

5 Stocks to Buy for the Big Post-Election Bull Market

BY KAREN RICCIO

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We're on the brink of wrapping up one of the most volatile, uncertain, and bearish years in recent time as the stock market continues to face a relentless barrage of economic and political headwinds.

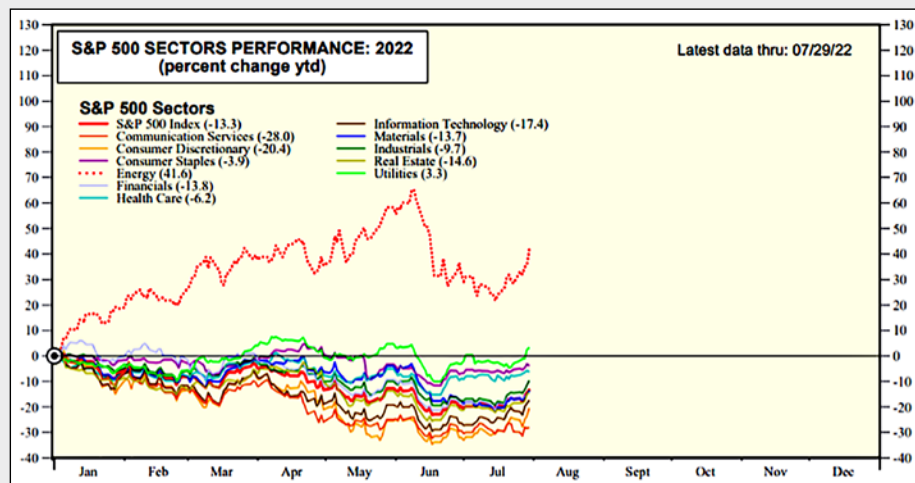
Here's how this "Perfect Economic Storm" developed:

- Interest rates have been rising sharply, and the Fed has vowed to continue boosting them at a clip of 75-100 basis points until the current 9.4% rate of inflation is under control, which is still a long way from today.
- The Fed is also selling the nearly \$9 trillion in Treasuries it purchased since March 18, 2020, to infuse liquidity into the economy and prevent an economic fallout. In other words, the Fed won't be throwing any lifelines to the economy or stock market this time around.
- Inflation is at 40-year highs.
- The war between Russia and Ukraine continues to wreak havoc on supplies of wheat and other agricultural products sure to increase supply-side inflation as long as combat rages.
- Finally, we can't ignore China's zero-COVID-19 policy and associated lockdowns resulting in further delays in getting goods (particularly computer chips) shipped out of the largest port in the world.

As a result, for the first time in 20 years, U.S. equities relinquished its reign as the strongest performer of the four major asset classes — bonds, currencies, and commodities being the other three.

In its place? Inflation-hedging commodities, primarily energy as oil prices topped \$100 a barrel before subsiding.

S&P 500 SECTORS PERFORMANCE



Caption goes here

SOURCE: Standard & Poor's

In fact, of the 11 sectors that comprise the S&P 500, this sub-sector of commodities, rose 60% by June before profit-taking set in the following month.

The Utilities sector eked out a 3.3% gain in July, but all the others remained in the red for the entire first half of 2022.

That's great if you packed your portfolio with energy-related stocks and nothing else this year. Not so great if you relied on the same growth stocks and sectors that performed so reliably and stealthily from their March 2020 lows.

For your sake, I hope you didn't load up on positions from the worst-performing sector — Consumer Discretionary — down 31% through July.

Check out the chart at right for the worst of the bunch. They might surprise you.

And I hoped you steered clear of the same names that helped pad the pockets of investors with triple-digit gains in 2020, such as top-performing **Nvidia** (NVDA), **PayPal** (PYPL), and **Advanced Micro Devices** (AMD).

All three have since cratered in the bear market and in the face of rising interest rates, the enemy of

XLY (CONSUMER DISCRETIONARY)

Top 10 Holdings As of 06/30/2022

Symbol	Company	Sector	YTD Return (as of 07/22/2022)	% of Assets
AMZN	Amazon.com Inc	Consumer Cyclical	-26.57%	22.74%
TSLA	Tesla Inc	Consumer Cyclical	-22.72%	17.93%
HD	The Home Depot Inc	Consumer Cyclical	-26.12%	8.99%
MCD	McDonald's Corp	Consumer Cyclical	-5.25%	4.54%
NKE	Nike Inc Class B	Consumer Cyclical	-34.53%	4.23%
LOW	Lowe's Companies Inc	Consumer Cyclical	-24.33%	3.76%
SBUX	Starbucks Corp	Consumer Cyclical	-28.54%	2.86%
BKNG	Booking Holdings Inc	Consumer Cyclical	-24.56%	2.32%
TJX	TJX Companies Inc	Consumer Cyclical	-16.02%	2.14%
TGT	Target Corp	Consumer Defensive	-31.84%	2.13%

Caption goes here



SOURCE: Xxxxx

are on track for their worst year in a decade.

