Weiss Ratings
Crypto Investor
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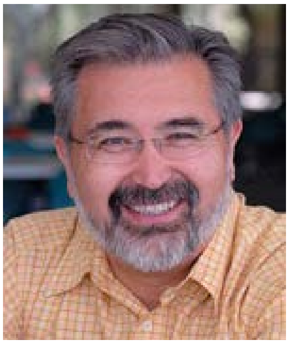
My Roadmap to 5G Riches

Companies are suiting up for the 5G revolution. But the winner is already clear.

By Tony Sagami



Sometimes my children make me feel invisible. Even when we're sheltering in place and sitting just six feet apart, the appropriate social distancing space. I'm talking about when they bury their noses so deep in their mobile phones, they forget I'm even there.

There's a name for this: phubbing.

Phubbing is phone-snubbing — the practice of someone getting lost in their phone and tuning out their loved ones who are sitting right there with them. They dive so far into their Facebook, Instagram or Snapchat black holes that they totally ignore you.

I don't think my kids are phubbing me on purpose. For their sake, they better not be!

But this phenomenon is ironic, really. Mobile phones were created to help us stay better connected to each other, but they are now disrupting our in-person relationships. Even when we're all together in the same room.

If you think phubbing is bad now, it is about to get even worse. Not because teenagers and millennials are getting more oblivious, but because internet connection speed is about to hit warp speed, Star Trek style. This would mean devices could consume even more media at an even faster pace.

I'm talking about the 5G, or fifth-generation wireless networks. They haven't caught on widely yet, but that's all about to change ... and soon. This means it's time for investors to get ready for it now.

First, here's a little mobile phone history from across the "generations":

- **Remember the big brick-like cell phones?** Those were the expensive, slow first-generation (1G) analog cellular phones.
- **Remember the clamshell flip phones?** That was the second generation (2G) and the first to use digital technology. Analog phones translate audio signals into electronic pulses, while digital phones break the signal into binary code. Better — but still too slow for images.
- **Then we got an upgrade.** Third-generation (3G) networks increased data speeds from 200kbps a second to a few megabits per seconds. BlackBerry phones were wildly popular. People started to move away from their desks and do business from coffee shops, because now they could.
- **And another boost in speed.** Fourth generation (4G) changed our lives by increasing data speed from megabits to gigabits. That speed made it possible to watch videos and helped Apple sell hundreds of millions of iPhones. With basically mini-computers in our pockets at all times, we learned to be "on" all the time — because we could be.

But 5G wireless technology is a total game-changer because it will turbocharge connection

Inside *this Issue ...*

speeds. to as much as 1,000x faster than current technology.

That's right … 1,000x FASTER!

The average 4G download speed is 100 megabits per second (mbps). With 5G technology, that is going to increase to 10 gigabits (gbps) per second. This type of speed makes it possible to download an entire two-hour film in just seconds.

I personally subscribe to Netflix and seldom watch traditional TV anymore, other than sporting events. However, I've nearly put my fist through my TV several times when the internet stalled during critical moments of my beloved University of Washington football and basketball games.

That will never happen again with 5G, which will eliminate any disruptions during live sporting events.

This increased speed is really going to change the way that people, including my children, use smartphones.

They will go from checking posts on social media and watching YouTube videos, to watching picture-perfect, high-definition streaming media feeds like the Super Bowl, live concerts, first-run movies and more.

That is why my children, as well as the rest of the world, will bury their noses even deeper into their mobile phones and phub me even more.

However, the lightning-fast speed is only one of the three monster breakthroughs that 5G brings to the table. The other two are …

1) The ability to connect more devices at the same time and

2) The near-disappearance of latency.

Latency is the time it takes to get a response to information that you've sent. (Not from your kids, though — that wait time is probably only going to get longer!) For example, the lag between the moment you shoot a space invader and the moment the internet server hosting the game shows him as dead will become near-instantaneous.

5G is so revolutionary that Swedish cellular phone giant Ericsson predicts that mobile data traffic will increase by 800% by 2023. It's no wonder why …

Wireless Giants are Racing Into 5G

All four major U.S. cellular carriers have already rolled out 5G services to a small handful of U.S. cities. However, these 5G transmission signals still have one major problem: The new high-frequency 5G radio waves don't travel far. Only a few hundred feet.

There is only one solution, and that is for wireless carriers to rent more — a lot, lot more — capacity from cellular tower companies.

