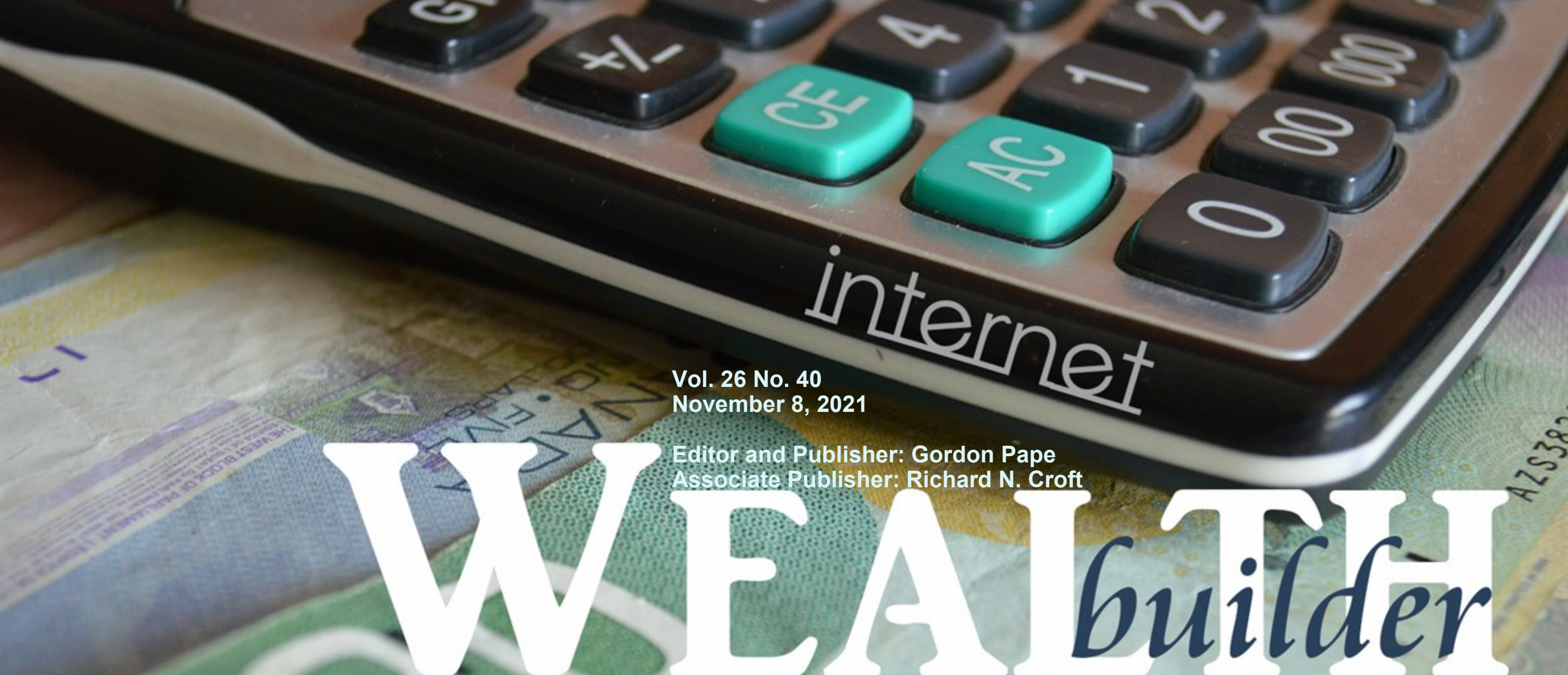


Vol. 26 No. 40
November 8, 2021

Editor and Publisher: Gordon Pape
Associate Publisher: Richard N. Croft

BUYBACKS NEARING NEW RECORD

By Gordon Pape, Editor and Publisher

Who would have predicted this 18 months ago? Companies are so cash-rich at this point that they're spending billions to buy back their own shares at a record pace.

Reuters reported last week that in the third quarter S&P 500 companies disclosed buybacks of US$145 billion. The news agency said that by the time all reports are in, the figure is likely to surpass the all-time quarterly mark of US$223 billion, set in the fourth quarter of 2018.

