Weiss Ratings
Crypto Investor

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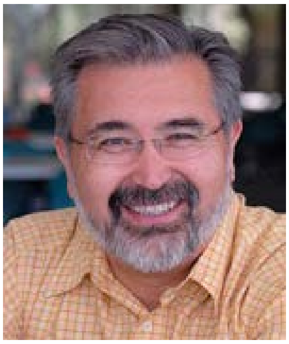
Raging Bull Market in Bitcoin Ahead

Plus a top-rated stock to play another coming boom

By Tony Sagami



Don't believe the stereotype that fraternities are nothing but a nonstop party house of immature drunks.

My college fraternity was filled with dozens of brilliant, hard-working young men who went on to become successful engineers, lawyers, doctors, dentists and business owners.

However, the smartest guy in my entire frat — who we all thought was make more money than the rest of us —joined the Army after graduation, instead. He proudly served his country for more than three decades and retired as a full bird Colonel.

At his retirement party, one of his Army buddies told me that our friend was the most valuable military mind in the entire Army. Yup, more important than any general, more valuable than anyone in the Pentagon or White House.

What did he do? He was a logistician.

A logistician is someone who analyzes and coordinates an organization's supply chain. In the military, logisticians are responsible for the procurement, maintenance and transportation of personal and the equipment.

In short, they ensure things are **where** they need to be **when** they are needed.

That includes everything from bullets to boots, tanks to toilet paper, firearms to food. And the right combination of military personnel.

The private sector is also dependent on logisticians, but the growth of e-commerce has created crushing demand for logistic real estate. Logistic real estate?

Logistics real estate are the warehouses, distribution facilities and fulfillment centers that temporarily house the goods that you buy over the internet. Whenever a retailer sells you something, it has to coordinate to move its goods from point A to point B, passing through these properties in order to do so.

And with the growth of e-commerce, so has the need for logistics real estate. According to Bloomberg News:

> **The growth of online shopping and the desire for quick delivery times has really driven a need for more warehouses, especially in the last mile.**

The retail world is very different today than it was even 10 years ago. People are sitting on their sofas rather than going to the mall. They're ordering from **Amazon.com (AMZN)** and **Walmart (WMT)** to skip the long lines. Consumers are increasingly ordering goods online and getting their them delivered to their homes.

And the e-commerce boom is only going to get bigger. So far, only 20% of all consumer electronic and apparel — and a miniscule 4% of good/grocery sales — is online.

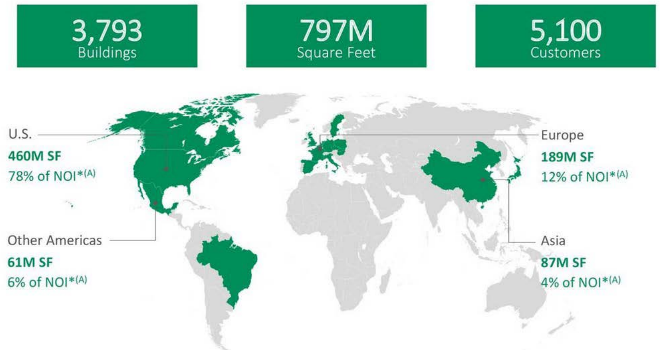
Inside *this Issue ...*

This month, I have a recommendation for you that will ride this growing trend. In fact, it's success in logistics real estate is the backbone of the growing e-commerce industry.

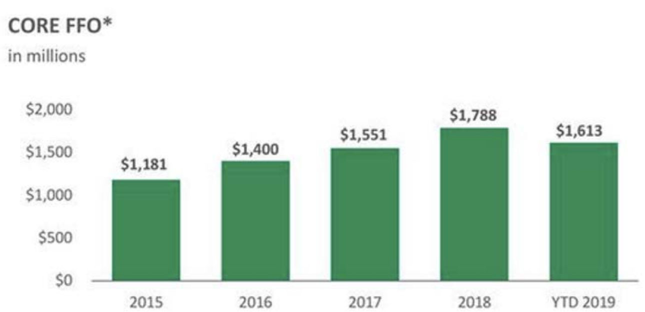
Prologis: The Backbone of the E-Commerce Industry

By Tony Sagami

This month' recommendation is Prologis, the second largest owner/manager of industrial warehouse space in the world with 797 million square feet of warehouse space in 19 countries on four continents.



