



Portfolio Trade Alert - October 9, 2023

Trade Alert - Equity & ETF Model

This morning, we reduced Costco (COST) by 1% and the iShares Staples ETF (XLP) by 2%. [**This morning?s Commentary started**](#) with a piece on the new obesity drug Ozempic. As we wrote:

"Unfortunately for Coke, Pepsi, Mcdonald?s, and other companies, users claim they eat less food. Walmart confirmed initial reactions, saying its customers taking Ozempic and other appetite-suppressing drugs are purchasing less food."

COST shares have started slipping with other food purveyors as investors worry about the effect of the obesity drugs on their sales. Whether the drugs will meaningfully affect sales or not, the market seems bent on pricing with negative consequences.

We have owned COST shares for a long time, and this reduction in weighting is temporary until the market figures out the implications of these drugs. We are already looking to increase our weighting in COST in the future.

Equity Model

- *Reduce COST to 2% of the Portfolio.*

ETF Model

- *Reduce XLP from 9% to 7% of the Portfolio*

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