Goldman Sachs is projecting that S&P 500 buybacks will increase by 50% in 2021 over 2020. They're looking for growth of 8% in 2022.

Buybacks have a positive effect on stocks in two ways. First, they increase earnings per share (EPS), a key measure of a company's financial success. For example, if a firm earns $1 million and has a million shares outstanding, EPS is $1. But if it repurchases and cancels 10% of its outstanding shares, that will boost EPS to $1.111.

Continued on next page...

IN THIS ISSUE

Buybacks nearing new record	1
Is nuclear the answer?	3
Last webinar for 2021	5
Gavin Graham recommends Cameco	6
Gavin Graham's updates: Jefferies Financial Group, Loews Inc.	7
Gordon Pape's updates: Alphabet, Pfizer	9
Pros' Platform: More on covered call tech ETFs	11

Next issue: Nov. 15

Customer Service: 1-888-287-8229

© 2021 by Gordon Pape Enterprises Ltd. All material in the Internet Wealth Builder is copyright Gordon Pape Enterprises Ltd. and may not be reproduced in whole or in part in any form without written consent. All recommendations are based on information that is believed to be reliable. However, results are not guaranteed and the publishers and distributors of the Internet Wealth Builder assume no liability whatsoever for any material losses that may occur. Readers are advised to consult a professional financial advisor before making investment decisions.

Buybacks—continued from page 1…

The second benefit is an improvement in the price/earnings ratio. This is a measure of a stock's price against earnings per share. If the shares trade at $20 and EPS is $1, the p/e ratio is 20.0. But if the EPS increases to $1.111 because of buybacks, the p/e will drop to 18. That will make the stock more attractive to investors, which should lead to a price increase.

Some companies are being extremely aggressive in their buyback policies. As contributing editor Gavin Graham reports elsewhere in this issue, Jefferies Financial Group (NYSE: JEF) has repurchased and cancelled 27% of its shares since April 2018. The share price has almost doubled since then.

A few years ago, First Asset Management, which is part of the CI group, launched two ETFs that focused on buyback leaders in Canada and the US. However, the strategy never caught on with investors, even though the funds posted decent returns. They were eventually merged into other ETFs in the CI family.

This means you have to look at a US-based ETF if you want a position in this growing trend. One option is to invest in the iShares US Dividend and Buyback ETF, which trades on the BATS (Better Alternative Trading System) exchange under the symbol DIVB. It invests in a portfolio of companies that are leaders in returning capital to shareholders through dividends and/or buybacks.

Major holdings include Apple, Microsoft, JPMorgan Chase, Bank of America, Procter & Gamble, ExxonMobil, and Berkshire Hathaway.

This ETF was launched in November 2018 and showed a three-year average annual rate of return of 15.1% to Sept. 30. The one-year gain to that point was 39.5%.

The fund has almost US$136 million in assets under management. The management expense ratio is 0.25%.

We will add this fund to our Recommended List.

Follow Gordon Pape on Twitter @GPUpdates and on Facebook at www.facebook.com/GordonPapeMoney

Questions?

Send them to us and we'll ask our team of experts for the answers.

Send your questions by email to gpape@rogers.com

IS NUCLEAR THE ANSWER?

By Gavin Graham, Contributing Editor

The Global Summit on Climate Change (known as COP26) is taking place in Glasgow, Scotland right now. We are being treated to the ironic sight of numerous global leaders jetting in to discuss how their economies can reduce their carbon emissions, with many of them arriving after attending the G20 summit in Rome.

Of course, the leaders of two of the countries which are amongst the largest carbon emitters, namely China and Russia, are not bothering to attend. This points to one of the difficulties faced by the drive to reduce emissions, namely that some of the major emitters only pay lip service to the goal of carbon reduction.

Many developing countries make the point that they are only attempting to grow their economies to permit their populations to enjoy the same standard of living which developed countries have taken for granted for many decades. Raising living standards involves using more energy as people buy automobiles, use more electricity, and enjoy more consumer goods. There is a feeling that developed countries are “pulling the ladder up after them” by attempting to prevent developing countries from using the same methods to attain similar living standards.

