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Always Free

Market News

The OPL market continued to underperform as many of our investors missed the rally in the S&P 500. Eight of our investors saw gains versus 10 with losses. Automobile stocks had a bad week, hurting some of our investors, but UPS's second strong week in a row has helped others. Overall, the OPL market lost .21%, outperforming the NASDAQ, but falling behind the DOW.

One participant made two major trades this week, dropping WWE, one of the best performers in the OPL Market this year, as well as candymaker Hershey (HSY). In exchange they picked up Pfizer (PFE) and Chewy (CHWY). This is an interesting move. Chewy had been one of the hottest stocks in one of the hottest industries (Pet Care) with Wall Street expecting tremendous growth, but recently the price has cooled after a tremendous surge. On the other hand, Pfizer is an established pharmaceutical company that Wall Street has ignored, in spite of its vaccine. There's a good case to be made for both of these companies, but it's up to the market to decide whether these trades end up being winners.

World News

Two mass shootings in a week have reignited calls for gun reform in the United States. The US has the highest rate of gun violence amongst developed countries, a rate that is literally 100 times higher than countries Singapore, Japan, and Indonesia. Historically gun control laws have had a difficult time gaining traction in Congress even in the face of multiple mass shooting every year.

The Senate voted to extend the Paycheck Protection Program by two months.

A massive cargo ship ran aground in the Suez Canal, blocking traffic in both directions. The Suez Canal is an important shipping route that sees about 51 ships pass through it per day. About 10% of the world's oil is shipped through the canal. Over 200 ships and their cargo are waiting for the canal to be cleared, which could take days. No one is certain what the total financial impact of this will be.

Boycotts against Nike and H&M are being organized in China. These actions are in response to US sanctions against China and the companies refusing to use cotton from the Xinjiang region. There are accusations of severe human rights violations against the Uighur minority by the Chinese government, many of which live in Xinjiang.

The CEOs of Facebook, Twitter, and Google testified before congress on the role of their platforms in the riot that resulted in the storming in the Capital on January 6th. Only Jack Dorsey of Twitter said that social media was a factor. The effect of social media on children and these company's responsibilities in battling false information was also discussed.

A judge in Massachusetts has allowed a lawsuit against Uber and Lyft to continue. The companies are accused of classifying their drivers as independent contractors instead of employees to avoid giving them benefits like sick days.

Finance News

It looked like another poor week on Wall Street, but stocks moved sharply higher in the last hour on Friday to make it a decent week. All of the major markets rose as the rally crossed all sectors. For the week large cap stocks made gains while technology and small caps had losses.

Bond rates fell as inflation numbers seem to be trending lower than expected.

Gamestop reported earnings on Tuesday, causing the stock to sink as the company is considering a share offering. The recent massive gain in the stock's price since January has made issuing new shares a tempting way to raise money, but stock offerings dilute the value of existing shares, making them a smaller portion of the company. Retail investors smelled a bargain and the stock rallied on Thursday, the roller coaster ride continuing.

Billionaires have seen their wealth increase by about 44% during the pandemic, a stark contrast to the fate of millions of Americans who been out of work.

Bank stocks rose as the Federal Reserve signaled that it will roll back restrictions on dividends and stock buybacks.

The global semiconductor shortage continues to sideline automobile production with many Ford plants still idle. Automobile stocks did poorly on the week.

Tesla announced it will accept Bitcoin as payment for its products and Morgan Stanley has included Bitcoin in its wealth management products. In spite of this Bitcoin slid for the week.

OPL by the Weeks

Date	Value	Best Stock	Week Change	Total Change
2/19	\$18,000,000.00			
2/26	\$17,300,664.66	GME	-3.89%	-3.89%
3/5	\$17,132,325.57	GME	-0.97%	-4.82%
3/12	\$17,648,076.82	GME	+3.01%	-1.96%
3/19	\$17,547,945.70	FB	-0.57%	-2.51%
3/26	\$17,511,549.91	BJ	-0.21%	-2.71%

Indexes and other Investments

As of market close 3/26/2021

Name	Type	Value	% Weekly Change
S&P 500	US Large	3,974.54	+1.57%
Dow Jones Industrial Average	US Large	33,072.88	+1.36%
NASDAQ	US Tech	13,138.72	-0.58%
Russel 2000	US Small	2,221.48	-2.89%
Nikkei 225	Japan	29,176.70	-2.07%
FTSE100	UK	6,740.59	+0.48%
Hang Sang	Hong Kong	28,336.43	-2.26%
Crude Oil	Commodity	60.86	-1.06%
10 Year US Treasury	Bond	1.66	-4.05%
Gold	Metal	1,730.80	-0.65%
Bitcoin	Crypto	54,369.00	-7.40%

Most Popular OPL Market Stocks

As of market close 3/26/2021

Name	Symbol	Owners	Shares	Value	% Change
Amazon	AMZN	8	549	3052.03	-0.75%
Apple	AAPL	6	11301	121.21	+1.02%
Alphabet	GOOG	5	429	2035.55	-0.37%
Netflix	NFLX	4	1479	508.05	-0.81%
Tesla	TSLA	4	1135	618.71	-5.52%

Weekly Big Movers

As of market close 3/26/2021

Name	Symbol	Value	% Change
BJs	BJ	45.69	+8.71%
CSX	CSX	97.66	+7.59%
Target	TGT	200.95	+7.14%
Pepsi	PEP	142.7	+6.10%
UPS	UPS	167.98	+5.46%
Tesla	TSLA	618.71	-5.52%
CNBS	CNBS	28.61	-6.84%
Moderna	MRNA	133.28	-7.28%
Hyundai	HYMTF	44.25	-8.95%
Gamestop	GME	181	-9.62%

Test Your Knowledge Challenge

Just one question to get your mind going moving.

