

The Seven Gunslingers that saved the market

In the 1960 Western film “The Magnificent Seven,” seven hired gunslingers defend a helpless Mexican village from ruthless bandits. Each one has a unique fighting skill, giving rise to the tagline *They were only seven, but they fought like seven hundred!*



Last year, investors labeled seven specific stocks—Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA and Tesla—the “Magnificent Seven” because they fought like seven hundred and drove the stock market significantly higher.

As fans of classic movies, let’s take the analogy a little further:

- Bandits, in the form of high inflation and interest rates, had ravaged investors’ wealth in 2022.
- Investors then flocked to these seven companies with an assumption they are leading a digital transformation revolution that would protect them from economic bandits.

- Each of the stocks showed strong fundamentals, growth potential, reliability and cutting-edge technology.
- Much like the gunslingers in the movie, the Magnificent Seven stocks showed resilience, adaptability and the ability to deliver results when you need them.

All told, the Magnificent Seven stocks contributed more than 80% of the S&P 500 Index’s total return last year.

In the movie, only three of the seven gunslingers survive the fight. Similarly, as we enter 2024, only three of the Magnificent Seven stocks continue to outperform the market. Even the best gunslingers need some down time to recuperate, reload and get some rest. These stocks are currently in their consolidation phase, basically allowing earnings to catch up with valuation levels.

While the characters in the movie face physical dangers and confrontations, investors in the Magnificent Seven stocks must navigate valuations, financial risk and economic uncertainties. Regardless of how one feels about the use of artificial intelligence (AI) to transform the world, even the Magnificent Seven aren’t immune to larger economic forces. Remember, not everyone makes it out of a gunfight alive.

THAT REMINDS ME OF A *story...*

A man was walking along the beach after a terrible storm and came across a young boy throwing something into the breaking waves. As he approached the boy, he saw he was gently tossing back into the ocean stranded starfish that had been washed to shore.



The man asked, “What are you doing, young man?”

The boy answered, “If the starfish are not tossed back into the water, they will die.”

“That’s crazy!” said the man. “There are thousands of starfish on this beach. It doesn’t matter how many you throw in; you can’t possibly make a difference.”

“It matters to this one,” the boy said. He tossed another starfish into the outgoing tide. “I also made a difference for this one.”

Moral: Not being able to fix everything doesn’t mean there isn’t value in changing what you can.

SUCCESSFUL *entrepreneur*

Jack Ma, Alibaba



Jack Ma Yun was born on September 10, 1964 in Zhejiang, China. He is most known for creating Alibaba, a \$189

billion retail website, similar to eBay, that’s focused on the Asian market.

At the age of 12, Ma bought a pocket radio and began listening to English radio stations to learn the language. For nine years, Ma rode 17 miles on his bike every day to work as an English tour guide.

He was a below-average math student, and it took him multiple years to pass his college entrance exams. He eventually was accepted into the Department of English program where his extensive English-language skills helped him excel.

After college, Ma struggled to get a job, receiving rejection after rejection—including from KFC, which hired 23 of 24 applicants for a job, rejecting only him. After applying for 31 different entry-level jobs and being rejected by every single one, he became an English lecturer.

He didn’t let the rejections phase him. Instead, he uncovered a different path by pursuing self-employment, raising \$20,000 to start his first company. Years later, in 1999, he kicked off what would become Alibaba in his apartment with a group of 18 friends.

Ma had attempted to go the traditional work route, but after all those rejections, he broadened his mind and relied on himself to create his own opportunities rather than wait to see what the world could offer him. He is a self-educator whose story teaches the value of creating your own fate.

Ma went on to become one of the richest men in the world. He has said, “Never give up. Today is hard, tomorrow will be worse, but the day after tomorrow will be sunshine.”

Success is dependent on “one thing”



There is no magic formula or one approach that can determine if one will be successful. How one achieves success is different for everyone, stemming from their sense of direction or purpose.

- **Steve Jobs** asked himself daily, “If today were the last day of my life, would I do what I am planning to do today?” His habit was to walk throughout the day, believing his most creative ideas came while walking.
- **Warren Buffett** spends 80% of his day reading newspapers, magazines, biographies and financial reports. This habit keeps him informed and sharpens his analytical skills.
- **Taylor Swift** maintains a regular exercise routine that helps inspire her creativity. She will even sing old and new songs based on the speed of the treadmill.
- **Stephen King** writes at least four hours every day. He works in a very organized workspace while sitting in his favorite chair. He listens to hard rock music to block out distractions.

Generally, successful people believe in what they’re doing, really enjoy doing it, and want to do more of it. There is no lack of conviction, no fear of failure but rather a passion to achieve the goal/vision. As Mark Twain said, “Find a job you enjoy doing, and you will never have to work a day in your life.”

It doesn’t matter what your major was in school. It doesn’t matter what people think of your job or even your salary. What matters is focusing on moving toward what your heart is telling you to do. Whether you go into business, the medical profession or become an electrician or waitress, the key is to do it with passion—like Michelangelo painted or Taylor Swift sings. It’s not what you do but how you do it.

Let your passion define what you need to do to overcome adversity and achieve your dreams. Passion can turn a small spark into a bonfire!

LAUGH *studio*

Why couldn’t the skeleton go to school?

His heart wasn’t in it.

What is the Easter bunny’s favorite music?

Hip-hop!



What do you get when you cross a fish with an elephant?

Swimming trunks!

Why didn’t the orange win the race?

It ran out of juice!

What did the policeman say to his belly button?

You’re under a vest!

KIDS: If you have a joke you’d like to share, please send it to info@monetta.com. If we use your joke, we’ll send you a special prize!

YOUNG *investors*

The talk of A.I. is everywhere, do you know the names of the “robots” that paved the way?

WORD BANK:

- JAMIE
- Robot B-9
- Robocop
- Bender
- R2-D2
- WALL-E
- EVE
- Johnny 5
- BB-8
- Rosie
- Gold Hands
- C-3PO
- The Terminator
- Megatron
- VICKI
- Iron Giant
- Astro Boy

















The first A.I. robot was named

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Email the robot’s name to info@monetta.com or submit it online at www.kidsnewsletters.com and be entered in a drawing to win a \$10 Target Gift Card! (Entries must be received by June 1, 2024).