SPECIAL REPORT

2021 Top Trades H2

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&
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Contents

THE GLOBAL HEALTH PANDEMIC HAS RESULTED IN HUGE SHARE PRICE GAINS AND LOSSES. HERE ARE OUR TOP TRADES FOR H2.

WELCOME

Rising like a phoenix from the ashes, the global stock market recovery over the past year has been spectacular.

The first 3 months of 2020 were among the worst we have ever seen, as the coronavirus pandemic spread throughout the world.

Declines in equity values were astonishing. Many companies lost more than half of their market value in weeks. Carnival Plc, which features in this report, lost 85% of its value between January and March of 2020.

But as is always the case, when the stock market is at its ugliest, it is time to buy.

In the case of Carnival, shares went on to rally over 200%.

As a result, shareholders are experiencing very different fortunes. If you bought Carnival shares in January 2020 you are nursing a 50% loss and require a 100% increase just to break even. Yet those who bought the same stock just a couple of months later could have made more than 200% in 12 months.

Global equity markets are littered with examples of this capitulation-followed-by-recovery movement.

The volatility has been rife, with global economies grinding to a halt under lockdown measures, to thriving once again amid the reopening.

Many indices including the Dow Jones, S&P 500, NASDAQ, DAX and Euro Stoxx 600 have rallied to claim all-time record-highs in 2021, thanks to central bank support, vaccine programmes and the reopening of economies.

Naturally with so much at stake, the interest of investors and traders alike, has peaked over the past 18 months.

At this stage in the recovery, buying opportunities are not as plentiful as they were back in March 2020 but with many market commentators predicting a strong finish to the year, we have highlighted 7 stocks to buy for the second half of 2021.

We have also highlighted 3 stocks to short-sell - the practice of investing in reverse, attempting to profit from falling prices. These stocks have rallied magnificently from the Covid-lows, to now appear overvalued.

Remember, not all trades prove profitable and we champion the market maxim 'cut your losses'. In particular, please take note of the reassess levels of every trade.

Good luck with your investments.

Frederick & Oliver

Buy
IAG Plc

WILL EASING LOCKDOWN RESTRICTIONS LEAD TO A RECOVERY IN INTERNATIONAL TRAVEL?

In an attempt to contain the global health pandemic governments around the world swiftly imposed border restrictions, causing travel stocks to capitulate.

Shares in International Airlines Group (IAG) were amongst the hardest hit, falling 67% from 456p to 150p, in just 2 months between January and March of 2020.

As devastating a decline as that was, shares went on to bottom out at 89p in September, taking the total decline to 80%.

Hope replaced despair, as vaccine trials and subsequent rollouts gathered pace. Shares in IAG reacted accordingly, they currently reside at 174p, a 95% increase from the lowest price of 2020, yet shares still need to gain a further 164% from here, to recapture the pre-pandemic price of 456p

A key factor in the travel sector's recovery will be the expansion of the UK government's list of 'safe' (green listed) countries to visit - those with low cases of Covid-19 infections and high rates of inoculation.

The financial press has speculated that travel restrictions could be eased from July 19th, dubbed 'Freedom Day', whereby all remaining Covid restrictions will be lifted. There are also reports that those who have been double vaccinated will be able to travel without the need to quarantine upon arrival or return.

An imminent resumption in global travel will be welcome news to IAG and its sector peers. IAG could further benefit from cost savings it has made over the last 12 months.

The scope for increased revenue is significant, with current passenger numbers around 20% of pre-pandemic, 2019 levels.

IAG operates an extensive European flight network via the British Airways, Iberia and Aer Lingus brands, much of which is currently inactive. The 'reopening' of UK tourist hotspots such as Spain, Portugal, Italy and Greece should result in an immediate jump in passenger numbers.

The company has implemented some aggressive cost-cutting measures over the past year, trimming its workforce by 30% and devising plans to get rid of its secondary hub at Gatwick airport.

In addition to these cost savings, IAG has expanded its freight business over the past 12 months, increasing its cargo revenue by 33% to $437m, contributing the company's healthy cash position of over €8bn.

Plucky investors who picked up shares last year are already being handsomely rewarded. The question is "will the combination of cost-cutting, improved freight income and a return to international travel, result in further gains?".

Analysts at firms Citigroup, Berenberg and Bank of America certainly believe so, having reiterated 'buy' ratings on the stock in recent weeks, with accompanying target prices as high as 250p, 43% higher than the current price.

Reassess level - 150p. A meaningful breakdown below this price, from a technical perspective, could be cause for concern and may also coincide with protracted or new international travel restrictions.

COMPANY INFORMATION

International Consolidated Airlines Group engages in the provision of passenger and cargo transportation services in the United Kingdom, Spain, Ireland, the United States, and rest of the world. The company operates under the British Airways, Iberia, Vueling, Aer Lingus, and LEVEL brands.

Listing	Market Cap	52-week range	Dividend yield
FTSE 100	£8.6bn	86p - 238p	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
174p	86p	238p	-50%	+37%

Buy
NVIDIA Corp

SHARES RALLIED OVER 100% IN 2020 AS NVIDIA BENEFITTED FROM THE GLOBAL HEALTH PANDEMIC. MORE TO COME IN 2021?

