

**INVESTING WINNERS AND  
LOSERS OF THE PANDEMIC**

Brought to you by:  
BetterInvesting – Alaska Chapter  
Tim Janneck

3/15/22

# BI background:

1. Volunteers, not paid.
2. Disclaimer.

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3. Our suggestions and recommendations are not a substitute for your own research and good judgment.
4. Go ahead and ask questions as we go, and I will pause at times to ask for questions too.

# Overall recap of presentation

1. General:
2. General pandemic impacts:
3. Pandemic losers:
4. Pandemic winners:
5. Faders and bouncers:
6. Going forward:

# General:

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1. Unusual world conditions, risks and rewards.
2. Pandemic timeline.

Begin graph timeline, 1/1/2019

First known COVID case (U.S.), 1/9/2020

First warnings by WHO, 1/21/2020

Pandemic declaration (WHO), 3/11/2020

US Deaths pass 100,000 mark, 5/28/2020

Vaccine available (U.S.), 12/11/2020

US deaths pass 500,000 mark, 2/21/2021

25% fully vaccinated (U.S.), 4/11/2021

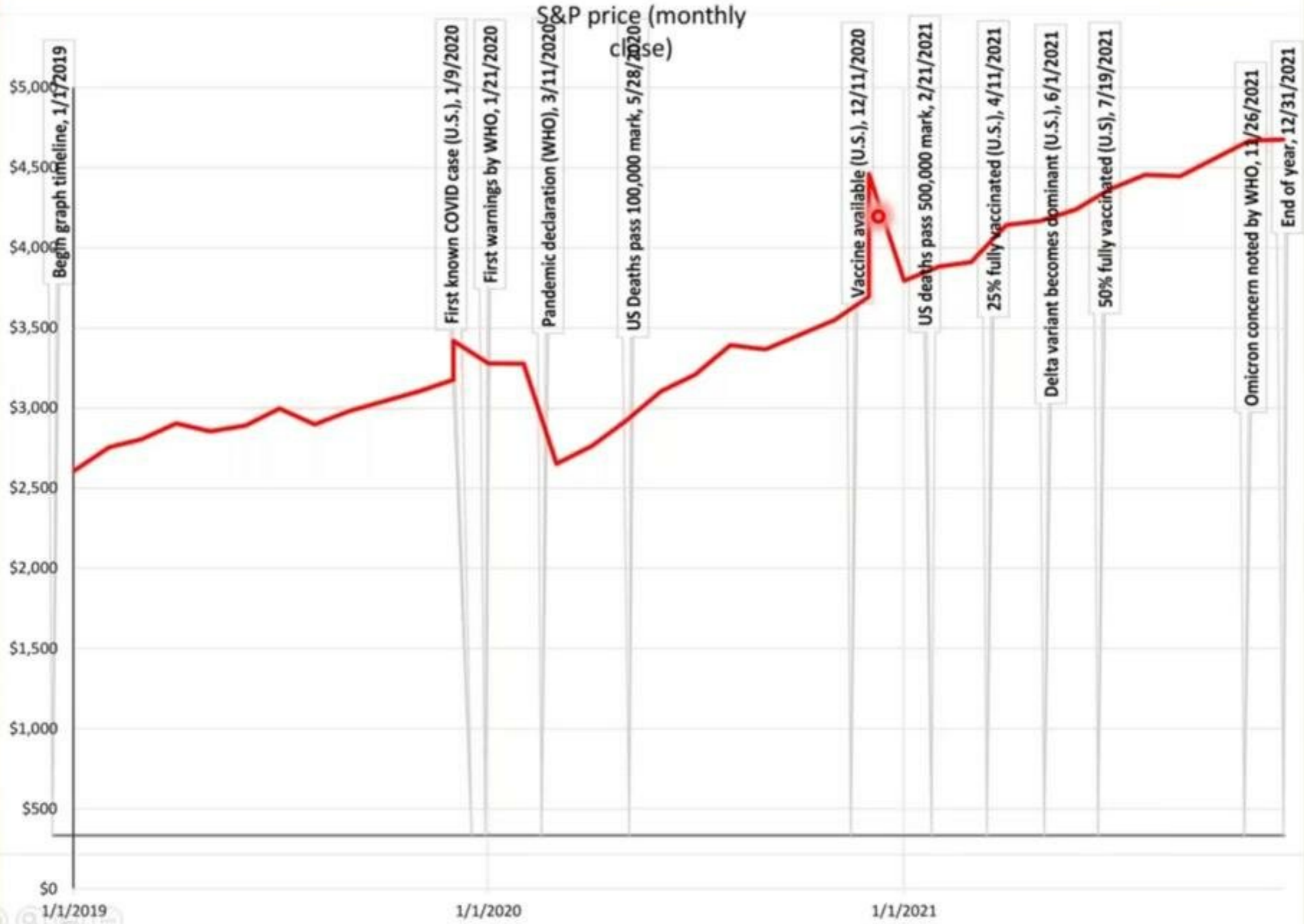
Delta variant becomes dominant (U.S.), 6/1/2021

50% fully vaccinated (U.S.), 7/19/2021

Omicron concern noted by WHO, 11/26/2021

End of year, 12/31/2021







# General:

1. Unusual world conditions, risks and rewards.
2. Pandemic timeline.
3. Weird facts from the pandemic:
  - A. Zoom became a verb.
  - B. People couldn't find couches, used cars, or cream cheese.
  - C. RTO (Return To Office) plans became an issue.
  - D. Walmart reported a spike in sales of office tops – but not bottoms.
  - E. “Hard pants” (high heels and dress pants) became synonymous with things we might do without.
  - F. QR codes showed up on menus.
4. Sources of information.

# Sources of information

1. "COVID one year later: Disruption, resilience, and innovation", Fidelity.com, 05/17/2021.
2. "7 Trends For Adapting To A Post-Pandemic World", Forbes, 7/7/21.
3. "Navigating the Post-Pandemic Investment Landscape", Schwab Market Commentary, 8/20/21.
4. BetterInvesting.org – SSGplus and stock feed (Morningstar Equity Data).
5. "Prospering in the pandemic: winners and losers of the Covid era", Financial Times, 1/2/22.
6. "These 15 stocks rose 100% or more during the pandemic, but they've since been crushed. Is it now time to buy?", MarketWatch, 2/12/22.
7. Stock Market Data Used in "Irrational Exuberance" Princeton University Press, 2000, 2005, 2015, updated by Robert J. Shiller.

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5. Focus will be on sales and earnings, not prices (which may reflect sentiment and emotion more than reality).

# General pandemic impacts:

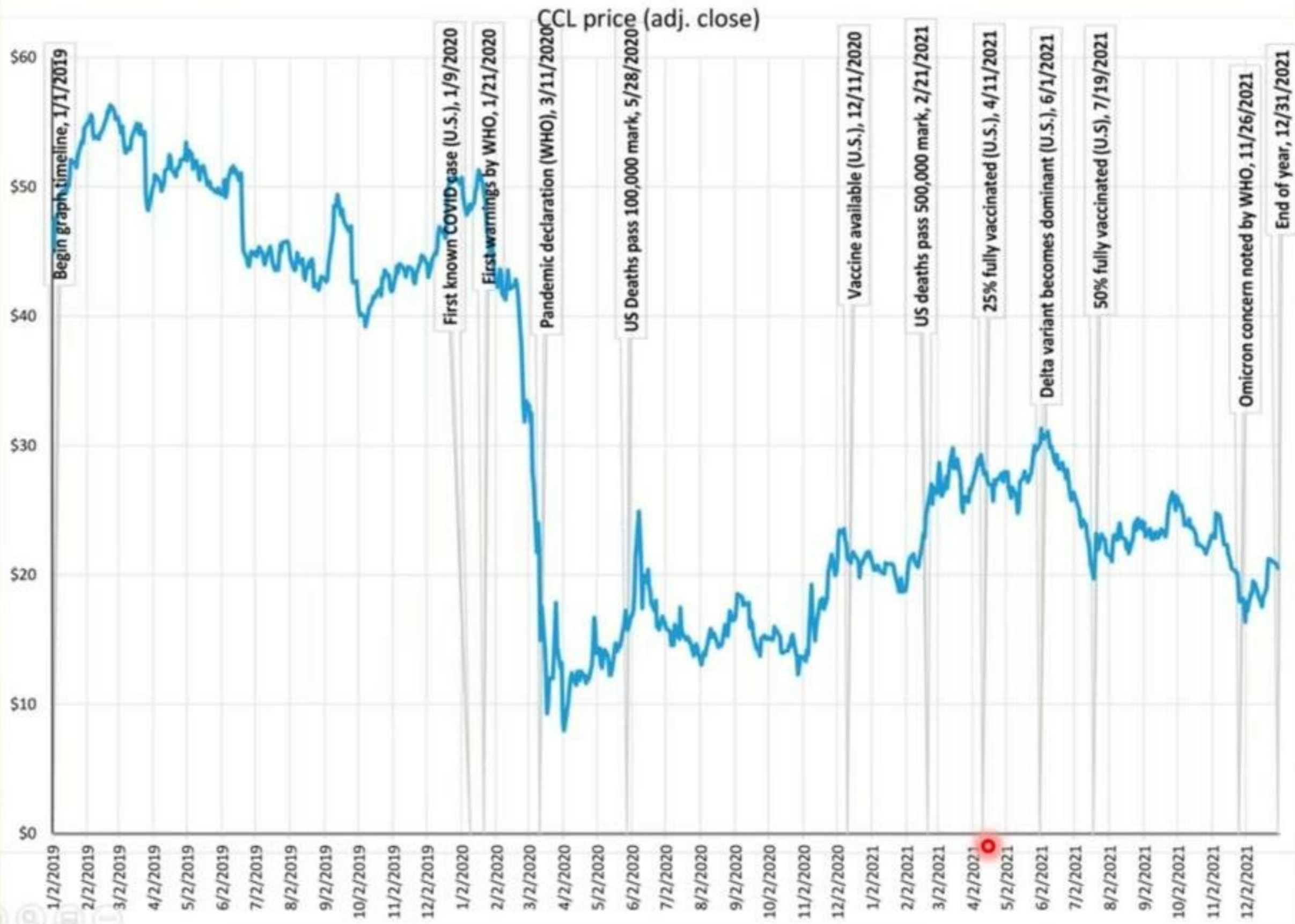
1. Shortages.
2. Supply chain.
3. Massive societal changes.
4. Labor shortages/the big resignation.

