



**MY TOP 5**

# CONGRESSIONAL STOCKS OF 2024

**BUY** 

**BUY** 

**BUY** 



# **The Top Five Congressional Stocks**

And What This Means For Markets In 2024

Dear *Capitol Gains Trader*,

When we scoured databases of Congressional stock trading disclosures, one thing became clear: Washington, D.C. insiders *love* big tech stocks.

They also love big, dominant companies no matter the industry.

It makes sense, right?

These are the companies they think about when they chat with lobbyists because they're the ones big enough to afford hefty lobbying budgets.

Congress members also understand that in today's hyper-regulated environment, size is a competitive advantage.

Once upon a time, small upstarts had a fighting chance to disrupt the biggest established companies.

But those days are long gone.

Now, size is a massive advantage.

Big companies have larger market shares. They tend to have strong pricing power. They have access to low-cost bond financing. Small competitors must resort to high-interest bank loans.

Perhaps most obvious to Congressional traders: Big companies have legal, accounting, technology, and human resources advantages that smaller companies lack.

Below are the five most popular stocks in Congress. They are ranked by the number of Congress members who hold the stock. And they are huge companies.

To be clear: We do not currently recommend any of these five stocks.

But we may in the future, using the strategy we've outlined in the *Capitol Gains Trader Primer* (in the resources tab of your members area.)

Where we'll use the power of options, and our other parameters like the particular member buying a trade (and their committee assignments and rank), the date of disclosure, the size of their trade the performance study on hold periods, and a good guess as to what they might know, in order to find the optimal trade recommendations.

But you should know what the most popular stocks are in Congress right now.

Here they are...

## **#1 Congressional Stock: Apple Inc.**

**Number of Congress Members Who Have Traded: 43**

**Number of Trades Last Three Years: 238**

**Total Transaction Amount: \$16 million**

Leading the way is a company everyone recognizes, with 43 politician shareholders, is **Apple Inc. (NASDAQ: AAPL)**.

iPhone users are very loyal to their devices. Most will replace them with a new iPhone in the future.

At one point, about a decade ago, Wall Street was very worried about the risk that much cheaper Android smartphones would crush Apple's pricing power for the iPhone. But Apple has successfully carved out a dominant position. It built a premium ecosystem with apps, storage, photos, music, and video.

Apple further cemented its competitive advantage by spending on R&D and acquisitions to the point where it could design its chips for iPhones, iPads, and Macs.

Future markets with potential include the Vision Pro headset and artificial intelligence. However, Apple doesn't have much revenue in these areas yet.

Here in early 2024, Apple's revenue growth has slowed. Although it's a dominant company with a long track record of returning cash to shareholders, it's pricey relative to its near-term growth prospects.

We will watch Apple's developments with interest and see if Congress members accelerate their buying – or sell their long-held positions in Apple.

## **#2 Congressional Stock:** **Alphabet Inc.**

**Number of Congress Members Who Have Traded: 39**

**Number of Trades Last Three Years: 415**

**Total Transaction Amount: \$24 million**

Coming in second is another big tech company, with nearly 40 politicians holding it.

Although it has a bland corporate name, **Alphabet Inc. (NASDAQ: GOOGL)**, it has a valuable core product, the Google search engine.

Alphabet is technically in the communication services sector, not the technology sector. Yet, Alphabet is a high-tech company with a massive R&D budget and the heft to compete heavily in artificial intelligence.

Google controls over 90% of the worldwide online search market. This business is a cash cow because advertisers pay premiums for rankings near the top of search results.

Alphabet also owns YouTube and cloud services, which have earnings growth potential.

Some people are concerned that Chat GPT and other generative AI systems threaten Google's search business.

However, Google has years of experience gathering and making sense of vast troves of data will give it staying power.

Management made a mistake in releasing its politically correct, half-baked Gemini AI product in February 2024.

That flub may keep GOOGL stock in the penalty box for a while.

But Alphabet's continued dominance, and its ability to fix flubs in the past, means it could be an excellent buy opportunity in the future.

## **#3 Congressional Stock: Amazon.com Inc.**

**Number of Congress Members Who Have Traded: 39**

**Number of Trades Last Three Years: 306**

**Total Transaction Amount: \$10 million**

The third-most popular stock, with 39 politician owners, is a consumer-facing big tech company. **Amazon.com Inc. (NASDAQ: AMZN)** is commonly known as the "everything store."

It pioneered online retailing, grew rapidly, and is now so big that it's hard for upstarts to compete.

Although it's hard to compete with Amazon, its retail business is maturing. Its massive employee base and physical retail footprint have left it with high fixed costs. So, any slowdown in consumer retail sales could cause concerns about profits in Amazon's retail business.

Yet, Amazon's third-party logistics and web services business (AWS) has massive potential in the decades ahead.

In logistics, Amazon does not take title to inventory but acts as an intermediary, connecting sellers with buyers. It earns fees for making these connections.

