



Thursday 28th July 2022.

HOT STUFF:

EXCITING ANNOUNCEMENT: I am delighted that Al Boyle has agreed to join Team NUTSTUFF as a Partner to lead Nutstuff's business development. Al brings a wealth of experience, having worked in European equity sales for 25 years, the last 17 as a founding partner of Redburn where he was instrumental in building it from launch to becoming the leading UK independent research and broking house. (No Nutstuff doesn't want the 200 employees they got to but I would take the £100m of revenues!) Al will be helping with not only widening our distribution, here and into the US and other markets but also to collate, improve and develop some UK & European content. Al is as passionate about markets as me with a huge amount of energy and experience, and I have no doubt that Al will help take Nutstuff to the next stage in its development as well as help me to uncover and develop new interesting and contrarian ideas. Thankyou all for your continuing support!

BEING VERY CLEAR! Market is truly going Nuclear today! Don't paint Nutstuff into any Bearish on markets or Stocks corner. I was adding risk on my birthday, 19th June (mkt bottomed 17th!) Biotech etc. Some Fed thoughts below as we now know cut of their Jib! YES, I see 2 huge parallel growth engines working together into 2023 with yes still high but manageable inflation! That said there are large parts of the market I have zero interest in at any price now Money has gone from Free when you buy lottery tickets to costing something (and in rates terms we aren't yet quite sure how expensive it will get!) I have been very clear about this. Recent Biotech adds reflect this as with META (sure may give back 36hrs performance but it's just too cheap here!) More importantly as with Coal Energy and Nuclear/Uranium (see below) and many commodities, Agriculture etc my Bi-Polar to Multi-polar thesis since early 2022 has become a begrudgingly greater reality for the main-stream and a corresponding thematic of Defence, Energy and Food Sovereign Security is imperative, this remains the bed-rock of any Portfolio to "own, leave alone and go and do something more fun!" (Very few client portfolios however are this yet!!!) ***On the Portfolio as it stands with current positions we are now +3.8% YTD which is more than a very good performance in any Long Only Equity Portfolio. I have 4x stocks +>150% YTD, 12 stocks >80% and Gun to my head I think 2022 could be a +>10% Year again for 3rd year in a row! The Eponymous Kuppy sometimes nails things and this Twitter thread echos so much of what I feel, take a look: <https://twitter.com/hkuppy/status/1552295308423442432?s=11>***

"Vive la France"(good Spot NG)

It's not a recession unless it's from
the Recession region of France
otherwise it's just sparkling misery

The tragedy of Ukraine I get, but the "Feting" of the Zelenskys is just nauseating. Vogue photo shoots and Piers Morgan interviews? Really? Next step new Chanel and Bulgary autumn/winter contracts for the Ukrainian army and their more fervent supporters, that might bring the Europeans more on board. Yes lets keep pussy footing around. Nutstuff suggest plenty of real fur in the collection given the lack of gas and winter coming. Lets see if PETA complain now!

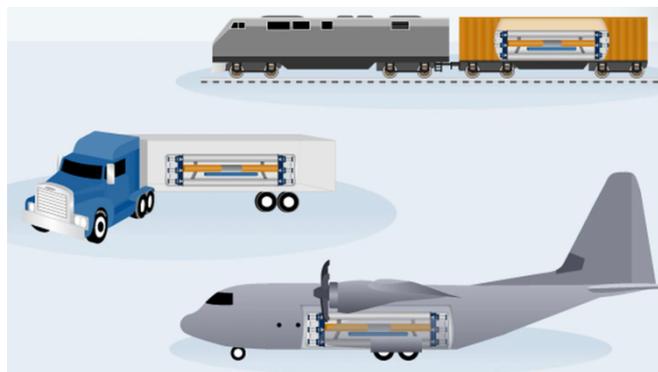
To contrast: Mother Nature & How deep is the sea really? I love this....

<https://twitter.com/nftbadger/status/1551834271337402369?s=24&t=HXLubJ2jktWB2g31mQeQEw>



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URANIUM: I just listened to Nick Wilson (courtesy of DavidS) at Ocean Wall on his latest Uranium thoughts and it again reinforced my Uber-positive stance. We are fully in tandem here! The Japan and German news and trajectory now seems clear. We also now have clear Bi-partisan support for Nuclear in the US Senate but maybe we do get the Russia Uranium ban (beyond dumb!) And really please dont talk to me about Nuclear Fusion as being remotely realistic for the next 5-10years! Right now we are with U308 and nuclear fission. This is still the Best multigenerational Bull mkt opportunity that has ever existed for a commodity. Yellow Cake is the Delta 1 derivative. Spot uranium is not really worth looking at (look at the volume!). Real market is the contract market. You need good Intell. Here and Nutstuff has it. Uranium is @14% of the cost of running a Nuclear Power plant! Remember that \$46.48 is current spot price, with break-even price of @\$80 (but remember not 1 single lb of U308 has come out of a US mine for 4yrs!) so think at least \$80 break-even = so a minimum \$90 contract price...wait to see \$100+ prices and just like 2007 when prices went up 7x, then available Mkt cap for investment was \$150bn, today it is @\$33bn, so simply, 1/5th mkt cap. As Nick describes it: The little door into the mkt is 1/5th the size with more explosive supply-demand dynamics. Think who buys this stuff? Think who the owners are. Hedge Funds are finally & definitely showing up Caxton etc. most Tees River, Geiger Counter (GCL) etc. remember Halogen 2007 returns on uranium. But its tiny really. On exposures, I have them all: URC US / YCA LN/ Cameco/ CCJ US etc, which is the Newmont Mining/NEM US of the space (see the numbers today!) . I also want to find the right play on SMR's (small modular reactors), I am told now capable of being able to be put in the back of an Antonov transport plane and then be assembled in 7 days!