# Pandemic losers:

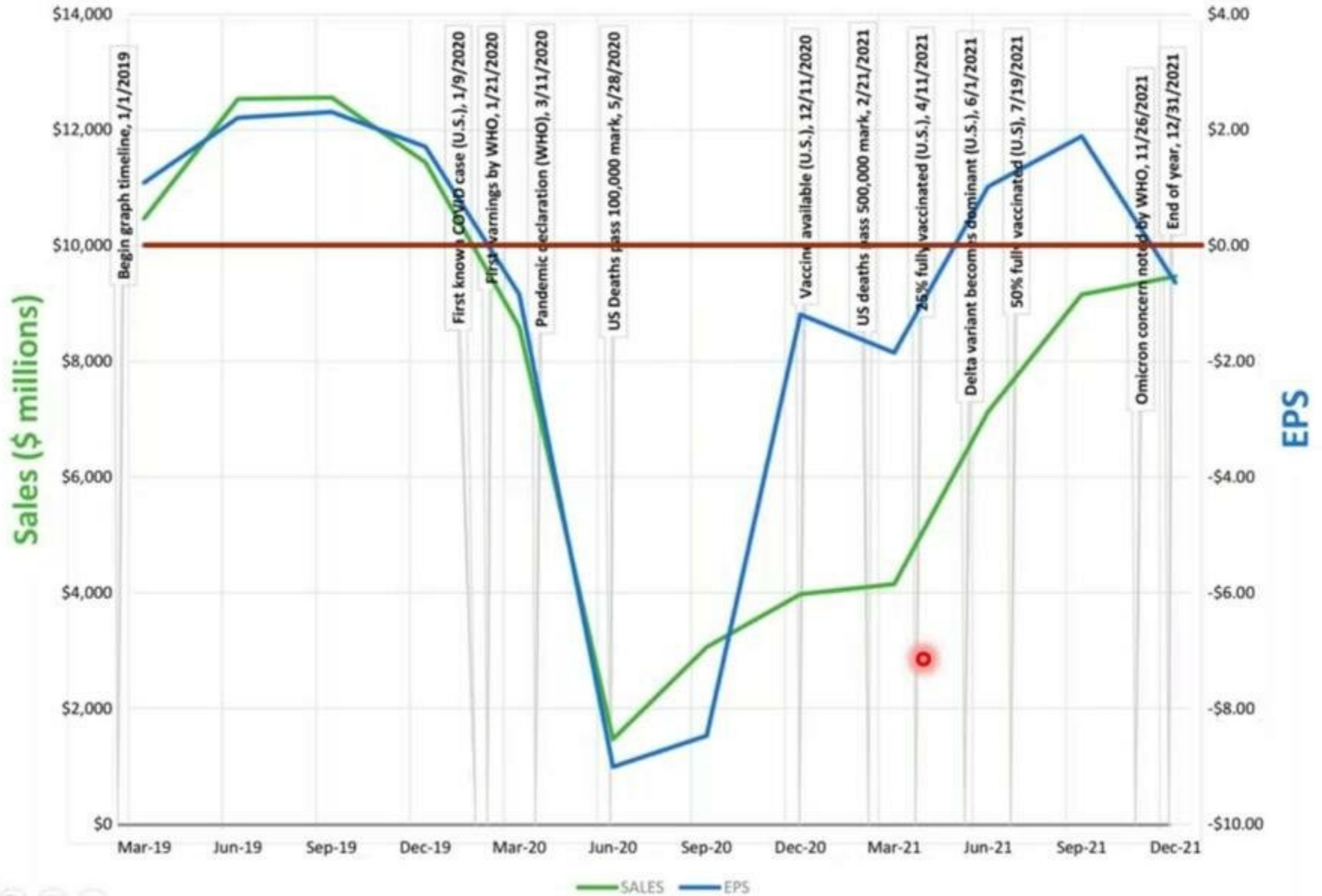
# Pandemic losers:

1. Cruise lines: Carnival Cruise Line (CCL)\*\*





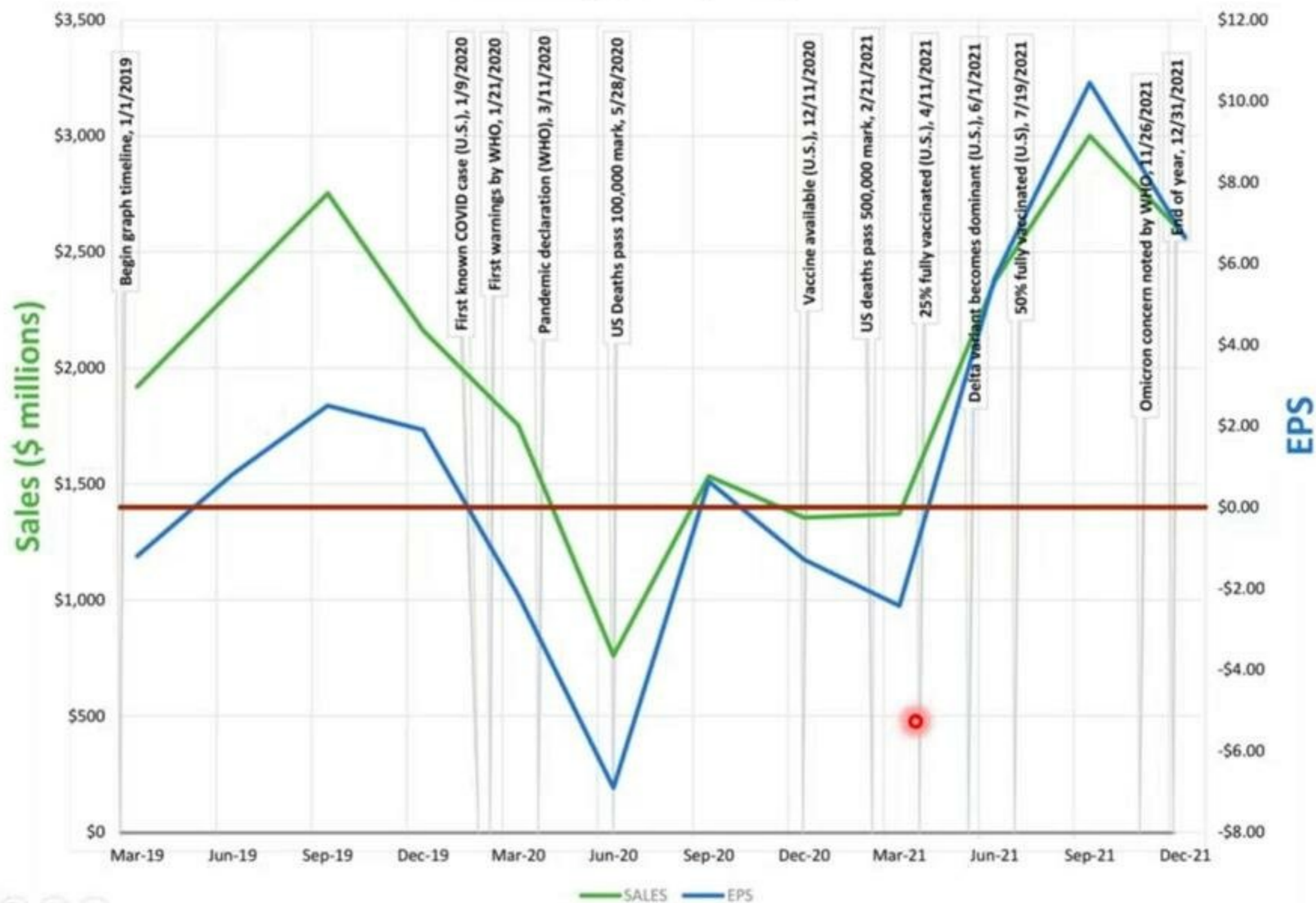
# Delta Airlines (DAL)



# Pandemic losers:

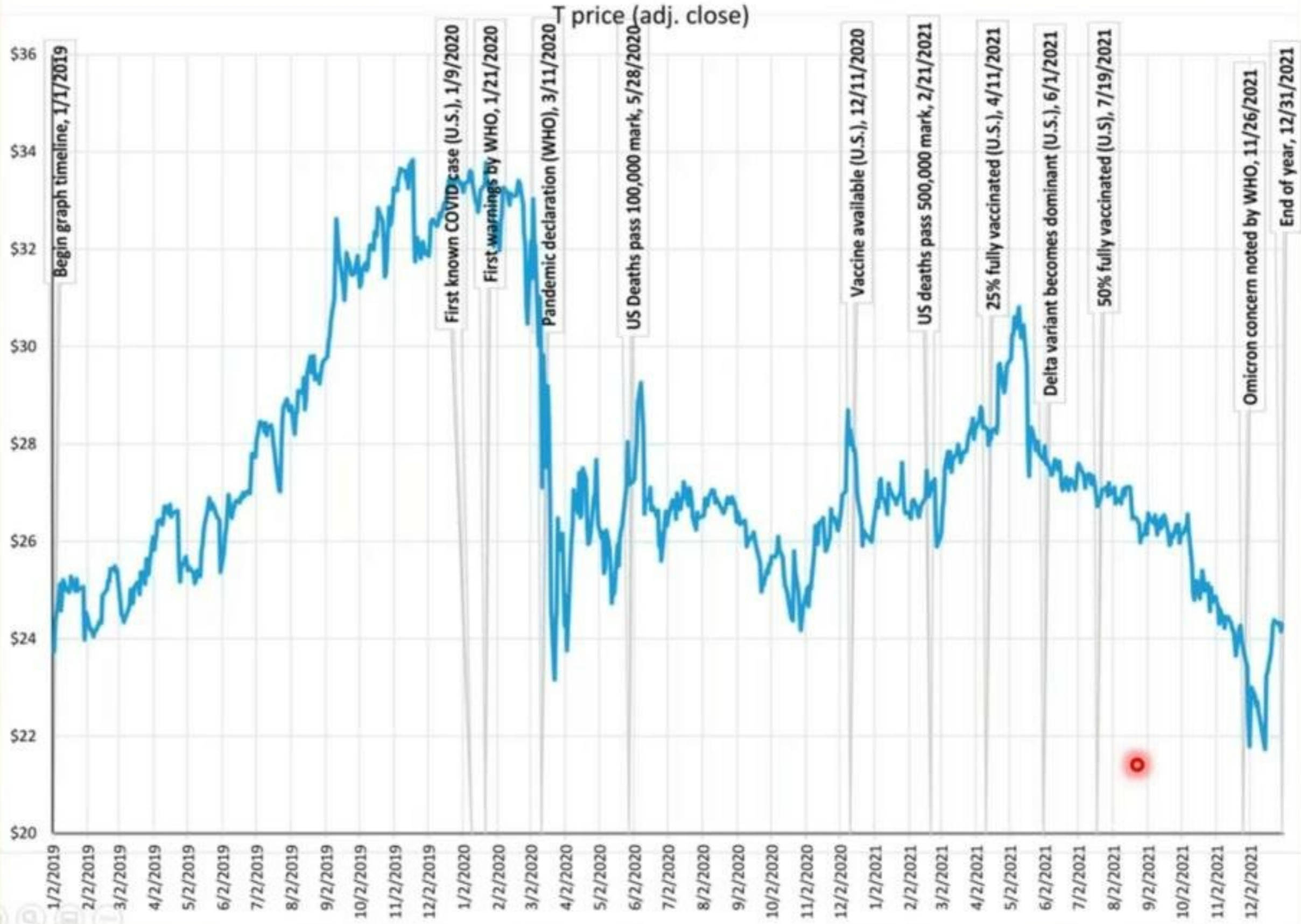
1. Cruise lines: Carnival Cruise Line (CCL)\*\*
2. Airlines: Delta\*
3. Travel companies
4. Car rental companies: Avis Budget (CAR)\*