And that's where investors should be focusing their attention. Don't make the mistake of investing in cellular providers, like **T-Mobile (TMUS)** or **Sprint (S)**. The BIG money will be made by the cell tower companies that lease space to those cellular carriers.

The best company best positioned to rake in mountains of profits from 5G is **Crown Castle International (CCI)**. That's why I'm recommending it today.

Crown Castle International: America's 5G Landlord

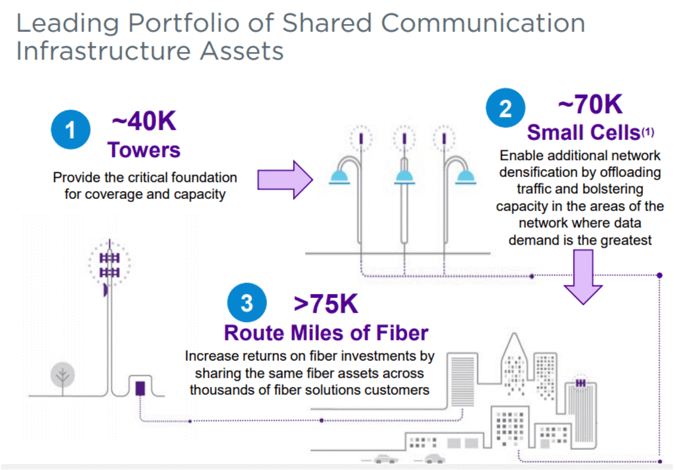
By Tony Sagami

Do you own a smartphone? Of course you do. And the chances are very high that you depend on Crown Castle every day of your life, but don't know it yet.

Crown Castle is one of the largest owners of cell phone towers in the United States. Its real estate, however, is unique: A national network of broadcast towers that are used to host telecommunication equipment for mobile phone companies.

Crown Castle has a pretty simple business model: Build a massive network of cellular towers across the U.S. and charge the major mobile carriers a steady stream of recurring rent to bounce their cell signals over its towers.

I'm not talking about a small network, either. Crown Castle has more than 40,000 cellar towers and 75,000 miles of blazing-fast fiber optic cable spread across the United States.



The majority of those towers and fiber cables are located in most of America's major cities, where the majority of the U.S. population resides.

Crown Castle leases those towers to every one of the major wireless carriers. Those leases are set up as long-term leases — typically 10 years — with built-in rent escalation (typically 3% a year) clauses and are non-cancelable.

Get this: In 2019, Crown Castle pulled in $5 billion of revenues, but it has a total of $24 billion in rental contracts *with an average life of five years* with the big four cellular carriers. That formula gives Crown Castle one of the most dependable rental streams of income on the planet.

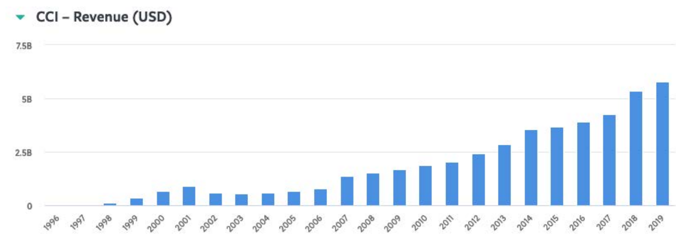
It gets even better. Once Crown Castle builds a tower, the overhead and maintenance costs are low and fairly fixed. The end result is phenomenal revenue and profit growth.

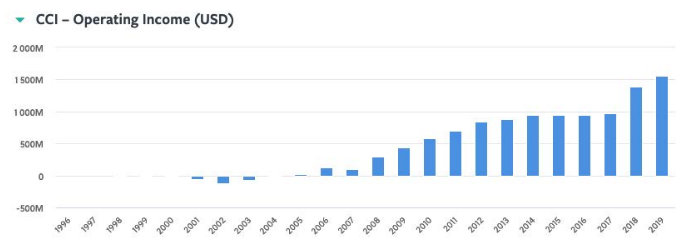
Recession Resistant? You bet!

No question, the coronavirus is going to send the U.S. into a recession. But Crown Castle will not be affected in a meaningful way.

People are still going to use their smartphones, no matter how many points the Dow Jones Industrial Average falls. Heck, you'd need a crowbar to pry the smartphones out of my children's hands. Wireless carriers will continue to ping a growing amount of their data off Crown Castle's network of towers.

