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Frank Curzio's FRANKLY SPEAKING

Announcer: 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 main street.

Frank Curzio: How's it going out there? It's July 13th. I'm Frank Curzio, host of the Frankly Speaking podcast where I answer all your questions on the markets, stocks, economy, sports and anything else you want to throw at me. I created this podcast to answer more of your questions that you sent me through my Wall Street Unplugged podcast, which I host every Wednesday. If you want any questions answered, just send me an email at frank@curzioresearch.com. That's frank@curzioresearch.com. Be sure to put Frankly Speaking in the headline. You never know, your question may be the one I read on this podcast.

A quick note before I get into some of your questions. I'm going to be leaving on Sunday, heading to Vancouver to attend the Sprott Conference. Looking forward to it. If you're going to be there, be sure to say hello. I'm going to be wandering the hallways pretty much from Monday through Wednesday, looking for new ideas, attending some of the conferences. I will have a podcast on Wednesday. Right, I have a great guest booked for you. We're going to go over earnings seasons. I can't believe earnings season is here, right. That was pretty quick. I'm going to go over what to expect from each sector, especially with the tax cuts really taking effect now.

We took a look at that the last quarter, but now companies are going to talk about it more, a lot more. We're also going

to break down the biggest risks to future earnings and future growth, especially over the next few quarters, right. I'm just going to talk about the massive, not just double digits, 17, 18% growth, things that we haven't saw during earnings season in a long time and unbelievable. Guys, if you're like, "Well, tax reform's helped," it helps, but we're still looking probably three, four percentage less, which would make it 14, 15% growth year over year without tax reforms. It's a pretty strong market right now.

We're going to break down what we're going to see going forward. That could be risk, any risk to the markets or risks to these estimates 'cause nobody's really talking about that right now. There's one particular risk that we're going to talk about, I'm definitely going to bring up, that you're hearing from a lot of CEOs. It's pretty much going unnoticed right now. More important, that guest going to come on, which you know, you're familiar. I'm going to leave you hanging here. I'm not telling you who that person is. We're going to highlight which individual companies you need to put on your watch list or names that you should be buying on a pullback during earnings season.

You might say, "Well earnings season, Frank, what makes you think that's going to pull back?" They pull back almost every earnings season even though they beat earnings expectations pretty much the last three, four quarters easily. You go back even further, but especially the last three, we saw blowout earnings, much bigger than expected. We saw stocks decline on an average of pretty close to 2% even though those earnings were good, which tells you what? If you look at the market today, Nasdaq all-time high, Dow now positive, flipping back and forth, but relatively speaking, most stocks are pretty close to all-time highs, which means that there's going to be a lot of buying opportunities 'cause during earnings season when these companies fail, what happened?

They turn out that they didn't stay at those levels for that long. The Amazons, the Facebooks, the banks. That's going to report great, great earnings, and they fell 3, 4, 5%, and I get emails, "Frank, why did they fall for? How come they're down?" Well, I don't know. People just take a little bit of profit, taking some off the table. What happened? Those stocks roared back. I'm going to create a nice list for you of stocks to watch during earnings season that they report great earnings, and you may see a 5, 7% drop in some of these stocks. We saw that during earnings season, especially the last two, three. Get out your pens and papers.

It's going to be on Wednesday. Great interview even though I'm going away to Vancouver. Again, if you're there, be sure to say hi. Have lots of fun, looking forward to it, very lots of meetings set up. Next Friday's podcast, be sure to start asking your questions now because that Friday, I'm going to come back from that. Everyone's going to say, "Oh, Frank, what'd you think of this? What'd you think of that?" I'm going to talk probably to about 20 different companies, even crypto related companies. I have all meetings set up. Everyone is accounted for. Let me know what you want to hear, what you want to know.

A lot of things going on. Is uranium finally back? I don't know. A lot of interesting things. A lot of funds getting into uranium. You hear Mike Alkin talk about that all the time on his podcast, Talking Stocks Over a Beer, with his hedge fund managers on. There's gold. What's going to drive gold? Who knows? Every factor that you think of has not driven gold. Higher interest rates, lower interest rates, inflation, deflation, safe haven, not a safe haven, the dollar going higher, dollar going lower. Gold hasn't really done anything, especially the gold stocks. You've gotten crushed.