## Avis Budget Gr. (CAR)

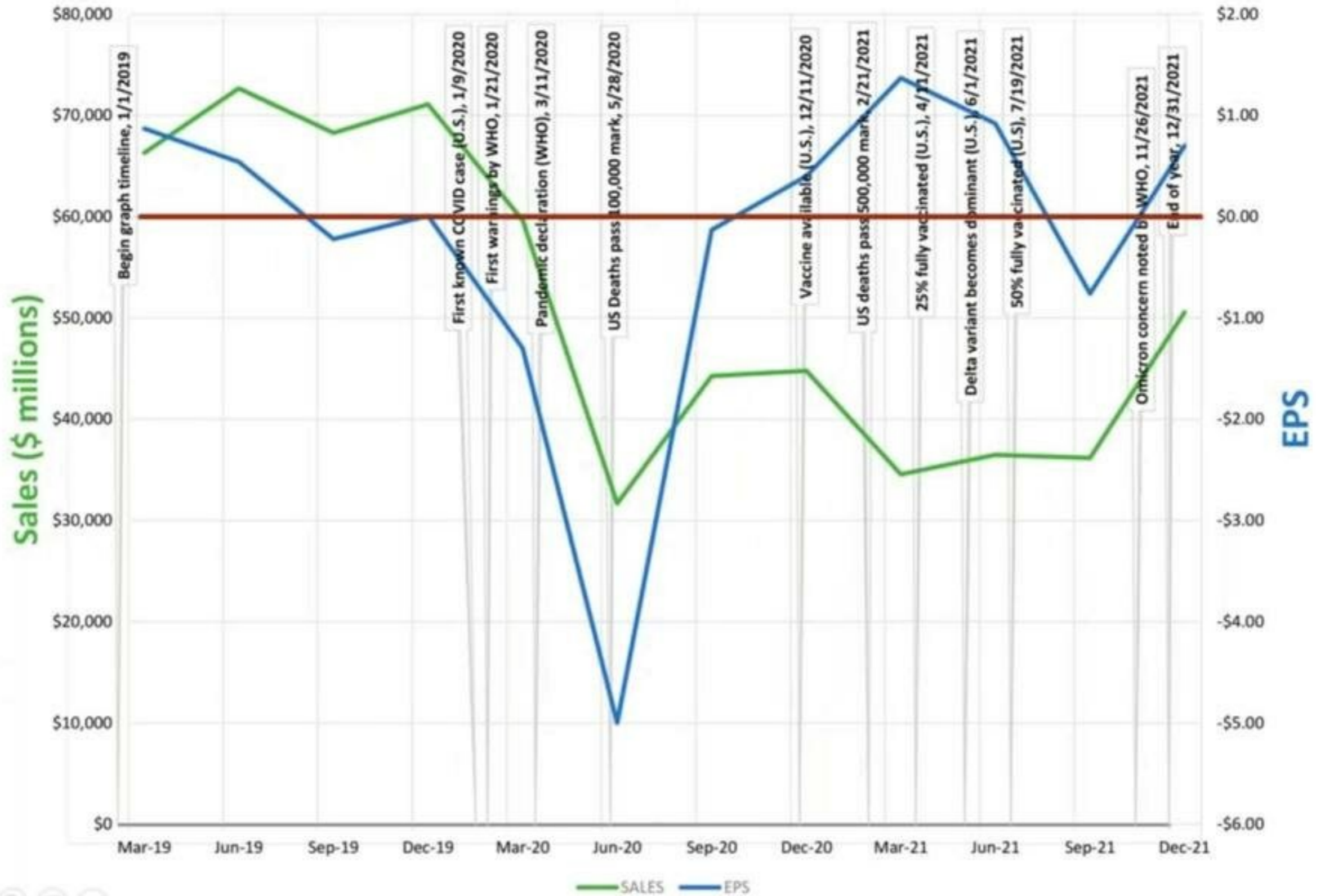


# Pandemic losers:

1. Cruise lines: Carnival Cruise Line (CCL)\*\*
2. Airlines: Delta\*
3. Travel companies
4. Car rental companies: Avis Budget\*
5. Hotels
6. Amusement parks
7. Commercial real estate (office space)
8. AT&T (T)\*\*, BP (BP)\*



# BP (BP)



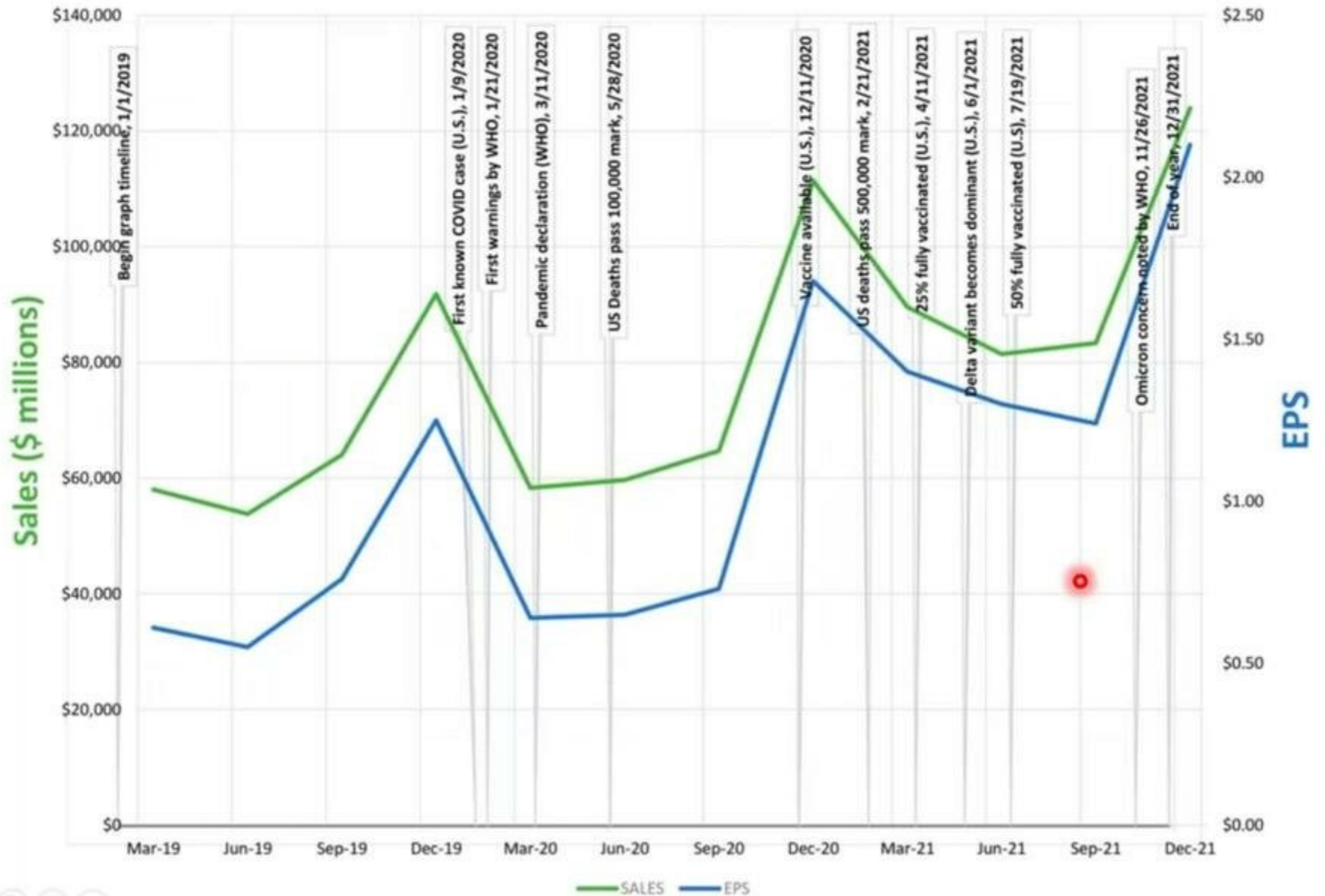
# Pandemic winners:



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1. On-line meeting systems: Cisco, MS Meetings, etc.
2. Grocery stores
3. Home exercise equipment
4. Streaming services: Netflix (NFLX)\*, Prime Video, Apple (AAPL)\*