Don't believe me? Then consider this: During the 2008-'09 financial crisis, Crown Castle was able to increase both its revenues and profits. Talk about recession resistant!





The simple fact is that the amount of data — fueled by data-rich video — flying around the sky is growing like mad. Mobile data traffic is expected to grow at a compounded rate of more than 40% a year between now and 2023, largely fueled by the new 5G networks.

The more data that is transmitted, the more money Crown Castle makes.

5G, by the way, will require an enormous expansion of cell tower infrastructure. **AT&T (T)** says 5G will require the construction of 300,000 *new* cell towers, on top of the 220,000 cell towers in the U.S. today.

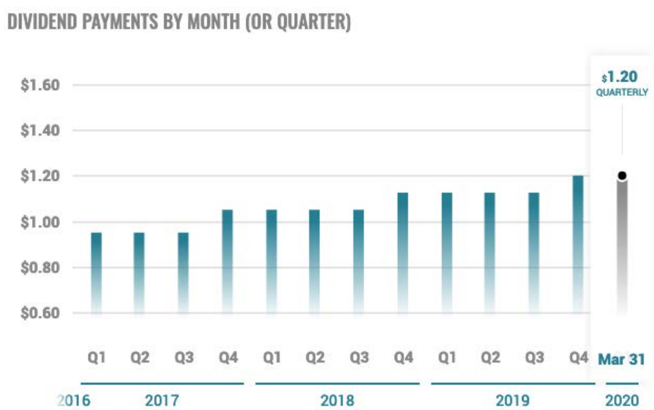
As you can imagine, building thousands of cell towers across America is a major undertaking. Every state, city and local government has its own ideas for where these towers should go, how much they should be taxed, and how they should be regulated.

That is a complicated job that mobile phone carriers are unable and unwilling to do. This is why 5G is going to send the profits of Crown Castle into the stratosphere ... it is literally in the sweet spot of this trend!

Crown Castle's Profit Exploder: Autonomous Vehicles

Self-driving cars will soon become a reality, and those won't work without cellular towers. In short, when self-driving cars become a reality, Crown Castle will receive a new piece of business that may dwarf its existing business from mobile carriers.

And you're going to get paid a fat $4.80-per-share annual dividend while you wait. That translates into a 3.6% dividend yield, which may not sound like a lot, but you can expect that to regularly increase over time.



Crown Castle has increased its dividend for the last five years in a row. It should do so again later this year.

Crown Castle is set up as a Real Estate Investment Trust (REIT), which means the company is required to distribute at least 90% of its net income to shareholders. This makes it your personal ATM to print money from the 5G revolution!

Lastly, millions of Americans are hunkered down in their homes. And you can bet that all of them are consuming data to read the news, watch videos and check their social media accounts.

Crown Castle will ultimately see its business go up — not down — because of the coronavirus. Here's what to do:

Using 5% of the funds allocated to this service, buy Crown Castle International (CCI) at the market.

Why This Month's Bitcoin Drop Was Just a 'Flash Crash' Moment

by Juan Villaverde

The U.S. stock market suffered so many one-day crashes in March that the circuit breakers shut it down four time, each for 15 minutes. The last and only time trading was halted was in 1997, and that happened only once.

The New York Stock Exchange came up with this circuit-breaker mechanism after the crash of 1987, which still holds the record for the largest one-day decline in percentage terms. Between 9:30 a.m. and 4 p.m., stocks dropped 22.6%. That would be like Dow Industrials (at today's 20,000 mark) falling by 4,520 points. In one day!

Both the NYSE and stock futures have circuit breakers or limits. Plus, they have clearly defined closing hours. Crypto exchanges never close and they can go crazy in either direction with no brakes whatsoever.

Currently, cryptocurrency markets don't have circuit breakers. But after a staggering 50% overnight drop in Bitcoin last month, there's some talk of adding them to exchanges. In fact, the Huobi Exchange has already done so.

While the stock market has gotten all the attention in recent weeks, it's possible that **Bitcoin (BTC, Rated "B+")** has just had its equivalent of a Flash Crash, or even a "Crash of '87" moment.

Prior to the recent crash, cryptos were generally trading along with the U.S. markets.

But then in March 2020, stock investors, in a panic, started dumping their shares like there was no tomorrow. When the NYSE closed, they rushed to dump stock futures. But when the stock futures trading was halted, they had nowhere else to go!

