*Daniela Cambone:* Okay. Well, our next presenter is new to the Stansberry Research family after the recent launch of his franchise in 2021. After 40 years on Wall Street as a trader, stockbroker analyst, and head of the options department for a major brokerage firm, Marc Chaikin founded Chaikin Analytics to deliver proven stock analytics to investors and traders. His work is based on the Chaikin power gauge, a 20-factor alpha model proven effective at identifying a stock's potential.

For over 50 years, Marc has developed computerized stock selection models and technical indicators that have become industry standards and pioneered the first real-time analytics workstation for portfolio managers and stock traders. And now he has launched a power gauge investor to bring his knowledge to everyday investors in a brand new way. So please welcome to the stage, Marc Chaikin.

*Marc Chaikin:* Thanks. Those lights are bright. Good afternoon. My name is Marc Chaikin, founder of Chaikin Analytics. Over the next 35 minutes, I'm going to share with you a methodology that has worked for me for over 50 years, and that we've refined at Chaikin Analytics for the everyday investor. And it's based on the combination of fundamentals and technicals.

And we're going to go through that in a very systematic way. I'd like to dedicate this afternoon's presentation to Mike Lang. Many of you have never seen or heard of Mike Lang, but for the last four years, he was the chief technology officer of Stansberry Research. And if not for Mike's unending belief in what we're doing, I wouldn't be on this stage today. Sadly, Mike passed away in September after a very brief illness way too young in age. Someone said God must have needed an entrepreneur in heaven.

So Mike, I know you're smiling down on us. Thank you. So my background, Daniela said 55 years on Wall Street. I got registered as a stockbroker on October 6th, 1966, the day a nine-month bear market ended. So for the first two and a half years of my career, every day seemed like an uptick.

I was with a very fine research firm called Shearson Hammill at 14 Wall Street, supply became Shearson Lehman Brothers. And I believe that fundamentals was the way to make money for myself and my clients. Until 1969, when the first bear market that I had ever lived through as a stockbroker reared its ugly head. And I quickly came to the conclusion that fundamental analysis was not worth a damn in a bear, because analysts are stubborn. They don't give up easily on the ideas that they believe in and they keep doubling down.

So I realized that I needed another way to protect client assets. And that's how I came to technical analysis. For me, technical analysis combined with good fundamental research is the key to making money and protecting your assets. It's enabled me to survive nine bear markets. Along the way, I've been mentored by some of the smartest and most successful institutional investors.

In 1989 with a partner in Philadelphia, I formed an institutional book brokerage firm called Bowmore Securities based on the technical analysis indicators that I'm going to share with you this afternoon. We built a really good business and three years later, we were fortunate enough to sell that business to Reuters. And we grew it to 50,000 users. And everything I learned from our institutional clients is built into this presentation. In order to do what I did successfully, I had to learn what they were all doing, how they were making the decision, so I could teach them how to use technical analysis as a companion to their fundamental research.

So there's one problem that every investor faces. We're actually gonna talk about two problems today. The problem, very simply is what should I buy? But the big challenge we have is we're living in the age of distraction. Information overload is every day with us, Twitter, Facebook, your email, market letters from Stansberry.

There's a lot to digest to figure out what you want to buy. Charlie Munger, Warren Buffett's longtime partner for over 50 years said, "If investing weren't a little bit difficult, everybody would be rich." So in this presentation, we're going to make investing easier for you. Show you a methodology that we've refined over the last 12 years to help you answer the question, what to buy? Now, to prep you for the second problem that we're going to address in today's webinar, please raise your hand if you've ever fallen in love with a stock that's jilted you?

We've all done it. We fall in love with stocks. So what we're going to be talking about today is a top-down approach. This is what the big institutional investors do every day. It starts with identifying strong sectors and industry groups.

So we're not going to get into that in today's presentation, but industry group relative strength is perhaps the most unloved, but powerful technique that you have. It puts the wind at your back. If the home builders are strong, if the financials are strong, now we've got energy strong, that gives you a tailwind.

Then what we want to do is focus on the stocks within those sectors and industry groups that have the best potential. And we've got a power gauge rating as you'll see in a minute for not just 4,000 stocks but 2,000 ETFs. And then finally, we want to zero in on the best stocks within those industry groups using three key indicators. We call this the power of three.

The Chaikin power gauge is our go-to fundamental indicator. Whether you're using Stansberry Research, Morgan Stanley's, Jim Cramer, you can use the power gauge as an overlay, or you can use it as part of this bottom-up process to pick stocks.

Then we'll look at how a stock is doing relative to the market. And this is really critical. There are going to be three key takeaways in today's presentation. If all you do is incorporate these three key takeaways into your investment decision making, this will be 35 minutes well spent.