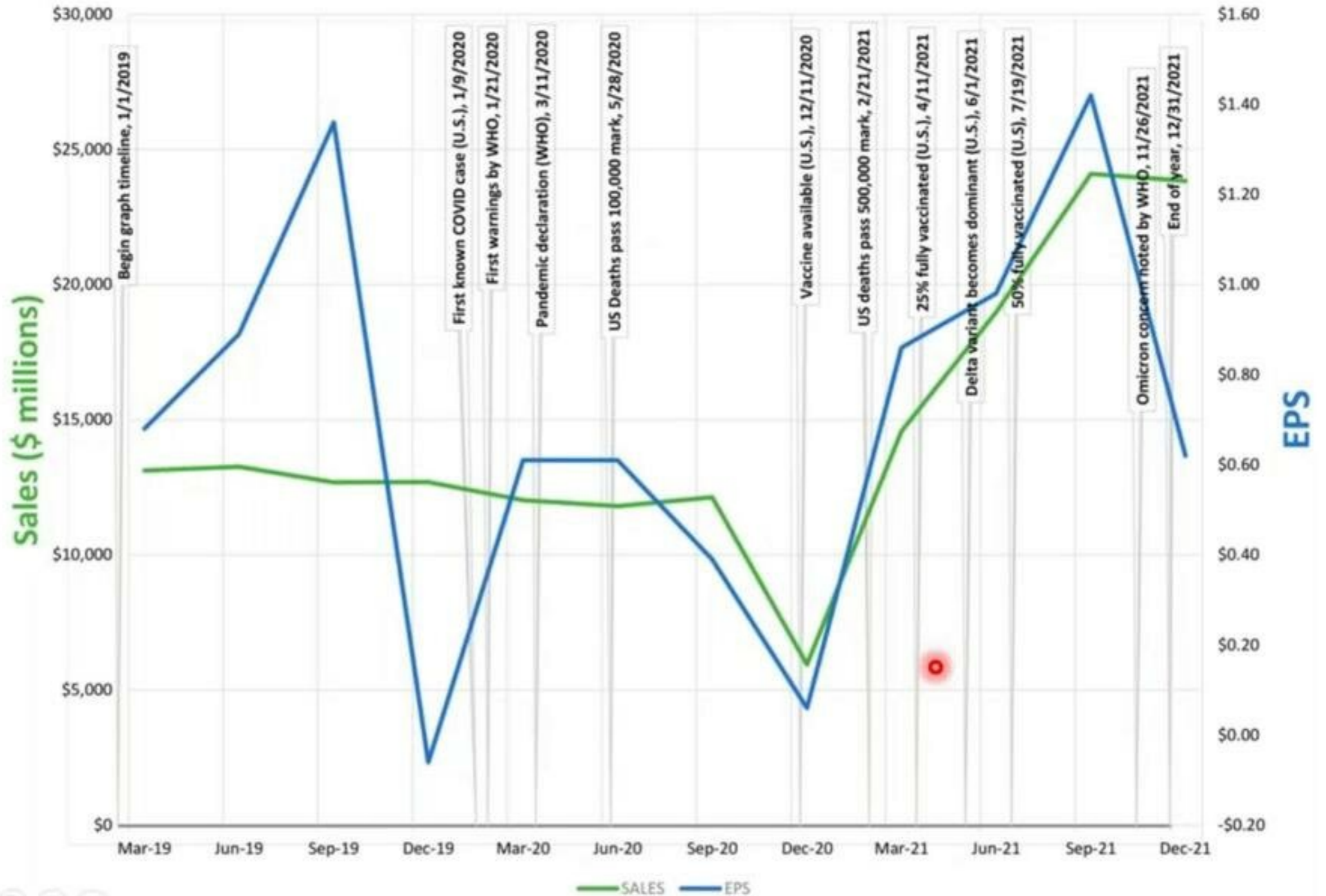
# Apple Inc. (AAPL)



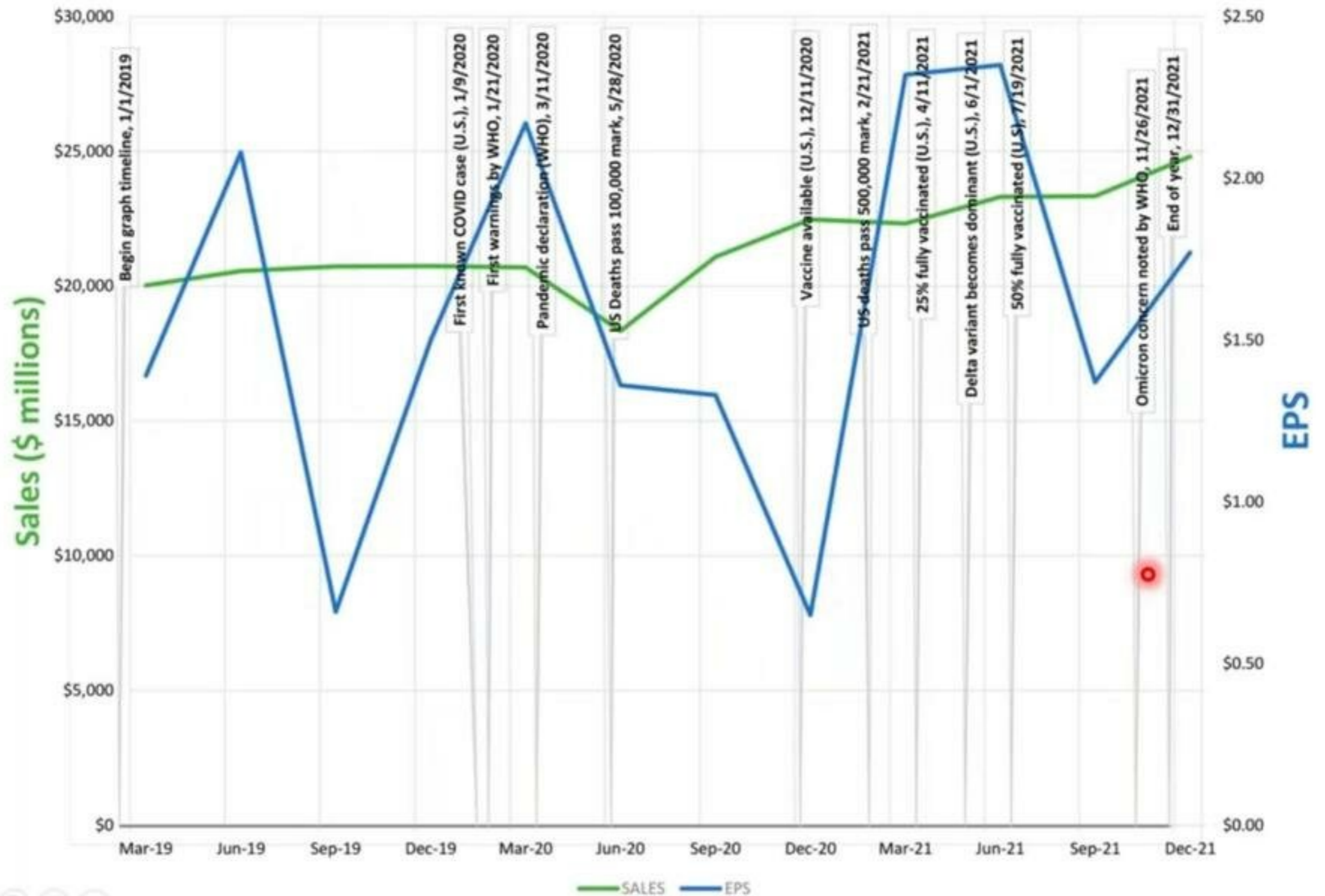
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5. Food delivery services: GrubHub, DoorDash
6. Pharma/health care companies: Pfizer (PFE)\*, Johnson&Johnson (JNJ)\*, UnitedHealth (UNH)\*

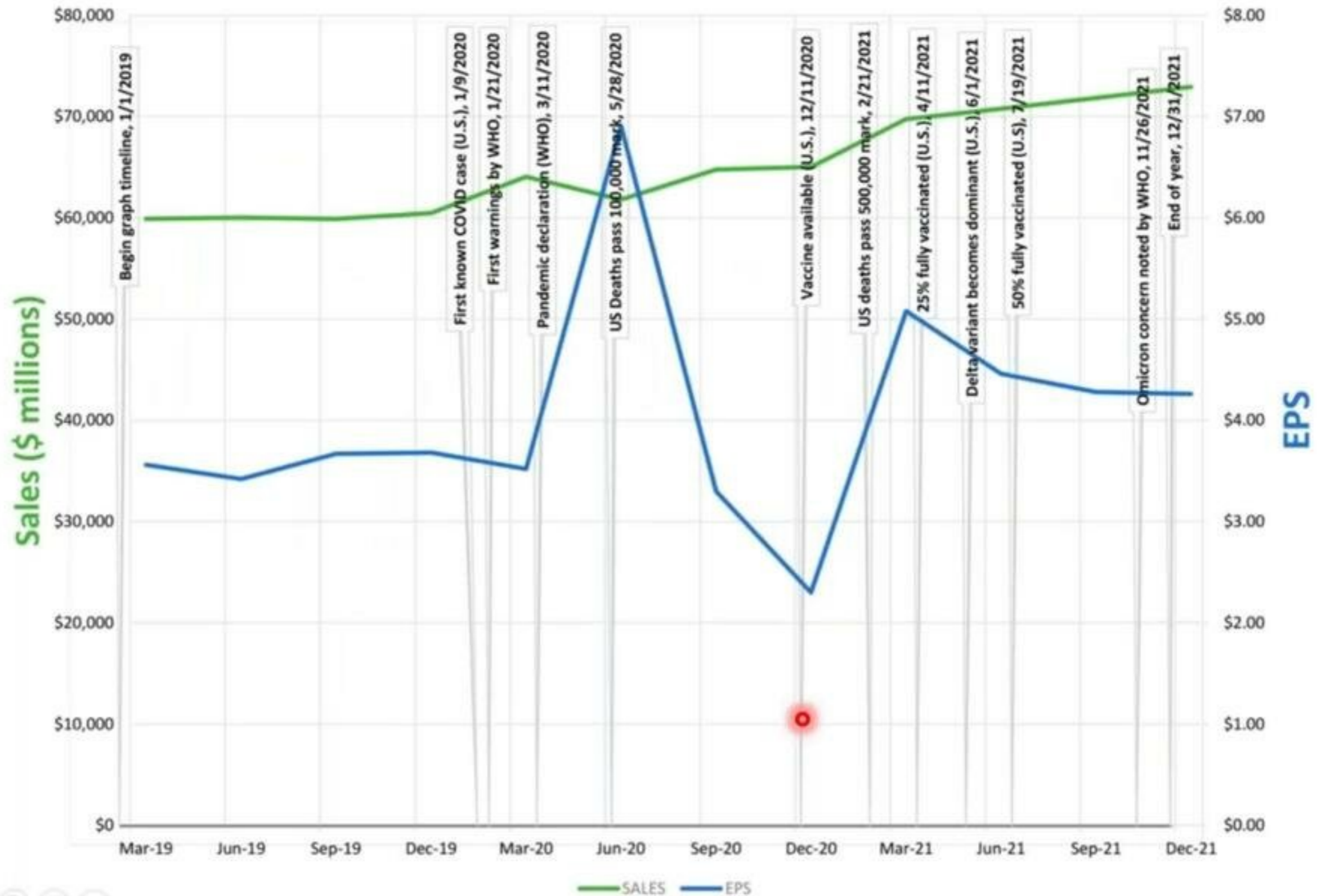
# Pfizer (PFE)



