



1 May 2023

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Chief Executive Officer

Relative Value Model

1Q23 Earnings Review: EE24 down

The S&P 500 rose 1.5% while EE24 fell 0.5%, pushing the PE24 up from 17.0 to 17.3. The 10 year was almost unchanged, ending at 3.44 as markets try to decide how far the Fed can go to slow the economy without creating too much pressure on asset prices, which effected capital reserves for some banks. Housing stocks are ironically benefiting.

Stay defensive. No recommended adjustments.

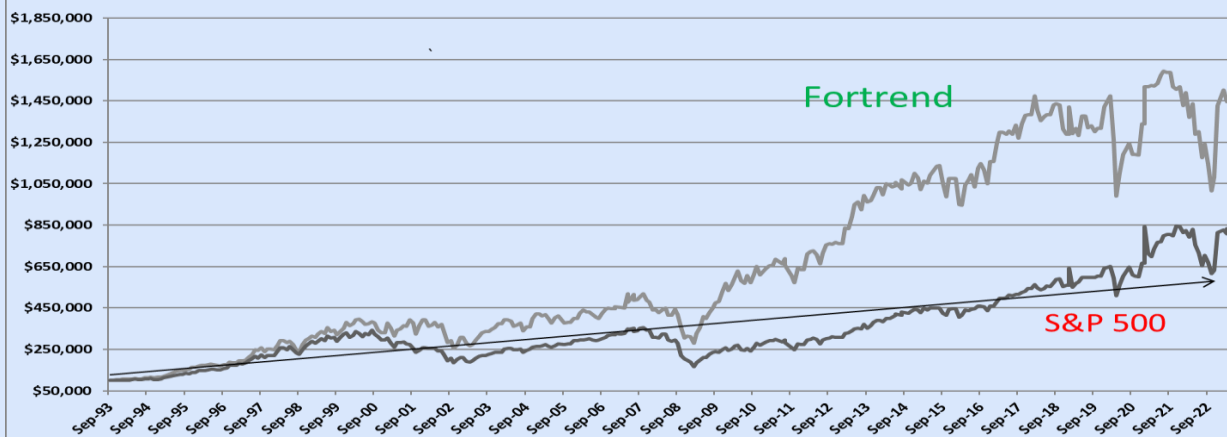
Best Price Performers

23.4%	Tenet Healthcare
21.0%	Chipotle
17.9%	Intuitive Surgical
17.6%	Baxter International
15.3%	Lilly (Eli)
15.2%	Pulte
13.4%	Meta
12.8%	Medtronic
12.4%	DR Horton
10.3%	Hasbro
10.2%	Louisiana Pacific.
10.0%	Modelz Intl
9.9%	Church & Dwight
9.8%	Starbucks
9.7%	Barclays Bank

Worst Price Performers

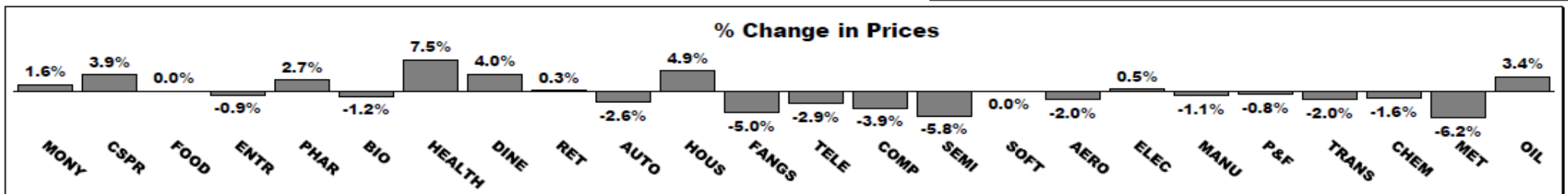
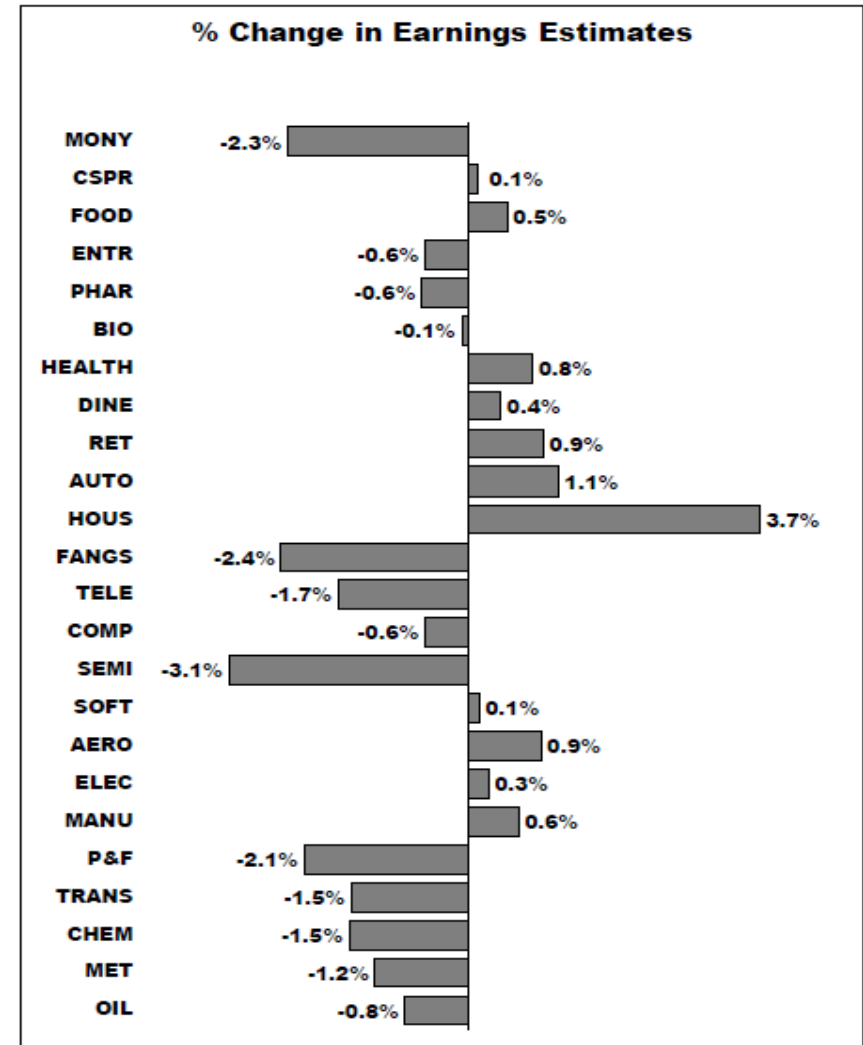
-11.4%	Block Inc
-11.6%	Illumina
-12.3%	US Steel Corp
-12.4%	Juniper
-12.7%	ALCOA
-12.9%	Microchip Tech
-13.5%	Moderna
-13.8%	Spirit Aerospace
-16.1%	Cleveland Cliffs
-16.1%	Albemarle
-16.8%	Zoom
-17.1%	Alibaba
-19.5%	Dish Network
-20.1%	Baidu
-20.8%	Tesla