China, which is by far the largest carbon emitter on the planet, continues to build coal-fired plants, which are generally regarded as the highest emitting form of power generation. However, China announced last week its intention build 150 new nuclear reactors in the next 15 years, which will be more than the entire world has built in the last 35 years!

Russia’s oil dependent economy relies on exports of gas to Europe to fund its spending and has just completed the Nordstream 2 pipeline to Germany which will almost double its gas exports.

Other developing economies such as Brazil and India, which has just asked for $1 trillion from developed countries to hit its net zero emission goal by 2070, also are expanding their carbon emitting power generation. This is partially due to concerns over energy security, as reliance on imported fuel can leave countries vulnerable to supply interruptions or sharp price increases.

One of the major difficulties facing attempts by nations at COP26 to phase out coal power is that renewable “green” electricity generating sources such as wind power, solar, and to a lesser extent hydro are intermittent in nature and unsuited to providing the base load power on which modern economies depend. Replacing coal fired power stations requires a dependable alternative. The least carbon emitting

Continued on page 4...

Nuclear—continued from page 3...

fossil fuel is natural gas, which produces barely half the carbon emissions of the same British Thermal Unit (BTU) as coal. Even propane is less than two-thirds as polluting as coal.

This makes the objections by some environment groups to building gas pipelines difficult to fathom. Given that the world will still be reliant upon fossil fuel power sources for most of its electricity and transport needs by 2050, using the least carbon emitting and easiest to transport fuel would seem to be the sensible path to follow.

However, there is a fuel source which is ideally suited to baseload power generation and doesn't emit carbon at all. This is, of course, nuclear power, and it's been interesting to see how attitudes towards this former pariah fuel have gradually changed over the last couple of years.

It's hard to believe it's over a decade since the Fukushima earthquake and tsunami in Japan led to its decision to close down its nuclear power plants. This was followed by Angela Merkel's decision to also close Germany's nuclear plants, even though the conditions which led to the events at Fukushima didn't apply in Germany, which doesn't experience severe earthquakes.

Demand for uranium, which is required to fuel nuclear power plants, was obviously severely affected by these developments at two of the major nuclear power users. The price, which had been over $85 per lb. in 2007 during the commodity boom and was still over $60 per lb. before Fukushima, fell to $10 per lb. for most of the last five years (figures in US dollars). The share price of those companies involved in its mining and refining followed suit.

With the global drive to reduce increases in temperatures to less than 1.5C above pre-industrial levels, and with the determination to phase out coal fired plants, opinion on the use of nuclear plants has gradually changed. Oil prices are at their highest level in seven years, above $80 a barrel, and natural gas prices more than tripled in the last year on reduced supply. Worries over harsh winters have led some governments to re-examine their opposition to building nuclear plants or restarting mothballed ones.

The price of uranium has almost tripled to $30 per lb. since its lows eighteen months ago, and several investment vehicles have been floated to take advantage of this recovery, including the Sprott Physical Uranium Trust (TSX: U.UN) in Canada and Yellowcake in the UK. Just in the third quarter, to Sept. 30, short-term uranium oxide prices rose 46%. Long-term prices for power companies, which are the largest buyers of uranium under long-term contracts, rose 28%.

One of the difficulties that nuclear has faced is that building nuclear power plants is a very lengthy and expensive business. Almost every plant built in the last couple of decades has gone vastly over budget and taken two or three times as long as originally estimated to complete.

Continued on page 5...

Nuclear—continued from page 4...

One of the most interesting developments in the field has been much smaller plants known as small modular reactors (SMRs). In some cases, these are based on the power plants used in nuclear submarines, and supposedly would be much cheaper and quicker to build. Instead of building a massive traditional plant, a network of several SMRs could be constructed and linked together to produce the same output.