## Johnson &amp; Johnson (JNJ)



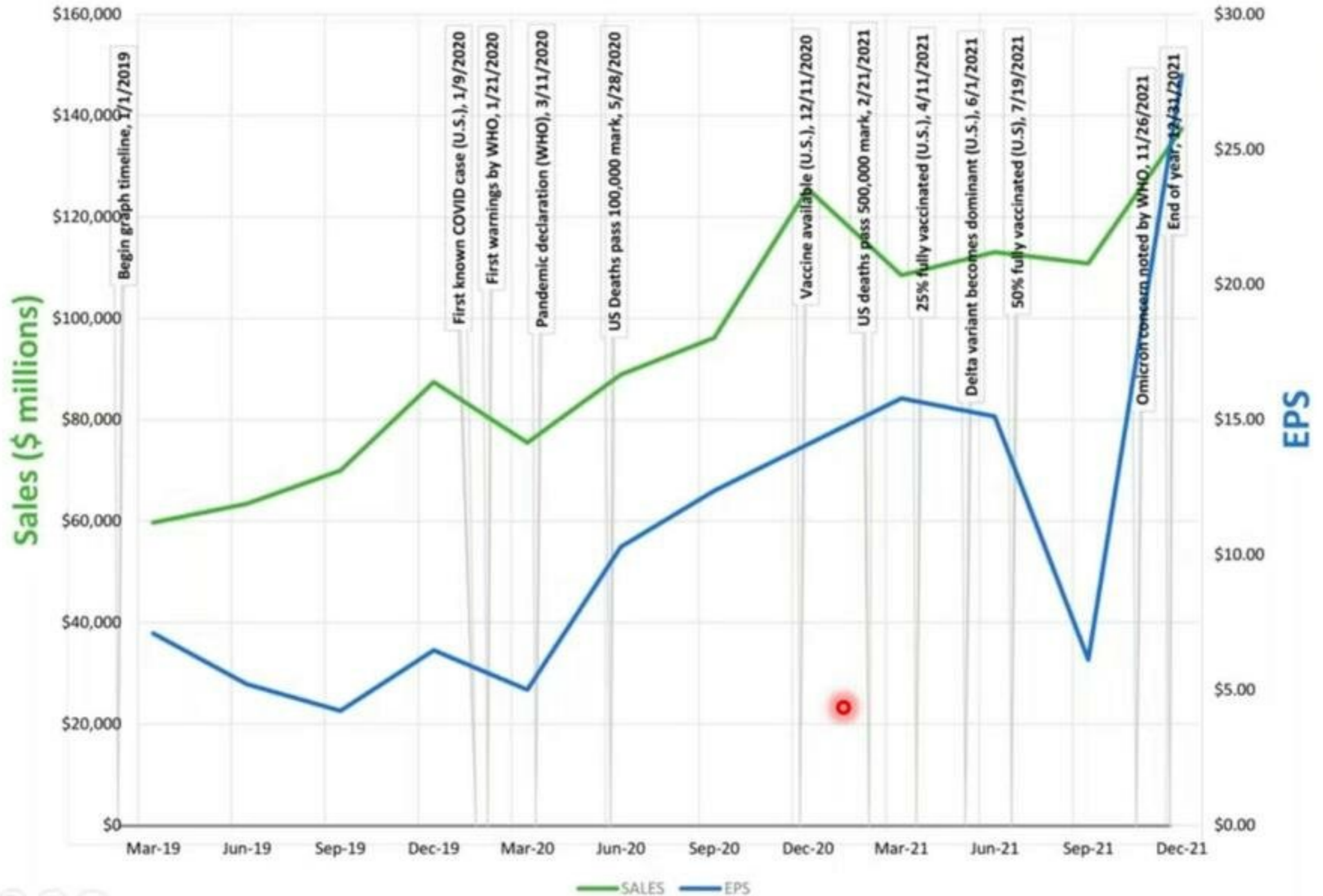
## UnitedHealth Group (UNH)



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6. Pharma/health care companies: Pfizer\*, JNJ\*, UnitedHealth\*
7. Home improvement: Home Depot\*
8. Online retail: Amazon (AMZN)\*\*

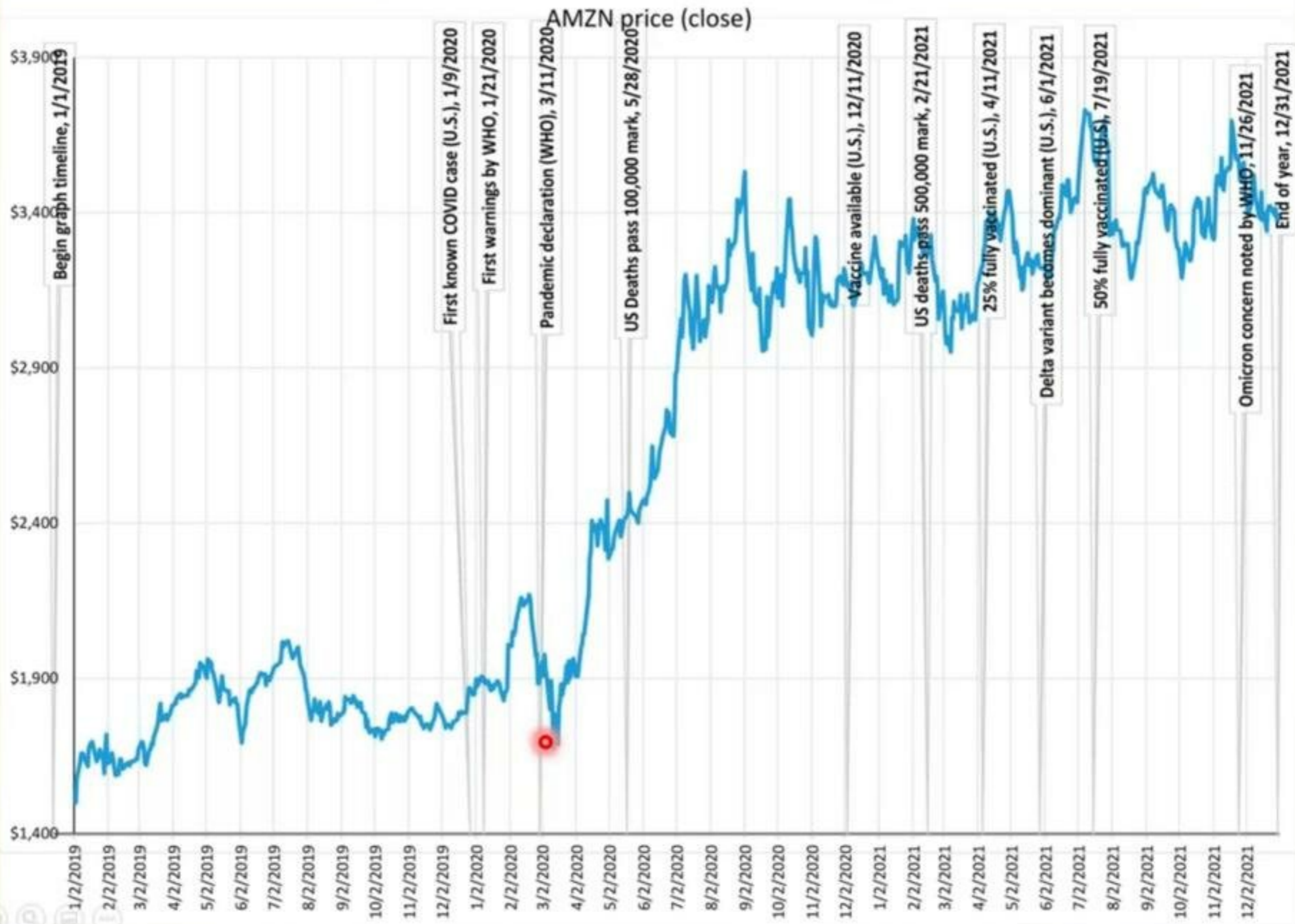
# Amazon (AMZN)