Fortrend outperforms the S&P 500



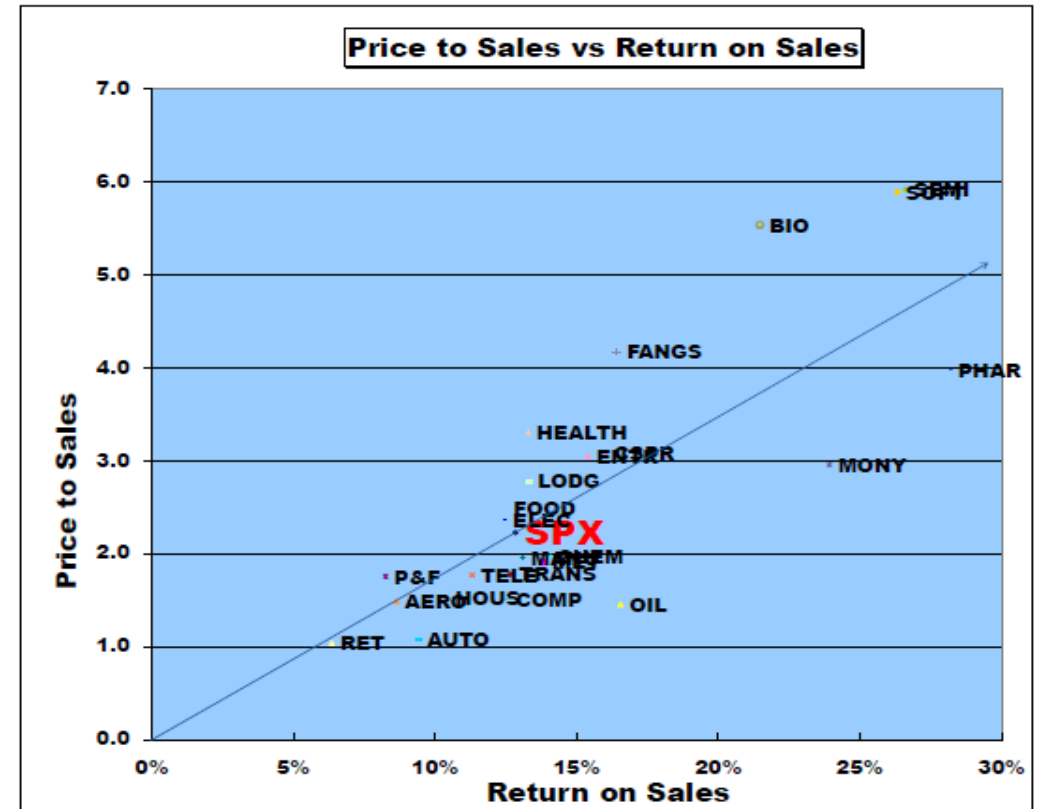
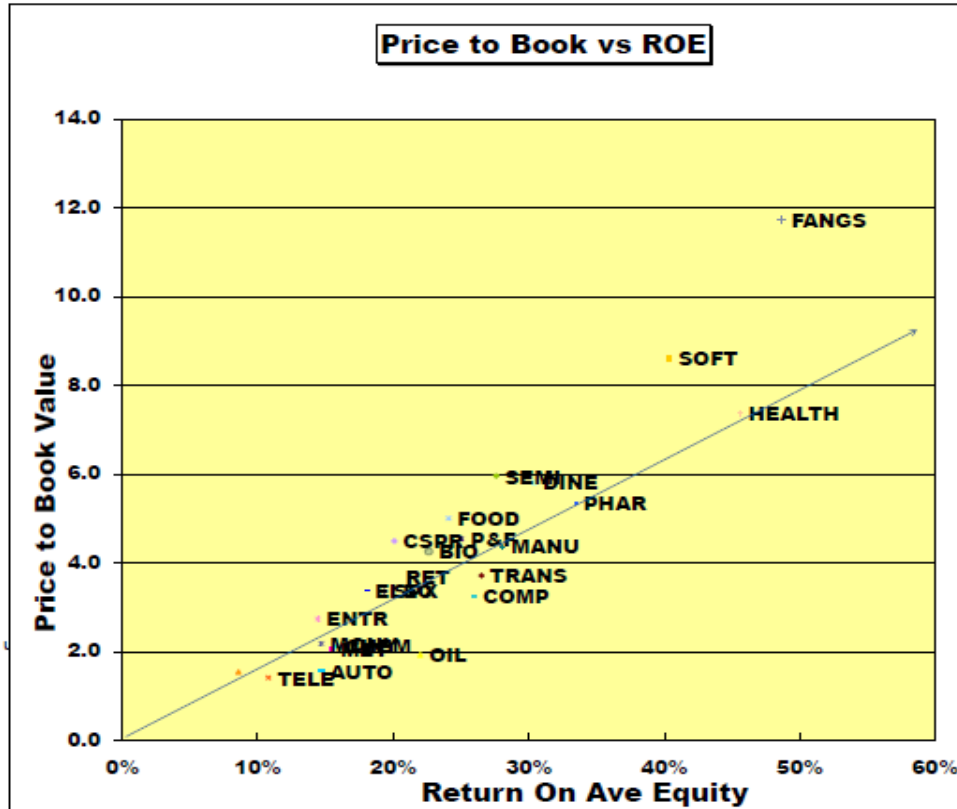
Relative Value Model

Plus Percentage Change in Price/Sales	1.3%
Minus Percentage Change in Return on Sales 2024.....	-0.8%
Equals Percentage change in P/E 2024	2.1%
Current P/E 2024	17.4
SPX Dividend Yield.....	1.8%
10 year Treasury Yield	3.4%



