

Frank Curzio's FRANKLY SPEAKING



- Speaker 1: Wall Street Unplugged looks beyond the regular headlines heard on mainstream financial media to bring you unscripted interviews and breaking commentary direct from Wall Street right to you on mainstream.
- Frank Curzio: What's going up here? It's May 18th. I'm Frank Curzio, host of the Frankly Speaking podcast where I answer all of your questions, market, stocks, comedy, sports, anything else you want to throw at me.
- Frank Curzio: I created this podcast to answer some more of your questions that you have sent me through my Wall Street Unplugged podcast, which I host every Thursday. If you have any questions you want answered, just send me an email at Frank at Curzio research dot com. That's Frank at Curzio research dot com. Be sure to put Frankly Speaking in the headline. And you never know, your question may be the one I read on this podcast.
- Frank Curzio: So, guys, real quick before I get to your questions, because I'm noticing not too many are coming in, and that is because we put Frankly Speaking onto its own set on iTunes. So it's no longer included in the feed on Wall Street Unplugged. Now, why would I be telling you this on Frankly Speaking since either you know that already, or maybe not, because some of you actually do listen to this podcast on our website at Curzioresearch.com. I'm going to make this announcement on Wall Street Unplugged.
- Frank Curzio: But it's a separate feed. It used to be included in Wall Street Unplugged, but now it's no longer there. So, people are like, "Frank, where's Frankly Speaking? You like answering questions". And I notice I'm not getting too many questions yet.
- Frank Curzio: But we just separated to make it a lot easier for us. So it's two separate podcasts now. Just go on iTunes. We're at Frankly Speaking. You'll be able to find it. Click subscribe, and it will go right to your phone, to your computer, to you iMac, whatever you want. So, just to let you know, really quick.

Frank Curzio: I'm going to also make the announcement on Wall Street unplugged for those of you who actually don't go to the website. So, it's still there. We're still doing it. Everything's cool.

Frank Curzio: Now, let's get to some of your questions. The first one is from Stew. He says, "Frank, what did you think of the department stores? You did ride on these in October to buy them. Great call. What do you think now, after Macy's, Nordstrom, JC Penney, Walmart reported earnings? Is it time to get back in or should we short department stores?"

Frank Curzio: Well, Stew, you know what you're seeing right now. In October when I said I liked all of these, I felt like you could pick any one of them out of a hat, I mean even JC Penney's up since then, but when you look at six months later, seven months later, eight months later, whatever it is now, I don't feel like figuring it out, I'm counting my fingers, you're seeing some separation, which is very important.

Frank Curzio: So, if we look at Walmart, Walmart reported, not too long ago, a quarter. So it was the biggest decline in Walmart's history, ten percent down. And people don't realize since October, before last quarter, the stock was up 40 percent leading up to that quarter. So, this quarter they reported. And they saw a decrease in traffic and a couple of things I didn't like.

Frank Curzio: Margins were hurt due to more spending on ecommerce. Now, ecommerce is obviously going to save you money, but to spend to grow that business, and also spending to grow internationally. But the traffic thing, when you see a decrease in traffic, that hurts a little bit. So, Walmart, not that you have to sell the stock and get rid of it, but it's probably not the best playing space.

Frank Curzio: Macy's killed it. I think everybody knows that. Very solid, all fronts. The traffic is really strong, unlike Walmart. It said consumer spending is strong. And they highlighted areas like jewelry, handbags, tailored clothing, accessories, all did awesome for them. Solid, however, the next stage of growth if you look, a lot of that was from cost cutting, which they're not really going to see going forward. I'm not too sure if I would tell you to buy Macy's here. I already made a nice move.

Frank Curzio: Nordstrom, on the other hand, not too crazy, solid earnings but guidance was weak. But there's just so many moving parts. You have the Nordstrom family. They own 30 percent. They're looking to buy the company at 50. They

reported earnings now, and earnings weren't as good. So now it's below that level of 50. But there's just a lot going on.

Frank Curzio: And sometimes when you see this focus, when management is battling, or you have, in this case it's like Hershey, you have a big ownership there and some of the family histories. You've got a family at Walmart. When these companies get involved, or just any takeover, it takes a lot away, especially when it becomes hostile.

Frank Curzio: Not that this is hostile or anything, but it takes away from the focus of how to grow the business because you're focused on "How much should we pay? Is this good for the shareholders? Here's the voting rights". You have to talk to every single major shareholder in the company, all the funds. What do they think? What's going on? This isn't bid too much. Okay, let's go back. We want a little bit more money. No, no, no, we want this. It turns hostile.

Frank Curzio: There's a million things going on. You know why? You take your eye off the ball when it comes to business. And in this space, especially, it's very dangerous. Because you better be on the ball.

Frank Curzio: So, Nordstrom, not too crazy about. JC Penney, on the other hand, if you look at the earnings, they're terrible, it was horrible. Look, same store sales fell short of estimates. Guys, when it comes to retails, that's the base metric. Forget about what they say about earnings. Forget about what they say about sales. It's the same store sales. If you beat them, the stocks going higher. If you don't, it goes lower. Kind of weird. That's the metric. That's the biggest thing.

Frank Curzio: Same store sales are sales over for 12 months or longer, and they are comparable to the period before. They come out with those estimates and they say this is what it's supposed to be. They could be negative, but if they're expecting negative two and they come out negative four, the stocks are going to get hit depending on what the analysts believe those same stores should be.

