

# INTRODUCTION TO CB CAPITAL RESEARCH





#### **CB CAPITAL RESEARCH**

CB Capital Research is an independent research affiliate of CB Capital Partners. Our goal is to provide highly actionable, original, timely, and concise investment research to institutional clients. We strive to understand the transformative shifts in the global financial system/economy through identifying the unique motivations of major actors, and staying a step ahead of long-term trends. We believe this is the key to long-term investment success.

#### **RESEARCH FOCUS AND PROCESS**

- CB Capital Research brings a value-added relationship to our clients through a rigorous and proven investment process. We provide a monthly newsletter focused on long-term themes and timely focused research ideas as market events unfold. Our ideas are targeted to global macro funds, private wealth managers, or high net worth individuals. CB Capital Research has proven expertise in the following areas:
- Global macro instruments and market timing
- Global broad industry trends and timing
- Global public and monetary policies
- Long-term global economic and societal trends

#### **LEADERSHIP**

CB Capital Research is headed by Henry To, CFA, CAIA, FRM. Henry was previously the Founder and Managing Partner of MarketThoughts LLC, an investment advisory service catering to global investors, including the world's largest hedge funds (e.g. Tudor Funds). Henry is also an Adjunct Professor at the UCLA Luskin School of Public Affairs. Henry received a BA in Mathematics and Economics from Rice University, an MBA in Finance and a Master's of Public Policy (MPP) in International Policy from UCLA.

## **CB CAPITAL RESEARCH CONTACT**

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### **TRACK RECORD\***

# Major Bottom in U.S. Stocks in late February 2009

- Shifted from a 100% to 125% long position in our U.S. markettiming system at DJIA 7,250
- Declared a major bull market was in place by March 2009 based on valuations, historically oversold conditions, positive technical divergences, highly bearish sentiment, and relative strength in market-leading retail stocks
- Become neutral in April 2010 (9 days before the May 2010 "Flash Crash"), due to overbought conditions and market complacency surrounding the Greek fiscal crisis

#### Short Position in U.S. Stocks in October 2007

- Shifted to a net 50% short position in our U.S. market-timing system at DJIA 13,956, near the peak of the bull market in U.S. stocks
- Shorted due to ongoing negative divergences with U.S. small and mid-cap stocks not confirming the rally in U.S. mega and large cap stocks
- Declared that global earnings and economic growth were slowing down

# Secular Bull Market in WTI Crude Oil in August 2004

- Became long-term bullish on crude oil prices due to maturing conventional fields, increased demand from China and India, and the lack of inventory growth
- With WTI at \$45 a barrel, we projected oil prices to reach \$80 or even \$100 a barrel over the next several years; with gasoline prices reaching US\$4.00 a gallon

## Major Bottom in Precious Metals in Late 2000

- Asserted that the 20-year secular bear market in gold and silver prices ending due to Fed easing, the unprecedented U.S. current account deficit, and most important, widespread capitulation among long-term precious metals investors
- Bought gold and silver coins at \$275 and \$4.75 an ounce, respectively
- Called for an eventual gold price of \$3,000 an ounce

## Major Peak in U.S. Technology Stocks in Early 2000

- Asserted that the structural bull market in U.S. stocks that began in 1982 was ending
- Sold all technology holdings and alerted friends, associates and relatives of the impending bear market
- Went 100% short through LEAP put options on the NASDAQ's biggest companies

<sup>\*</sup> Track record from MarketThoughts LLC and other publications