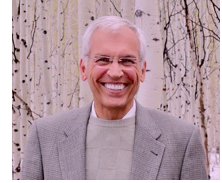




Billionaire \$tock Trader

You Don't Need To Be A Billionaire To Trade Like One



Richard A. Bird
Chairman

Sunday, November 3, 2024

U.S. PRESIDENTIAL ELECTION

We'd like to remind all our U.S. citizen voters to vote in this Presidential Election.
Historically, many eligible voters typically do not vote, so voter turnout is critical to who wins.

SUMMARY

- **Stock Market:** Volatility With Election Uncertainty
- **Low Valuation Stocks:** EQT, CTRA, KSS
- **High Valuation Stocks:** CAVA, W, CCJ
- **Income Opportunities:** T-Bills, EWZ, KSS
- **Options:** KSS, CTRA

BILLIONAIRE UPDATE - Smart Money Is Pivoting

Billionaire Stanley Druckenmiller, legendary hedge fund manager, last week commented on the 2024 Presidential Election, stating that the markets are giving him clear signals that a Blue Sweep is highly unlikely.

Billionaire Jeff Bezos, founder of Amazon (AMZN) and owner of the longtime pro-Democrat Washington Post, last week instructed the Post not to endorse any candidate and stated that the paper needed to change.

Billionaire Mark Zuckerberg, founder of Meta (META) with his huge social media database, has confessed in his letter to Congress that he cooperated with the Biden administration in censoring material that had the effect of favoring Biden over Trump in the 2020 election, and that he will not repeat actions he took in 2020.

Ukrainian President Volodymyr Zelensky (likely a Billionaire by now) is taking steps to prepare to sign a peace treaty with Russia.

MARKET VIEW -

Stocks. Potential delayed election results should make the coming week volatile.

Economy. October U.S. payroll report showed growth of only 12,000 jobs over September. Private sector jobs declined, but Government jobs increased again to hold up the total number and mask the weakness in the economy. The private sector has lots of signs of recession and stagflation:

- Denny's (DENN) is closing 150 restaurants.
- Privately held BuyBuyBaby is closing all its physical stores and transitioning to online-only mode.
- Volkswagen AG (XETRA) reported its Q3 operating profit fell by 42%, and that it is considering its first-ever plant closings in Germany

Real Estate. Commercial real estate values have been crashing, particularly for metropolitan office buildings. A Manhattan office building recently sold for a 97% loss over 18 years. Swiss bank UBS (UBS) paid \$332 million for the building in 2006, and sold it for \$8.5 million at its recent auction.

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LOW VALUATION STOCKS -

UPDATE: EQT CORPORATION (EQT) - Gains Up To 28% In Fourteen Weeks
A Value Buy Below \$33.00
Price Target \$41.00
EQT closed Friday at \$35.62.

EQT reported better than expected Q3 earnings of \$0.12/share, adjusted for non-recurring items. During the quarter, EQT closed its acquisition of pipeline operator Equitrans Midstream, so EQT is a major pipeline operator now as well as the nation's largest natural gas producer.



EQT had tripped our previous \$35 Value Buy Trigger back on July 19th and fell to a low since then of \$30.17 on August 7th. EQT jumped to \$38.83 last week on the Q3 news, giving Subscribers gains up to 28% in 14 weeks.

EQT is a solid, well-run company with:

- Leading market share in natural gas production.
- Low-cost producer advantage.
- Perhaps the best management in its sector.
- Lots of tangible gas reserves in the ground.
- No intangible assets on its balance sheet.

EQT dropped Friday as low as \$35.44 and is worth considering again near \$33.

UPDATE: COTERRA ENERGY (CTRA) - Natural Gas Value Opportunity
A Value Buy Below \$23
Price Target \$25.50
CTRA closed Friday at \$22.71.

Coterra reported Q3 results Friday, and CTRA tripped our Value Buy Trigger, falling to \$22.60 on twice its average daily shares traded.



Net income (on the proper GAAP basis) was \$0.34/share, all operations were reported to be exceeding the 2024 plan, and Forward Guidance was updated with small changes - all good. A quarterly dividend of \$0.21 (well-covered by earnings) was declared - to be paid November 27th to holders of record on November 14th.

Coterra is a major natural gas producer with a \$17 Billion market cap. **Valuation is attractive at 1.4x Price/Tangible Book, 3.2x Price/Sales, and 14.4x Price/Earnings.**

Natural gas prices are in a down cycle and are at their lowest in 26 years. Coterra is one of the best operators in the natural gas sector and has demonstrated its ability to manage well in any environment.

UPDATE: KOHL'S CORPORATION (KSS) - At 54% Of Tangible Book Value With An 11% Dividend
A Value Buy Below \$20
A Sell Above \$26
KSS closed Friday at \$18.10.

KSS declined last week and continues to have very attractive value attributes:

- Priced at about **54% of its Tangible Book Value.**
- Paying a **high well-covered 11% dividend.**
- Valued at **8.3x Price/Earnings.**



Next earnings report is due November 19th. See Page 4 on Income Stocks and Puts.

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HIGH VALUATION STOCKS -

UPDATE: CAVA GROUP, INC. (CAVA) - Short Sale Gains Up To 8% In One Week
Decline Target - \$105 **A Sell Above \$140**
CAVA closed Friday at \$131.53.

CAVA tripped our well-placed \$140 Sell Trigger on October 25th and rose to \$141.25 on October 26th. It dropped to \$129.51 on November 1st, **giving Subscribers short sale gains up to 8% in 1 week.**

The company's \$15.0 Billion market cap values each CAVA restaurant at an extremely high \$45 million!



