

## Collective De-Brief

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### Quote

*"An investment in knowledge pays the best interest"*

~ Benjamin Franklin

## Collective Debrief: Jan. 31st – Feb. 6th

Since we got a ton of positive feedback from our first *Collective De-Brief*, we're going to continue sending these out every week.

Going forward, expect these to be released every Thursday.

## How Self-Discipline Works

@AP shared a deep dive into self-discipline and related subjects published by Mark Manson. Here are some of the main takeaways:

We're traditionally taught from a young age that a lifestyle centered around self-discipline leads to a reflexive increase in willpower, denial of indulgences centered around the "self", and in return, we live our lives better.

Manson argues that the "classical approach" to self-discipline is flawed. He highlights how denying what is your "self" actually leads to an emotional discontinuity within your psyche which becomes omnipresent, leading to the negative of self-discipline. Manson suggests conducting a core analysis of why you feel so strongly about the subject at hand in the first place instead of just whisking it away.

He centers on a few tenets of why you should look inward:

There's nothing to numb anymore when you conduct this analysis. You're facing the issue head-on. Yes, it's more work at the start, but you force yourself to get to the bottom of it and perform serious work on the issue at hand.

Once this analysis is performed, there's no reason to punish yourself. In fact, you have a renewed sense to look after your inner self, and you also catch the tailwind of taking care of yourself.

If you want a similar perspective on this approach, pick up *The Power of Habit* by Charles Duhigg. There's good stuff on the formation of habits, and actionable advice on how habits can be broken. In short, habits are formed from the interplay of three variables; an environmental response, a resultant behavioral cue, and a reward.

As traders, we're constantly exposed to biases of the self. Exploring why we're married to these biases instead of whisking them away will lead to personal growth and the ability to achieve a sense of *actual* self-discipline.

## **Ammo, Inc. (POWW) Chatter**

We're still big Ammo, Inc. (POWW) bulls at MO. While we have a small position (~3.5% notional) at the moment, there's been some chatter in #ideas-equities regarding two pieces of news that the company released over the past week that have us feeling even better about the company.

On February 1st, the company released a statement expecting Q3 revenue of ~\$65MM, a 288% YoY increase. This announcement lends credence to the company's outlook in January expecting \$250MM in revenue for FY2022.

On Tuesday, the board of directors "authorized a share repurchase program for up to \$30 million." CEO Fred Wagenhals states:

*"With a strong balance sheet, positive cash flow, and growing revenues, we believe it is appropriate to have the option to repurchase stock if it makes sense as the best investment at that time."*



Chart-wise, the stock is still in a bear-volatile regime suggesting that a fade of the recent bounce is possible. Price action has responded favorably to the news over the past week, making higher-highs and higher-lows in addition to bouncing back above the midline for the first time in 2022. We're watching this one closely...

## Halliburton Bull Case

@Varun laid the out the case for buying the energy services company, Halliburton (HAL):

Buying some \$HAL. Small position as it's a bit extended here. Will add if it breaks out of highlighted tight consolidation/ \$32.37 level.

Fundamentals:

- EPS latest qtr +100%, Sales +32% (and accelerating last 3 qtrs), RoE 16, high liquidity
- Issues: PTM is low (5), Debt high (184%)
- Earnings set to go up 63% this year and another 31% next year. Used to trade 50+ between 2015-18 when earnings were much lower, currently \$31.50

- Technicals:
  - On the monthly chart (I know this is outside most of our TFs but still useful to look), it's showing a huge breakout, think it has a shot at that \$57.77 level this year.
  - On daily, it had a big breakout on earnings and has held those gains very well. If it gets past this tight consolidation (highlighted)/ 32.37 level, I'm expecting \$38 next

## Monthly Trade Tracker & 2022 Investment Competition

We have two trading competitions going on at the moment.

The Monthly MO Trade-Tracker is open for submission. So far, we've received entries from a few Collective members (DH & David Chislaru). Be sure to log your best trades from Jan 15th to the end of February [here](#) for a chance to win some MO Swag. This is open to everyone, and all trade types are accepted, we're ranking the returns by their R-Multiple.

On a related note, the [2022 Investment Competition](#) is open. Got what it takes to dethrone Chase, winner of last year's competition who posted an impressive 257% return?

Investment Competition Rules:

- Entries must be in by February 28th.
- Equities only. Crypto, options, and commodities/commodity ETFs aren't allowed here. If you want to play the crypto space, try your luck on a miner, or related equity for your favorite commodity.

Here, the best trades are logged by absolute return.

Let us know what you think of this edition of the "Debrief", and please let us know if you have any suggestions about its format, content, etc.