THE TWIN TRADES

to Buy BEFORE September 18th

The "Twin Trades" to Buy Before September 18th

Dear reader...

As September 18th inches closer, we've noticed two particular stocks that stand to benefit the most from this financial flashpoint.

As with any crisis, there are always winners and losers - those who are savvy enough to see it coming and turn it to their advantage, and those who aren't.

This report aims to help you come to the *winners'* side, and not only protect yourself, your wealth, and your family but also position your portfolio to catch incredible windfalls where most people scramble and lose.

Our proprietary system, which is designed and monitored by our top-level CFA (a title only one-fifth of U.S. financial professionals can achieve), has picked up on positive signals from these two stocks.

We predict that once September 18th rolls around and the Fed rate cut inevitably happens, you'll be one of the few "early birds" who managed to capitalize on the chaos that this event would bring.

Both of these stocks and their long-term potentials have been thoroughly analyzed in our tool, *Capitol Gains Trader*, to which you also have a subscription.

One of these stocks has been gaining more & more attention from Congress members, while the other is slowly being shunned - which I believe reflects an inaccurate assessment of its actual value.

Therefore, down below, I'd go further into why we believe that this September Fed rate cut could help you win BIG in a shorter time frame with each of these stocks, and attach the link to the corresponding *Capitol Gains Trader* article.

Whether you support the Fed rate cut or not, there's little doubt that it'd happen and therefore, would affect the financial markets in a chaotic manner. The only question is, *How?*

Flashpoint Twin Trade #1
Dominion Energy (NYSE: D)

“Continued American leadership in Artificial Intelligence is of paramount importance to maintaining the economic and national security of the United States.”

President Donald J. Trump, in *“American AI Initiative*”, 2019

It’s undebatable that a future with A.I. is coming, especially under an imminent Trump Presidency, and A.I. companies are popping up like mushrooms. Which begs the question: Which one to invest in, and which one not to?

Dominion Energy might not be the first name that comes to mind when you think about AI, but it’s poised to play a crucial role in America’s AI-driven future.

As one of the largest producers and transporters of energy in the country, Dominion is uniquely positioned to power the massive data centers that form the backbone of AI development.

Here are a few reasons why Dominion Energy could be a hidden gem in the coming AI boom...

1. Data Center Powerhouse: Dominion’s service area includes Northern Virginia, home to the world’s largest concentration of data centers. These facilities are the unsung heroes of the AI revolution, providing the computing power needed for complex AI operations.

Northern Virginia is home to the world’s largest concentration of data centers, with over 250 facilities located in the region, particularly in Loudoun County, known as “Data Center Alley.”

This area has seen power usage from these data centers double between 2018 and 2022, reaching approximately 2,767 megawatts by 2022.

Dominion has forecasted that the power capacity used by data centers could grow significantly, potentially doubling to 10 gigawatts by 2035 based on existing customer orders and contracts. This growth is driven by increasing demands for computing power, particularly for AI operations, which require substantial electricity to function effectively.

Data centers already have a notable economic footprint in Virginia, having invested

$6.8 billion in the state in 2021, supporting over 45,000 jobs and generating significant tax revenues. This means they play a vital role in the local economy, while also illustrating the growing demand for energy in the region.

2. Dividend Dynamo: With a history of consistent dividend growth, Dominion offers investors a reliable income stream that could become even more attractive if interest rates are cut.

The company has a strong track record of paying dividends, which appeals to income-focused investors.

Currently, Dominion Energy’s dividend yield is 4.73%, meaning investors would receive $4.73 in dividends per year for every $100 invested in the company’s stock. Dominion Energy’s annual dividend is $2.67 per share.

Dominion cut its dividend during the 2020 recession to strengthen its financial position and raised funds by selling non-core assets like gas pipelines. This move sets the stage for Dominion to significantly increase its quarterly dividend in the coming years.

From 2004 to 2020, Dominion’s quarterly dividend increased by 202%.

With its current dividend yield and the potential for lower Treasury yields in the second half of 2024, Dominion’s stock could climb to the high $50s. If Treasury yields decline and more investors recognize Dominion’s earnings growth, the stock’s dividend yield could decrease from 5.36% to 4.5% by October 2024.

This yield adjustment could push Dominion’s stock price to $59.50.

With ongoing infrastructure investments and a commitment to clean energy, Dominion is positioned to maintain its dividend growth, making it a compelling option for investors seeking stable income streams in a low-interest-rate environment.

3. Infrastructure Investment: Dominion’s ongoing investments in grid modernization and renewable energy projects position it well to meet the growing power demands of AI-driven technologies.

The utility has initiated major upgrades to its transmission and substation infrastructure to accommodate the growing electricity needs of data centers.

Dominion has received approval from the Virginia State Corporation Commission (SCC) for voltage optimization projects that will improve efficiency by 1% across its system. These upgrades allow for more precise voltage control, reducing energy losses and enabling more efficient delivery of electricity to customers. Dominion is

implementing a DERMS to better manage and balance power flows, and the SCC has approved Dominion’s plans to install more smart meters across its service area.

Dominion estimates its grid modernization plan could result in $3.5 billion in quantifiable benefits to customers over the 30-40 year lifespan of the assets.

Dominion is also focusing on renewable energy initiatives, including the construction of the largest offshore wind farm in the United States. These investments not only align with the company’s sustainability goals but also help to diversify its energy portfolio, ensuring a stable supply for its customers.

With that in mind, Dominion Energy stocks could potentially benefit from Fed rate cuts due to several factors…

> ***#1. Lower interest rates*** typically reduce borrowing costs for utilities, boosting their bottom line since these companies often carry significant debt.

