



AGAINST ALL ODDS

RESEARCH

Jason Perz

The Unsophisticated investor:

June 1 2021

“The obvious rarely happens, the unexpected constantly occurs.” – Jesse Livermore

Model weights

Futures/options	30%
Retirement/Long term	35%
Physical metals Gold/Silver/Platinum	20%
Crypto currencies	10%
Stable coin/yields	5%



Model retirement/long term portfolio weights

Sector weights	100%
Defense (ITA)	4%
Brazil (EWZ)	4%
Russia (RSX)	7%
Energy (XLE)	4%
Metals and Mining (XME)	4%
Regional Banks (KRE)	4%
Uranium (URNM)	6%
Transports (IYT)	5%
Vietnam (VNM)	5%
Shipping (FRO,EURN,DHT,GOGL)	4%
TIPS (TIP)	6%
Homebuilders (XHB)	4%
Timber and forestry (Wood)	4%
Real Estate (IYR)	5%
Silver (SLV/PSLV)	8%
Major/Junior Miners (GDX,GDXJ)	8%
Platinum (PPLT)	5%
Bitcoin/Ethereum(ETF proxy if needed)	8%
Cash	13%

Sectors: Portfolios are managed through ETF's or individual equities depending on a clients risk profile.

Model futures portfolio

Long
RB Gasoline
HG Copper
ZC/ZS/RS Corn Soybeans Canola
LB Lumber
BRL/CAD/MXN/NZD/CHF
LE/HE Hogs
Sectors Industrials/Energy/financials
Coffee/Sugar
IBOV Brazil
GC Sept calls 1850 Strike/SI Sept calls 30 dollar strike
NG Natural Gas
PA Paladium
PL Platinum
Short
Yen
USD via commodity currencies
ZB 30 year bond
ZF 5 year bond

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Ticker	Long term trend	intermediate trend	Short term trend	Watching			
BTCUSD	Sell	Sell	Sell	R-41988			
ETHUSD	Buy	Sell	Sell	S-1630			
XBI	Sell	Sell	Sell	R-131.41			
XLU	Buy	Buy	Sell	S-61.06	New break		
XME	Buy	Buy	Buy	S-42.14			
IYR	Buy	Buy	Buy	S-96.00			
XLE	Buy	Buy	Buy	S-48.40	Consolidating		
URNM	Buy	Buy	Buy	S-57.90			
SMH	Buy	Buy	Buy	S-238.02	New recovery		
KRE	Buy	Buy	Buy	S-65.71	Consolidating		
XHB	Buy	Buy	Buy	S-70.90			
IYT	Buy	Buy	Buy	S-260.73			
GDX	Buy	Buy	Buy	S-34.10			
Silver (Spot)	Buy	Buy	Buy	S-25.10			
Gold (Spot)	Buy	Buy	Buy	S-17.60			
ZB 30 bond	Sell	Sell	Sell	R-157.14	No confirmation		
Copper HG	Buy	Buy	Buy	S-4.21			
Oil CL	Buy	Buy	Buy	S-60.70	Consolidating		
EURUSD	Buy	Buy	Buy	S-1.969			
JPYUSD	Sell	Sell	Sell	R-.00923			
CADUSD	Buy	Buy	Buy	S-.802			
Regime	Reflation moving in to stagflation		Note:Reflationary assets are still outperforming.				
Fed	Printing with no end in sight.		Note:Talk of tightening from the hawks is creeping in at the moment. Most likely B.S.				
Growth	Watch for signals for a growth slow down on a rate of change basis. This could change things quickly.						

*All signals are still pointing to more upside in the broad market.

More downside in the dollar.

More upside in commodities and risk on assets broadly.

CONTENTS

<i>Kashyap Sriram</i>	<i>Part</i>
1	
<i>Where are we? Gold/Dollar/Bonds</i>	<i>Part 2 chart 1</i>
<i>Commodities/Bitcoin</i>	13
<i>Breadth, intermarket analysis and Equities</i>	25



Part 1

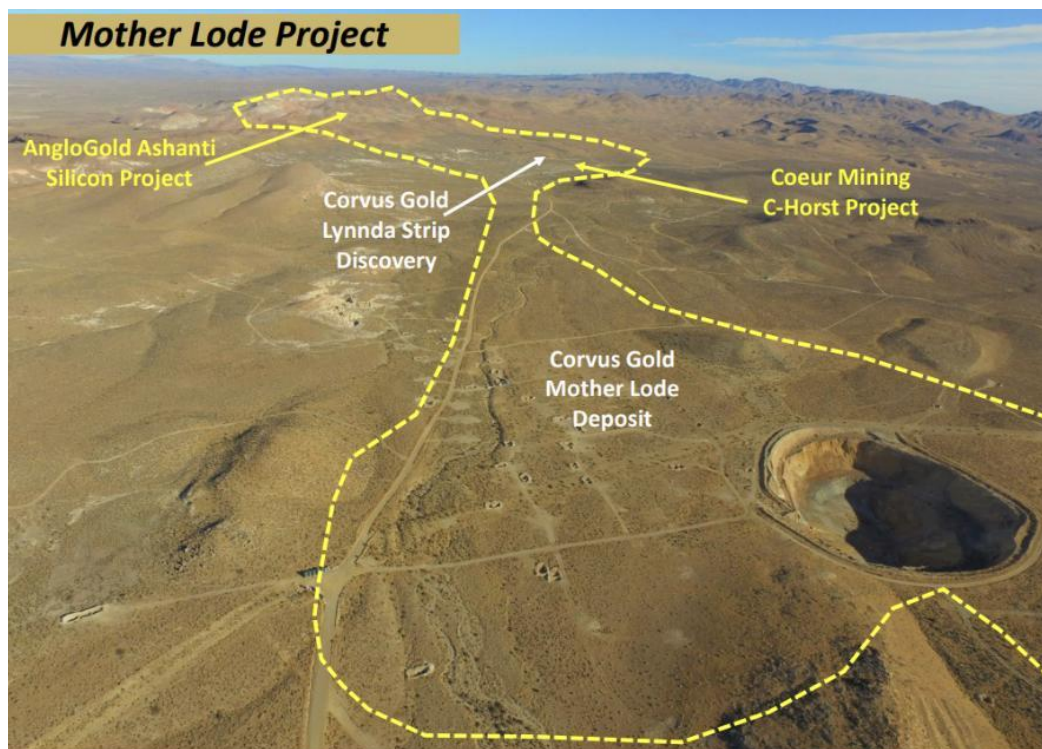
Gold Explorers to watch for

Corvus Gold (KOR, TSX:KOR)

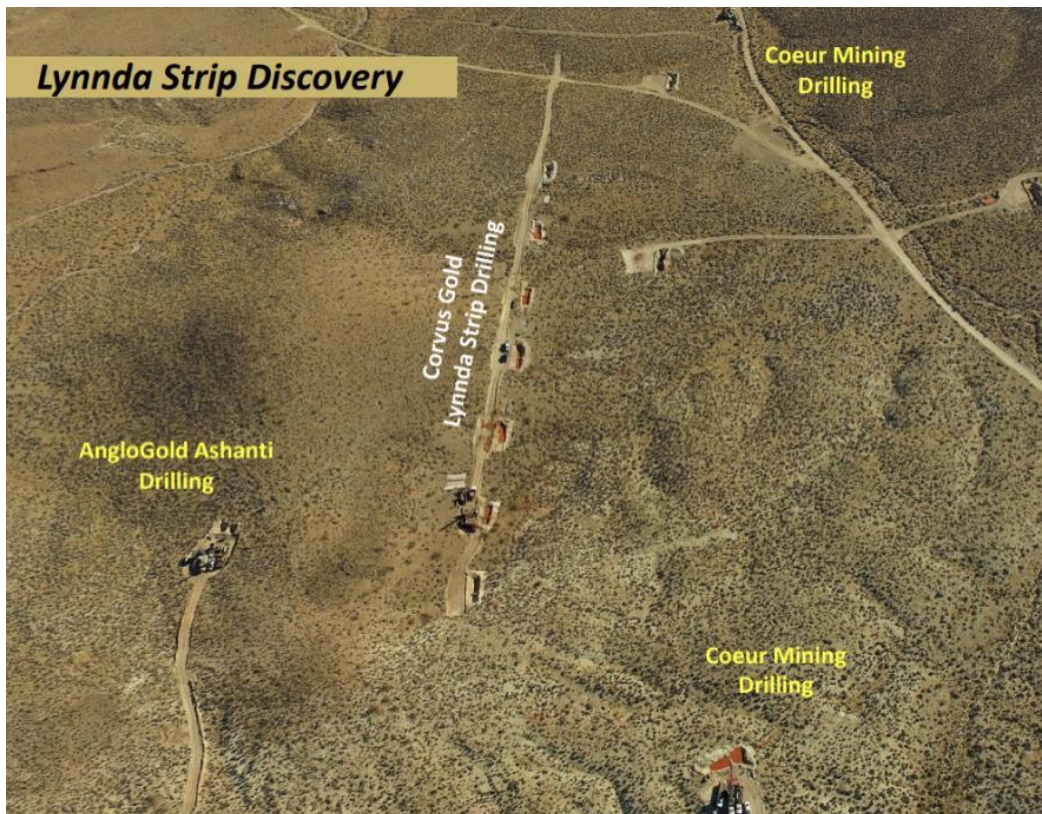
High probability of receiving a takeover offer from AngloGold Ashanti (AU) by August 6

Website: <http://www.corvusgold.com/>

Corvus is an explorer with two properties in Nevada – North Bullfrog and Mother Lode. North Bullfrog has an October 2020 PEA with numbers showing an after-tax NPV (5%) of \$905 million and after-tax IRR of 75% at \$2000 gold, on initial capex of \$167 million. The Mother Lode project has an October 2020 PEA showing an after-tax NPV (5%) of \$751 million and after-tax IRR of 46% at \$2000 gold, on initial capex of \$406 million.



Both projects have their merits but the real value is in a small strip of land Corvus owns, called the Lynnda strip, which straddles Anglo's Silicon project and Coeur's C-Horst project. All three companies are actively drilling the area and it is looking like a near certainty that the mineralization at Lynnda strip will boost the economics of both these majors' projects.



On May 6, Anglo made its move. Anglo advanced Corvus \$20 million as a loan, and in return was granted an exclusivity period of 90 days in which Corvus would not engage in any other M&A or asset sale discussions. Following this, Corvus published a batch of drill results, with the highlight hole at Lynnda strip assaying 0.82 g/t Au over 185m, including 3.4 g/t Au over 14.6m.

