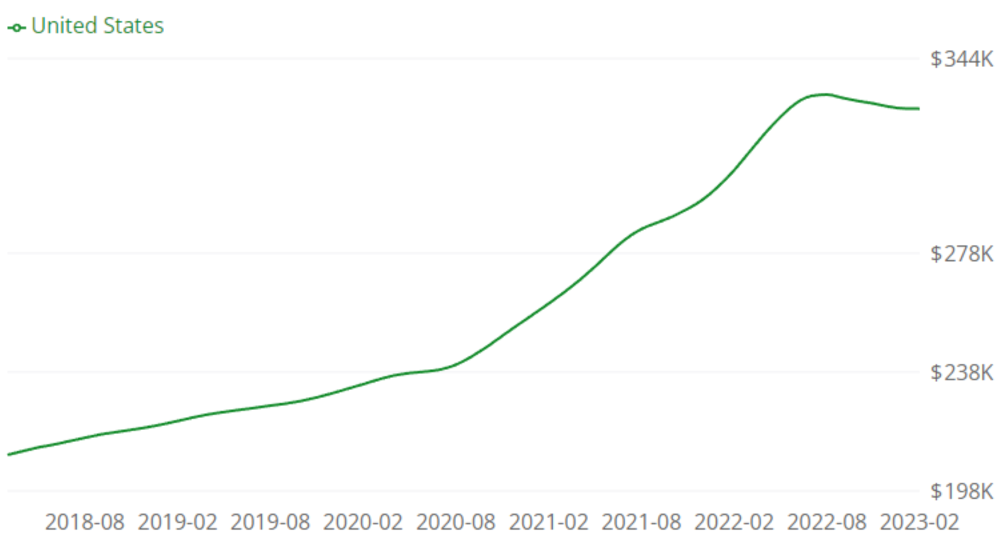
The markets are trending sideways and potentially have an up bias

Real Estate Average Home <$325k in 2023

The 2023 housing prices started at $$358k, and we are now down to $327.5k for an 8.5% drop in the last three months. The 30-year mortgage rate is up from 3.02% at the beginning of 2022 to around 6.61%. The lower prices have also changed the average mortgage, assuming a 20% down payment, from $1070 in 2022, $1821 at the beginning of this year, down to $1675 now.

National Average Mortgage Rates

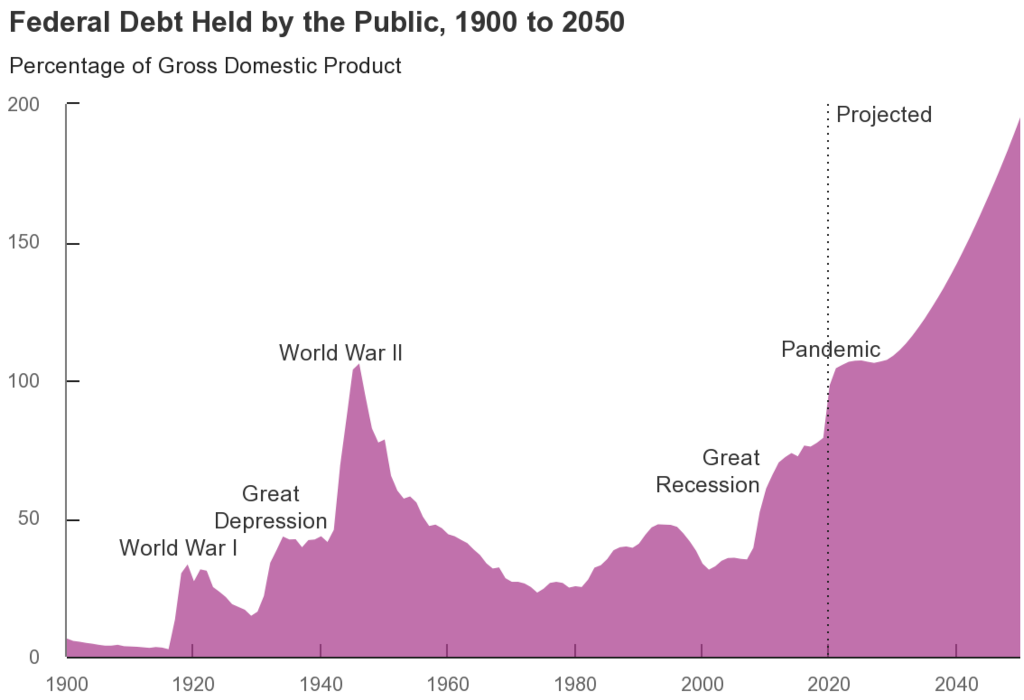
Housing price projections



The rise in rates and home prices may have paused, but still too high

>1.2 trillion Dollar Budget deficit for F.Y. 2023

The deficit has already risen to $1.4 Trillion this year and is expected to be >$2.0 trillion yearly from 2024-2033…



