

# Episode 5

Chasing Hype and Doom  
For Saturday January 11, 2025

# Episode 5 - Chasing Hype and Doom

## **On This Week's Episode - Saturday January 11th**

- AI, Crypto, Tesla and Quantum Computing.
- Hype/Doom distraction and potential impact to your approach.
- Buy/Hold/Sell Recommendations - Exercise extreme caution.
- View our weekly stock example - Snowflake pulled at random from our portfolio.
- Key headlines in the investing news.
- Closing thoughts for next week

## Episode 5 - Chasing Hype and Doom

### **Summary of Key Risks:**

- **AI:** Regulatory uncertainty, technological limitations, and competitive pressure.
- **Crypto:** Volatility, regulatory ambiguity, and security risks.
- **Tesla:** Execution risks, increasing competition, valuation concerns, and regulatory scrutiny.
- **Quantum Computing:** Technical challenges, market uncertainty, and high capital needs.

Each of these areas offers significant growth potential but carries risks that are largely tied to technological development, regulatory decisions, market conditions, and the competitive landscape.

## Episode 5 - Chasing Hype and Doom

### Summary of Risks Created by Overhyped Stocks:

- **Overvaluation:** Buying stocks at inflated prices due to unrealistic expectations.
- **Herd Mentality:** Speculative frenzies driven by social media or collective enthusiasm can create unsustainable rallies.
- **Earnings Disappointment:** Overhyped stocks may miss expectations, leading to sharp corrections.
- **Regulatory/Legal Risks:** Increased scrutiny can depress stock prices.
- **Sentiment Shifts:** The hype can fade quickly if momentum slows or fundamentals don't support the inflated valuations.

In summary, while overhyped stocks can offer high rewards, they carry a **high risk of volatility** and **losses**, especially if the underlying business fundamentals are not as strong as the hype suggests. Investors should be cautious of chasing stocks based on speculation, and instead focus on **long-term growth prospects** and **real business fundamentals**.

## Episode 5 - Chasing Hype and Doom

Rivian - EV Optimism despite inability to scale production.

Meta - Driven way down and back up again on emotion.

Meme Stocks - Speculation with social media amplification - AMC and GameStop.

Nvidia - Arrive late and hope for similar gains.

# Episode 5 - Chasing Hype and Doom

11 Jan 2025	 TD	Bank of America Securities	Ebrahim Poonawala	281	HOLD	\$78.00
10 Jan 2025	 PFE	Bernstein	Courtney Breen	6,850	HOLD	\$32.00
10 Jan 2025	 BMY	Bernstein	Courtney Breen	6,850	HOLD	\$62.00
10 Jan 2025	 JPM	KBW	David Konrad	439	HOLD	\$257.00
10 Jan 2025	 GOOGL	UBS	Stephen Ju	411	HOLD	\$211.00
10 Jan 2025	 AMZN	Argus Research	Jim Kelleher	24	BUY	\$230.00
10 Jan 2025	 GOOGL	KeyBanc	Justin Patterson	808	BUY	\$225.00
10 Jan 2025	 AQN	BMO Capital	Benjamin Pham	645	BUY	\$7.26
10 Jan 2025	 SNOW	Barclays	Raimo Lenschow	1,657	BUY	\$190.00
10 Jan 2025	 CNR	RBC Capital	Walter Spracklin	123	BUY	\$174.00
10 Jan 2025	 CNR	Jefferies	Stephanie Moore	375	BUY	\$174.26
10 Jan 2025	 BABA	Citi	Alicia Yap	8,097	BUY	\$138.00
10 Jan 2025	 AMZN	JMP Securities	Nicholas Jones CFA	115	BUY	\$285.00
09 Jan 2025	 SNOW	Wells Fargo	Michael Turrin	8,322	BUY	\$200.00
09 Jan 2025	 TRP	CIBC	Robert Catellier	802	HOLD	\$70.00

Wide variance in targets.

How to trust analysts.

Double check analyst vs  
Market research.

Track preferred analysts who  
Offer consistent calls.



# Episode 5 - Chasing Hype and Doom

**January 11, 2025**

Review the Master Spreadsheet

Review YTD Results in the Sample Portfolio

Discuss a Headline in the Financial News

# Episode 5 - Chasing Hype and Doom

January 11, 2025

## Review the Master Spreadsheet

2021 Jan 1				
Non Registered - TFSA, Canadian Margin, US Margin	Total Value	Cash	Invested	% Cash
Cash Accounts	\$5,000	\$5,000	\$0	0
CDN Margin	\$15,000	\$1,000	\$24,000	7%
US Margin	\$15,000	\$1,000	\$24,000	7%
TFSA	\$80,000	\$0	\$100,000	0%
Totals	\$115,000	\$6,000	\$129,000	5%
Registered - RRSP/RESP	Total Value	Cash	Invested	% Cash
RRSP+Commuted Pension \$	\$250,000	\$5,000	\$295000	2%
Totals	\$250,000	\$5,000	\$295000	2%
Grand Total All	\$365,000	\$12000	\$403000	3%
House Value	\$400,000			
Auto Values	\$20,000			
Other Assets	\$55,000			
Total of All Assets	\$840,000			
Total Liabilities	\$275,000			
Total Assets Net Liabilities	\$565,000			
Available TFSA Contribution	\$5,000			
Available RRSP Contribution	\$5,000			
Forecasted Investment Income				
USD CAD =	1.33			
Mortgage Rate	4.5%			

Key Data::

Non-Registered Accounts - YTD Returns = 32%; Profit/Tax Loss Harvesting Plans; Adding safety in fixed income 5% overall?, reducing total names for 2025.

