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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 Friday, October 19th. I'm Frank Curzio, host of the Frankly Speaking Podcast, where I answer all your questions. [inaudible 00:00:23] county sports, and anything else you want to throw at me. I created this podcast to answer more of your questions that you would send me to 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 and you never know, your question may be the one I read on this podcast.

Great questions coming in. Let's get right to them and start with one from Simon. "Frank, I'm an investor from Australia. I've been investing for over 20 years. I'm also a lifetime subscriber to Curzio Research. With the trade war between U.S.A and China ramping up, what is your opinion on the likelihood of China retaliating sometime in the future by banning or voiding the variable interest entity structures used? Large amount of dollars in these VIE structures could vaporize at the stroke of a pen. I'm asking as someone who is very interested in increasing my exposure to some of the very cheap Chinese businesses like Tencent, JD.com and Baidu."

"I enjoy listening to your podcast. Keep up the great research." Simon, thanks so much. Down under Australia. Wow. This podcast has a fairly long reach. Which I'm always

humbled by. But it is a good question. If you're not familiar with interest entity [inaudible 00:01:43], I mean, I'll put it simple for you. Almost every single Chinese side, I think there's 200 listed or closer to 200 listed in the U.S. and almost all of these have this structure. So I think it's like probably about 70% to 30%, but most have this structure. When I say most, I mean based on market cap and that's how I'm looking it's like all the big names that you could think of.

Baidu, JD, Tencent, Alibaba, they all are structured as a VIE. Now what is this? When you have companies in China they have a complicated legal structure, so they say. I guess everybody believes that the legal structure's complicated. So, to attract foreign investments what they do is they create these special vehicles. Like these holding companies and they're create them outside a channel like the Cayman Islands. So this structure, this holding company, owns 100% of Tencent. So everything is invested in it goes into Tencent, but the reason why they create these and their owned by people in China, the company Tencent, but the reason why they create these is to have foreign investment.

So we track foreign investments. So when you're buying Tencent you're really buying this holding company that is basically is run through Tencent. So there's a lot of moving parts and people have warned about these structures and what could happen and things like that, but when you look at this thing, it's just a way to attract foreign investments. So are these a problem? Will you look at the [inaudible 00:03:17] structure, it goes deep, it's a little scary, but again, this is the way that they're attracting foreign investments.

Now your question Simon is, "Could China retaliate by banning these or voiding them," which means all foreign investments would have to come out of these stocks. They'd be shooting themselves in the foot. They'd be killing themselves. So they wouldn't do that to retaliate. What they would do is raise prices on things that they control, and they could raise prices on rare [inaudible 00:03:42], which are huge. And I talked

about this, if you're a subscriber, I talked about this a lot in my subscribers especially with [inaudible 00:03:48] opportunities and recommend the stock based on it.

That's one way where they could threaten to cut off supply and behind closed doors they may say, "Well if you don't want us to do this, Mr. U.S.A., then start investing or bringing companies back over and whatever." But that's where they have a lot of control. But this, it's not gonna benefit them by, think about it, even in our markets, it's like a foreign investment if you don't, all that's gonna come out. I mean, you could probably compare it to in Europe in 2011 with new laws coming in after the credit crisis, and this happened to us in 2009, 2010, but a little bit later in Europe where a lot of those banks were forced to sell.

The government said, "Hey. You gotta get rid of these risky assets. You gotta get rid of them right now." [inaudible 00:04:37] assets weren't bad assets. So they were forced to sell these things for pennies on the dollar, because they were forced to sell them. What happens, one of the things that we played is with KKR, you have large hedge funds able to buy a lot of this for dirt cheap prices. So if this happened, you'd see a massive sell off on these stocks, but I'm sure it would create a buying opportunity, but that's not the reason I would worry or for you to be worried about buying JD, Tencent, or anything.

I think it's more about trade wars, which we're seeing right now. It's getting a little more heated. I think China has no choice. I mean, think about it, because what did we see the last couple weeks? We saw that China's market, even before last two weeks, is down 20%. And our market was booming. And so ever since the start in February, China's market is crashed. And then what do we see? We saw our market come down a lot and China come down even further. So if China's really willing to step up to the plate and do things that are gonna hurt us, it's gonna hurt their economy even more 'cause they see is our market goes down, their market goes down even more.