UK aerospace and marine power plant company Rolls Royce (LSE: RR), which has extensive experience in nuclear submarine power plants, has put forward proposals to the UK government to utilize its technology for civilian use. At the same time, the UK is contemplating building its first new nuclear power plant in over 25 years. One of the best ways to play this increased interest in nuclear power is Canadian uranium miner and refiner Cameco, even though its share price has already risen more than 175% in the last year. It continued to move higher last week, thanks to a Bank of America upgrade and the Chinese nuclear plant announcement. This still leaves the stock one-third below its level a decade ago, before Fukushima, at a time when the uranium price is rising strongly. Details follow.

REMINDER: LAST WEBINAR

Contributing editor Ryan Irvine and his team from KeyStone Financial will be holding their last live webinar for 2021 on Tuesday. The theme is **How to Position your Stock Portfolio for 2022 & Beyond.** They'll explain how to build a simple 15-25 stock portfolio and save on fees, with a focus on seven great growth and dividend stocks to buy today. Following the session, KeyStone's Ryan Irvine and Aaron Dunn will conduct a live 45-minute Q&A session, during which they will answer all questions, discuss stock investment strategies, and give ratings on any stock in Canada or the US. There are two types of tickets, as follows:

1) Early Bird Tickets ($29.95). Includes KeyStone's 2022 Canadian Dividend All-Star Report ($599 value).

2) VIP Tickets ($79.95). Includes KeyStone's 2022 Canadian Dividend All-Star Report ($599 value), KeyStone's 2021 U.S. Growth Stock Report, which analyzes 3,500 Nasdaq listed nano, micro, small, and mid-cap stocks to uncover 2-3 profitable buy recommendations ($599 value), and KeyStone's Summer School for Your Portfolio 2021 Webinar ($79.95 value).

To order, go to: https://keystocks.com/how-to-position-your-stock-portfolio-for-2022-beyond/?ref=12. Don't wait – tickets are 91% sold.

The webinar will Nov. 9th @ 7:00 pm Eastern/4:00 pm Pacific

GAVIN GRAHAM RECOMMENDS CAMECO

My top pick this month is Cameco Corp. (TSX: CCO, NYSE: CCJ). The shares closed Friday at C$33.63, US$27.00.

The business: Saskatoon headquartered Cameco is one of the world's largest uranium producers, with major mines in Saskatchewan and refineries in Ontario. Its flagship McArthur mine usually accounts for over 50% of its production, but during the recent years of uranium price weakness, Cameco has reduced production and sourced much of its sales from the spot market to meet contractual deliveries. Its 50.25% owned Cigar Lake mine in northern Saskatchewan was closed due to COVID-19 for the first four months of 2021, with associated costs of $8-10 million. In the year to Dec. 31, 2020, Cameco lost $53 million on revenues of $1.8 billion. That compared to a $74 million profit on $1.86 billion in sales in 2019.

Performance: The stock hit a five-year high of $34.35 on Nov. 4 and is trading close to that now.

Recent developments: In the third quarter to Sept. 30, Cameco had adjusted net losses of $54 million (-$0.14 per share) against adjusted losses of $78 million (-$0.20 per share) in the same quarter last year. Revenue was down 5% to $361 million. For the first nine months of the fiscal year, it reported adjusted net losses of $121 million (-$0.30 per share) compared to $114 million (-$0.29 per share) in 2020. Revenues were down 19% to $1.01 billion.

Year to date, the company has signed long-term contracts for the delivery of 20 million lbs. of UO3 (uranium oxide) while it generated $399 million in net cash. It has signed a non-binding memorandum of understanding with Oakville-based Terrestrial Energy, whose Integrated Molten Salt Reactor (IMSR) technology is one of three SMR designs being considered by Ontario Power for use at its Darlington nuclear power plant. Terrestrial claims its technology delivers a 50% improvement in the efficiency of nuclear power generation.

Dividend: Cameco pays an annual dividend of $0.08 in December, giving it a minimal yield of 0.27%.

Action now: A decade after the blow to nuclear power caused by the Fukushima earthquake, governments and investors are becoming more favourably inclined towards nuclear, especially as it represents the best method of providing base load power while meeting ambitious carbon emission goals.