Consumers are demanding fast delivery i.e. Amazon Prime 2-day shipping. The more retailers promise speedy delivery, the more the need for logistics real estate soars. That's the beauty of the Prologis business model and it owns this market in North America.



Proof: Amazon, **FedEx (FDX)** and Walmart are Prologis' three largest tenants.

And business is BOOMING. Moreover, business is so good that Prologis is enjoying a 96%-plus occupancy rate plus has been able to raise its rents by an average of 4.3% over the last year.

In the last quarter, Prologis — which is structured as a REIT — reported $942 million of revenue, a 38% year-over-year increase, and FFO (funds from operations which is REIT equivalent of EPS) of $632.4 million, or 97 cents per share.

Business is so good that Prologis upped its full-year guidance from $3.26-$3.30 to $3.30-$3.32. Rents are expected to increase by 6.5% a year and revenue growth in excess of 10% through 2022.

The reason for the optimism is simple: Investing in distribution warehouses drastically reduce supply chain costs.

According to a new Bank of America/Merrill Lynch study, transportation costs represent 45% to 55%, labor costs 25% to 30% of total shipping costs, and real estate rents is only 5% of supply chain costs.

In short, the closer a warehouse is to the consumer, the higher the transportation and labor savings.

No question; the 797 million square feet (and growing) of distribution warehouses that Prologis owns is going to get more and more valuable as e-commerce grows.

However, the most exciting part of the Prologis story is that e-commerce companies use three times the amount of warehouse space as traditional retailers. That's because goods packaged for logistics take up more space than pallets of products destined for store shelves.

Prologis has all the biggest e-commerce to itself and its scale and facilities are second to none.

As a REIT, Prologis must distribute at least 90% of its profits to shareholders. Prologis currently pays a $0.53 quarterly dividend and the next one will be at the end of March.

Prologis has an "B" rating from Weiss Ratings, has one of the highest Weiss Performance Rankings and is poised to move much higher. Here's what to do:

Using 5% of the funds allocated to this service, buy Prologis Inc. (PLD) at the market.

And by the way, my brilliant retired Army buddy is a Prologis shareholder.

Bitcoin 2020: Powerful indicator predicts raging bull market

By Juan Villaverde

With Bitcoin up by more than 30% since its mid-December low … with the Bitcoin halving on the near horizon … and with altcoins beginning to show new signs of life …

The time has come to look at 2020 from an entirely fresh perspective.

Today, we start by asking this simple question:

Are Bitcoin Buyers in the Red or in the Black?

In other words, if we combined the most recent purchases of all Bitcoins in the world, what would this aggregate accounting tell us?

Would it result in a net gain or a net loss? And by how much?

An impossible question to answer? Quite to the contrary, it's actually pretty easy. Consider this hypothetical scenario and you'll see how …

- Current Bitcoin market price — $10,000 per BTC.
- Total supply of Bitcoin — just two coins. Let's call them "BTC #1" and "BTC #2." (That's it. In this scenario, there are no other Bitcoins in existence.)
- BTC #1 just changed hands seconds ago for $10,000.
- BTC #2 last changed hands months ago for $5,000.

So, here's a quick quiz to make sure you're paying attention …

1. How much are all the Bitcoins in the world worth today?

That's obvious: With two coins in existence worth $10,000 each, their total value is $20,000.

2. What did all the current owners pay for them?

Equally obvious: It's $10,000 + $5,000 = $15,000.

3. Are the BTC owners in the black or in the red?

In the black, of course.

4. Final question: By how much?

It doesn't take a math genius to figure that one out either: $5,000.

