KEITH FITZ-GERALD'S
TOTAL Wealth

FIVE WAYS TO DOUBLE YOUR PROFIT POTENTIAL AS TESLA SETS THE ENERGY STANDARD

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Special Report
From: Keith Fitz-Gerald,
Chief Investment Strategist
For: *Total Wealth* Members

Five Ways to Double Your Profit Potential as Tesla Sets the Energy Standard

Dear *Total Wealth* Investor,

I'll be right up front.

You may not want to hear what I have to say…

You may not want to *believe* what I have to say…

And, you may not think what I'm about to say is even *possible.*

But, I guarantee you it is.

What I'm going to suggest is the equivalent of financial heresy.

It's going to run against everything you've been led to believe about which stocks are secure investments, which stocks are cash cows, and which stocks should be a part of your investment portfolio for the rest of your investing lifetime.

There is no doubt in my mind whatsoever that what I'm about to describe will happen. Nor is there any doubt about the enormous profit potential I see ahead.

Really, what I have to share with you today is a tale of two companies.

1. Those generations of investors have counted on for their income, growth, and rock-solid stability. And;
2. The single upstart that's going to put them out of business, and in the process, take millions of unsuspecting investors to the poorhouse.

Let's dive right in.

For millions of investors and most Wall Street analysts, Tesla is *just* an electric car company. That's a myopic view that will cost them dearly.

In reality, ***Tesla is the single biggest disruptor since the iPhone and a "utility killer."***

The way I see things, investing in Tesla is not just about the company itself but also about the thousands of companies it will wipe out along the way - and the enormous profit potential created as it happens.

I cannot understate how important this is because of how it impacts your money.

You've heard me talk about the "retail ice age" happening because of Amazon for years. More importantly, you've had the opportunity to rack up huge profits as Amazon rose and companies like Sears and other retailers cratered.

The same logic applies.

Tesla is at the vanguard of a titanic shift in how we use energy.

Like the iPhone, Tesla will create entirely new business models that disrupt everything from transportation to home construction.

It will confound politicians who don't understand the economics of what's happening, flabbergast academics who can't adjust their economic models fast enough, and gob-gob consumers who have yet to consider just how broad reaching the changes will be....*and how much money is up for grabs.*

People tell me all the time that the shift to electric cars and alternative energy is an incremental change.

No... it's not.

It's inevitable and it's imminent.

That means the time to position your money is *now.*

I've long recommended Tesla so presumably you've got that covered at this point.

Now, it's time to take the other side of the trade and rack up what could truly be life changing wealth.

Think I'm crazy or that this is too severe a warning?

I understand.

That's to be expected.

Yet, we've seen this before.

In 2007 I highlighted why former **Microsoft Corp.** (NasdaqGS:MSFT) CEO Steve Ballmer was making the mistake of his life when he laughed at the iPhone dismissively. He failed to recognize the new business model **Apple Inc.** (NasdaqGS:AAPL) had built into the monthly cell phone, and he would live to regret it. So would executives at Nokia, Blackberry and Palm albeit not nearly as publicly.

In 2010 I called **Sears Holding Corp.** (NasdaqGS:SHLD) one of the most "dangerous stocks" in the world because it was out of touch with its customers and completely unprepared for **Amazon.com Inc.**'s (NasdaqGS:AMZN) onslaught. I subsequently noted that Sears wouldn't be the only store to get clobbered. Since then, no retailer in the world has proved immune to the "retail ice age."

Palm, Eastern Airlines, Kodak… it doesn't matter what company you're talking about nor what industry.

The story is the same when an upstart with the financial capacity and the executive leadership needed to rewrite the rules enters the game.

...Amazon destroyed department stores

…Google devastated the Postal Service with free email

…Apple devastated wired telecoms and desktop computers at the same time

…Netflix is killing the movie business after having clobbered rental stores

Investors who buy the winners can do very well, assuming of course, they can identify which companies will come out on top.

Investors who target the losers can do even better!

Take **Tesla Inc.** (NasdaqGS:TSLA), for example.

It's a "utility killer."

Tesla's products are going to completely destroy long-held business models in highly regulated industries that haven't changed in 100 years… or more.

It's an extinction level event in industries as far ranging as transportation planning and construction.

And, potentially the kind of opportunity that can land you a series of massive paydays for years to come.

Now, don't get me wrong.

I am not a fear-monger. It's my job as Chief Investment Strategist to identify the best investment opportunities I can find for you, even if it means talking about stuff you'd rather not.

But dang it, the facts are very clear even as the opportunity is undeniable.

My team and I have spent a lot of time looking at what's happening and I don't take the situation lightly, especially when it involves the death of a company… or companies… unprepared for change.