Frank Curzio: JC Penney same store sales, I think, was projected to be two percent and they came in at point two percent. And they also guided 2019 estimates lower. And you say, "Wow, JC Penney, they're dead. They're going bankrupt. They can't figure it out". Hold on a second because JC Penney really, really got in lucky this quarter.

Frank Curzio: This was the quarter I thought was going to be a breakout quarter. But I tell you what, it's going to be the next one. Here's why, you had inventory levels that were down. They saw growth across numerous categories, closed stores, cost cutting, everything controverting, everything positioned well, perfectly, using big data analytics, controller inventory. Everything's fine going into the quarter. And what happens? We have the coldest spring on record.

Frank Curzio: It's usually a red flag for me when I see companies say, "Well, the weather". I mean, if you live in the Northeast, you couldn't go outside in April. Nobody's buying anything or could do anything.

Frank Curzio: I mean, I didn't know how cold it was. The only reason I knew how cold it was is because all of my friends were calling me and telling me, "Oh, I wish I was in Florida. It's crazy. It's thirties here. It's twenties". I mean it was insane. It was unbelievable, something we've never seen in the history of Earth.

Frank Curzio: Pretty bad timing for this company which can't afford a lot of mistakes. And you may say, "Well, Frank, how come that didn't hurt Macy's, well some of the other retailers?". JC Penney's more leveraged to apparel than anybody else. And that's a segment that got hurt the most. I said earlier, if you look at Macy's, strong jewelry, handbags, tailored clothing.

Frank Curzio: Those are good brand name clothing that people pay money for. You don't see people going into Louis Vuitton and not buying a bag because it's ten dollars more. No, that never happens. So, when you see things like that, that's cool.

Frank Curzio: But JC Penney's demographic's a little different. When you look at them in the coldest weather, and you look at the details, when I felt it through, I thought there was a couple positives in there. First of all, they still had positive comps, even though they probably didn't sell much for a good five, six weeks out of the twelve that they report on. So they lowered their estimates. They lowered the bar. And they actually said the last two weeks of April, when weather started getting better, sales were great. And they said, "The weather started to normalize us".

Frank Curzio: So, they had a pretty good period, I think it was January, February, and then they got nailed with the super cold weather for spring, which is, for department stores, major selling. Not as much, obviously, as the Christmas holiday and holidays.

- Frank Curzio: But when I look at JC Penney and how unlucky they got this quarter, and you say okay, is it unlucky or is it just things that aren't working and they're not figuring out. I think they figured it out. I do. From where I'm looking at, if I looked at category by category, they did great.
- Frank Curzio: Apparel sales were down. Remember, it's apparel, women, that's the toughest division. But they actually said the last couple of weeks, sales were very, very strong. Now why is that important? Because we're not looking at a period where that's it, they miss it, holy cow you have to get it. It's not like they missed an entire spring and people didn't buy clothes. People just went out later.
- Frank Curzio: It's not like it's Easter and you have to buy stuff the week before and something happens where you just can't. But it's 55 inches of snow every week, you can't go. That's it. You missed that whole selling period. It's not like that. They still have plenty of time. They're just going to have to buy these clothes and get there.
- Frank Curzio: Even myself, I'm buying tons of tee shirts and everything. I know it's even getting warmer in Florida. It's a little chilly here. It's sixties. It's usually in the seventies. It was like 55, 60. It was even cold here in April. It's usually a lot warmer. I find myself buying a lot of tee shirts and stuff like that. So these customers are coming to the store late.
- Frank Curzio: Now why is this a big deal and why am I not making excuses for JC Penney? Because every analyst, I don't think we saw any downgrades at all, but they all lowered their estimates a lot after they reported on Thursday. What does that mean? That means next quarter, the bar is set incredibly ... It was already kind of set low.
- Frank Curzio: And again, if you don't sell a lot of stuff out of a 12-week period, five weeks people aren't coming out of their houses to buy stuff because it's so cold, there's nothing you could do. I'm not going to put that on the company. I'm not going to put that on management. That was tough. A lot of other companies adjust to that. And apparel isn't the biggest deal. They also have a little bit better of an online presence where they can buy stuff online at Macy's and Nordstrom and things like that.
- Frank Curzio: JC Penney, this bar is incredibly, incredibly low. I mean, if they don't sell anything for five weeks out of the next 12 period, they're probably still going to beat estimates. So I could see them actually beating estimates next time.

And I could see that stock popping probably about 20, 25 percent, at least on the day that they report earnings. Mark my words on it. If I'm wrong, I'll come back to you. You know I always talk about my losers more than my winners, maybe a little too often people tell me.

Frank Curzio: But with JC Penney right here, this is a stock I truly believe that if you have money that you could afford to lose ... That's why you're not looking at it, because if you look at the stories, they're going to tell you that it's going out of business. Believe me, they're not going out of business. Their fundamentals are fine. They've got enough equity for the next three to five years. They're fine.

Frank Curzio: Close your eyes, put a little money in there, and wait three years, and you'll be happy. I bet you'll outperform every single retailer, everyone, on the market in three years. That's how depressed the stock is. It's trading as if it's going to go bankrupt, and it's not. They've done a lot of great things.

Frank Curzio: They got really unlucky in a period that was just horrible for them due to weather. And again, usually weather's a red flag for me when they say that. But this, I've got to give them. When it's the coldest spring in the history of the planet, you've got to give these guys a pass. Because when I looked at the numbers at everything else, they were pretty good. And the fact that they still reported positive same store sales was pretty impressive considering how bad the weather was for them.

