

# Unveiling Your Volatility Profits Playbook: 4 Crucial Steps to Winning in Uncertain Markets

## Putting the Strategy to Work With 3 Stocks Ready to Break Out

In stable markets... patience is a virtue.

In whiplash markets like today's? Patience is expensive.

While many investors freeze in the headlights of policy chaos, we are going to get into position for a rebound with my **"Volatility Profits Playbook."**

Traditional investment wisdom fails in times like these.

Methodical dollar cost averaging...

"Set it and forget it" portfolios...

Passive buy-and-hold strategies...

They're tactics for a different battlefield. What worked in the steady bull runs of years past now leaves capital exposed to violent market swings without capturing the extraordinary opportunities those very swings create.

We stand at a rare intersection: where policy volatility meets market overreaction... where presidential tweets send trillion-dollar sectors plummeting, only for them to recover days later when the rhetoric softens. This isn't market noise – it's a signal for anyone attuned to hear it.

When retail investors panic-sell and financial media feed the frenzy, institutional players quietly accumulate positions. They recognize the fundamental disconnect between short-term policy disruptions and long-term economic trajectories.

They know that artificial volatility creates artificial discounts on real value.

My playbook isn't for the timid. It requires conviction, capital reserves, and counterintuitive action when emotions run hottest.

But for those willing to embrace strategic opportunism instead of paralyzed patience, the rewards promise to be extraordinary.

So forget everything you thought you knew about normal markets.

What we're going through isn't your garden-variety correction.

We're not experiencing a yawn-inducing policy tweak from a forgettable administration.

This is what I call an *event-driven, policy-whiplash market*... calculated by the Trump White House.

Wall Street superstar and retired hedge fund manager **Shah Gilani** is the Chief Investment Strategist of Manward Press



Shah Gilani

and at the helm of the *Manward Money Report* newsletter and the *Launch Investor* and *Alpha Money Flow* trading services. He's a sought-after market commentator and has appeared on CNBC, Fox Business, and Bloomberg TV. He's also been quoted in *The Wall Street Journal*, *The New York Times*, and *The Washington Post*, and he's had columns published in *Forbes*.

In 1982, he launched his first hedge fund from his seat on the floor of the Chicago Board Options Exchange. He worked in the pit as a market maker when options on the S&P 100 Index first began trading... and was part of a handful of traders who laid the technical groundwork for what would eventually become the CBOE Volatility Index (VIX). He also ran the futures and options division at the largest retail bank in Britain. Shah gained notoriety for calling the implosion of U.S. financial markets (*all the way back in February 2008*) AND the mega bull run that followed.

Now at the helm of Manward, Shah is focused tightly on one goal: **to do his part to make subscribers wealthier, happier, and freer.**

And it's a gold mine for those who know how to play it...

## The Roller Coaster We're Riding

No question we've been on a roller-coaster ride...

One day, it was 25% auto tariffs threatening to shatter global supply chains.

The next day, it was a sweeping 10% flat tariff slapped on *every single trading partner*.

Then came the April 2 shocker... "reciprocal" tariffs that sent equity and bond markets into a tailspin.

Investors panicked. Then President Donald Trump hit the brakes.

His 90-day tariff delay triggered the second-biggest single-day rally in stock market history.

The Nasdaq Composite surged over 12%.

Short sellers scrambled.

Momentum traders stormed in like it was Black Friday at Best Buy.

This isn't noise. It's opportunity knocking.

This administration is purposely creating chaos by flipping its messages like pancakes.

First we're going to "Make America Rich Again" with aggressive tax cuts, deregulation, and stimulus.

Then we're issuing global economy-crushing tariffs.

For investors, it's maddening.

For traders, it's paradise.

These policy pendulum swings create price dislocations and chances for us to snag exceptional companies at temporary discounts.

But you need to have a strategy to make it work...

Like my "Volatility Profits Playbook."

## Average Down and Keep Cash on Hand

In volatile times, it's crucial you don't go all-in on any position.

When you're ready to get in on a play, you want to deploy only one-third of your intended capital. Keep two-thirds in dry powder.

That gives you the flexibility to average down if we test new lows.

You don't buy everything all at once in a volatile, policy-disrupted market. You scale in.

You want ammunition ready when a stellar company dips another 10% or 15%.

This approach builds powerful positions at steep discounts. And when the fog of uncertainty lifts – as it always does – you're positioned for massive upside.

After all... this storm has an expiration date.

We're roughly six quarters away from midterms.

Trump and his Republican allies need stable, rising markets before then.

They know it, and we know it.

They'll need to trade chaos for stimulus.

That makes today's turmoil the foundation for tomorrow's bull market.

## Trade Using the 5% Rule

We've begun strategically buying into Magnificent Seven names like **Apple** (AAPL), **Amazon** (AMZN), **Alphabet** (GOOGL), **Microsoft** (MSFT), and **Meta** (META) on pullbacks.

These companies aren't just resilient... they're essential to our economic future.

