



## Fad 4.0 The Next Big Loser

In 2018 and 2019, I pitched stocks at the annual Dent investing conference with an artificial intelligence angle to their long-term outlook (I miss the annual Dent conference!).

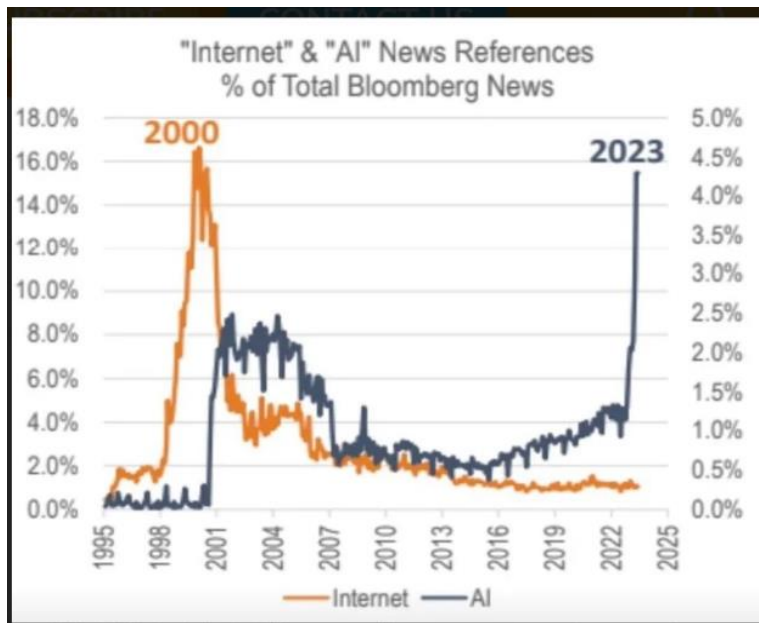
The angle was hidden. No one was talking about how artificial intelligence might help these businesses.

A.I. was also not the primary driver of the fundamentals. The A.I. was interesting and made it fun to present the stocks.

Within a couple of years, both stocks rallied 150% – 250%

This was long before artificial intelligence became Fad 4.0

Now all anyone talks about is artificial intelligence.



Searches of "A.I." mirror those of "Internet" about 25 years ago.

After a massive run-up in Internet stocks, we know how that horror film ended.

Lots of blood and guts.

Fads 2.0 and 3.0 this century consisted of cannabis stocks and blockchain technology.

In this newsletter, I posted research showing that fundamentals still matter. Companies that fit my stringent forensic accounting criteria in the blockchain sector outperformed their counterparts in the speculative run-up phase.

As I noted a couple of weeks ago, when highlighting the four-year performance of the *Microcap Millions* strategy, the most speculative stocks were bogged down by a 20-year drawdown.

That's long enough to wear anyone down.

It's the glossy speculative stocks that retail investors like the most.

One way to uncover a money-losing fad is to see what financial newsletter marketers are currently pitching to try and part you from your hard-earned money.

My email inbox is bloated with A.I. this and A.I. that. It's not even just financial newsletters.

A.I. has infiltrated copywriting, editing, business development, and various other activities.

It's a hot concept people are trying to sell.

In reality, A.I. is overhyped.

Since markets change, but human nature never does, a colossal ass-kicking is coming in speculative artificial intelligence stocks supported by air.

Longer-term A.I. will add some benefits.

As investments, most stocks will be doomed.

Fools rush in where angels fear to tread!

Possibly in the healthcare space we will see big benefits in A.I.

I continue to have biotechnology indexes circled for possible inclusion in my taxable account.