If you have some questions, start asking me now 'cause I'm going to have so many meetings, tons of meetings,

great stuff to report back to you on Friday, on next Friday's Frankly Speaking. Now let's get to some of your questions. The first one's from Max. He said, "Frank, thanks so much for all you do for us little guys. I listen to your podcast every week, and it's a breath of fresh air from the crap I see in the media all the time." Thanks, I really appreciate that. "You just give me the great work. I'm a subscriber for life." He goes, "Now to my question, you mentioned that you're not concerned with tariffs or a possible trade war for over a month now, but it seems these tensions are escalating.

Do you still feel that way or is a trade war something that long-term investors should be concerned about? Thanks." Max, that's a great question because what I said is that this is going to be a nonissue and a non-story. That's based on my style of investing, which is buying stocks and holding them until their catalysts get recognized. That can take six months. That could take a year. That could take 18 months, maybe a little bit longer. If you're an active trader in the market, tariffs are a big deal, right, because they're moving the markets and moving the markets enough to see significant, like 3, 400, 500 point moves sometimes.

Just like Italy, just like Brexit, just like so many other risks that we saw, but this is really going to be an nonissue. I think it would take maybe another two months maybe and you're not really going to hear about this anymore. You're going to hear how China put up a good fight, Europe put up a good fight, even though they're going to give us everything we want. When you look back at this in tariffs, I think people just don't understand this story that well. We have countries that are robbing us, I mean literally robbing us. China's been dumping cheap steel on our markets for years, crushing our suppliers.

You may say, "Well China steel, isn't that good for the markets? Isn't that good 'cause that lower costs?" It's

good if it happens within our borders and it lowers costs, but let me tell you what China is going to do. They're going to lower price, and what happened? We had capacity, a utilization of plants going down, some of them at 50%. That means they were only 50% operational, right, 'cause there wasn't enough demand because China is dumping cheap steel. People go, "Wow, that's great. That should lower the cost for us." Yeah, it does temporarily, but what's going to happen? They continue to dump cheap steel on the markets, right.

Then you have our suppliers, our steel suppliers, our manufacturers, they can't produce steel. They can't make a profit. What's going to happen? They go out of business. They fire all the employees. You might say, "Yeah, well we're still getting the cheaper prices," but it doesn't end there 'cause now you have China controlling the whole entire market. What do you think they're going to do when they control the whole entire market? You think they're going to keep prices low? They're going to raise them like crazy. Look at OPEC, look at uranium, the countries that control this stuff. It's unbelievable.

Finally, shale oil is such a revolution for us that we're not as reliant on OPEC as we were, but basically, we should sit down and kneel them to them. Oil was the biggest commodity, the biggest thing in the world, right. Influences everything in business, everything, and being controlled by someone who's manipulating prices. That's what happens in the long term. We have to be careful there. Europe as well. You look at this, and people look at the history and say, "Well look at what happened in the 30s when we had protectionism and every nation turned to tariffs and stuff like that."

People look back to this, and they look at the U.S. They look at history, but they omit a lot of facts. When you look back then, they'll say, "Well, that economic protectionism," and when you look at it and you see

what happened, trade nearly stopped altogether. It led to dictatorships in Italy, Germany, which led to military advances. Why? Because resource poor countries like Germany and Japan need resources, start attacking their neighbors, their Poland, France, China. What happened? Well World War II, we all know. People say, "Well, this could lead." No guys, don't go that far. It's not that bad.

Now first of all, back then, we had a massive surplus. If you're going to have a trade war, it's horrible for countries that have a surplus. Think about it for a minute. We have a massive trade deficit and at 375 billion with China, 170 billion with European nations. If a trade war takes place, the ones that are going to get hurt the most are the ones who have these surpluses because these are the countries that are selling those products. Think about it. If you're a company, right, say if you're an individual company, and you are a semiconductor company, and Apple is your largest. You want to do everything, right.

