

Frazier's Strategic Allocator

Avoid the big downturns and profit from the upturns



Trade Alert

January 28, 2014

SHORT-TERM TRADING PORTFOLIO

Action: **Buy Yandex**

Ticker Symbol: YNDX

Buy Price: At the Market

Allocation: 10% of the amount of your financial market assets that you plan to use for short-term trading purposes.

Action: **Buy Ambarella**

Ticker Symbol: AMBA

Buy Price: At the Market

Allocation: 10% of the amount of your financial market assets that you plan to use for short-term trading purposes.

Action: **Buy Silicon Motion Technology**

Ticker Symbol: SIMO

Buy Price: At the Market

Allocation: 5% of the amount of your financial market assets that you plan to use for short-term trading purposes.

SPECULATIVE PORTFOLIO

Action: **Buy Yandex**

Ticker Symbol: YNDX

Buy Price: At the Market

Allocation: 5% of the amount of your financial market assets that you plan to use for speculation purposes.

Action: **Buy Ambarella**

Ticker Symbol: AMBA

Buy Price: At the Market

Allocation: 5% of the amount of your financial market assets that you plan to use for speculation purposes.

Action: **Add to Silicon Motion Technology**

Ticker Symbol: SIMO

Buy Price: At the Market

Allocation: 3% of the amount of your financial market assets that you plan to use for speculation purposes.

Dear Member,

As I mentioned in my latest Weekly Update, my experienced indicates that the broad stock market sell-off that occurred over the past few days was based on false premises, with my research indicating that a potential slowdown in China's manufacturing sector will be temporary and that last week's drop in the exchange-value of Argentina's currency will have very limited, if any, negative impact on other economies around the globe.

Meanwhile, two of the stocks that I mentioned in last Sunday's Update – **Yandex (YNDX)** and **Ambarella (AMBA)** – closed yesterday at what appear to be bargain prices.

Separately, **Silicon Motion Technology (SIMO)** appears to be poised for further gains during the months ahead, with the company announcing yesterday that it expects its revenues for the year ending December 31, 2014 to rise to at least \$295.4 million, and potentially to as high as \$323.6 million. Those estimates are substantially higher than the 2014 revenue estimates provided by Wall Street analysts, with those analysts estimating, on average, that the company will generate only \$236.8 million during 2014. Even the most bullish Wall Street analyst that provides research on Silicon Motion Technology expects the company to generate only \$265 million during the year ending December 31, 2014.

On somewhat of a negative note, Silicon Motion Technology said that it expects its revenues for the quarter ending March 31, 2014 to be flat to down 10%, as compared to the quarter ended December 31, 2013, versus an average Wall Street analyst estimate of down 2%.

Because of the factors and developments mentioned above, I advise those of you who follow our Speculative Portfolio and/or our Short-term Trading Portfolio to buy the securities outlined on page 1 of this Trade Alert in accordance with my trade instructions.



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