

2021 Financial Report

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February 6, 2022

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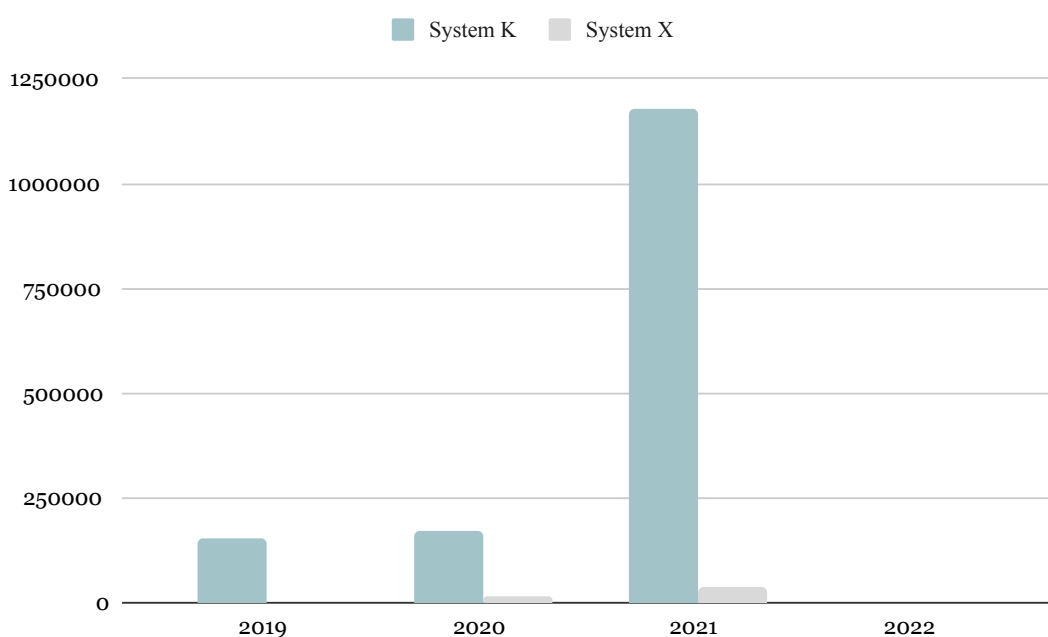
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This is the financial report of 2021 fiscal year. 2021 fiscal year is from 2021/1/8 to 2022/2/6.

1 Balance change of Systems

Table 1: Balance of System K & System X February 6, 2022

No.	FD	K	DCY	DoD	X	DCY	DoD	Total	DCY	DoD
1	2019	148229.58	-	-	-	-	-	148229.50	-	-
2	2020	167665.72	+19436.14	+13.11%	10302.47	-	-	177968.19	+29738.69	+20.06%
3	2021	1171780.91	+1004115.19	+598.88%	31894.13	+21591.66	+209.58%	1203675.04	+1025706.85	+576.34%
4	2022	-	-	-	-	-	-	-	-	-



¹2019/1/1 - 2020/3/12

²2020/3/13 - 2021/1/7

³2021/1/8 - 2022/2/6

Table 2: Compounded Annual Gain

No.	Fiscal year	S_K_change	S_X_change	Total_yearly_change	CAG
1	2019	-	-	-	-
2	2020	+13.11%	-	+20.06%	+20.06%
3	2021	+598.88%	+209.58%	+576.34%	+160.07%

Table 3: Balance of System K February 6, 2022

Type	Value in ¥	Remarks
Cash equivalents ¹	1170266.58	-
Funds account total balance	0	-
Stocks account total balance ²	1514.33	-
Total	1171780.91	-

Table 4: Balance of System X February 6, 2022

Type	Value in ¥	Remarks
Cash equivalents ³	31894.13	-
Funds account total balance	0	-
Stocks account total balance	0	-
Total	31894.13	-

¹in china merchants bank card(8808)

²in eastmoney account

³in pinan bank card(0815)

2 Overview of investment opportunities in 2021 and the future

Starting by 2007-2009, GFC forced the world into a MMT mode, global center banks started the asset purchase process. The 2020 pandemic made it even much worse. Zero rate policy was back on Mar-2020, along with the \$12m/m asset purchase by the FED. It is hard to imagine Fed would raise rate in a short time. 2009-2019: Post-GFC period => QE1, QE2, QE3, QE4(Dec, 2008-Oct, 2014, \$3.6 trillion) + 0% rate(2008-2015) rate hike to 2.5%(Dec, 2015-Dec, 2018) QT(Oct, 2017-Jul, 2019, -\$0.75 trillion)
2019-: 2019+Post-Covid-19 period == RM(2019, QE + rate cut to 1.5%), QE Infinity(Mar, 2020-2022) + 0% rate(2020-)

Why don't ECB & FED dare to raise rates?