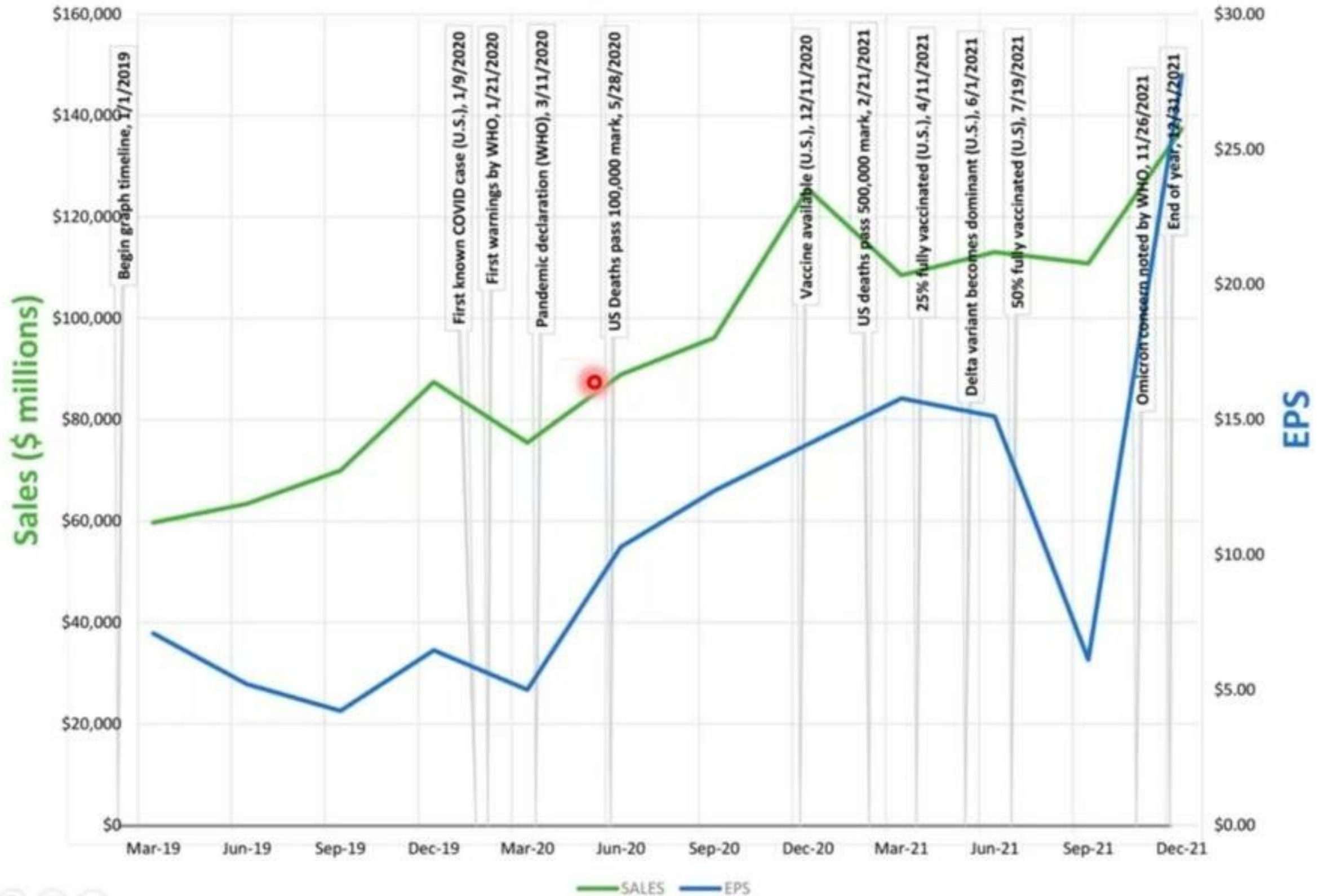
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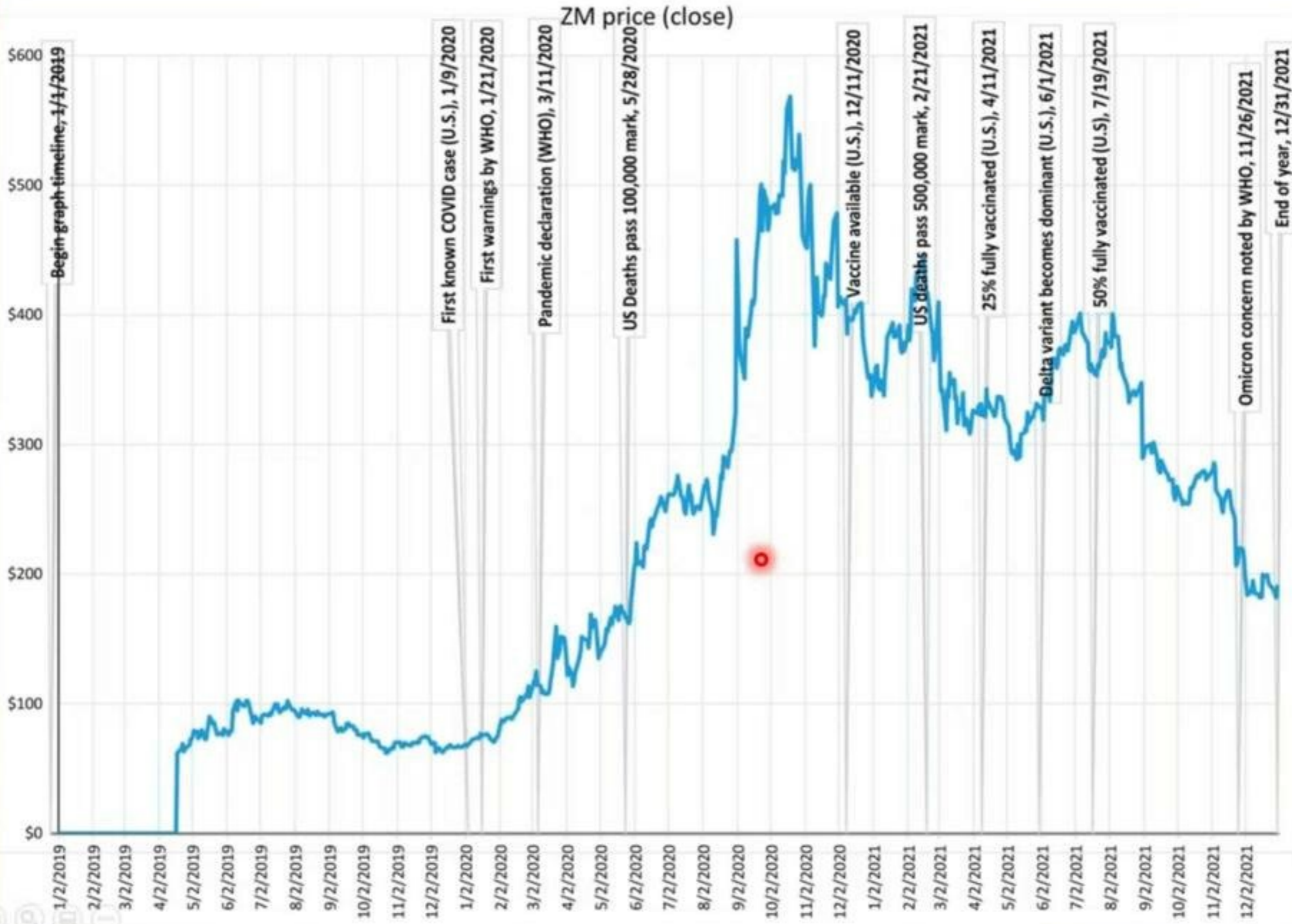
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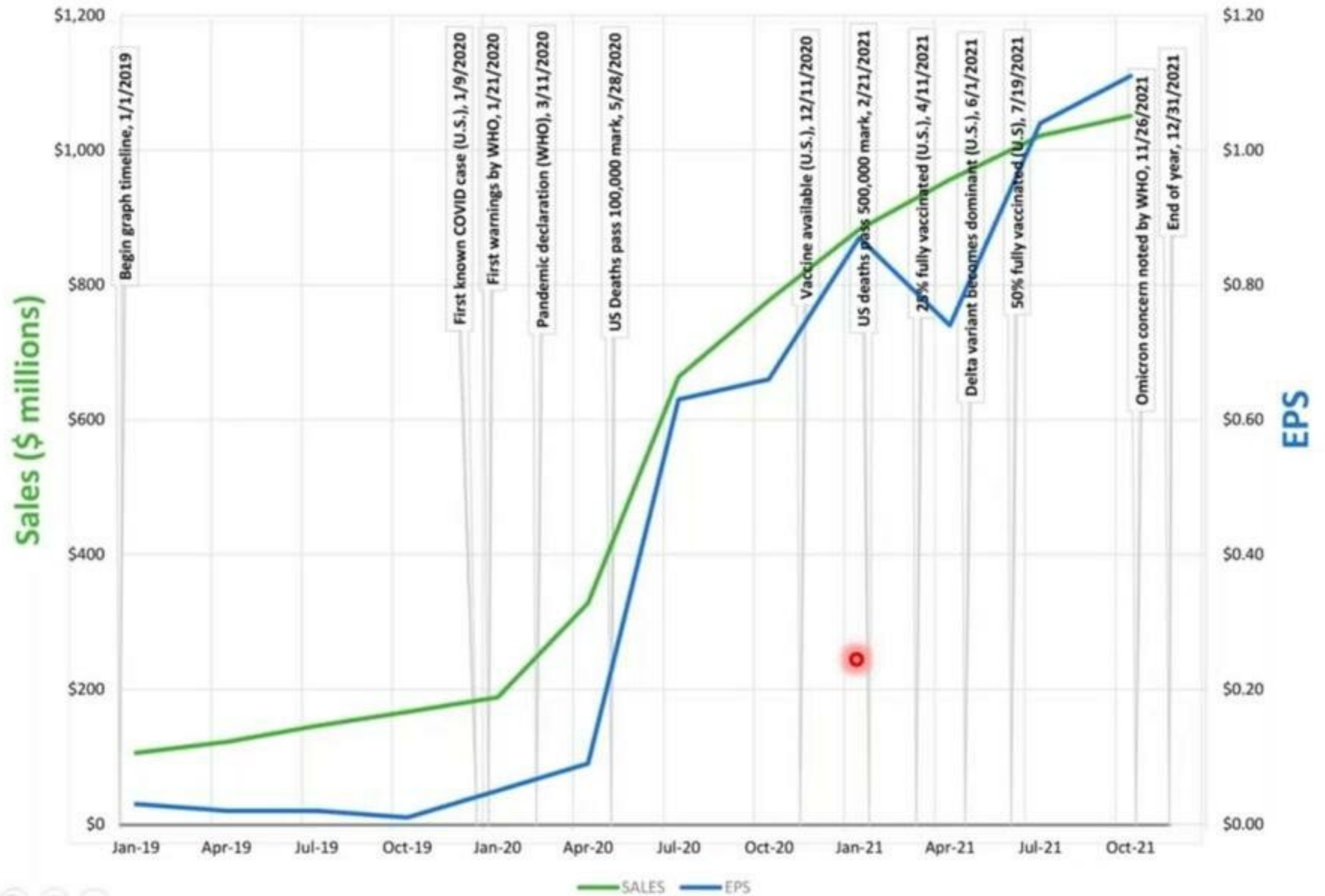
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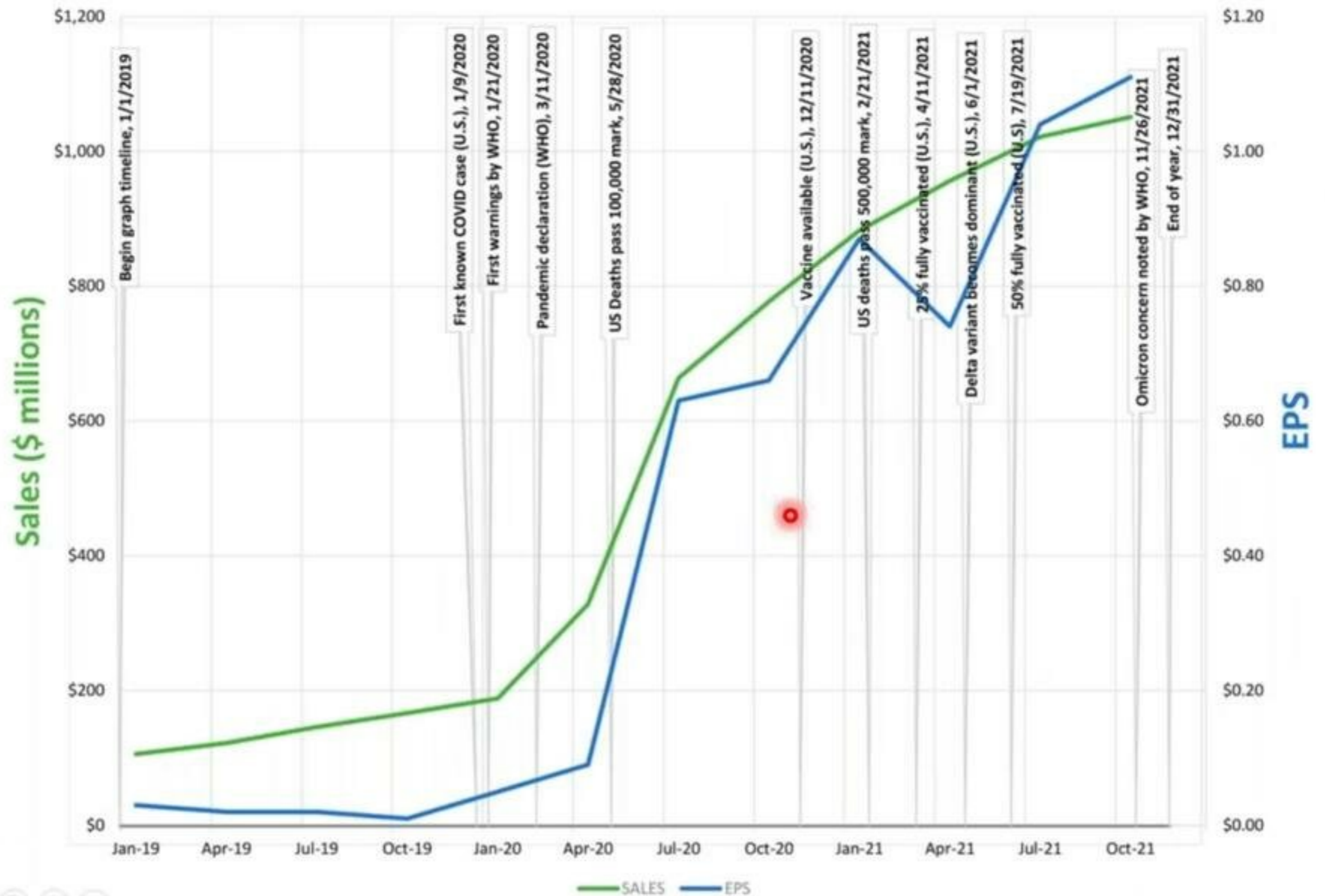
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2. Some faders – Peloton, Zoom Video\*\*, Roku.