Technology stocks emerged as beneficiaries from the global health pandemic. For the most part, this was due to gadgetry providing us with entertainment, exercise and communication solutions, for example, Netflix replaced the cinema, Peloton (featured later in this report) replaced the gym and Zoom ensured we could communicate ‘face-to-face’ with our loved ones.

NVIDIA designs and manufactures graphics and computer processing chips found in the products of brands including Apple, Samsung and Sony. From smartphones to laptops, from games consoles to in-car entertainment and sat-nav systems, you’re probably within a few feet of an NVIDIA chip right now!

Shares in NVIDIA rallied 116% in 2020 as demand for tech products soared.

NVIDIA also made a huge acquisition in 2020, agreeing a deal to buy fellow tech firm ARM Holdings for $40bn.

Shares have surged to a record high of $800, prompting NVIDIA to plan a 4-for-1 stock split. If the stock split took place right now, shareholders would receive 4 shares for every 1 share they previously held and the price would be adjusted from $800 to $200, making shares ‘cheaper’ and more accessible.

In 2019 NVIDIA agreed a $6.9bn deal to buy Mellanox, a major player in communication equipment and data storage centres, meaning NVIDIA’s products are no longer restricted to the processing of data but can also send, share and store it.

Analysts at Bank of America predict NVIDIA could see its revenue from data centre technologies more than triple from $9 billion currently to $30 billion over time, which would significantly improve the already impressive $16.7bn revenue notched in full year 2021, a 53% increase on 2020’s $10.9bn.

For the first quarter of fiscal year 2022, NVIDIA reported a stunning set of figures:

- Record revenue of $5.66bn (up 84% from a year earlier)
- Record gaming revenue of $2.76bn (up 104% thanks to the launch of new consoles from Sony and Microsoft)
- Record data centre revenue of $2.05bn (up 76%).

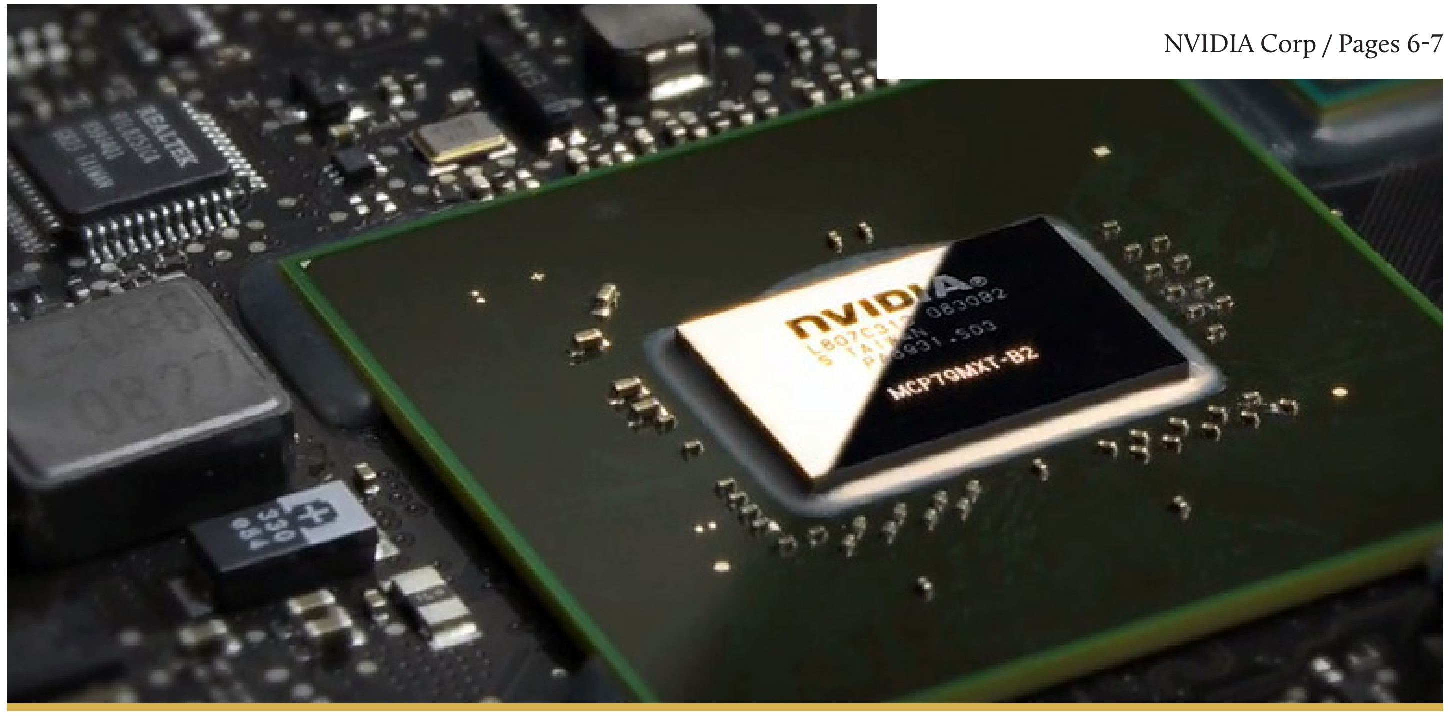
NVIDIA’s success has every chance of continuing due to its involvement in emerging technologies - cryptocurrencies and electric vehicles.