With uranium prices rising steadily and governments looking at the possibility of once again building new plants, with some of them perhaps being cheaper and faster SMRs, Cameco, as the largest uranium producer in a politically stable jurisdiction and with the ability to easily increase its production, is a Buy as a play on increasing demand and its extremely low costs.

GAVIN GRAHAM'S UPDATES

Recommendations are colour-coded:
Green indicates Buy
Yellow indicates Hold
Red indicates Sell

Jefferies Financial Group NYSE: JEF

Originally recommended on May 7/12 (#21212) at $24.61. Closed Friday at $43.34. (All figures in US dollars.)

SELL HALF

Background: Jefferies (formerly Leucadia) is the largest independent mid-market investment bank in the US with major positions in equities, convertibles, and corporate debt. It also owns Berkadia, a commercial mortgage joint venture with Berkshire Hathaway. Other businesses include a wealth management business, real estate company HomeFed, foreign exchange dealer FXCM, and Linkem, an Italian wireless telephone business with over 500,000 subscribers.

Performance: Jefferies has escaped its long-term trading range between $12 and $25 to gain almost 75% to over $43 a share since the last update in January, reflecting its strong operating performance. It has more than doubled in the last year.

Recent developments: In the quarter ending Aug. 31 (Jefferies has a Nov. 30 year-end), the company earned record net income of $407 million ($1.50 per share). That was up 57% on record revenues of $1.65 billion (up 19%). The gains were due to record levels of equity and debt underwriting and advisory business, offsetting lower capital markets revenues. Return on equity (RoE) was 21.6%. For the first nine months of the fiscal year, Jefferies had record net income of $1.34 billion ($4.93 per share), up 117%. Revenue was a record $5.40 billion, up 50%, helped by record earnings from asset management and its Idaho Timber business.

In July, Jefferies entered into a strategic alliance with major Japanese bank Sumitomo Mitsui Banking Corporation (SMBC) to cooperate in the corporate and investment banking businesses. SMBC agreed to provide $1.9 billion in financing to Jefferies Finance, its leveraged finance underwriting business, and to buy up to 4.9% of Jefferies outstanding shares, worth $385 million at the time of the announcement.

Dividend and buybacks: Jefferies increased its quarterly dividend to $0.25

Continued on page 12...

Loews Inc. NYSE: L

Originally recommended on May 1/11 (#21117) at $44.26. Closed Friday at $57.24. (All figures in US dollars.)

SELL

Background: Loews is a financial conglomerate sometimes compared to Warren Buffett's Berkshire Hathaway. Like Berkshire, Loews' principal business is insurance, with an 89% stake in listed property casualty/life insurer CNA Financial (NYSE: CNA). It also owns Boardwalk Pipelines, 53% of plastic and recycled materials packaging company Altium Packaging, and privately owned Loews Hotels, which owns 27 properties.

Performance: The stock reached an all-time high of $59.35 earlier this year and is up 25% from the last update in January, as its insurance business recovers from the effects of COVID-19 and its hotels reopen.

Recent developments: In the quarter ending Sept. 30, Loews reported net income of $220 million ($0.85 per share), up 58% from $133 million ($0.50 per share) in the same quarter of 2020. The gain was driven by better performance at CNA, despite $118 million in catastrophe losses from Hurricane Ida. Also contributing was continued progress from Boardwalk Pipelines due to higher gas volumes and all of Loews Hotels being open for the whole quarter, although occupancy has still not recovered to pre pandemic levels.

For the first nine months of the fiscal year, Loews recorded net income of $1.24 billion ($4.70 per share) compared to a loss of $1.33 billion (-$4.70 per share) a year ago. This was partially due a gain of $438 million in the sale of 47% of Altium to the Government Investment Corporation (GUC) of Singapore in April. On the other side of the ledger, the company recorded a $957 million loss of the bankruptcy of Diamond Offshore drilling in 2020.

Dividend and buybacks: Loews has paid an unchanged dividend of $0.0625 per quarter for over a decade, giving a low yield of 0.45%, but it repurchases shares on a regular basis. In the nine months to Sept. 30, the company repurchased 15.7 million shares at a cost of $826 million, at an average price of $52.61. Its book value increased 5.8% from $66.34 to $70.21.

