

The Croton Avenue Journal

May 3, 2021

Volume XI

Always Free

Market News

Things went well this week, with a huge gain at UPS lifting the OPL Market higher. This advance pushed the logistics company up to 4th in our favorite stocks list, knocking Netflix out of the top 5. Stocks were quite mixed so the gains weren't evenly spread amongst our participants, resulting in a lot of movement in this week's rankings.

The trading box was busy this week. One investor decided to cut all of their investments to increase their stake in Amazon, hoping for the company to make a big move, possibly inspired by the rumors of the upcoming stock split. Amazon continues to be our #1 pick, now accounting for over 13% of the combined portfolio. Another investor jumped on board Game Stop and Brooks Automation, hoping that these two hot stocks continue to make gains.

With only two weeks left, this upcoming week is your last chance to make a trade. If you're behind, is there a longshot stock you think could make a big move? If you're ahead, are you thinking about selling your risky holdings? Make a move or hold, the choice is yours.

World News

The highly successful Ingenuity mission has been extended. Ingenuity put a drone onto Mars as a tech demonstration, but it has exceeded expectations and will be further used. Mars is a planet that could theoretically be explored by humans at some point in our lifetimes.

The Coronavirus outbreak in India has worsened. The US has issued a "do not travel" advisory for the country. India has the world's second largest population at 1.366 billion people, making a major outbreak in the country a global threat.

Tensions in a disputed territory in northern Ethiopia has increased over the past month. The local government of the Tigray region had grown dissatisfied with the Ethiopian government and began holding its own elections. Ethiopia has responded with harsh military action. Bombings and direct assaults on civilians have forced many to flee the region. The Eritrean* military has also intervened in the conflict, escalating the violence.

**Eritrea: A small country north of Ethiopia that achieved their independence from Ethiopia in 1991 after a long war for independence.*

Finance News

The major averages were little moved on the week as stocks were mixed. Strong earnings kept markets near all-time highs, but shakiness in foreign markets prevented any real gains.

Gamestop issued 3,500,000 new shares, raising about \$550,000,000. Normally share issues are negative news for stocks, but Gamestop rallied up around 15% for the week. Much of the money was used to retire debt.

Lyft sold its autonomous* driving division to Toyota for \$550 million. Lyft had claimed in 2017 that the majority of its rides would be in self-driving cars by 2021, but that reality never materialized as the technology has been slow to develop. Setbacks included a self-driving car developed by Uber killing a pedestrian in 2018. Uber sold its autonomous driving division in 2020 as the number of companies working in the field has narrowed significantly.

Lumber prices have more than tripled over the past year as demand for wood has skyrocketed since the pandemic with people stuck at home using their time on home improvement projects. Construction costs for new homes have greatly increased. Even with lumber production at a 13-year high (the highest since the financial crisis and housing bubble burst) prices have begun to spiraling upwards.

Speculation is surrounding whether Amazon will have a stock split. Stock splits are used by companies to lower their share price, normally to make them easier to trade. Were Amazon to have a large stock split, it could be considered to be included in the Dow Jones Industrial Average. Because the Dow is price weighted** stocks with very high share prices are not included. At a 10 for 1 split*** Amazon would be the third largest stock in the index.

Apple beat earnings estimates handily, but reported having over \$200 billion in cash, far more than it needs for operations. Investors normally do not like companies with excess cash, preferring the company either invest it, spend it on R&D**** or return it to shareholders with dividends or stock buybacks. There is no word on what Apple's plans are for the cash. Raising dividends, acquiring another company, and stock buybacks could all be possibilities.

Berkshire Hathaway's annual shareholder meeting was this weekend. This event is obviously important to investors in the company, it draws attention from people all over the finance world. Warren Buffett, the company's CEO, is considered by many to be the greatest investor in history and people look to his comments for insight on investing. Berkshire announced that it has bought back more as its operating profit rose.