So the first takeaway is, no matter how good your fundamental research is, if the market doesn't agree with you, guess who wins? Market always wins. So that's why relative strength is so important. It confirms the fundamental research that you're making your decisions based on.

And then finally we have Chaikin Money Flow, an indicator I developed 40 years ago. Many of you are familiar with it. It's on every online brokerage platform, stockcharts.com. And it's worked for 40 years to tell you what the SmartMoney is doing.

So for me, on the road to investment profits, there are three guideposts. It starts with the power gauge rating because fundamentals drive the market. 20-factor model goes from very bullish to very bearish, combines fundamentals, technicals, earnings, and expert opinion. Very important. Into a single rating. It gives you a quick confident read on any stock and over 2,000 exchange traded funds.

What the power gauge does is it makes complex fundamental data simple. So it solves the Charlie Munger problem. It distills all that data on the right side down into a rating. In this case, at Starbucks in early 2020, before the market collapsed, it was 63 on the way to 93. Four components; financials, earnings, technicals, and experts.

Here's what's in the power gauge. In each of those four components, five factors. 85 percent fundamental, 15 percent technical. The weightings are the secret sauce. Financials, 35 percent of the model. And the two key indicators there, price to sales and free cash flow to market cap. Guess what? That's what Warren Buffet looks at every day. Expert opinions, 30 percent of the model.

One of the smartest people on Wall Street saying and doing. So we look at what the short sellers are doing. They do their homework. You don't survive as a short seller in the market without doing research. So when there's a big, short position in a stock, that has a negative impact on the model. We also look at what insiders are doing. Particularly in small caps, insiders are a tell. We're in Las Vegas, if you're a poker player, you're always looking for a tell. Well, who knows a company better than the management in a small cap company?

But the thing is, they typically own a big piece of that company. So when they take out their checkbook and buy more stock, they're giving you a strong statement that they see a 12 to 18 month runway in their company, which makes them want to own more of it. And why do I say 12 to 18 months? Because the SEC doesn't let them short-term trade their sock, they got to report these.

So these 20 factors add up to the power gauge rating. The model works because it's based on how Wall Street works. These are the 20 factors that all of my institutional clients looked at every day. The challenge is that they all have different styles and time horizons just as you do. So building the model, which is something I call an eclectic model, meant that I had to take into account what value investors are looking at, what earnings momentum investors are looking at, what technical people are looking at.

The sum total of that is the Chaikin power gauge rating. And it's the start of this three-step process. Now, in order to play offense well, you have to know what to buy. Now, when I shared these slides with my team, they said, "Oh, Marc, you got to change that, Tom Brady is not with the Patriots anymore." I said, "I know that."

The thing is the power gauge rating has been picking winners almost as long as Tom Brady's been winning Superbowls. So what do we buy? Well, we have a pattern we call Classic Chaikin Bulls. Power gauge rating, our fundamental indicator is bullish, the stock is outperforming the market, and Chaikin Money Flow is showing us that SmartMoney is buying it. So we read a chart. This is a one-year chart of construction and engineering company. I think one of – Matt McCall may have recommended this just last week in his premier issue.

So we look at the chart from the bottom up. Why? Because the power gauge rating is a red, green, yellow ribbon that tells you what the rating has been over the last year, right? Above that is our proprietary heat map of relative strength. It makes knowing whether a stock's outperforming the market very easy. And then finally, the green mountains are Chaikin Money Flow.

So power gauge rating for MYRG has been bullish for almost a year, outperforming the market. And what has the SmartMoney been doing? I created the Chaikin Money Flow indicator to oscillate around a zero line, cause stocks oscillate on a short term basis. If Chaikin Money Flow stays positive, even with a 10 or 15 day decline in the stock, that tells you that SmartMoney is buying the dips, and you want to be buying along with them.

And then finally, we have six pairs of buy and sell signals in Chaikin Analytics to help refine the timing. And we're going to show you how we summarize all that right at the end of the webinar. And by the way, I'm going to end with a recommendation that is very exciting. A buyer recommendation based on the methodology that we're going to be walking through right now.

So just to show you that this is not a Johnny-come-lately, here's a chart of Southwest Airlines from '13 and '14. It was the best performing large cap stock in the S&P. My wife Sandy, who founded the company with me in 2009 has been investing using the power gauge. This was her largest holding in 2014. She bought it at around 18 or 19, rode it all the way to 42, because the powering age stayed bullish the whole time. Now, if everything were that easy, as Charlie Munger said, we'd all be rich. But that's what you're looking for.

Now, the second guide poised on the road to profits is relative strength. Again, if the market disagrees with your fundamental view, the market always wins. So, is your stock outperforming or underperforming the market? Here's an example of how relative strength keeps you on the right path, it keeps you honest, it helps you avoid being stubborn.