Now, let's give these numbers some names …

- The aggregate value of all Bitcoins in the world is Bitcoin's **Market Cap**. You can find that number every second of the day at coinmarketcap.com and many other sites.
- The aggregate price that current owners paid for them is Bitcoin's **Realized Market Cap.** You can get that number from sources like coinmetrics.com.
- And, as we just saw, the aggregate gain or loss is simply the Market Cap minus the Realized Market Cap.

If the Market Cap is higher than the Realized Market Cap, Bitcoin owners are in the black. They're sitting on a net open gains overall.

If it's the Market Cap that's is lower, it's the reverse. The Bitcoin owners are in the red, sitting on a net open loss overall.

And it's this gain or loss that helps tell us what the next big move in Bitcoin is likely to be.

Now, follow along as we walk you through a couple of charts from Coin Metrics, and you'll see that each chart below shows the two measures we just told you about.

The red line is Bitcoin's Market Cap — how much all the Bitcoins are worth.

The pink area is Bitcoin's Realized Market Cap — how much Bitcoin owners paid for them.

And what we want you to pay close attention to is the difference between the two — the overall net open gain or loss.

Plus, before we show the charts, we want to give you one more big clue …

- When Bitcoin owners have large open gains, Bitcoin is overvalued …
- When they have only tiny open gains, Bitcoin is undervalued, and …
- When they have outright open losses, Bitcoin is grossly undervalued.

Now, let’s move through time, step by step …

Bitcoin from July 2013 — October 2016

1. We start in July of 2013. It’s just before a major bull market really gets under way.

Where is the Realized Market Cap (pink area)? It’s just a hair below the Market Cap (red line).

Bitcoin owners are in the black, but barely. After a long period of discouragement (not shown in the chart), they’re finally beginning to see some light at the end of the tunnel, finally gaining some confidence.

2. November–December 2013. In November, Bitcoin takes off like a rocket, and by the end of the month, Bitcoin’s Market Cap is far above Realized Market Cap. That means Bitcoin owners now sit on monster unrealized gains and Bitcoin is overvalued.

But by the end of the month, the urge to grab those gains becomes impossible to resist.

Result: As December begins, Bitcoin owners rush to cash in. In less than three weeks, Bitcoin’s market cap is literally crushed — by more than half.

3. January 2015 and beyond. After a long, drawn out, one-year-plus bear market, a pivotal, fundamental change creeps into the market:

The Realized Market Cap is now significantly higher than the Market Cap. In other words, for the first time in many years, Bitcoin owners sit on big open losses, and Bitcoin is grossly undervalued.

4. July 2016. Bitcoin has just enjoyed a mini bull market. And now, from this vantage point, we can start to figure out what was really happening back in 2015 (point No. 3 above):

Weak hands got discouraged and bailed out. For all practical purposes, only strong hands remained. They were willing to sit patiently with open losses, as Bitcoin traded within a narrow range for over a year.

But then, as soon as their portfolios were back in the black, Bitcoin owners began buying some more, kicking off a brand new bull market.

Now, fast forward to 2017, and you’ll see that history has repeated itself.

Bitcoin from July 2017 — Present

1. Again, we start in July, but this time in 2017. That’s exactly four years after our starting point in the prior cycle. A coincidence? Not exactly. In fact, four years is the same exact time frame of each Bitcoin halving cycle.

Again, precisely as in 2013, it’s just before a major bull market gets under way.

Again, we ask: Where is the Realized Market Cap (pink area)?

And sure enough, the answer is the same: It’s just a hair lower than the Market Cap (red line).

As they were four years earlier, Bitcoin owners are in the black, but barely. After a long period of discouragement, they're finally beginning to see some light at the end of the tunnel, finally gaining some confidence.

2. November–December 2017. Just as it did four years earlier, Bitcoin rockets higher in November, and in six weeks its Market Cap is far above its Realized Market Cap.