Finally, tell me you didn't think crypto would save the day. Virtual currencies tanked right along with the rest of assets. So much for it being used as a hedge against, well, anything.

However, if you place any merit in stock market history, the light at the end of the tunnel might be right around the corner — and this time it's likely not a freight train.

According to one of the bibles of market lore, the Stock Trader's Almanac, the year following a U.S. presidential election (the year we're in right now) tends to be the worst year of the four-year election cycle.

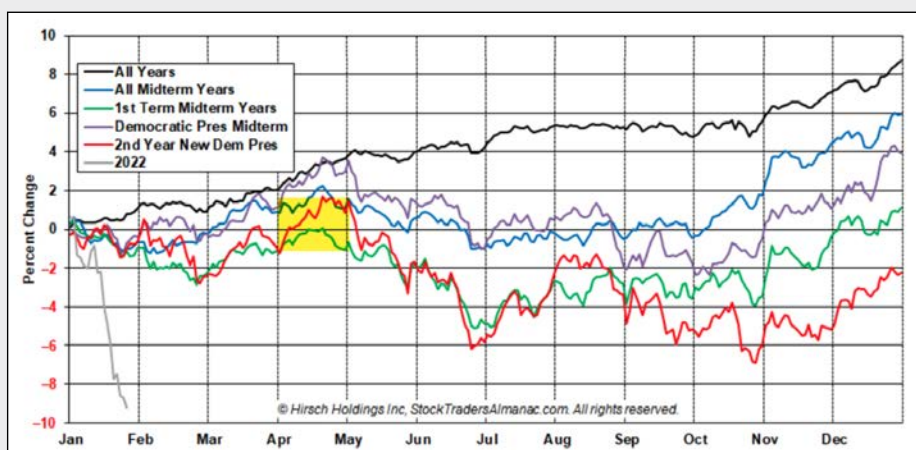
Gez. Let's hope the worst is behind us.

That certainly could be the case considering that in nine of the last 17 presidential election cycles since 1961, the markets bottomed in the midterm year.

The year after that, on the other hand, tends to be the best. In fact, publisher of the almanac, Jeffrey Hirsch, called this period "a bottom-picking paradise."

Surprisingly, the market usually reacts positively regardless of which party wins the most midterm elections. So, even if the Democrats retain control of the Senate, the market should rebound.

S&P 500 MIDTERM ELECTION YEAR SEASONAL PATTERN SINCE 1946



Caption goes here



SOURCE: Standard & Poor's

tech growth stocks. That's because they rely heavily on R&D, which now costs more to fund because borrowing is that much more expensive today.

It's no surprise that the Communication Services and Technology sectors were the second and third worst performers thus far this year, down 28% and 17%, respectively. That's following a mid-year bear market rally.

You're in no better position if you turned to bonds to provide a semblance of safety. Treasuries

I'd hazard a guess, though, that if Republicans take control, the rebound might be more pronounced — even if it's a short-term jump. At the very least, they'll be dancing in the streets outside the Capitol. But I digress.

Since 1946, the Nasdaq, on average, has gained about 70.2% from the midterm election year low, to the pre-election year high the following year. The Dow Jones Industrials and S&P 500 both grew 46%, on average.

That's great news for investors moving forward if the pattern repeats itself.

Shoot, even without midterm elections, the period between November and April is typically the strongest of the year, so, historically, there are reasons to be positive.

It makes perfect sense that if you can enter your trades near the market low of a mid-term year, by the time you reach the market high of the next year, you will have banked pretty sweet returns just by plucking the lowest-hanging fruit.

So, the bazillion-dollar question is . . . what stocks/sectors will attract the most investment dollars in the post-election market landscape?

With so many external factors impacting the markets, the answer may not be as clearcut as the past.

You can't just assume what goes down, must go up and pick stocks that have fallen the furthest from their 2020 highs. It would be a big mistake to confuse a bear market post-midterm rally for the beginning of the next bull market.