Here are five companies primed for failure at the hands of Tesla's rise to "power" – pun absolutely intended.

Tesla Casualty #1: Dynegy Inc. (NYSE:DYN)

In May of 2017, Tesla teamed up with a one of the largest utility companies in Vermont – one that services more than 75% of the state – to provide Powerwalls as a form of backup power storage to over 270,000 residents.

The project will allow consumers to store energy when power demand is low and then feed this energy back into the grid at demand peaks.

Currently, the power necessary to supply peak demand is created by extremely expensive "peaker plants."

This is great news for individual consumers, as Tesla's Powerwall will lower utility bills by storing solar power at low usage times and dispensing it when needed.

But a partnership like this is terrible news for conventional power generating facilities in the area…

And that brings me to our first company slated for demise: **Dynegy Inc.** (NYSE:DYN).

This $10.3 billion company operates multiple power generating facilities, which currently produce more than 28,000 megawatts of electricity. That's enough to power about 22 million American homes.

Nevertheless, it could be lights out for this company very soon.

The company is planning an expansion in to New England and the greater Boston area this summer, which puts them only a few hundred miles from Tesla's recent venture.

As if that situation wasn't worrisome enough, Dynegy has an even bigger problem.

The company is operating in an antiquated market. Dynegy's primary source of revenue is power generation via coal , which creates less revenue as compared to natural gas, and creates less energy overall.

The Powerwall:

Tesla's Powerwall is a rechargeable lithium ion battery intended for home energy storage.

It stores solar energy that can be implemented as backup power, off-the-grid use, and/or to balance the supply of electricity during peak hours.

What people don't realize is that Tesla's new plans have the potential to strip away what little revenue source Dynegy has left.

Tesla recently released launched the Solar Roof, a perfect pairing for the Powerwall home battery. The coordination of these two devices will ensure that energy stored will reliably provide continuous electricity during grid failures.

As if that wasn't enough of a warning shot, Dynegy's checkered past further demonstrates one overarching trend:

This company could be on its last leg unbeknownst to investors who own it.

In 2001, Dynegy attempted to purchase Enron for $8 billion just days before the firm's shares plunged to $0.61 from a $90.56 high in August of 2000… right after they misrepresented earnings in one the largest corporate scandals in American history, costing investors an estimated $74 billion and employees over $2 billion in pensions.

That acquisition attempt alone is a hard pill to swallow, but it gets even worse.

In 2002, Dynegy almost filed for bankruptcy as some of its executives were convicted of financial fraud. Ten years later the tenor continues, the company filed for bankruptcy protection on July 6, 2012.

Miraculously, the company emerged from bankruptcy in October of 2012, but the company's outlook hasn't improved.

Most recently, in their Q2/2017 earnings report, Dynegy reported a net loss of $296 million.

And, trying to expand in Tesla's backyard – may be the final nail in the coffin.

So how do you play this?

You could consider shorting utility ETF like the **Utilities Select Sector SPDR fund** (XLU), or **the iShares U.S. Utilities ETF** (IDU).

But if you really want the profit potential that I think is possible, then you need to buy put options, and you need to do it regularly.

Action to Take:

Buy-to-open DYN puts. Choose put options that expire in about six months and have a strike price that is about $2.00 out of the money. When you enter the position, use a limit order to sell half of your position as soon as it hits a 100% gain, good till cancelled (GTC). Leave the rest of the position open for unlimited upside. Use your profits to roll over into puts that expire another six months later.

Tesla Casualty #2: Matrix Service Co. (NasdaqGS:MTRX)

Lithium-ion batteries are not only an integral part of your home, but also portable electronics like laptops and cameras. They're also widely used in electric cars.

In fact, chances are you're holding one right now if you're reading this on a smartphone, desktop, or tablet. These batteries are light, low-maintenance, and last a long time which is why they're so very popular.

Tesla's "Gigafactory 1" is a 4.9 million square-foot facility that not only manufactures Powerwalls and Powerpacks (the Powerwall's commercial counterpart), but currently produces more lithium-ion batteries than any other factory in the world.

But Tesla won't stop there by simply producing *more* batteries than its competitors. It's the rate of production that's the real killer here.

Tesla is planning to increase production to 35 giga-watt hours (GWh) of li-ion batteries by 2020, which is nearly 9x the speed of the next largest li-on producing factory.

In fact, Tesla will be opening their new Giga factory in less than 100 days. But they're going to need to secure massive amounts of fuel to keep things running.

Fortunately, timing is on their side, because one tiny North American company has discovered a treasure trove of this fuel potentially worth $20.4 billion.