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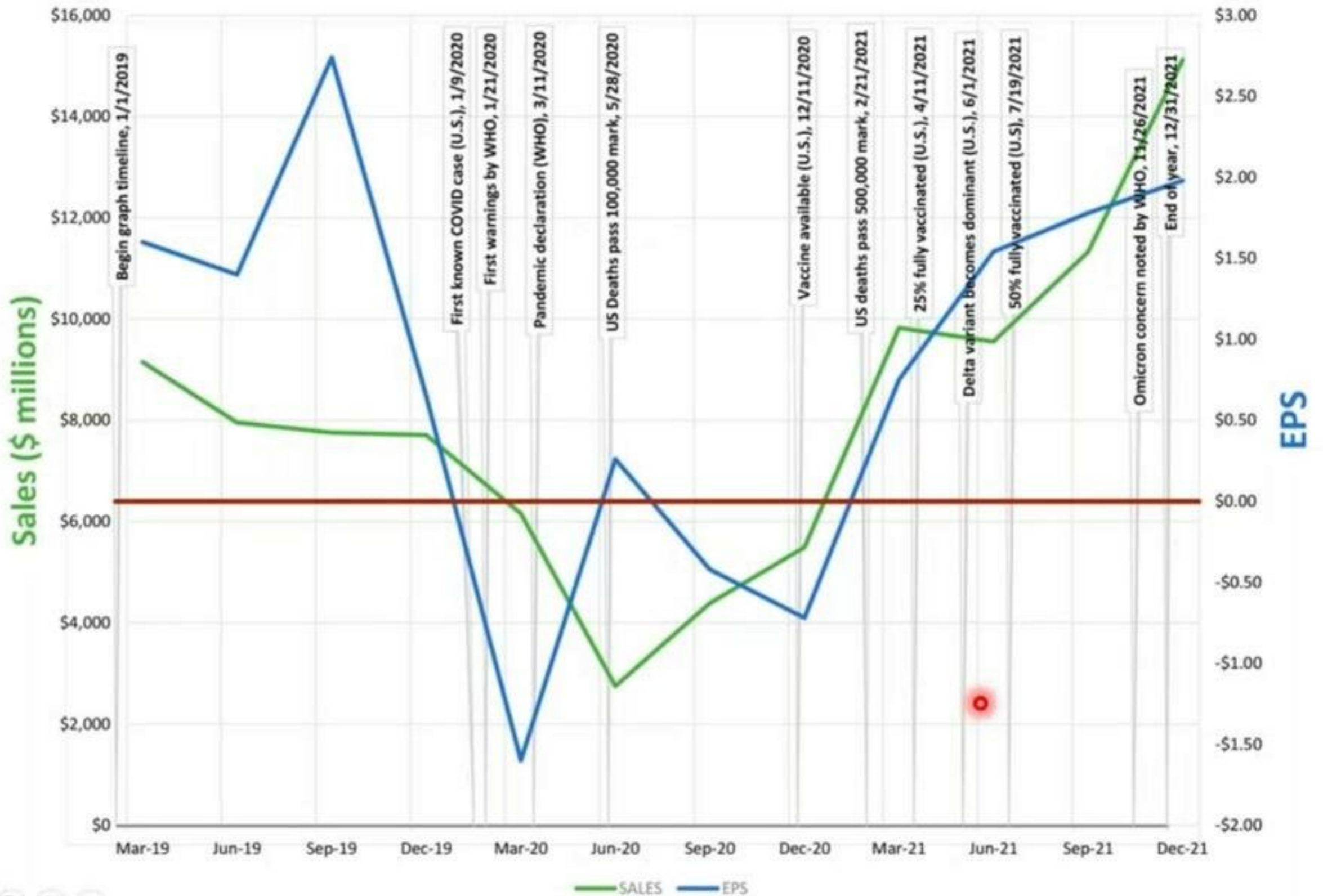


# Faders and bouncers:

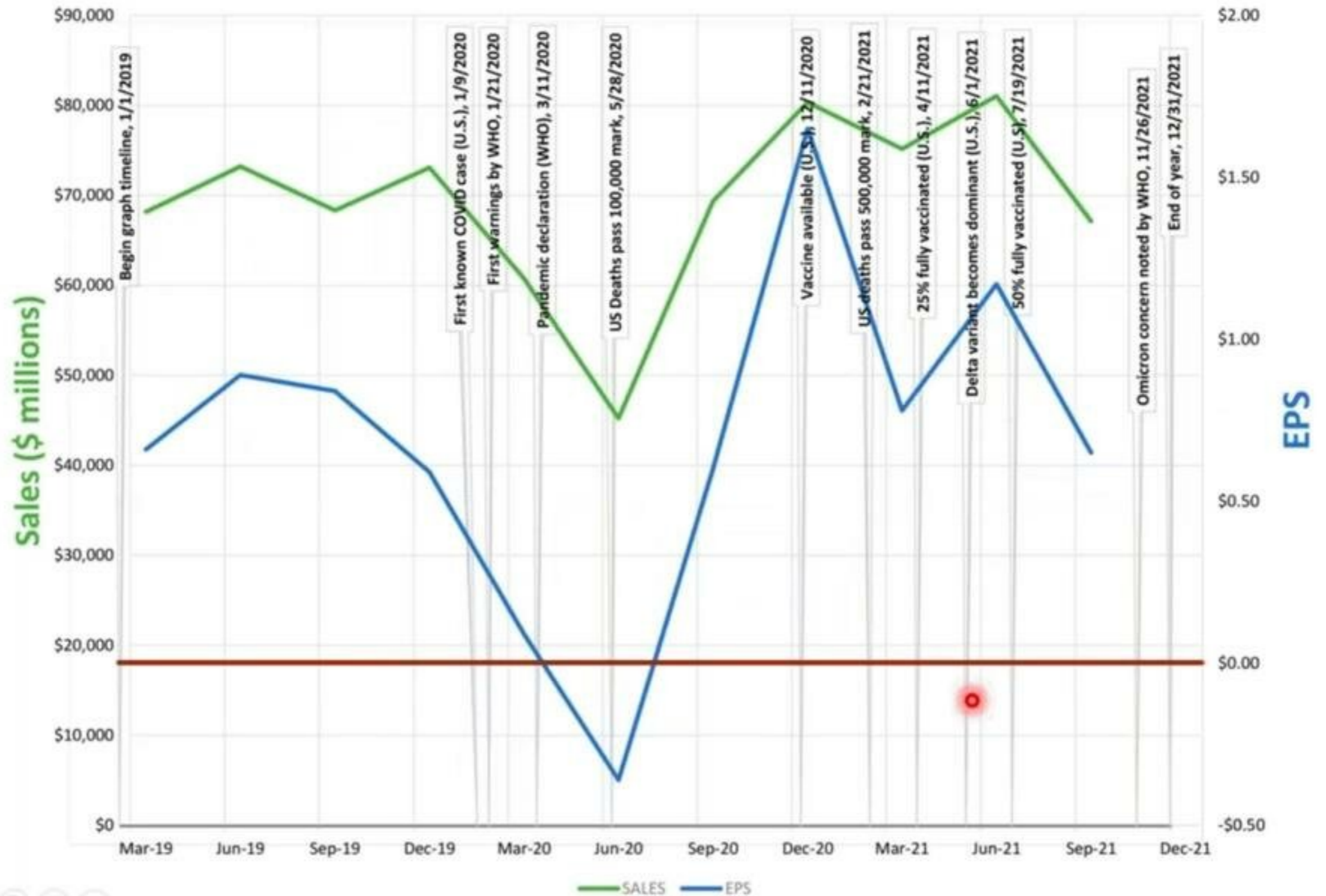
1. Faders – noted by rise from 1/1/20 to peak, and decline from peak.
2. Some faders – Peloton, Zoom Video (ZM)\*, Roku.
3. Bouncers - noted by decline from 1/1/20 to trough, and improvement from trough.
4. Some bouncers – ConocoPhillips (COP)\*, Siemens, Schlumberger, Volkswagen (VWAGY)\*.