The stock's valuation metrics are very high at 17.9x Price/Sales and 730x Price/Earnings.

UPDATE: WAYFAIR INC. (W) - Short Sale Gains Up To 29% In Three Weeks
Decline Target - \$37 **A Sell Above \$55**
W closed Friday at \$40.15.

W last tripped our \$55 Sell Trigger on October 16th and rose to \$55.56. It fell Friday to \$38.97 on 4x its average trading volume, **giving Subscribers short sale gains up to 29% in 3 weeks.**

W fell on Wayfair's Q3 report showing:

- Revenue down 2% year-over-year.
- Net loss of \$74 Million, reframed as "adjusted" earnings of \$0.20/share.
- 21.7 million active customers, down 2.7% year-over-year
- 9.3 million orders delivered, down 6.1% year-over-year



We've been negative on Wayfair since our August 6, 2023 issue highlighted it as "A Sell Into The Excitement" when it was \$83.09/share and Piper Sandler had raised its price target to \$97. We instead in that issue set our eventual Decline Target of \$37/share.

We see no "compelling customer value proposition" to draw customers to Wayfair, and the company just stumbles along without strategic clarity. Operating statistics are poor and keep declining slowly. Wayfair is still not profitable, and its balance sheet shows an astonishing **negative Tangible Book Value of -\$2.7 Billion, or negative -\$22.61/share.** That should worry anyone holding the stock.

The stock is now oversold and has made a lot of money for Wall Street short sale traders, many of whom likely covered shorts in Friday's big drop and heavy trading. Some Wall Street firms are now printing \$60 targets for W, so renewed hype may bring a sharp rally. However, we think real commercial success will remain elusive for Wayfair.

UPDATE: CAMECO CORP. (CCJ) - Short Sale Gains Up To 12% In Two Weeks
Decline Target \$52, then \$42 **A Sell Above \$70**
CCJ closed Friday at \$53.79.

CCJ tripped our previous \$52 Sell Trigger on October 14th and peaked at \$58.72 a week later on October 21st. Last week, it fell back to \$51.31, **giving Subscribers short sale gains up to 12% in 2 weeks.**

Next earnings report is expected on November 7th.



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INCOME OPPORTUNITIES -

UPDATE: T-BILLS - Ultimate Safety of 4.6% Yield with Zero State Income Tax

Annualized yields on 3-month U.S. T-Bills are now available at 4.6% and are a great alternative for cash.

For California taxpayers, the 4.6% return from T-Bills with no state tax provides the same after-tax return as another investment yielding 5.0% of state-taxable income.

T-Bills now provide a better net return and lower risk holding than many stocks.

UPDATE: INCOME STOCK HIGHLIGHTS FOR DOUBLE-DIGIT RETURN POTENTIAL

The table below updates current information for our candidate Income Stocks.

Kohl's (KSS) and iShares Brazil ETF (EWZ) have pulled back to lower prices worth considering for new commitments.

Otherwise, for anyone wanting to hold these stocks, now seems a particularly good time to sell covered calls to achieve **double-digit return** potential as shown in the table:

COMPANY	SYMBOL	Price/Share (\$)	Mkt. Cap (\$Billions)	Price/Earnings	Dividend (%)	12 Mo. Call Prem. (%)	Total 1-Yr. Potential (%)
Kohl's	KSS	18.10	2	7.1x	11.0	13.3	24.3
Verizon	VZ	41.36	174	17.9x	6.5	7.5	14.0
Energy Transfer Ptr.	ET	16.43	56	13.8x	7.8	6.0	13.8
iShares Brazil ETF	EWZ	27.01	4	4.9x	7.2	6.0	13.2
MPLX LP	MPLX	44.21	45	10.7x	8.6	2.5	11.2
Enterprise Products Ptr.	EPD	28.82	63	10.8x	7.3	3.6	10.9

FOR OUR OPTION TRADER SUBSCRIBERS -

SELLING CASH SECURED PUTS.

Any Subscribers not familiar with selling put options may want to learn more about this wealth-building Billionaire method that makes \$Millions for **Billionaire Warren Buffett** and **can be used by anyone**. The caution is that one should **only sell puts on stocks that one really wants to own if the put is assigned**.

With stock markets at the highest valuations in history, we don't see many potential put selling opportunities that offer compelling value with low risk at this time, but here are two for consideration:

We've recently highlighted **KSS** as a Value Buy Below \$20 (See Page 2 of this issue).

Anyone interested in buying **KSS** below \$18 may want to consider:

PUTS TO CONSIDER SELLING - KOHL'S (KSS) - 150% Annualized Return

Selling the **KSS** November 8th \$18 put at Friday's \$0.53 bid would either provide a return of \$53 on \$1,800 - 2.9% return in 1 week - 150% annualized - or cause the seller to buy 100 shares at a net price of \$17.47.

We've recently highlighted **CTRA** as a Value Buy Below \$23 (See Page 2 of this issue).

Anyone interested in buying **CTRA** below \$22.50 may want to consider:

PUTS TO CONSIDER SELLING - COTERRA (CTRA) - 57% Annualized Return

Selling the **CTRA** November 8th \$22.50 put at Friday's \$0.25 bid would either provide a return of \$25 on \$2,250 - 1.1% return in 1 week - 57% annualized - or cause the seller to buy 100 shares at a net price of \$22.25.

Until next time, stay informed and stay safe.

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