And it's positioned itself to completely dominate the market. **Click here** to learn how you can take advantage of this ground-floor opportunity.

Tesla also plans to build as many as 20 more Gigafactories to produce li-on batteries across the globe. When that occurs, Tesla will be the exclusive provider of 10-20% of worldwide sustainable energy demand.

When the company completes 100 Gigafactories, *all* other utility (and related) companies will become obsolete.

Which brings us to the next company in our "utility killer's" sights, **Matrix Service Co**. (NasdaqGS: MTRX).

Matrix, a $282 million company based out of Tulsa, Oklahoma, has been struggling for some time, and Tesla's storage solutions and aspirations could seal this company's fate.

Three of Matrix's four largest operating segments are in the direct path of Tesla's growth where they are tapped into archaic electrical infrastructure and traditional oil and gas inputs, among others.

The company services existing power generation facilities by storing waste byproducts as well as providing high voltage services for investor-owned utilities.

As Gigafactory production expands, it's only a matter of time until conventional power generation facilities are rendered obsolete which means that the companies servicing and maintaining them will meet the same fate because they will have nothing to service.

Even if Matrix were to attempt the pivot to lithium-ion servicing and maintenance, I think they're taking a long walk on a short path.

In May 2017, Tesla filed a patent for battery removal stations, giving them exclusive rights to handle the task. It was subsequently published on September 14, 2017.

Matrix is already starting to see diminishing returns.

According to their most recent Q2/2017 earnings report, Matrix generated just $251.2 million in revenue as compared to $309.4 million Q2/2016. This represents an 18.8% loss over just one year.

Profits fell as well, plummeting from $27.3 million in Q2/2016 for a loss of $2.6 million over the year.

As this company continues its downward spiral, you have an opportunity to capitalize.

Action to Take:

Buy-to-open MTRX puts. Choose put options that expire in about six months and have a strike price that is about $2.00 out of the money. When you enter the position, use a limit order to sell half of your position as soon as it hits a 100% gain, good till cancelled (GTC). Leave the rest of the position open for unlimited upside. Use your profits to roll over into puts that expire another six months later.

Tesla Casualty #3: Ideal Power Inc. (NasdaqCM:IPWR)

Just under one year ago, Tesla completed major and unprecedented solar energy project: to power the entire island of Ta'u, in American Samoa, using a microgrid system of connected Powerwalls, solar panels, and related infrastructure.

The project allowed the entire island to disconnect from the traditional grid using 5,328 solar panels to catch, store, and circulate up to 1.4 Megawatts of power to the island's 600 residents.

Tesla will shift consumers to microgrids, which provide additional energy storage and reliable power dispersal. Acting as the new utility provider, by connecting a series of Powerwalls to their microgrids, Tesla can ensure that entire communities can unhook from the existing power grid, and achieve consistent access to electricity.

Image of microgrid created on the island of Ta'u in American Samoa it uses 5,328 solar panels to catch, store, and disseminate up to

1.4 Megawatts of power to the islands 600 residents. It can store three days of power and requires only seven hours of sunlight to recharge fully.

It's a powerful sign of things to come.

To date Tesla has not only converted an entire island to solar with their new microgrid product in American Samoa, but has also linked a series of Powerpacks to power a resort in the Fiji Islands and a luxury safari lodge in Africa – making it clear that the company's microgrid system is gradually becoming the new energy paradigm.

I think that could clobber one company already experiencing a shrinking market. **Ideal Power Inc**. (NasdaqCM:IPWR) acts as an intermediary between current utilities and individual power consumption. They offer a variety of power conversion products that are battery-based.

Simply put, the company services as the middle man between *you* and your energy provider, converting solar energy, for example, into usable power on the consumer level.

Ideal Power claims in their Q2/2017 earnings report that, "we shifted our strategic focus from the slow-moving standalone storage market to the solar-plus-storage and microgrid markets."

While this may seem like a prudent play – and one likely made in an attempt to keep up with Tesla – it actually positions the company a direct confrontation.

Ideal Power reported a net loss of $3.2 million for Q2/2017, a continuation of losses of $2.4 million over the same time period a year prior.

The company is also struggling to replace their legacy power invertors with a newer version that can meet new universal standards, placing them at a clear disadvantage when compared to Tesla's nimble and ongoing tech developments.

Ideal Power's "shifted focus" will need further corrective lenses if it can't see that it's no match for Tesla.

Action to Take:

Buy-to-open IPWR puts. Choose put options that expire in about six months and have a strike price that is about $2.00 out of the money. When you enter the position, use a limit order to sell half of your position as soon as it hits a 100% gain, good till cancelled (GTC). Leave the rest of the position open for unlimited upside. Use your profits to roll over into puts that expire another six months later.

