

Two trends worth noting quickly – and outside of the regular ‘group’ of non-subscribers.

Even though the service is temporarily ‘suspended’, I can’t help sending you all this ‘special’ alert – my long-time and loyal subscribers:

Ok, those two trends.

ONE – Alternative energy and specifically SOLAR. I am of the opinion that solar isn’t a tremendous long-term investment when oil prices are particularly likely to stay relatively low for a while, like they are now. One of the main theses of my upcoming book “Turning Oil Green” is that solar and wind do best when they are more competitive to ‘traditional’ fossil fuel sources – meaning when oil is very expensive, not cheap.

Let’s face it – everyone wants to save the world, but are more interested in saving their wallets first.

HOWEVER – the growing prospects of Joe Biden winning the next election are igniting solar stocks in the last three weeks. His ‘appointments’ of AOC and John Kerry to his “climate” committee and support for a \$2T initiative for alternative energy if he becomes President is enough to get investors chasing solar stocks (even bad ones) to astronomical heights right now.

We’ve seen this before – Stocks just like these (and some of the same ones) caught fire in 2008 when Obama won election. None of it was based on real growth or earnings – just hype – but there was a lot of money to be made. We DO want to be in on this, if we can get in still at a good price.

I’ve always preferred First Solar as a benchmark for this kind of investment.



This stock did what it should, getting hammered, just like oil stocks, because of Coronavirus. But now, it's back to where it was before and looking like it's not stopping. It's developed a nice support around \$59-60, and I'd take some there. Of course, I always find options a terrific supercharger of these trades, and suggest them here – maybe only as a partial give. The volatility of the Jan21 calls are near 50%(!!), impossible to not use.

I'd sell some \$65's or \$67.50's for a partial cover, or do all of them with \$80 calls If you're looking for a home run trade. The Jan's are perfect – inauguration time. Maybe Kanye will take some steam out of Biden for a moment or two, and the stock will come down a bit more. Watch for it.

Second trend: Schlumberger. This is a parallel of the solar stocks. As they're being hyped to infinity, the better (much better) oil stocks are still being held in universal 'hate'. With SLB, They've done EVERYTHING right – cut capex, cut personnel, cut expectations, took all the big write-downs, hunkered down. And they're NOT being rewarded – yet.

I LOVE them at \$19.

talk soon,

Dan