Corvus is definitely pricey for a junior, but it is also a low risk, moderate reward investment right now as we don't have to wait long for the takeover offer. The risk is that shares correct if Anglo doesn't bite, but we are looking at a 30-40% takeover premium so it is well worth taking that risk. Plus, there's the chance of an offer from Coeur which should put a floor under the shares if the Anglo offer doesn't materialize.

New Found Gold (TSXV:NFG)

Stock is a short with >50% expected downside

Website: <https://newfoundgold.ca/>

Every once in a while a stock chart defies gravity as the market falls for a story. New Found Gold is one such story. The company holds a 1500 square km land package in the Newfoundland province and is reporting spectacular drill results from the Queensway gold project. Since the IPO last August, the company has had no trouble grabbing market attention. The founder Collin Kettell runs the popular podcast Palisades Radio and is well connected within the resource industry. Billionaire Eric Sprott owns 19%. Rob McEwen of Goldcorp fame and founder of the eponymous McEwen Mining is



a shareholder with a 7% stake. Quinton Hennigh is a director and Novo Resources is a shareholder with a 10% stake.

The shareholding pattern is one reason the stock has shot up so much. The float is only 21%. But the current market cap of C\$1.9 billion is not just excessive - it is unheard of for a junior at NFG's stage of development. Investors are basing this valuation purely on the merit of the people involved in this story and the drill results reported thus far. There isn't even a resource estimate or any metallurgical test work done.

Development stage assets, with a mineral resource estimate or perhaps a PEA could potentially command such a lofty valuation, although that is also extremely rare. The only such example that comes to mind is De Grey Mining (ASX:DEG), with a resource estimate of 2.2 million gold ounces (of which 1.1 million is in the Inferred category) and current market cap of A\$2 billion.

The closest comparison to NFG is explorers like Great Bear Resources (TSXV:GBR), Rupert Resources (TSXV:RUP) and Wallbridge Mining (TSX:WM) which have flirted with a C\$1 billion market cap - again with no resource estimate - but no higher. Tudor Gold (TSXV:TUD) with its 27.3 million gold equivalent ounce Treaty Creek project has a current market cap of C\$467 million.

New Found Gold is not worth more than C\$500 million in my opinion. And even that's pushing it.

IBKR shows the shares are shortable. You may have trouble locating shares and the fee rate shown is 12.58%. And the float is small (21% of shares outstanding).

But trees don't grow to the sky. All it would take is a little selling pressure, perhaps triggered by one of the institutional investors or the all-star cast of individual shareholders, and the stock should drop like a stone. The money is made by going short now and awaiting that event, even if it takes a couple of attempts at this trade before it works.

Time to revisit the oil tanker trade?

I gave a presentation on the Oil Tanker industry at the TDV conference last July. I have uploaded my presentation here:

<https://drive.google.com/file/d/1J1QNhkeE2x5B1QK3k0juGrDapsXGa0pyf/view?usp=sharing>

And the voice recording here:

<https://drive.google.com/file/d/1RuZeuArw8cX7lxHrkziXVFN9xUxbZ4RV/view?usp=sharing>

The trade didn't work out as I expected last year. Oil demand failed to recover even as ships were freed from the storage trade. The last quarter is seasonally strong for the tankers earnings wise, but it was not so last year. The surge in earnings witnessed in the first half of 2020 didn't carry over to the second half.



The market is always forward looking, and I think the strong price action in the tanker stocks this year is telling us that the fundamentals are about to improve. I am still thinking it over but I am partial to a small allocation to Euronav (EURN) and DHT Holdings (DHT) at current prices.

Part 2

There are many common cognitive errors that cause distress, anxiety and depression. They happen constantly in the world of trading. Separating yourself from your trading account is incredibly important and avoiding these habits are pivotal to your success because when they creep in, you are finished!

Here is what happens. You lose a trade and you do a cognitive error called reasoning. Example: "I feel stupid because I lost one trade therfor I am stupid and the rest of my trades will be losers like me."

The next cognitive error is called fortune telling. Example: "I lost a trade and I should not take the next trade because I am a bad trader."

Then the next trade you do another cognitive error called jumping to conclusions. Example: "I have lost so many trades in a row and I should just get out because this one will probably end up as a loser as well."

How do we get out of this way of thinking? First off, it comes with time and practice. Secondly, now that you know some of them you will be able to identify them. You need to keep track of these and make sure you are taking breaks when you start saying things that sound similar to this.

When I was riding BMX bikes professionally, I had one year where I was on fire. I won a few contests and I got invited on some filming trips. I then got invited to a contest and the year before that contest I convinced myself that I caught the injury bug. Every fucking contest that I rode in I would get hurt. Out of 5 contests, I got injured in 4.

I healed up from a broken femur and I started practicing again. I said something about my "injury bug" out loud and one of the most accomplished BMX riders ever looked at me and told me to shut up! He goes on to say that...

"Everyone gets hurt, everyone is hurt, you aren't special, this is what being a professional looks like."

This hit me hard as a 19 year old kid. It hit me even harder when he won that contest and the entire series that year. It was even more impressive because he had his neck fused together right before



the contest (the one that he talked to me at) and he wasn't even cleared to ride for the rest of that year.

That will always stick with me. A great professional is not great because they are stronger, faster or more knowledgeable than everyone else. They are great because they can exist in the moment and they realize that staying present matters above all else. Attempt to stay present. Every loser gets you closer to the next winner.

Jason Perz

“The game of speculation is the most uniformly fascinating game in the world. But it is not a game for the stupid, the mentally lazy, the person of inferior emotional balance, or the get-rich-quick adventurer. They will die poor.” – Jesse Livermore





1. Gold-Breaking out of its bearish trend channel and sustaining over the 40 week/200 day MA.



2. Silver-Same trade that we have been talking about. The trade looks better everyday.



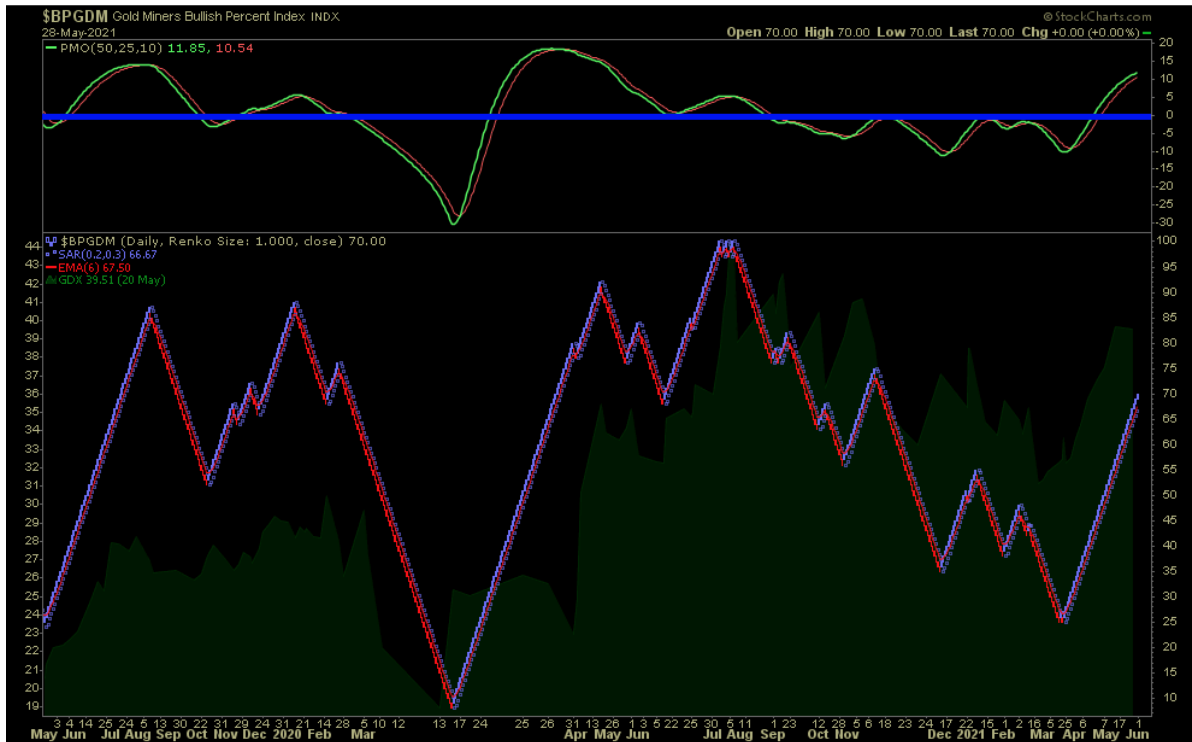
3. GDX:GLD- Still pointing to more upside.



4. GDJ:GDJ-GDXJ has been lagging terribly as gold caught up to silver. It was not alarming to me because of the massive outperformance of silver at that time.



5. Gold miner breadth-This is as good as it gets!



6. BP gold miners model-Holding bullish



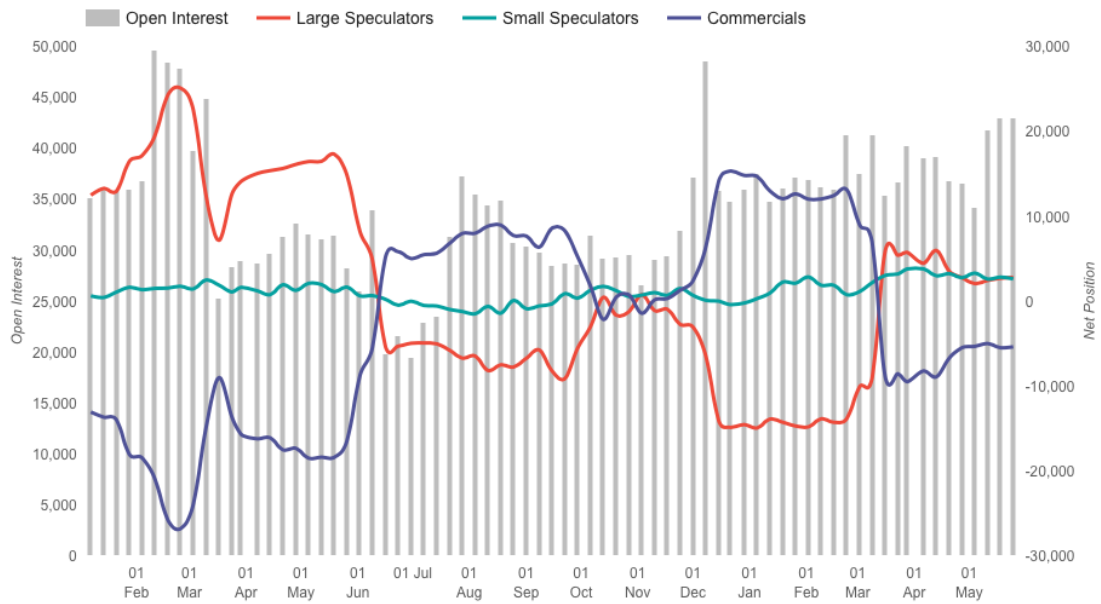
7. GDX-Low volatility flag building. Buy signal at 38.9.