Tesla Casualty #4: Helmerich & Payne Inc. (NYSE:HP)

For our next Tesla target, it's not simply the creation of the lithium-ion batteries but their application that will be their downfall.

You see, all electric cars rely on lithium-ion battery technology. With the rapid production of these batteries, electric cars will become more affordable.

That's already happening.

Tesla launched its first fully electric car, the Roadster, in 2008. The base model commanded a staggering $110,000. Today you can purchase the base model Tesla 3 for about $35,000. That's a cost reduction of just over 68% in nine years. The base price will only come down further and at an exponential rate as more batteries and cars are manufactured.

A concern for some consumers when considering a fully electric automobile is the practicality of the car.

Where does it charge?

How long does that take?

There was a time when these questions served as a roadblock for many parties interested in making the switch.

But, not anymore…

With chargers available for your home, you can plug in overnight and be ready for a 300-mile journey in just over nine hours. Or more.

Charging on the road is no problem, either.

Tesla began 2017 with more than 5,000 of their Superchargers around the world, but have plans to more than double that number by the end of the year. That 300-mile journey?

A supercharger can get you ready in just over one hour. (You've probably waited for a tow truck for longer than that.)

There are only about 1,000 Supercharger stations as of June 2017 around the world but next year Tesla intends to have as many as 15,000 in operation.

And the cost of charging?

Going down…and quickly.

Let's say your current car gets 21 miles per gallon. You pay the average per kilowatt rate of $0.12 and gasoline is currently $2.40 a gallon. To purchase the necessary gasoline to travel 300 miles, 14.29 gallons would run you $34.30.

Compare that to a $12.04 charging price, and you've got a savings of $22.26 on a single "fill up."

Plus, Tesla actually gives 400-kilowatt hours of free charging, or enough for about 1,000 miles per year.

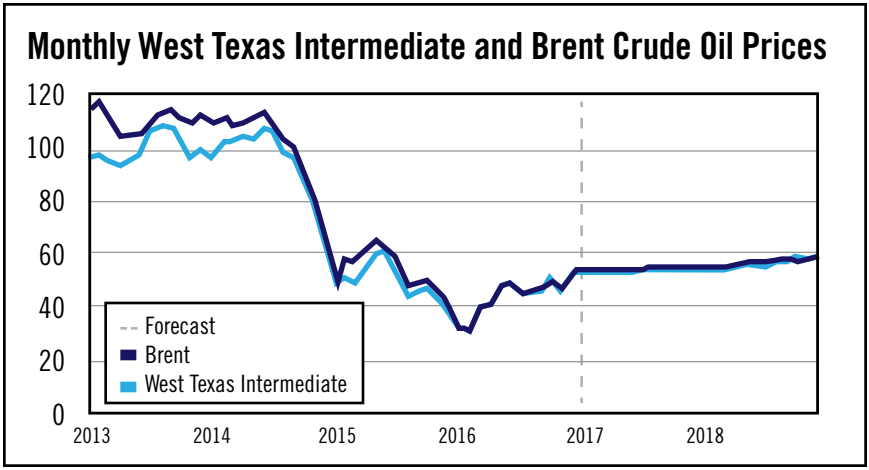
But here's where the situation gets especially profitable. As prices for fully electric cars come down, more consumers are going to make the switch, which is going to reduce oil demand.

After all, who wants to pay more at the pump when they don't have to? This very sentiment will ultimately lead to the demise of our next company.

Enter **Helmerich & Payne Inc**. (NYSE:HP).

The company reliance on drilling contracts for the oil companies puts it squarely on Tesla's radar.

The company generates the bulk of its income by drilling oil and gas wells, but these opportunities will dry up soon. Just look at U.S. oil prices over the last three years:



On June 13, 2014, oil was trading at $107.08 per barrel. On June 14, 2017 the price had dropped to $44.73 – a decline of over 58.22%.

That's great news for summer travel, bad news for Helmerich & Payne.

That's because the drop in oil prices forces rig manufacturers like Helmerich & Payne to innovate or be left behind.

The result…

In 2014, there were nearly 1,800 active land rigs in the United States. By mid-2017 there were only about 900 still in service – a fall of 50% in only three years.

It's devastating no matter which way you cut it.

While the company currently has 122 specialized rigs, with fewer contracts coming in, about 100 of these rigs are simply collecting dust.

Tesla's solutions are going to send all of Helmerich & Payne's specialized rigs to the scrapyard.

It's no wonder, then, that the company's share price has plummeted more than 30% in the last six months.