RELATIVE VALUE MODEL

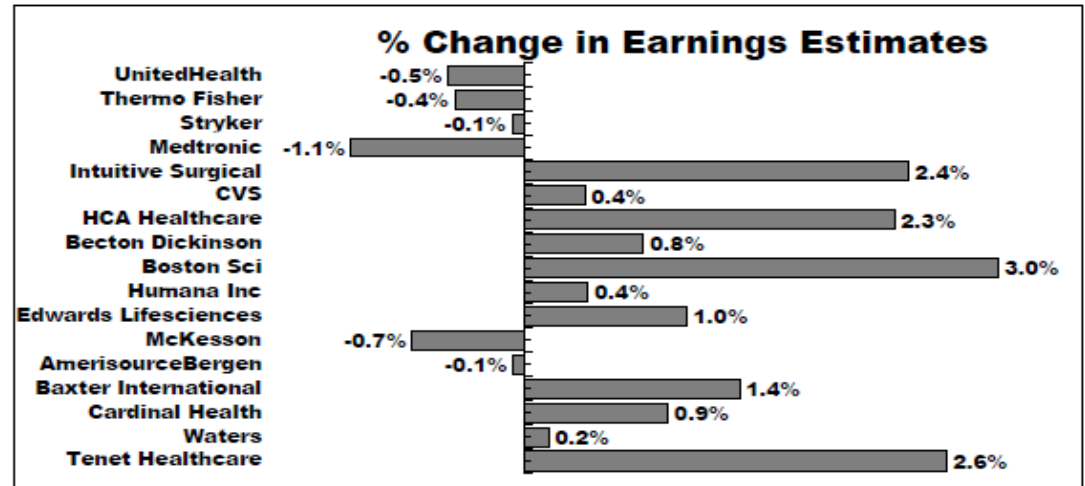
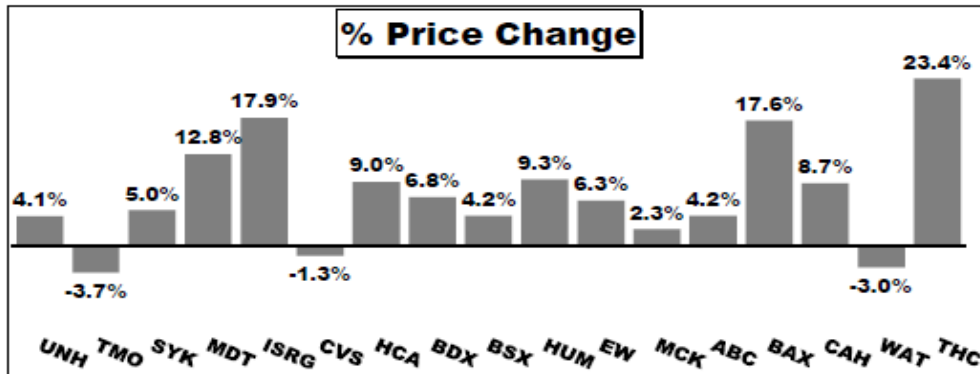
<u>Company</u>	<u>Code</u>	<u>Price</u>	<u>X Shares</u> <u>Outstanding</u>	=	<u>Market</u> <u>Cap</u>	<u>Equity</u> <u>22A</u>	<u>EPS</u> <u>23E</u>	<u>Div</u> <u>23E</u>	=	<u>Equity</u> <u>23E</u>	<u>EPS</u> <u>24E</u>	<u>Div</u> <u>24E</u>	=	<u>Equity</u> <u>24E</u>	<u>Price/</u> <u>Book</u>	<u>ROE</u> <u>24E</u>	<u>Projected</u> <u>Sales 23E</u>	<u>Price/</u> <u>Sales</u>	<u>ROS</u> <u>24E</u>	<u>P/E</u> <u>24E</u>	<u>Yield</u>
S&P 500	SPX	4,169	1	=	4,169	1,012	218.31	70.49	=	1,160	240.10	75.08	=	1,325	3.4	19.3%	1,868	2.2	12.9%	17.4	1.8%
Financial Inst.	MONY	92.24	3,308	=	129,490	93,512	6.89	2.07	=	100,895	7.88	2.21	=	108,724	2.2	14.7%	48,445	3.0	23.9%	12.4	3.8%
CONSUMER NON-CYCLICALS																					
Consumer Products	CSPR	167.53	710	=	101,958	12,980	6.14	3.31	=	14,759	6.92	3.53	=	16,812	4.5	20.1%	25,068	3.1	16.0%	21.5	3.3%
Food	FOOD	94.31	1,159	=	102,313	19,178	4.34	2.39	=	20,928	4.73	2.51	=	22,896	5.0	24.1%	38,637	2.5	12.5%	18.7	3.4%
Entertainment	ENTR	108.82	1,202	=	70,928	28,190	4.71	0.77	=	31,208	5.50	0.86	=	34,736	2.7	14.4%	33,979	3.0	15.4%	18.8	1.2%
Pharmaceuticals	PHAR	131.49	2,245	=	212,412	41,200	7.72	3.49	=	48,895	8.49	3.68	=	57,436	5.3	33.4%	51,681	4.0	28.2%	14.1	3.4%
BioPharma	BIO	273.95	379	=	68,828	13,703	12.30	1.61	=	16,203	13.48	1.69	=	18,908	4.3	22.6%	13,483	5.5	21.5%	16.4	1.2%
Health Care	HEALTH	223.55	482	=	71,916	16,778	11.26	1.63	=	19,742	12.37	1.63	=	23,023	7.4	45.6%	91,354	3.3	13.3%	19.6	1.0%
CONSUMER CYCLICAL																					
Restuarants, Hotel	DINE	227.62	1,230	=	41,843	719	6.65	1.59	=	1,493	8.00	1.79	=	2,550	5.8	30.4%	13,159	2.8	13.3%	20.9	2.2%
Retail	RET	282.74	1,292	=	80,007	14,438	12.87	1.34	=	16,636	14.98	1.48	=	19,251	3.7	20.3%	112,555	1.0	6.4%	16.4	2.8%
Automobile	AUTO	99.43	2,375	=	55,306	57,051	9.88	3.16	=	61,410	10.19	3.23	=	66,230	1.6	14.7%	103,423	1.1	9.4%	11.4	3.1%
Construction, housing	HOUS	541.88	311	=	49,184	3,342	36.81	2.37	=	5,258	37.90	2.48	=	7,282	4.1	26.0%	30,037	1.5	10.4%	14.8	2.0%
TECHNOLOGY																					
Internet BAT FANGS	FANGS	119.94	5,373	=	645,550	86,655	4.68	0.11	=	110,663	5.82	0.12	=	139,407	11.7	48.7%	171,520	4.2	16.4%	25.4	0.1%
Telecom	TELE	76.51	3,821	=	88,331	56,042	3.64	1.08	=	59,881	4.53	1.11	=	64,728	1.4	10.8%	63,332	1.8	11.3%	15.7	2.8%
Computers	COMP	68.16	974	=	59,888	11,833	4.79	1.89	=	14,321	5.20	1.96	=	17,107	3.2	26.0%	38,792	1.5	12.6%	12.1	3.0%
Semiconductors	SEMI	202.74	1,264	=	179,606	29,722	8.23	3.42	=	33,098	10.22	3.74	=	38,419	6.0	27.6%	29,193	5.9	26.6%	22.2	1.7%
Software	SOFT	230.23	1,369	=	319,882	30,924	8.42	1.23	=	39,549	9.58	1.35	=	49,568	8.6	40.4%	42,513	5.9	26.3%	22.4	0.7%
Aerospace	AERO	181.17	648	=	61,818	13,509	8.60	3.32	=	15,099	10.13	3.70	=	17,186	1.5	8.6%	40,427	1.5	8.6%	17.3	1.8%
INDUSTRIAL CYCLICAL																					
Electrical	ELEC	175.04	691	=	79,160	23,294	8.13	2.77	=	25,494	9.37	2.91	=	28,171	3.4	18.0%	34,901	2.4	12.5%	19.0	2.1%
Manufacturing	MANU	179.61	249	=	47,846	8,326	11.80	3.40	=	10,513	12.68	3.58	=	12,869	4.4	28.1%	24,619	2.0	13.1%	15.0	2.2%
Paper, Forest Packaging	P&F	57.36	345	=	14,130	4,372	3.18	1.72	=	4,633	3.65	1.64	=	5,029	4.5	25.0%	11,276	1.8	8.3%	19.2	2.8%
Transportation	TRANS	110.32	1,631	=	56,898	11,458	7.64	2.39	=	13,365	8.61	2.53	=	16,186	3.7	26.5%	44,044	1.8	12.7%	14.0	1.9%
Chemicals	CHEM	121.30	416	=	43,694	19,065	8.50	2.81	=	20,747	9.23	2.93	=	22,713	2.1	15.8%	26,513	2.0	14.0%	14.0	3.1%
RAW MATERIALS																					
Metals	MET	51.49	928	=	45,471	20,959	4.28	1.55	=	22,670	4.20	1.50	=	24,406	2.1	15.5%	22,977	1.9	13.9%	13.8	2.6%
Oil	OIL	62.27	1,897	=	124,428	65,077	6.03	1.67	=	73,629	6.50	1.83	=	82,234	1.9	22.0%	110,164	1.5	16.6%	8.8	2.8%