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

Chapter 4
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	12/31/21	1/1/23	4/1/23	Link
SPY	+100%	-72%	+64%	http://www.barchart.com/opinions/etf/SPY
QQQ	+96%	-100%	+88%	http://www.barchart.com/opinions/etf/QQQ
IWM	-24%	-88%	-24%	http://www.barchart.com/opinions/etf/IWM
International				
EFA	-72%	+56%	+88%	https://www.barchart.com/etfs-funds/quotes/EFA/opinion
EEM	-88%	-24%	+24%	http://www.barchart.com/opinions/etf/EEM

Bonds	12/31/21	1/1/23	4/1/23	Link
TLT	+64%	-72%	+40%	http://www.barchart.com/opinions/etf/TLT
SHY	-100%	-56%	+72%	http://www.barchart.com/opinions/etf/SHY

Gold/Oil/Dollar Index/Euro/Yen				
GLD	+56%	+56%	+100%	http://www.barchart.com/opinions/etf/GLD
USO	+64%	-72%	-88%	http://www.barchart.com/opinions/etf/USO
UUP	+80%	-56%	-88%	http://www.barchart.com/opinions/etf/UUP
FXE	-88%	+72%	+88%	http://www.barchart.com/opinions/etf/FXE
FXY	-100%	+56%	+72%	http://www.barchart.com/opinions/etf/FXY

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

VIX Index	+16%	-100%	-64%	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.

The VIX is subdued. The lower VIX is likely bullish for the market.

The VIX is well behaved…

German Bond Yields

The German 10-year bond was at -0.179% at the beginning of 2022 and now has jumped to +2.57%. Those crazy Germans are demanding a return for loaning money to the government.

German 10-Year Bond Yield

I get nothing from this chart…

Ten's minus Two's

A good recession indicator is the difference between the U.S. 10-Year Treasury Yield and the 2-Year Treasury Yield. The first chart shows 20+ years of the index, and the grey areas are recessions. If you notice, the "10's minus 2's" spread usually goes negative (a vertical grey area) several months before a recession.

Historically that usually indicates an impending recession, not always, but usually. Notice we are significantly below that line once again. The recent reading of -0.70 was the most negative since the 1980s… We are still at -.58

The 10's minus 2's spread is flashing a recession warning

Technical Summary…

The technicals are telling us to invest in anything and everything except small cap (I have no idea why), oil (and that has changed already), and dollars… So, get rid of your dollars and buy things…

The indicators are "Risk-On"

Chapter 5
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 fewer) 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 U.S. 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	12/31/22 Price	4/1/23 price	Yield Rate (Est.)	2022 Gain w/ Dividend
S&P 500 fund	SPY	$382.43	$409.39	1.47%	7.44%
Nasdaq 100 (Tech) fund	QQQ	$266.28	$320.93	0.59%	20.70%
Dow Jones Industrial Average fund	DIA	$331.33	$332.62	2.03%	0.90%
Vanguard Value fund	VTV	$140.37	$138.11	2.38%	-1.02%
Russell 2000 Small-Cap fund	IWM	$174.36	$178.40	1.41%	2.68%
Europe, Australasia, and Far East fund	EFA	$65.64	$71.52	0.00%	8.96%
Emerging Markets fund	EEM	$37.90	$39.46	0.00%	4.12%
20+ Year U.S. Treasury Bond fund	TLT	$99.56	$106.37	1.97%	7.37%
7-10 Year U.S. Treasury Bond fund	IEF	$95.78	$99.12	1.65%	3.91%
U.S. Aggregate Corporate Bond fund	AGG	$96.99	$99.64	1.92%	3.23%
Investment Grade Corporate Bonds	LQD	$105.43	$109.61	2.61%	4.64%
1-3 Year U.S. Treasury Bond fund	SHY	$81.17	$82.16	1.53%	1.61%

RESULTS	Low Risk	Balanced	Growth	Aggressive
’23 Return	4.88%	5.43%	5.78%	5.52%
’22 Return	-16.80%	-16.95%	-17.23%	-17.59%
’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	**5.32%**	**6.27%**	**7.53%**	**7.37%**

I have never seen bonds take a beating like this before.