You may have heard of the current ‘chip shortage’?

In addition to record demand for computer chips from existing technologies such as smartphones, laptops, tablets and games consoles, the rise of digital currencies (bitcoin, ethereum etc.) and electric vehicles has resulted in unprecedented demand for chips.

At the current price of $800, you cannot buy NVIDIA shares ‘on the cheap’ but to quote the great Warren Buffet “it’s far better to buy a wonderful company at a fair price, than a fair company at a wonderful price”.

Reassess level - $700. Given the incredible rally NVIDIA shares have enjoyed of late, investors need to give the stock room to consolidate, one cannot rule out a period of profit-taking.



COMPANY INFORMATION

NVIDIA Corporation is an American multinational technology company. It designs graphics processing units for the gaming and professional markets, as well as system on a chip units for the mobile computing and automotive market

Listing	Market Cap	52-week range	Dividend yield
NASDAQ	$496bn	$376 - $806	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
$800	$376	$806	-53%	+1%

Short Sell
Marks & Spencer Plc

THIS HIGH STREET VETERAN HAS EMBARKED UPON A 10-YEAR TURNAROUND. IS IT TOO LITTLE, TOO LATE?

The saying 'a death of a thousand cuts' accurately describes the downfall of the retail sector, especially 'the High Street', where Marks & Spencer once reigned supreme.

The traditional 'bricks and mortar' sales outlets have had to deal with a plethora of challenges over the past decade, including selling online, managing rising business rates and staff wages, and competing with discount retailers.

Marks & Spencer is not the only company to have made a hash of this transition.

The most spectacular retail failure in recent times is Sir Philip Green's Acradia Group resulting in brands Topshop, Topman, Burton and Miss Selfridge disappearing from our high streets and shopping malls.

Yet the brands still exist - online. They were bought as part of Arcadia Group's administration process by internet retail giants ASOS and Boohoo, underlining one of the greatest challenges posing the industry - forging a successful online presence.

Traditional retailers, like Marks & Spencer, were slow to embrace the online movement, taking for granted their strong high street presence and underestimating just how gargantuan online retail would become. This allowed new competitors (like ASOS and Boohoo) to enter the space without the high costs associated with setting up chain of stores - rents, fit out costs, stocking items, staff etc.

Marks & Spencer, being a seller of numerous items, was being 'attacked' on multiple fronts - ASOS, Boohoo on fashion, Amazon on housewares, Ocado, Tesco, Sainsburys on groceries.

In the grocery space Marks & Spencer faced yet another challenge - the German discount retailers.

Since 2016, Aldi and Lidl have doubled their markets share at the expense of Marks & Spencer, and the other major supermarkets.

Marks & Spencer's woes were further compounded by coronavirus lockdown measures.

In May, Marks and Spencer reported a full year loss of £201m, announced plans to close another 30 stores (already closed 59) and cut 7,000 jobs - this all part of a 10-year plan to turn the company's fortunes.

And whilst the company may well complete a successful 10-year turnaround, it will no doubt be one almighty challenge, and frankly we believe there will be better places to invest your hard earned cash.

Shares more than doubled from the November 2020 low of 85p to 175p in May of 2021 amid optimism lockdown measures would end.

From a technical perspective, 175p coincided with falling resistance, leading to a decline in price, confirming downward pressure.

Reassess level - 180p. Keen chartists will understand the significance of this price, representing a 'breakout' above current falling resistance.

COMPANY INFORMATION

Marks & Spencer Group Plc is a major British multinational retailer with headquarters in London, England, that specialises in selling clothing, home products and food products, mostly of its own label.

Listing	Market Cap	52-week range	Dividend yield
FTSE 250	£2.8bn	86p - 188p	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
147p	86p	188p	-41%	+28%

Buy
Peloton Interactive Inc

SHARES RALLIED 900% AT ONE STAGE IN 2020. WILL THE REOPENING OF GYMS SLOW PELOTON'S GROWTH?

In less than a year (March 2020 to January 2021) shares in Peloton rallied from $17 to $170 - a phenomenal 900%.

Imagine investing $100,000, and banking a $900,000 profit just 10 months later. Mind-blowing.

The driver for this explosive share price growth? Covid.

Lockdown restrictions led to gym closures which in turn prompted people to invest in home gyms. Such was the demand for exercise equipment, there was a period when you could not buy dumbbells or an exercise bike for love nor money - I tried.

Peloton's exercise bikes are like no other. They incorporate a HD widescreen display which connects you to live exercise classes, essentially bringing a spin class to your home.

The Bike+ product includes free weights and a library of workout classes whereby the on screen instructor will push you through your paces - your very own personal trainer.