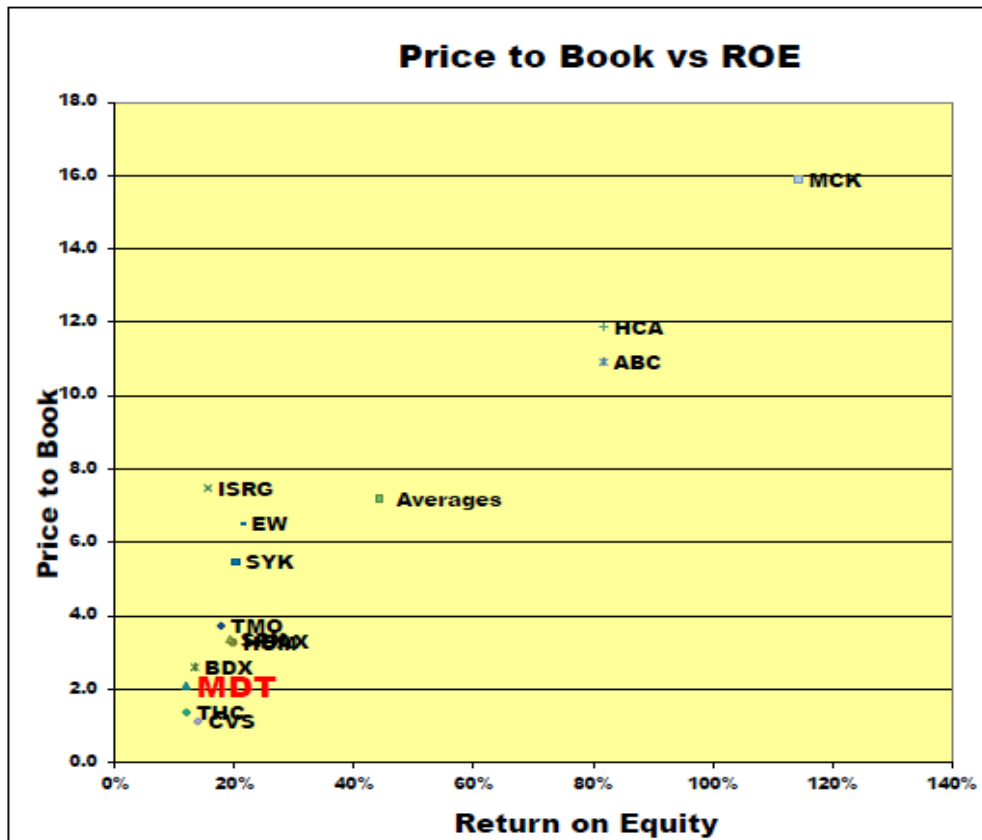


HEALTH CARE

Company	Code	Price	X Shares Outstanding	Market Cap	Equity 22A	EPS 23E	Div 23E	Equity 23E	EPS 24E	Div 24E	Equity 24E	Price/Book	ROE 24E	Projected Sales 23E	Price/Sales	ROS 24E	P/E 24E	Yield	Y/E	
UnitedHealth	UNH	492.09	933	450,044	86,347	24.96	6.90	103,199	28.06	7.60	122,284	4.1	23.2%	389,192	1.2	6.7%	17.5	1.5%	Dec	
Thermo Fisher	TMO	554.90	386	214,024	44,148	23.70	1.33	52,775	26.57	1.33	62,509	3.7	17.8%	48,840	4.4	21.0%	20.9	0.2%	May	
Stryker	SYK	299.65	379	113,517	16,616	10.02	3.03	19,265	11.09	3.03	22,317	5.5	20.2%	21,166	5.4	19.8%	27.0	1.0%	April	
Medtronic	MDT	90.95	1,330	121,002	52,721	5.27	2.60	56,284	5.22	2.60	59,778	2.1	12.0%	32,261	3.8	21.5%	17.4	2.9%	April	
Intuitive Surgical	ISRG	301.22	350	105,547	11,113	5.47	-	13,029	6.28	-	15,230	7.5	15.6%	8,134	13.0	27.1%	48.0	0.0%	Dec	
CVS	CVS	73.31	1,280	93,824	71,315	8.77	2.31	79,584	9.14	2.31	88,328	1.1	13.9%	323,867	0.3	3.6%	8.0	3.1%	Jun	
HCA Healthcare	HCA	287.33	275	79,070	(73)	17.87	2.20	4,238	19.82	2.20	9,086	11.9	81.9%	66,655	1.2	8.2%	14.5	0.8%	Dec	
Becton Dickinson	BDX	264.31	284	75,038	25,282	12.21	3.97	27,619	13.68	3.97	30,374	2.6	13.4%	20,294	3.7	19.1%	19.3	1.5%	Sep	
Boston Sci	BSX	52.12	1,437	74,914	17,574	1.95	-	20,371	2.22	-	23,559	3.4	14.5%	14,948	5.0	21.3%	23.5	0.0%	Dec	
Humana Inc	HUM	530.49	125	66,282	15,370	28.25	3.43	18,471	32.07	3.43	22,050	3.3	19.8%	112,188	0.6	3.6%	16.5	0.6%	Dec	
Edwards Lifesciences	EW	87.98	606	53,335	5,807	2.54	-	7,343	2.86	-	9,080	6.5	21.1%	6,523	8.2	26.6%	30.7	0.0%	Dec	
McKesson	MCK	364.24	137	49,879	(1,792)	25.93	2.02	1,482	26.22	2.02	4,796	15.9	114.4%	286,082	0.2	1.3%	13.9	0.6%	April	
AmerisourceBergen	ABC	166.85	202	33,747	71	11.63	1.93	2,032	12.51	2.01	4,156	10.9	81.8%	264,892	0.1	1.0%	13.3	1.2%	Sep	
Baxter International	BAX	47.68	506	24,119	5,895	2.91	1.18	6,769	3.30	1.11	7,873	3.3	22.8%	15,932	1.5	10.5%	14.5	2.3%	Dec	
Cardinal Health	CAH	82.10	258	21,152	(706)	5.46	2.00	187	6.36	2.00	1,311	28.2	218.6%	215,410	0.1	0.8%	12.9	2.4%	Jun	
Waters	WAT	300.36	59	17,727	504	12.70	-	1,254	14.16	-	2,089	10.6	50.0%	3,418	5.2	24.4%	21.2	0.0%	Dec	
Tenet Healthcare	THC	73.32	102	7,474	4,608	5.55	-	5,174	6.48	-	5,834	1.4	12.0%	21,053	0.4	3.1%	11.3	0.0%	May	
Averages												7.2	44.3%	3.2	12.9%	19.4	1.0%			
S&P 500	SPX	4,169	1	4,169	1,012	218.31	70.49	1,160	240.10	75.06	1,325	3.4	19.3%	1,868	2.2	12.9%	17.4	1.8%		