Your goal, say if you're a manufacturer, you're a semiconductor. Your goal is to get into Samsung, do business with Samsung and Apple. If you're selling clothes, you want to get into retailers, depending which retailers, right. Obviously, if you're selling low end clothes, you're dying to go into Walmart 'cause it'll be a boon for business. Margins are going to go down, but you'll make the money on scale, whatever. If you're looking at these countries, their biggest customer is the United States. You're basically rob. It's not a fair trade between what you're doing and what we're doing, right.

What's going to happen if that gets cut off? Because you're going to raise prices. Think about that. Now throw in the fact that most global economies are on shaky ground. They don't have the strength that we have in the U.S. economy right now, not even close. If they're really going to fight a trade war, if that's really going to

happen, the EU is basically saying, "We're going to go in a massive recession." China is going to go into a massive recession. That's what they're saying. We're looking to make this fair. That's it. You can say, "Well, it should be fair and Trump is this and Trump is that." This isn't about Trump.

Take the politics out of it because what we're saying, and actually what Trump said, and forget about the politics, forget about numbers, forget about everything, just look at the common sense of this 'cause right now, Trump's arguing, saying, "We should have no tariffs at all." Does that not make sense? No tariffs at all. That makes everything fair and even doesn't it? Everyone's on the same ground. Maybe again, you could argue there are little advantages here and there, whatever. If nobody has tariffs, then we're fine. Isn't it amazing that we're arguing for no tariffs, but everybody else is arguing against us, every other country?

No, no, no, no, we need tariffs. To me, from a common sense point of view, wouldn't that make it fair? Doesn't that make it fair? Everybody has the same thing. Isn't that fair? That sounds fair to me. Why do you think they're arguing so much? Because they're making a fortune off of us, not to mention with China and $600 billion a year they're stealing from our intellectual property, which is a joke, 600 billion a year. Those are the estimates. Are you kidding me? Even the good things we make, they steal. It's unbelievable. People say, "Well Frank, the tariffs though. This is going to crush us. This is going to crush our economy."

Guys, you got to stop watching Fox. You got to stop watching CNN. Stop reading the Washington Post. These things are providing you with a level of hate of our country and people. It's a joke. Even my friends, they text me things from Fox Business all the time. They like hate everybody. Like relax, relax. This is about your money. This is about your investments. I don't want to

get political here. When you look at the numbers, which I like to say I'm pretty good at doing, I've been doing it for 25 years. I look at the tariffs on washing machines, solar panels, aluminum products. If they're all applied, this represents us in 2% of all U.S. imports.

It's a blip on the radar. Going more into it, let's take steel for example and the auto industry. The average car uses 2,000 pounds of steel. I'm not going to throw a lot of numbers at you. This is going to be pretty easy. It's around 50 cents per pound or $1,000 per car just for steel. If we have tariffs that are going to be 15% higher increase that price by 15% due to tariffs, that amounts to an extra $150 more to produce a car. You may say, "Well that's a lot, margins," whatever. Now if you look at the gross margin on a car is around $4,000 right. $4,000 and you're looking at $150.

It's not crazy, but again, we're in a market where margins are a big and at all-time highs, and you've seen it cut back. Why don't we take the whole picture here and look at tax reforms? 'Cause they just got cut right, corporate taxes from 35% to 21%, across the board. If you take that tax from 35% to 21% and you take the gross margin on a car, which is around 4,000, car companies themselves are going to be making $550 in extra profit. If we take away the 150 from the tariff from the 550 in extra free profits they're making because of the tax reforms, they're still generating an extra $400 in profit this year compared to last year.

Oh my God. Holy cow. What do you mean, the world's not going to end because of these? They're minor. They're minor things. These are negotiation tactics. China's going to go through it. They're going to agree. They have to agree unless they want their country to fall into a recession. Again, if you're a business and you're selling massive amounts of stuff to one particular person, are you going to do everything that you can make sure that relationship stays good? 'Cause if not, who's

going to get hurt more? Who do you think? The people who have the money to buy stuff will find other ways to buy it.

