

### **Three “Blood in the Streets” Stocks to Own Now**

Things have gotten way out of hand with the trade war.

After weeks of intense fighting between the two economic superpowers, Dow futures are pointing to a 230-point drop at the open. All after the press reported the U.S. was considering restrictions on Hikvision – a Chinese surveillance equipment provider – from buying U.S. components.

“The U.S. is considering cutting off the flow of vital American technology to as many as five Chinese companies, reported Bloomberg, citing unnamed sources, “widening the dragnet beyond Huawei to include world leaders in video surveillance. The Trump administration is concerned about their role in helping Beijing repress minority Uighurs in China’s west.”

If that’s the case, the move would mark further escalation in a troubling trade war.

However, in many cases, we believe the fear has been priced in.

In fact, we may have run into what’s known as “peak fear,” which is leading us to buy stocks that have been severely beaten up. All we have to do now is buy and hold, long-term. We have to jump into the fear aggressively and just wait it out, in our opinion, as others run scared.

### **It’s Time to Buy the Blood in the Streets**

It’s now time to trade like a wealthy billionaire like Sir John Templeton, Warren Buffett, and Baron Rothschild.

Sir John Templeton wasn’t your typical Wall Street money manager. For example, in 1939 Europe was just about decimated, so Templeton bought every European stock trading below \$1.00 a share and made a fortune. In fact, he bought shares in 104 companies for about \$10,400. He taught us to buy excessive pessimism.

Warren Buffett advises that a “climate of fear is your friend when investing; a euphoric world is your enemy.” And of course, we all remember his advice to “be fearful when others are greedy and greedy when others are fearful.”

Baron Rothschild once told investors, “The time to buy is when there’s blood in the streets, even if the blood is your own.” He knew that very well, considering he made a small fortune buying the panic that followed the Battle of Waterloo against Napoleon.

### **Three of the Biggest Stocks Trading at a Bargain**

#### **Opportunity No. 1 – Intel (INTC)**

Intel has been severely beaten down to a 52-week low on trade war concerns. After an incredible pullback to \$44.46, Intel is severely oversold at triple bottom support. It’s also oversold at its lower Bollinger Band (2,20) with RSI, MACD, and Williams’ %R all telling us this sell-off may be overdone. We believe that the trade war fears are priced in. Helping, the U.S. has granted temporary exceptions to an export blacklist against Huawei Technologies Co., giving some suppliers and customers of China’s telecom giant a 90-day reprieve from tough trade penalties, according to The Wall Street Journal.



There are two ways to trade INTC at this point.

One, you can buy the stock at market prices. And, or two, you can buy to open the INTC September 20, 2019 44 calls at market prices.

**Opportunity No. 2 – Apple (AAPL)**

Apple fell from \$215 to \$179 on the escalating trade war on fears that rising tariffs will make the company's products much more expensive to manufacture, which could lead to hardware manufacturers to raise prices in the U.S., too.



Most of Apple's products rely in some part for production in China, including iPhones. Apple also got roughly 20% of its sales from China in 2018. If iPhones sold in the U.S. are subject to a 25% tariff, it could hit Apple's per-share profit by 9%, Bank of America analysts have noted.

However, with the blood flowing in the streets with fear over Apple's future, the stock has become technically oversold.

There are two ways to trade Apple.

One is to buy the AAPL stock at market prices. And, or two, you can buy to open the AAPL August 16, 2019 180 calls at market prices.

**Opportunity No. 3 – Deere & Co. (DE)**

China was the fourth-largest export market for U.S. farm goods in 2018. So, the trade war hasn't been kind to related stocks, like Deere & Co. However, we believe that a good deal of fear has been priced into the stock. There are two ways to trade Deere & Co.

One is to buy the DE stock at market prices. The other is to buy to open the DE September 20, 2019 140 calls at market prices.