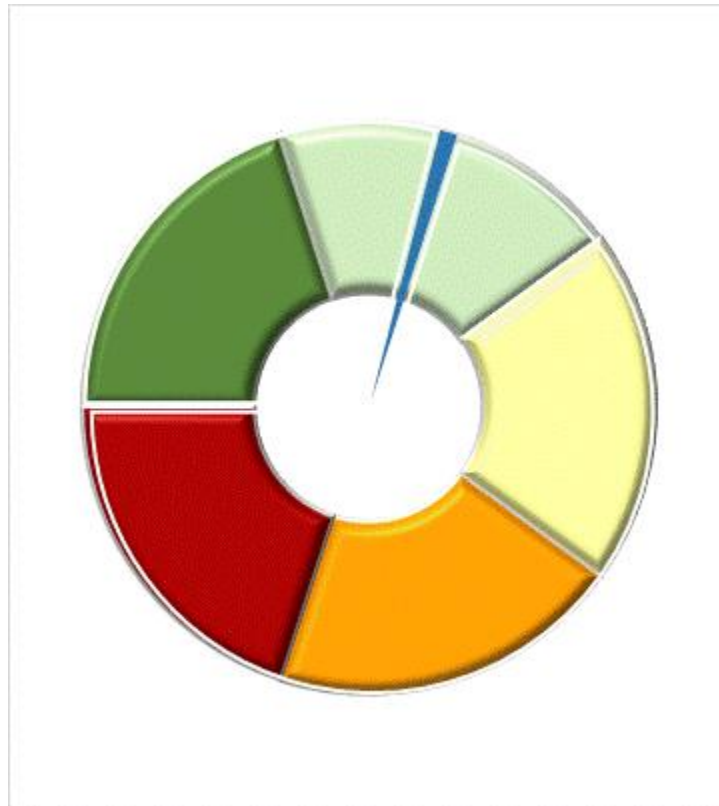
However, I continue to sit and wait.

# The Risk-O-Meter

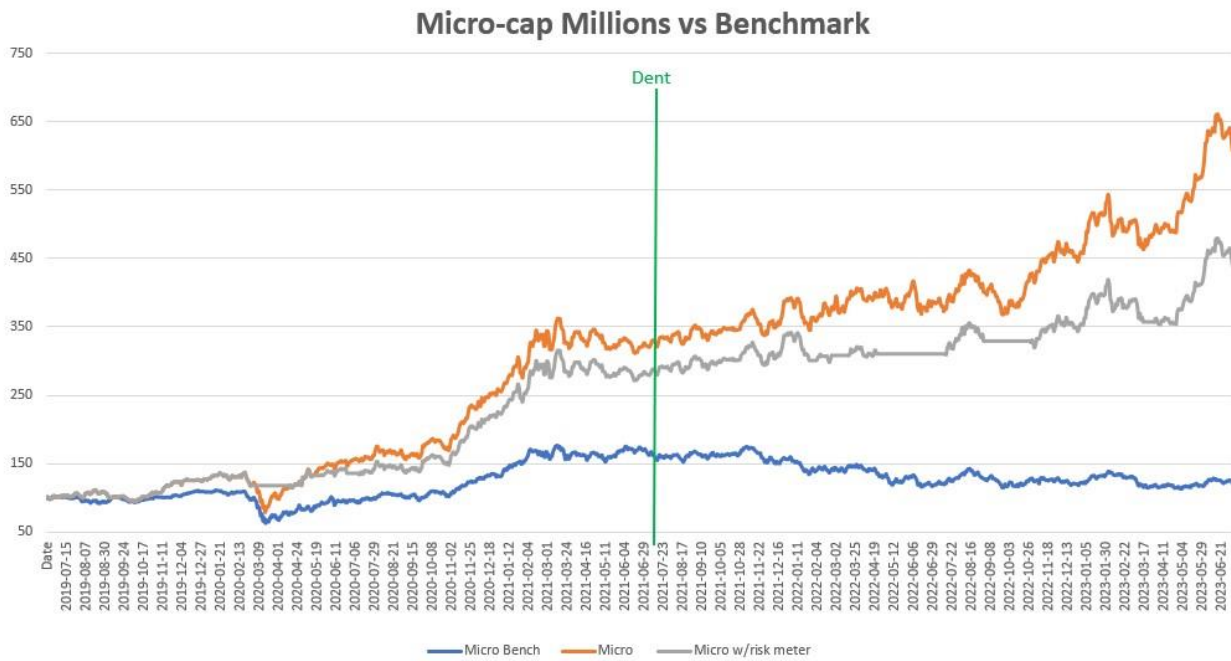
The *Risk-O-Meter* remains in the "green zone." Based on too much bullishness and a market that is certainly not oversold, I continue to sit on my hands with new cash.

There are some concerns I have that are converging and increasing the potential of a significant ass-kicking. If this bloodbath comes to fruition, it could create an opportunity of a generation.

Stay tuned, as I will talk about that next week!