8. USD



US Dollar Index

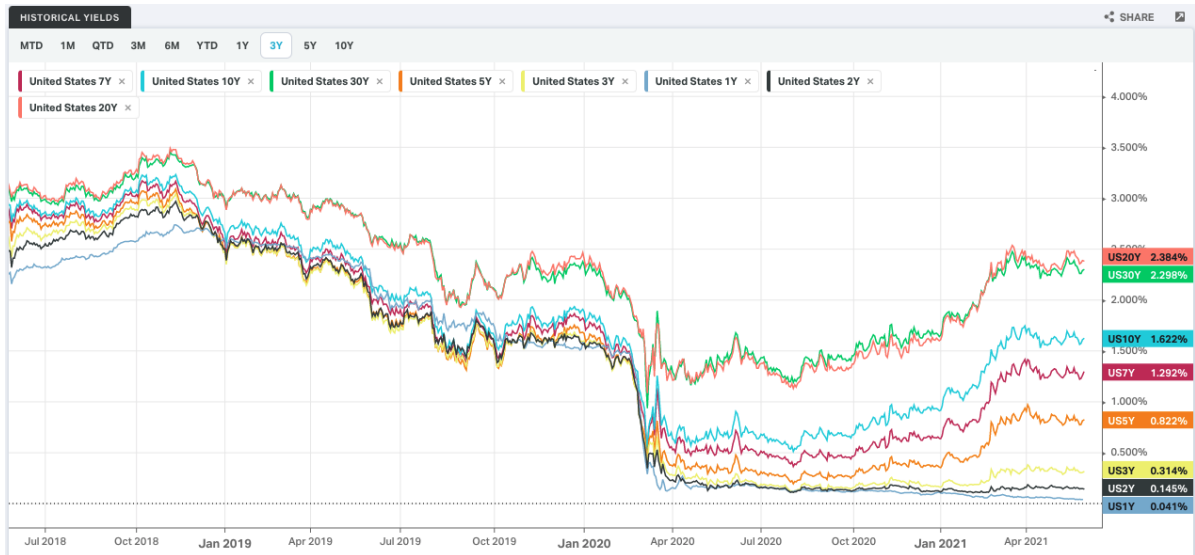


9. USD-Commercials still net short dollars. Speculators still net long. Still set up for more downside.



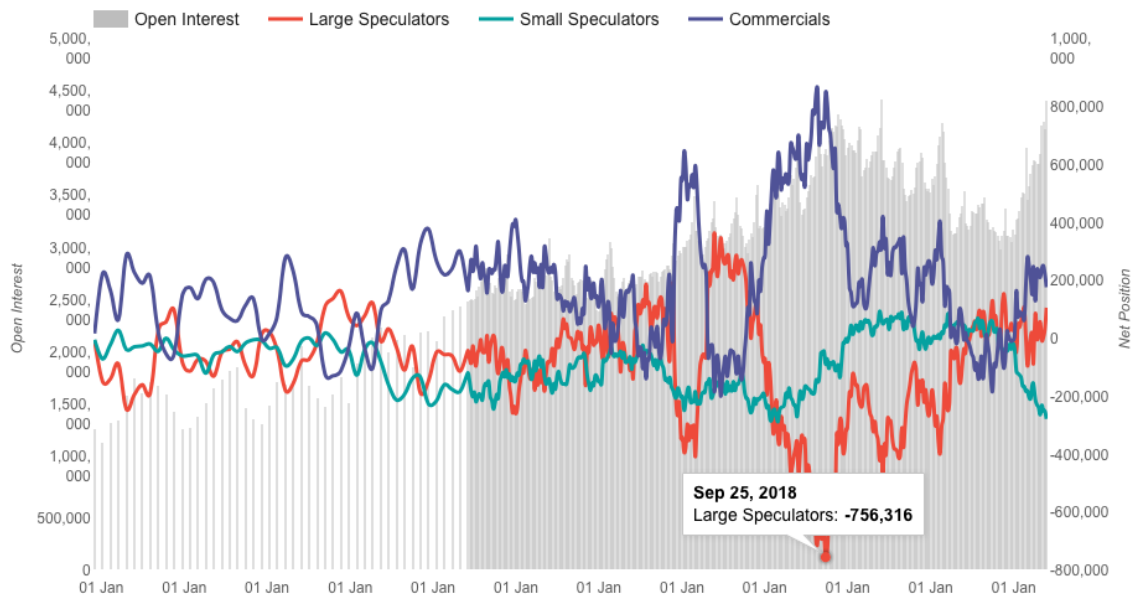
10. 30 year bonds





11. US yields

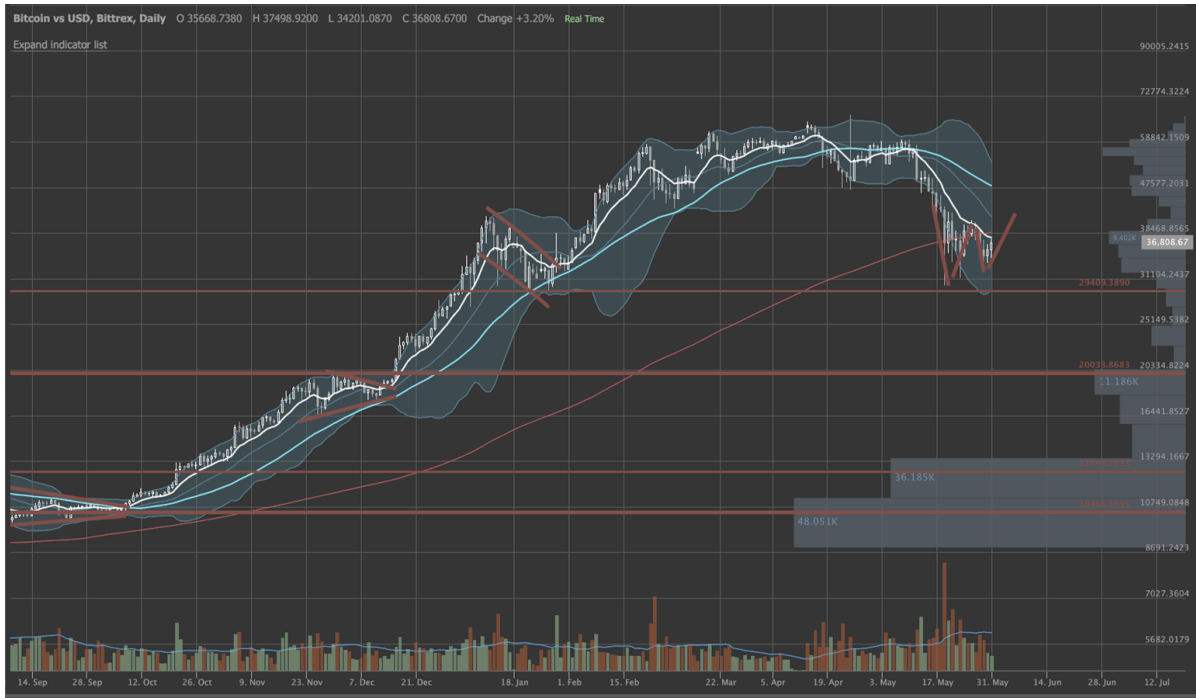
10 Year Treasury Note



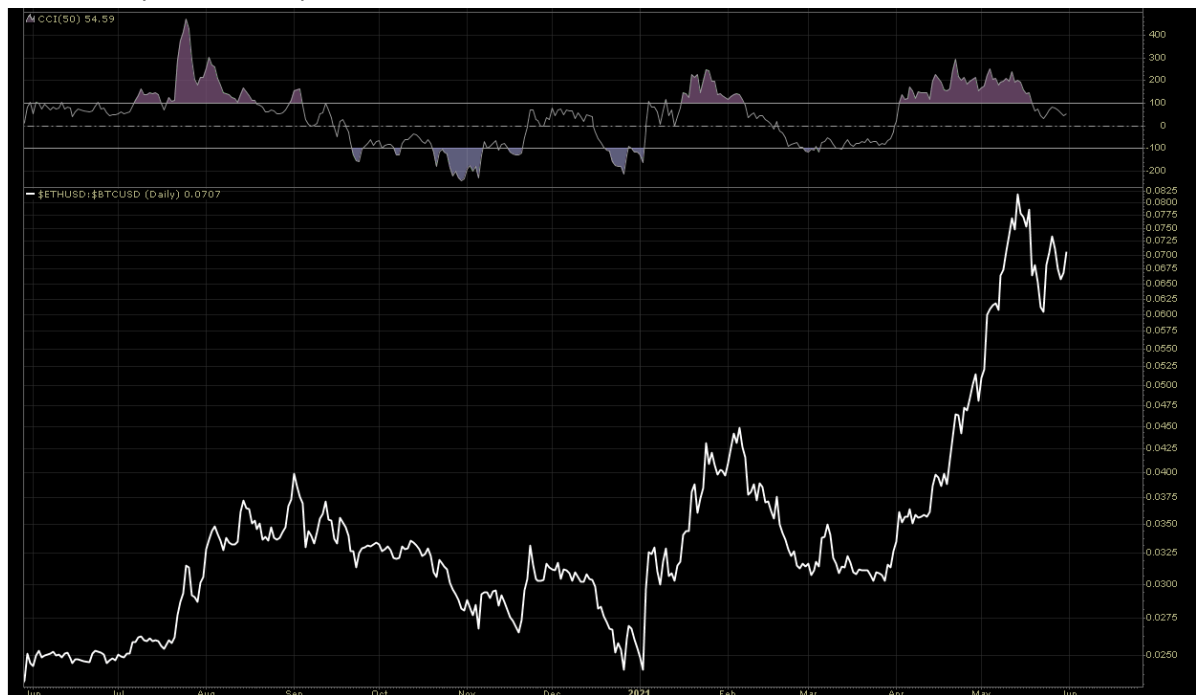
12. COT 10 year bonds-This is not telling us that we are near a market bottom in bonds. Usually we see extremes at these points. At the moment commercials are not extremely long. Large speculators are still long.

