

2 for 1 Index[®]

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Two recent 10 for 1 splits, Nvidia (NVDA) and Lam Research (LRCX), and a 2 for 1 split by Amphenol (APH), are all worth considering. A 4 for 1 split by Barrett Business Services (BBSI) was also announced but the company is too small and too thinly traded to be considered for the Index.

None of the first three companies mentioned score very well after going through my screening process. The market in general is at an all-time high and these three companies reflect that with very high valuation numbers, above average volatility, and a lot of buzz among the Wall Street analysts. Nvidia, of course, is the stock getting the most attention. NVDA is up over 200% over the last twelve months. Here's what I wrote in the June '21 issue of 2 for 1 after a previous 4 for 1 split. "Nvidia, a semiconductor company, makes graphics chips for gaming consoles and, more recently, chips used for cryptocurrency mining. The stock is overvalued and, frankly, is basically dependent on two markets, neither of which make any sense to me whatsoever." Ah well, hindsight is always 20/20. The current boom for NVDA is fueled by the push on the part of numerous companies to get into "the AI business" and Nvidia's chips are particularly well suited for this. I feel like I'm simply jumping on the band wagon, which is not my nature, but I'm going to add NVDA to the Index anyway.

Lam Research makes the machines widely used by many companies to make these chips. This is sort of like selling shovels to the gold miners. LRCX is a smaller company but, like NVDA, is cashing in on the boom in the semi-conductor business. As noted above, most of the numbers are outside of my comfort zone, so I'm going to put LRCX on the back burner for now and check on it from time to time over the next few months.

That leaves Amphenol (APH). I do like Amphenol, the company that makes all the cables and connectors and sensors used by every electronic device in the universe. APH was in the 2 for 1 Index from 2014 to 2017. It was a winner, returning 14.3% annualized. Even though its current ranking score, by my analysis, is higher than I like, it's the best of the three. Also, on the bright side, its earnings are increasing at about 13% a year, so I will be adding APH to the Index. If a reader is following the index closely in the management of their portfolio, and buying two positions simultaneously is not possible, I would favor APH and then buy into NVDA over time as the opportunities come along.

CSX Corp. is at the top of the ladder. Much like CP last month, CSX has not lived up to expectations. An annualized return of about 2.4% is all it could muster, and the position will be deleted next week.

In summary, for June, **APH and NVDA will be added to the Index and CSX will be deleted.** There will be a rebalance, bringing the 2 for 1 Index to 29 equally weighted positions, as of the market close on Monday 6/17/24.

Neil Macneale

CSX	CSX CORPORATION	JUN-21	UHAL	U-HAUL HOLDING CO.	NOV-22	2 for 1 Index inception 7/31/1996
SCVL	SHOE CARNIVAL, INC.	JUL-21	PCAR	PACCAR, INC.	DEC-22	
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	SSRM	SSR MINING INC.	FEB-23	Value at inception = 100
RJF	RAYMOND JAMES FINANCIAL	SEP-21	GCBC	GREENE COUNTY BANCORP	MAR-23	
TM	TOYOTA MOTORS CORP	OCT-21	AAON	AAON INC.	JUL-23	Value as of 6/13/24 = 2341.29
MBIN	MERCHANTS BANCORP	DEC-21	CRPT	COPART, INC.	AUG-23	
NSSC	NAPCO SECURITY TECH.	DEC-21	SRE	SEMPRA	AUG-23	All time high - 5/15/24 = 2426.26
GOOGL	ALPHABET, INC.	FEB-22	NVO	NOVO NORDISK	SEP-23	
CM	CIBC	MAR-22	MLI	MUELLER INDUSTRIES	OCT-23	52-week low - 10/27/23 = 1814.17
PTSI	P. A. M. TRANSPORTATION	APR-22	SNEX	STONEX GROUP INC.	NOV-23	
CTO	CTO REALTY GROWTH, INC.	MAY-22	HUBG	HUB GROUP, INC.	JAN-24	Overall annualized return = 11.98%
AMRK	A-MARK PRECIOUS METALS	JUN-22	ODFL	OLD DOMINION FREIGHT LN	MAR-24	
REX	REX AMERICAN RESOURCES	JUL-22	COO	COOPER INC.	MAR-24	Comparable S&P total return = 9.99%
TECH	BIO-TECHNE CORP.	SEP-22	USLM	US LIME AND MINERALS	MAY-24	