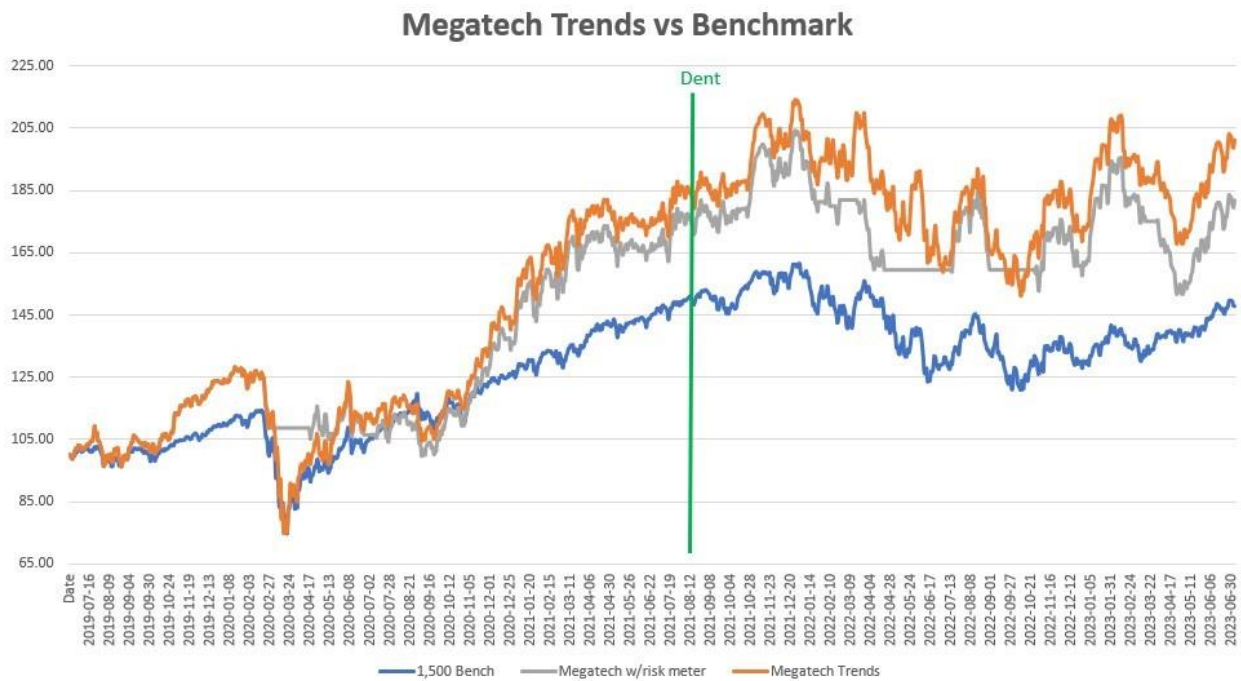
# Micro-Cap Millions



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ALOT	AstroNova, Inc.	-10.10%	25	Technology
BELFB	Bel Fuse, Inc.	98.96%	319	Technology
CINT	CI&T, Inc. (Brazil)	-4.98%	11	Technology
ELTK	Eltek Ltd.	57.15%	46	Technology
GILT	Gilat Satellite Networks Ltd.	17.24%	53	Technology
ITRN	Ituran Location & Control Ltd.	-3.16%	32	Telecommunications
OOMA	Ooma, Inc.	11.90%	38	Technology
SPOK	Spok Holdings, Inc.	27.85%	130	Telecommunications
TCMD	Tactile Systems Technology, Inc.	18.19%	38	Healthcare
UTMD	Utah Medical Products, Inc.	7.23%	130	Healthcare

# Mega-Tech Trends



There are two trades this week.