Plus Percentage Change in Price/Sales	6.0%
Minus Percentage Change in Return on Sales 2024	-0.2%
Equals Percentage change in P/E 2024	6.1%
P/E Last Month	23.2
Current P/E 2024	19.4

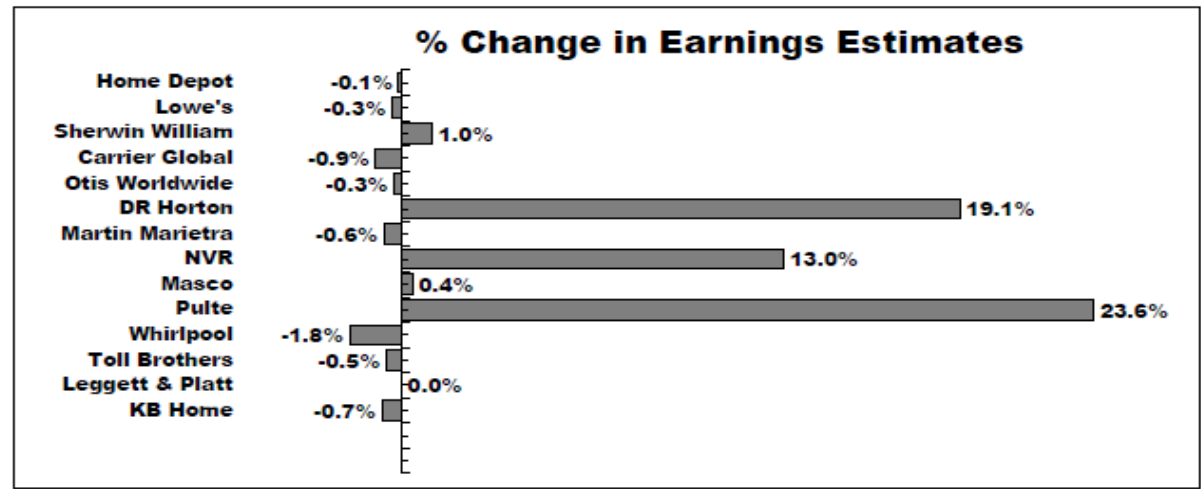
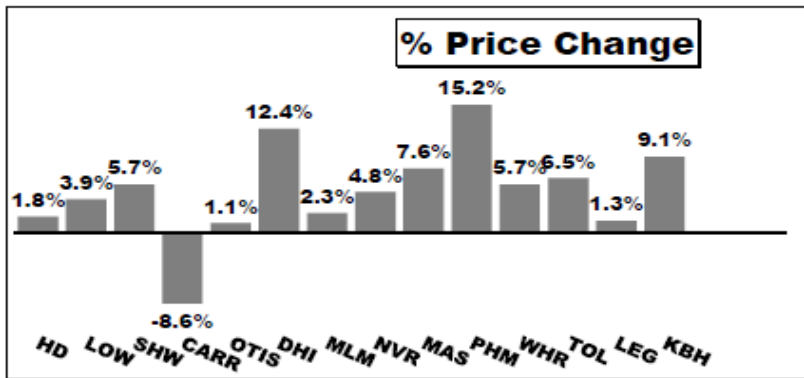


