

State of the Bands

DECEMBER 21, 2019



Stop Watching | Start Living



Our Mission

To enthusiastically provide dynamic tools, research, and services within the financial community by empowering institutions and individuals to redefine what financial freedom really means.



Introduction

In this issue of State of the Bands - Misfit Toys and Robo-Cops are Coming for You, But is that legal, Wait for the Hook but don't lose your cool, This is Niña Business and The Black Death's Back, Alright!



Misfit Toys and Robo-cops are Coming for You!



Toy Company Stocks w/ Dividends

IGT - International Game Technology

EA - Electronic Arts

JAKK - JAKK's Pacific Inc.

It is the rise of the robots! Robo-cops are the police of the future, and while they cost approximately \$60K-\$70K to lease, they do not need sleep, sick pay, or PTO so they can and will be utilized around the clock. There have been some instances where they have not been able to perform (a recent incident in Huntington Park, California where it failed to contact the real authorities), but for the most part they have done exactly what they were programmed to do. In fact, the Dubai police force launched its first Robo-cop in 2017 and pledged to have at least 25% of the Dubai police force “upgraded” to consist of Robo-cops by 2030.

Speaking of upgrades, let's go back down memory lane, back to a time where it was easy for a kid to be a kid, but alas Toys R Us is no more. However, after an almost traumatic bankruptcy liquidation in 2017, investors are looking forward to the second coming of Toys R US: Tru Kids Brands. Tru Kids CEO Richard Barry, who is also a former chief merchant for Toys R US, bought the rights to the Toys R US brand name and started Tru Kids as a joint venture with Target. With Target's help, Tru Kids is expected to open 10 brick and mortar stores by the end of 2020. But for you true kids, Toys R Us still has an online store.



Is That Legal?

Next in the ongoing saga for legalization of marijuana: Can we decriminalize or can we afford not to decriminalize marijuana at the federal level is the question. Some local government states have independently decriminalized the possession of marijuana while others are hesitant to do so. While there are many, many reasons that US governed states and companies would be hesitant; some of the major concerns are more focused on workplace preparedness for employees who would like to use marijuana in a medicinal capacity. Other concerns gravitate around implementing measures that would keep the illegal sale and mixing of marijuana with other drugs under control. While others continue to speculate what type of system would be needed to facilitate local and federal sales tax collection.

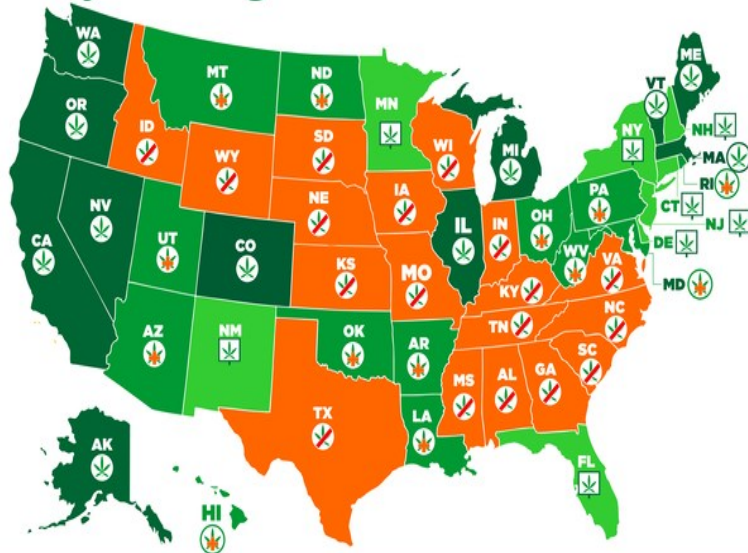
Even so, there may be a federal solution to this problem soon. In November of this year, The House Judiciary Committee approved a bill that would decriminalize marijuana on a federal level. If passed in the senate, it would take marijuana off Schedule 1 of the Controlled Substances Act. In other words, marijuana would no longer be on the same list as heroin, peyote, and ecstasy and no longer considered to be one of the most dangerous drugs with potentially several psychological or physical dependence.

Fun Fact: Medical marijuana has been used for pain control in chronic pain patients and could be a more viable alternative to using opiates.



Is That Legal?

Marijuana Legalization Status In The USA



Fully Legal Expect to Fully Legal THC Medically Legal Illegal

Marijuana Stocks

- CLIQ - Alcanna Inc.
- ALEF - ALEAFIA HEALTH INC
- CAPD - CannaPowder, Inc.
- OH - CannaRoyalty Corp.
- CURLF - Curaleaf Holdings

However, let's look at some of the positive benefits it could bring in the near future. If marijuana was decriminalized, an additional 5% sales tax rate would be imposed on marijuana sales. This would allow for more public funding as well as decrease the number of drug related arrests. According to the American Civil Liberties Union, marijuana arrests account for more than half of all drug arrests in the US. Additionally, banks could deposit local marijuana sales money in others states and banks because it would no longer be considered "drug money" and thus it would no longer be illegal for individuals or banks to make deposits in neighboring states or countries.