They'll find other ways to produce it. It might take a while, but they'll do it. That person is losing a major customer. Who else are they going to sell it to? That's what's going to happen to the EU. That's what's going to happen to China. That's why they have no choice but to comply but make trade fair. It's that simple. That's what's going on behind the scenes. Now what the media is reporting, they're having a great time. Trade war and this is going to happen and steel tariffs. You're wondering why all this nonsense, guys, all this nonsense has been going on for how long, right?

To your question, Max, you say well you've been talking about it for over a month, well you know what? I have been talking about over a month saying it's a nonissue. The Nasdaq is at an all-time high today. How many stories, and punch it up on Google, probably like five million in the last month if you do searches on trade wars and how it's going to crush everybody and this and that. Our markets are near all-time highs. Like I say, it's the media now. It's an inflated story. It's not a big deal. If you're a trader, yeah, you can trade. You're going to see moves in the market. The market will be down on Monday. It might be up on Tuesday.

Overall, when you look at the scheme of things, you have China and EU have to show face. They have to be aggressive in the market and show the world that "hey, we're not going to let the U.S. push us around." Behind the scenes, they're going to agree, going to make it fair, and everything's going to go on its way, and we'll be perfectly fine. That's why stocks are near their all-time highs right now. Again, if you want to focus on this and waste your time and all that, go ahead, do it. Talk about it with your friends. Talk about it at water coolers. For me, it's a nonissue. I'm not focusing on it, and that's

why we're doing well with our portfolios.

We're doing well with our stocks. This is a nonissue. I've been telling my subscribers that and listeners that for, yeah, it's a little over a month now, probably two, three months now. I've been covering this, covering steel, covering tariffs. I want to make sure I got that story to you. Really, I'm sick at looking at it. I think it's a nonissue. So far, it seems like it's been right 'cause stocks are at an all-time high. Hopefully I addressed that, Max, and let's get to the next one. The next question is from Shawn. Shawn says, "I thought England was going to win it all in the World Cup. Nice call, although you fell a little short.

Not sure anyone had England making it to the semis, but who do you think is going to win the final?" You know what? England, I feel so bad for you. I actually don't feel bad for you at all. As an athlete, right, for me, whenever I got to the stage when I played basketball and I played lots of championships. I was fortunate to play on really good teams. I left it all out there. I wasn't playing bad because I was nervous. It was I was leaving it all out all the time. I could never understand, and this is going to sound terrible but I mean it, when you have young kids ice skating at the age of four, and they start doing it for 12-hour days all the way up to 13, 14.

They start training for the Olympics their whole entire lives. Then they get there. They're fantastic. What do they do? They get up there right in front of everybody and they fall because right, there's so much pressure. Your whole entire life is built on that moment. You train to be perfect for that one moment. Don't be nervous. Just take it, like take it. England had the shot to take it. That's it. They were the better team. They came out. They scored in the first five minutes, and what did they do? They held the ball. They had like two shots on goal whereas they should've won that game, especially in a game like that, right.

The loser goes home, so you're going to have courage and pressing, pressing, pressing, and they're not pressing because they would've got tons of shot. If you see every game that England played, every game, even the last one before Croatia, they had tons of shots on goal. They scored five goals one game. They were great. Their offense was great, and their defense was great, but they just started playing defense. They were like the Jacksonville Jaguars against the Patriots last year. They had the Patriots. They had them. What did they do? What was it? A minute-20 left or something or whatever, they took a knee, whatever, for that halftime.

It's like you're playing to lose. If you're going to go out there, and you're going to play a sport, you're going to do anything you want. For me, with this business, I mean I looked at this business, and there's been so many challenges like credit card processing 'cause our competitors are a bunch of assholes and send out crazy promotions and there's billions of chargebacks. They view us like the adult industry, right. There's all these things. There's a lot of risk in this business. There's a lot of freaking headwinds. For me, I was like, "There's no way that this business is going to fail because of credit card processing or because of anything else."