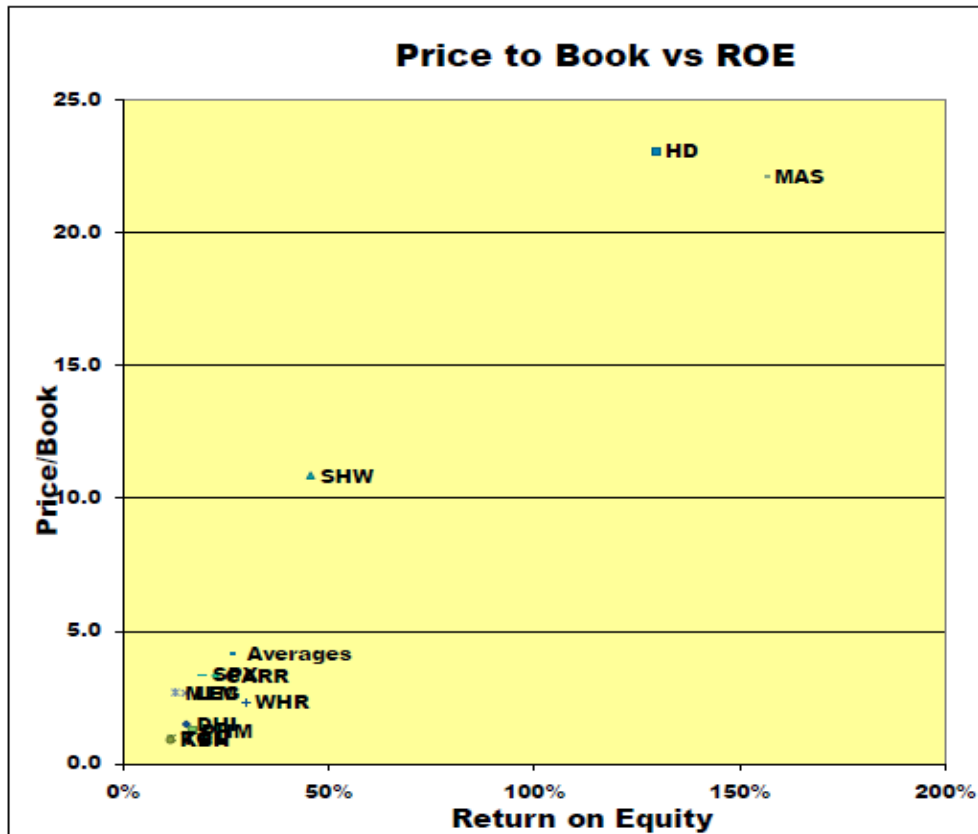


HOUSING CONSTRUCTION

Company	Code	Price	X Shares Outstanding	=	Market Cap	Equity 22A	EPS 23E	Div 23E	=	Equity 23E	EPS 24E	Div 24E	=	Equity 24E	Price/Book	ROE 24E	Projected Sales 23E	Price/Sales	ROS 24E	P/E 24E	Yield	FYE
Home Depot	HD	300.54	1,013	=	304,348	1,562	15.86	8.34	=	9,174	16.84	8.94	=	17,169	23.1	129.4%	161,345	1.9	10.6%	17.9	3.0%	Nov
Lowe's	LOW	207.83	596	=	123,941	(14,254)	13.67	4.42	=	(8,738)	14.71	4.81	=	(2,835)	-21.4	-151.6%	90,332	1.4	9.7%	14.1	2.3%	Nov
Sherwin William	SHW	237.54	258	=	61,259	3,102	8.63	2.49	=	4,688	9.95	2.60	=	6,581	10.9	45.5%	22,587	2.7	11.4%	23.9	1.1%	Dec
Carrier Global	CARR	41.82	835	=	34,913	8,076	2.57	0.72	=	9,627	2.82	0.77	=	11,333	3.3	22.4%	22,993	1.5	10.2%	14.9	1.8%	Dec
Otis Worldwide	OTIS	85.30	413	=	35,254	(4,664)	3.44	1.35	=	(3,801)	3.80	1.44	=	(2,826)	NM	NM	14,648	2.4	10.7%	22.5	1.7%	Dec
DR Horton	DHI	109.82	341	=	37,456	19,786	11.11	1.00	=	23,232	11.22	1.03	=	26,705	1.5	15.3%	32,004	1.2	12.0%	9.8	0.9%	Nov
Martin Marietra	MLM	363.20	62	=	22,517	7,173	14.77	2.65	=	7,924	17.02	2.77	=	8,808	2.7	12.6%	7,005	3.2	15.1%	21.3	0.8%	Dec
NVR	NVR	5,840.00	3	=	18,932	3,507	400.71	-	=	4,806	408.81	-	=	6,131	3.5	24.2%	9,751	1.9	13.6%	14.3	0.0%	Dec
Masco	MAS	53.51	225	=	12,044	(242)	3.33	1.14	=	250	3.77	1.16	=	836	22.2	156.0%	8,080	1.5	10.5%	14.2	2.2%	Dec
Pulte	PHM	67.15	223	=	14,990	8,914	9.32	0.63	=	10,854	8.75	0.58	=	12,676	1.3	16.6%	14,778	1.0	13.2%	7.7	0.9%	Dec
Whirlpool	WHR	139.59	55	=	7,644	2,506	16.04	7.14	=	2,993	17.80	7.29	=	3,568	2.3	29.7%	17,896	0.4	5.4%	7.8	5.2%	Dec
Toll Brothers	TOL	63.91	111	=	7,077	6,022	8.72	0.82	=	6,897	7.70	0.82	=	7,659	1.0	11.7%	8,340	0.8	10.2%	8.3	1.3%	Dec
Leggett & Platt	LEG	32.31	133	=	4,295	1,641	1.58	1.81	=	1,611	1.82	1.88	=	1,604	2.7	15.1%	5,003	0.9	4.8%	17.7	5.8%	Dec
KB Home	KBH	43.82	89	=	3,909	3,661	5.53	0.61	=	4,100	5.53	0.62	=	4,538	0.9	11.4%	5,752	0.7	8.6%	7.9	1.4%	Nov
Averages															4.1	26.0%	1.5	10.4%	14.8	2.0%		
S&P 500	SPX	4,169	1	=	4,169	1,012	218.31	70.49	=	1,160	240.10	75.06	=	1,325	3.4	19.3%	1,868	2.2	12.9%	17.4	1.8%	

Plus Percentage Change in Price/Sales	1.8%
Minus Percentage Change in Return on Sales 2024	1.6%
Equals Percentage change in P/E 2024	0.2%
P/E Last Month	14.7
Current P/E 2024	14.8







Earnings results

267 companies have reported and an impressive 80% beat, only 16% missed estimates and 3.7% were in line with expectations. That is better than normal, but we are only about halfway through. Big names are pending this week, such as **Berkshire, du Pont, Global Payments, NXP, Stryker, Pfizer, Ford, Clorox, Starbucks, Ecolab, Este Lauder, Qualcomm, Moderna** and many others scheduled for this week.

So far, value stocks are beating and growth stocks are disappointing.

The best results from value stocks are Energy, Telecom, and Consumer, Food and Household & Personal Products.

The worst results are from Transportation Real Estate.

Financial stocks have been mixed, with the big four money center banks doing well. Investment banks were down as expected while Insurance and some regional banks disappointed.

Stock price reactions are consistent with earnings results. Health care consumer products, Food and Oil are up. The worst performing stocks are Semiconductors, computers, Telco's and FANG stocks which gave back some gains from last month.

Events that are moving the economy and markets include the Pandemic Pull Forward, Biden's recover bill, US Government debt, interest rates, and the Presidential Race.

Geopolitical Risk and Foreign Trade remains unchanged - bad.

The Pandemic Pull Forward caused an explosion in performance for second tier Growth stocks such as those mentioned in Bi furcation Reconciliation February 2022. There was also pull forward for PC Chips, entertainment streaming and games. Chips became the focus of "national interests." Biden signed the Chips Act, driving stakes higher for control of Taiwan and pushing China into a Russian bear hug over oil and aluminium in exchange for electronic stuff.

Trade and Geopolitical Risk escalated during the "Trumpeter Effect," but is not stable. The trade deficit remains around \$75B per month. Trump

argues that Russia would not have invaded the Ukraine if he was president and oil prices would not have surged which contributed to inflation and supply chain problems. I believe Trump has the balls to deescalate the war, for example he brokered the Peace to Prosperity agreement between Palestine and Israel.

US Government Debt is a huge problem. We detailed the issues in July 2022, "Weekend at Biden's". Biden's \$1.9 trillion American Rescue Package was too much too late. This bulge in spending contributed to domestic inflation. Now the stimulus is running out, leaving the US with higher prices, higher interest rates, higher debt and a higher cost to service the debt. It is a disaster that is pointing to a bad recession. Data Points to a Recession, March 2023.