Frank Curzio: So, for JC Penney, right now at these levels, and you say, "Well, it came down ten percent after they reported", well it went up five percent the day before when Macy's reported. So they really lost like five percent. It did come down. So you're just seeing a five percent decline in the stock. And maybe it drifts a little bit lower here, 250 lower, whatever.

Frank Curzio: I think it's a really, really great buying opportunity. And you have no worries. It's definitely going to go up from here. It's a fact. You know why? Because David Einhorn sold his entire position in JC Penney. I don't know if you saw Einhorn's performance lately, but almost everything that he has done has been absolutely wrong over the last five years. I kind of feel bad because he's great. But now you're seeing a lot of redemption right before selling. And, again, he's in a market where value doesn't make sense and stuff like that.

Frank Curzio: But, I'm just kidding, okay. We've all gone through those periods. I've gone

through those period as well. Every analyst has. I've never been cold that long. I've never been cold that long ever in my life. But it's been a good, I think, four or five years now that he's underperformed. I know he's losing money. But he's totally out of that position. I don't think it's because he doesn't like JC Penney. I think it's because he was kind of forced out of it with redemption.

Frank Curzio: But, all kidding aside, I think it's a strong buy here. I think you have little downside risk. Nobody expects anything of this company. And it's something, I think, that can now only run from here, maybe to over three dollars into the quarter. I wouldn't be surprised if after they reported those 350, 375. And I'm talking about three to four months from now.

Frank Curzio: I really think over the next three-month period, four-month period, you're really going to see this stock take off because they're well positioned, they have everything set, they cut their stores, they've cut their costs. And they just got a little unlucky with the weather here. But I think that's the play out of all the stocks that I mentioned. So if that answer's your question, Stew ...

Frank Curzio: Let's move on to Greg. He says, "Hey, Frank. So, I signed up for the all-star portfolio. I was wondering, are you going to give updates on the positions like you do on other memberships, like if we should get out of position because the thesis has changed, or if it's time to take profits, et cetera? Because I know there's going to be a lot of stocks in this portfolio as time goes on, but those type of updates are what really make your service so great. Thank you for all you do. Keep up the good work".

Frank Curzio: Greg, you will get updates. We actually sent one this week. So, basically, for those of you who don't know what our latest product is, it's the allstar portfolio. We call it the allstar because we're taking one stock from my guest that I interview on Wall Street Unplugged. Sometimes you'll hear that stock in the podcast. Other times you won't.

Frank Curzio: Because a lot of times, before and after, when we're offline, I talk to my guests. Yeah, even before, "Hey, how's it going? How's everything? Okay, ready for the interview? Yeah, yeah", and then afterwards I'm like, "Okay, yeah I'll meet you and I'll take you". You know, this is after the interview. So, I'm like, "Well, did you think I was good? Okay, great. Listen, I've been looking

at this”, and they tell me what I’ve been looking at or what you’ve been looking at. And we go over ideas.

Frank Curzio: And those are sometimes the best ideas I get. And I want to share this with you because I’ve made a lot of money on these ideas. I would love to tell you I know every single thing that’s happening in every single market, every place in the entire world. Nobody does. I don’t care how big your research team is. And we hear someone talking about different sectors, different stock. There’s always new ideas out there. And that’s why I’m able to get ahead of a lot of these major trends.

Frank Curzio: Not only am I on the road, but I’ve been fortunate enough to have a pretty good network where I’m hearing these stories. Did you see this? Did you see that? Did you see what’s going on with AI or big data analytics? You know, Schell used to be natural gas only. And then 2010 to 2011 I started hearing more about Weckler, more about hopped on rigs, and how many different Schell areas across the nation, [inaudible 00:14:49], Eagle Ford. That’s where I find my best ideas.

Frank Curzio: And that’s why I created this company. That’s why I created this product, because I want to share these ideas with you. I want you to make money. That’s what this is about. It’s not about telling you an exciting story, “This is great. And that’s awesome”. At the end of the day, you want to make money.

Frank Curzio: And to make money, this is a product that will. Because you’re tapping, not just me, but you’re tapping all these analysts. And I’m actually picking the stock, talking to them, and getting their approval. You’re going to have their picture there, they’re name. I do a nice little write up on it. It’s like one or two pages.

Frank Curzio: So almost every single week, because sometimes I may have someone that’s not giving us stock picks, it could be a CEO of a company, I’m not actually going to put that company in the portfolio. But a lot of COs of companies, especially in the money industry, have lots of investments. They have a lot of investors within that industry. And they’ll tell me about different stocks I should take a look at. I might throw one of those in there. But you should get three stocks a week or three stocks a month, so almost one every week. But I can pretty much guarantee there are going to be three a month in there.

Frank Curzio: So, what we do is, we have stops, which are trailing stops, of 15 percent each position because there’s going to be a high turnover. We want you to be able

to buy as many ideas as possible. And that's going to lead to a lot of turnover, stops coming in and out of the portfolio, but we want to limit our losses and try to let our winners ride. And using this method, we've seen and we tested it, it works. It's great. You're going to get new ideas. You're going to get shorts. You're going to get crypto currencies, which we just put one in there recently.

Frank Curzio: And all of this, guys, if you want to try it, it's really, really, really expensive. So I don't know if anyone's going to want to try it, okay. It's so expensive that I don't think anyone's going to do it. It's a dollar. It's one dollar, that's it. I'm charging you one dollar, okay, one dollar for 14 days, and after the first 14 days, if you're happy it's 9.99 a month. Think about that for a minute, 9.99 a month.