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

Chapter 6
The Plan

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

The Good

- Innovations and efficiencies are creating new real wealth daily
- Fed rate hikes are nearing their endgame

The Bad

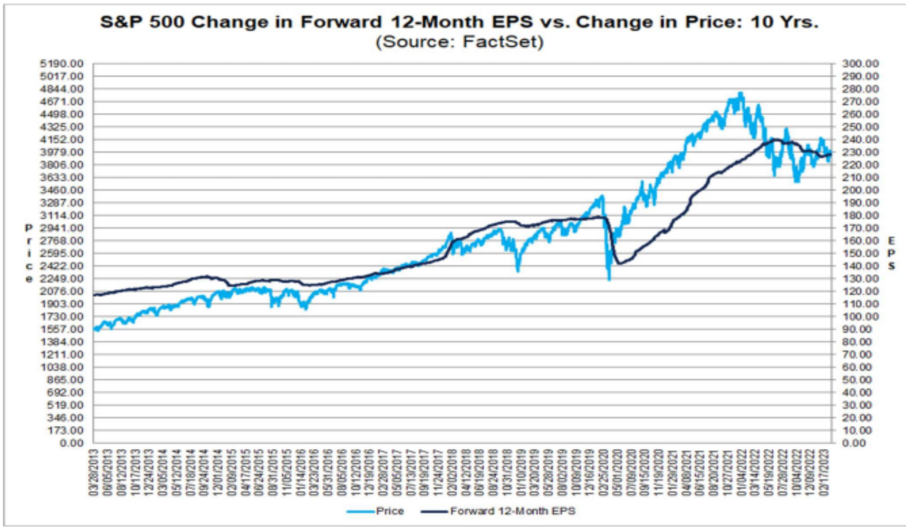
- Banking crisis
- Tens minus twos signaling a recession
- Falling global and US GDP expectations
- Labor and input scarcity
- Excessive money printing
- Partisan politics
- The possibility of an underground nuclear "test" by the Russians in their territory
- Supply and demand equilibrium
- Known unknowns

The Ugly

- Unrelenting smacking the bear who has thousands of thermonuclear weapons
- Potential for an above-ground nuclear "test" by the Russians outside their territory
- Potential for a Fed-induced global financial crisis
- Unsustainable Federal, State, and local debt
- A populous that doesn't understand how their basic needs are fulfilled
- Leadership unable to contemplate the consequences or outcomes of their actions
- Unknown unknowns, the kind that blindsides you at 4 p.m. on some idle Tuesday

S&P 500 Valuation

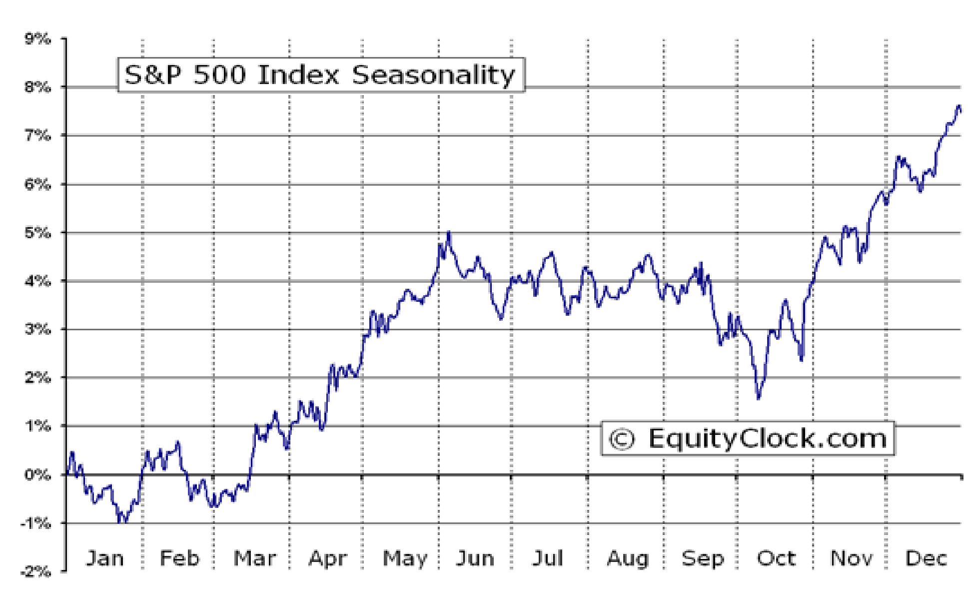
This chart shows that the S&P 500 reached “fair value” during the recent sell-off. Time to buy? Perhaps??



Valuations are still high but better since the 2022 sell-off

Seasonality

We are now in a time when the market tends to drop and hit bottom over the next few months, then bounce. I expect an upmarket in this quarter. The 3rd and 4th quarters are a different story. This thesis will need to be revisited frequently.



