



SM

THE CONTRARIAN NEWSLETTERSM

A Monthly Newsletter for Value Investing

Port Wren Capital, LLC
Finding Value InvestmentsSM

www.PortWrenCapital.com

Info@PortWrenCapital.com

(803) 415-1935

Lowest P/E's – Searching for Value Stocks



Using the P/E, we have compiled a list for all 11 Sectors for the S&P500. The current P/E for the S&P500 is also listed. Low P/E typically indicates possible opportunities for value investors.

- ❑ Consumer Defensive: 19.40
- ❑ Energy: 19.90
- ❑ Communication Services: 7.90
- ❑ Utilities: 20.10
- ❑ Financial Services: 15.30
- ❑ Industrials: 19.60
- ❑ Healthcare: 33.60
- ❑ Consumer Cyclical: 27.80
- ❑ Basic Materials: 21.00
- ❑ Technology: 26.60
- ❑ Real Estate: 32.80
- ❑ S&P 500: 21.60

Our Performance



Here are some of the gains that we have realized investing our own capital when using our own exclusive and independent investment research so far in 2018. This is the same research that our subscribers use for their investments. All the figures are Annual Percentage Yield (APY) for each type of company (Co.) listed below.

- ❑ 14.11% - Building Materials Co.
- ❑ 14.55% - Regional Bank
- ❑ 116.07% - Health Care Plan Co.
- ❑ 51.80% - Oil & Gas Refining Co.
- ❑ 21.81% - Oil & Gas E&P Co.

If you current investments not performing the way you want then you might want to contact us to learn more about our investment research subscription service. Please contact us via an email at:

Info@PortWrenCapital.com

M&A News



M&A's can take on many forms. It is common for the acquiring company to pay a substantial premium on the stock market current price of the company being bought. Here are some M&A activities.

- ❑ Occidental Petroleum (NYSE:OXY) agrees to buy a 50% stake in Amerisur Resources" Colombia blocks in return for funding a \$93.25M exploration and appraisal program between 2019 and 2021.
- ❑ Cisco Systems (NAS:CSCO) to buy UK base Ensoft Ltd. A software solution maker for service provider networks. The terms were not disclosed. Deal is expected to close in Q2 2019.
- ❑ Cigna (NYSE:CI) and Express Scripts (NAS:ESRX) extend the termination date for merger agreements by six months because original deadline is only two weeks away. This takes to 6/8/19.
- ❑ GameStop (NYSE:GME) has a deal to sell its Spring Mobile business to Prime Communications for \$700M. Spring Mobile owns and operates 1,289 AT&T wireless stores. This will focus GameStop on videogames and collectibles. Based on strategic and financial alternative states the firm.
- ❑ PTC (PTC) buys Frustun an advanced generative design software company for about \$70M. This will add AI and generative



SM

THE CONTRARIAN NEWSLETTERSM

A Monthly Newsletter for Value Investing

Port Wren Capital, LLC
Finding Value InvestmentsSM

www.PortWrenCapital.com

Info@PortWrenCapital.com

(803) 415-1935

design capabilities to enhance and expand PTS's CAD portfolio.

- ❑ VF Corp (VFC), spin of jeans & outlet business, H1 2019
- ❑ Perrigo (PRGO), separation of prescription pharma unit, H2 2019
- ❑ Eli Lilly (LLY), IPO carve out of Elanco Animal Health unit, Q4 2018
- ❑ Danaher (DHR), spin of dental unit, H2 2019

Wit & Wisdom

Wisdom comes from experience and investors know better than most what wisdom comes from investing. Here is what we think are some wise words from the many players in the investment world. We can all learn from their wit and wisdom.

Humor & Investments



Who is better at forecasting, a weatherman or an economist? I'm going with the weatherman.

52-Week Lows – Finding Value



Buying stocks close or at their new low price has been used as an effective strategy. Here we have put together the top 10 industries, the number of stocks at the 52-week low, the number of stocks in that industry, and the ratio for you to explore to see if there is indeed value in them.