The innovative technology and quality equipment make Peloton bikes a premium product and a 'must-have' among amongst the lycra-wearing middle-class, commanding an initial investment of around £2,000 for the bike and an ongoing monthly subscription of around £50.

Whilst the £2,000 purchase price is not cheap, £50 per month is reasonable when compared to most gym memberships. In fact the expensive purchase price is genius from a customer retention perspective, promoting a "I've invested in the product, I should commit to using it" mentality.

The company's latest trading update revealed a doubling in annual revenue to $1.8bn from $900m, with $364m coming from subscription fees thanks to a customer retention rate of 96% for the year.

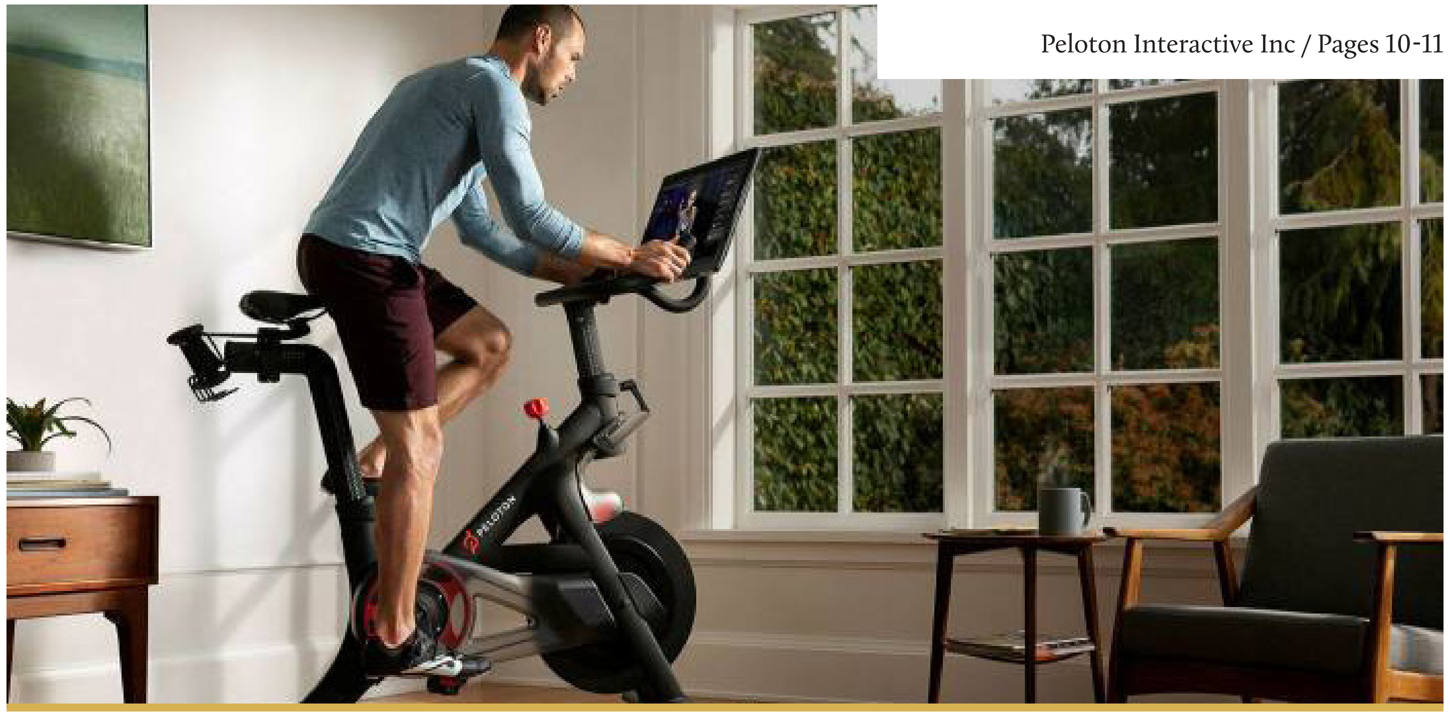
Peloton also designed a treadmill which initially appeared a smart addition to the company's product range, only for it to be recalled on safety grounds, following a number of reported injuries including the death of a child.

Peloton shares more than halved between January and May this year through a combination of safety concerns and profit-taking in what appears to be an overreaction based on the small percentage of sales the TREAD product accounts for.

The success of Covid-19 vaccine programmes has led some analysts to believe the return of the gym could prove a sizeable challenge to Peloton, although we are of the thinking those who invested in the product will remain loyal.

Shares found a 'bottom' at $80 and have steadily gained 56% over the past 2 months, leaving a further 36% potential upside if January's high of $170 can be reclaimed.

Reassess level - $100. The stock is volatile, a wide berth is required.



COMPANY INFORMATION

Peloton Interactive Inc provides interactive fitness products in North America and internationally. It offers connected fitness products, such as the Peloton Bike and the Peloton Tread, which include touchscreen that streams live and on-demand classes.