Frank Curzio: We're going to have hedge fund guys on there that get 30 to 40 grand for picks. People pay them 30, 40 thousand dollars for their ideas. These are ideas through my network, through some of the greatest stock pickers on earth that I interviewed, that you're going to get for 9.99 a month.

Frank Curzio: So, why am I doing a dollar? So you can see the portfolio. You get to take a look at it because we have something really good to sell. It's like the Dollar Shave Club. They gave the razor away and said, "Hey, try us out for a dollar". Once you tried them out, what happened? They sold a shit load of razors because they had a really good product. So you have a good product, that's what you do.

Frank Curzio: We feel like this product is original. No one can duplicate it because of the access we have when it comes to the podcast interviewing great people. And you're going to get advice from a massive network of professional investors, professional stock pickers, guys who have been doing this for ten, twenty years across every market, every sector. And, for me, I really love this product.

Frank Curzio: I mean, if you're looking for new ideas all the time, really cool write ups, you're going to know the person who wrote them. If you want more information on them, go, you'll be my guest. Go subscribe to their newsletter. Go find out more information. This about you, not about me. I want you guys to make money and have the access that I have. That's why I created this.

Frank Curzio: So, you do get updates on this portfolio. You're going to see a lot of companies stop out from the 50 percent trailing. But you're always going to get fresh ideas. And some of them you may hear mentioned on the podcast,

where one of my guests might mention seven or eight stocks. And afterwards, I'll say, "Hey man, which one do you really like or which one's going on?". They'll tell me and that's the one I'll put in there. And other times, you may not know because they won't even mention it on the podcast. But they might mention it afterwards. And I'll say, "Hey, you know what? They like this stock. This is why. I talked to them afterwards. This is something they're interested in". And I'll throw in that portfolio.

Frank Curzio: So, as someone that's been in this newsletter business for over 20 years and, basically, almost since the day I was born, since my late dad was an underwriter for 30 years when I was licking stamps, licking the envelopes and sealing them, folding, stuffing, getting 5 dollars an hour putting them in these trays and carrying like six, seven trays to the car, sitting in the backseat when I was like nine, ten years old, and then carrying them out with my mom to the post office, this way they could mail the newsletters out ...

Frank Curzio: For you millennials out there, you've got it made today, let me tell you. It was difficult back then. It wasn't that long ago where you didn't have access to conference calls. You had to go to the library to read ten k's. It was pretty crazy out there. Nothing was real timed every.

Frank Curzio: It was actually a little better then. You don't watch stuff where it looks like Hawaii just burned up from a volcano when it's just a tiny little piece. They're evacuating, what, 15, 20 thousand people? I mean, you would think Hawaii is gone, the states gone, we need a new state if you watch TV. Blasting, right, the volcano's blasting everywhere. You think, oh my god people are running. Where are we going to put all these people. They've got to get out of Hawaii. That's what you think when you watch TV now. It's a small part, guys, a small part. It's not that big.

Frank Curzio: Anyway, with this newsletter, if you're interested, again, it's a dollar. You can find links to that on our website. So, it's a dollar to try it out. If you don't like it, that's fine, it's cool. You can cancel. If you do like it, you're charged 9.99 a month, which is an amazing, amazing, amazing deal considering the information and the massive, massive, massive amount of stock picks. I don't know another newsletter that's going to give you more stock picks than this for just 9.99 a month. So, pretty cool stuff if you're interested. If not, no worries.

Frank Curzio: Man, I've got some good questions here today. So, head to Tony. It's not really a question, but it's pretty cool. He says, "Hey, Frank. I've been following you

since the Sainsbury days, subscribe to the lifetime currency research advisory so far. Near retirement, I'm focusing more on lower beta investing. Anyway, one question about Vancouver. The wife and I will be there for one night. We're hopping on a Disney Alaska cruise in July. If you have any suggestions for a great place to have dinner, please share it with me. We're not fussy eaters. We enjoy food and good wine. There's no worries if you're busy, too crazy these days to reply, I totally get it".

Frank Curzio: And then, this is the real reason I really love this, just so you know, because he goes, "Great Super bowl". He goes, "Philly definitely deserved to win as a lifelong Pats fan. I remember the pre Kraft days and the slaughters of the Patriots by the hands of the Jets and just about every other team before Parcels and Kraft came to the rescue. I remember watching the first super bowl we won. I was golfing at Hilton Head with a group of golf buddies. I think my high lasted for months that year", and then he laughs.

Frank Curzio: He goes, "I hope you're still enjoying the victory". That's Tony. I am still enjoying the victory. I really am. I mean it's surreal. Look, we never win, right. You understand that at the beginning of the Patriots where we might make fun of you now because the Patriots are in it. That's why I would say 75 percent, at least 75 percent of the crowd, because I went to the super bowl in Minnesota, was Eagles fans. And it makes sense, right. Because if you're a Patriots fan, how many times could you afford to go to the super bowl? I mean they're in the super bowl, it feels like, every year.

Frank Curzio: But it's awesome. It feels great because my teams really never win, which is cool. I've been a Kansas Jayhawk fan, and they get there all the time but barely win. So I was really happy.

Frank Curzio: And to share what kind of fan I am, I'm a Mets fan, right. At least they started great. It was good. If you're a prospect and you listening to this for Major League Baseball, don't ever play for the Mets. You're automatically going to get hurt. The better you are, you definitely will. You just go there to get hurt because you automatically get hurt. If you don't want to play, just go there because you're going to get it. Something's going to happen.