Again, just as it did four years earlier, that means Bitcoin owners now sit on monster unrealized gains. Bitcoin is overvalued.

Result: Within days it plunges, as Bitcoin owners rush to cash in. In just seven weeks, Bitcoin's market cap is *crushed again — this time by more than 60%.*

3. November 2018 and beyond. After a long, drawn out, one-year-plus bear market, that same fundamental change of four years ago returns to haunt the Bitcoin owners.

Bitcoin's Realized Market Cap is now significantly higher than Bitcoin's Market Cap.

In other words, for the first time in four years, Bitcoin owners sit on big open losses, and Bitcoin is grossly undervalued.

You'd think that, by this time, most observers would have learned from the past cycle. They would know what's happening. But no! The change is still hidden. Virtually no one figures it out.

4. July 2019. Nearly in perfect cyclical harmony with the four-year-earlier cycle, Bitcoin has again enjoyed a mini bull market. And from this vantage point, it's now clearer than ever how this mini bull began:

Back in late 2018 and early 2019, weak hands got discouraged and bailed out, exactly as they had done in the prior cycle. Again, for all practical purposes, only strong hands remained. Again, they were willing to sit patiently with open losses, as Bitcoin traded within a narrow range for several months.

Did the play-by-play replay end there? No!

It was the same scene as four years earlier: Just as soon as their portfolios were back in the black, Bitcoin owners began buying some more, kicking off another bull market.

This brings us back to the present, with the Halving of Bitcoin approaching and another surge in Bitcoin under way even as we speak.

What is the Realized Capital Gain indicator telling us now?

Well, to make it clear as day, let's translate the Realized Market Cap it into ***average price*** that current Bitcoin owners paid for their BTC — ***$5,600***!

With Bitcoin now trading over $8,000, that means they're sitting on open gains.

Those open gains are still small. And if history is any guide, they're nowhere near large enough to usher in a major selloff or bear market.

In fact, history also tells us that you won't see another major decline until the Market Cap is about four times higher than the Realized Market Cap.

We can't predict what the Realized Market Cap will be at that time. But even it stays the same as it is today, we'd be looking at $21,000 BTC at that time.

And if Realized Market Cap itself rises, as it invariably does in a major bull market, the price of BTC would have to be far higher.

This is bullish news for Bitcoin. And for our highest rated crypto assets.

But we're taking it nice and slow here.

As long as Bitcoin remains range-bound, it's a good idea to let into it. New subscribers should use 2.5% of the funds allocated to this service to get started.

Old subscribers, this is a great add to your position or sit tight on what you've got.

Stock Portfolio Update

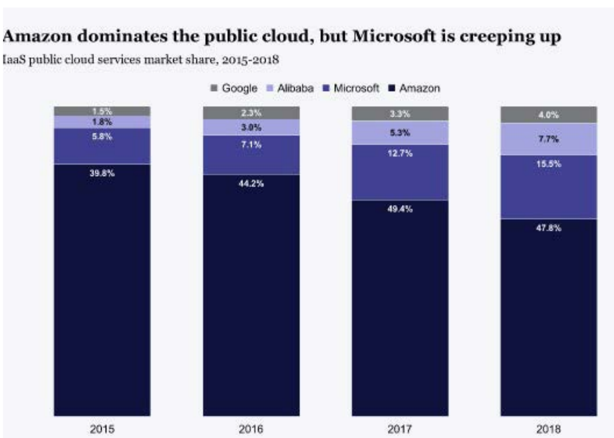
By Tony Sagami

Alibaba Group Holdings (BABA): It is widely known that cloud storage revenues are powering profits at Microsoft and Amazon, but Alibaba is quietly becoming one of the larger cloud companies in the world.

In fact, Alibaba is growing its cloud business at a faster (percentage) pace than both Amazon and Microsoft and now has 7.7% of the global market. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Alibaba (BABA) at the market.