Listing	Market Cap	52-week range	Dividend yield
NASDAQ	$37bn	$57 - $171	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
$125	$57	$171	-54%	+37%

Buy
Aviva Plc

SHARES HAVE RALLIED 100% FROM 2020-LOWS. A MAJOR SHAREHOLDER BELIEVES THEY CAN DOUBLE AGAIN - DO YOU?

With hindsight, March 2020 (when Covid-panic was fever pitch), presented a golden buying opportunity for shares in Aviva. Not just because they were lowly priced at the time but because the market had seemingly 'thrown the baby out with the bath water'.

Was Aviva's business ever really at significant risk due to Covid? Would car, life and home insurance no longer be required?

The selling was overdone, the halving of the share price from 410p to 205p should have been taken advantage of.

Aviva shares have now fully recovered, back to pre-pandemic prices - opportunity missed? Yes, but according to major shareholder Cevian Capital there are plenty of reasons to include Aviva in your equity portfolio.

Cevian Capital is an activist fund meaning it acquires substantial minority ownership positions in companies and works with the management teams of those companies to advance initiatives designed to increase their long-term competitiveness, profitability and sustainability.

Cevian Capital has built up a 5% stake in Aviva and expects to share the spoils of the company's recent asset disposals.

Newly appointed chief executive, Amanda Blanc, has adopted an aggressive cost cutting and restructuring strategy. Blanc has already agreed sales on 8 international business for a total of £7.5 billion which, according to some analysts, will leave the insurer with £3.7bn to £6.6bn of excess capital. Cevian Capital is pushing for £5bn to be returned to shareholders.

Cevian Capital predicts the share price will double to 800p of the next 3 years and is pushing for the dividend to be more than doubled to 45p over the same period meaning, shares purchased today at 405p would be paying a dividend of over 10% should the payout increase as predicted.

Whilst Cevian Capital does not posses a crystal ball, it clearly favours the insurance sector. The fund holds significant stakes in fellow UK listed insurance companies, Old Mutual and RSA Insurance Group.

Reassess level - 350p. At this price shares would have broken down through 16-month rising support.

COMPANY INFORMATION

Aviva Plc provides various insurance, retirement, and savings products in internationally. The company offers life insurance, long-term health and accident insurance, savings, pension, and annuity products, as well as pension fund business and lifetime mortgage products.

Listing	Market Cap	52-week range	Dividend yield
FTSE 100	£15.9bn	247p - 427p	5.1%

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
406p	247p	427p	-39%	+5%

Short Sell
Lloyds Banking Group Plc

THE UK'S LARGEST LENDER HAS SEEN SHARES DOUBLE IN LESS THAN A YEAR - IS NOW THE TIME TO SELL?

Shares in Lloyds Banking Group Plc have likely produced more grey hairs than profits, for retail investors.

Pre-financial crisis, Lloyds was the darling of the banking sector, then it was saddled with HBOS and has not been the same since.

The bank has effectively been a penny share for over a decade, much to the irritation of loyal shareholders, many of which are long term sufferers keeping everything crossed for a return to former glory. It's not coming.

Investors with entry prices of over a pound a share, may never see a profit. This statement will be at odds with many investors who claim "one day they'll be worth a pound" but the truth is, Lloyds shares have not traded at 100p for almost 13 years, and at 46p they are a long way off.

Shares in Lloyds nose-dived in Q1 of 2020 as the global health pandemic unfolded. From 64p to 30p, investors winced whilst enduring the 53% correction.

The punishment was justified, business closed, staff were furloughed, the economy came to a standstill and the risk individuals and/or businesses would default on their obligations was real.

However, the market was not done with Lloyds shares just yet. In October, shares bottomed at 23p. 64% lost in just 10 months.

It has not been all doom and gloom. Plucky traders who snapped up shares at the bottom are currently sitting on profits of 100%. In fact, shares have traded higher than the current 46p, recently reaching 50p.

Much of Lloyds recovery can be attributed to Rishi Sunak's stamp duty holiday on property purchases. Lloyds is the country's biggest mortgage lender, with mortgages making up £285bn of its £443bn loan book.

The winding down of stamp duty incentive will likely lead to a cooling in house buying activity.

Another uncertainty for the lending market is interest rates. Back in February the Bank of England warned banks to prepare for negative rates yet the 'reopening' of economies has lead to a spike in inflation which could result in interest rates rising.

Whilst higher borrowing rates give makes the opportunity to increase margins, they can also deter borrowers.

Our assessment of Lloyds is not intended to be as damning as it may read, but more given the 100% share price increase, cooling property market and uncertainty around rates, it is considered a 10p decline is more likely than a 10p gain at this point.

Reassess level - 52p. This would be the highest price in over a year and potentially a successful breakout above the psychological level of 50p.

COMPANY INFORMATION

Lloyds Banking Group Plc provides a range of banking and financial services in the United Kingdom and internationally, it is one of the UK's largest financial services organisations, with 30 million customers.

Listing	Market Cap	52-week range	Dividend yield
FTSE 100	£33.1bn	23.5p - 60p	1.2%

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
46p	23.5p	60p	-48%	+30%

Buy
Vodafone Plc

IS THIS COMMUNICATIONS BEHEMOTH SET TO PROSPER FROM OUR GREATEST ADVANCE IN TECHNOLOGY?