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CRYPTO & NFT's: Sometimes you have to despair. So, lets get this right: if you murder someone they're still alive as long as you have their birth certificate?!

If you make a NFT of a real diamond, and the diamond itself gets destroyed in a fire tomorrow, you still have the same asset.

Because the token still exists and is in limited supply just as before. Nothing has changed.

What NFT is doing to the concept of asset, few understand.

And when I think of the dogged obsessionFascinating article, 2 long to read *"Is Selling Shares in Yourself the Way of the Future?"* / *The New Yorker*.

But this makes the key point....

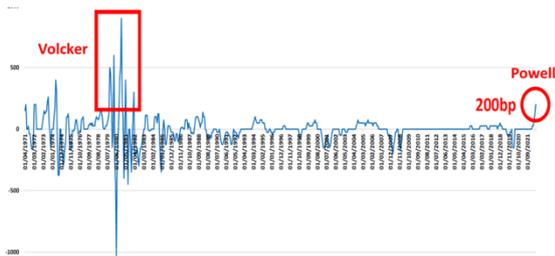
America is now beset by twinned and yet somewhat opposing beliefs: that the country has not delivered on its promise of financial opportunity for all, and that the institutions empowered to deliver on that promise are untrustworthy and beside the point. Seniors as a group have grown wealthier for years, while people younger than thirty-ve are poorer. Student debt has roughly doubled just in the past decade; those that trust in government are falling toward an all-time low. This mistrust seems to transcend ethnicity, age, and partisanship, and its sway on ideas in personal nance is plain. Young people now create personal brands online strip for only-fans, and trade cryptocurrencies, N.F.T.s, and other unregulated direct-market products to try to make a buck. The Libermans and their idea of helping others get ahead by selling futures on the market are the avatars of this era's desperate reach.... After all who wants to be so boring as to invest £20,000 at an average of 7% a year (left alone) for 30yrs being worth £152,000!

MARKET & MACRO:

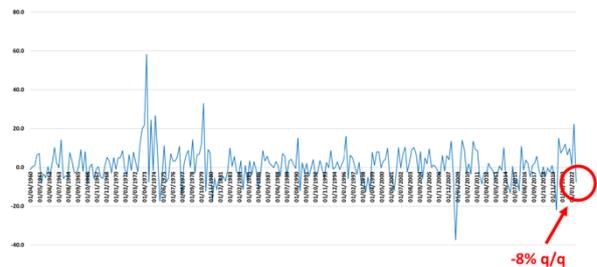
FED & Rates: Babble abounds and trees destroyed to analyse the Fed decision: all meaningless: If you want a short-term view, 75 is the perfect Number, the market likes rate hikes, a long overdue return to health and normality (The Fat ‘Economy’ Kid needs to stop relying on free Central bank drugs and gorging on cheap KFC!) The 10yr continues lower, no more guidance as it’s meeting to meeting (in other words we can do anything including slowing cuts dramatically end of year) Sept will be the next key meeting until then Greed is permanent and fear more temporary than most seem to be positioned for, not me! ☺ What we can see clearly is that the bond market is indicating inflation moderation. Copper prices bottoming indicates recession can be shallow (I am adding here). Markets have priced in already a shallow recession in growth. That may be a mistake but for now is what it is! So what is left of a bearish case is if we encounter a deep & long recession is the question? Markets do not agree for now.

Good pics here from MartinM and no we don’t watch CPI, PCE is what matters..

FED Shock: 200bp Hike in 3 Mths to Manage Inflation



Quarterly % Change in Global Commodity Prices



Third \$ Up-move in Six Decades to Manage Inflation



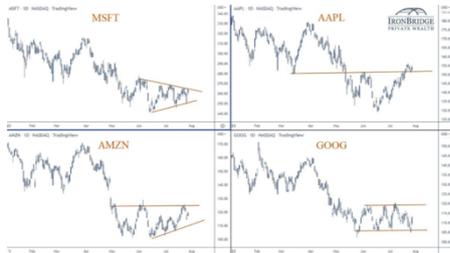
Howard Marks latest thoughts attached (its too long for me to read!) so in 3 lines: "Investors seeking superior performance must have the courage to depart from the pack, even though doing so means accepting the risk of being wrong. Thinking differently and better and more bravely than others is key to outperformance". <https://www.oaktreecapital.com/docs/default-source/memos/i-beg-to-differ.pdf> As it was once put to me by a very senior Portfolio manager at one of the largest Global Fund managers:when it comes to biring, think about it like dogs!: “there are 2 kinds of dogs, “kennel dogs” and “Hunting dogs”. We want the Hungry Hunters not the risk averse ones content with just being fed by others!