If it's going to fail, it's simply because I gave it my all, my team gave it all, and we went down swinging, and our competitors were just that good. That's fine. I'm okay with that. I can sleep at night. Playing it conservative and getting to that big moment or anything that you do in life and then once you're there to take it, you just take a step back. For me, I don't know what it is, but it's something that bothers me so much. By seeing England, like your whole entire country all the time, you never won a shootout before this year. Everybody's waiting for you to fail, and you went there, and you fail. Croatia didn't beat you. You beat yourselves.

You let it happen. You let it happen. For me, that's

always frustrating and not just the World Cup but just everything. For me, if you get to that event and you worked your entire life and work so hard for it, take it. Just take it. That's the best advice I can give. Go down swinging. Don't be conservative. I'm not talking about taking on stupid risks. I'm just saying when you're in that moment, when you're there, that's your moment. It doesn't happen often, believe me. Being 45, I think I can say that. 60-year-olds would probably say, "Frank, you're still a kid," and 20-year-olds think I'm an old man.

At this age of my experience, I think I'm qualified to say that. There's not a lot of moments where you had the chance to shine and to take it, but when you're there, take it. Like when it's the NCAA championship with those kids, and whatever. I forgot who was playing, like four or five years ago, the team that made it. What team? Man, I'm so bad with this. It was the coach of the Celtics right now. The team wasn't really favored any of the three games leading up to it. They lost the last game. They lost, I think it might've been to Kentucky. For me, the way they play that game, it was just like come on, like go out there.

My speech to that team, to my team, if that's my team, I'm like, "No, don't be happy with how far you made it. Don't settle right now. That's not what it's about. Go out swinging. Go out there. Beat this team. It doesn't matter if they're better than you. This is your chance to change history, to win." That's how you have to be with this. Not like, "Oh, it's so good that you got here. You should be happy." No, if you're in that moment, take it. You don't have it a lot. You really don't. For England, just watching those guys play, that's why they were all crying, going crazy and everyone.

You knew, as soon as Croatia scored in what was it, the 70 minute, the game was over. It was over. You knew it was over because they didn't even play. They just were

passing the ball on the backfield the whole time. I'm looking at them going, "What are you doing? I watched you guys play five games. You guys had 10 shots on goal every game. After the fifth minute, you had like three shots on goal." For me, I was just like, "Oh man." At that stage of semifinals against a team that you are much better than, just to give it to them when you're in the lead. You're in the lead. You had it, and you just gave it to them.

You can tell the frustration and how much that bothers me. Anyway, who's going to win the game? I think if France plays like England, Croatia has a shot 'cause France kind of did the same thing with their game where they played defense. If France really pushes the issue, kind of like what Germany did to Brazil last World Cup, they score, they scored again. I remember being in a bar with hundreds of people 'cause I was in Brazil at the time watching, and then they just kept scoring because Brazil had no choice but to keep pressing. They murdered them. That's what France could do.

If they're going to score the first goal, which they probably will and just sit on it, they're going to give Croatia life, just like England. You saw Croatia was the better team after the 60th minute. It was like a totally different game. Even though they're playing against better players, it was a totally different game. Momentum changed, and it was over. Let's see if France learns from their mistake, England's mistake, but if they won, I think they should really win that game minimum by two goals. They're probably going to score, play defense, and then keep Croatia in it. It should be a good game. We'll see. Man, England, very, very disappointing.

They had the opportunity. I really feel like they didn't lose that game. I mean they didn't get beat, they lost that game themselves. Moving on, next question. You can tell I have passion about some stuff like that. Next one's from Jerry. He goes, "I'm very happy to subscribe

to all your products. I'm also a huge fan of your podcasts, but my wife may be an even bigger fan since you've been a huge help to our portfolio over the past few years." Thanks. Happy wife, happy life. That's awesome to hear, and thank you so much. He goes, "One stock I own I have a big position is Intel. I bought it on your recommendation at Curzio Research Advisory for $45. I'm up about 15% in the stock in just a few months.

Does the recent departure of the CEO change your thesis? Should we be taking profits here since the stock has pulled back a little bit from its highs and received a few downgrades after the CEO left? PS, I hope your daughter's doing okay." Thanks, Jerry. Good question, and my daughter is doing okay. She was diagnosed with Crohn's disease about three months ago, and now she's on a great diet. She's doing good, running around, having fun, and things are really cool. Thank you so much for asking, and I really appreciate if you ask about family and stuff 'cause that's what this is all about, making money and retirement and stuff like for your families so that you can live comfortably in retirement.