A long term favourite at Frederick & Oliver, Vodafone presents a buying opportunity once again.

Vodafone is at the forefront of the most innovative new technology. The global 5G services market size is estimated to reach $665bn, registering a compound annual growth rate of 46.2% from 2021 to 2028, according to a new study by Grand View Research Inc.

Grand View Research names Vodafone as one of 14 'key players' in the global 5G services market. Vodafone has already capitalised on the value of this technology with its 5G tower listing, which yielded €2.3bn.

The date of 2028 is significant. Automotive manufacturers Volkswagen, Daimler, BMW, Ford and General Motors have announced they will sell only electrically powered vehicles come this time. These vehicles will communicate with infrastructure, and each other, as autonomous driving becomes the norm.

Vodafone will benefit from the resumption of international travel. Whilst data roaming charges were outlawed in the EU in 2017, greater charges are applied when using your phone abroad - an income stream that dried up in 2020.

In Africa, the company boasts 84.9 million data users who have produced €15.2 billion in transaction volume on Vodafone's M-Pesa pre-payment mobile cards, this is up from €12.16 billion the prior year.

The stock is also robust portfolio member. At the start of 2019, shares traded at 140p and just last month (2.5 years later) the shares were trading at 140p.

Whilst lacking in capital appreciation, 3 years of a 6% dividend and no sleepless nights, is not to be sniffed at.

At the current price of 122p, Vodafone could ripe for a takeover approach.

In 2014 AT&T approached Vodafone with a deal worth £70bn which was ultimately blocked by the CMA.

If such a deal presented itself today, Vodafone shares could be valued at 250p given the company's market capitalisation of £34bn.

Just last week, analysts at Goldman Sachs rated the stock as 'buy' with 180p price target and we are inclined to agree.

Reassess level - 100p. A meaningful breakdown of this psychological price point would be cause for concern.

COMPANY INFORMATION

Vodafone Group Plc engages in telecommunication services in Europe and internationally. The company offers mobile services that enable customers to call, text, and access data and fixed line services including broadband.

Listing	Market Cap	52-week range	Dividend yield
FTSE 100	£33.8bn	87p - 157p	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
122p	87p	157p	-28%	+29%

Buy
Tesla Motors Inc

GOLDMAN SACHS PREDICTS ELECTRIC VEHICLE SALES WILL GAIN MORE THAN 500% BY 2030 - IS NOW THE TIME TO BUY TESLA?

In Q2 of 2021, Tesla produced more than 200,000 cars in a quarter, for the first time ever - a 14% increase on Q1.

Tesla is became a $1tn value company earlier in the year and Elon Musk is already one of the world's richest men, yet electric vehicles, as a percentage of new cars sold equated to just 2.7% in 2019 - a dramatic percentage increase versus the less-than 0.1% of vehicle sales just 10 years prior.

That said, at less than 3% of global vehicle sales, the industry has a long road ahead of it , if it is to replace the internal combustion engine.

Goldman Sachs expects EVs to account for 18% of global vehicle sales in 2030 and 29% by 2035. In a recent report, Deloitte provided the following insight "we forecast China to achieve a domestic market share of around 48% by 2030, the United States 27% and Europe should achieve 42%".

Let that sink in for a moment...

China currently leads in terms of EV penetration as a percentage of new cars sold, at 1.5%. Deloitte forecasts this to grow by 3100% to 48% of new car sales over the next 10 years. Europe is predicted to achieve similarly impressive growth.

The U.S. lags with a forecast of 27% due to drivers benefitting from low gasoline prices, negating the low cost-per-mile running of EVs.

However, the U.S. could still witness growth of 3700% due to a lower starting position of just 0.7% market share, currently.

The Europeans have embraced EVs. 56% of new vehicle sales in Norway were electric in 2019, whilst 2 of the top 10 best-selling cars in Holland were EVs.

The UK reported triple-digit growth in EV sales for the year, as a result of consumers becoming more climate change conscious, coupled with government incentives to 'go green'. The government has proposed a ban on the sale of all polluting vehicles by 2035.

China dominates the EV market, accounting for half of all vehicle sales.

The U.S. EV market is almost single-handedly carried by Tesla, responsible for around 80% of sales.

The stock is some way off the year high of $900 yet analysts at Wedbush ($950 target) and Oppenheim ($1036) believe a recovery is due.

Whilst long term bull, Cathie Wood, has a bull case target price of $3000.

Reassess level - $540. This price has provided support over the past 9 months, should this breakdown, the trade would need to be reconsidered.

COMPANY INFORMATION

Tesla Inc designs, develops, manufactures, leases, and sells electric vehicles, and energy generation and storage systems in the United States, China, and internationally.

Listing	Market Cap	52-week range	Dividend yield
NASDAQ	$660bn	$216 - $900	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
$683	$216	$900	-68%	+32%

Buy
Apple Inc

APPLE SHARES ARE TRADING AT A RECORD-HIGH. SHOULD YOU BUY NOW, AHEAD OF Q3 EARNINGS?