A worst case scenario, if the house refuses to decriminalize, 11 states and Washington D.C. have legalized recreational use, and 33 states have legalized marijuana for medical use.

Fun Fact: Smoking a cigarette before donating blood may raise your blood pressure which may prevent you from donating.



This is Niña Business

Is it just me or is it getting colder in here? Maybe it's because we are nearing a La Niña phase. What is that, you might ask? It's part of a larger ocean-atmosphere phenomenon known as El Niño—Southern Oscillation (ENSO). ENSO is predominately present in the tropical eastern Pacific Ocean, but it can effect the climate of both the tropics and subtropics. It cycles between 3 phases, Neutral, La Niña (cooling), and El Niño (warming). These events usually develop between April and June reaching their maximum strength around October through February. The ENSO cycle also typically last anywhere between 9 to 24 months and will recur every 2 and 7 years. Current predictions for the rest of 2019 through August of 2020 show Neutral leaning toward an El Niño cycle. Lucky for us, El Niño is usually followed by a La Niña cycle that cools down everything that was heated....but that could bring with it other problems.



Fun Fact: There are other things used to help predict weather patterns such as The Farmer's Almanac. The Farmer's Almanac first appeared in the early 18th century and is still used today to help predict the weather.



This is Niña Business, So Quit Asking

What does this mean for us, you might ask? Well, it means slightly warmer than usual temperatures, higher sea surface (which often results in flooding in some areas and droughts in others), a rise in sea surface temperature that reduces the nutrient rich cooler sea water (which can dramatically impact marine life).

What can that look like? Let's take the crisis in Venice right now. Venice (and other parts of Northern Italy) have been experiencing lots of rainfall and combined with high tides has created an unfortunate situation for the people living there: streets under water. While flooding is not something new to the people of this area, this level of flooding is unusual and if it continues it could have a devastating impact on historic landmarks, art, and buildings.

Stocks Who Benefit From Natural Disasters

FLR - Fluor Corp (Engineering/Contractors)

PCRFY - Panasonic Corp (Batteries)

WTR - Aqua America Inc. (Water)

TSN - Tyson Foods (Meat Producer)

TRV - Travelers (Insurance)

CB - Chubb (Insurance)

PG - Proctor & Gamble (Batteries)

TSLA - Tesla (Batteries)



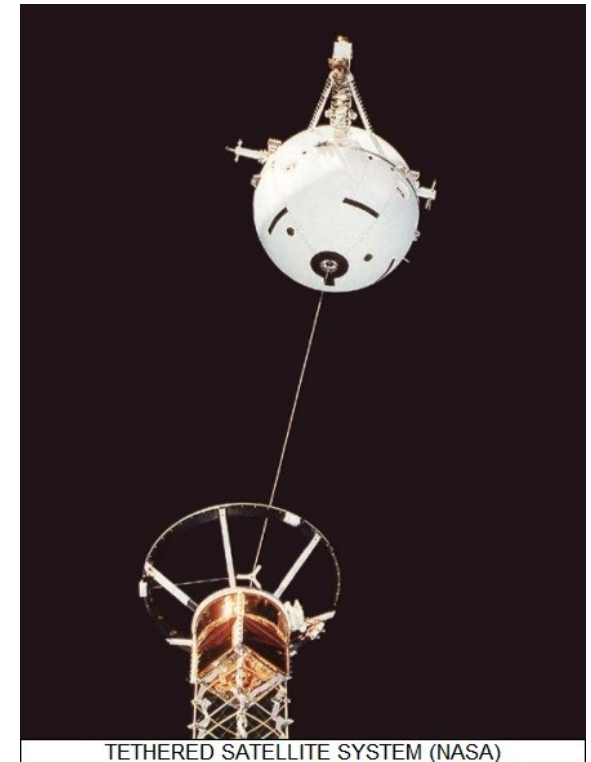
Wait for the Hook But Don't Lose Your Cool

Ladies and Gentlemen, as you may recall, President Trump asked the Pentagon to begin planning for a US presence in Space in June 2018. But many of you may not have heard of a sky hook.

What is a skyhook? In this instance, we are talking about launching space crafts into space using a lot of physics and far less fuel. In Phase I of Boeing's study, also called the Hypersonic Airplane Space Tether Orbital Launch or HASTOL, they proposed a rotating tether that would give a ground speed of 3.6km/s and would be matched by a hypersonic airplane carrying the payload that would transfer at an altitude of 100km. Talk about an intense game of space hot potato!

Fun Fact: The Idea of a Skyhook was first envisioned in 1966 by John D. Isaacs. 3 Years before we landed on the moon.

In other bit of space history, scientist hypothesized detonating small nuclear explosions behind rockets to propel them through space. The project was named Project Orion. The inventor envisioned a craft that could get to and from Pluto within 1 year and would be reusable. By comparison Nasa's New horizon probe took more than 9 years just to reach Pluto with no plans of returning home. This technology could also allow us to fully colonize a moon base or mars and use far less fuel and be vastly cheaper than any other current propulsion methods we have today. However, due to political reasons in 1965 Project Orion never got off the ground.