In AWS, Amazon rents access to computing and software resources to business customers who want to avoid the expense and risk of running internal IT departments.

Finally, Amazon has built up such a large audience through its Prime customers that advertising has become a fast-growing, highly profitable business.

Amazon is a fine stock, but it's exposed to discretionary consumer spending which may slow in the quarters ahead. We'll keep an eye on it.

## **#4 Congressional Stock: Microsoft Corp.**

**Number of Congress Members Who Have Traded: 39**

**Number of Trades Last Three Years: 433**

**Total Transaction Amount: \$247 million**

Coming in fourth place is software and IT services giant **Microsoft Corp. (NASDAQ: MSFT)**, with 39 politicians holding the stock.

It almost had \$250 million in volume from these members of Congress.

That's likely because Microsoft is no longer just a seller of the PC Windows operating system and packaged software.

It is now a leading provider of public cloud computing solutions. Azure now has a \$58 billion revenue base. It grew an impressive 30% in 2023.

Microsoft has successfully integrated many acquisitions over the years, including LinkedIn. It's building up the Xbox gaming business and recently completed the acquisition of game developer Activision.

Microsoft is also widely considered a leader in artificial intelligence.

It's a close partner and financial supporter of OpenAI's Chat GPT. Microsoft uses Chat GPT's capabilities in applications like the Bing search engine and Copilot for Office.

It's still early days in the application of AI.

Microsoft will play a leading role in this market, but it will be competitive enough that the fervor to own Microsoft will cool, which could set up a buying opportunity later in 2024.

## **#5 Congressional Stock: JPMorgan Chase & Co.**

**Number of Congress Members Who Have Traded: 34**

**Number of Trades Last Three Years: 221**

**Total Transaction Amount: \$38.57 million**

The fifth-most popular stock, with 35 politician shareholders, is the best-run large bank in America. **JPMorgan Chase & Co. (NYSE: JPM)** is

JPMorgan Chase is a dominant force in banking. It manages nearly \$3.9 trillion in assets in four segments: consumer and community banking, corporate and investment banking, commercial banking, and asset and wealth management.

It dwarfs competitors in all of these business lines.

Congress members involved in financial regulations must be impressed with JPMorgan's size, consistent profitability, and uncanny ability to stay one step ahead of competitors in adapting to the changing bank regulatory landscape.



Although JPMorgan gets stronger in each economic and credit cycle, it must still manage daunting risks.

The most immediate one is the delayed impact of the Fed's interest rate hikes. These hikes have boosted the revenue JPMorgan earns on its floating-rate loans. However, Fed rate hikes also undermine the strength of JPMorgan's borrowers. If the economy slows in the quarters ahead, and loan defaults rise, JPM stock will likely fall.

During my presentation, I showed you how one Congresswoman from Florida, not only perfectly timed a sell on First Republic Bank just before it crashed by 98%...

But soon after, she got into J.P. Morgan suspiciously, just before it was announced that JP Morgan would be acquiring First Republic's assets for pennies on the dollar.

We'll be watching closely for a buying opportunity in this world-class bank. Especially during dicey financial periods where smaller banks look like they might be in for trouble.

As one of the too big to fail banks, activity in JP Morgan is one of a few good indicators about potential financial and banking crises or shifts.

---

As these top stocks shift, we'll update this report accordingly.

Thank you for joining us at *Capitol Gains Trader*.

Our screening system is monitoring Congressional disclosure databases for trade opportunities in stocks like the five listed above.

What does this mean for markets in 2024?

Our high-level takeaway from the Congressional trade database is that many of the most popular stocks look better in hindsight than they look going forward.

**We think the best values, and the trades with the most potential in 2024, are some big companies but are lower down the list of popular stocks.**

**We believe these lower-profile stocks will rise to the top of the popularity list in the future.**

As a team, we recognize what attracts the big money on Wall Street to buy a specific company.

We will view each Congressional stock pick through the lens of a fund manager, and identify if it's also likely to draw buying interest.

A professional second opinion on Congressional trades is what makes Capital Trader unique.

You won't find another research service like it anywhere else.

Regards,



**Peter Coyne**

Founder, *Capitol Gains Trader*



*Copyright 2024 by Coyne Control Technologies, LLC. All rights reserved. This newsletter may only be used pursuant to the subscription agreement, and any reproduction, copying or redistribution (electronic or otherwise including the World Wide Web) in whole or in part, is strictly prohibited without the express written permission of Coyne Control Technologies, LLC, 201 International Circle Suite 540, Cockeysville MD 21030. The information contained herein has been obtained from sources believed to be reliable. The accuracy of this information can't be guaranteed. Neither the publisher or the editor is a registered investment advisor. Readers should carefully review investment prospectuses and should consult an investment advisor before investing.*

**Contact Customer Care:** +1 (831) 246-7933

**Email:** [support@thecontrolplan.com](mailto:support@thecontrolplan.com)

**Website:** [www.thecontrolplan.com](http://www.thecontrolplan.com)