WORST PERFORMING LARGE-CAP STOCKS SO FAR IN 2022

Snapchat (SNAP)	-79%
Coinbase (COIN)	-75.1%
Shopify (SHOP)	-74.1%
Unity (U)	-73.9%
Twilio (TWLO)	-67.8%
Rivian (RIVN)	-66.9%
SE (SE)	-65.9%
Netflix (NFLX)	-62.7%
AppLovin (APP)	-62.3%
Cloudflare (NET)	-61.7%
GRAB (GRAB)	-58.6%
Roblox (RBLX)	-58.4%

You must remain acutely aware of ongoing headwinds . . . the possibility of a recession, ramifications of high interest rates, continued inflation, political unrest, and a relentless pandemic. None of those factors will miraculously disappear after midterms.

One thing we know for sure, though, is that come Wednesday, Nov. 9, domestic political uncertainties will mostly

be laid to rest, hopefully creating new investment opportunities as we close out the year and head into a new one.

For me, that doesn't mean going hog wild trying to capture the biggest gains in the smallest stocks in the shortest amount of time. Or, like I said, automatically investing in the most beaten-down tech stocks in 2022. Both are recipes for failure at this juncture.

Today, it's more important than ever to invest in the most relevant industries and companies.

By relevant, I mean those that produce products and sell services that individuals and corporations can't survive without . . . companies that know how to reinvent themselves in times of crises and are capable and willing to do so as many times as necessary to remain successful.

In this environment, companies need to be financially sound (and cash rich), recession-resistant, and able to ride out rising interest rates and continued inflation.

Here are five investments that fit the bill, including a couple of stocks that have been on my radar since 2013, the year I started writing for Financial Intelligence Report. I'll start with those.

Palo Alto Networks (PANW)

The first time I professed my love for PANW it traded for \$56. As of this writing (through Aug. 25), it's up to \$568 with a one-year target of \$632.

Since then, Palo Alto has made several acquisitions to expand its ecosystem into fresh and faster-growing markets. In just 10 years, Palo Alto increased its annual revenue from \$255 million to a whopping \$4.3 billion.

The story goes that the \$51 billion company's founder Nir Zuk was originally a computer hacker. As a teenager he got caught hacking into an Israeli company. Instead of calling authorities, they asked him to join their team.

He later moved to the U.S., and in 2005 he started Palo Alto and became the principal developer of the first firewall and intrusion prevention system.

Over the years, Zuk's knowledge and insight, continual innovative solutions, and his shrewd acquisition of new and growing start-ups has made Palo Alto a pioneer in the industry and a profit-maker for shareholders.

The company spent more than \$3 billion making 10 acquisitions over the past three years. Although its roots are in the "firewall" network security market, Palo Alto aims to build a broad cloud-based security platform.

PANW has managed to buck the overall downtrend for the broad Technology sector.

As of this writing, shares were up 25% over 12 months while the tech-laden Nasdaq was down about the same percentage.

When we look at the company's fundamentals, it has beaten analyst's estimates for four consecutive quarters.

On top of that, Palo Alto Network's annual free cash flow for 2021 grew 68% to \$1.4 billion from 2020.

Today, many corporations, and governments look to Palo Alto as one of their biggest weapons against the cyber war — especially in light of increased threats from Russia since it invaded Ukraine back in February.

The ongoing cyber war between criminals and the rest of the world continues to worsen with an attack happening once every 39 seconds.

At this very moment, security experts are squarely focused on — and issuing daily warnings about — what Vladimir Putin might have up his sleeve as he looks to cripple anything “American.”

You might recall his ominous warning to the U.S. and other nations in the early days of the Ukraine invasion . . . “Whoever tries to hinder us” will face “consequences that you have never faced in your history.”

That could include the wiping out of banks and financial documents, the exposure of secret defense strategies, and rendering an already fragile U.S. electric grid useless.

With more than 9,200 electric units generating up to 1 million megawatts across more than 600,000 miles of transmission lines, this engineering marvel is also one of the most vulnerable parts of our infrastructure.

All it takes is one tiny opening for a virus or worm to find its way into crucial software or data, and we will be powerless . . . literally.

Interestingly, even borderline disturbing, is that the methods cyber attackers use to wipe out an entire country's systems are the same ones they use to steal your ID or credit card number, or loot your bank or Bitcoin account.

And it doesn't take an action movie arch-villain to pull off these attacks.

In fact, cyber attackers or criminals just need to be a little smarter than the security software downloaded to your computer, the network it runs on, or the IT person who ordered and installed the software.

Unfortunately, hackers seem always to be one step ahead. That's why many of the most successful cyber security companies were started by hackers themselves.

Cybercrime is already a \$6 trillion a year problem.