Commodities/Bitcoin

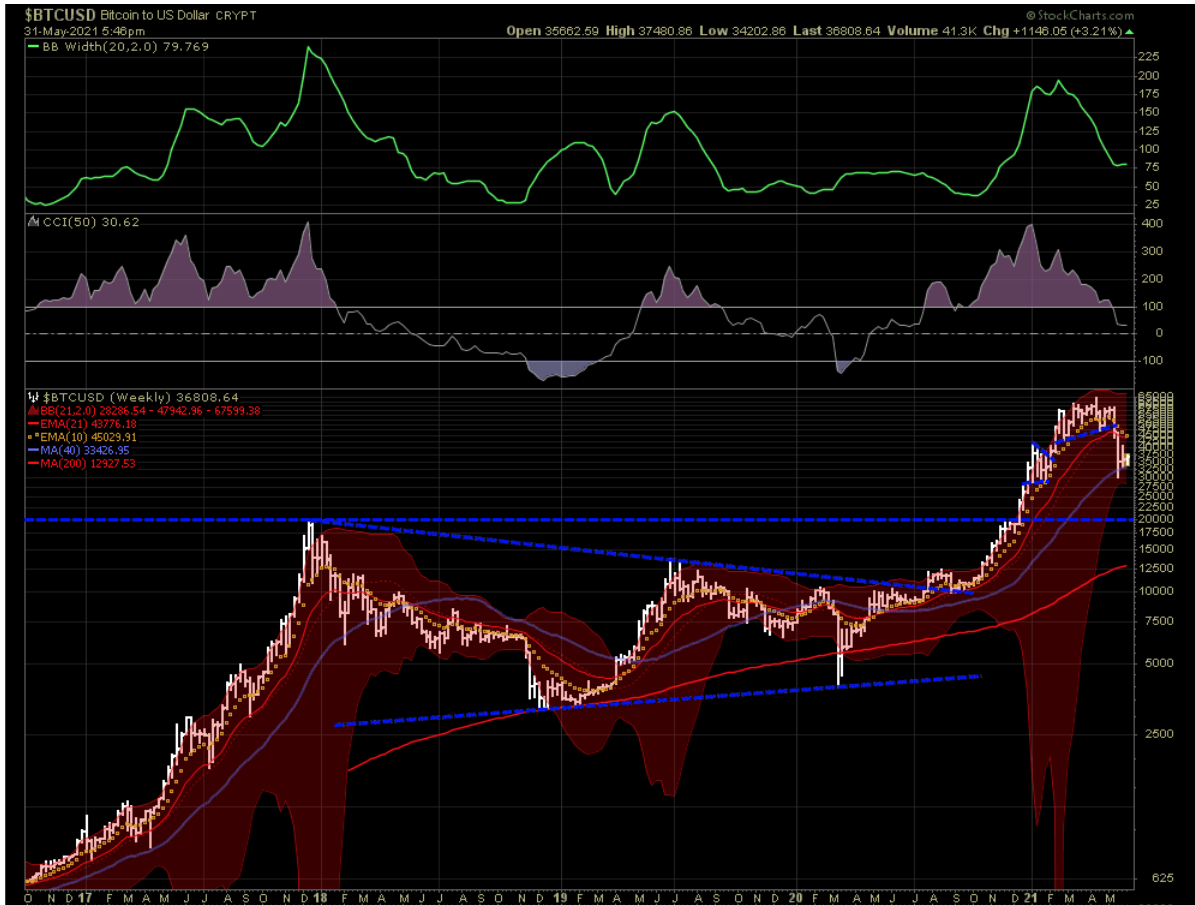




13. Bitcoin daily chart-W bottom set up is still playing out for the moment. Notice how the first push down was way outside of the band and the second one is inside of the band. This is a very classic set up.



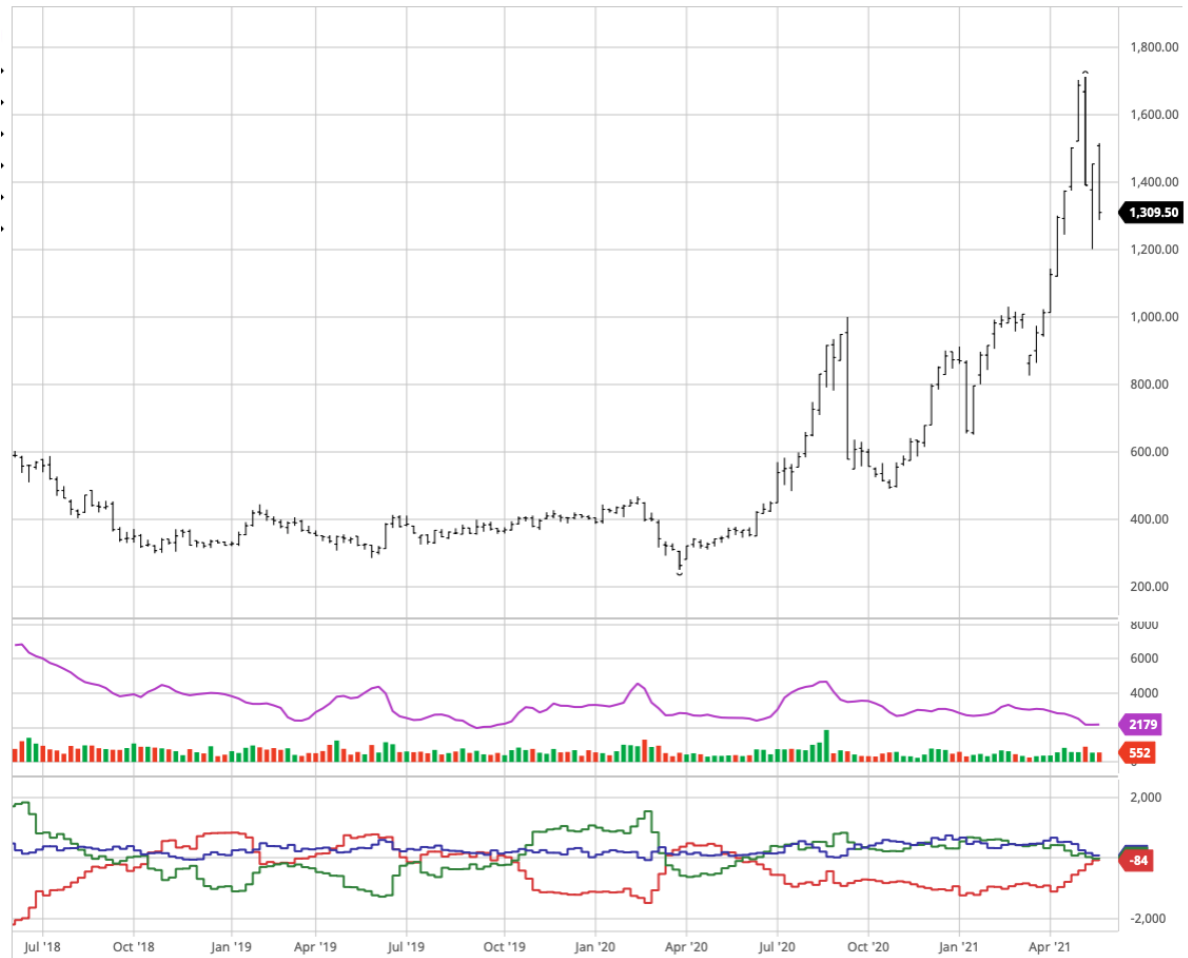
14. ETH:\$BTC-ETH still leading the pack.



15. Bitcoin Weekly-Still holding on to a bullish set up. For the moment.



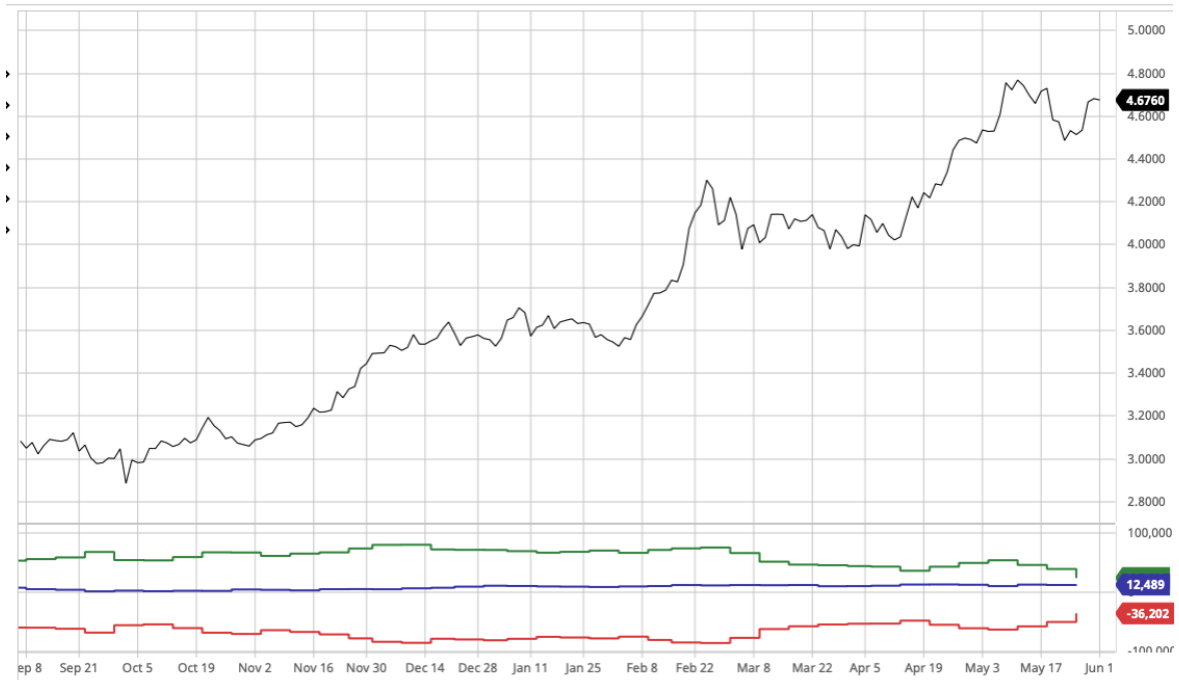
16. Lumber-Choppy at the moment however it seems like we possibly have another leg up. As unbelievable as that sounds.



