

Three of the Best End of Year Strategies to Consider

It's time to think about year-end strategies, including:

The Dogs of the Dow

With the Dogs of the Dow, you're simply buying the highest yielding 10 Dow Jones stocks that fell out of favor, investing an equal amount in each, liquidating by January 1 of the following year, and repeating for nearly predictable rewards.

Even better, it's easy to use, and it performs well.

While 2020 wasn't a great year for the Dogs, they were up 20% in 2019. In 2018, they were up about 1%, but still beat the Dow, which fell close to 6%. In 2017, the dogs were up 19%. In 2016, they were up 16%. In 2015, they were up 2.6%.

In 2014, they were up about 11%. Better, all of the Dogs pay dividends.

As for the 2021 Dogs of the Dow, most are doing well so far. Since January 2021:

- Chevron (CVX) with a yield of 4.68% — ran from \$82 to \$115
- IBM (IBM) with a yield of 5.24% — ran from \$120 to \$126
- Dow (DOW) with a yield of 5% — ran from \$54 to \$58
- Walgreens (WBA) with a yield of 4.06% — ran from \$40 to \$48
- Verizon (VZ) with a yield of 4.83% — fell slightly from \$57 to \$53
- 3M (MMM) with a yield of 3.31% — ran from \$168 to \$180
- Cisco (CSCO) with a yield of 2.64% — ran from \$44 to \$56
- Merck (MRK) with a yield of 2.95% — ran from \$75 to \$88
- Coca-Cola (KO) with a yield of 2.98% — ran from \$52 to \$56
- JP Morgan (JPM) with a yield of 2.35% — ran from \$123 to \$170

That's a 90% win rate for the Dogs so far this year.

New Year Resolution Trades

We all make resolutions at the end of the year.

In fact, one of the biggest ones is a promise to lose weight and exercise more. Unfortunately, this doesn't always go as planned. But that doesn't stop folks from signing up for gym memberships or running over to Weight Watchers to lose extra baggage.

About 90% of us, according to Johns Hopkins Medicine make a resolution to lose weight, diet, and exercise more, which usually ends in passing on the resolution until next year.

Look at Planet Fitness (PLNT) for example.

- Between November 2017 and December 2017, PLNT ran from \$26.15 to \$34
- Between November 2018 and December 2018, it ran from \$49 to \$58
- Between November 2019 and December 2019, it ran from about \$60 to \$76
- Between November 2020 and December 2020, it ran from \$60 to \$80

It could happen again this year, too.

Even Weight Watchers (WW) could push higher, as a New Year Resolution trade. At the moment, the stock is oversold at support dating back to 2019, with over-extensions on RSI, MACD, and Williams' %R.

The Holiday Shopping Season Rally

One of the best ways to trade most holiday seasons is to buy Amazon.com (AMZN).

With the exception of 2018, the stock rises significantly prior to the big holiday shopping rush. That's because more people shop online these days. Plus, we have to keep in mind that e-commerce is only set to explode even more. According to eMarketer, global e-commerce could rise up to 21% to \$3.535 trillion. By 2021, it could run to \$5 trillion.

Or, take a look at Affirm Holdings (AFRM) – the Buy Now, Pay Later stock. With partnerships with Amazon and Target ahead of the holiday season, the stock could take off from here.

Plus, according to the company, “Seven in 10 Americans say they typically go over budget during the holidays, according to new research from the first Affirm Consumer Spend Report, Affirm’s look at what consumers are up to – and where they’re headed next. With many Americans eager to make this year’s holiday season memorable, this year is no different. Affirm discovered nearly half (48%) plan to spend more money this year because they couldn’t celebrate like they normally would last year.”