



AGAINST ALL ODDS RESEARCH

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Five Trades: August 27 2021

Five trades I'm [Kashyap] currently putting on:

ZIM – Leader in the containership space. The company just went ex-dividend. They're paying out \$2 a share, and because it is an Israeli company I didn't want to deal with the hassle of the withholding tax until it went ex-dividend. I have had this issue with Euronav (EURN) before, which is subject to Belgian withholding tax. I'm not an expert on container shipping so I'm simply buying the leader which is showing major strength.

	Previous Guidance 5.2021	Updated Guidance 8.2021
 Adjusted EBITDA	\$2.5 - 2.8 Bn	\$4.8 - 5.2 Bn
 Adjusted EBIT	\$1.85 - 2.15 Bn	\$4.0 - 4.4 Bn

The company upgraded its 2021 guidance. The adjusted EBITDA for this year is nearly equal to the market cap.

Q2 earnings presentation: https://s27.q4cdn.com/416879924/files/doc_financials/2021/q2/ZIM-Q2-2021-investors-call-FINAL.pdf

KNX - Knight-Swift Transportation Holdings Inc. is one of North America's largest and most diversified freight transportation companies, providing multiple truckload transportation and logistics services, as well as LTL (less than truckload) services through ACT (beginning in July 2021). Knight-Swift uses a nationwide network of business units and terminals in the United States and Mexico to serve customers throughout North America. In addition to operating the country's largest tractor fleet, Knight-Swift also contracts with third-party equipment providers to provide a broad range of truckload services to our customers while creating quality driving jobs for our driving associates and successful business opportunities for independent contractors.

The stock is making 52-week highs. The company increased expected adjusted EPS for the full year 2021 to \$3.90 - \$4.05 from \$3.45 - \$3.60 previously. Business is booming across all segments.

Q2 earnings presentation: https://s24.q4cdn.com/286931391/files/doc_financials/2021/q2/Q2-21-Qtr-Earnings-Slides.pdf

VLO – Valero Energy is a Texas based refiner. I'm buying this because the stock is showing a 2B reversal pattern. Historically oil and energy do best in the winter because of demand for heating.

CMRE – Costamare has a fleet of 81 containerships, with a total capacity of approximately 581,000 TEU and 37 dry bulk vessels with a total capacity of approximately 1,910,000 DWT. The stock is making 52-week highs as demand in both segments is running hot. A cool twist to dry bulk shippers is that these vessels can also be used to transport containers. TTM PE of 8.9x, not too expensive considering how hot the shipping sector is right now.

PVG – Pretivm operates the Brucejack underground gold mine in British Columbia, expected to produce 325-365,000 gold ounces at an All-in Sustaining Cost (AISC) of \$1060-\$1190/oz in 2021.


**against
all odds**

Flag pattern in response to Q2 results release. Showing strength amidst weakness in the broader sector. Also, I like this stock for fundamental reasons. PVG has a troubled history. The company, during its founder's reign, fired a technical consulting firm for not estimating as high a grade and size of the deposit as management wanted them to, got a more pliant firm to prepare their technical reports, and lo and behold – the ore grades were much lower than expected. The founder retired with a C\$6 million golden parachute before the shit hit the fan, leaving his trusted assistant holding the bag. The Board finally performed its fiduciary duty and brought in an outside CEO last April. The new CEO promptly fired the old guard and set to work repairing the company's reputation with investors.

The company has guided free cash flow of \$120-\$170 million in 2021 assuming an average gold price of \$1700. My 2021 estimated net income is \$140 million. With an estimated mine life of over 18 years, the stock is cheap at current prices.

The flag pattern is technical confirmation.