Frank Curzio: It's amazing, the talent that they start out with, and the pitchers and probably the best pitching staff in the whole majors, and everybody just gets hurt every year. It's just amazing. Even when you have a decent team, you still can't fulfill anything. So it's tough being a Mets fan.

- Frank Curzio: As for Vancouver, real quick, which is cool, look, I've been to Vancouver tons of times. I've eaten at over a hundred restaurants there. I forgot which Indian restaurant I just ate at last time I was there. It was unbelievable, one of the best I ever had. It was fantastic. I could tell you, no that I can throw out names here, I don't think I've ever eaten a bad meal at a Vancouver restaurant.
- Frank Curzio: But I will tell you, if you're going with your wife, they have rooftops outside. You're going to be on the water. It's going to be beautiful there. So try to do something outside. That's what you really enjoy. I mean it's beautiful there.
- Frank Curzio: So, if you've never been Vancouver, you should go there. The weather's beautiful. It's very clean. The food's great.
- Frank Curzio: Just be careful of the people there. Some of them will try to scam you somehow. It's like scam capital of the world. But, other than that ... Now I'm getting a lot of crap for that from a lot of the money people I know. But I'm sure that they would admit that I'm exactly right, 100 percent right. It is really crazy and everyone's trying to tell you a great deal. And most people are full of you know what.
- Frank Curzio: But as far as the town, it's beautiful. If you're taking your wife, I'd do something outside on rooftop. There's just a beautiful atmosphere. And you'll find something great. You can't go wrong with anything, I mean any type of food there that they'll have. But it's really beautiful.
- Frank Curzio: I can't say it for any place else. I would have given you individual restaurants if you asked me any place else, any other city that I've traveled to. But Vancouver, seriously, I don't think I've had a bad meal. It's really cool. And you could pick a lot of different places and ask the concierge or whatever when you get off your boat or whatever you're doing.
- Frank Curzio: But, anyway, let's move on. I like taking at least one question, sometimes, that's not stock related. But this one is. It's from Robert. He goes, "Frank, I've been following you for about ten years, starting with your stock out of ten newsletter, and always listen to your podcast. Now lifetime member, currency research, and would like to thank you for all the work you've done. You taught me a ton and helped me to look at the markets in a way that most don't".
- Frank Curzio: That's really cool Robert. And Robert says, "I have two questions for you".

Because Robert's so nice there, I am going to answer both of your questions, Robert. See that? It pays to be nice sometimes. It actually does. I like getting the good and positive feedback.

Frank Curzio: But the first question is, he goes, "There's two huge trends emerging due to the relaxed stance the US government has taken on cannabis and betting. I have to imagine you're looking at both these spaces for opportunities. Is there any chance we could see a recommendation in our newsletter in the coming months? If not, some tips on how to sort through the garbage in these spaces and help to find some quality would be appreciated".

Frank Curzio: Let's start with that question. When it comes to cannabis, I'd stick to the bigger names. The smaller names you get in trouble with. Look, if it's a trend and it's going higher, and again, when you talk about regulation that's been passed for a while now, right, more states are approving it here and it's getting bigger and bigger, but I'd be careful with lot of these stocks. Because when the trend's higher, the most risky stocks are going to go up the highest. But in today's market, right now, I'd go with the quality. I'd just stick with the top ones.

Frank Curzio: I mean, County Growth has been killing it. I know it made a major move, but it's a real company. They have 3.7 million square feet of land in British Columbia where they're going to be, basically, greenhouses growing marijuana like crazy. They have seven facilities already. And more important, think about this guys, they just started a partnership with constellation brands to sell weed wherever, right. Not wherever, but that's pretty cool. You talk about a big distribution company. And they own close to a ten percent stake. That puts a stamp of approval on this company. Now it's legit.

Frank Curzio: If you're looking at one of the stocks that I've recommended for a long time, I think it was the 60s and 70s when I first started recommending it, I still love it, it's fantastic and it's a real life great story, it's GW Pharmaceuticals, GWPH. So this is a biotech that's using cannabis to treat child epilepsy, Dravet syndrome, a bunch of diseases.

Frank Curzio: The FDA just approved their signature drug. I'm going to try to say it. I know it. I've said it before. Epidiolex, I think it is. Again, I'm very familiar with it. Just because I can't pronounce it, don't think I don't know the company or anything. But they just approved it recently for Dravet syndrome. And they approved it 13 to zero, zero. Thirteen out of 13 said, "Yes, okay, this works. Here you go. Go produce it". So it's going to go into commercial production

pretty soon. You're going to see sales on this drug at hundreds of millions probably within a year or two.

Frank Curzio: It's kind of an amazing story, GW Pharmaceutical. It really is. Because there's just that perception out there, which is not that bad, today, of that marijuana's terrible for you, it's the worst thing ever, it's horrible. And we've seen so many great, great doctors reverse their cause after they saw the data.

Frank Curzio: Personally, for me, maybe I shouldn't be telling this story, but I am because I care about you guys. I had to back surgeries. I was on Oxycontin for three months, something I never took. I'm familiar with it. And in three months I stopped taking it, and I was shaking. I was shaking. My hands were shaking. Everything was shaking. It was almost like I was in withdraw, right. I'm fine. Everything was cool. It's just weird. I never had that feeling before.