Let's get to your question, which is about Intel, which is a good one. I think told 18 months from now, Intel is going to be over $65 a share. That's about 30% higher than where it's trading today. That's based on my research. If I was most analysts, especially in our industry, that's all I need to say and everything's good. I don't have to show the research. Here's why. First of all, I'm going to start with the CEO. I think the CEO departure, which was caused if you don't know, he had an affair with an employee, it's actually a good thing. It's not really too much of a surprised to insiders of this industry.

When I'm reading reports and the people who follow Intel the most, like 20, 30 years, some of these analysts, you're talking about a guy that made a lot of mistakes. Yes, Intel is doing great now, and it's doing fine. It took them a long time to get here though. You're looking at a super late to switch from PCs to mobile, and people highlight, "Well they purchased Altera and Mobileye that were great acquisitions." This guy had to pay

a fortune for these companies because they were late to these trends, right. They didn't get ahead of the trend. IoT, which is a mega trend still.

Massive market for new auto technologies, sensors, autonomous driving, connectivity. That's why they had to pay so much for these, and they're benefiting still, but it would've been nice since you're Intel, you're the largest, you're the leader, to really see. How didn't you get into mobile? How didn't you get into a lot of these trends, autonomous vehicles? Which forced them to purchase, make a lot of acquisitions and turn out to be decent acquisitions, but maybe you should've gotten into those markets earlier. This way you didn't have to do that. Maybe. Last year, you look at the problem they had with their chips and vulnerable to hacks and security and stuff like that.

That's got to fall on top guy at the job. There's a reason that guy was selling some of shares. I think like 20 million or so in November, like three or four months after this happened with those chips. That was a big story. They didn't lose Apple as a client, which is very, very, very minimal 'cause it was just Macs that aren't using Intel. You know what? I think it's a good thing. They have a lot of good people that are on slate. Most of them I can't pronounce their names, but I know their backgrounds, and I'm familiar with what they've done at the company and other places as well that they're interviewing right now.

When it comes to CEO, I think that's a nonissue. I shouldn't say nonissue. I think the stock fell, and it's giving you an opportunity to really purchase on the pullback a little bit here. When you're looking at the business as a whole, it's firing on all cylinders. You look at the recent numbers, PC manufacturers reported blockbuster sales last month. PC manufacturers, can you believe it? I mean incredible. You look at Acer, Asus.

These are two companies that carry Intel's technology and chips. Sales were up 30% on average last month. That's from the previous year, 30%.

This is an industry, PC, where Intel still receives a bulk of its profits from, but they transition just like IBM's transitioning into a lot of the growth markets. This is supposed to be like a slow growth. This is adding. Nobody knew PCs were going to make a little bit of a comeback here and do pretty good. It's very well. That's really going to fuel Intel because they're doing everything else great. You're taking a division that used to be a drag for them, and it's no longer a drag. Then you're throwing service, storage, networking, IoT, artificial intelligence, enterprise is on fire, data centers starting, they're trying to hire.

You're looking at Intel. It's cloud graphics challenging Nvidia now, Nvidia has what, more than a 90% share in this revenue market, maybe 85%. Intel's going all in here, hiring superstars, spending loads. You got to see how much money Intel spends. The billions that they spend, it's up like 4 or 500% over the past, again don't quote me on this, but when I looked at the numbers it was unbelievable how much money that they're spending. It's fantastic. You got to spend money to make money, and they're going all in on these trends. They're finally starting to get ahead of things and not behind these trends and being forced to purchase Mobileye and Altera and things like that.

Why do I recommend this? Because I'm on the road, not because I'm sitting behind my desk because going to Consumer Electronics Show and hating Intel for five straight years, the last two, I came back, and I said, "Intel is in their 30s, before I started this company." 32, 33. Fantastic buy. It's the first time I've saw Intel just ahead of the curve. You got to see how many people at the booths. It was exciting. It was fun. They went to new technologies, virtual reality, becoming leaders in AI, faster chips, finally getting it. They are challenging Nvidia, but that's another thing too. You're the largest in the world.