Additionally, with a scarcity of contracts, lower oil prices, and operations in a soon-to-be unnecessary sector, I'm not surprised that Helmerich & Payne has posted some horrendous earnings.

Action to Take:

Buy-to-open HP puts. Choose put options that expire in about six months and have a strike price that is about $2.00 out of the money. When you enter the position, use a limit order to sell half of your position as soon as it hits a 100% gain, good till cancelled (GTC). Leave the rest of the position open for unlimited upside. Use your profits to roll over into puts that expire another six months later.

In their Q2/2017 earnings report, the company operated at a net loss of $22 million.

As Tesla's cars reduce oil demand, and oil drilling contracts decrease, this one-two punch will be more than enough to knock Helmerich & Payne out of the markets completely.

Here's how to turn Helmerich & Payne's descent into a windfall.

Tesla Casualty #5: Canadian Solar Inc. (NasdaqGS:CSIQ)

In July of 2017, Tesla was awarded the right to provide a 100 mega-watt Powerpack system to maintain South Australia's electrical infrastructure.

To seal the deal, Tesla CEO Elon Musk even promised the South Australian government that the battery system would be up and running within 100 days – or it would be free.

South Australian Premier Jay Weatherill revealed the *true* potential of this project. He sees this historic endeavor as a way to place South Australia at the forefront in battery storage.

When it's done, Tesla will be the one company well-positioned to keep South Australia in the limelight.

Another huge victory for Tesla came when the Australian government passed a law that will require a minimum of 23.5% of Australia's electricity to be from renewable sources by 2020.

The way I see it, this gives Tesla an established foothold and provides the perfect opportunity for their newest product, the Solar Roof.

Manufactured in Gigafactories in the U.S., Tesla's latest innovation uses a series of tempered-glass tiles that, according to the company, are 3x stronger than standard roofing tiles. Most of the tiles contain photovoltaic (PV) cells to capture the Sun's energy. The company believes in the durability and strength of their tiles so completely that they even offer a "lifetime or infinity" guarantee.

It's a perfect blend of elegant design and functionality at a time when the markets are desperate for quality they can't get from traditional companies.

Compared to traditional solar panels, which often prove to be aesthetically displeasing, Tesla's Solar Roof actually looks like a roof.

The company has already unveiled two models of the Solar Roof, "Smooth" and "Textured," and plans to release two more in early 2018.

And with the Solar Roof in hand, Tesla will capture much of the growth and become the premier solar product supplier in Australia.

Which brings us to our final target, **Canadian Solar Inc.** (NasdaqGS: CSIQ). Their miniscule profit margins coupled with their use of inferior technology puts them at risk of extinction.

In Australia especially, Canadian Solar is competing directly with Tesla. The fact that Tesla was chosen to provide the power solution for South Australia means that they could easily be the new standard provider of energy in the region and beyond.

At this point, it's only a matter of time until the rest of Australia shifts to Tesla, as well.

If that wasn't bad enough, Canadian Solar provides solar power products and servicing, and the bulk of their photovoltaic cell manufacturing is done in China – a fact that could lead to a grim future very soon.

Plus, a **shocking solar discovery** outside Bern, Switzerland has unlocked a 36,000-year supply of free fuel.

In April, U.S.-based solar company, **Suniva Inc**. filed a petition under an obscure part of the 1974 U.S. Trade Act that allows the president to use tariffs, set minimum prices, or even establish production quotas if the International Trade Commission (ITC) determines the current market is detrimental to U.S. manufacturers.

While Tesla produces its PV cells in their Gigafactories in the U.S., the results of the ITC's investigation could be disastrous for companies like Canadian Solar.

If the ITC issues a ruling that declares imports harmful to U.S. manufacturers, the final decision on appropriate action will fall to President Trump. Trump has spoken extensively on safeguarding U.S. manufacturing jobs, so tariffs are not out of the realm of possibility.

…which spells bad news for Canadian Solar's bottom-line if it happens.

In Q2/2017 the company's revenue was just $677 million – a 6.25% decline from Q2/2016. These underwhelming results, competition for market share in Australia, and possible sanctions on the import of their photovoltaic cells will only expedite Canadian Solar's demise.

Let's wrap up.

Take just one more minute and imagine waking up tomorrow, a month from now, or five years from now and seeing what I've told you has happened in front of your very eyes.

You'll either be laughing all the way to the bank (which is what I hope) or crying into your pillow like most investors who will claim "they didn't see it coming."

There will be no middle ground. Don't let anyone tell you differently.

Best regards for great investing,

Keith Fitz-Gerald
Chief Investment Strategist, *Total Wealth*

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