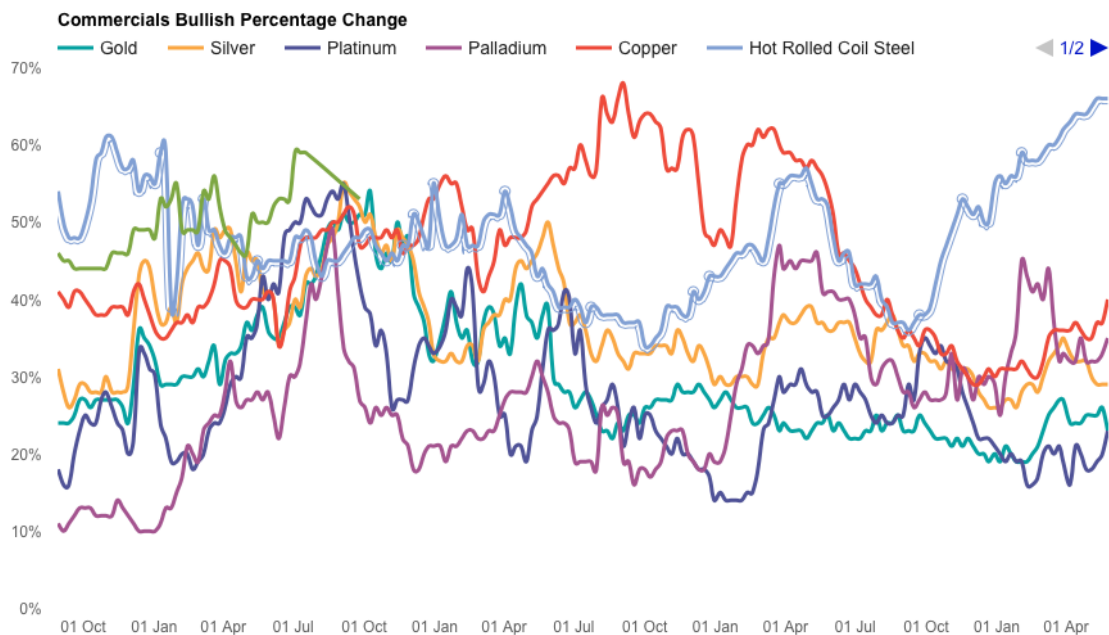
17. Lumber COT report-Commercials (red) have been buying this entire rally. This is very odd. Commercials tend to buy as prices are low and sell as prices are high. This is saying that we could see higher prices in lumber.



17. Copper Monthly-Sustaining



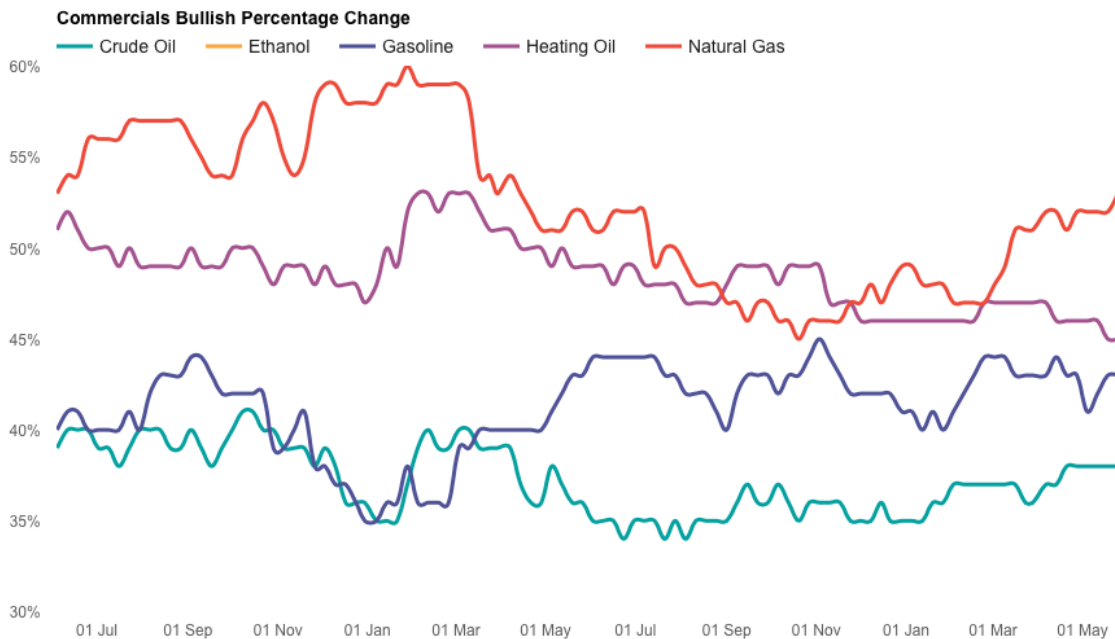
18. Copper COT report-we are seeing more buying in the last leg up on this commodity as well.



19. One thing that I trade a lot but I don't cover a lot(not many people trade it) is HRC steel.
This is another one that we are seeing that says that metals prices could continue higher.



20. Natural gas-At an extremely low volatility point for NG. It really looks like it is about to complete this pattern and blast off.



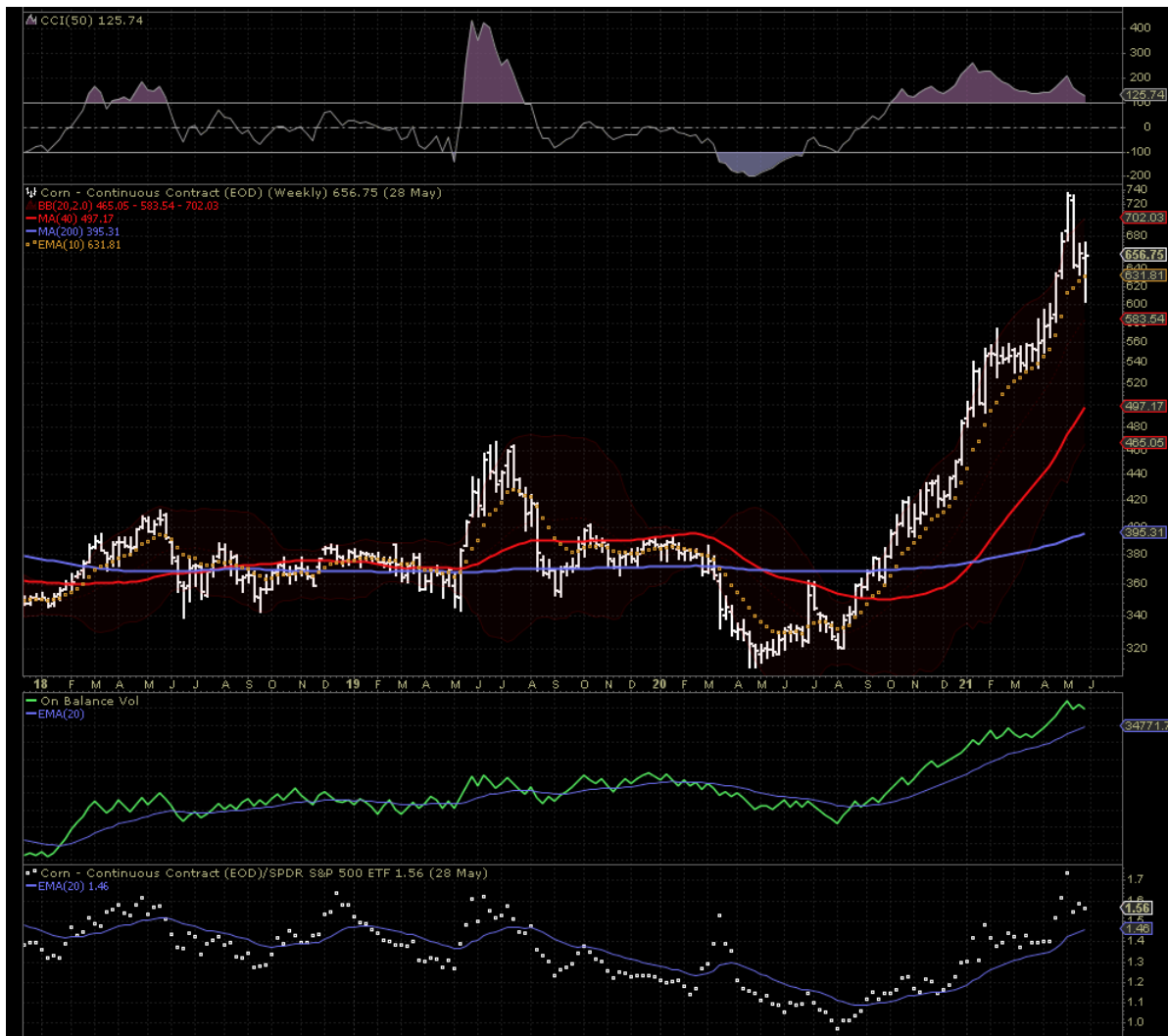
21. In the energy complex, Natural gas is still leading in commercial buying

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22. Palladium-Ready for another leg up. This is buyable.