How do you let Nvidia become this behemoth, this massive company? Again, late to the party in graphics. No longer. You're also looking at Apple. I mentioned earlier about Macs. Well what about mobile? Because they're moving away from Qualcomm because not a day goes by when these guys aren't suing each other, but it's rumored, and these rumors are coming from very well-respected analysts in this space, this is as of the last month or two is that Intel's going to supply the LTE modems for the new generation of iPhones this year and maybe going forward. Apple's moving away from Qualcomm. Now you're getting these big suppliers back.

We know that's not a high margin thing, but you're getting involved in the biggest trends, with the biggest companies in the world again 'cause you're back. Not only does this mean, it means anything if the stock is trading at a price that doesn't make sense, but it's trading at 12 times from the earnings. You have to grow in sales faster than the market, growing earnings faster than the market. If you growth name trading at a valuation that assumes it's this boring value company, 2.3% yield, much higher than the S&P 500 yield, which is 1.8%. They're going to report record earnings and sales going forward.

They came out, they basically when the CEO departed or they fired, whatever word you want to use, they actually provided the numbers for this quarter coming up. They raised all their numbers and all records. It's not going to be too much of surprise unless the surprise would be more on the upside 'cause they literally provided these numbers like what, a month ago, so nothing's really changed. Unless they were conservative, but if those numbers turn out, they've raised their numbers into this quarter. The stock has gone down. Interesting, a little disconnect there. Throw in its earnings season, and what happens?

Intel could come out and say, "Well those numbers we provided last month were conservative. They're even better, and we're raising guidance for the next quarter and for the remainder of the year." What's going to happen? 'Cause it's earnings season, it's probably going to fall on that news. It might fall 2, 3%. That's going to be a great buying opportunity. Long term, again, I covered this earlier with earnings season, which we're going to cover more on Wednesday with my guest, but at last year earnings seasons, no matter what company, if they didn't report good earnings or if they want to issue, we got in, so stock got mailed.

Even if they beat, the average stock fell around 2%, a little less than that on average. That wasn't just last quarter. That's around the past two or three quarters. Don't think about it. No need to explain it. You're like, "Well maybe it's because the stock's run up tremendously into that quarter, so expectations are high," but the bottom line is Intel's going into this quarter. They might and should report very, very good numbers. You might see a little bit of a pullback 'cause that's what's been happening during earnings season. What do we see after that pullback? Stocks resume those trends and go right back to all-time highs.

The economy supports that, housing market supports that, everything supports that right now. I don't see a lot of risks in the marketplace right now. We're not expensive. We're not cheap. Well actually, I would say that we are cheap based on 17, 18% earnings growth, trading at what, 17, 18 times for their earnings. That's not expensive at all based on our growth and where interest rates are. Again, it's not a story that you're going to read anyplace. It's like, "The world's going to end, and it's horrible. Banks are dead. Credit crisis," they've been saying for how many freaking years that you guys have been out of this market, which is sad listening to the wrong people.

For Intel, I think, look, it's in a sweet spot of every major tech trend that's basically secular. IoT, AI, even the virtual reality, augmented reality, and now they have their PC market coming back, coming and seeing stronger sales of PCs, getting into mobile, autonomous cars driving, pretty cool stuff. Even making chips for data mining. Still going to be a hot industry going forward. Yes, good ones are profitable at current prices pretty easily. Some of them aren't depending on what the electricity costs are. Intel's in all these trends. It looks really, really good. I think it's going to go a lot higher from here.

If you can buy it now, I think it's dirt cheap here, but you might even get a better price during earnings season when again, in the lost couple earnings seasons, we've seen the overall market pull back slightly. Okay guys, once again, if you're in Vancouver next week, I'm attending the Sprott Conference, which I believe is from Monday to Friday. Be sure to stop by, say hello. You're going to see me walking through the halls Monday through Wednesday attending some of the presentations, maybe heckling a few of my buddies on stage 'cause I'm going to know just about 90% of the people that are going to be speaking there.