Registered Accounts - RRSP Contribution room to Feb, 2025, adding safety in fixed income?, Reducing total names - shift out of mediocre names.

Sold a Few Winners - Targeting 20% Cash and Equivalents.

Other Assets:

- Home - Value of Home
- Autos - Value of Autos
- Other - List with values

Debt:

- Mortgage - Total amounts owing
- Line of Credit - Total amounts owing
- Auto Loans - Total amounts owing

USD/CAD - Document for Quarter

Mortgage Rates - Document for Quarter

LOC Rates - Document for Quarter

TOTAL ASSETS LESS LIABILITIES - QoQ and YoY Growth/Decline

Highlight Contributors to Growth or Decline



# Episode 5 - Chasing Hype and Doom

# January 11, 2025

# Review YTD Results

Key Data::

10 Year Returns - US Margin 256%; Canadian Margin 87%; Canadian Registered: 56%

5 Year Reruns - US Margin 146%; Canadian Margin 46%; Canadian Registered 32%

US Markets driving overall portfolio growth including USD at 1.41 CAD.

Top US Names: Apple, JP Morgan and Googler

Top Canadian Names: TC Energy, Royal Bank of Canada, XAW ETF, and Couche Tard

What are we looking at:

Profit taking in Q1 to harvest some gains.

Adding fixed income as % of overall portfolio - Bull run has been great and we fully participated.

Adding to laggards with positive financials.

Other:

## Alibaba Rollercoaster

## Bell Canada Disaster

## TD Bank Struggles

Returns and Top/ Bottom Equities	US Margin	Action	Can Margin	Action	RRSP	Action
10 Year Return	256%	Target 97%	83%	Target 97%	59%	Target 110%
5 Year Return	143%	Target 40%	53%	Target 40%	28%	Target 48%
Top Three						
1						
2						
3						
Bottom Three						
1						
2						
3						
Other Holdings						
ETF's Listed Above						
Considering						
Other Notes	Returns do not reflect dividend income; Canada market assumed to “catch up” some of gap to USA over next three years, USD to fall back once USA drops interest rates in line with EU and other G7 countries, ETF participation with Vanguard or Blackrock but looking at adding others. Portfolios structured to include Transports, Pharma, Telecom, Tech, Financials, Energy and Technology. Moving to 25% ETF to capture broader market while maintaining top names by sector where possible.					

# Episode 5 - Chasing Hype and Doom

**January 11, 2025**

Pick A Stock - Snowflake



S&P Outperforms  
Over three years.

Wild swings in SNOW over  
Three years with “trading”  
opportunities.

# Episode 5 - Chasing Hype and Doom

**January 11, 2025**

## Pick A Stock - Snowflake

Growth Analysis	GAAP Data					Growth Rates		
	2020	2021	2022	2023	2024	1-Year	3-Year	5-Year
Revenue	264.7M	592.0M	1.2B	2.1B	2.8B	36%	374%	NM
Gross Margin	56%	59%	62%	65%	68%	4%	15%	46%
Operating Income	-358.1M	-543.9M	-715.0M	-842.3M	-1.1B	NM	NM	NM
Interest Expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pre Tax Income (M)	-347.5	-537.0	-677.0	-816.0	-849.2	NM	NM	NM
Net Income (M)	-348.5	-539.1	-679.9	-796.7	-836.1	NM	NM	NM
EPS	-1.63	-3.81	-2.26	-2.50	-2.55	NM	NM	NM
Dividend/Share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shares Outstanding (M)	214.3	141.6	300.3	318.7	328.0	3%	132%	38%
Market Cap	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value	-556.60M	4.91B	5.00B	4.61B	3.87B	-16%	-21%	NM

# Episode 5 - Chasing Hype and Doom

**January 11, 2025**

## Pick A Stock - Snowflake

Financial Condition	GAAP Data					Growth Rates		
	2020	2021	2022	2023	2024	1-Year	3-Year	5-Year
Cash / Short Term Inv.	434.0M	3.9B	3.9B	4.0B	3.8B	-4%	-2%	532%
Current Assets	665.2M	4.3B	4.6B	5.0B	5.0B	1%	17%	621%
Current Liabilities	416.5M	789.3M	1.4B	2.0B	2.7B	37%	246%	NM
Working Capital	248.7M	3.5B	3.2B	3.0B	2.3B	-23%	-34%	317%
Short-Term Debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Long Term Debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Debt (M)	211.3	204.5	206.3	251.7	288.0	14%	41%	NM
Shareholders Equity	-544.8M	4.9B	5.0B	5.5B	5.2B	-5%	5%	NM



# Episode 5 - Chasing Hype and Doom

**January 11, 2025**

## Weekly Headline

### Stock market today: Wall Street recoils after good news on the economy raises inflation worries

Stan Choe - [Associated Press](#) - Fri Jan 10, 5:31PM CST

---



NEW YORK (AP) — U.S. stocks fell Friday on worries that good news on the job market may be too good and prove to be bad for Wall Street by keeping inflation and interest rates high.

The S&P 500 tumbled 1.5% to close its fourth losing week in the last five. The Dow Jones Industrial Average dropped 696 points, or 1.6%, and the Nasdaq composite sank 1.6%.

Stocks took their cue from the bond market, where yields leaped to crank up the pressure after a report said U.S. employers added many more jobs to their payrolls last month than economists expected.