Spin-offs Announced



Many studies have proven that profits may be made in spin-offs that typically exceed normal investing methods. Spin-offs may present higher than normal returns and worth looking into. The parent name, parent ticker, spin-off name, proposed spin-off ticker, expected date are given.

- ❑ Madison Square Garden Company (MSG), spin of sports teams, H1 2019

- ❑ Banks: 16, 701, 0.59
- ❑ Industrial Products: 145, 267, 0.54
- ❑ REITs: 123, 279, 0.44
- ❑ Application Software: 114, 365, 0.31
- ❑ Biotechnology: 109, 395, 0.28
- ❑ Asset Management: 106, 167, 0.63
- ❑ Computer Hardware: 103, 172, 0.6
- ❑ Autos: 103, 231, 0.45
- ❑ Transportation & Logistics: 88, 168, 0.52
- ❑ Consumer Packaged Goods: 88, 218, 0.4



“If you took out our top fifteen decisions, we would have a pretty average record. It wasn't hyperactivity, but a hell of a lot of patience. You stuck to your principles and when opportunities came along, you pounced on them with vigor.” – Charlie Munger, Vice Chairman, Berkshire Hathaway



“Fund consultants like to require style boxes such as long-short, macro, international equities. At Berkshire our only style box is smart.” – Warren Buffett, Chairman, Berkshire Hathaway





SM

THE CONTRARIAN NEWSLETTERSM

A Monthly Newsletter for Value Investing

Port Wren Capital, LLC
Finding Value InvestmentsSM

www.PortWrenCapital.com

Info@PortWrenCapital.com

(803) 415-1935

“Value investing entails buying what is safe and cheap.” – Martin Whitman, value investor and fund manager

A Stock or a Business?



There is a very important quote by Warren Buffet that states, “When you buy a stock, you are not just buying a piece of paper or a ticker symbol. Buying the stock of a company is buying an ownership in a business”.

Many years ago when you bought shares of stock in a particular company you would receive a stock certificate. The stock certificate was a “piece of paper” that certificated the ownership of the number of shares you owned. As a matter of fact I still have one that my brother had. It dates back to July 19, 1988 for 100 shares of Beker Industries Corp. Now a day with the advent of electronic trading most companies don’t issues paper stock certificates. But this is what Mr. Buffet was talking about in case you are new to investing.

[Read More](#)

Buffett Watch



Everyone wants to stay abreast of stock trades and positions of the “Oracle of Omaha.” As of Q3 2018, these are the top 6 holdings in order are for the same period: AAPL, BAC, WFC, KO, KHC and AXP. Find out how to get a **FREE copy of Berkshire Hathaway’s 2017 Shareholder Letter** [click here](#).

[Read More](#)

As Warren Buffett says, “Risks comes from not knowing what you’re doing.” Are you tired of low returns?

[Read More](#)

Financial Term of the Month



Gross Domestic Product (GDP) is a very general quantitative measurement of the U. S. total economic activity. It represents the monetary value of all of the U.S. goods and services within the geographic borders for a given period of time. Typically the GDP percentage is published on a quarterly basis. It measures consumer spending, plus business investments, government spending and net exports. For Q1-2018: the GDP increased by an annual rate of 2.2%. For the Q2-2018: the GDP increased by an annual rate of 4.2%. For Q3-2018: the GDP increased by an annual rate of 3.5%.

Ben Graham’s 84 Year Old Strategy Still Winning Big



We help retail investors pick individual stocks for above average gains long-term. We use the same strategies developed in 1928 by Benjamin Graham the father of value investing. Here are a few benefits of our subscription service:

- Recommendations on specific stocks
- Uses over 190 financial indicators
- Above average long-term gains
- Beaten the S&P500, DJIA and NASDAQ over the past 5 years
- All for one single fixed low fee



SM

THE CONTRARIAN NEWSLETTERSM

A Monthly Newsletter for Value Investing

Port Wren Capital, LLC
Finding Value InvestmentsSM

www.PortWrenCapital.com

Info@PortWrenCapital.com

(803) 415-1935

What's the Market Doing?