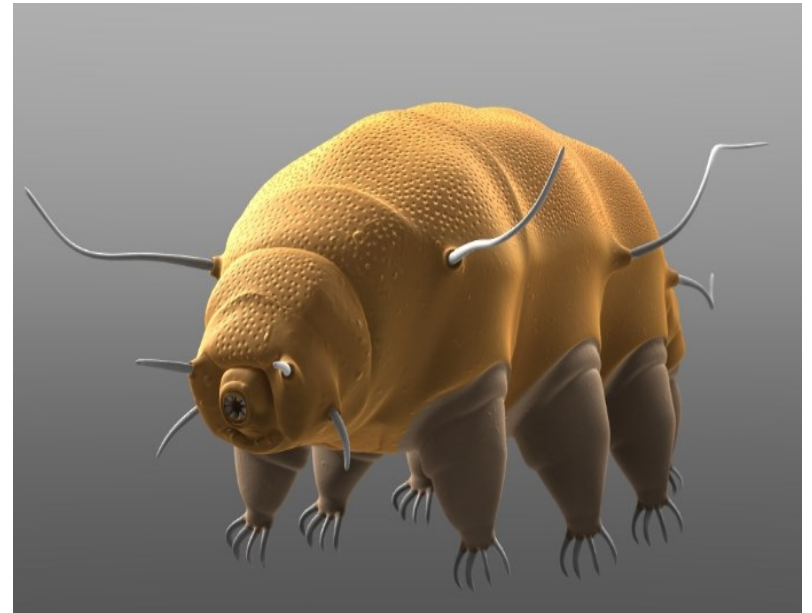
TETHERED SATELLITE SYSTEM (NASA)



Wait for the Hook But Don't Lose Your Cool

And, Lastly, Project Valkyrie: The Valkyrie is a theoretical spacecraft designed by Charles Pellegrino and Jim Powell (a physicist at Brookhaven National Laboratory). The Valkyrie is theoretically able to accelerate to 92% the speed of light and decelerate afterward, carrying a small human crew to another star system.

While many of these ideas sound like science fiction most of them are laying the foundation for science fact. The prospects are endless in space, and let's face it: eventually we will need more planets but never forget that earth will always be home.



Aerospace & Defense Stocks

NOC - Northrop Grumman Corp.

SPR - Spirit AeroSystems Holdings

VSEC - VSE Corp

LMT - Lockheed Martin

GLDD - Great Lakes Dredge & Dock Corp.

MG- Mistras Group Inc.

Fun Fact: The Tardigrade, also known as Water Bears or Moss Piglets, are the first known animal to survive in space! In September 2007 some Water Bears were exposed to outer space for 10 days. 68% of the Water Bears survived, and while mortality was high, the Water Bears were also able to produce viable embryos.



The Black Death is Back, Alright!

Time to dust off those plague doctor masks, or just avoid vacationing in China. There have been two reported cases of the pneumonic plague and one of the bubonic plague.

These two forms with the septicemic plague are all caused by bacterium *Yersinia pestis*. *Y. pestis* travels via fleas and small mammals and can be transmitted via exposure to the bodily fluids of an infected animal (i.e.: flea bite). This bacterium is attributed to the Plague of Justinian (first pandemic, 542 A.D.), The Black Plague (second pandemic, 1340-1400 A.D.), and the Third Plague Pandemic. Each of these outbreaks originated in Eastern Asia, where current cases have been observed, which is not a good sign for the rest of us.

But, there IS good news. While there are no vaccines that are effective for preventing the plague, there are several classes of antibiotics that can be used to control an outbreak. These antibiotics take the mortality rate for from 40-60% (untreated cases) to 1-15%. So, if there is another pandemic, there is good news: with the current advances made in modern medicine it can be treated and you will likely recover if you go to the doctor.



Fun Fact: Plague doctors were not usually trained medical professionals.



The Black Death is Back, Alright!

Is there a doctor in the house? As previously stated, our survival of a new pandemic will greatly depend on the cooperation of our worldwide populations. With the increasing popularity of the antivaxxer movement, we may or may not have a fighting chance. While sage can help you manage your high cholesterol, sage won't help cure your cold sores nor should sage be considered a substitute for the measles vaccine. With measles being one of the most infectious diseases out there it is important to properly protect yourself.

In fact, for almost a year the US has been fighting off a measles outbreak that started in New York City, NY. This outbreak threatened the measles elimination status of the United States. The World Health Organization removes a country's measles elimination status when the measles have been spreading continuously for one year. Luckily for the US, the outbreak went from September 30, 2018 to about September 3, 2019. That's cutting it close, but we made it.

Biotech Stocks

SGMO - Sangamo Therapeutics Inc.

CBMG - Cellular Biomedicine Group

SGEN - Seattle Genetics

HALO - Halozyme Therapeutics Inc.

INCY - Incyte Corporation Inc



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