I shouldn't say this. Ah, I'll say it. I'm always open. I'm glad I'm not speaking at event because it's one of the things I kind of miss, right, the research part where when you start your own company, your name is on it now. You have your podcast and because of you guys and word of mouth, more and more people are listening and stuff. I miss the days a little bit where you sit there and talk to management teams and hang out and stuff like that, but for me, I'm honored that people subscribe to our services. It's my responsibility, I always feel that, that if people are coming by and they're subscribers, you have to say hello.

I love that part of the business too because you guys believe in my brand, you trust my brand and stuff like that, and allowed me to start my own company. You do miss the days a little bit when it was like you'd be able to sit in the corner and just listen and have meetings and stuff. I'm glad I'm not speaking at the event 'cause I've got a lot of meetings set up with the management teams. I don't even know what to say if I spoke at this event because I mean, the mining industry, and we stopped out of a couple of stocks and Curzio Venture Opportunity, and they were really amazing names, amazing management teams.

They're already down 80% and they fell another 30, 35%. We're doing pretty well with a lot of stocks in our portfolio. Our portfolio is designed to limit your risk to 30, 35%, but we have several triple digit winners in that that are doing very, very well. It's just tough. The catalysts that you're looking for, these are guys, Vancouver's the resource capital of the world. This is the only industry these guys are in, think about that, for the last three, four years, five years. I feel back for the guys in the uranium space. Since Fukushima, it's been a disaster. It's been so crazy.

Imagine just being a CEO in an industry that's just depressed for six, seven years. It's not fun. It's hard. It's difficult. There's nothing exciting about it because no matter what you do and even if you execute on every single goal you set out to your subscribers five years ago, your shareholders and every one of them came to fruition, your stock's still down 70%. It doesn't matter who's running it. It doesn't matter anything. You're still going to it. It's like, "Ugh." You're going to hear the same things and the end of the world from some guys and how gold's a good buy here and it's going to go higher and stuff.

You really need to see that trend turn. Wait for gold to go to 1400 before jumping in some of these things, maybe 1350, 1375. Wait for the trend to turn. It has turned in some of the majors and also some of the royalty companies, but you could miss the first 20, 30% move here and just buy. These stocks are still going to be down 80% from their highs, and it's going to be a

buying opportunity where they have some strength underneath them. It is going to be interesting to see 'cause I know I'm going to find some really cool ideas, but again, I guess I've been fooled in this industry before. Obviously you know that from doing this podcast.

You guys have made, so Northern Dynasty, McEwen Mining we were able to get under a dollar, and that went to like four. Massive gains when the cycle does turn. I was even at 11 and 12. You guys know that 10 and 11 basically, lots of 100, 200, 300% winners in my newsletters and stuff. That's the reason why it's worth it, but this money that if you have, just expect to lose it, and that's how you can invest in this industry 'cause if the cycle turns, you're not going to get 100% gains. You're going to get 3X, 5X, 10X pretty easily from these prices, but it's waiting for that cycle to turn.

That's why I'm glad I'm not really speaking at this event because you're going to have a whole presentation and talk to more people where I'm really dialing down and talking to management teams, seeing what they're hearing from institutional investors, talking to big guys, Rick Rule, Eric Sprott. I want to set up meetings with some of the biggest guys in this industry, who I know now, fortunate, just again hanging with the right people in this industry. Knowing Rick Rule for a long time and Marin Katusa, Jeff Phillips. These guys introduced me to the top people in the industry and just try to get some really good ideas that have some kind of flora to them where the insiders are buying like crazy.

They're big investments. That's what I want to do to try to find some really good ideas. If I do, you'll see them in the newsletter. Again, it's just been such a tough industry when I'm covering everything else that's really going a lot higher. This industry just continues to really lag. Hopefully that trend changes, especially for a lot of guys and friends I have in the industry that work hard, but also for you as shareholders because I know that when it does, you guys will make a lot of money. Hopefully I can come back with some really, really good

ideas. Guys, that's it for me. Thank you so much for listening. Have a great weekend. I'll see you in seven days. Take care.

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