



QUICK LESSONS

- About Financially Strong Stocks
- These Stocks Outperform the Market
- Financially Strong – Best Cash from Op's
- 2019 Financially Strong Stocks
- Best Way to Trade
 - Examples

Stocks of Financially Strong Companies



Also, for Best Market Sectors

Out Perform the General Market

Financially Strong

1. Choose the 10 Most Profitable Market Sectors
2. Find the Companies within those Market Sectors with a Positive Trending Cash From Operations for Last 4-5 years.
3. List usually about 20-25 Stocks (Small but Powerful Market Basket)

Cash is KING

Net Income Statement

Revenue

- Expenses

- Depreciation

= Pre Tax Income

- Taxes

= Net Income

Statement of Cash Flow

Net Income

+ Depreciation

+/- Working Capital

+ Cash flow from Others

= Cash from Operations

Cash Flow from Operations – Guru Focus

	ABBOTT LABS - ABT			
	CASH FLOW STATEMENT			
Fiscal Period	2015	2016	2017	2018
	(\$ in Billions)			
Net Income	4,423	1,400	477	2,368
Depreciation	1,472	1,353	3,021	2,178
Working Capital	151	-1,513	1,915	1,315
From Others	-3,065	1,963	-249	152
Cash from Operations	2,981	3,203	5,164	6,013

2019 Financially Strong Stocks

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Abbott Labs ABT

Amazon AMZN

Amgen AMGN

AT&T T

Boston Scientific BSX

Costco COST

Danaher DHR

Disney DIS

Google GOOGL

Hershey HSY

Home Depot HD

Kimberly Clark KMB

Johnson and Johnson JNJ

McDonalds MCD

Medtronics MDT

Merck MRK

Microsoft MSFT

Pepsico PEP

Protor and Gamble PG

Starbucks SBUX

Stryker SYK

Toll Brothers TOL

VISA V

Walgreens WBA

MCD: Buy 8/2/18 @ 153, Sell 11/9 @ 190 – 24% Profit



HSY: Buy 5/3/18 @ 89, Sell 10/24 @ 109 – 22% Profit

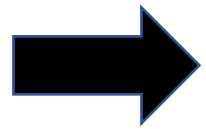


AMGN: Buy 4/2/18 @ 163, Sell 9/27 @ 210 – 29% Profit



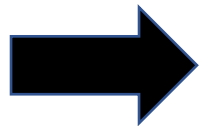
Average Profit on 2018
Financially Strong stocks
was 19.8% vs. (17.5%) for the market return.

1. MCD: Buy 8/2/18 @ 153, Sell 11/9 @ 190 – 24% Profit



Credit Spread – 18 Jan 140/130p - ~100%

2. AMGN: Buy 4/2/18 @ 163, Sell 9/27 @ 210 – 29% Profit



Credit Spread – 19 Oct 140/130p - 145%