This improved profitability, combined with the relatively stable dividends utilities offer, may make Dominion’s stock more attractive to investors seeking income in a low-yield environment.

Moreover, Dominion has substantial ongoing and planned infrastructure projects, including renewable energy initiatives like offshore wind farms and grid modernization efforts. Lower interest rates make these capital-intensive projects more economical, potentially improving the company’s long-term growth prospects.

For example, Dominion has planned significant investments, including $9.8 billion for the Coastal Virginia Offshore Wind (CVOW) project. Lower interest rates would make financing these large-scale projects more affordable

> ***#2. The lower rates could also support higher valuations for utility stocks*** and make it easier for Dominion to finance new projects, driving growth.

> ***#3. Lower rates could stimulate further data center construction*** and expansion in Dominion’s service areas, increasing electricity demand from these power-hungry facilities. This growth in demand has the potential to significantly boost Dominion’s revenues and reinforce its market position.

> ***#4. As a capital-intensive utility, Dominion carries substantial debt. Interest rate cuts could allow the company to refinance existing debt*** at lower rates, reducing interest expenses and potentially improving profitability and cash flow. This financial flexibility could support Dominion’s ongoing efforts to simplify its portfolio and focus on its core electric utility business.

To read more on how to invest in Dominion, please click to access this article here.

Flashpoint Twin Trade #2
Microsoft (NASDAQ: MSFT)

As we approach September 18th, Microsoft stands out as a key investment opportunity—but maybe not in the way you’d expect.

While Microsoft has been a giant in the tech world, particularly in AI and cloud computing, signs are pointing to its stock being overvalued.

In this report, we’ll show you why betting on a drop in Microsoft’s stock could be a smart move.

But first, let’s talk about why we think that there would be a drop.

1. Market Correction: We saw a market correction in late July that hit AI stocks, including Microsoft, particularly hard.

The recent surge in AI-related stocks, fueled by the global rush to invest in anything connected to artificial intelligence, has created a fragile market. Microsoft’s involvement in AI, especially through its partnership with OpenAI and the integration of AI into Bing and Office 365, has driven a big jump in its stock. But this rally seems to have gone too far, and a correction may be on the horizon.

While some investors doubled down after the market bottomed in early August, this could be a mistake. More people are starting to question the returns on all this AI spending, and Microsoft’s aggressive push into AI and cloud computing is starting to show some weaknesses.

Microsoft has been identified as *one of the most overbought stocks*, particularly in the context of the AI surge. Reports indicate that it ranks second among the top overbought AI stocks, with a Relative Strength Index (RSI) suggesting it is trading at overbought levels, which typically indicates that a stock may be due for a correction.

2. Signs from Congress: Our system has flagged that many savvy members of Congress, who have a history of smart trading, are starting to sell off their Microsoft shares. Over the last three years, 40 politicians have traded Microsoft stock, with a total of $300 million in transactions.

Recently, there’s been a noticeable increase in selling, with significant sales from figures like Congressman Josh Gottheimer (D-NJ) and Nancy Pelosi.

This trend among political insiders suggests growing doubts about Microsoft’s

future, especially given its heavy investments in AI and cloud infrastructure. These investments are putting pressure on Microsoft’s margins right now.

3. Unimpressive Performance: Microsoft’s stock is expensive, and its cash flow per share has been flat. The dividend yield stands at just 0.72%, and the “buyback yield,” which reflects the amount spent on stock buybacks relative to the company’s market cap, is only 0.5%.

The company’s aggressive buyback program, which boosts earnings per share, raises concerns about whether this is the best use of its money. Additionally, competition in the cloud market is heating up, with Amazon’s AWS and Google Cloud both making big moves.

As more investors scrutinize Microsoft’s AI spending, *there’s a good chance the stock could drop by 10% - 20%*. Professional investors with large holdings in Microsoft might be more likely to sell than buy in the months ahead.

So... if we factor in another Fed rate cut, then how would the future look like for Microsoft?

The answer is that it would drop even more.

#1. While some people might argue that Microsoft stocks will go up since it’s a growth stock and a crisis will only drive more investors toward growth stocks like Microsoft... We don’t believe that’s the case.

Since the market is slowly recognizing that MSFT is overvalued right now, it’s unlikely to climb even further.

#2. ***Past rate-cutting cycles have often been accompanied by declines in the stock market***, as investors react to the underlying economic conditions that prompted the cuts.

If investors perceive the rate cut as a sign of an upcoming recession, Microsoft’s stock could experience downward pressure, bringing its price down perhaps even lower than 10% - 20%.
This potential decline makes Microsoft a compelling candidate for a bearish strategy, in which you position yourself to capitalize on the upcoming shifts in the market.

To read further on my analysis of how to bet on Microsoft’s dip in stock price, click here to access this article.

Parting Words

As we approach September 18th, it’s important to remember that with every financial crisis comes both risks and opportunities. By staying informed and making strategic investments, you can protect your wealth and even benefit from the changes that are likely to occur.

The two trades we’ve discussed—Dominion Energy and Microsoft—offer different opportunities. Dominion Energy is a stable choice with growth potential in a sector that could benefit from technological advances and favorable economic conditions. On the other hand, Microsoft, despite its strong reputation, might face challenges due to market corrections and increased scrutiny on AI spending, which we can capitalize on.

Whether you’re interested in Dominion’s potential in the AI space or considering a more cautious approach with Microsoft, the key is to act wisely and don’t panic.

Thank you for trusting us with your investment decisions.

You’re either in control or being controlled,
The Control Group