In fact, there was only one relatively liquid asset market still open: Cryptocurrencies, especially Bitcoin.

So the next sequence of this saga should come as no big surprise: Going into Thursday, March 12, Bitcoin prices plunged from around $8,000 to under $4,000 in the space of a few hours. The peak-to-trough decline: about 55%. I suspect the big selling came from hedge funds, almost entirely because they also own stocks and were in a panic to sell anything.

Remember, there's been a growing institutional interest in the cryptocurrency space, which is still dominated by Bitcoin. If hedge funds need to raise capital in a hurry, they'll sell anything, especially something they still consider to be a risk asset.

That's why Bitcoin prices crashed in half overnight!

But as Bitcoin prices slid under $4,000, long-term investors started jumping in to buy. They correctly recognized it as a purely fear-based sell-off rather than a decline based on the fundamentals. And sure enough, Bitcoin prices started surging. Prices stabilized in the $5,000 area. And rallied sharply in the weeks following the March 12 crash.

What's most reassuring is this: In the past few days, Bitcoin has been out of sync with the overall market. And that declining correlation is a good sign that the "1987 moment" is over for Bitcoin.

In fact, everything you've seen so far in Bitcoin is strictly short-term gyrations driven by the ebb and flow of fear-and-greed-based speculation in the market.

The long-term and fundamental outlook remains very, very bullish for cryptocurrencies.

With the Fed driving interest rates to zero … with their zeal to rescue the global credit markets … with Washington set to unleash a multitrillion-dollar stimulus bonanza … and with the Fed announcing in late March that it would print unlimited amounts of money in order to keep the financial system running …

The case for Bitcoin, created precisely for this kind of crisis, is now stronger than ever.

One thing is certain: Central banks across the world will be forced to increase the supply of money to levels that we would've considered unthinkable even in 2008.

Bitcoin was created as a response to the monetary largesse of the world's most powerful governments. Those behind the creation of cryptocurrency knew what started in 2008 was NOT a trend that would reverse anytime soon.

This reckless monetary experiment will not stop, and the endgame is **always** the destruction of the currency.

This is why you need crypto assets.

Action to Take: Stay Bullish on Bitcoin

Bitcoin is the largest, safest, most decentralized and resilient of cryptocurrencies. It's the gold standard of the space. This is why I recommend adding more to your portfolio right now, while others panic and Bitcoin lingers around key support levels.

Adding to your holdings near the low end of their range will prove to be a valuable way to build your cryptocurrency portfolio in today's frustrating markets.

Whatever you do, *do not give in to fear and liquidate any crypto assets*. They are almost guaranteed to trade higher in the months and years to come.

So, hold your crypto assets for now. In the meantime, Tony's got a few more moves to make in your stock portfolio.

Stock Portfolio Update

By Tony Sagami

March has been a wild month, so I have three stocks that I want you to sell: **JPMorgan Chase (JMP)**, **Square (SQ)** and **IBM (IBM)**. Here's why:

Last weekend, the Federal Reserve chopped interest rates to zero and initiated a massive $600 billion bond-buying spree. The purpose? To keep interest rates as low as possible for the foreseeable future.

Dumb move! Jerome Powell and his Fed buddies better wake up. By keeping interest rates near zero, they are going to crush the bank's profits and perhaps destroy that entire industry.

JPMorgan will see its profits implode because of zero interest rates and a pancake-like flat yield curve. The gap between short- and long-term rates has evaporated, and that is the kiss of profit death for JPMorgan. Sell all your shares right away.

Sell ALL shares of JPMorgan Chase (JPM) at the market.

Square, meanwhile, has its own a big problem. With lockdowns in California, New York and Pennsylvania, the number of people paying for their purchases over Square's point-of-sale terminals is going to plummet.

I have no doubt Square is going to be a big, long-term winner. But the short-term headwinds are just too powerful to ignore. We'll re-buy after it gets cheaper.

Sell ALL shares of Square Inc. (SQ) at the market.

Finally, even after the Red Hat acquisition, IBM is struggling to snatch a meaningful amount of cloud storage business from Amazon (AMZN), Microsoft (MSFT) and Google. You don't want to own a company with a fourth-place market share when the economy slips into a recession.

Sell ALL shares of IBM (IBM) at the market.

As for the rest of your portfolio …

Alibaba Group Holdings (BABA): Remember, Alibaba is the "Amazon of China," and the coronavirus pandemic is going to help, not hurt, stay-at-home stocks like Alibaba.

