Indur-Vishni Wealth MANAGEMENT LLC

16192 Coastal Highway
Lewes, DE 19958 U.S.A.
Email: indurvishniwealth@gmail.com
Tel: UK: +44 741 144 2326 ▪ USA: +1 213 712 2803

Review of UK Banks - 2018

At Indur-Vishni Wealth Management LLC we like to present our reports in a novel way. We take the numbers seriously and we carry out a certain amount of thorough research (dude, life's too short to scrutinise every piece of guff released by the company!) but we don't obsess over it and we certainly don't lose ourselves in 'jargon diarrhoea'! The object of the year-end survey is to entertain and enlighten, not bore. So, we're going to wrap up our report in a couple of pages.

We do things differently at I-VWM: we have our own recommendations. We don't use the conventional 'Buy', 'Hold' and 'Sell'. Instead, we prefer the far more colourful 'Stay the f**k away' (S.T.F.A.), 'G.T.F.O' (you can probably figure out what the acronym stands for) and, because we're classy and we had an expensive, private education 'Carpe'!

We want our readers and clients to read 'em and weep (with laughter) but without losing sight of the fact that we'd like them to invest wisely and to not only retain their capital but also get a return on their capital. But, if you were dumb enough to buy any of these stocks at inflated prices you won't find this report amusing. We advise you to click the 'X' at the top right hand of the page!

Last week we took a shot at the U.K.'s Asset Managers. This week we set our phasers on the U.K.'s banks.

Carnage in Bankside

It's going to get worse and worse, not better.

Barclays began the year at 204.65 and finished at 150.52, that's a bear market thrashing of just under 27%! The stock is trying to push upwards but, at 161, it's still got a long wat to go before it emulates the 204.65 mark. We doubt it will get there any time soon, despite its 4% dividend. A dividend is a dangerous thing; it's like a skilful lap-dancer. She'll get you drunk and euphoric…and broke (twice over when your wife finds out!). Play the dividend, don't let the dividend play you…player. Anyway, we digress! We say **carpe** some Barclays when it drops below 140. In general, we're outright contemptuous about the U.K.'s banks and our 'C' recommendation on Barclays is guided by the fact that you can take a small position and ride it for the dividend (not because we feel the banking sector, or the U.K. for that matter, has a rosy future) but watch out for any signs of dividend cuts.

Posho favourite **Close Brothers** was down only just over 2% (that's what passes for 'Respectable' these days in the banking sector) for the year (starting the year at 1473 and finishing at 1431). We recommend **S.T.F.A** as the bank is overly exposed to the U.K.'s diminishing economic fortunes.

Leeds-based **CYBG** (parent company of Clydesdale Bank and Yorkshire Bank) was one of the banking sector's ''prison bitches'', falling a brutal 47% from beginning to end. The dividend is pathetic (1.52%) and so are the banks' prospects. **S.T.F.A.**

Erstwhile favourite of the Mexican drug cartels, **HSBC** finished the year just over 17% down for the year. With a price of 650 and a dividend just under 10% HSBC might seem like a steal but, purely on ethical and moral grounds, we're going to advocate **S.T.F.A** as House of Shits, Bastards and Crooks were knowingly involved with blood-thirsty criminals responsible for the loss of thousands of lives in Mexico and the U.S. In a just world, this bank would be stripped of its licences and shut down, like B.C.C.I. There ought to be a special place in Hell for H.S.B.C…and the members of British Government that intervened with the DoJ to save it from criminal prosecution.

Lloyds came, saw and got slaughtered to the tune of 24.55%. While British magazine Investors' Chronicle raves about Lloyds, we think they're deluded and the bank's potential over rated. It offers a 5% yield and that works out to…just over 3pence! As the Brits say often, "Bollocks to that!". **S.T.F.A**

Metro Bank's shenanigans can only be described as a very British farce. It miscalculated the amount of capital it would require to support its lending, sending its stock crashing 40%...in one day! These guys get our vote for 'Dumbasses of the Year' (title shared with the institutional and mutual fund holders of the stock). As for the stock, it finished 2018 53% down. It's fallen ANOTHER 50% since then (currently at 820). It offers no dividend. Someone take this bank out the back and put it out of its misery.

Carnage in Bankside (cont.)

Overly reliant on lending to the commercial-and-residential property sector, **One Savings Bank** predictably danced in the Conga line of ignominy, falling over 15% for the year. We're bearish on the U.K.'s property sector (heck, we're willing to wager that there are slums in Bombay sitting on land more valuable than what Buckingham Palace sits on) and any bank in a deadly embrace with the sector. So, yes, **S.T.F.A.**

With a drop of just under 22%, **Paragon Banking** was anything but. It floated down to the bottom of the barrel to join the other dregs (see above). Its exposure to similar sectors as One Savings compels us to advise to **S.T.F.A.**

In a swamp full of shiny turds**, RBS** found itself a little niche and proceeded to atrophy by almost 24%. It's hard to believe that this stock was once a shade under 60 pounds. Now, it's just a shit-eating British bank. **S.T.F.A.**

Talking of turds, next on the shit heap is **Standard Chartered** (or, should that be Charturd?), also known as the 'Bank of Iran'! It's basically a HSBC-wannabe, what with its focus on China, Commodities. Like HSBC, it even has a history of violations (that lead to it earlier this week being fined over a billion dollars by the DoJ)! We're bearish on China (which means we also see Commodities being negatively affected) and "The 'turd" is a **S.T.F.A**. stock for us.

Someone somewhere must have made a killing from shorting British banks. Good for them (but not so good for the longs eh?). We, too, are short the entire banking sector in the U.K. A lot of these banks are going to test last years lows and some might even set new lows. Can't wait for review of 2019!

We hope you enjoyed yet another no-holds-barred brief review of the year that was for British banks. We've run out of expletives so, so they say in Britain, cheerio until next time!

UK Banks 2018 Performance