
Date: 3/7/22

NextEra Energy (NEE): The energy sector is one of few sectors doing well right now. Amid the Russia/Ukraine conflict, oil prices have just topped \$120 per barrel. There is also talk that western countries such as the U.S. may eventually ban Russian oil imports. Last year, the United States imported ~8% of our oil from Russia, and this number was expected to increase this year. That being said, investors are looking to green energy stocks. One of the stocks I came across was NEE. NextEra Energy is the world's largest utility company, and they provide customers with affordable clean energy through the use of wind and solar power. The stock is up 11.5% over the last month, while the S&P 500 is down 7% over the last month. Below is a chart showing this comparison. The company has consistently beat earnings and I expect renewable energy stocks to grow exponentially as the world begins to prepare for the transition from fossil fuels to cleaner alternatives. If the Russia/Ukraine conflict resolves soon, I think this trade could lose lots of its profitability. If the stock reaches \$90 per share, I plan to start selling off to keep my earnings. On the other hand, if the stock drops to \$78, I'll begin selling my shares.

Trade: Market Buy Qty: 50 PPS at Buy: \$83.13 PPS at Sell: \$81.71 **\$71.00**



Reflection: This trade taught me the importance of diversifying and not putting all my eggs in one basket. Along with NEE, I also bought another energy stock (Sempra Energy; SRE). Although I lost a couple of bucks on NEE, I gained \$5,142 through my investment in SRE.

Date: 3/8/22

Newmont Corporation (NEM): Newmont is the world's largest gold mining company, and they also produce copper, silver, zinc, and lead. Because gold holds its value, I think this stock will perform well in 2022. Gold stocks are typically driven by interest rates and inflation. Inflation has been elevated recently due to supply chain disruptions and increasing demand for goods. Below is a chart showing how NEM and the 10-Year Breakeven Inflation rate move in tandem. Interest rates are also on the rise. The Fed is expected to raise the benchmark interest

rate by .25% next week. On top of these reasons, the world is also facing economic turmoil with the Russia/Ukraine conflict. Since Russia has invaded, global investors have panicked, and many began selling off riskier assets and moving towards safer investments like gold. Instead of purchasing another gold future, I decided to buy a mining stock because historically stocks outperform the underlying asset. I plan to hold this stock at least until things ease up in Ukraine. If NEM stock drops below \$68, I will liquidate my position.

Trade: Market Buy Qty: 70 PPS at Buy: \$78.81 PPS at Sell: \$85.42 \$462.70



Date: 3/24/22

10-Year T-Note (Globex): After looking at various charts of futures, I feel it's a good decision to short the U.S. 10-Year T-Note future. It's a clear trend to me that this future has been on a downtrend since August of 2021. My chart below shows the U.S. 10-Year T-Note future (blue) compared to the U.S. 10-Year Treasury yield curve (orange). You can see that the two move inversely to each other. As yields increase, the value of the existing t-note decreases because new t-notes are being issued at higher rates. One of the reasons the yield has been rising is because inflation is high, and investors are demanding higher returns. In addition, concerns of the Fed's plans to tighten monetary policy could slow economic growth.

Trade: Short Qty: 1 PPS at Short: \$122.83 PPS at Cover: \$120.56 \$2,265.60



Reflection: This was one of my favorite trades from the semester. It helped me to truly understand why yields and bond values move inversely to each other. It also taught me how inflation and monetary policy affects the market.

Date: 3/31/22

Zillow (Z): This is a short-term trade I decided to make. In the graph below, you can see how far Zillow stock has fallen since its peak in February of last year. The company was in the news negatively at the end of last year for their inaccurate “Zestimates”. In addition, their EPS is negative. With high interest rates, inflation, and supply constraints, the housing market isn’t in a great place. Zillow’s inventory is at a historical low, and I expect this to continue to affect the share price. I don’t see the stock going up any time soon in this bear market. Before the price spike in 2020, Z traded consistently between \$30 and \$60. I see minimal risk that the stock goes back up to \$60 any time soon, but if it does, I’ll sell out. I expect Z to fall to around the \$45 mark soon.

Trade: Short Qty: 55 PPS at Short: \$50.84 PPS at Cover: \$48.98 \$102.30

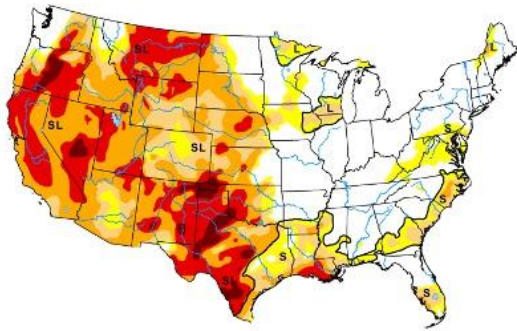


Reflection: I liked this trade because it made me further dig into the current U.S. housing market. I learned that low interest rates led to an increase in demand for housing during the pandemic, but home builders were not able to keep up with demand. These factors explain the surge in housing prices.

Date: 4/12/22

Wheat (Globex) Future: I am purchasing this future because I know Russia’s invasion of Ukraine has heavily affected various crops, and wheat is one of them. Russia and Ukraine alone make up nearly 33% of the world’s wheat trade. Ukraine’s largest wheat exporting port, The Port of Odessa, has been closed since February, and Russia implemented export taxes and quotas on their wheat. The spike in the graph below happened just after Russia invaded Ukraine. Along with this, the United States is facing widespread drought. Kansas, North Dakota, Montana, Texas, and Oklahoma are our country’s top wheat producers. The map below shows the severe drought that many of these states are facing (updated as of 4/12/22). Under these conditions, it is expected that wheat futures will continue to rise in price.

Trade: Buy Qty: 1 Purchase Price: \$1,111.50 Sell Price: \$1,128.25 \$837.50



Date: 4/18/22

J.M. Smucker Co. (SJM): Last summer, I worked with financial advisors and was able to look into clients' portfolios daily. One thing I noticed was that many of the older clients held SJM in their portfolios. I asked the investment specialist why so many clients held this asset, and his answer was simple. "Because it's a recession-proof stock. No matter how well the economy is doing, people are still going to buy basic foods like peanut butter and jelly." I decided to purchase 100 shares of SJM because it has outperformed the S&P 500 by over 7% over the past month. I expect this stock to continue to outperform the S&P 500 as talks of a recession persist and investors continue to pour their money into "recession-proof" stocks. We only have a few more days left of trading, so I don't expect this trade to be too volatile. However, if it dips below \$135, I will sell out.

Trade: Buy Qty: 100 PPS at Buy: \$139.99 PPS at Sell: \$138.89 **\$110**