The markets have historically gone up until early June

The plan (subject to change without notification):

Let's review my assumptions before digging into the plan.

My Q2'23-Q4'23 assumptions

- Moderate to bad recession in the second half of 2023
- Easing inflation to around the 5% range
- Ukrainian war escalation
- The Fed is done raising rates
- Bonds have topped out
- Housing declines very slowly over the next few years
- Labor tightness eases, but unemployment remains relatively low

I am more comfortable with current stock market valuations since the significant price decline. Still, we are likely looking at a modest chance of a global recession and potentially a global financial crisis.

With labor and commodities easing, inflation may be taming itself short term. In the long term, I suspect we will have 5% inflation as the norm for the next decade or so.

I expect a choppy market for the next nine months. Using seasonality, fundamentals, and technical analysis, I expect something like this for the next nine months.

The Fed has stopped raising rates
S&P heads up toward 4800 by July
June to September sees a sideways market (back to 4500-5000)
Followed by a Q3 sell-off back down below 4000
Followed by a last Q3 bounce back above 4000
Followed by one big question mark… depending on Fed action and economic conditions

Please do not put too much faith in this outline since my view changes almost daily. Information and conditions change frequently. Most certainly, it is wrong; it is what I expect today with the information I have.

The safe play…

With all the ups and downs and more downs predicted with many moving parts and unknown and known unknowns, how would a person deal with the market over the next several months?

The smart move would be to be in short-dated U.S. bonds for the next 6-9 months. I believe interest rates are close to peaking, so for the first time in 5-10 years, I think bonds may be a decent investment for their risks and rewards. You should be thinking, "but didn't bonds get decimated with a 20-30% hit last year"? They did, but yields are now hovering around 4% on government bonds, and the Fed is likely done tightening. I expect inflation to be manageable in the short term. Bonds are additional protection if something goes wildly off track or the economy goes into systemic risk mode. The risks to a U.S. Government Bond portfolio are low, but the rewards are unexciting but decent.

To be safe, these investments should be U.S. government bond funds since the extra yield on foreign or corporate debt may not be worth the additional risk/reward. The only significant risk with bonds is if inflation keeps increasing despite recent Fed action.

Notice I said the smart move…. I am investing heavily until June and then going into bonds at that time or if the market gets to around 4800 on the S&P 500.

Black Swan Event (BSE)

Planning for unlikely but cataclysmic events in the next nine months is wise.

- Test or use of nuclear weapons in or around Russia
- A drop in the housing market in the 20-40% range
- The collapse of major European bank
- Covid mutating unfavorably (is that still a thing?)

One of these events could move the market down by 20-50% in days to weeks.

Outline

- Cash Substitutes (Short-term)
    - SHY
    - BSV

- Growth
    - CMG
    - Chip sector
    - Nasdaq (QQQ)

- Safety
    - Bonds
    - Healthcare (LLY)
    - MO
    - Buy put or put spreads on SPY for a Black Swan Event (BSE)
    - Buy call spreads on VXX corresponding to 50+ VIX for BSE

<u>To-Do List</u>

Be ready for a sell-off in Q3-Q4

Buy

- SOXL
- TQQQ
- SPY puts, put spreads, put butterflies as a hedge
- MO

Sell

- GPN

Watch…

- Expansion or contraction of monetary policy and any other Fed action
- China
- Foreign markets to invest in if the U.S. theme changes
- Ukraine
- Crude oil
- VIX
- 10’s minus 2’s
- Dr. Copper

<u>How I can (will) be wrong</u>

- Russian escalation
- Inflation takes off again
- The Federal Reserve continues to raise rates
- China credit meltdown
- The virus mutates yet again
- Known unknowns
- Unknown unknowns
- Anything and everything
- Odds are I will be…

Final Thoughts

A bounce is possible, but I worry about a sell-off later this year. There are no easy answers, and everything is a guess… The market still looks to be stabilizing, but there are early signs that there is a global banking crisis in the making. There are also signs of light at the end of the tunnel.

There are some very low-chance high-impact events brewing out there… be careful.

Short-term bonds for the safe play! Tech and high beta play for the adventurous.

This is the conclusion of my report!!