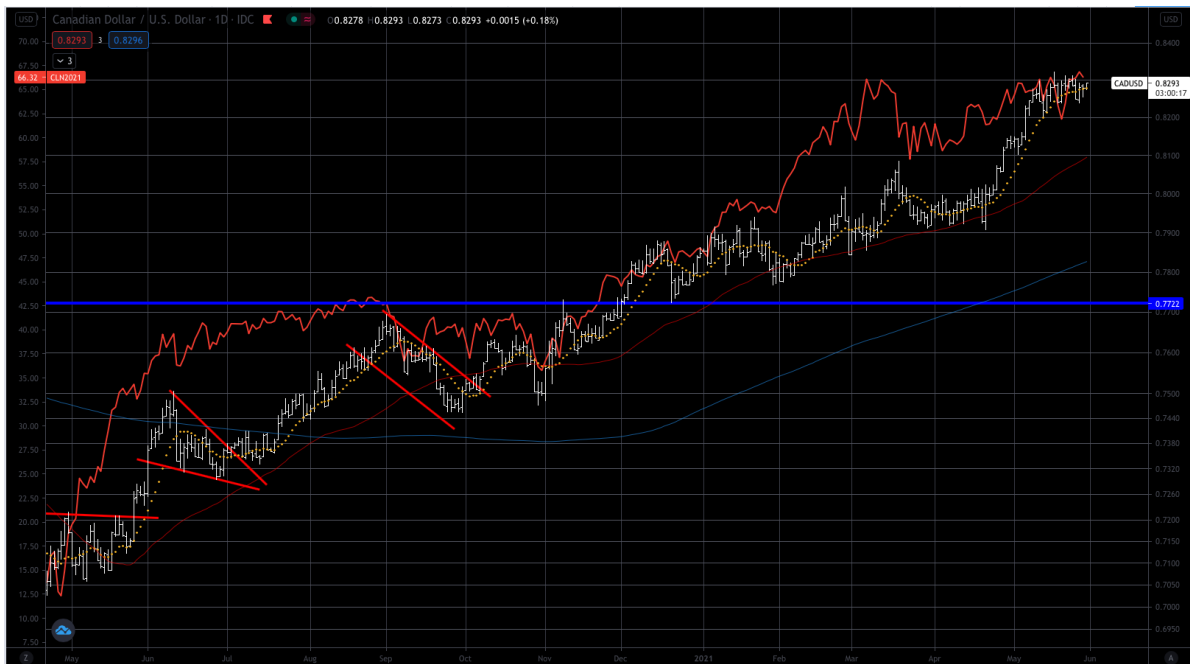
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23. Corn-After a major pull back we posted an oversold signal last week. So far we are bouncing and we look ready to move to the upside. Still actionable. The growing cycle used to be 135 days and now it is 185 days on average. However, we think that we are running into a major head wind that could change that as the sea surface cycle (60 years) catches up with the Grand Solar Minimum cycle that we are in.



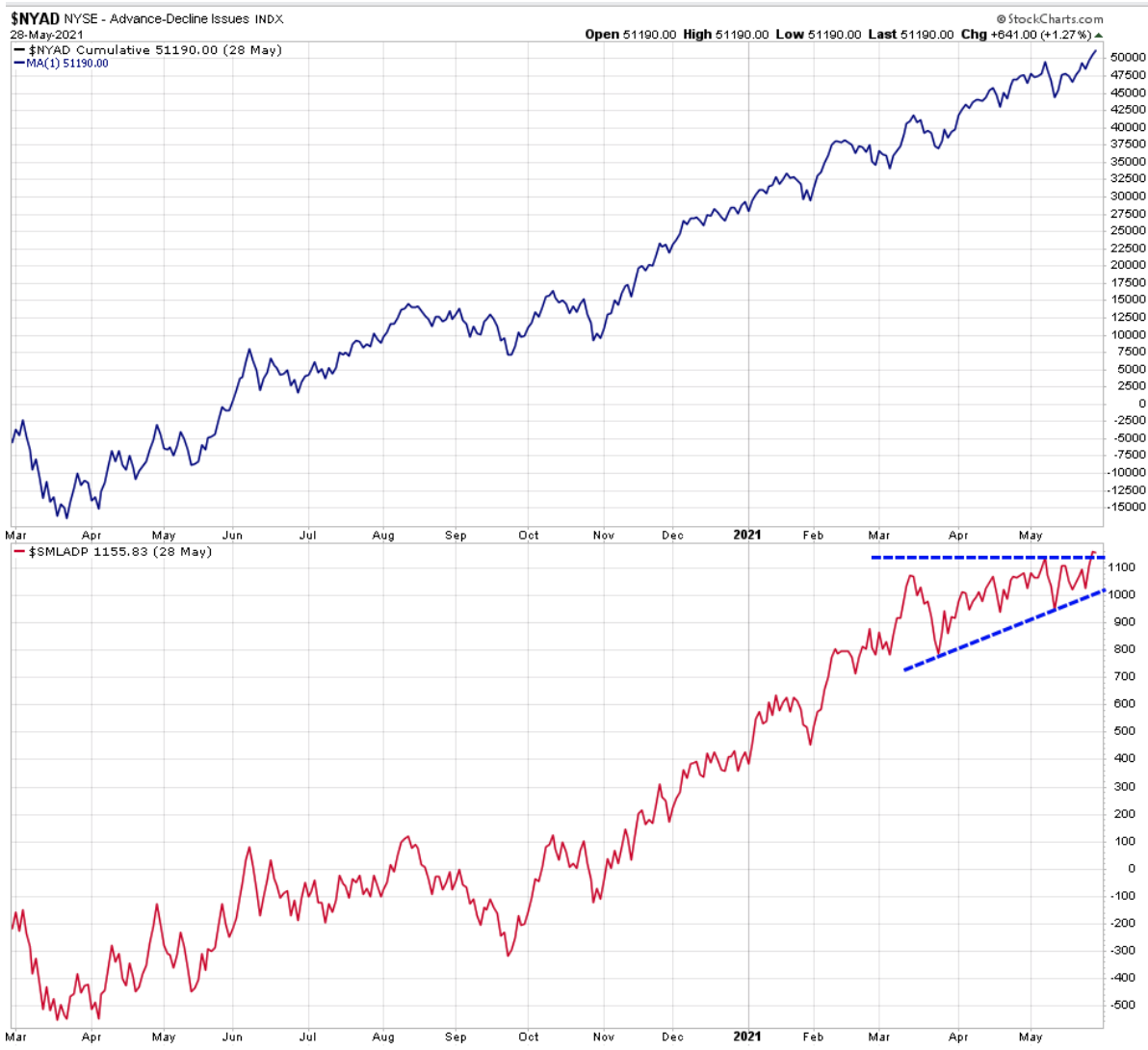
24. ZB white bars/Oil orange line-This looks like the break out point for oil right here. This looks ready to make a major move to the upside.



CAD is confirming the upside in oil.

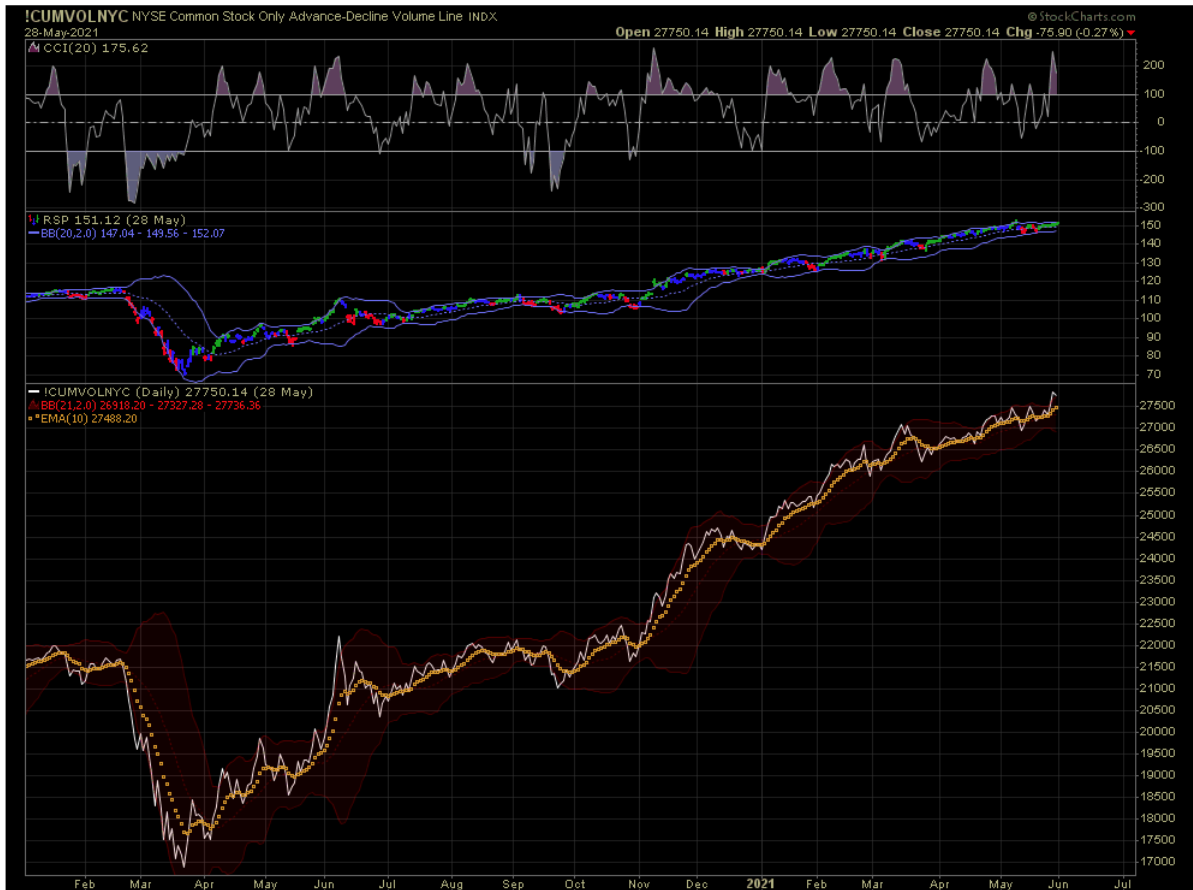
Breadth, intermarket analysis and equities