EARNINGS > PANW



Caption goes here

SOURCE: Xxxxx

If it were a country, cybercrime would be the world's third-largest economy after the U.S. and China. And it's expected to grow to at least \$10.5 trillion by 2025.

Recent findings by market research firm Gartner Group further illustrate the growth in this industry. Cybersecurity spending worldwide climbed 13% in 2021 to \$172 billion, accelerating from 8% in 2020. In both 2022 and 2023, Gartner forecasts 11% growth in cybersecurity spending.

And Palo Alto is perfectly positioned as the world's go-to partner on any cyber battlefield.

Amazon (AMZN)

To me, this online bookstore turned cloud market leader is the epitome of innovation.

Amazon is truly one of the world's greatest success stories, and I've been a fan from Chapter One.

In fact, if you were bold enough to buy shares back on May 15, 1997, when Amazon went public and have held on to them, chances are you belong to a very elite group of rich folks.

Every \$1,000 invested then is worth an astounding \$1,783,840 today.

Plus, because of its stock-split this year, shares

are more affordable than ever, trading around \$132 (through Aug. 25).

The company almost singlehandedly ushered in the online shopping revolution. It's turned membership into a lifestyle and all but created the concept of cloud computing and online advertising.

No surprise today that CEO Andy Jassy and company are also chomping at the bit for an eventual chunk of market share in the Metaverse evolution.

History shows very clearly that companies that reinvent themselves during times of crisis not only remain competitive but build the needed foundation for post-crisis growth. What's more, they tend to outperform during recovery.

As part of the exclusive group of companies with market caps that exceed \$1 trillion, its diversity often sets it apart from the rest. And two of its most important businesses — e-commerce and cloud computing — are still in growth mode.

Case in point, Amazon's B2B business unit may be on track to become an \$80 billion marketplace. Fresh, Amazon's grocery store chain, is dangerously close to conventional grocers, which means that they could be the next industry to fall prey to Amazon's expansion.

The company also recently purchased Selz, a Shopify competitor for an undisclosed sum. Amazon is also making inroads in personal robotics and reportedly has more than 800 people assigned with making that a reality.

But despite all the above, and the fact that it delivers an estimated 1 million packages daily, which generates billions in e-commerce revenue, it's Amazon's cloud business — Amazon Web Services — that's the biggest cash cow.

AWS powers the websites of a lot of big players like app-heavy Netflix, Apple, LinkedIn, and more than 7,500 federal government agencies, including NASA and the Department of Defense.

Its growth and dominance among competitors is nothing short of phenomenal.

- In 2004, Amazon's revenue was \$6.9 billion. In 2021, it was \$469 billion.
- Since 2018, Amazon's operating profit from AWS has gone from 58% to 74%.
- AWS controls nearly one-third of the cloud market and, based off 2020 estimates, creates \$62 billion in revenue.

In the first quarter of 2022, AWS' net sales jumped by 36.6% year over year to \$18.4 billion, with operating income coming in at \$6.5 billion, 56.6% higher than in the period a year ago.

The need for cloud is only going to expand in the future. According to some estimates, the global cloud computing industry will grow at a compound annual growth rate (CAGR) of 15.7% through 2030.

On top of that, Amazon generates plenty of cash and is in a solid financial position. Amazon ended the first quarter of this year with cash, cash equivalents, and restricted cash of \$36.5 billion, although that decreased from the \$42.4 billion it had at the end of the first quarter 2021.

For the second quarter in 2022, sales increased 7% to \$121.2 billion from \$113.1 billion year-over-year. Amazon said it expects to post third-quarter revenue between \$125 billion and \$130 billion.

So, despite hiccups from all the headwinds that reduced share price by 22% (through July), Amazon has the money to continue pursuing multiple business avenues and revenue streams while remaining highly successful.

CareTrust (CTRE)

The real winners during tough times are companies with the vision to press forward, despite the odds or environment, especially when they're supported by booming demographics, strong operations, and comparatively low expenses.

REITs (Real Estate Investment Trusts) fit the bill nicely because they offer a blend of income and appreciation. However, like any other investment these days, you must choose carefully. That's especially true because many REITs perform poorly amid high or rising interest rates if they're tied to the wrong property types or have too much leverage.

For example, many popular REITs center on so-called "Class A" office space. Historically, they've done well for the investors who physically own these spaces. However, that's likely to change because millions of employees and companies have discovered the beauty of working remotely.

Real estate pros will paint a rosy picture in public, but privately there's a deep fear of looming vacancies in many areas for years to come. What's more, the income stream many REIT investors take for granted

may be considerably riskier than they originally thought.