Keeping track of the overall market over the long-term is often useful to the value investor as the only constant in the market is change. And although you may not be able to predict the future at least you will have a better feel for where it has been and maybe a little hint of what direction it might take.

- ❑ S&P 500 (SPX): 10 Year; 12.72%, 5 Year; 8.09%, 3Year; 8.25%, 1 Year; 1.96%, YTD; -0.89%, QTD; -9.06%, MTD; -2.28%,
- ❑ DJIA (INDU): 10 Year; 11.68%, 5 Year; 8.62%, 3Year; 10.93%, 1 Year; 3.23%, YTD; -1.75%, QTD; -8.21%, MTD; -3.30%,
- ❑ NASDAQ (FNCMX): 10 Year; 16.65%, 5 Year; 14.34%, 3 Year; 14.09%, 1 Year; 9.21%, YTD; 1.60%

Upcoming Economic Reports



Depending on your approach of either using the bottom up or the top down approach, it is generally good to stay alert to some lead economic indicators. The specific indicators that will be of particular interest to you will vary. Here is a few that are upcoming, as well as a link to others for your convenience. All noted times are Eastern Time (ET).

- ❑ Construction Spending, 12/3, 10:00AM
- ❑ MBA Mortgage Applications, 12/5, 7:00AM
- ❑ EIA Petroleum Status Report, 12/5, 10:30AM
- ❑ Jobless Claims, 12/6, 8:30AM
- ❑ Consumer Sentiment, 12/7, 10:00AM
- ❑ FNIB Small Business Optimism Index, 12/11, 6:00AM
- ❑ Consumer Price Index, 12/12, 8:30AM
- ❑ Import & Export Prices, 12/13, 8:30AM
- ❑ Industrial Production, 12/14, 9:15AM
- ❑ Housing Starts, 12/18, 8:30AM
- ❑ Leading Indicators, 12/20, 10:00AM
- ❑ Durable Goods Orders, 12/21, 8:30AM
- ❑ GDP, 12/21, 8:30AM
- ❑ EIA Natural Gas Report, 12/27, 11:00AM

- ❑ International Trade in Goods, 12/28, 8:30AM

For a complete list, please click on this link:

[Read More](#)

Top Stocks



Here is a current listing of the most active stocks. This does not mean they are value stocks, just the most active when it comes to trading. We have included the top 10 in order of activity and include: AAPL, FB, AMZN, T, MU, NVDA, MO, BAC, GE and XOM.

Port Wren Capital, LLC logo is a servicemark of Port Wren Capital, LLC. All other logos are property of their perspective owners. Copyright © 2018 Port Wren Capital, LLC. All rights reserved. Port Wren Capital, LLC Logo, PWC Stock Report, Finding Value Investments, are registered and/or unregistered marks of Port Wren Capital, LLC or its affiliates. Port Wren Capital, LLC logo is a servicemark of Port Wren Capital, LLC. All other logos are property of their perspective owners. All rights reserved. No part of this documentation may be reproduced in any form or by any means or used to make any derivative work (such as translation, transformation, or adaptation) without written permission from Port Wren Capital, LLC. No Investment Recommendation or Professional Advice: You understand this is not meant to be considered providing individual or customized legal, tax, or investment services and nothing contained in the materials should be construed as an offer to sell, a solicitation of an offer to buy, or a recommendation for any security by us or any third party. You alone are solely responsible for determining whether any investment, security or strategy, or any other product or service, is appropriate or suitable for you based on your investment objectives and personal and financial situation. Since each individual's situation is unique, a qualified professional should be consulted before making financial decisions. Ensure you read all related details that are disclosed [here](#).