Action now: Loews sells at an 18% discount to its nominal book value, which in turn doesn't reflect the discount CNA sells at. With a p/e ratio of 14 times, Loews remains a cheap stock and its sale of half its stake in Altium for a large profit shows its deal making skills remain strong. Nonetheless, selling near an all-time high and with stock market conditions likely to deteriorate, it's time to take our profits and Sell for a total return, including dividends, of about 35%.

GORDON PAPE'S UPDATES

Recommendations are colour-coded:
Green indicates Buy
Yellow indicates Hold
Red indicates Sell

Alphabet Inc. NDQ: GOOGL

BUY

Originally recommended on June 16/14 (#21421) at $607.40. Closed Friday at $2,977.04. (All figures in US dollars.)

Background: Alphabet is the umbrella company that owns Google (which includes Android, Chrome, and YouTube), Nest (home automation), Calico (anti-aging research), Fiber (high-speed Internet), Google Ventures (new company investments), Sidewalk Labs (city infrastructure), and Waymo (driverless cars). Other services include Google Maps, Google Play, and cloud computing.

Share split: The stock split 2 for 1 shortly after we recommended it. If you owned 100 shares at that time, you now have 100 each of GOOG (non-voting C shares) and 100 of GOOGL (voting A shares). We track only GOOGL, as it represents the original shares acquired, but GOOG trades at about the same price.

Performance: The shares have been in a steady upward trend all year and on Friday hit an all-time high of $3,006.55.

Recent developments: Despite its gigantic size, Alphabet continues to grow at an astounding rate. Third-quarter revenue was $65.1 billion, a 41% increase from $46.2 billion in the same quarter of 2020. Operating income was just over $21 billion, up from $11.2 billion a year ago. Operating margin improved from 24% to 32%.

More income and higher margins translated into a big jump in net income to $18.9 billion ($27.99 per share, fully diluted) from $11.2 billion ($16.40 a share) in the same quarter of 2020. The results beat the consensus estimates of $23.48 per share. Google advertising was the driving force in revenue growth, with sales of $53.1 billion in the quarter, up from $37.1 billion in 2020.

Dividend and buybacks: The stock does not pay a dividend. However, the company is actively buying back shares. During the quarter it repurchased and subsequently retired 4.6 million shares for $12.6 billion. These consisted of 500,000 shares of Class A stock for $1.5 billion and 4.1 million shares ($11.1 billion) of Class C stock.

Outlook: The biggest problem the company faces right now are governmental and legal. Earlier this year, the company was fined €4.34 billion by the European Union in an anti-trust case. The EU claimed Alphabet was using its Android mobile operating system to shut out rivals and maintain its search engine dominance. It was the largest penalty ever assessed to a company found guilty

Continued on page 12...

Pfizer NYSE: PFE

Originally recommended on April 13/20 (#22015) at $35.38. Closed Friday at $48.70. (All currency figures in U.S. dollars.)

HOLD

Background: Everyone knows Pfizer's name these days. It was the first company (along with partner BioNTech) to have a COVID vaccine approved for general use and that vaccine has proven to be highly effective with minimal side effects. Pfizer is a leading international pharmaceutical company that can trace its history back more than 170 years. Its business units include Oncology, Inflammation & Immunology, Rare Disease, Hospital, Vaccines, and Internal Medicine.

Performance: Pfizer shares took a big dip in October, dropping back to the $41.50 range. They have rallied since but are still below their 52-week high of $51.86.

Recent developments: On Nov. 2, Pfizer released its third-quarter results and raised its guidance for the 2021 fiscal year for both revenue and adjusted earnings per share.

Year-over-year revenue was up 134% to $24.1 billion from $10.3 billion, on the strength of the company's COVID vaccine, which is officially branded as Comirnaty. Vaccine sales were $14.6 billion, compared to $1.7 billion last year. That was 60% of the company's total revenue.