Frank Curzio: But I had a lot of pain in my back, and someone suggests, "Hey, Frank, you know what. You should try smoking". Not smoking the real stuff, but smoking something that takes all the chemicals out. You know, you're getting the right one where it's more like vapor. I tried it. It was the best thing ever.

Frank Curzio: I like to call myself an athlete because I played all kinds of sports my whole life. I'd never smoked. My friends smoked. It just wasn't me. I mean, everybody out there smoked pot before growing up. Whatever it is, not a big deal, whatever drug you did growing up. Everybody says drugs is the worst thing in the world. If they were, not everybody would try them. We won't go there.

Frank Curzio: Anyway, but that was something I just wasn't into. And it helped me tremendously. It helped me tremendously, zero side effects, no pain, fell asleep fine. And it was great. It was unbelievable. And I recommend that to people now too when I see that they have back surgeries. And everybody who tries says it's unbelievable. Compared to the alternatives that are out there, it really helps.

Frank Curzio: You need to look at the data and not listen to people. That's what it comes down to. It's just like when I talked about terrorists. Everyone's like, "Terrorists! What's Trump doing? He's going to crush us". China has no choice. They have to agree to us. They have to. We sit on a massive surplus. They have to. It's not a big deal, guys. They're going to agree. They're going to make the fairer trade policies for us. And it's going to happen. Same with Europe, they have to. It's not a big deal. The market went down seven to eight percent on that news alone. That's how much of a big deal they made.

- Frank Curzio: Just like the Hawaii think I just said, right. I mean you'd think it's a volcano exploding on every single island. It's like everyone's jumping in water, getting out just in time and getting rescued by boats if you watch the news.
- Frank Curzio: That's what this podcast is about. That's what Curzio Research is about. Take a step back and don't listen to what everyone says, okay, not even me. Forget about me. You may listen to this right now and it sounds crazy.
- Frank Curzio: But you know what, do your own homework. Go in there. Start studying. I mean, because that perception, especially in the investment world, pushes stocks back and forth of what people think.
- Frank Curzio: Like right now, JC Penney, you would think they're going out of business. I'm telling you, by next quarter you'll be happy if you bought it. I really believe that. Could I be wrong? Absolutely. But I think there's not a lot of risk in the stock right now. A lot of it's been taken out. The [inaudible 00:29:44] have been completely lowered.
- Frank Curzio: And I think they're going to kill it next quarter. I think they're well positioned. I don't think they dropped the ball. You know, it was just a tough quarter for them with weather. Hey, let's get them the benefit of the doubt and see what happens next quarter. It's going to be a very low bar to beat. If they meet estimates, you're going to get ten, fifteen percent gain. If they beat them, that thing's going to go.
- Frank Curzio: Again, I could be wrong. I don't know. I don't have a crystal ball. But based on my amount, based on doing the research and based on looking at things and not watching Fast Money or other ...
- Frank Curzio: Those guys are great. I know Warren. They're good. I've interviewed some of them on the podcast. I mean it's cool. I love that show even though it's if the stock's higher they're going to recommend, if the stock's lower, they're not going to recommend it. I get it. It's trading.
- Frank Curzio: But do your own homework and don't listen to everything you hear on TV. Go out there. Figure things out for yourself. Go to conferences. That's very, very important. That's what helped me, especially with the marijuana sector and learning about this. But I would have never done that if I didn't get advice from friends and someone saying, "Listen, you should try it". I'm like, "No, you're crazy". Tried it, and it worked. It really did work.

Frank Curzio: So, anyway, that's marijuana. That's what I would stick with, is the bigger names in the industry. Their names can be very hype-y, especially if they have under, I'd say, 150, 200 million dollar mark cap. Be very careful. Just expect to lose all your money on that stock, and you'll be fine. And you can invest in any one of them because it is [inaudible 00:31:09] going up three, four, five times, but if you had those expectations like it's a slot machine, you'll be happier when you lose your money, most likely.

Frank Curzio: As for betting and relaxing the rules where the states could actually make their own rules ... This is huge. This is huge news. This is big, big, big news. For me, the biggest stocks, I think, if you look at casinos... This is a story that I've covered for over 20 years because my dad's a huge horse racing fan.

Frank Curzio: I grew up around horse racing. I've been to at least 30 different tracks if I had to guess. I love it. I was analyzing horses when, I think I was probably seven or eight years old. I'd go to Monticello Raceway, Saratoga. Monticello, back then, was open, Belmont, Aqueduct, you name it. I mean, Aqueduct's closing I believe. But all the racetracks, I loved it. It was great. It was awesome.

Frank Curzio: Churchill Downs, amazing because they have racinos now. They have slot machines in these places. And now they have a lot of different racetracks, and allowing them to expand because this company's really going. It's in the billions now.

Frank Curzio: And now they can actually use a little leverage and stop purchasing outside tracks, which they probably wouldn't have done if they weren't able to legalize sports, gambling, and legalize a whole bunch of other stuff in these states.

Frank Curzio: So, not only are you going to have a lot these racetracks where you have slot machines, now you're going to have poker, which is huge. You're going to see poker playing. My New York accent came out there. Yeah, there's poker. So, poker you're going to see.

Frank Curzio: And you're going to see sports betting which is hard. You can't really bet sports any place. I'm not a freaking gambler. I just know because you go to horse racing, or if you go to the casino, outside of Nevada, outside of Salt Lake City, it's hard to bet sports. It is. You can try your online account. They're going to bang you out for whatever. And good luck winning and getting a check after you win, getting money paid. Good luck with that. But it's hard.