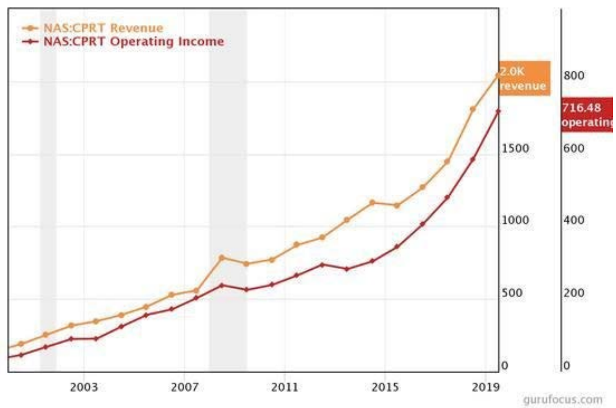
In fact, Alibaba's delivery staff is now back at pre-coronavirus levels. This is "the latest example of how China's largest corporations are getting back to work after Beijing's entreaty to safeguard economic growth," reported Bloomberg News. Continue to hold.

Amazon (AMZN): JPMorgan came out with a list of its favorite stay-at-home stocks, topped by Amazon now that shoppers are turning to e-commerce to avoid possible exposure to the virus.

No retailer is better positioned to supply Americans with life's necessities than Amazon. In fact, business is so good that Amazon apologized for longer delivery times because of a surge in orders.

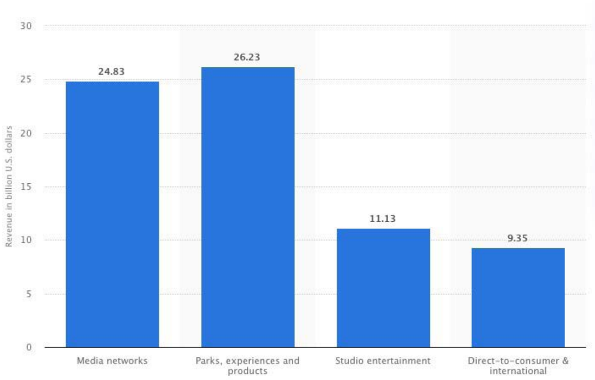
The price of Amazon's stock may have been pulled down because of the coronavirus, but its revenues/profits are soaring because of it. If you don't own Amazon, this is your opportunity to buy the world's best retailer at a sale price.

Copart Inc. (CPRT): Yes, the U.S. economy is going to slip into a recession, but that won't negatively affect Copart. Just look at how it performed during the financial crisis.



The salvage auto business was largely immune because money-pinched Americans were more likely to repair than replace their cars. That same money-saving dynamic is going to apply today. Continue to hold.

Walt Disney Co. (DIS): Wall Street is panicking over the closure of Disney's theme parks, but only 53,000 people visit Disneyland and Disney World a day. That translates into 26% of Disney's total revenues.



That's not insignificant, but those lost revenues are already factored into Disney's stock price. Also, Wall Street is overlooking the booming business growth in its new Disney+ streaming-video service.

Get this: According to Ampere Analysis, 50% of American households with children under 10 years of age have subscribed to Disney+. Disney is going to surprise the heck out of Wall Street next quarter. We won't be surprised. Continue to hold.

DocuSign Inc. (DOCU): It is near-impossible to find any stocks that are up for the year, but DocuSign is one of the rare 2020 winners.

DOCU started the year at $74.11. While is off its 52-week high, it is up for the year thanks to better-than-expected quarterly results, which will only improve during these times of self-quarantine. Any business that helps you stay home and avoid possible infection is enjoying a business boom instead of shrinking sales. Continue to hold.

Facebook (FB): "Social distancing "wasn't part of my vocabulary a month ago, but I now hear it mentioned dozens of times every day. Humans are social creatures and we will find other ways to stay connected to our family and friends. That's exactly what Facebook gives us, and it does this better than any other social media site on the planet.

Wedbush Securities cited Facebook as its top pick to prosper from the coronavirus outbreak, because it believes "many Facebook users have been accessing its properties at meaningfully elevated levels over the last several weeks."

And don't forget about Facebook's $55 billion, or $19.24 per share, in cold, hard cash. Continue to hold.

Mercury Systems (MRCY): Consumers and businesses are tightening their spending belts, but the U.S. government is spending like there's no tomorrow.

