The Billionaire Strategy That Could Make You a Fortune

It's time to take wins off the table.

On November 27, 2017, we recommended the following:

- Editas Medicine (EDIT) at $29. It's now up to $40.80.
- Intellia Therapeutics (NTLA) at $22. It's now up to $33.60.
- ARK Genomic Revolution ETF (ARKG) at $24.95. It's now up to $30.

Then, on February 7, 2018, we recommended the following:

- Editas Medicine (EDIT) at $36.15. It's now up to $40.80.
- CRISPR Therapeutics (CRSP) at $38.50. It's now up to $53.80.

We're recommending that you sell all of these gene-editing positions to secure wins.

We can always look to buy back on pullbacks from current overbought conditions.

Congratulations on the wins!

Part of the reason we were able to do so well with these trades is because we spotted opportunity where others were too fearful to look.

In fact, when we recommended these opportunities, gene-editing stocks had come under considerable pressure. In fact, it was reported that the human immune system has a built in defense against the Cas9 enzyme used in CRISPR technology. While this is partially true, there are still ways around the problem. For example, the Cas9 could be modified so a human body would not immediately attack the enzymes.

Once that was realized, once the fear dissipated, opportunity was found.

In fact, any time you can spot signs of excessive fear in the market, buy it.

Look at Dollar Tree (DLTR), for example.

After an extreme overreaction to initial 2018 earnings guidance by DLTR, the stock appears to
have caught support. Fundamentally, revenue growth is still solid, and same-store sales are still climbing. Plus, margins continue to expand. We have to also remember that deep discount retailers like DLTR are in the sweet spot of retail.

Even better, once you look at full-year guidance for DLTR, it is above estimates for both revenues and earnings. Plus, technically, the stock is severely oversold here. For one, it’s also outside its lower Bollinger Band (2,20). Two, it’s at its 30-line on RSI, confirmed with an excessive drop on MACD, confirmed again with an oversold read on Williams’ %R. From here, we’d like to see a bearish gap refill around $102.

Or, look at Kroger (KR).

While poor earnings took the stock down in recent weeks, the quarter wasn’t that bad. Same-store sales growth accelerated to 1.5% from 1.1%. Digital sales were also up 90%. EPS of 63 cents beat estimates, too. Revenues of $31 billion also beat expectations for $30.9 billion. The main reason we like KR are the technical pivot points. They’re all oversold. KR is now at its 30-line. Williams’ %R is under its 80-line. And the stock is stuck outside its lower Bollinger Band (2,20). All of these indications tell us the stock is overdue for a near-term bounce.
To profit from signs of excessive fear, we're simply buying on overreactions with excessive pessimism and waiting. Warren Buffett, Baron Rothschild, and Sir John Templeton would often do the same and made a fortune.

For example, in 1988, Buffett bought a billion dollars worth of Coca-Cola (KO) on fear.

While others ignored consistent performance and good long-term prospects based on the nuts and bolts of Coke, Buffett bought in. The stock, said Buffett, wasn’t reflective of the growth set to occur in the company’s international business. So he bought in 1988, and watched his $1 billion investment in Coke explode to $12 billion by the close of 1999.

Again, if you can spot these opportunities, you stand to make a fortune.

**Trade Recommendations:**

1. Buy shares of Dollar Tree (DLTR)
2. Buy DLTR May 18, 2018 97.50 calls
3. Buy shares of Kroger (KR)
4. Buy KR April 20, 2018 24 calls