

MoneyCulture

ΜΟΝΕΥΚΑΙΤΗΡΕ

THE INITIATIVE

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The Next “Best Generation”: Teenagers Tell Us Their 10 Stocks For Us To Buy

Forget ETFs, and index funds. They're boring. So, do you have a teenager?

In the US there are 41, 731,233 kids and young adults between the ages of 10-19. Wait! Norman Leer in Paintball Arkansas just turned 10 this morning 41,731,234. That's more than the number of us old folks between 66-113. There were 40,267,984. Of us in 2010.

In just 15 years the teens (They do start younger these days) will be 25-34 and spending more than they make (just like now). So, if you dare to take a lesson from your teenager, what if we bought what they like?

In no particular order here are 10 stocks to watch:

Tesla: The erudite young love Space X and Hyperloop. Neither are public (yet.) Brought to you by Elon Musk- here's his electric car. Even with the long awaited market meltdown Monday, Tesla cost about \$335 today, up

from about \$255 12 months ago. Watch out for volatility, though, the mountain chart looks like the Rocky Mountains. It may be a bumpy ride.

Apple: Is that a surprise? These kids know iPads and iPhones. Do you think some teen boasts around school that they just got a new Microsoft tablet or a Huawei Honor 6X phone? Come on. Apple is up about \$157 from \$33 a year ago.

Amazon: This is where they buy everything, including delivered groceries in 15 years, when they have a paycheck. Is anything stopping Amazon? No. It's around \$138 up from \$800 last March.

Disney: This batch grew up on Disney Kids and Theme Parks. Still they know DIS is more than theme parks. Think movies, Star Wars, Marvel franchises; \$104. vs \$110.

Sony: (an ADR). Playstation is catching MS Xbox. Now PS4 is up to \$100 cheaper. Hint: don't buy the one your teen doesn't like. \$49 versus \$32 last March.

Netflix: Another big surprise. I didn't think young people watched television anymore, they do, just not cable; \$262 from \$140.

Supreme Clothes: It is THE source for Streetware and Skateboarding fashions.. \$27, down from \$32 twelve months ago.

Activision Blizzard: Video game publisher, owns the popular “World of Warcraft” franchise - \$68 down from \$40.

Snap: The social media of choice among teens is NOT Facebook, Pinterest, Instagram or others - it is Snapchat. This service allows users to send each other short video messages which then delete automatically after a brief amount of time. Down \$13.85, from \$24.24

Coke: Winner of the “Cola Wars”. Teens prefer it to Pepsi. Better commercials, and a reflection of their parents and grandparent’s generations. Did anybody ever say in the 50s, “let’s go down to the Malt Shop and grab a Pepsi”? They still don’t. \$186.70, up from 12 months ago when it was \$170.

Spotify; They stream music. Just for fun, watch this one. They intend to list on the NYSE in March or April. However, they are going to go direct to the exchange, rather than issuing an IPO. That means only institutional investors can buy it from current insiders. With no price support from an investment bank, it’s the Wild West. Recently inside transactions went at \$4200 a share. Likely not on our “buy “ list, but interesting to see.

Of course, the time to buy these was yesterday. If you purchased 1 share of each (not including Spotify) your teen would have \$2592 in her “Fun” portfolio.

Buying even one or two of these would be a great way to teach your children something about investing. Forget about earnings estimates and analyst’s opinions. Make it fun. Do you think ANY teen ever got excited and bragged (they do like to, don’t they) about owning a Spyder? No!. Forget the spelling (they will!): Not unless it was a real one, either Fiat or fuzzy. Do they walk around campus saying, “Wow, my Dad just bought me an ETF”? This is not about creating a college fund; it’s about making a fun learning experience by using one of the fundamentals of investing. Pay the price; it’s for the kids.

Final thought on teen stock buying:. Did you know you can still get a stock certificate?? 94% of the US companies still issue stock certificates. Call your Broker. My kids each have 1 share of Disney framed and hanging on the wall from the 70’s, now worth 120 times its purchase price. (Note to thieves: they live in Baffin Island and Antarctica. Good luck).

Postscript: Two for Adults.

Budweiser: Dilly Dilly. Now \$107, up and down from \$104

Berkshire Hathaway: Trains are cool. Besides: Warren Buffett. It’s the biggest non tech US company. Now \$196.60. Last March \$165.

Buy on the down. Take Profits. Flash Cadillac says “Keep your Beta low, your Alpha high and your R squared.”



From **MEW VO RICHE** ©

Flash Cadillac (he is a cat, pictured at right) gained notoriety for being chauffeured to Pet Smart in a massive 1959 Blue convertible.

His treat of the day is “Buy Mortgage Incentive Covered ETFs (MICE), but stay away From Debt Outstanding Guaranteed Securities (DOGS).”



MORE AND MORE WELLS' WOES

The Fargo (Not North Dakota) Folks have slammed their heads against the wall again, once courtesy of Janet Yellen and previously all by themselves.

Before she left, Fed Chief Yellen (soon “Former”) issued a halt to growth by Wells Fargo until ““until it sufficiently improves its governance and controls”. So, they were halted at only \$1.95 trillion in assets on 12-21-2017. (Only!) WF estimates it will cut 2018 profits by \$300 and the stock reacted accordingly after hours last Friday, before Monday’s slide to \$58.16 (from \$65-about 10%) Some board members will be departing, probably not voluntarily.

Earlier last year, before that Fed bombshell, but after the “eight is great” debacle, Wells shot themselves in the proverbial feet, this time (again) with customers. They hiked up the risk in their

target date funds by increasing their stock market exposure.

Retirement Plans bailed, individual retirement participants said this was NOT what they signed up for, amounting to \$4.7 Billion in net withdrawals during 2017 while other firms added assets.

Fredrik Axsater, head of strategic business segments at Wells Fargo Asset Management said “If the client is disappointed, then we are disappointed....In our mind, the client is always right”. His boss, CEO Tim Sloan, came in after the 2016 debacle saying he pledged to restore customers’ trust.

I wonder how they feel after the market sell off these last few days?

AND, ABOUT THAT BITCOIN

Down 35% since December 16, 2017— that’s 49 days. Told you so. If you still have profits, get out. Don’t buy on the downswing. It ain’t over yet.

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Sincerely,

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