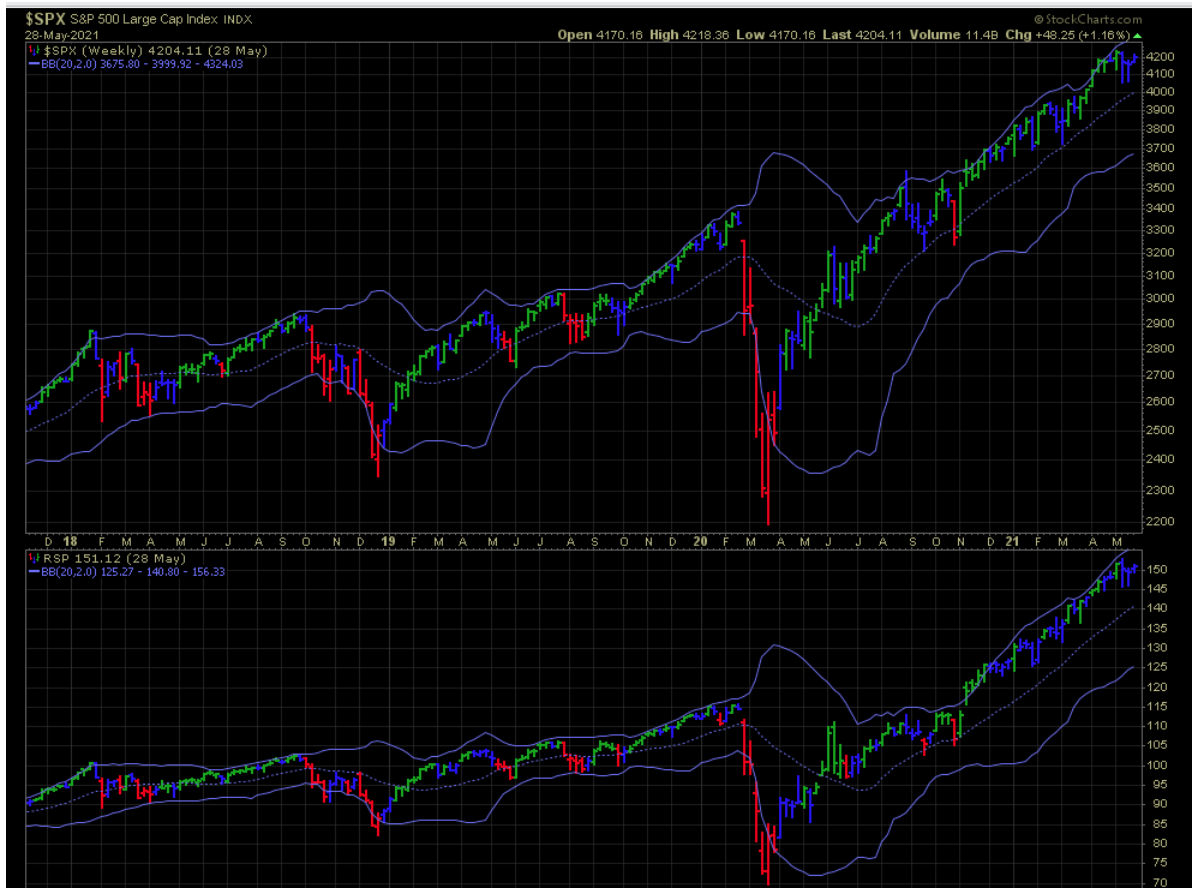


25. NYAD and Small cap AD

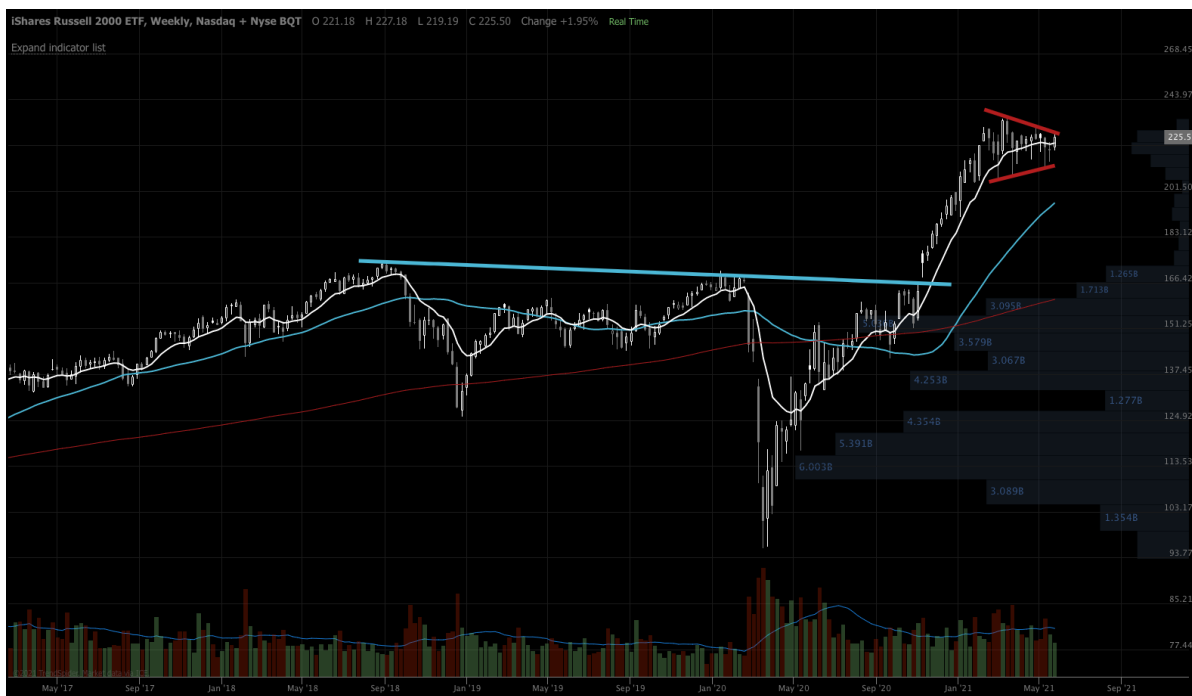




26. Common stock AD volume

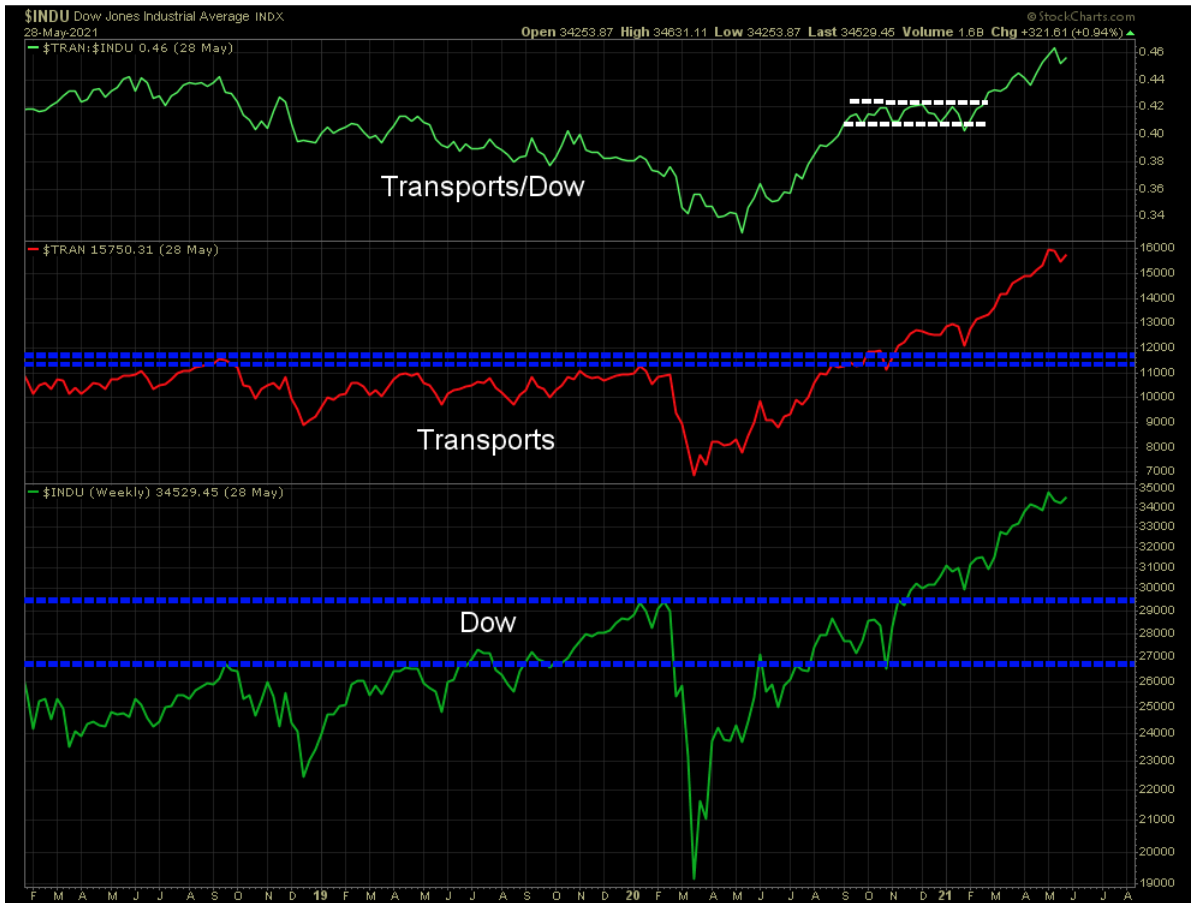


27. SPX on top, equal weight SPX on bottom. We still have a monthly all time closing high in both.



28. IWM-Rule number one... don't drive yourself crazy trying to pick a direction when things are range bound. However this looks close to breaking out.


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29. Transports/Dow

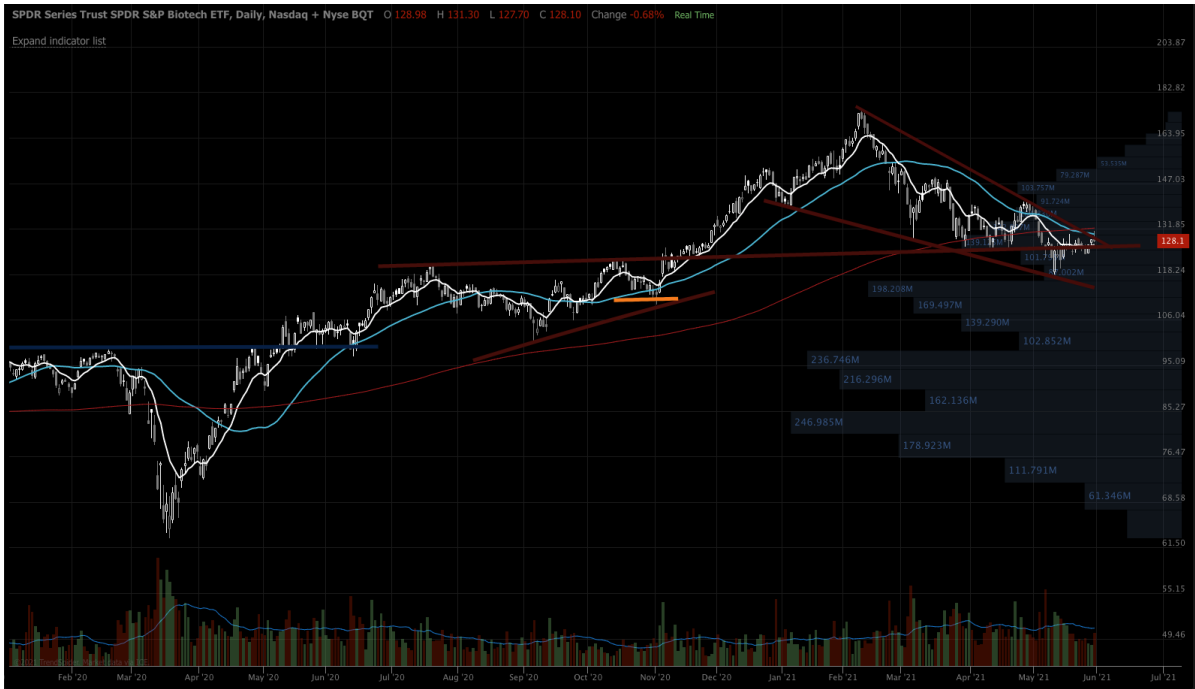


30. KRE-Major hammer candle. This looks very similar to oil. Watch KRE and oil for confirming signals.

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31. JNK:TLT chopping sideways.