Because the mistakes made by ECB in 2008 and 2011 & the mistakes made by the FED in 2005-2006.

Chinese stock market perspective: The 2021 lunar new year is a turning point. Maotai stock price(600519.SHH) was priced at 2601 CNY per share right on 2021/2/10, the last trade day before 2021 lunar new year.

And then after the lunar new year, Chinese stock market experienced a significant downward process.

On 2021/8/20, Maotai stock reached 1525.5 per share, dropping 41.34% in 6 months.

Keywords in China: post-lunar new year's crash, Double Reduction Policy, Evergrande crisis & real estate dilemma.

American stock market is in an insane mode. Fed begun taper by Nov and many countries began to raise rates to stop the global inflation trend.

Keywords in global market: Stagflation, Inflation, Monetary policy normalization.

My personal finance perspective: I got no chance to put money into stock market in 2021 fiscal year. The main idea is to stay low and collect money in an auto-pilot way.

CSI300 clear trend

downward trend(2018): 20180124(4389.89) - 20181227(2990.51) -31.87%

upward trend(2020-2021): 20200323(3530.31) - 20210210(5807.72) +64.51%

I'm not trying to predict the market, but I do expect a crash in 2022.

Table 5: Market watch 2021

Name	year start	year end	yearly change
CSI300	5211.29	4940.37	-5.20%
CNT	2966.26	3322.67	+12.02%
S&P500	3725.00	4766.18	+26.89%
Nasdaq	12888.28	15644.97	+21.39%
Alaotai	1998.00	2050.00	+3.57%
AAPI	132.69	177.57	+34.65%
TSIA	705.67	1070.34	+51.67%

Hunter Theory

A good investor should be like a hunter in the jungle, waiting for the best chance to pull the trigger. The key is to make the buy cost as low as possible to reduce the risk of loss and increase the rate of return at the same time. **So, always stay hungry, yet keep patient.**

Principle: Minimize risk, maximize return.

3 Useful information source

Treasury Real Yield Curve Rates: <https://data.nasdaq.com/data/USTREASURY/REALYIELD-treasury-real-yield-curve-rates>

FEDERAL RESERVE BANK OF ST. LOUIS ECONOMIC RESEARCH: <https://fred.stlouisfed.org/>

FED watch:

<https://www.cmegroup.com/trading/interest-rates/countdown-to-fomc.html>

Macrotrends: <https://www.macrotrends.net/>

TRADING ECONOMICS:

<https://tradingeconomics.com/>

Buffett Indicator: Where Are We with Market Valuations?:

<https://www.gurufocus.com/stock-market-valuations.php>

Yardeni Research:

<https://www.yardeni.com/>

GMO Research:

<https://www.gmo.com/asia/research-library/>

BERKSHIRE HATHAWAY INC.:

<https://www.berkshirehathaway.com/>

Government Pension Fund of Norway:

<https://www.nbim.no/>

4 Thoughts on the current financial situation

Before i get a job, my only way to get cash is to absorb from my dad.

I will follow the principle of "autopilot" to keep track of the money flow.

2021 is a significant fiscal year. The two systems experienced explosive growth.

Although it is still not enough to overturn the game, it gave me a chance to punch in a meaningful number of rounds when i see the buying opportunities.

Table 6: Source of the money

No.	Time	Amount	System	Source
1	Feb 9, 2021	50000	¥	new year living expenses
2	Feb 14, 2021	8100	¥	red-envelope money
3	Feb 16, 2021	10000	¥	red-envelope money
4	April 21, 2021	220000	¥	part of Jiangdian House money
5	May 1, 2021	14000	¥	relatives reward for me, mainly my great aunt
6	Jan 18, 2022	230000	¥	part of Benbu House Money
7	Jan 31, 2022	509836.85	¥	part of Benbu House Money + some red-envelope money
8	Feb 1, 2022	4000	¥	some red-envelope money
9	Feb 3, 2022	10000	¥	red-envelope money
10	Feb 5, 2022	3000	¥	new year living expenses surplus

5 Keywords

wait, watch&learn

wait for the benbu house money from 2021, Jun to 2022, Jan, at the same time wait for the bust.

keep eyes on the market, try to feel the rhythm.

Table 6 No.10 change X to K.