



# **Rodney's Take**

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*There's more than one way to make money in the markets! Best-selling author and famous investor John Del Vecchio recently shared with me some of his market insights. I asked him to turn those thoughts into an article, which I'm now sharing with you.*  
— Rodney

## **Better Returns Than Bitcoin**

The day started like any other. In late 2017, my Dad and I were having our morning coffee together in the TV room. The Dan Patrick Show played in the background as Dad lounged in his recliner thumbing through that day's edition of *The New York Post*.

I was focused on the previous night's sports scores, when something in the newspaper caught his eye. He paused for a moment, and then turned to me and asked, "What is a bitcoin?"

It hit me like a ton of bricks. If my dad was asking about Bitcoin, then the meteoric rise of that cryptocurrency was over.

You see, my Dad had no interest in the financial markets. He was the last person to know or care about a hot market trend. When *he* finally heard about a speculative investment, then all of the buyers were already in. Bitcoin could only go one way: down, and down big.

The cryptocurrency imploded over the next year, falling from more than \$19,000 to less than \$4,000.

Eventually, Bitcoin's price built a base and started marching higher. Due to the COVID swoon in the market, Bitcoin surged from just under \$7,000 to nearly \$55,000. Now that Bitcoin is hot again, it's the number one thing my readers ask about.

The truth is, I don't have a strong opinion about Bitcoin. I don't think it's a currency. Currencies don't move 25% in a day. I have nothing against Bitcoin, it's just another market to trade. Just because you can buy a pizza with bitcoins doesn't mean anything. I'm sure someone would trade their house for a Mickey Mantle baseball card, but that doesn't mean the card is a currency.

I don't focus on Bitcoin, because there are much more profitable corners of the financial markets, including my specialty, microcap stocks. Many of them have done better than Bitcoin off of those COVID lows, and some have done much better.

These stocks trade under the radar of big investors who can't buy companies with market caps of less than \$1 billion or \$2 billion. They sit there, waiting to be discovered by everyday investors, who then have a massive advantage over those big Wall Street players. By purchasing promising microcap stocks, everyday investors can get into great names before institutions start buying them and driving their prices higher.

One example is Digital Turbine, Inc. (ticker: APPS), which provides software for mobile applications and digital advertising. APPS competes in an industry with massive potential.

APPS hit my radar when it traded at just under \$4 per share. It fit all of the requirements of my microcap models, including growth metrics and cash flow. I recommended that newsletter readers buy the stock. They booked a quick 70% profit, and then APPS was positioned to run higher again. In all, the stock rallied from \$4 to a 52-week high of \$102.

That blows away Bitcoin's returns.

Last summer, I did a bit of consulting on two stocks that I pitched to a prominent investor, SolarWindow Technologies, Inc. (ticker: WNDW) and CleanSpark, Inc. (ticker: CLSK).

WNDW makes a coating on windows that can save commercial buildings a bundle on energy costs. At the time, many alternative energy stocks were soaring, but not WNDW, even though the company had great fundamentals. That was fine by me, because it gave the investor an opportunity to get in before the crowd. The stock rallied from \$3.03 in July 2020 to more than \$34 just a few months later.

CLSK is in the renewable energy space, with an emphasis on optimizing microgrids. The stock jumped from about \$5.50 last summer to \$38 six months later.

Just like APPS, these returns are much better than for Bitcoin, and they are based on solid companies with bright futures. While the cryptocurrency gets all of the attention, there are plenty of opportunities in stocks that few people follow or even know about. They have strong, quality earnings, solid balance sheets, and positive market sentiment, and their price trends suggest that they will move higher.

When these small stocks jump, their higher stock prices translate into larger market caps, which puts them on the radar of institutional investors. When these players pile in, they drive these small stocks even higher! It's not gambling, it's good, old-fashioned investing. There's nothing hyped up or sexy about it, except the potential for outsized gains in your account.

Oh yeah, and it's better than Bitcoin.

John Del Vecchio

*Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com).*