"More than 75% of the revenues we have recorded up through third-quarter 2021 for Comirnaty have come from supplying countries outside the US, and we remain on track to achieve our goal of delivering at least two billion doses to low- and middle-income countries by the end of 2022 – at least one billion to be delivered this year and one billion next year, with the possibility to increase those deliveries if more orders are placed by these countries for 2022," said CEO Dr. Albert Bouria.

"One billion of these doses will be supplied to the US government at a not-for-profit price to be donated to the world's poorest nations at no charge to those countries."

Pfizer reported third quarter adjusted earnings of $7.7 billion ($1.34 per share), up from $3.3 billion ($0.59 per share) in the same quarter last year. The company raised its revenue guidance for the full year to $81-$82 billion, up from $78-$80 billion. Adjusted earnings per share are expected to be between $4.13 and $4.18. The previous forecast was $3.95 to $4.05.

"In addition to raising our expectations for revenues and adjusted diluted EPS for the company including Comirnaty, today we are also increasing the midpoint of our guidance range for Adjusted diluted EPS excluding Comirnaty for the second consecutive quarter, demonstrating our ability to execute on our broader strategies beyond the vaccine," said chief financial officer Frank D'Amelio. "We continue to make progress on advancing our internal pipeline across all therapeutic areas while also prudently deploying our capital through partnerships and bolt-on acquisitions to gain access to cutting-edge platforms, science and technologies that could potentially bolster our growth in the latter half of this decade."

Continued on page 12...

PROS' PLATFORM

More on covered call tech ETFs

Comment: You're not wrong about HTA's recent strong performance. My point was too often articles (yours & others) on covered call ETFs mention Harvest, Horizons, BMO, CI, but not Brompton. I'm just trying to get a place at the table.

TLF is a great alternative. This ETF has consistently outperformed for a very long time and is a high-quality tech covered call fund, the first to IPO in this category as well. I'm a little deflated about the "juggling" comment to be honest, I don't think it's warranted.

If you really do want to look at all the data, the info below is from Morningstar Direct, providing daily returns from HTA's IPO closing date (May 2015) up to Nov. 2. All three funds have rebounded strongly in October. HTA continues to lead YTD, one-year and three-year. Please consider:

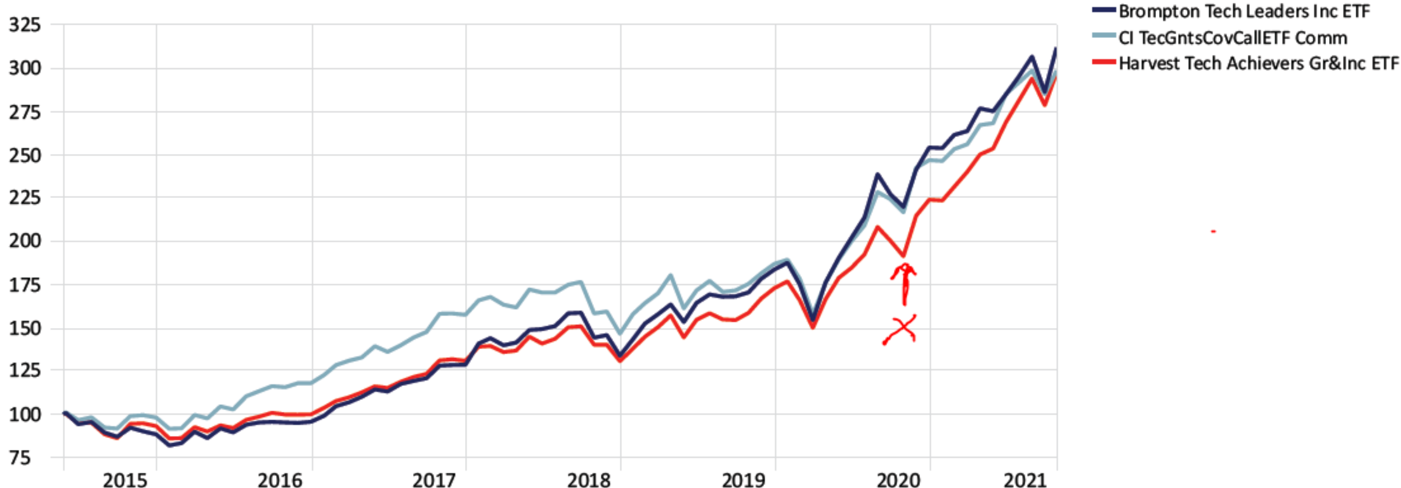
1) HTA lagged the other two ETFs coming off the March 2020 drawdown, and one-year performance to Oct. 28 starts at the dip in markets we saw just before the 2020 US elections, so a great starting point for a one-year performance number. Good for Harvest for closing the gap with the other two ETFs in the interim.