So here's the stock. Piper, it's a regional brokerage firm based out of Minnesota. Power gauge rating has been bullish for almost a year, but more importantly, the stock has been outperforming the market and SmartMoney has been buying it. And the stock recently made a new all-time high, and so a lot of the stocks in the capital markets group have done, whether it's Blackstone Group, Morgan Stanley, Raymond James, they all look very similar, which is where group strength comes in.

Now, what is a stock that's underperforming look like? This is beyond me. It was a darling during the lockdown. People were somehow experimenting with their diets and so forth. But the power gauge rating turned bearish about six months ago. And more importantly, \_\_\_\_\_ has been underperforming the market and SmartMoney has been selling.

Now, can you see that on the chart? It's just plain to me that this is not a stock you want to be in. And it leads me to the third signpost, which is Chaikin Money Flow. So here's a stock where SmartMoney has been buying it. Now, this is a chart of Central Garden. It's another stock that my wife Sandy owned back in 2015, '16.

Based in Florida garden center, they got into the pet business. Wall Street love that. And the power rating turned bullish down there, the middle of the screen. SmartMoney was buying it. Big Bank down in Florida, started recommending it. They renamed the bank now and it's hard to – I think it's called Truest, but it was SunTrust. And look at the SmartMoney. What were they doing in that period for seven months? Day in and day out, they were buying the dips. It was an under followed small cap stock and it had a big, big run.

Now, let's look at a stock where the power gauge is bearish and SmartMoney has been selling. What are we looking at here? We're looking at a stock that's fallen out of favor. Where the fundamentals are deteriorating, underperforming the market, but more importantly, SmartMoney is selling the stock. And if SmartMoney is selling, you want to be selling along with them. And that leads me to the idea of playing good defense. This is the legion of boom, defensive backs for the Seattle Mariners.

In a four year stretch in 2012 to '15, they won the super bowl. They won three divisional titles. They had the best defense in the history of the NFL, because playing good defense, whether it's football or in the market is, in my view, the key to making and keeping money. So again, they said, change this slide Marc. These guys no longer play football anymore. That was yesterday. And my comment is, since they won the super bowl in February of 2014, the power gauge rating has been helping people play good defense.

And that means knowing what to avoid. Now, there's a new editor at Stansberry in Whitney Tilson's Empire, Herb Greenberg. Brilliant guy, old friend of mine, very skeptical, does short-sale research. Herb Greenberg used to write for the street.com and CNBC. And he wrote a column in 2012 that said, "It's the stocks you don't own that matter."

Think about that. If you can avoid one or two losers every year, like Kinder Morgan in 2015 or Under Armor, what would that do for your bottom line? So we have a pattern we call Classic Chaikin Bears. It tells you what to avoid if you're in to put buying or short-selling, great source of ideas. So the power gauge rating is bearish, underperforming the market, money flow is red, not green, telling you that SmartMoney is selling.

So here we're looking at a one-year chart of Clorox. Last spring, everybody was hoarding bleach, buying up Clorox, which is a household name, but the stock got way ahead of itself. It was bid up to growth stock levels and the power gauge turned bearish because the financial metrics were bearish. But more importantly, underperforming the market and SmartMoney is selling. So here's an example where you can use the power gauge rating as an overlay to some of Stansberry's really good research, because this is a solid company. But do you want to buy it into a hole like that day in and day out wondering whether you've made a mistake? For me, that would be very painful.

Let's look at a previous example. We were right on top of this. It's the best bearish call we ever made. Company called SunEdison was the darling of the Hedge funds. They own 66 percent of the company. Guy named David Einhorn runs over $10 billion said this is the single biggest investments mistake he's ever made.

He said that on CNBC Merrill Lynch was recommending the stock at $30.00. Look what happened when the Power of three kicked in? Power gauge turned bearish, SunEdison started underperforming the market, SmartMoney was selling it. Merrill Lynch said, "Get out of it at $4.00." And that's not a knock on Merrill Lynch, that's how analysts work. The company filed for bankruptcy.

So that leads me to one of my Stansberry overlays. Here's a company called Intrusion. Was recommended by Venture Value at 650. When the power gauge turned bullish at ten bucks, I bought the stock in my own account. A friend of mine in Connecticut owns almost seven percent of the company. So I knew the name. And it ran up to 28, we were all thrilled. But look what happened in the middle of the chart, power gauge turned bearish, Intrusion – Sorry, this is a cybersecurity stocks, started underperforming the market and Chaikin Money Flow turned negative.

I sold my position to 18, because when the facts change, I change my opinion, and the power gauge rating is an unbiased appraisal of the fundamentals of a company. This is a quote from John Maynard Keynes back in the 1920s. "When the facts change, you've got to change your opinion. You can't be stubborn and put your feet in cement."