$200bn in cash, is one reason to own Apple shares.

Another reason being the company is in the middle of an iPhone 'super cycle' whereby users upgrade their handsets in order to take advantage of an 'all new' iPhone model.

Sales of the iPhone 12 generated $65bn in revenue in the fourth quarter of 2020, rising to $90bn in Q1 of 2021. The iPhone 13 is due to be released by the end of this year.

Apple customers are a loyal bunch, many go on to buy additional products, this is evidenced by 1 billion people using 1.6 billion products.

As well as the obvious products such as laptops and tablets, Apple is aggressively gaining market share in the 'wearables' space - headphones and smartwatches.

In 2020, Apple had cornered 36% of the wearables market, bringing in revenue of $30.6bn.

Apple's services division (app store, Apple Music, Apple Pay and iCloud) brought in $54 billion.

Apple was the first company to be worth $2tn, reaching this milestone just two years after becoming the world's first $1tn company. Astonishing.

Apple's resilience was demonstrated in Q1 of 2020. Whilst most share price were in freefall due the coronavirus pandemic, Apple shares slipped 25% before fully recovering in Q2.

In fact, the shares did not stop there. They went on to peak at $145 within a year - a gain of 141%. What pandemic?

Analysts at Wedbush are fans, they have a price target of $185 for the shares, 36% higher than the current price.

One suspects, should Apple's Q3 earnings update on 27th July beat expectations, analysts will start revising share price targets north of $200.

Reassess level - $110. Trading below this level will see a breakdown of rising support.

COMPANY INFORMATION

Apple Inc designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide.

Listing	Market Cap	52-week range	Dividend yield
NASDAQ	$2.28tn	$89 - $145	0.7%

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
$136	$89	$145	-34%	+7%

Short Sell
Carnival Plc

CRIPPLED BY COVID, WILL CARNIVAL SHARES SINK OR SWIM AS INTERNATIONAL TRAVELS ATTEMPTS TO RESUME?

Shares in Carnival plunged from 3700p to 580p in Q1 of 2020. That equates to a fall of 85% in less than 3 months.

A significant victim of Covid-19.

As the health pandemic emerged, outbreaks were reported onboard cruise ships. Popular with older generations, those more susceptible to illness, sadly many became ill and even passed whilst at sea. Furthermore, when attempting to dock, Harbour Masters were forced to deny the ships access to ports for days, even weeks.

When fully operational Carnival's profit per passenger, per trip, is around $250, which brings in a cool $1m profit from a 7-day cruise on board its largest ship 'Panorama' when at full, 4,000 passenger capacity.

However the UK government currently insists ships carry no more than 1,000 passengers or 50% of capacity, whichever is lower - the average cruise ship capacity is around 3,000.

With 41% of the cruise market share, Carnival's exposure is crippling the company. The company went from making $3.06bn in 2019 to losing $10.25bn in 2020, and reported losses $2.1bn and $2bn in quarters 1 and 2 of this year. The company's monthly cash burn rate for the first half of 2021 was $500m.

Debt has risen to $22.1bn from $9.7bn in 2019.

In 2020 the company secured $4bn of capital at an eye watering rate of 11.5%, followed by a further $3.5bn at 5.75% amounting to annual interest payments in excess of $200m.

Carnival also spends approximately $3bn a year maintaining its fleet of ships.

On a positive note, the cruise line expects 3 ships to start traveling from the US this month, but the company desperately needs its entire fleet at sea, something CEO Arnold Donald hopes possible in 2022.

Carnival has resumed sailing or announced plans to resume sailing 42 ships from eight of the company's nine cruise brands by the end of November this year.

"We are working aggressively on our path to return our full fleet to operations by next spring. So far, we have announced that 42 ships, representing over half of our capacity, have been scheduled to return to serving guests by this fiscal year end," Donald said in a press release.

Shares rallied 227% from the 2020-low to June 2021 amid hopes of a resumption in voyages.

We believe Carnival will experience a frustrating start-stop return to the seas with virus outbreaks undoubtedly pausing operations.

Reassess level - 1950p. A breakout above this price would see shares trading at a 15-month high.

COMPANY INFORMATION

Carnival Plc operates as a leisure travel company. Its 87 ships visit approximately 700 ports across the United States, Canada, Continental Europe, the United Kingdom, Australia, New Zealand, Asia, and internationally.

Listing	Market Cap	52-week range	Dividend yield
FTSE 100	£19.2bn	782p - 1890p	Nil

CHART OBSERVATIONS

Current Price	52-week Low	52-week High	Distance to Low	Distance to High
1664p	782p	1890p	-53%	+14%

First Class

FREDERICK & OLIVER, A BOUTIQUE BRAND WITH TRADITIONAL VALUES, DELIVERS A PREMIUM STOCKBROKING SERVICE.

Traditional broker-client relationship
To us, the client-broker relationship provides an irreplaceable avenue of understanding, guiding you through the ever-changing market with assurance and dexterity.