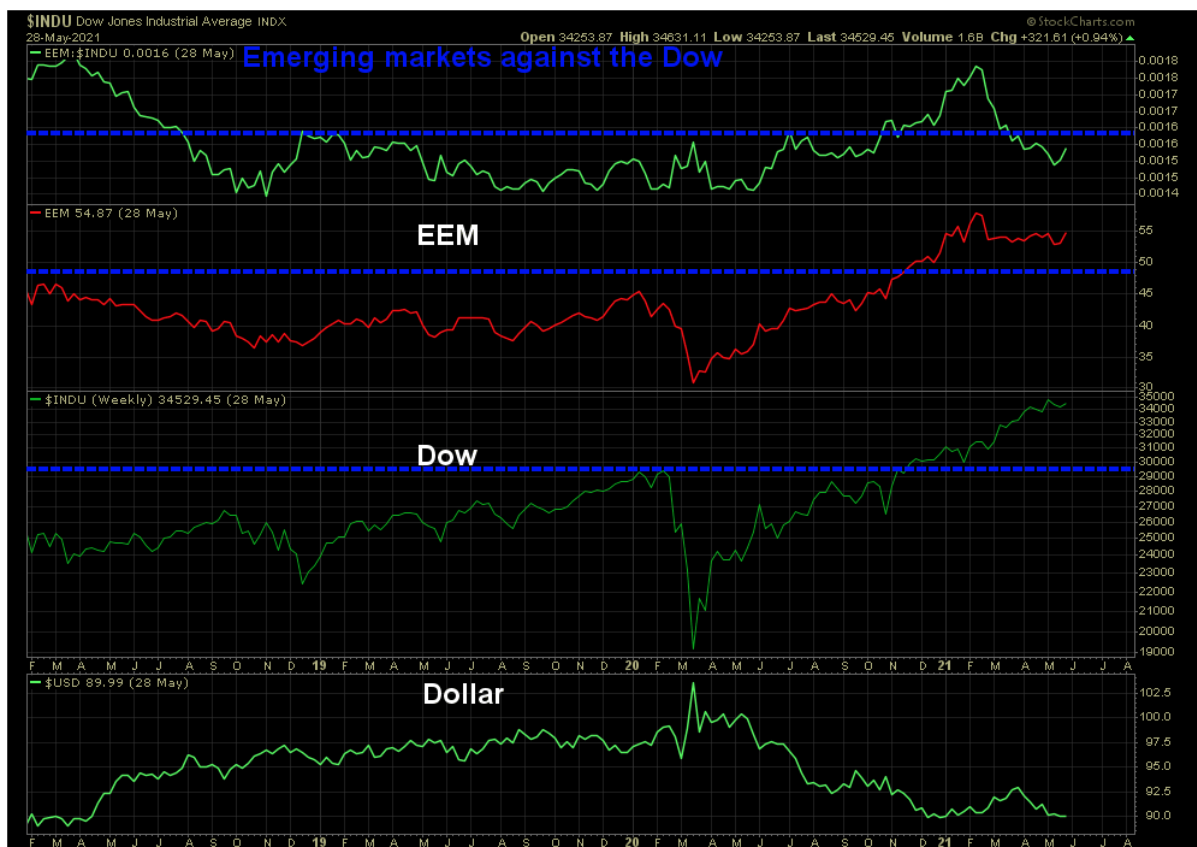


32. XBI-Lagging but looks ready to move higher.

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33. Japan-We want to see Japan leading the charge. So far we have had a good rally. Now it needs to break out of this bearish trend channel.

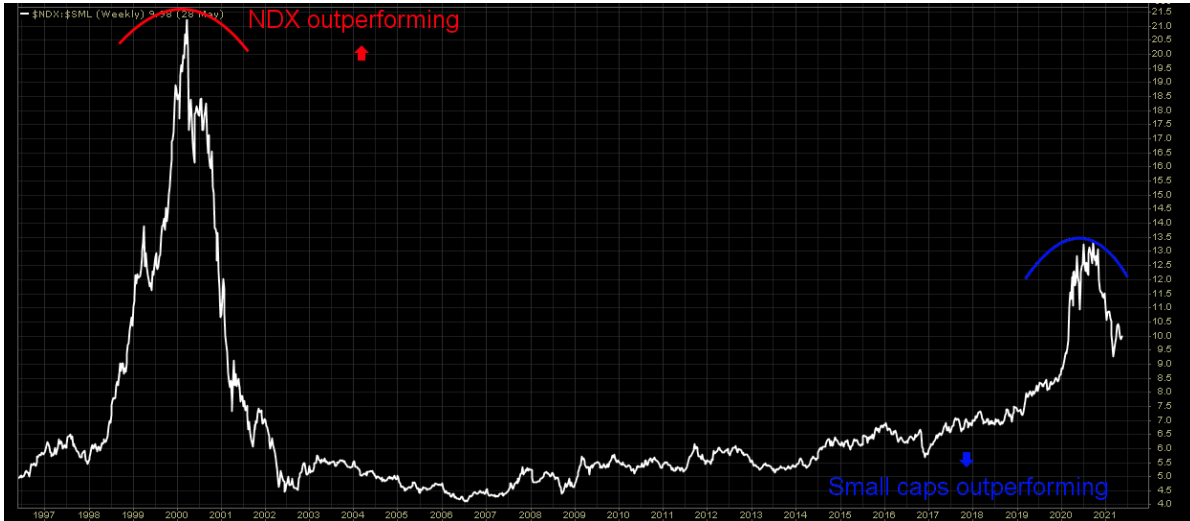


34. EEM/Dow

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35. Copper to gold ratio



36. Nasdaq/Small caps

Extras

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37. LMT





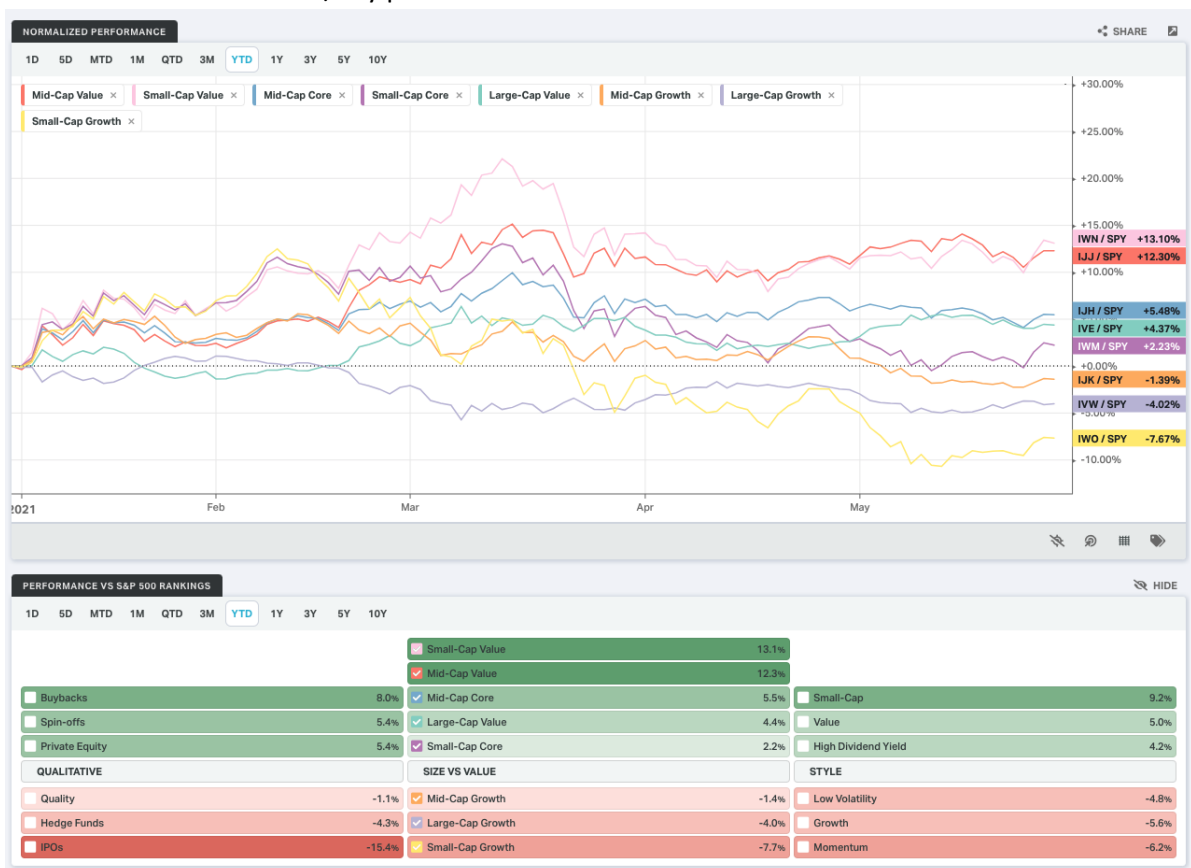
38. Coffee-Highest monthly close in 4 years. Trailing stop is at the May low now. This looks like the beginning of a major run. Range expansion confirming. Stay long.



39. Sugar-it has not even made a real run yet and sugar can really move when it gets going. Stay open to major upside in sugar.



40. Wheat is at an add/buy point here.



41. Factor analysis still shows a sustained outperformance in value and small caps over growth and large caps.

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42. CCJ-Uranium still on a run

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