

How the Best Performing Stock of 2019 Lost 98% of its Value in a Single Day



You may have heard about ArtGo Holdings Limited in the financial news. In fact, the one-day collapse of its stock price was so dramatic, the story made it outside the business section and into some general news feeds.

In case you missed it, ArtGo, a holding company in the marble quarrying business, saw its shares on the Hong Kong exchange gain 3,744% for 2019.¹

During that time the stock had several peaks and drops, the most dramatic being the six weeks between early October and mid November where its price rose from \$2.63 per share all the way up to \$15.35, before falling to \$.50 per share in a single morning.²

According to *The Wall Street Journal*, an activist investor suspected that the stock's dramatic rise was the result of manipulation and reported it. This is currently being investigated. But since the company has not come out with any breakthrough technology for marble quarrying and transport, and has been losing money for the past two years, it's not entirely unlikely something unethical has been going on.³

The event that has been identified as the cause of the sell-off was the decision by MSCI, an industry leader in market index publishing, not to add ArtGo to its China stock tracking index. Investors began heavy selling on this news, wiping out \$5.7 billion in market value in a few hours.

There are several lessons here for the prudent investor.

The first and most obvious is: Don't speculate or concentrate on an individual stock. There are people who may have lost everything in the ArtGo crash. Having a significant portion of your nest egg invested in any single company, even one with a long track record, carries unacceptable risk. It's the opposite of diversification.

Second: Avoid chasing flashy past performance. By the time you discover a stock, fund, sector or industry that's been rapidly rising, so has the rest of the market. Trying to time your buying and selling to catch the upswing often ends up in the disappointment of buying high and selling lower.

The final lesson isn't "avoid foreign markets," but rather participate in them with the same diverse strategy you use closer to home. Owning funds that track broad markets or are structured around hundreds of stocks in specific asset categories helps avoid single-stock over concentration risk.

There will always be people eager to jump on the next skyrocketing stock, just like there will always be people willing to play blackjack against the casino. Neither is a good strategy for reliable long-term investment results.

If you have any questions about stocks, market swings, and the best ways to stay on track for your retirement, give us a call.

Have a great weekend!

Source: Efficient Advisors

Golf Tip of the Week



Tips for Golfing in the Winter

December is officially here, which means winter play is also here. If you're planning on playing outside during the cold winter months, keep these tips in mind:

- Your ball won't fly as far in the cold, so be prepared to use more club than you might normally.

- If you can, choose to walk instead of renting a cart. Walking is a great way to keep your body warm.
- Play with two balls. Keep one warm in your pocket while you play the other one, and then switch them out every hole (just don't artificially heat the ball).
- Make sure to wear multiple layers to stay warm and take off layers as needed when you start to warm up.
- Softer balls will fly farther in the cold weather, so shop for balls that compress more than the harder ones you would use in the summer.

Playing in the winter can be just as fun as playing in the summer. On many courses, the fairways will be less crowded, and you can take your time.

Tip adapted from Leading Coursesⁱ

Recipe of the Week

Super-Gooey Cinnamon Rolls



There's no time like the holidays to enjoy something warm, gooey, and totally indulgent. Enter: cinnamon rolls! Make these cinnamon rolls to impress guests, bring to your next holiday party, or just devour at home.

[10 servings]

Ingredients

For the Dough:

- 1¼ cups milk, warmed
- ½ cup sugar
- 1 Tbsp. active-dry yeast
- ½ tsp. salt
- ½ cup butter, softened
- 2 eggs

- 4½ cups bread flour

For the Filling:

- ½ cup of butter, softened
- 1 cup sugar
- 1 Tbsp. cinnamon

For the Glaze:

- ½ cup browned butter
- 3 Tbsp. whole milk
- 2 tsp. vanilla extract
- 1 tsp. cinnamon
- 3½ cups confectioner's sugar

Directions:

1. Pour the milk and half of the sugar (¼ cup) into a mixing bowl and stir together.
2. Sprinkle in the yeast and allow the mixture to sit until the yeast starts to bubble and foam, about 5 minutes.
3. Stir in the remaining sugar (¼ cup), salt, butter, and eggs. Mix until combined and begin adding the flour slowly to incorporate.
4. Once the flour is mixed in, knead it on a clean, lightly floured surface. Knead until smooth, about 7 minutes.
5. Place the dough in a lightly greased bowl, cover it with a clean, damp towel, and let it rest until the dough has doubled in size, about an hour.
6. While the dough is resting, simmer both the butter for the glaze and butter for the filling (1 cup total) in a medium saucepan until brown, about 15 to 20 minutes.
7. Divide the butter into two separate bowls and let them cool for about 20 minutes.
8. In another bowl, mix together the sugar and cinnamon for the filling (1 cup sugar, plus 1 tsp. cinnamon).
9. Once the dough has doubled in size, punch down the center and turn it onto a clean, lightly floured surface. Roll out the dough until it's about ¼-inch thick.
10. Brush the dough with browned butter from one of the bowls. Dust with the cinnamon-sugar mixture.
11. Roll the rectangle of dough until it's in the form of a log, and pinch the seam shut. With the seam side down, cut into 10 cinnamon rolls.
12. Place the cinnamon rolls into a lightly greased baking dish and cover with a clean, damp towel. Let it rest until the rolls double in size, about an hour.
13. Preheat the oven to 350° F and bake them for 25 to 30 minutes.
14. For the glaze, stir the milk, vanilla, cinnamon, confectioner's sugar, and remaining browned butter until combined. Slowly stir in the sugar.
15. Pour half the glaze over the cinnamon rolls as they cool for another 30 minutes, and save half for when they're ready to serve.

Recipe adapted from Spoon Fork Baconⁱⁱ

Health Tip of the Week



It's Okay to Say No

With all the family gatherings, company holiday parties, and obligations every weekend, the holidays are exciting, yet exhausting. But believe it or not, it's okay to say no. This time of year, it's more important than ever to take time for self-care. In fact, learning how to respectfully say no is one important part of self-care.

There's a difference between being agreeable and *too* agreeable. If you find yourself saying yes to things you don't have time to do, and continually putting yourself last, it might be good to take some time for yourself. Make sure to set healthy boundaries and politely decline invitations if it's too much for you. Don't feel bad about wanting to stay home and read a good book, take a warm bath, or meditate. Don't let the holidays overwhelm you, both mentally and physically. Taking time for yourself will benefit both!

Tip adapted from Rewire Meⁱⁱⁱ

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Our mailing address is:

Ballentine Capital Advisors
23 Buena Vista Way, Suite B
Greenville, SC 29615

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i <https://www.leadingcourses.com/blog/winter-golf-10-simple-tips/>

ii <http://www.spoonforkbacon.com/brown-butter-cinnamon-rolls/>

iii <https://www.rewireme.com/happiness/okay-say-no/>