The best customer you could ask for during a recession is the government, which is why Mercury Systems is going to sail through the coronavirus scare with nary a scratch.

Sure, its stock has fallen along with the rest of the stock market, but its business is as reliable as ever. Continue to hold.

Microsoft (MSFT): The Weiss Ratings Executive Team was quick to embrace the work-at-home strategy to protect its staff from the coronavirus. The rest of Corporate America is jumping on the remote work bandwagon and that is generating a mountain of new business for Microsoft.

In just the last week, Microsoft added 12 million new clients for Microsoft Teams, its video conferencing and work collaboration platform, bringing the total number of paying users to 44 million. Continue to hold.

Nvidia Inc. (NVDA): Nvidia pulled in $10.92 billion of sales last year and is expected to hit $13.1 billion in 2021. Some 87% of those sales will be Nvidia's cutting-edge graphic processing units, which are used for everything from artificial intelligence, virtual reality, autonomous vehicles and data centers (cloud computing).

Cloud storage is skyrocketing. In 2018, there were 7,500 data centers, and 9,100 last year. The numbers will easily exceed 10,000 this year. All those data centers are goldmines for Nvidia chips. Continue to hold.

Prologis (PLD): The coronavirus has exposed the vulnerability of the global supply chain and that' means more business and higher profits for Prologis.

The practice of just in time inventory management is undergoing a drastic change. Corporate America is going to carry larger inventories from now on, which means more demand for Prologis warehouse space.

And more American corporations are bringing their manufacturing capacity back into the United States. Again, more demand for Prologis warehouses.

Additionally, Prologis upped its dividend by 9.4%. That means you'll be paid a higher dividend of 58 cents per share on March 31.

Visa Inc. (V): Visa warned that its Q2 revenue growth forecast would be lowered by 2.5% to 3.5% because of reduced travel spending.

Just 2.5% to 3.5% lower? I'd call that remarkable given the collapse in travel around the world. What is happening is a gigantic increase in e-commerce and online retail sales. Continue to hold.

Weiss Ratings Crypto Investor Portfolio

Recommendations	Reco Date	$ Cost	Current Quote ($) as of 03/26/20	Total % Gain
Crypto Positions				
Cardano (ADA/USD) **	9/12/18	$0.05368758	$0.02976900	-44.6%
EOS (EOS/USD)	9/12/18	$5.39210000	$2.31	-57.2%
Holo (XHOT/USD)	11/19/18	$0.00060100	$0.00032400	-46.0%
Bitcoin (BTC/USD)*	4/26/19	$8,742.44	$6,713.64	-23.2%
Fantom (FTM/USD)	8/7/19	$0.02205500	$0.00308600	-86.0%
Ethereum (ETH/USD)	8/7/19	$224.51	$136.85	-39.0%
Tezos (XTZ)	11/27/19	$1.25753900	$1.72	36.9%
Stock Positions				
Square (SQ)	7/27/18	$69.85	$52.39	-25.0%
Amplify Transformational Data Sharing ETF (BLOK)	9/13/18	$19.97	$15.00	-22.4%
Nvidia (NVDA)	10/19/18	$229.17	$245.62	7.8%
DocuSign (DOCU)	12/28/18	$40.50	$81.37	100.9%
Mastercard (MA)	1/18/19	$202.00	Sold 2/28 (+44.4%)	
IBM (IBM)	2/22/19	$139.25	$105.85	-20.3%
JPMorgan Chase (JPM)	3/15/19	$99.76	$91.73	-5.5%
Overstock.com (OSTK)	4/26/19	$13.07	$5.42	-58.5%
Facebook (FB)	7/12/19	$204.87	$156.21	-23.8%
Amazon.com (AMZN)	8/30/19	$1,776.29	$1,885.84	6.2%
Microsoft Corp. (MSFT)	10/2/19	$134.65	$146.92	9.9%
Mercury Systems (MRCY)	11/1/19	$74.60	$69.17	-7.3%
Alibaba (BABA)	11/27/19	$200.82	$188.56	-6.1%
Walt Disney Co. (DIS)	1/3/20	$146.48	$100.73	-31.2%
Prologis (PLD)	1/31/2020	$92.88	$72.19	-22.28%
Visa (V)	2/28/2020	$181.76	$161.78	-10.99%
Copart (CPRT)	2/28/2020	$84.48	71.59	-15.26%

* 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), 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).

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