So you're gonna see negotiations, you're gonna see things

happen [inaudible 00:05:48]. I think that will be a good time to buy these things because they'll probably pop 20% from here. They're down 40, 50%. We had JD in our portfolio and stopped out. And we were up 30, 40% on that stock. It's a great name, but it got tied up in all this garbage and a lot of these names have gotten crushed. The G20 meeting's a catalyst. I think China, I think they're gonna ... It's not gonna happen probably anytime soon. I assume maybe this year, but this is gonna get settled. I really believe that. China is gonna try to fight back. And if you listen to my podcast a couple weeks ago, which is important guys.

I said that, originally I said, "Don't worry about tariffs, you don't have to worry about them. In the U.S. market they're great." And then about a month ago I started saying, "Listen. I guess China's really playing hardball doesn't care. And they could retaliate." But then we had the market crash and we saw how China's market reacted to that crash, which is worse than us. So now when factoring in all the details. So when you have a thesis on something, you believe in something, you have to be willing to change it in a seconds notice if the data changes. And what we saw with China's market come down and crash, even more than our market, means that is China really gonna do things to hurt our market to play hardball?

'Cause it seems like when they do that, if our economy falls, and our stock market falls, they get crushed even further. So getting back to your question. I wouldn't worry about these variable interest entities, which are VIE. It's pretty cool. You can look them up. People have been worried about them 'cause of the structure. But inevitably they're just structured to make sure or to get foreign investments in and they've done that. They wouldn't cut that off. That's not an option, that's not on the table. And looking at buying some of these companies that have been destroyed in these China related companies, look, I thought they were buys a couple months ago and they're not.

So if you not in any of these, just don't go all in. Take a small position. This way if it falls 15, 20% from here you're not gonna

be pissed off. You're gonna be kinda like, "Wow. I only took a small percent. Now I get to add it and prove my cost basis. Lower that cost basis." And if the market does take off, because we're never gonna tie the market absolutely perfect no matter how great you are. Sometimes we get lucky, but most of the time you won't. But if the market takes off at least you have a position, but maybe it's a good time to just get your feet wet a little bit and take small positions in these stocks, but don't worry about the VIE's.

That's not the problem with China. That's not a concern for you buying those stocks. But thank you so much for writing in, from Australia. Really cool. Next questions from Ron. He says, "Frank, I'm a 66 year old professional engineer with a decent retirement nest egg. I failed retirement and still working because I'm having work at a renewable energy space developing large renewable energy projects. However, since I received my retirement fund I've been overly conservative and managing it over the last five years, taking a little risk, and making little return. If I listen to your podcast for over a year, I sign up as a lifetime member because I appreciate the education you provided me and because I want to manage my retirement better."

"As I learn more from you, I begin to dip my toe in investment water and I've started buying some of your recommendations. I started using stops, this was after he'd gotten burned in the past, I would like to better understand any intricacies of stops such as limits verse limits on quotes, etc. So if you could include this subject of stops and stop strategies in one of your educational segments, it would be much appreciated. Thanks so much. Ron."

Ron, thanks for writing in. The first thing that I say is at 66 years old you're a youngster. Yes you're closer to retirement, but you're not supposed to be aggressive. You're supposed to speculate a small portion of your money. So for you to say you've been conservative in managing over the last five years, take your little risk, and making a little return, that's fine. I

mean, you have to realize that it's not just returns. When it comes to retirement it's risk adjusted returns, which are very, very important.

So if you could generate 25% owning Apple compared to generating 100% owning Amazon, the better return risk suggested is Apple based on fundamentals. Yes, the better return, but think about if the market comes down like it's coming down. And Amazon's 10, 12, about 12% off a ties. I think it's coming back a little bit. Apple didn't fall as much. So you don't wanna try to keep up with the market because again you're buying SP 500, that's perfectly fine, you diversified, that's great. But you're gonna have to take on a lot of risk to generate high returns. And you have to be careful because at 66 you don't have as much working power.

So you wanna make sure that you're okay with that. With that said, I don't care if you're 105 years old, you should speculate. There's this whole thing. If you're enrolled, you gotta be a [inaudible 00:10:26]. No. Speculate what a small portion of your money. A small portion is not gonna hurt you. And if things work out, that could be bigger than half of your entire portfolio. But you should always speculate in some stocks, especially as you get older. What does that mean? You're gonna have more access to more ideas. 'Cause as you get older, you start talking to retirees. You start going golfing with guys that are retired in different businesses.