PORTFOLIO & STOCKS:

SUMMARY	CAPITAL GAIN	DIVIDENDS	CURRENCY GAIN	TOTAL RETURN
Your Portfolio: Nutstuff 2022	-4,835.07 -2.93%	1,766.75 1.07%	9,277.76 5.62%	6,209.44 3.76%
Edit Benchmark ACWI.NASDAQ BlackRock Institutional Trust Company N.A. -...	-18.84%	0.90%	11.14%	-6.80%

This week numbers from GOOGL, MSFT and then META report, (the 3 Mega-caps I DO own in Portfolio) Yes. AMZN remains my vehement dislike. BUT see technicals here, Nasdaq can squeeze hard here! I have exposures...

Even with today's move higher (pre-Fed), only \$AAPL is showing anything positive. The rest are still consolidating within downtrends (at least for now).
[\\$MSFT](#) [\\$AAPL](#) [\\$AMZN](#) [\\$GOOG](#) #FederalReserve



On MSFT & GOOGL: Honestly I am somewhat indifferent to both. Nutstuff has been clear and in my recent sales of TWITTER and SNAPCHAT that its clearly an advertising mkt which favours the largest with the biggest global reach: as to where I focus:

On GOOGL US: Is a cash machine with fortress balance sheet. I dont like seeing that Google Cloud which is supposed to be the engine of growth disappointing again with 36% YoY growth and increasing losses. (I am hoping to see much worse at AMAZON!) but to be clear, I have to own GOOGL for many reasons....

On Microsoft / MSFT US: yes, Thx Dr. Azure & cloud to the rescue: 40% growth YoY in FQ4 2022 supporting the idea that usage of the cloud will be proof from macro shocks and inflation. Its simple to see that moving to the cloud changes the fixed cost of having IT in-house to variable as one pays only for what one uses. This works very well for small and medium-sized enterprises and so in the coming 12 months, this is where I would expect the resilience to really come from. What is key is that Azure is now big enough that a good fiscal year of growth will help offset softness elsewhere which I suspect is what has given Microsoft the confidence to make this forecast. I like MSFT valuation less than GOOGL or especially META. **And, accounting matters!** Significant change in depreciation policies: In FY23, cloud infrastructure asset life will be extended from 4 to 6 years. The result is a \$3.7 billion reduction in COGs in FY23, contributing a 1.5-2% operating margin benefit. Not peanuts!



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THINGS TO DO & THINGS TO THINK ABOUT:

GETTY /GETY US: ask yourself if this is a better business than Oil for the Getty & Koch family and their other Private Equity shareholders? Getty Images, yes has finally re appeared in Public markets washed clean (again!) by Private Equity! . No analyst coverage yet. Yes trading on NYSE. Tiny volumes still and I see a nice post SPAC bla-bla Short-squeeze set-up here! “Yes, I know a photographer who uses Getty exclusively, this company will be around for the next 100 years, images just never go away”. They boast nearly 500 million digital assets, “are fulfilling enterprise and consumer demand at the intersection of two secular growth trends: brand differentiation with digitised images and video, and monetisation of a self-creator economy, their closest comp is Shutterstock which has been cut in half in last 12mths, worth noting that Getty has “significantly higher corporate revenue concentration”. Yes, again, now I would add. **\$9.50 to \$15.00+ how I see this!**

Oakley Capital/ OCI LN: Nutstuff has been clear in the discount here being plain wrong and with median multiple paid and leverage and nature of their “investment criteria screen” this momentum will continue possibly starkly contra the reversing momentum of the big Institutional PE firms! Another blowout report today, highlighting what a discount to NAV its trading at. NAV 630p vs 420p share price today. The NAV per share return including dividends was 11% (+61 pence) since 31 March 2022, and an increase of 94 pence (17%) since year-end. During the period, OCI made look-through investments of £30 million, largely attributable to the investment in Vice Golf, a digital-first golf brand with a strong track-record of profitable growth, also agreed the sale and reinvestment in web-hosting business Contabo as well as the sale of the investment in Italy's leading price comparison website, Facile, both at significant premiums to their carrying values. The transactions are due to complete later this year. This is all excellent momentum.

BEYOND MEAT/BYND US: still feels wrong. Another bi-weekly Nielsen report showing continued negative growth for at retail. Yet the Street is still forecasting 40% revenue growth in the 3Q, and 50%(!) in the 4Q. Seems ambitious.

Nutstuff...



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