It's hard to bet different sports or different things. And now you're going to have this in your average racino, which is a racetrack.

Frank Curzio: So, you've got the racetrack, the horses running. You've got the slot machines. And now you have all this gambling available. You have a company that can easily buy lots of tracks now. And that's probably what they're going to do or they wouldn't have done that unless those laws passed. So you look at Boyd Gaming, IGT, large makers of slot machines, tons of slot machines are going to be everywhere.

Frank Curzio: Let's see what happens with online gambling. I mean, we had the Poker Stars and all of that, a lot of garbage and Ponzi schemes, and all that crazy stuff. It has to be regulated. But do not buy Las Vegas as our win on this. Not saying that they're not good stocks, there's just not plays on this.

Frank Curzio: Those guys did a great job expanding internationally. The winner is a Macau play, right. You have Las Vegas Sands, also Macau, also, internationally. Singapore, they have a big casino there. So you have the companies that are bidding to grow internationally as those laws get relaxed.

Frank Curzio: But overall, those are the companies I would look at, especially Churchill Downs, probably one of the better plays on that rule change.

Frank Curzio: Now, your second question, because you were so nice to me, Robert, is NAK, Northern Dynasty. Because you got into the NAK at 60 cents, he goes, "Thank you. I added interim on the way up and locked in some profits. But I'm still holding a sizeable position. It seems there hasn't been much that's changed in the thesis. Is there something I'm missing? Let's continue to crush the stop. I wonder if it's time to cut bait and move on". I still get questions on this. By the way, he says, "Thanks for your help".

Frank Curzio: So, Robert, I still get questions on NAK. I got a lot of them on there. And if you're looking at this stock, a lot has changed actually. Because if you look at Scott Pruitt, EPA, they actually reversed decision and said, "Well, maybe it's not out of nowhere", which is a massive surprise, right. So what does that do? The caught everybody off guard.

Frank Curzio: I talked to Ron Thiessen. I had him on the podcast a couple times. I talk to these guys all the time. Great guy. The amount of work that they did, holy cow, just fighting off the short sellers. I mean, these are really honest great

people.

Frank Curzio: You're looking at the EPA reversing its decision and saying, "Eh, it might not be a first eight day". They lifted everything and said okay, now you could be open to the permitting process.

Frank Curzio: Remember, the beginning of NAK was they weren't allowed to drill this area in Alaska that I went to visit, jumped on two planes and a helicopter in the middle of Alaska to see this site. And I was under the impression that this was a garbage company until I saw it and said this is unbelievable. They're worried that if they drill that it's going to impact or kill salmon in Bristol Bay which is a hundred and something miles away. And, by the way, there's no rivers that flow through their land. There's no rivers. There's no rivers. So when it rains, there's puddles. That's it.

Frank Curzio: But, it's 100 percent political, right. It's all they care about. And you can't change people's mind. Imagine going to a democrat and telling them, "Hey, Trump's a good guy". Imagine that. It's death. Same thing, if you say, "Obama's great", to a republican, they'll punch you in the face these days. So, it's a religion. You can't change people's mind. And that's the fight.

Frank Curzio: So, the EPA was lifting. That stock went from three and change at one point, then how about around two for a little, 190, 180, and now pushed down. What is it, 70 cents or something.

Frank Curzio: But they also got a deal with First Quantum Minerals to help develop this land. But that's under pressure too. So you have to be careful. You don't know if that's definitely going to happen because they said, "Well, we're going to look at the area first". And they did this before the EPA actually came out and reversed their decision, which means they're going to have to provide more information. That could take a little longer.

Frank Curzio: By the way, what started this whole mess is ... This is how corrupt the EPA is. And it's terrible because it's the most important organization on our planet, and it's 100 percent corrupt, right. They just throw it at people to stop businesses and stop things that will base these claims on whatever. That's how the organization is, all political now which is terrible. I don't care what side of the aisle you're on.

Frank Curzio: But, when it came to this company, they actually ... Think about the FDA

process. Okay, when you look at the FDA, you go through phase one, phase two, and then as you pass those studies, you get the FDA approval like I just mentioned with GW Pharmaceuticals.

Frank Curzio: Imagine you're a pharmaceutical company and you have a cure for cancer. And you are going through the early pre-clinical trials, which is phase one or whatever, and you come up and you spend, whatever, five million, ten million dollars in this study, and you say, "Okay, here you go. Here's our stuff. Take a look at it. Let us know what you think". Imagine if the FDA says, "You know what? We just don't think that that drug's good. We don't want to look at the data". That's what happened in Northern Dynasty. Think about that for a minute.

Frank Curzio: I mean, you're talking about a company that spent tens of millions of dollars on studies, tens of millions of dollars on studies, hired the best environmentalists, independent everything, and said, "Here's our data". And they said, "You know what? We're not even going to look at it".

Frank Curzio: That's why I said when the stock was at 35 cents, that hey you know what, this is a really great company. This is something that has a ton of upside. And we're right. They've got ten times on money in nine months. We did sell half. Yeah, telling the guys [inaudible 00:38:13] on the way down. But most of you here following me should have done okay.

Frank Curzio: Now, though, it's ... You know, First Quantum Mineral's coming in saying, "Hey, we're going to develop this. We just want to see the project first". They did that before the EPA came back. And Scott Pruitt kind of said, "Hey, you know what? We are going to take another look at this". So now that deal could be in jeopardy. If that deals in jeopardy, then the stock could fall probably back to 35 cents, 40 cents.