You start getting smarter, believe it or not. I mean, you get more stubborn when you get older. We all do. But you just get into more circles and next thing you know you're finding more ideas and some really cool stuff and things that people invest–

Frank Curzio: You know, you're finding more ideas, and some really cool stuff, and things that people investing in. Invest a little bit of money it this. Where if you lost money, it's not gonna hurt ya. You're gonna be a little ticked off, but it's not gonna change your life or way of living. And that's some of the things that we represent for Curzio Venture Opportunities. That's the first thing I would say.

The second thing I would say is about stops. You always want to use stops. Is it a perfect system? Absolutely not. I love the question that I get all the time from subscribers, "Frank you have ..." Because we have stops on every one of our positions, we'll say around 35%. If we have a hard stop, not a trailing stop, but just a hard stop at 35%, I'll write that up in my newsletter, and I won't mention it again. And then when months ago by I'll get questions, "Frank, what's the exact ... Could you publish the exact price that the stop is?" And the answer's no. And the reason why I do that is because I've learned from my mistakes. Because, as you get a bigger following and you have more and more people reading your newsletter, say you have 10s of thousands of subscribers, now say if we bought whatever stocks, so it's the mid cap stocks, small cap stock that doesn't trade like Amazon, like the [inaudible 00:12:21] stocks. It has decent volume, it's okay. Now say my 35% stock falls 20%, and that's when I get the questions.

They're like, "What is the stop? Could you publish the exact price?" If the stocks say, wherever, my stop price at 20 bucks. Say it's $20.05. If I give that price out, so many subscribers are going to enter that into the market, and there's gonna be a massive amount, because even though I have 10,000 subscribers, some of those subscribers may be putting a couple thousand dollars, some subscribers may be putting over $100,000 in it. When you do that, what happens? The entire world, the entire world, the entire world, the greatest traders, all the algorithms, all the systems see that once it goes down to that level, $20 whatever cents, all this massive selling is gonna come in. They see it.

It's like if you're playing Texas Hold 'Em, it's like putting the two cards in the top of your head and showing everyone your hand. Because they know how to trigger that without even selling the stocks just by putting in offers, or just manipulating the market. That's what these algorithms do. And that's why you're seeing a massive sell off, because you see a lot of these stops are triggered a little bit above the 50-day moving average.

A little bit above the 100 day, the 200 day, and once they break, automatic sell orders come in, and that's why you'll see the market down 200, and go down 5-600, which it did last week in one day.

When it comes to stops, never enter them in the market. Keep it on a piece of paper, keep it wherever you need to keep it. But you wanna use stops. Is it a perfect system? No. I've had stocks come down and trigger it, and then fall under the 10%. A year later they were 100% higher. I know. It doesn't happen often, but sometimes it happens. And you know what? It ticks me off. But what's worse is if you have a stock like D Bold. D Bold was a stock that I love, they did a couple education segments, it's a stock that we generated money on in the past. It was the longest running stock that raised their dividend annually. I think it was something like 61 years, and then they took over another company, and basically ever since then, it was about three years ago, four years ago, the stock has just plummeted. It's come down.

We recommended it, it hit our stop, they cut the dividend, and we were out of it. I didn't pay attention to it, because once I'm out of a stock my mind's gone, that's it. I'm done with it. My subscribers are out of it, we took a loss. Did it hurt? Yes, it hurt. The stock went from $16 and is trading around four, because they triggered some of their debt covenants. What happens when that happens? Think about your portfolio, you lose that money. When you get hit and you're down 35%, it hurts, but you're taking money out, and now you have money to invest in other ideas. But once you lose that money it's gone, that's it. You don't have a second chance.

Say you have a company like that, and I'm giving you an example because this is my example, that's why it's easy to explain. But what about other companies that you invested? Everyone on this podcast has invested in a company that's gotten crushed. We all have, that's the market. We want to try to limit our losses and let our winner ride, that's how you make money. But everyone listening to this has had a monster loser.

You learn from them. But imagine if you could have cut your losses on that losing position, that's huge. That changes the whole outlook of your portfolio. I've known people who have all their money in one stock and that stock has gotten nailed, and it's gotten crushed, and they lose everything. They're just sitting there looking at the stock every day, and going "What happened? I have no idea." You want to be very careful, you want to diversify. There are Enrons out there sometimes, and other companies that could absolutely crash, that are dangerous, that you think are perfectly safe right now.