The economy and Debt will be key issues as the presidential campaign begins. The US has what is referred to as a debt ceiling. This limits how much the treasury can spend before Congress acts to increase the debt limit. That limit is likely to be hit around August this year, so this month there will be a lot of negotiations around Biden's proposed budget. Like the 2009 experience with the "tea party" Republicans can now block an excessive budget because they represent a majority in the House of Representatives.

Election: Biden's age, fear of Harris being president will be a major consideration for voters. The economy (inflation followed by pending recession) and foreign policy (Ukraine, China/Russia and Taiwan) make it much more likely that Republicans will take back the Executive Branch of Government. Mr Trump is the front runner, but he has Pence to negotiate with. De Santos is less likely because he is losing a fight with **Disney** over their tax jurisdiction. Trump could become president, again

The ironic sector was Housing, which is benefiting from a rise in mortgage costs.

Financial Services: The big four money center banks all beat, which was a relief after the collapse of SVB and Signature Bank. Last month we recommended a trade out of Australian banks into Bank America, which was outside the RV portfolio.

Higher interest rates led to higher revenue, but surprisingly also led to a higher cost to attract deposits. There were no significant “asset impairment” charges caused by the fall in value of bonds and assets in general. The capital ratios and Federal Reserve Board’s “stress tests” since the GFC have been effective.

First Republic will be sold.

The virtuous cycle is over, and investment banking income was down across the board. **StoneX**, an institutional broker with a market cap of \$2 billion was unchanged. Your accounts are insured by FDIC. Smaller card issuers **Discovery** and **Synchrony** disappointed. **PayPal** reports on the 8th, and looks terrible, sell.

Progressive, the general insurance company with a great growth record fell after disappointing. Berkshire Hathaway will report Monday.

CITIGROUP INC	\$	47.07	Buy
Market Cap	\$	91,636	Mil
Sales	Est 2024	\$ 78,247	Mil
Profit	Est 2024	\$ 12,339	Mil
P/E	Est 2024	7.3	

Citigroup Inc. is a diversified financial services holding company that provides a broad range of financial services to consumer and corporate customers. The Company services include investment banking, retail brokerage, corporate banking, and cash management products and services. Citigroup serves customers globally.

Citigroup reported net income for 1Q23 of \$4.6 billion, or \$2.19/share, on revenues of \$21.4 billion. This compares to net income of \$4.3 billion, or \$2.02/share.

On revenues of \$19.2 billion for the first quarter 2022. There were no significant asset impairment charges, and Jane Fraser is progressing an improvement in culture.

Consumer Products: price elasticity played a key role this quarter and will impact market share. Supply chain issues and inflationary costs have prompted some companies to adopt pricing strategies to increase prices or to try to increase their market share. Overall, the industry held firm on pricing and margins and the status quo is little changed in the USA. However, in Europe consumers have migrated to lower priced home brands. We are concerned that cost reduction will become a focus for the rest of the year, and prices will fall to maintain market share. I am not calling for a price war, but as consumers check their spending, companies will compete for market share.

The referee for my lacrosse game this weekend needs to buy [Tide](#) from **P&G** to clean his dirty penalty flag. He would say I should buy [Speed stick](#) and [Irish Spring](#) from **Colgate Palmolive** to wash my mouth out. 🤔

ALTRIA GROUP INC	\$	47.51	BUY
Market Cap	\$	84,807	Mil
Sales	Est Dec 2024	\$ 21,247	Mil
Profit	Est Dec 2024	\$ 9,023	Mil
P/E	Est Dec 2024	9.2	

Altria Group, Inc. is a holding company. The Company, through subsidiaries, manufactures and sells cigarettes and other tobacco products, including cigars and pipe tobacco. Altria holds an interest in a brewery company.

Altria was up 6.5% and trades ex-dividend on June 13th. Earnings were nice and boring, they paid a \$1.7 billion dividend, retired \$1.b billion of debt, and postponed share buybacks to fund the NJOY deal. Guidance was neutral.

Media & Entertainment:

Streaming is destroying cable and satellite. **Dish** was down another 20%. **Charter** is down from 825/share in June 2021 to 368/share.

Streaming market share is as follows:

VIDEO -thousand subscribers

Disney+	162
Hulu	48
ESPN	25
Disney Total	235
Netfilix	231
Warner Bro	96
AT&T	0
Paramount	77
Comcast/Peacock	54
Lionsgate	37

AUDIO

Spotify	515
Sirius	40

WALT DISNEY CO/THE	\$ 102.50	BUY
Market Cap	\$ 187,250	Mil
Sales Est Sep 2024	#N/A	Reques Mil
Profit Est Sep 2024	\$ 9,576	Mil
P/E Est Sep 2024	1 to aggregate	
<p>The Walt Disney Company operates as an entertainment and media enterprise company. Business segments includes, media networks, parks and resorts, studio entertainment, consumer products, and interactive media. Walt Disney serves customers worldwide. CEO Bob Chapek took over in February 2020 and Employs 190,000 people, including LGBTQAINDEAREG+ (excluding S)</p>		

Disney report until May 10th. Bob Iger is doing a great job, and is suing DeSantis, which helps Trump.

ACTIVISION BLIZZARD INC	\$ 77.71	BUY
Market Cap	\$ 60,946	Mil
Sales Est 2022	\$ 9,715	Mil
Profit Est 2022	\$ 3,346	Mil
P/E Est 2022	18.8	
<p>Activision Blizzard, Inc. publishes, develops, and distributes interactive entertainment software and peripheral products. The Company's products covers diverse game categories, including action/adventure, action sports, racing, role-playing, simulation, first-person action, music-based gaming, and strategy.</p>		

The UK regulator said that Microsoft is not financially motivated to restrict Call of Duty to the Xbox. The stock price jumped from just below \$80 per share to \$85. Then the UK regulator decided not to approve the deal that the stock fell back to \$78 per share.

The issue for the smaller UK market is streaming, where they say Microsoft has cloud infrastructure and could control the vertical integration. The UK is now separate from the EU, who will make up their own minds. We still think Activision can make more concessions and win on appeal.

Pharmaceuticals

MODERNA INC	\$ 132.89	BUY
Market Cap	\$ 51,253	Mil
Sales Est 2024	\$ 6,465	Mil
Profit Est 2024	\$ (1,507)	Mil
P/E Est 2024	#N/A	N/A
<p>Moderna, Inc. operates as a clinical stage biotechnology company. The Company focuses on the discovery and development of messenger RNA therapeutics and vaccines. Moderna develops mRNA medicines for infectious, immune-oncology, and cardiovascular diseases.</p>		

Moderna reports on May 5th.