So here's an example of where the power gauge helped me get in and then out of the stock. And it leads me to my second biggest maxim. Bottom fishing is the most expensive sport in America. Don't do it. It's painful. You'll be right one out of ten times, but the nine times you're wrong, it causes sleepless nights, financial pain. It just doesn't work. And this is the third maxim. Don't fall in love with your stocks. At some point they won't love you back.

Warren Buffett said one of the most important things in stocks is that a stock doesn't know that you own it. Think about what price you paid for it. The market doesn't know that you paid $600.00 for Zoom, doesn't care. So you want to avoid fallen angels. And we're going to look at three fallen angels, but we're not even gonna look at the chart. We have piece of a very exceptional technology within Chaikin Analytics, which basically reads the chart for you. So think about that. Three strength metrics, three timing metrics, totally objective. You can get this on-demand on over 4,000 stocks.

So we're looking at three fallen angels. Peloton, Zillow, and Shake Shack. And what is the – I call this the scorecard, it's called the checklist. You can see that objectively. You don't even have to look at the chart to know that these are three stocks that you want to avoid unless you like to bottom fish.

The founder of Shake Shack lives within 15 minutes of me in Connecticut. Danny Meyer is a brilliant restaurant tour, but their whole strategy is based on expanding worldwide in a COVID epidemic. And it's cost-intensive. So objectively, these are three fallen angels, and I don't want any part of them in my portfolio. Let's look at a fourth one. It's a company called Q2. It's a software company.

It was very, very popular back in nine months ago. Power gauge turned bearish, started underperforming the market's, the same story we've been talking about. So all along the way, if you own Q2, you should be saying, I'm going to sell this, but what do I buy with the money? So that goes back to our original question. Biggest problem we face as investors is, what do I buy?

We've created an incredible piece of technology. It's been in the marketplace for about three years. And what you do is you plug a symbol into our stock discovery engine and it matches it. Just like Netflix finds you movies that are similar to what you like. So I program Q2 holdings into the discovery engine. First, it gives me five stocks that are sort of mirror images of Q2 with bearish ratings. And then it leads us to my recommendation for you today.

Marathon Digital is the recommended swap. They're ranked in order of attractiveness. If you wanted to sell Q2 today, Marathon Digital is where you want to put that money. It's our buyer recommendation for you at the end of this. We're not going to be monitoring these in an official way. Marathon Digital solved a big problem for me. What do they do? They mine Bitcoin. But not in China, not in Hong Kong, not in Iceland, they mine it in Montana. And they've got $500 million worth of Bitcoin on their balance sheet.

In Q3, they mine 1,295 Bitcoins. That was double what they did in Q2. They have 30,000 miners. They expect to grow that to 133,000 by Q2 of next year. So they have the potential to mine billions of dollars of Bitcoin every year. For me, with the power gauge having just turned bullish, with the stock having just started to outperform the market, and with SmartMoney buying it, I want to own Marathon Digital. Now, when I did this chart, the stock was 55. This was last Thursday.

Bitcoin was making a new high above 60,000. This is a volatile stock. It'll mirror the price of Bitcoin. So on Friday last week, it dropped from 55 to 48 when Bitcoin took a bit of a tumble back up to new all-time highs today. You want to buy it on dips. And that pattern where it starts outperforming the market instead of underperforming the market, we call it bullish personality change.

And if you can pick up on them early in the game, you can get in early on stocks that SmartMoney is buying. It sort of Steve \_\_\_\_\_, ideal setup. I want to find stocks that are unloved, that are outperforming the market with good fundamentals. And I think Marathon Digital fills that bill. I'm not going to mine Bitcoin myself, Eric Wade, but this is your way to mine Bitcoin and profit from it. So you can scan the QR code with your camera and get a full research report automatically generated by Chaikin Analytics, or go to chaikinanalytics.com/bull.

But more importantly, we'd like to see you on our booth. We've got a special discount for Alliance members reducing the cost of one year of Chaikin Analytics from 2,195 to 1,495 with a full credit satisfaction guarantee. You can go to marcoffer.com, but come to the booth, put your stocks into the discovery engine, or go to the Stansberry sales team if you really got excited about this presentation.

Stop by our booth. We're doing a breakfast at 7.00 tomorrow where the whole team will be there. And we've got three other people here from Chaikin, including our specialist in finding these bullish personality changes. So I'd like to thank you so much for coming to see me today and hope that we'll see you in the booth. Thank you.

*Male Participant:* \_\_\_\_\_.

*Marc Chaikin:* Well, oversold would be ideal. Come to the booth and we'll show you examples of that. I didn't buy it because I'm not allowed to do that before a presentation, but I recommended that people buy it when it dipped under 50, because that seemed like a pretty good discount. It's going to do what Bitcoin does. But you've got the added leverage of this additional mining capability that's coming on over the next six months. So let's look at it in the booth. Thank you.

*Daniela Cambone:* Thank you, Marc Chaikin. Wonderful presentation.

*[End of Audio]*