You want to use stops, is very, very important. But place them … Put on a paper, track them, there's different places you could do it. Either track your stops, even you could do it through your e-trade account, and they'll send you alerts when it gets triggered they'll send you alert and you go in there and sell the stock. Just don't put them in the actual market, because I could tell you, from learning in the newsletter industry, a place I worked previously before starting my own company … Great friend of mine, and I say this … He's one of the best day traders ever, amazing. And his performance was horrible for his newsletter. I know this guy is a great trader because I talk to him all the time, not only that, the guy, that's all he does. He's got a mansion, he's just amazing the way he thinks. But when it comes to the newsletter industry, and especially if you're using options at trade, you don't have a lot of liquidity.

And then when you get a big following of 10,000, 20,000 subscribers, this guy's research was showing up like Bolingbroke, Briefing.com, Fly On a Wall … Option velocity's through the roof because he would recommend the stock and everybody would pour on, and he'd have tight stops, and right away all the algorithms see it, all the greatest traders see it, all the big funds see it, and this guy was getting whipsawed out of his trade within weeks, and he was reporting a lot of losses, because everybody was seeing exactly what he was doing.

In the newsletter industry, it's different from if you're managing money, you don't wanna really seize too much what

you're doing. Yes, you have to report your holdings and stuff, but a lot of times you could be out of those holdings by the time you report. You gotta report after every quarter in 13 F, but those are the positions you had as of three weeks ago. You could be out of those positions after you report them, like Renaissance Capital is probably out of a lot of those positions, they're in and out through all these algorithms.

Anyway, I don't want to get off topic here, but when it comes to stops, guys, I use them because that's one of the best methods to limit my risk. It's not a perfect system, there's nothing that's perfect, there's no perfect strategy. If there is, everybody would use it. But that's one way you limit your risk. And, as a 66 year old, I just … Don't worry about those return. If you're making the returns, you're managing money slow and steady, that's perfectly fine. Yes, you want to keep up with the markets, but because you've seen the markets go up 15% over the past couple of years, don't try to play catch up, because you're gonna take on a lot more risk and that's how people get hurt, because they look backwards, they don't look forwards.

When I can see 20% earnings growth going forward forever, we'll see it the rest of this year, but it is gonna slow, there is gonna be good opportunities, but if you're managing money, if you're finding new ideas, just be careful. Don't be aggressive, don't try to go crazy and increase your turns, but limit your losses, and just buy good, quality stocks that are cheap, that have catalysts, and that are growing. Growth is very, very important. If you're not growing, that's what the markets want to see. I don't care if they're value market or growth market, there has to be some kind of growth catalyst over the next 12 months. And if there isn't then you're just gonna be sitting on a value stock forever, and it's probably gonna go a lot lower. I've learned my lesson trying to buy deep value companies, there has to be a catalyst, there has to be something out there.

And if people are talking about sum of parts, run. Shut the stock, you'll make a fortune on it. Because if you're talking about the sum of parts, if that's the only good thing you can

say about a company, if you break up part by part it'll be worth more now, sell it. That means it's a piece of garbage and their business models not working, that's why they're talking about sum of parts. Because everything else the company stands for is not working. If we break it up and selling it individual pieces, this is how much it's worth, and chances are it's worth about 40% lower than that price, because everyone knows you're gonna break it up, and when you tell everyone you're gonna sell something, they're not gonna give you a good bid. Just from my experience.

Thanks for the question. Let's move on to the next one. This one's from James. "Say Frank, long time listener, subscriber, thanks for all your hard work." You're welcome, I appreciate that. "I had a question on Lamb Research. Company's amazing and a growing industry. They have a staggering 35% return equity. They're buying back shares, raising their dividends. Their profits continue to go through the roof. And the share price continues to go down. Do you find this stock interesting here, or maybe can you shine line on the price movement? James."

James, interesting. Let's go over your email here, because Lamb Research, symbol LRSX, if you're not familiar with it, it's one of the biggest providers of equipment services to the semiconductor industry. Massive company here, $22 billion market cap, trading at just 11 times forward earnings, pays over 3% yield, which amounts to around $4.40 in earnings, which is a drop in a bucket, which means very, very safe because they generated over $13 in earnings over the past 12 months.

They have over 1.5 billion in cash flow, free cash flow, also very strong balance sheet with about, let me see here I'm looking at it right now, two and a half billion net cash on its balance sheet. Everything's great. You're right, you're looking at your return on equity, all this stuff, raising dividends right, buying back shares right. However, some things you're not right in. First of all, this is not a growing industry anymore. It's a growing industry for certain companies. For certain companies,

I mean companies involved in IOT, AI, and cars. Those are the industries that are growing. You're looking at memory, you're looking other … You're seeing a decline almost everywhere. We're seeing companies worn, we're seeing some of the larger ones. This is a company that's been warning about it too, saying there's a slowdown in Capex from a lot of their customers. These guys are in the forefront, just like Taiwan semiconductor. Again, they've been pulling pretty good profits, been steady, but they've been warning, seeing a slowdown in certain areas. You look at some of the companies who have exposure to Crypto have done well, but now you're seeing Crypto come off a little bit.