Frank Curzio: Here's the bigger picture on this. This is a company that I like and I've always liked because I love the management team. It's in the worst freaking industry in history. I mean, who the hell wants to own a mining company?

Frank Curzio: Who wants to own anything comparable to really anything, and especially gold? Right, I mean, we were told gold's supposed to go up as the fed prints money. It didn't do it. It's supposed to go up during inflationary times. We have inflation, it's not going up. It's supposed to go up when the dollar goes up. Doesn't go up. It's supposed to go up when the dollar goes down. Interest

rates are low. It's supposed to be a great alternative since it also doesn't provide interest. It didn't go anywhere. I mean, you could name any scenario you want right now, anything, anything, of a reason why gold should go up, and it hasn't gone up in the past five years, four or five years.

Frank Curzio: Think about the alternative. You're sitting here with US market, and everything is going higher. Small caps are at an all-time high now. We're seeing all this stuff. And nobody cares about mining. Nobody cares about gold. In an industry that's horrible already, an industry that's almost impossible to get capital in these days because nobody cares, why would you even want to buy a stock that has all this hair on it? Give me a break.

Frank Curzio: You've got to deal with, possibly, First Quantum Minerals not coming through with their investment. They're going to make a certain amount investment over a certain amount of time. So over four, five years, that's kind of what the deal was. They signed that last year. They're not saying it, but they were doing it before the EPA came back. And now they can actually pull out if they want. And then you also have the EPA.

Frank Curzio: So, do you really want to hold the stock in an industry that's the worst, that really doesn't have any catalysts. I thought they would have great catalysts. Inflation's going higher. Inflation's going higher. You would think it's good for gold. But all of a sudden the dollar's going higher so gold's starting to crash. So I don't know. I was under the impression that gold should do well in an inflationary environment. We didn't have inflation for so long. We finally have it. And now that we have it, it's still not really doing anything.

Frank Curzio: I interview some of the top money guys out there. I love those guys. They're great. Listen, I'm giving you my opinion. I don't care what people think. I'm telling you what I think.

Frank Curzio: It's almost like the 3D printing company that's being investigated by the FCC. Not only is 3D printing, unavailable on the consumer level, so these companies have gotten hammered, but do you really want to invest in the 3D printing company that also has an FCC investigation against them or they don't have a CEO and are looking for a CEO?

Frank Curzio: So, with this company, I hate to tell you that because I know how hard ... I mean, these guys don't see their families that much. They work 17, 18 hours a day talking to their shareholders all the time, really great people that care

about the environment, that are sitting on the world's largest undeveloped copper and gold mine on the planet, and we have a couple of people who know nothing and probably never saw a project in their life just saying, "This is bad for the environment". And it's not. It's not even near anything. It's sad.

Frank Curzio: But again, it's politics or whatever. I hope I'm wrong and I hope that stock goes to 50 dollars because those guys deserve it. I like that management team.

Frank Curzio: But hopefully that answers your questions because I get a ton of them still on NAK. I know it's a favorite stock here, guys. And hopefully you guys did make money on that. I mean, I know that it has come down. But we did get a 900 percent gain in seven months. Hopefully you guys took a little bit of profits when I told you to. And if you did, you're still sitting on massive profits even though that stock has come down. You should still be doing okay.

Frank Curzio: So, man, that was a lot of questions today. I don't know what's going on. I think I lost count or something, or track, whatever it was. Anyway, keep those questions coming in, guys. Frank at Curzio Research dot com, that's Frank at Curzio Research dot com.

Frank Curzio: Last think here, I would say, be sure to go to our Facebook live videos. We have a Facebook page as well, Curzio Research. We're doing a lot of live stuff on there. We're going to start posting a lot more. I've just been a little crazy, busy traveling in New York lately.

Frank Curzio: And also, we're going to launch Barry's product pretty soon. So we're going to be doing a lot of Facebook stuff with that as well. Again that's our platform. That is for free as well as this podcast.

Frank Curzio: And just to get you guys out there who want to know a little bit more about me, about the business, and stuff like that, that's the way to do it. And hopefully that leads to you guys paying for our products, because our paid products we take pride in, our performance. Work hard, you'll see quality research, guys who've been in the business for over 20 years like Barry Cohen who's doing the crypto currency newsletter which I'll watch in a couple weeks, Crypto Intelligence is going to be the name, which is awesome.

Frank Curzio: And then, Mike Alkin, who I've had on this podcast numerous times, both those guys have been in the hedge fund industry for more than 20 years. I've

been in this industry for longer than 20 years too.

Frank Curzio: We take pride in what we do. We do the boots on the ground research. We're out there. We have good networks. We just want to make you guys better investors. That's what it's about. And hopefully that comes through for the new guys listening to us for the first time. And you can find a lot of our stuff, again, on Facebook at the Curzio Research page, or by listening to this podcast and Wall Street Unplugged.

Frank Curzio: So, guys, this is it for me. Thank you so much for listening. Enjoy the NBA and NHL playoffs. Both are awesome. I'll see you guys in seven days. Take care.

Speaker 1: The information presented on Wall Street Unplugged is the opinion of its hosts and guests. You should not base your investment decisions solely on this broadcast. Remember, it's your money and your responsibility. Wall Street Unplugged, produced by the Choose Yourself Podcast Network, the leader in podcasts produced to help you choose yourself.