MEDTRONIC PLC	\$ 90.95 BUY
Market Cap	\$ 121,002 Mil
Sales Est April 2024	\$ 32,261 Mil
Profit Est April 2024	\$ 6,909 Mil
P/E Est April 2024	17.4

Medtronic PLC develops therapeutic and diagnostic medical products. The Company's principal products include those for bradycardia pacing, tachyarrhythmia management, atrial fibrillation management, heart failure management, heart valve replacement, malignant and non-malignant pain, and movement disorders. Medtronic's products are sold worldwide.

Medtronic report on May 25th. [The FDA approved an insulin pump](#), which was a minor event. The FDA approval of the newest version of their insulin pump, the 780G does not move the needle for this company that is focused on hearts.

But Wells Fargo analyst Larry Biegelsen used this as a catalyst to raise his price target on the stock from \$77 to \$100/share.

Wall Street is underweight on Medtronic, and recommendations to buy have caused an inflection point, with the stock gaining momentum. We see 30% upside in the next twelve months.

Hotels & Restaurants. Cruise lines are down again. This reflects the high capital cost and the close quarters that a mostly older consumer is still avoiding.

Auto volumes fell in the last stages of the pandemic due to chip shortages. Used car sales rose and new car sales were pushed out. Consumers still have jobs and are now paying higher interest rates to buy new cars.

Housing: 330 million Americans own 130 million homes. The build rate is about 1.4 million new homes per year. Below you can see the peak prior to the GFC was greater than 2 million new homes per year.



The supply chain has eased, for example [lumber price keep falling](#). Estimates for **Potlatch, International Paper and Weyerhaeuser** all fell hard.

With higher interest rates the first reaction is that housing prices are falling, causing a negative wealth effect (less confidence to spend because one's house has fallen in price). But in the US banks sell fixed rate mortgages, unlike Australia. That means people who own homes cannot afford to sell and move. That reduces supply of existing homes, increasing demand for new homes. So ironically, the high cost of mortgages drives demand for new homes. Earnings estimates surged Pulte (24%) DR Horton (19%) and NVR by (13%). Single family homes make up about 2/3 of new home builds, with apartments making up about 1/3. DR Horton produces greater than 7% of new single-family homes.

Technology: The pull forward of demand for IT during the pandemic has caused a trough in demand for PC's, software applications and semiconductors. Semiconductors in particular are very cyclical due to the high cost of building fabrication plants. Fab plants have become a national interest, like food was after WWI and WWII etc. Chip independence and a free Taiwan is a global interest.

ALPHABET INC-CL A	\$ 107.34 BUY
Market Cap	\$ 1,368,453 Mil
Sales Est 2024	\$ 289,034 Mil
Profit Est 2024	\$ 86,268 Mil
P/E Est 2024	15.6

Alphabet is a global technology company that designs and offers various products and services. The Company is primarily focused on web-based search and display advertising and tools, desktop and mobile operating systems, consumer content, enterprise solutions, comme, and hardware products.



Alphabet reported top line ads beat expectations:

“Resilience in Search and momentum in Cloud resulted in Q1 consolidated revenues of \$69.8 billion, up 3% year over year, or up 6% in constant currency. We remain committed to delivering long-term growth and creating capacity to invest in our most compelling growth areas by re-engineering our cost base.”

QUALCOMM INC	\$ 116.80 BUY
Market Cap	\$ 130,232 Mil
Sales Est Sep 2024	\$ 43,501 Mil
Profit Est Sep 2024	\$ 12,335 Mil
P/E Est Sep 2024	10.2
QUALCOMM Incorporated manufactures digital wireless communications equipment. They license code division multiple access (CDMA) and orthogonal frequency division multiplexing access the intellectual property to other companies and produce CDMA-based integrated circuits, as well as equipment and software used to track workers, assets, and software for wireless content enablement.	

QUALCOMM is expected to report on May 5th.

BOEING CO/THE	\$ 206.78 Buy
Market Cap	\$ 124,398 Mil
Sales Est 2024	\$ 91,031 Mil
Profit Est 2024	\$ 3,861 Mil
P/E Est 2024	34.6
The Boeing Company, together with its subsidiaries, develops, produces, and markets commercial jet aircraft, as well as provides related support services to the commercial airline industry worldwide. The Company also researches, develops, produces, modifies, and supports information, space, and defense systems, including military aircraft, helicopters and space and missile systems.	

Boeing traded down over the month as supplier disruptions were deemed by the market to impact the 737 Max production. Boeing then reported first quarter sales up 28% beating analysts' expectations delivering 130 airplanes across its stable for the quarter. Boeing also

advised that deliveries for the 737 were scheduled to increase from 31 to 38 a month later in the year and the 787 Dreamliner from 3 to 5 a month. Importantly, the Chinese civil aviation regulator finally permitted resumption of the Max in their airspace – viewed as a major market for Boeing. With continuing global growth in air traffic signalling the effects of the pandemic are now behind the sector, Boeing are still in the midst of resetting their business, the stock has returned 34.1% (43.8% in AUD) for the year and we believe it has much further to go.

BAYER AG-REG	\$ 59.56 BUY
In Euro's	
Market Cap	\$ 58,513 Mil
Sales Est 2024	\$ 51,829 Mil
Profit Est 2024	\$ 7,562 Mil
P/E Est 2024	7.6
Bayer AG produces and markets healthcare and agricultural products. The Company manufactures products that include aspirin, antibiotics, anti-infectives, cardiovascular, oncology, central nervous system drugs, over-the-counter medications, diagnostics, and animal health products, as well as crop protection products, plastics, and polyurethanes.	

Bayer reports on 11 May. We are very pleased with the performance to date. Noise from lawsuits in California have settled down.

Metals and Mining

Metals and mining are consistently displaying “past the peak” performance. For example estimates and the price for Alcoa was off substantially. BHP and Freeport had similar but less dramatic declines.



Relative Value Model						
Sector	Company	Advice	Price	52 week	High/Low	P/E 2024
Financial	Citigroup Inc	Buy	47.07	40.01	54.56	7.3
Consumer Products	Altria	Buy	47.51	40.35	57.03	9.2
Food						
Media / Entertainment	Disney	Buy	102.50	84.07	126.48	19.0
	Activision	Buy	77.71	70.94	87.01	18.8
Pharmaceutical						
BioPharma	Moderna	Buy	132.89	115.03	217.25	NA
Hospital	Medtronic	Buy	90.95	75.77	106.63	17.4
Lodging & Restaurants						
Retail						
Automobile						
Housing						
Internet	Alphabet	Buy	108.22	83.45	123.26	15.7
Telecommunications						
Computers						
Semiconductors	Qualcomm	Buy	116.80	101.93	156.66	10.2
Software						
Aerospace Defense	Boeing	Buy	206.78	113.02	221.33	34.6
Elec. & Mfg Equipment						
Manufacturing						
Paper & Forest Products						
Chemicals	Bayer	Buy	59.56	46.70	67.50	7.6
Transportation						
Chemicals						
Metals						
Oil						

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