Overall, you're looking at this … Let's dig down a little further, you're gonna–

Frank Curzio: Overall, you're looking at this, let's dig down a little further, you're going to see why the stock's down, because the stock's down close to 40% over the past year, from a high of $234 to around $147, $150 today. What I want you to do is forget about return on the equity. It's a nice thing, it's awesome, it's important. It's not what drives stock prices. No one's ever going to say, "Well, because this has a high return on equity, the stock's going to," no. Forget about it. I'm not saying it's not important. It is, and value investors are probably going to rip me for this. I'm just saying what drives stocks, it's not a major factor in what's going to drive stocks a lot, lot higher. You see that coming, everybody sees it, great return on equity, it's fine. But it's growth, it's earnings. These are the things that are going to drive stocks, and yes, a lot of that can lead to earnings. But when you're looking at a return on equity that's very high, right, not so meaningful, because stock's down 40%. So you're not really going to see too many correlations where, "Oh, this company is such a high return on equity, that's why the stock price is so high." It's about growth, it's about earnings. That's what you really want to focus on.

When I look at Lam Research, last year, they generated $11.1 billion in sales. Next year, sales expectedly drop to $10.1 billion.

Okay, that's in a market where the average company S&P 500's growing sales by 10%. They're declining by 10%. Earnings, $17.80 a share in earnings, last year. This year, expected to drop to around $14.50. In a market where the average company S&P 500 is growing their earnings by 18%. When you look at those metrics, that's the reason why their stock is getting crushed. It's not growing like crazy like you're saying. There are a lot of good metrics there. Yes, they're raising money. Yes, the dividend, great, 3% yield. But they're operating in an industry that's in a cyclical decline, because they have a lot of exposure to memory. Fifty percent of their sales come from memory, and it's declining.

When I look at this company, going forward, earnings expected to grow again pretty much in line with the market, when it gets from 2019 to 2020, not that far away from 2019. But for me, and the company just reported a decent quarter, it was pretty good, for me, at 11 times forward earnings, and if that growth does happen, you're going to get a socket of steel right now. Because again, they just reported a decent quarter, so for me, it's worth following. I wouldn't buy it here for myself. I wouldn't buy it. Yes, the yield is nice, yes, a lot of things are going. For me, I just need to see more evidence that the company's back on track.

Because again, the semiconductor industry, it's in a cyclical decline right now. Everybody's saying it. Some companies are like, "Yeah, well." It's like, "No, we're in a," it's bad out there. You can tell by Intel coming down. You're going to see a lot of these companies start coming down, and Micron. You're looking at companies with leverage to IoT, AI, auto industry, gaming, like Nvidia, again, a lot of growth markets, it's definitely. But memory, again, Lam specializes in very weak, margins are falling. By the way, when you're talking about those massive buybacks, the company's earnings have falling sharply, and this accounts for Lam buying back billions worth of their stock. That's how weak it is. Now, while the quarter was solid, what I noticed, I like digging into stuff like this, management wasn't too optimistic. They say that customers are cutting CapEx,

they continue to cut CapEx. Also, 25% of their sales come from China, so impacted by tariffs. Plus, management. Management did not offer guidance for next year. Guys, that's a red flag.

That's one of the things I didn't like in Netflix. Okay, Wednesday it came out, I talked about, I said, yeah, I did my podcast on Wednesday, so Netflix reported Tuesday night. As I was doing the podcast, just, what was it? I think they reported on Tuesday. So I was tweeting about, after they reported, because it was up 14, 15%. I said, "Yeah, when that stock opens, it's not going to be up that much." Because it really wasn't that good of a quarter when I looked under the hood. One of the things with Netflix, not only are they spending more, right? I mean, so you saw [inaudible 00:26:22] blockbuster numbers everywhere. But if you're looking at what they're paying for subscribers, it's going a lot higher. They're spending more money.

