

## **It's Time to Buy Excessive Fear in Two Respected Names**

One of my favorite ways to trade is to find great stocks at bargain basement prices.

Especially those that have fallen apart on excessive fear in the markets.

As Warren Buffett will tell you, "Be fearful when others are greedy and greedy when others are fearful."

Or, as Sir John Templeton would tell you, "Buy at the point of maximum pessimism."

Or, even as Baron Rothschild would tell you, "Buy the blood in the streets, even if the blood is your own."

That's because crisis breeds opportunity and money, as one of the world's greatest wealth-building secrets... known to history's greatest investors.

The Rothschild family used it to make millions on the London stock exchange back in 1800. Sir John Templeton exploited this very same strategy to quadruple his portfolio after the Great Depression. And it's no secret Warren Buffett used this strategy after the financial crisis of 2008 and made billions from buying quality cheap stocks.

Here are two stocks we strongly believe are great opportunities right now.

**Pay Pal Holdings Inc. (NASDAQ:PYPL)** is one.

Technically oversold at its lower Bollinger Band with oversold reads on RSI, MACD and Williams' %R, we believe PYPL could rebound to test \$84 again, near-term. While the stock did pull back after a Wall Street Journal report noted Amazon could use Alexa for peer to peer payments, we believe a great deal of fear has been priced into PYPL. Also, Morgan Stanley just reiterated its bullish view on the stock, noting that PYPL has maintained its strong lead in online acceptance with 79% of the top 500 online merchants accepting its wallet. They also noted that



Amazon Pay is present at 12% of the top 500 online retailers. “We expect PayPal to continue growing at or above the pace of eCommerce, and the network benefit of being a leader among merchants should continue to drive engagement higher,” they noted.

**Activision Blizzard Inc. (NASDAQ:ATVI)** is attractive, too.

Q4 2017 “was a record quarter to cap off a record year for Activision Blizzard,” said Bobby Kotick, Chief Executive Officer of Activision Blizzard. “In 2017, our community reached new milestones for engagement, our business delivered record revenues and cash flows, and we made important progress in building future growth opportunities such as the Overwatch League.”



While the stock recently pulled back, it's become aggressively oversold on news that Epic Games' Fortnite and Bluehole's Player Unknown Battlegrounds took away player and monetization from Activision's Overwatch and Call of Duty games. We believe that a great deal of negativity from this news is fully priced into the stock and has created an incredible buy opportunity for smart investors.

Sitting at its lower Bollinger Band with oversold reads on MACD, RSI and Williams' %R, we believe the ATVI could recover to \$70.50, near-term.

So how can we make money on these two names?

With PYPL:

- Buy the PYPL stock at market prices
- And, or buy to open the PYPL June 15, 2018 80 calls

With ATVI:

- Buy the ATVI stock at market prices

- And, or buy to open the ATVI August 17, 2018 67.50 calls