Amazon.com (AMZN): Amazon doesn't just sell billions of dollars of goods, it sells them with spectacular customer service. The Harris Poll has ranked Amazon No. 1 for corporate reputation for three years in a row and has been ranked in the top 10 of consumer satisfaction for online retailer since 2007.



Amazon reports its quarterly results on Jan. 30 and Wall Street is anticipating $4.04 per share of profits. But thanks to loyal customers spoiled by spectacular service and strong holiday sales, I expect Amazon to deliver better-than-expected results. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Amazon.com (AMZN) at the market.

Walt Disney Company (DIS): If you have a young daughter or granddaughter, there's a good chance that you been dragged to movie theater to see Disney's newest mega-hit, Frozen II.

Frozen II hit the theaters on Nov. 29 and it has already pulled in $1.33 billion of ticket sales. It is the highest-grossing animated film EVER … and there is still a lot more profits to come. After all, six of the 40 movies to gross $1 billion in ticket sales were released by Disney just in 2019 alone.

These hit films PLUS Disney's library of 7,500 TV shows and 500+ movies are why its new video streaming service, Disney+, is going to supersize Disney's profits going forward. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Walt Disney Company (DIS) at the market.

DocuSign Inc. (DOCU): DocuSign was up 85% last year. That's because its revenues jumped by 41% and profits were up by 83% on a year-over-year basis. Business is booming; continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy DocuSign Inc. (DOCU) at the market.

Facebook (FB): Wow! The analysts at Guggenheim said that Facebook's business is about to enter a period of "significant growth" and that its stock will enjoy "significant further appreciation" in 2020. Facebook has a whopping $52 billion of cash in the bank, which translates into 8.7% of its total market cap. I like that sound of that!

Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Facebook (FB) at the market.

International Business Machines (IBM): AI is going to send IBM shares to the moon.

According to IDC Research, the companies spent $28 billion last year on AI initiatives, and IBM is the No. 1 in the world for makes share with 9.2% of the market.

IBM has a portfolio of 1600 AI-related patents is poised to grab an even larger market share. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy International Business Machines (IBM) at the market.

JPMorgan Chase (JPM): JPM hit a new 52-week high earlier this month.

It also reported its quarterly results earlier this month and "crushed" Wall Street expectations by $0.22 to $2.57 per share on $28.3 billion of revenue. Lower interest rates are treating JPM well; its fixed income department saw profits jump 86% to $3.4 billion.

Your account will receive a 90-cent-per-share dividend on Jan. 31. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy JPMorgan Chase (JPM) at the market.

Mastercard Inc (MA): Most Americans think of Mastercard as a U.S. company, but only 35% of its transaction volume in from the U.S. while 65% is international.

That percentage is set to soar because the new trade deal with China is a BIG deal for Mastercard. One of the unheralded provisions of the trade deal clears the way for Mastercard to gain approval from the People's Bank of China to begin operations in China.

If Mastercard gets a foothold in China ... WOW! Continue to hold.

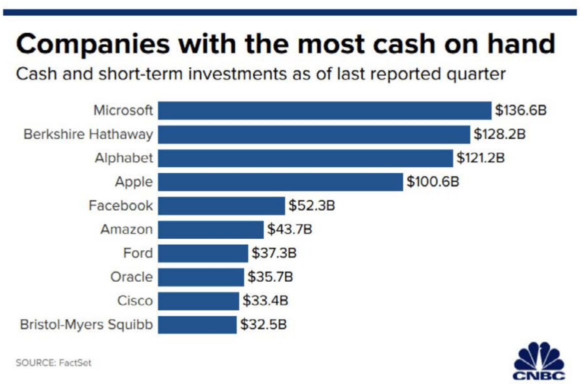
New Subscribers: Using 5% of the funds allocated to this service, buy Mastercard Inc. (MA) at the market.

Mercury Systems (MRCY): Mercury Systems reports its quarterly results on Jan. 28 and Wall Street is expecting 48 cents per share of profits.

Mercury is one of those rare companies that habitually beats expectations ... by a lot. In fact, it has crushed expectations the last four quarters. That's the type of surprise that every investor hopes to receive. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Mercury Systems (MRCY) at the market.