Other popular REITs specialize in malls and retail shopping centers. Historically strong performers, retail property has been in a death spiral for years.

Researcher Kearney estimates that 40% of all consumers will be digital-only by 2030, just eight short years from now. That means the current crop of teenagers may never experience “going to the mall” to hang out on Friday nights like some of us did.

Fearing the worst, many REIT investors have sold recently. The NAREIT index for all REITs (FNAR) is down nearly 16% year-to-date (through Aug. 25), just a shade worse than the S&P 500 which has dropped around 14% over the same time frame.

That’s understandable . . . the word “recession” doesn’t exactly motivate investors. But fear works in our favor when it comes to finding longer-term bargains other investors sell because they fear short-term volatility.

Recession or no recession, there’s a lot of money to be made, especially with the right REIT at the right time.

Introducing \$1.94 billion CareTrust (CTRE), a publicly traded, self-administered REIT that buys and leases healthcare properties and senior care housing to specialized healthcare operators across the United States.

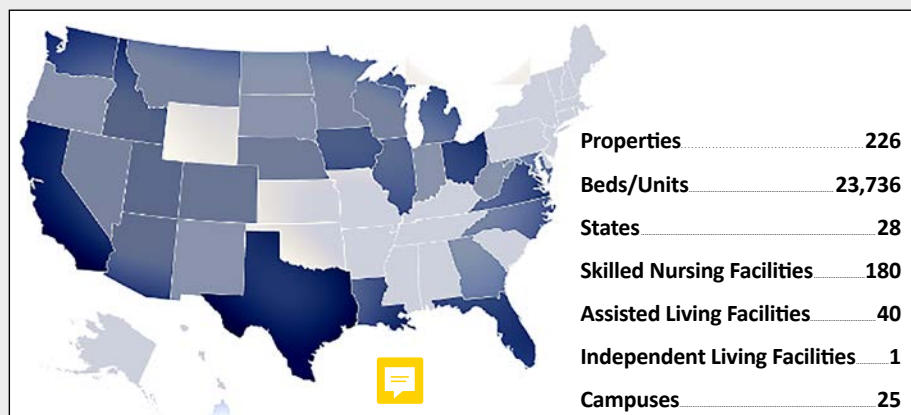
The company has tenants in 228 net-leased healthcare properties in 29 states throughout the country.

The healthcare REIT — based in my neck of the woods, San Clemente, California — also added a couple of new properties to the portfolio earlier this year. CTRE purchased a skilled nursing facility in Texas for \$8.9 million and a skilled nursing campus in Illinois for \$13.1 million.

Meanwhile, CTRE is also making progress toward selling up to 32 assets and further de-risking the portfolio, which will help fund new deals, including its planned expansion into behavioral health.

Roughly 68% of its leased properties involve skilled nursing, 19% is multiservice campuses, while the remaining 12% is senior housing.

CARETRUST FACILITY INFORMATION



Caption goes here

SOURCE: Standard & Poor's

According to company data, CareTrust has 22 operators running an impressive 23,834 beds. The largest two operators, The Ensign Group and Priority Management Group, account for 33.1% and 14.9% of the company’s rental income, respectively, which also means there’s a relative risk reduction in terms of business partners.

As a landlord, not an operator, CareTrust doesn’t have to deal with staffing, labor problems, families, etc. Nor will it get tied up in Medicare payment delays or processing.

Another plus is that while REITs are geographically concentrated, CareTrust’s lease property is diversified across the U.S. This reduces the likelihood of an overall downturn adversely impacting operations, leading to a less volatile portfolio, comparatively speaking.

Plus, its lease maturities — meaning when leases expire — are largely concentrated in 2031 and 2034.

The length of these leases suggests far more stable cash flow over time and very bond-like characteristics without the risks of traditional fixed income.

Shares are trading around \$21 (as of Aug. 25) having built off an established base near \$16 in late April.

CareTrust also pays dividends four times a year. The current projected yield is 5.50%.

REITs, like CTRE, need to be stable in order to pay out the required 90% of their earnings back to investors. And with CareTrust, the company’s strong margins allow it to continue to make increases to the dividend.

The company last raised its dividend in March 2021, when it bumped up its quarterly payments from \$0.25 to \$0.265, an increase of 6%. CareTrust has grown its dividend along with its improving free cash flow, which, in the past five years, has always come in higher than the dividends that it has paid out.

Finally, the last and perhaps strongest argument of all for buying shares is that CareTrust's primary customers include the largest demographic group in the U.S. — the old and aging.