# CononoPhillips (COP)



## Volkswagen (VWAGY)



# Going forward:

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1. Some potential for value if and when things become more normal.
2. Beware of bouncers – that may face a stiff headwind as things change again coming out of things.

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1. Some potential for value if and when things become more normal.
2. Beware of bouncers – that may face a stiff headwind as things change again coming out of things.
3. There is a lot of agreement that things will never return to pre-pandemic conditions. Be aware of that in investing. There is no guarantee that any company will bounce back to where they were before this started. An example might be commercial real estate. If there is dramatically reduced demand for office space (from pre-pandemic levels), the impact to this arena may be permanent.
4. We have seen companies respond impressively to short-term demands (like Zoom); are there mid-term and long-term opportunities as well?
5. Keep fundamentals in mind no matter what the story a company or industry is telling. Are they making money, or just hoping to?

# Going forward: (cont.)

6. Some sectors of interest according to “Navigating the Post-Pandemic Investment Landscape”:

# Going forward: (cont.)

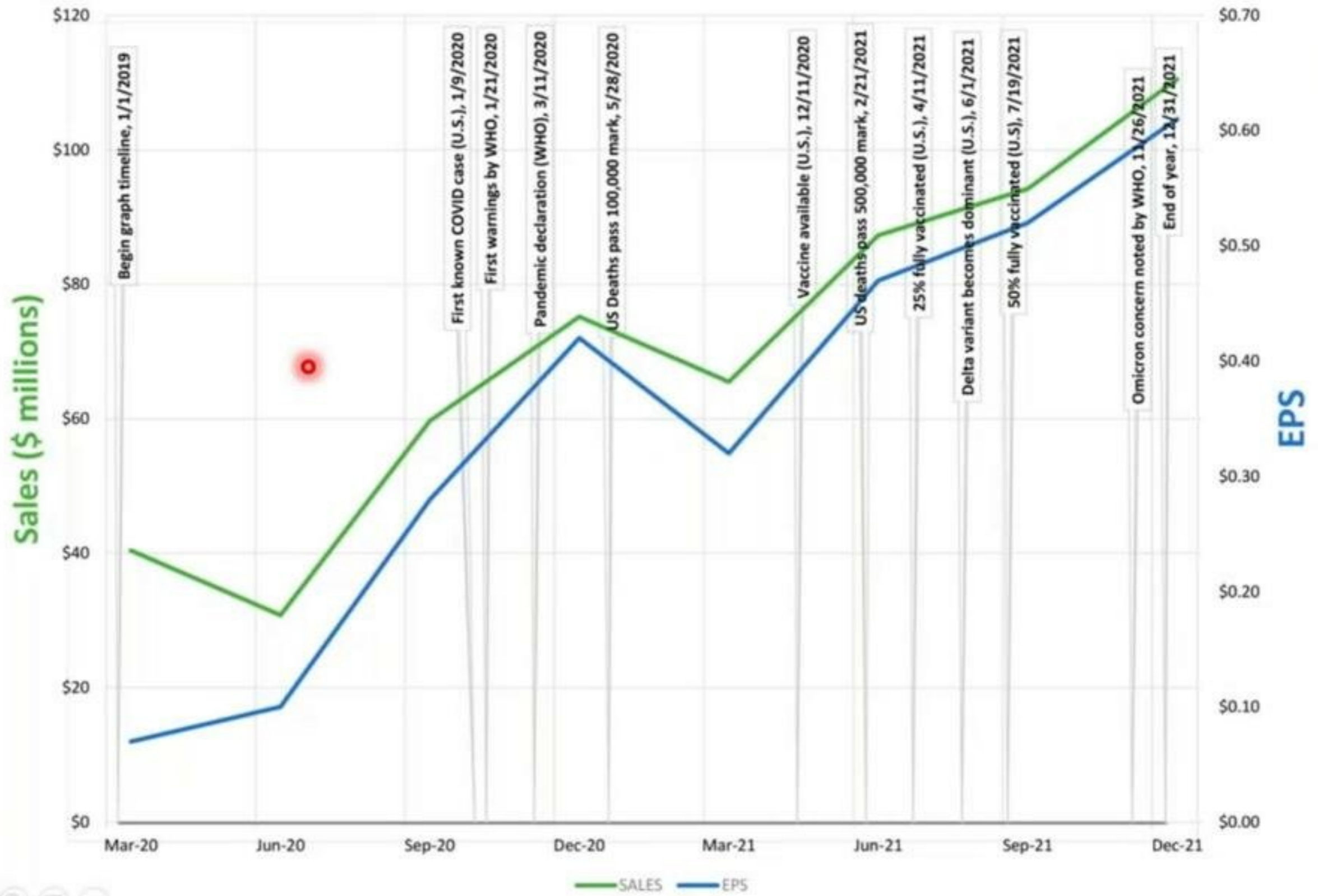
6. Some sectors of interest according to “Navigating the Post-Pandemic Investment Landscape”:
  - A. Building products, construction machinery, and construction materials subsectors. Smith-Midland Corporation - SMID (+) or Summit Materials Inc. - SUM (+).
  - B. Utilities that have made a big push into green energy. Via Renewables Inc. - VIA (-) or OGE Energy Corp. - OGE (-).
  - C. Energy stocks are benefiting from the continued expansion of global growth. Rattler Midstream LP - RTLRL (+) or **Texas Pacific Land - TPL (++)**.

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  - D. REITs are catching investors' attention for several reasons: relaxed COVID-related restrictions and money in consumers' pockets may be reducing investors' pessimistic views on brick-and-mortar retail REITs—even as the strong e-commerce trend continues to be a tailwind to warehouse and industrial REITs.
  - E. Health care stocks are often profit generators and are likely to do well as the population continues to age. **Inmode Ltd. - INMD (++)** or Cross Country Healthcare, Inc. - CCRN (-).



# Inmode Ltd. (INMD)



# Going forward: (cont.)

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  - F. Wireless-service companies, which reside in the Communication Services sector, also could benefit if government expands access to broadband and accelerates the rollout of fifth-generation (5G) cellular technology. Turkcell Iletisim Hizmetleri A.S. - TKC (?) or T-Mobile Us Inc. - TMUS (+).

# Questions and contact

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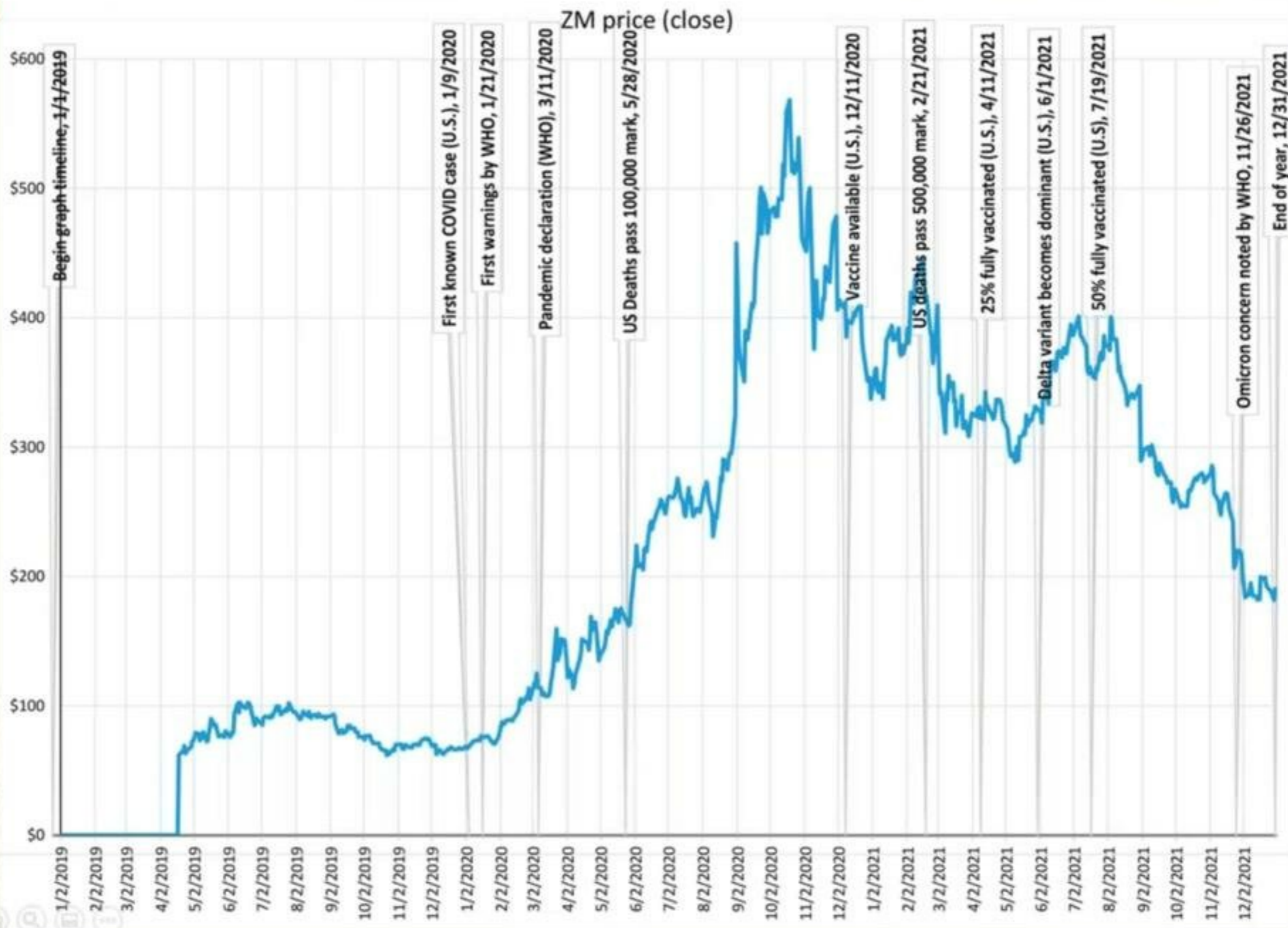
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