Microsoft (MSFT): $136 billion! That's how much money cold hard cash that MSFT has in the bank. In fact, that is the fattest cash hoard on the planet.



Plus, Microsoft hit another new 52-week high, boosting our open gains to over 20% This is fantastic for a stock that we've only owned since October. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Microsoft (MSFT) at the market.

NVIDIA Corp. (NVDA): Time after time, investors making the mistake of thinking that NVDA is just a video gaming company. Wrong!

NVDA does get more than 50% of its revenue from gaming, but its blazing fast GPU (graphic processing unit) chips are being used for cloud computing, self-driving cars, manufacturing and healthcare. In fact, those markets are where NVDA's future truly lies.

That bright future is why NVDA hit a new 52-week higher earlier this month. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Nvidia Corp. (NVDA) at the market.

Square Inc. (SQ): Square is completely disrupting the electronics payment market. And that innovation has translated into a higher stock price for us.

I consider Square's operating system to be every bit as revolutionary as Microsoft DOS, Apple IOS or Google's Android operating system. Square's potential is through the roof and could become the biggest winner of our portfolio. Continue to hold.

New Subscribers: Using 5% of the funds allocated to this service, buy Square Inc. (SQ) at the market.

Weiss Ratings Crypto Investor Portfolio

Recommendations	Reco Date	$ Cost	Current Quote ($) as of 01/29/20	Total % Gain
Crypto Positions				
Cardano (ADA/USD) **	9/12/18	$0.05368758	$0.05551000	6.4%
EOS (EOS/USD)	9/12/18	$5.39210000	$4.04	-24.8%
Holo (XHOT/USD)	11/19/18	$0.00060100	$0.00067100	10.3%
Bitcoin (BTC/USD)*	4/26/19	$8,742.44	$7,220.57	-14.1%
Fantom (FTM/USD)	8/7/19	$0.02205500	$0.00893400	-58.2%
Ethereum (ETH/USD)	8/7/19	$224.51	$176.13	-21.6%
Tezos (XTZ)	11/27/19	$1.25753900	$1.57	23.4%
Stock Positions				
Square (SQ)	7/27/18	$69.85	$74.80	-10.4%
Amplify Transformational Data Sharing ETF (BLOK)	9/13/18	$19.97	$19.14	"
Nvidia (NVDA)	10/19/18	$229.17	$247.97	3.2%
DocuSign (DOCU)	12/28/18	$40.50	$74.93	83.0%
Mastercard (MA)	1/18/19	$202.00	$320.27	48.4%
IBM (IBM)	2/22/19	$139.25	$139.55	-0.3%
JPMorgan Chase (JPM)	3/15/19	$99.76	$134.43	42.7%
Overstock.com (OSTK)	4/26/19	$13.07	$8.02	-46.1%
Facebook (FB)	7/12/19	$204.87	$217.79	0.2%
Amazon.com (AMZN)	8/30/19	$1,776.29	$1,853.25	4.0%
Microsoft Corp. (MSFT)	10/2/19	$134.65	$165.46	17.5%
Mercury Systems (MRCY)	11/1/19	$74.60	$78.00	-7.4%
Alibaba (BABA)	11/27/19	$200.82	$212.10	5.6%
Walt Disney Co. (DIS)	1/3/20	$146.48	$138.37	-5.5%
Prologis (PLD)	**1/31/20**	**-**	**Buy 5% @ market**	

* Bitcoin's $ Cost and Total % Gain columns reflect average of initial purchase 4/26/19 ($5,217.25) and subsequent buys 8/7/19 ($11,901.45), 8/30/19 ($9,584.37), 10/2/19 ($8,266.70), and 11/1/19 ($9255.15).

** Cardano $ Cost and Total % Gain columns reflect average of initial purchase 9/12/18 ($0.06840000) and subsequent buy 11/27/19 ($0.03897516)