2) HTA's very strong one-year performance is clearly dominating their three-year. You can get a sense by

Continued on page 12...

Investment Growth

Time Period: Since Common Inception (2015-05-27) to 2021-10-28



Trailing Returns

As of Date: 2021-10-28 Source Data: Total Return

	YTD	1 Year	3 Years	5 Years	Common Inception (2015-05-27)
Brompton Tech Leaders Inc ETF	**22.7**	**41.0**	**29.7**	**26.8**	**19.4**
CI TecGntsCovCallETF Comm	20.9	37.6	24.3	20.9	18.5
Harvest Tech Achievers Gr&Inc ETF	32.7	55.3	29.9	24.4	18.5

Calendar Year Returns

Source Data: Total Return

	2020	2019	2018	2017	2016	2015
Brompton Tech Leaders Inc ETF	**38.4**	**37.2**	**4.0**	**24.1**	**24.5**	**-13.2**
CI TecGntsCovCallETF Comm	32.1	27.5	-6.9	17.9	19.6	-1.8
Harvest Tech Achievers Gr&Inc ETF	29.6	32.3	-0.2	22.6	22.5	~6.8

Pro—continued from page 11...

looking at the calendar year returns (pretty close but admittedly not an exact time frame match). I've put a tick beside the "winner" each year. So far in 2021 it's HTA. But TLF was consistently the strongest in each year from 2016 to 2020. I pencilled in the 2015 return from HTA's MRFP, Morningstar couldn't handle the partial year; TXF "won" in 2015.

Again, all I'm looking for is to get some recognition that TLF is a high-quality alternative to HTA and others. – Chris Cullen, Senior Vice President, Head of ETFs, Brompton Funds

Response: The bottom line is that any of these funds would be a good choice for someone looking for a tech-oriented covered call ETF. The reason why Brompton's fund, TLF, does not get more attention may be due to its small size ($72 million in assets under management). That compares to $229 million for HTA and $553 million for TXF. Being small isn't a bad thing, but it does lower an ETF's profile. – G.P.

Jeffries—continued from page 7...

per share effective November. That's a 25% increase, giving it a yield of 2.3%.

The company repurchased 6.7 million shares in the first nine months of its financial year 2020-21, at an average price of $27.76 a share. Its net book value was $42.28. Since April 2018, Jefferies has repurchased 125 million shares for $2.64 billion, at an average share price of $21.20 per share, reducing its share count by 27%.

Action now: Investors have finally become aware of Jefferies' very strong financial performance, helped by the ongoing bull market. Since the pandemic lows eighteen months ago, Jefferies share price has more than tripled. But it remains extremely cheap at a price/book of just over one times and a p/e ratio of 7.6 times.

Investors should sell half to lock in a total return of 76%.

Pfizer—continued from page 10...

Outlook: Vaccine sales will continue to drive Pfizer's business through 2022. The company got another boost when the US Food and Drug Administration recommended approval of a lighter dose vaccine for children 5-11. The question in investors' minds is what will happen to revenue and profits when demand for Comirnaty begins to wane. One answer may be its new anti-viral pill, which has proved highly successful in combatting COVID-19 in clinical trials and which the company's CEO calls a "game-changer".

Action now: Hold.

Alphabet—continued from page 9...

of breaching EU antitrust rules. Alphabet is appealing.

Action now: Buy. The stock is trading at p/e ratio of 28.65, not unreasonable giving its continued strong growth.

Disclosure: I own shares in Alphabet.