Known as the "silver tsunami," the number of Americans aged 65 or older is projected to surpass 72 million in 2030 and 83 million in 2050.

Waste Management (WM)

Every year, each person tosses out roughly 220 pounds of food waste.

Who knew trash could be so complicated? But we generate a whole lot of it, and it has to go somewhere.

Let's break down the numbers.

The U.S. Environmental Protection Agency determined that the average American produces about 2,072 pounds of Municipal Solid Waste (MSW) per year.

Each year, the average person throws away (and hopefully recycles):

- 38 pounds of newspapers
- 48 pounds of books
- 25 pounds of office papers
- 22 pounds of paper plates or cups
- 28 pounds of aluminum beer and soda cans
- 77 pounds of plastic bottles and jars

- 90 pounds of tossed-out clothes and shoes
- 77 pounds of cardboard boxes

Trash companies are charged with deciding where to dump it all while (again, hopefully) leading the way to a greener future.

Landfills are one of the worst polluters. The EPA says that solid waste landfills are the third-largest source of methane emissions in the United States — equivalent to emissions from more than 21.6 million passenger cars per year.

The good news is that landfills are also a source of windfalls.

Allied Market Research estimates that the global waste management market will grow from \$1.6 billion in 2020 to \$2.4 billion by 2030. In North America alone, the market is expected to grow to \$228.3 billion by 2027, up from \$208 billion in 2019.

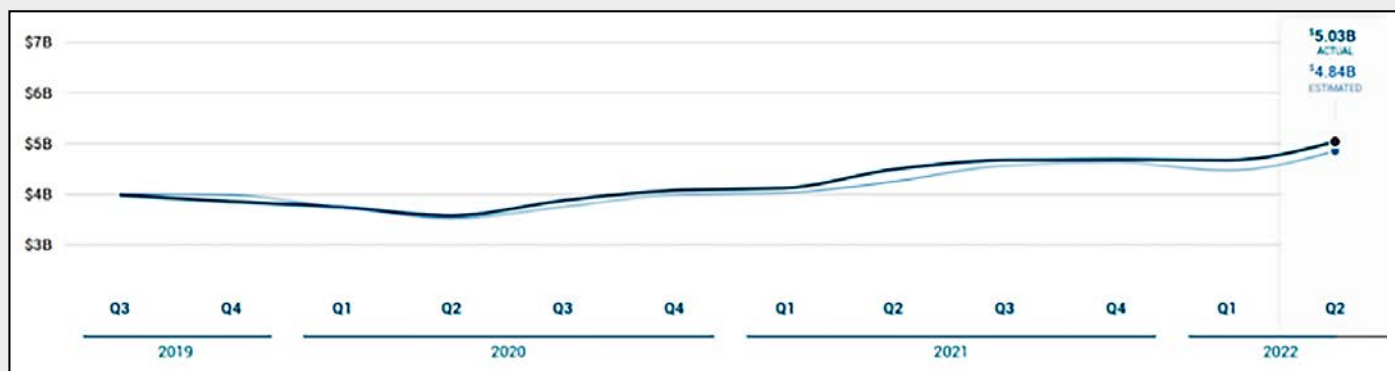
For one of the biggest companies serving North America, your trash is literally their treasure.

Waste Management (WM) serves 20 million customers, with trash collections as the \$15 billion company's largest revenue driver. This involves the picking up of solid waste and recyclables and transporting all of it to a transfer station, material recovery facility (MRF), or landfill.

About 70% of the waste that WM collects is disposed of at its own landfills, allowing the company to operate at higher margins with stronger operating cash flows.

It managed 143 recycling facilities, 244 active solid waste landfills, and more than 15,500,000 tons of recyclables in 2021.