Free cash was going to decline by a billion to $3 billion from $4 billion. They lowered earnings, even though they raised their subscriber guidance, which means what? They're getting subscribers, maybe they're getting them from India or another country, right, international subscribers went up, but are they really going to buy into everything? Are they into just certain movies that won't play in English, it won't play in another … It's not like a US customer that's going to spend money and watch a ton of stuff. Maybe they're just watching individual things, but the fact that they're not breaking that out. My point here is that, with Lam, saying that they're not going to offer guidance, Netflix said they're going to change the way that they offer guidance going forward, the report guidance going forward, with their subscribers. Why change when you're Netflix, and everything's great, and you're the best? For me, that's kind of a red flag? It sounds like you're trying to hide something to me.

When a company removes and says, "We're not going to report our guidance," it usually means things are a lot worse than expected. That's just the way it is. Because there's so much

uncertainty that I really don't have a clue that I can give the street to tell you. That happens with every business. I'm not picking on Lam here, I'm not picking on Netflix or anybody else. That happens with every business. Right now, if, I don't know, say you're in an alternative energy market, and you have leverage to China, and you have an election coming up, midterm elections that could impact money flows into this industry, how do I give guidance for the next 12 months? There's just so many factors that could amount to me generating $1 and earning $3 in earnings, and the street's expecting $2.25. For me, I would pull my guys and say, "Guys, listen. We're not going to talk about guidance or whatever, but it's kind of a red flag." It's the company telling you, "We're not sure what's going on right now, and we can't predict it," which means, "How do you predict spending? How do you predict Capex? How do you predict cutting costs or spending money for growth or different avenues?" Because it's just a confusing time for them.

When it comes to Lam, I would avoid it right now. I'm keeping it on my radar. But the biggest thing that I want to see is, the company announced they're going to buy back more stock, which is fine, but you know what? How about the insiders? Where the hell are the insiders here? If your stock's down 40% in the market where everything's going through the roof, why aren't the insiders buying here? I mean, how do you go to conferences and say how cheap you are and how great my company's doing. Management really didn't say that. Again, they were on the call saying that, "Listen, companies are cutting Capex. We still see risks." But for me, when a stock like this, an industry leader, is down 40%, I want to see insiders buying. All right, that's the ultimate buy signal. When this thing is down, and you have insiders increasing their positions, right, and they already have large [inaudible 00:29:15] increasing, that's the ultimate buy signal.

So when I see things like that, when I see an increase in buyback, when I see just another quarter of them coming out saying that, "Hey, our earnings for 2020 are on track," which, hopefully that is, you're going to see more growth, and now

you have a company trading at 11 times earning and going to start growing those earnings in the double digits like the rest of the market, it'll probably trade back to an industry multiple of around 16, giving you about, whatever, you do the math [inaudible 00:29:44] 16. But you'll get pretty good returns on that stock. But for me, I need more evidence on Lam. That's how I will look at this stock. So it's not growing tremendously, but they do have a lot of great stuff in it, like you said, like a very high dividend, cheap stock, high ROE, and stuff like that.

So hopefully, that helps, James. Again, that's my opinion. I've been wrong before, I could be wrong on this stock and get taken over, like tomorrow, and make me look like an idiot. But again, I don't just shout out numbers or shout out, "Hey, you know what? It's going down," or "Lam's going to $500." You could see the research I do, and I get into it, because I'm interested in this company. It is an industry leader, it's great, but there's a lot of factors. That's how I break down individual stocks and how I look at them. And if there a lot of those factors that I like, I dig even further. I go back to past quarters and look, what the company's saying or when the stock was trading at $2.35. Why was it trading so high? What was going so great? Because now it's so much lower. Could they get back to those great times? It's not going to be too hard. These are the measures that they're taking, they're cutting costs. All these things are going through my head, all these things. That's, for me, I love that part of the business, just trying to figure out. It's like a big puzzle of why I'm going to buy this stock or why it's a sell, why it's a buy. And those are just some of the factors that I look at.

So hopefully, I wasn't too confusing for you, and hopefully, I answered your question on Lam, because I know that you own the stock. But we'll see what happens in the future, and I'll revisit the situation probably next quarter. Guys, again, keep those questions coming in, awesome at frank@curzioresearch.com. That's frank@curzioresearch.com. I'm here for you, especially with the market volatile, a little crazy, and stuff like that. I know a lot of people are nervous, so feel free to ask any questions you want. I'm here for you. Again, frank@

curzioresearch.com. Have an awesome weekend. Spend time with the family, with the kids, and make sure you root for the Philadelphia Eagles. Okay, guys, that's it's for me. I'll see you in seven days. Take care.

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