I expect my next report to be sent out around July 5th, 2023. 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 short list of some cheap stocks I like. I also show the expected earnings yield for next 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
CONSOL Energy	CEIX	**7.7%**	**34.5%**	2.90
Alliance Resources	ARLP	**9.6%**	**29.5%**	3.39
Precision Drilling	**PDS**	-	**28.9%**	3.46
General Motors	GM	1.0%	17.3%	5.79
The Carlyle Group	CG	4.7%	14.4%	6.95
Wells Fargo	WFC	3.2%	14.0%	7.13
Olin Corporation	OLN	1.5%	14.0%	7.13
Black Stone Minerals	**BSM**	**12.3%**	12.2%	8.17
Halliburton	HAL	2.1%	11.5%	8.69
Plains All American Pipeline	PAA	**8.6%**	11.2%	8.91
Enterprise Products	**EPD**	**7.6%**	10.3%	9.70

This list is short since my criteria are low P/E, favorable to neutral momentum, and year-over-year earnings growth.

ARLP is a high reward for moderate risk, but I'd call it speculative, and EPD has a good yield for a modest-risk stock but is still a commodity play, so modest risk. PDS would be a high-return speculative play.

Appendix 2
High Yield

High yield is a precarious investment by nature. Here is a short list of a few of the high-yield investments I like, along with the current market yield.

Stock	Symbol	Yield	Structure
JPMorgan Premium Income	JEPI	11.9%	ETF
Black Stone Minerals	**BSM**	10.7%	L.P.
Pioneer Natural Resources	PXD	10.7%	Corp
Energy Transfer	**ET**	9.8%	L.P.
Alliance Resources	ARLP	9.6%	Corp
MPLX LP	MPLX	9.0%	L.P.
Plains All American	PAA	8.6%	L.P.
Diamondback Energy	FANG	8.5%	Corp
Altria	**MO**	8.4%	Corp
Magellan Midstream Partners	MMP	7.7%	L.P.
Hess Midstream LP	HESM	7.8%	L.P.
Alerian MLP ETF	**AMLP**	7.7%	ETF
Enterprise Products Partners	**EPD**	7.6%	L.P.
Global X SuperDividend U.S.	DIV	6.8%	ETF
Vector Group	VGR	6.7%	L.P.

* 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

Many high-yield investments held up despite rising interest rates. If rates were to go down, these instruments would see price appreciation.

In my subjective view, I highlighted the most interesting based on risk vs. reward. Altria (MO) for long-term stable high yield for those willing to own it. The lazy trade is buying the AMLP and paying the fees for a basket with several decent names.

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

Here is my short list of high-growth investments and the current projected year-on-year growth, forward price-to-earnings ratio, and analyst annual growth projections for the next five years.

Many more stocks had good growth, but their charts looked abysmal. The sell-off was brutal to all growth stocks; these may have bottomed. If the market is near the bottom, growth is very interesting.

Stock	Symbol	’24 growth	Forward P/E	5 Yr. Growth
Block (Square)	SQ	**42.8%**	27.8	29%
Eli Lilly	**LLY**	37.8%	29.3	23%
Sea Limited	SE	34.3%	37.5	**128%**
NVIDIA Corporation	**NVDA**	33.6%	46.2	21%
Taiwan Semiconductor	TSM	25.3%	**13.4**	21%
Netflix, Inc.	NFLX	25.3%	24.0	16%
Salesforce, Inc.	CRM	24.5%	22.5	18%
ServiceNow, Inc.	NOW	23.5%	40.9	24%
Chipotle	**CMG**	22.0%	33.4	24%
ASML Holding	ASML	21.3%	28.0	30%
Booking Holdings	BKNG	19.1%	**17.1**	31%

S.Q. offers the best year-over-year growth. I believe CMG and BKNG offer the best combinations of Growth, P/E, and predictability for a long-term investment.

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

Appendix 4
Country ETFs

The yields shown below are ’22 total returns, including dividends. I only update this section at the beginning of each year.

Country	ETF symbol	2022 Total Return
Australia	EWA	-5.44%
Brazil	EWZ	**13.36%**
Canada	EWC	-12.25%
Chile	ECH	**22.63%**
China	FXI	-18.83%
EU	VGK	-15.22%
France	EWQ	-11.31%
Germany	EWG	-21.28%
Greece	GREK	2.95%
India	INDA	-8.41%
Indonesia	EIDO	-0.52%
Israel	ISRA	-25.80%
Italy	EWI	-13.13%
Japan	EWJ	-16.99%
Mexico	EWW	3.22%
Russia	RSX	Delisted
South Africa	EZA	-3.09%
South Korea	EWY	-26.39%
Spain	EWP	-4.6%
Sweden	EWD	-26.78%
Switzerland	EWL	-17.53%
Turkey	TUR	**105.1%**
UK	EWU	-4.35%
USA	SPY	-18.14%

The big winner was Turkey, with a respectable 105.1% gain last year.