WASTE MANAGEMENT AND ACTUAL REVENUE BY QUARTER

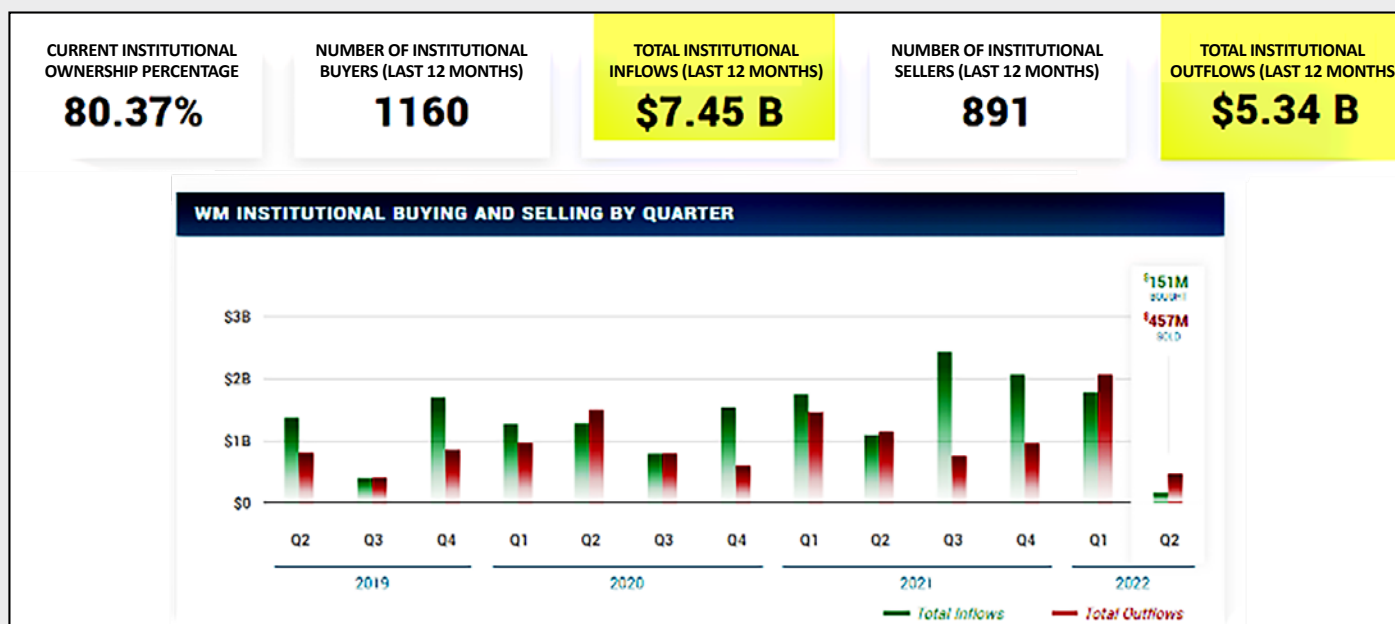


Caption goes here



SOURCE: Standard & Poor's

WASTE MANAGEMENT INSTITUTIONAL BUYING AND SELLING BY QUARTER



Caption goes here

SOURCE: Standard & Poor's

Waste Management's revenue has grown consistently for three years. In the most recent quarter, it beat estimates by \$160 million.

The company also passed the pandemic stress test, surviving the virtual months-long, waste-production standstill from construction sites and industrial production. While its revenue and earnings dropped, WM continued to provide dividends to shareholders.

In fact, Waste Management has increased its dividend annually for 19 consecutive years, including a 2020 increase. Over the past decade, dividends averaged 5.5%.

On top of that, the company even managed to buy back its stocks over the past couple of years. In 2022, it expects to buy back up to \$1.5 billion worth.

One reason WM has been able to deliver consistent dividends is its healthy free cash flow. It totaled \$2.43 billion in 2021, a 37.4% increase from 2020.

One of the most eye-opening aspects of WM is the institutional interest. Over the past 12 months, inflows from giant institutions totaled \$7.45 billion while outflows stood at \$5.34 billion.

So, here's another example of one of those sectors and stocks that may not be flashy, but that produces the kind of numbers that attract big money and can survive an occasional crisis.

VanEck Agribusiness (MOO)

As though the world needed another shortage-turned-crisis after COVID-19 impacted supply chains across many industries, but the Russia/Ukraine war handed us one.

This time it's a fertilizer-fueled food shortage and potential crisis occupying headlines these days. For people fortunate enough never to have "gone hungry," it could be a wakeup call of huge proportions.

Should this crisis play out like some analysts fear, those scantily stocked grocery store shelves we saw during the pandemic will pale in comparison to what we might encounter.

Although you can at least partially blame the Russia-Ukraine conflict for this critical situation, a break in the agricultural food chain had already been in the works since the start of the pandemic.

In fact, in 2021, U.S. food prices were the highest in 50 years — even before inflation kicked into a higher gear this year.

Disruptions began with a post-lockdown climate that drew high demand from countries with voracious appetites like China. A combination of severe drought and high temperatures in 2021 impacted crop production, primarily wheat, from the U.S., Canada,

and Russia. And high energy prices catapulted fertilizer prices.

Finally, war broke out between Russia and Ukraine, cementing the fact that crop yields will indeed worsen in 2022. It's just a matter of how much worse they'll get.

Ukraine and Russia together produce nearly 30% of the world's traded wheat. The war has all but shut down grain exports from both countries.