Turkey, a country in turmoil, has seen many people turn to cryptocurrencies to protect their wealth. In response, Turkey's president Recep Tayyip Erdoğan announced a ban on using cryptocurrencies as payment, throwing the market into chaos. Two local cryptocurrency

exchanges collapsed, with the owner of one fleeing to Albania, allegedly embezzling over \$2 billion worth of coins during his flight. Member of his family have been arrested by Turkish authorities. Part of the attraction of cryptocurrencies is that they exist beyond the reach of the government, but Turkey's aggressive actions are clearly putting that to the test.

**Autonomous: Able to do things without outside help.*

***Price Weighted: The higher the price, the larger a portion of the index.*

****10 for 1 split: Each shareholder would receive 10 shares for each share they own.*

*****R&D: Short for "Research and Development," this is when a company spends its money to develop new technology.*

Indexes and other Investments

As of market close 4/30/2021

Name	Type	Value	% Weekly Change
S&P 500	US Large	4,181.17	+0.02%
Dow Jones Industrial Average	US Large	33,874.85	-0.50%
NASDAQ	US Tech	13,962.68	-0.39%
Russel 2000	US Small	2,266.45	-0.24%
Nikkei 225	Japan	28,812.63	-0.72%
FTSE100	UK	6,969.81	+0.45%
Hang Sang	Hong Kong	28,724.88	-1.22%
Crude Oil	Commodity	63.49	+2.11%
10 Year US Treasury	Bond	1.63	+3.82%
Gold	Metal	1,768.80	-0.42%
Bitcoin	Crypto	57,504.31	+12.66%

Weekly Big Movers

As of market close 4/30/2021

Name	Symbol	Value	% Change
United Parcel Service	UPS	203.86	+15.95%
Gamestop	GME	173.59	+14.82%
Facebook	FB	324.9	+7.89%
Fedex	FDX	290.31	+4.53%
Alphabet	GOOG	2410.12	+4.10%
Roblox	RBLX	74.55	+3.86%
Zoom	ZM	319.57	-5.14%
Ford	F	11.54	-5.56%
eBay	EBAY	55.79	-8.41%
Spotify	SPOT	252.12	-11.26%

Test Your Knowledge Challenge

Just a quick one this week! Try to figure out what company these really not obvious stock symbols belong to.

- 1) AVGO
- 2) X
- 3) LUV
- 4) PLAY
- 5) CRM
- 6) LAVA
- 7) OO
- 8) WOOF

Answer to last week:

Company	Symbol	Market Cap	Revenue	Earnings
Apple	AAPL	1 st [2.207 T]	3 rd [325.4 B]	1 st [88.90 B]
Amazon	AMZN	2 nd [1.748T]	2 nd [386.0 B]	3 rd [22.89 B]
Tesla	TSLA	3 rd [683.4 B]	5 th [31.5 B]	5 th [1.99 B]
Walmart	WMT	5 th [393.6 B]	1 st [559.1 B]	4 th [22.59 B]
JP Morgan Chase	JPM	4 th [465.6 B]	4 th [123.6 B]	2 nd [40.6 B]

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%
4/2	\$17,813,021.61	BRKS	+1.72%	-1.04%
4/9	\$18,432,854.73	AAPL	+3.48%	+2.40%
4/16	\$18,757,808.86	MRNA	+1.76%	+4.21%
4/23	\$18,543,898.29	CSX	-1.04%	+3.02%
4/30	\$18,690,869.49	UPS	+0.79%	+3.84%

