

2 for 1 Index[®]

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December 15, 2023

Mid-December is the time to start collecting predictions for what 2024 might bring for the economy and the stock market. I don't assemble these predictions with the intention of actually acting on them. I collect them for a laugh and to confirm my belief they are not helpful for the average investor. A few examples:

- Published January 11, 2023. According to Bloomberg's *December 2022 Survey of Economists*, "... there is a 70% chance of a recession in 2023."
- In February, 2023, the Congressional Budget Office published *The Budget and Economic Outlook: 2023 to 2033*. In it, the unemployment rate is projected to increase from 3.6 percent at the end of 2022 to 5.1 percent at the end of 2023 before gradually declining to 4.5 percent by the end of 2027. The current unemployment rate is $\pm 3.8\%$
- Published June, 2023. Wells Fargo's *2023 Midyear Outlook* report concluded the target range for the S&P 500 would be 4,000 – 4,200 for year-end 2023. Wells Fargo's earlier *2023 Outlook Report*, and all other predictions prior to and including the 2023 mid-year report, have been removed from Wells Fargo's website. Maybe too embarrassing? The S&P 500 has been several hundred points over 4200 since that mid-year prediction and is now hovering around 4700.

Those readers who have followed 2 for 1 for some time now know that I do not make predictions. But I do believe in things like reversion-to-the-mean, everything in moderation, and black swan events. I also believe, based on 2 for 1's twenty-seven-year track record, that the 2 for 1 strategy will produce an overall long-term return of approximately 2.3% above that of any broad-market index. Without predictions, I can say with some confidence, I'm ready for 2024, whatever it may bring.

Brookfield Renewable (BEP), much like NEE last month, has not lived up to my expectations. The position has lost ground, as per the stock price, but it's about a break-even when the generous dividend is factored in. Still, BEP has to be considered a disappointment. It's at the top of the list and it's time to go.

There have been no split announcements since last month's issue of 2 for 1, so we end the year on a quiet note, reducing the index positions to 29, and hoping for an uptick in activity come 2024.

In summary, **BEP will be deleted and there will be no addition to the index.** There will be a rebalance, bringing the 2 for 1 Index to 29 equally balanced positions, as of the market close on 12/18/23.

Best wishes for a Happy Holiday and a prosperous New Year,
Neil Macneale

BEP	BROOKFIELD RENEWABLE	NOV-20	PTSI	P. A. M. TRANSPORTATION	APR-22	2 for 1 Index inception 7/31/1996
WAFD	WASHINGTON FEDERAL, INC	DEC-20	CTO	CTO REALTY GROWTH, INC.	MAY-22	
SHW	SHERWIN-WILLIAMS, INC.	FEB-21	AMRK	A-MARK PRECIOUS METALS	JUN-22	Value at inception = 100
EXR	EXTRA SPACE STORAGE, INC.	MAR-21	REX	REX AMERICAN RESOURCES	JUL-22	
HWKN	HAWKINS, INC.	APR-21	TECH	BIO-TECHNE CORP.	SEP-22	Value as of 12/14/23 = 2199.13
CP	CANADIAN PACIFIC	MAY-21	UHAL	U-HAUL HOLDING CO.	NOV-22	
CSX	CSX CORPORTION	JUN-21	PCAR	PACCAR, INC.	DEC-22	All time high - 12/14/23 = 2199.13
SCVL	SHOE CARNIVAL, INC.	JUL-21	SSRM	SSR MINING INC.	FEB-23	
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	GCBC	GREENE COUNTY BANCORP	MAR-23	52-week low - 12/28/22 = 1749.45
RJF	RAYMOND JAMES FINANCIAL	SEP-21	AAON	AAON INC.	JUL-23	
TM	TOYOTA MOTORS CORP	OCT-21	CRPT	COPART, INC.	AUG-23	Overall annualized return = 11.95%
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	Comparable S&P total return = 9.59%
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	
CM	CIBC	MAR-22	SNEX	STONEX GROUP INC.	NOV-23	