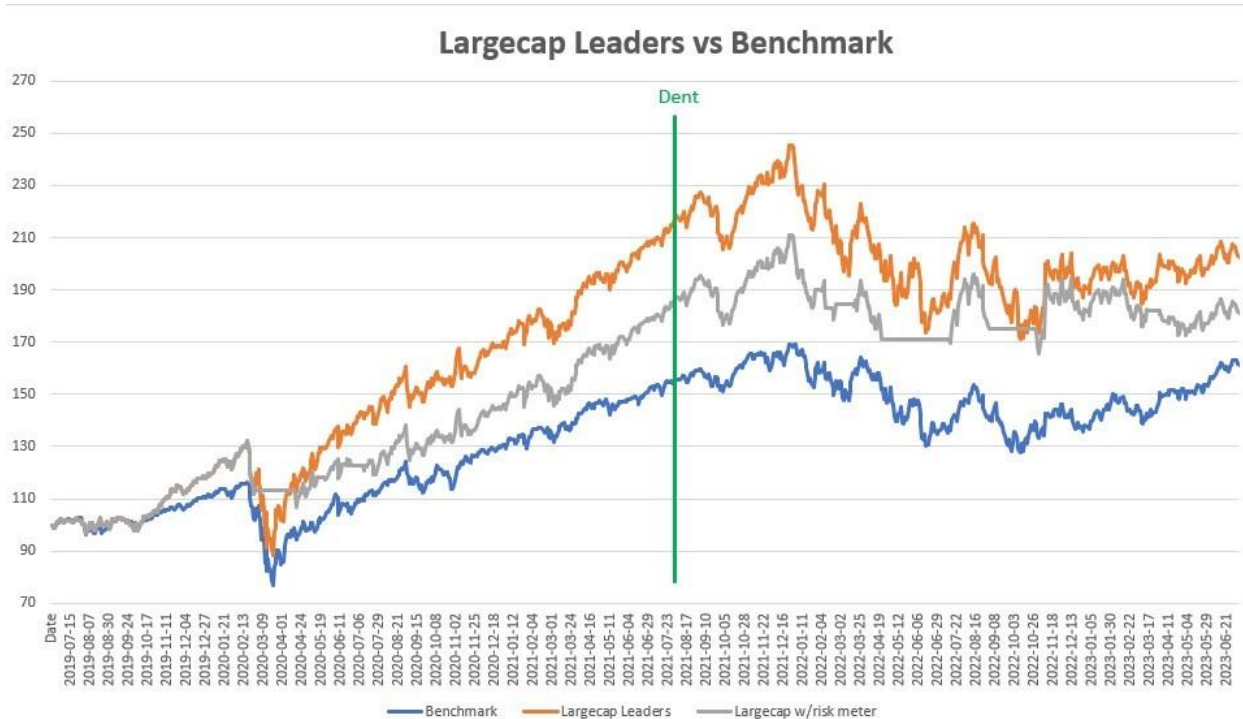
**Buy Cali, Inc. (NYSE: EPAM)**

**Sell Digi International, Inc. (Nasdaq: DGII) and Plexus Corp. (Nasdaq: PLXS)**

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ALRM	Alarm.com Holdings, Inc.	3.46%	46	Technology
BDC	Belden, Inc.	18.12%	60	Technology
CALX	Calix, Inc.	0.00%	NEW	Technology
DIOD	Diodes, Inc.	-0.46%	116	Technology
EPAM	EPAM Systems, Inc.	0.00%	NEW	Technology
EXTR	Extreme Networks, Inc.	4.45%	7	Technology
JNPR	Juniper Networks, Inc.	2.95%	25	Technology
LFUS	Littelfuse, Inc.	10.06%	60	Technology
PLUS	ePlus, Inc.	12.72%	38	Technology
SGH	SMART Global Holdings, Inc.	20.18%	32	Technology

# Large Cap Leaders



There are four trades this week.

**Buy Adobe, Inc. (Nasdaq: ADBE), Oracle Corp. NYSE: (ORCL), S&P Global, Inc. (NYSE: SPGI), and Zimmer (NYSE: ZMH)**

**Sell Akamai (Nasdaq: AKAM), ANSYS (Nasdaq: ANSS), Fortinet (Nasdaq: FTNT), and Hewlett Packard Enterprise (NYSE: HPE)**

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ADBE	Adobe, Inc.	0.00%	NEW	Technology
ALGN	Align Technology, Inc.	1.30%	67	Healthcare
AMAT	Applied Materials, Inc.	3.67%	32	Technology
BSX	Boston Scientific Corp.	0.33%	67	Healthcare
CRM	Salesforce, Inc.	21.02%	116	Technology
KEYS	Keysight Technologies, Inc.	1.32%	38	Technology
ORCL	Oracle Corp.	0.00%	NEW	Technology
SPGI	S&P Global, Inc.	0.00%	NEW	Technology
SYK	Stryker Corp.	-0.03%	17	Healthcare
ZBH	Zimmer Biomet Holdings, Inc.	0.00%	NEW	Healthcare

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