Leader Board

As of market close 4/30/2021

Fund	Market Value	Change	Largest Holding
STOCKITUP	1,156,817.48	+2.93%	UPS
MARSHMELLO	1,122,945.47	+0.95%	Regeneron
KITTYCAT	1,093,882.25	+3.18%	Apple
BLUESPHERE	1,072,701.46	+1.16%	Moderna
CHAIR	1,060,238.72	+2.19%	Amazon
KAYFUND	1,059,305.53	+2.03%	Amazon
URAPEASENT	1,054,419.78	-1.41%	Ford
AYUNSTOCK	1,050,298.27	+0.75%	Regeneron
KOPIMON	1,049,864.74	+2.09%	Microsoft
POKEDEX	1,039,571.57	+2.07%	Mattel
OKAPI	1,036,816.35	-1.95%	eBay
GR4VITY09	1,025,664.58	+1.55%	Netflix
KARMA	1,012,019.57	+0.61%	McDonalds
YODAGROUP	999,348.91	-1.11%	Pfizer
HJRCAPITAL	981,252.79	+0.73%	Roblox
TROYBOI	969,995.01	-0.72%	Amazon
LILLYPOP	960,723.77	+0.51%	Amazon
NESTEGG	945,003.24	-1.73%	BFIT

Dividends Paid

Has - .68, CMG - .275

Trade Wire

LILLYPOP: Sell DIS, Buy GME, Sell NTDOY Buy BRKS

KARMA: Sell LLY, NFLX, MCD, and WMT Buy AMZN

Most Popular OPL Market Stocks

As of market close 4/30/2021

Name	Symbol	Owners	Shares	Value	% Change
Amazon	AMZN	9	716	3467.42	+3.79%
Apple	AAPL	6	11301	131.46	-2.13%
Alphabet	GOOG	5	429	2410.12	+4.10%
United Parcel Service	UPS	4	4021	203.86	+15.95%
Tesla	TSLA	4	1135	709.44	-2.74%

Know Your Stocks: Tax Time

Do you have to pay taxes on stocks? That's complicated. The short answer is yes, but there are a lot of rules. This article will tell you some of the very basics about the subject. Please note that this is an extremely simplified summary and not intended to be actual financial advice! Make sure to do research and/or consult a financial professional to determine the proper course of action for your own taxes!

Capital Gains

You might be surprised to know you don't have to pay taxes just because your stocks go up. If you buy a stock for \$10 and it goes to \$100, you don't have to pay anything. Even if it reaches \$1000, you don't owe a dime. Well, you don't owe anything until you **sell** the stock. If you sell it for more than you bought it for that's called a capital gain and you have to pay taxes on the difference.

There is an important way to save money on these taxes, though. If you hold the stock for one year or less this is called a "short-term" gain and it is taxed as if it is income at your usual rate. But if you hold the stock for more than a year this is called a "long-term" gain and is taxed at a rate that has a much lower maximum. This can save you a lot of money, especially if you have a high income or sell lots of stock at once.

Dividends and Distributions

Dividends and distributions also have to have taxes paid on them and this has to be done every year that they are paid. These dividends can be at the normal income rate or the lower capital gains rate if they count as qualified dividends. Most US companies are eligible for qualified dividends (some foreign ones do to), but the investor must also have held the stock for a certain amount of time prior to being paid the dividend. This is another advantage to holding stocks for a long time.

Individual Retirement Accounts

IRAs are a special type of account that investors can use to defer or avoid taxes. These accounts have rules for who can use them, how much can be invested, and when the money can be taken out that the investor needs to understand. Traditional IRAs allow the investor to avoid paying taxes on the money put into them immediately, waiting to pay those taxes when they take the money out after they retire. Roth IRAs require you to put taxed money into the account, but with no taxes paid on any of the dividends or capital gains made while the money is in that account. As long as you understand the restrictions that these accounts entail, they can really help grow your wealth.

But I Lost Money!

Not every investment works out. When you sell a stock for less than you bought it, this is a capital loss. Losing money is never good, but a capital loss can be used to lower your taxes. Capital losses can be used to cancel out capital gains. So, if you made \$5,000 on one stock sale and lost \$2,000 on another, you would only pay taxes on the \$3,000 gain. If you have more losses than gains, you can take that off of your income, but there is a limit to the amount that can be subtracted each year. If you have a huge loss, it may take years before you can write off the entire thing.