Currently, some 13.5 million tons of wheat and 16 million tons of corn from last year's harvest in the two countries are stuck because of sanctions.

As a result, wheat, corn, and soy prices are already soaring past those of the last global food price crises of 2012 and 2008, with wheat jumping 60% since the beginning of February.

Over the past decade, Ukraine, long known as the breadbasket of Europe, has become an agricultural powerhouse for much of the developing world. Better seeds and newer equipment have allowed Ukraine to more than double its exports.

The two nations (along with Russia's ally Belarus) also supply vast amounts of fertilizer.

As is the case with most commodities-related crises of this kind, a drop in supply and rise in demand and prices translates into profitability for relevant companies and investors in them.

Companies in the fertilizer and agriculture spaces are poised to benefit from strong global demand and prices of major crop nutrients.

In the U.S., healthy farm profits and large numbers of planted acres are expected to drive demand for fertilizers. Phosphate markets are likely to remain robust in the near term on strong demand and rising pricing.

Potash prices have also strengthened on the back of robust global demand, aided by strong grower economics, higher crop prices and low global inventory levels. Demand for nitrogen fertilizer also remains healthy in major markets in North America, India, and Brazil.

An article in *The Economist* noted that increased food costs have driven up food insecurity,

VANECK AGRIBUSINESS (MOO) TOP 10 HOLDINGS (58.16% TOTAL ASSETS)

Name	Symbol	% Assets
Zoetis Inc Class A	ZTS	9.36%
Deere & Co	DE	8.75%
IDEXX Laboratories Inc	IDXX	7.81%
Bayer AG	BAYN.DE	6.09%
Nutrien Ltd	NTR.TO	5.66%
Archer-Daniels Midland Co	ADM	4.90%
Corteva Inc	CTVA	4.89%
Tyson Foods Inc Class A	TSN	3.99%
Kubota Corp	6326	3.42%
Tractor Supply Co	TSCO	3.29%

Caption goes here



Fund Summary

The fund normally invests at least 80% of its total assets in securities that comprise the fund's benchmark index. The index includes equity securities of companies that generate at least 50% of their revenues from agri-chemicals, animal health and fertilizers, seeds and traits, from farm/irrigation equipment and farm machinery, aquaculture and fishing, livestock, cultivation and plantations, plant-based meat and dairy alternative companies and trading of agricultural products. It is non-diversified.

SOURCE: YahooFinance

from affecting 440 million people to affecting 1.6 billion, and it said 250 million are literally on the brink of famine.

That suggests food inflation isn't going anywhere. Hedging away at least part of the threat that food inflation represents to an investor's personal wealth could be a matter of finding the right investment.

Of course, you can always invest directly in the agricultural futures market.

But a better, less risky way is to buy shares in companies that provide the industry with the latest and greatest farming and irrigation equipment, pesticides, and fertilizer to boost production and quality.

That means more money is flowing to this sector and to stocks within this sector.

And VanEck Agribusiness (MOO) is a \$2 billion ETF attracting cash and offering some intriguing positions in this space.

Two of MOO's biggest rock stars, Nutrien (NYQ) and Archer-Daniels Midland (ADM), are huge suppliers to the agriculture community and staples in the industry.

Fertilizer maker Nutrien is a Canadian fertilizer company based in Saskatoon, Saskatchewan. It is the largest producer of potash and the third-largest producer of nitrogen fertilizer in the world. It has 1,500 retail stores and more than 23,100 employees.

The \$46 billion company has delivered earnings surprises of 5.8%, on average, over the past trailing four quarters.

Archer-Daniels-Midland is an American multinational food processing and commodities trader headquartered in Chicago, Illinois. The company operates more than 270 plants and 420 crop facilities worldwide, where cereal grains and oilseeds are processed into products used in food, beverage, industrial, and animal feed markets worldwide.

The \$46 billion company has grown earnings per share by 40% per year over the last three years. Revenue has also grown by 26% to \$94 billion through the second quarter.

If you don't mind taking on more risk in these

commodity-related industries, consider buying shares of ADM or NYQ instead of the more diversified ETF option.

There you have it. As you know, the only certainty in the stock market is uncertainty, and there's no short supply of that this year.

To successfully navigate today's landscape, it's more important than ever to use common sense, focus on fundamentals, take what the markets give you, and keep greed and fear in check.

Regardless of what investments you choose, make sure you stay true to your risk tolerance, and keep your eyes on your financial goals.

And we'll tackle each challenge that comes our way one crisis at a time. ■

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