News & Analysis
Reading the stock market can feel relentless, especially when looking to trade in markets that demand consistent and thorough revision. We deliver need-to-know information, highlighting the benefits and consequences of industry actions that directly impact your portfolio.

Having access to trustworthy and relevant sources ensure that, even amongst your daily commitments, all decisions are informed decisions.

Our pledge
Frederick & Oliver endeavors to deliver exceptional customer service, after all your stock market portfolio deserves nothing less.

City View
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More information
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Call us on **020 8054 7900**
Email us at **info@frederickandoliver.com**

"Frederick & Oliver's emphasis on providing an old fashioned, highly personalised customer service is very refreshing in this digital age"
Mr. H-S

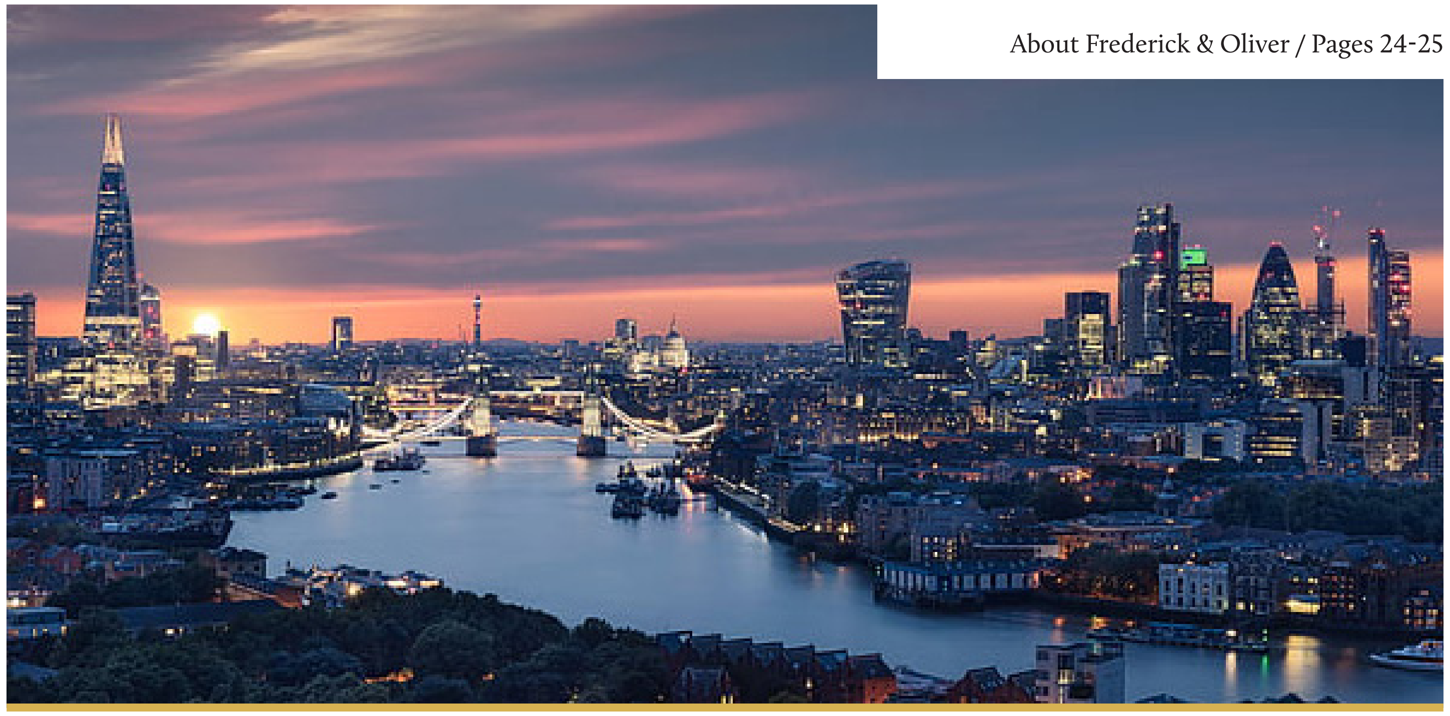
"I have known the guys at Frederick & Oliver for over 10 years. They are far from a regular execution-only broker. They go out of their way to keep clients well informed of market developments and upcoming events. - Great service. Thank you"
Mr. C

"I was totally new to stock trading. Six months on, I have been reassured by the team's safety-first approach. Access to the team is easy and fast, they are also quick to get in touch with important updates. I have introduced many friends to Frederick & Oliver who have given me the same positive feedback. Thank you guys"
Mr. A

"Frederick & Oliver has provided me with an excellent service. They listen, understand what I need, and provide quality market information. There is a always a person at the end of the phone, which adds huge value to the service"
Mr. B

"I can highly recommend the services of Frederick & Oliver. This is a very professional company providing up to date guidance and relevant information"
Mr. W

"Frederick & Oliver is the best CFD broker I have worked with. The team understands the markets, are responsive to market changes and quickly inform their investors. They understand me, my preferences and my weaknesses, tempering my natural gun-ho approach in periods of uncertainty"
Mr. F



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