- 1) When a company goes bankrupt, there are many people that will want to get their money. Put these groups in the order that they will be paid:
 - a. Shareholders
 - b. Preferred Shareholders
 - c. Bond Holders
 - d. Employees
 - e. Bankruptcy Managers

Answers to last week:

- 1) What product experienced a massive bubble and even more massive crash when people began speculating on them in the Netherlands during the 17th century?
 - a. Tulips! These pretty flowers became fashionable for a time and prices skyrocketed, only for the market to crash when prices began exceeding the value of a year's skilled labor and houses.
- 2) What is the common nickname for the period of time from 1996-2000 when the price of internet and technology stocks had massive gains, only to crash spectacularly with many companies failing?
 - a. Dot-com bubble or tech bubble. The internet was a new technology and people were investing in any and all companies in this new area hoping to make huge gains by picking a future leader when they were still small. Many of these companies were poorly managed or sketchy attempts to cash in on the mania with no real way to make money. For every Google or Amazon there were a dozen failures.

Leader Board

As of market close 3/26/2021

Fund	Market Value	Change	Largest Holding
MARSHMELLO	1,048,845.59	+0.31%	Pfizer
OKAPI	1,040,528.46	+3.30%	eBay
URAPEASENT	1,038,750.06	-2.74%	Ford
STOCKITUP	1,023,656.10	+0.39%	UPS
KOPIMON	990,910.47	+1.87%	Microsoft
KITTYCAT	986,797.40	+2.18%	Apple
GR4VITY09	983,479.02	+0.35%	Netflix
POKEDEX	980,149.35	-2.26%	Mattel
AYUNSTOCK	975,233.02	-1.94%	Regeneron
KARMA	970,056.04	+0.58%	McDonalds
KAYFUND	967,440.72	-0.44%	Amazon
CHAIR	965,712.42	+0.61%	Amazon
BLUESPHERE	938,034.10	-1.31%	Moderna
HJRCAPITAL	929,791.10	-1.50%	Roblox
LILLYPOP	925,135.47	-1.41%	Moderna
YODAGROUP	920,576.15	-0.28%	Pfizer
NESTEGG	919,870.21	-0.97%	BFIT
TROYBOI	906,614.23	-0.44%	Amazon

Dividends Paid

None

Trade Wire

MARSHMELLO: Sell HSY, Buy CHWY, Sell WWE, Buy PFE

Know Your Stocks: What's Up with Gamestop?

One year ago, no one would have thought that Gamestop would be the most talked about stock in the world, threatening to destabilize the market by rising at breakneck speeds. How did shrinking video game retailer shock Wall Street, make dozens of millionaires, and cause billions of losses for the “smartest” investors around? It'll take more than one week to tell this story, but it's definitely worth reading.

The Background on Gamestop

The company itself was founded in 1984 as Babbages, taking the Gamestop name in 1999. The company ran a number of stores dedicated to computer software and video games including Gamestop. The company became the largest retailer of video game in the world. One of their key innovations was the buying and selling of used games and consoles. This practice helped the company get repeat customers and gave it an advantage against larger stores. Gamestop joined the S&P 500 in 2007, an index for the US's biggest companies.

Times Change

While customers loved the used game program, video game developers did not. They tried a number of techniques to discourage or outright stop customers from buying used games, directly threatening Gamestop's business model. However, it was not until downloadable games became prevalent Gamestop started to see serious threats of its business. The rise of Amazon and other online retailers were also causing problems, with foot traffic in malls (where many Gamestop stores are located) falling. In 2016 Gamestop's holiday sales had fallen 16% and would continue to drop. Investors began to notice and the stock fell. Gamestop tried a few things to combat this, such as selling physical games in their online store and selling smartphones in their brick-and-mortar locations, but these activities were largely unable to help against their larger, high tech competitors. By the summer of 2019 the stock had fallen to around \$4 from a high of about \$62.

The Nightmare of 2020

Just when things couldn't get worse for retail companies, the COVID-19 lockdowns of 2020 hit. Sales at brick-and-mortar stores plummeted and Gamestop posted three straight quarterly losses.

Of course, poor sales at retailers weren't the only effect of Covid. Many people lost their jobs, but also many more people started working at home. Government stimulus checks were written to support the economy, but for many people whose finances weren't hurt by the pandemic this was just free money. The combination of extra cash, more time in front of the computer, and general boredom lead to an unprecedented increase in people signing up for brokerage accounts. Many of these people were young and not looking for investment, instead wanting to make fast money speculating on stocks. The activity of these investors has brought some wild swings to the market, none wilder than the one about to come.

Two sides to every trade

The poor sales at physical stores led many hedge funds to start short selling retail stocks. Gamestop was a particularly attractive target. Hedge funds saw Gamestop as vulnerable and short selling the company became a popular trade. When Ascena Retail, a mall-based retailer, went bankrupt, interest in shorting stores soared.

Over this same period of time an investor known on Youtube as Roaring Kitty saw Gamestop as a potential value investment, feeling that the stock price was below the worth of the company. Roaring Kitty began buying options in Gamestop in 2019 most of which lost money, but he remained bullish on the stock through 2020.

Two sides had taken positions on the company and things were about to go off the rails. . .

Your Thoughts: Investor Interview

None this week, but expect a double dose next time!