But we're not passively holding these stocks. We're treating them like trades.

We'll capture gains on sharp rallies and get back in on corrections.

And don't worry about missing rallies after taking profits. Follow my 5% rule in bull markets...

*If a stock climbs 5% above our exit point in an upward-trending market, we jump back in. This prevents missing multiyear run-ups while still protecting our gains.*

Now, we're not limiting ourselves to tech. This is a multi-asset opportunity:

- **Treasury bonds:** They rally when uncertainty peaks and retreat when inflation talk heats up, making them ideal for swing trading in both directions.

- **Commodities:** Oil spikes on geopolitical chaos and drops on growth concerns. Agricultural commodities dance to supply chain and weather rhythms. We'll trade these cycles.
- **Gold and silver:** Even with a politically constrained Fed, inflation protection matters. Precious metals are our hedge.
- **The VIX:** Volatility itself becomes a tradable asset.

## Use the VIX as a Guide

Want to know when to step in? When panic peaks and the risk-reward ratio screams "Buy!" To tell that, you have to watch the VIX.

It's not just about its level. Watch its standard deviations from historical averages.

The VIX historical average is 19.5.

With a historical mean around 19.5 and a standard deviation of 8 points, a move to 35.5 (+2 standard deviations) flashes yellow. At +3 standard deviations, it's flashing red. Beyond +4, it's bleeding crimson.

That's when smart money buys. That's when I buy.

As Warren Buffett says, "Be greedy when others are fearful." And nothing measures fear better than the VIX.

## Embrace Volatility

I traded volatility from the floor of the CBOE before there was a VIX (which I had a hand in creating).

I ran the futures and options desk at a prominent British bank.

I navigated these kinds of markets, and worse, with huge hedge fund capital on the line.

Volatility doesn't scare me. It excites me. It's where fortunes materialize.

Manward subscribers don't just get my thoughts. You get my trades. My setups. My signals. My strategies.

We're going to ride this chaos to the next bull market.

And we're going to come out richer.

Yes, this is a disruptive time. The president plays policy games like it's poker night at Mar-a-Lago.

Markets will stay volatile for months, maybe quarters.

But that doesn't mean you should wait on the sidelines.

We're going to be smart, nimble, and tactical. That means we'll...

- Average down
- Keep cash ready
- Trade core positions using the 5% rule
- Use the VIX as a guide.

That's the *Manward Money Report* "Volatility Profits Playbook." So let's dive in...

This month we're targeting not one but three new opportunities: one of the nation's largest financial institutions, a company powering the AI revolution, and a small biotech using AI to identify promising drug candidates.

## Bank on This Price Move

First up is **Wells Fargo & Company** (WFC). The San Francisco-based financial services giant provides diversified banking, investment, mortgage, and consumer and commercial finance products and services in the U.S. and around the world.

The company boasts over 4,100 retail banking outlets, operating through four key segments:

- Consumer Banking and Lending
- Commercial Banking
- Corporate and Investment Banking
- Wealth and Investment Management.

Simply put, Wells Fargo has tremendous geographical reach and product depth.

Most of us remember the company's 2016 fake accounts scandal. Yet that black eye is nearly a decade gone.

Despite past scandals and regulatory baggage, Wells Fargo is quietly transforming into one of the most overlooked long-term opportunities in the financial sector today.

The bank is no longer stuck in the regulatory penalty box. Only four of the original 14 consent orders remain.

Plus, the company should be removed from the Federal Reserve's \$1.95 trillion asset cap in the first half of 2025. Once the cap is lifted, I expect a surge in higher-margin areas like corporate and investment banking.

That's a huge catalyst for future growth and profits!

And even with all these constraints, the company beat earnings estimates for 18 consecutive quarters.

Most recently, the company reported \$1.39 per share in earnings for Q1 2025, a 16% year-over-year increase that beat analyst expectations by \$0.13.

Over the past 12 months, Wells Fargo generated revenue of \$77.25 billion and net income of \$18.91 billion, boasting impressive profit and operating margins of 25.89% and 27.72%, respectively.

Its valuation is compelling too. Wells Fargo trades at price-to-sales and price-to-book ratios of 2.7X and 1.53X, respectively, far more attractive than the ratios of its main competitor, JPMorgan Chase, at 3.83X and 1.95X.

The company's balance sheet is rock-solid, closing 2024 with a strong 11.1% CET1 ratio, giving it the firepower to reward shareholders significantly.

Last year alone, the company repurchased \$20 billion in common stock – a 64% increase year over year – while boosting its dividend per share by 15%, bringing the forward yield to 2.41%.

Despite these positives, the recent market volatility knocked shares of Wells Fargo down more than 25% from its February 2025 high.

This sell-off gives us a great opportunity to scoop up shares of one of the nation's largest financial institutions at a steep discount, with a favorable valuation, a rock-solid balance sheet, and a potential regulatory catalyst right around the corner.

**Action to Take No. 1: Buy to open a one-third position in Wells Fargo & Company (NYSE: WFC) at market. We'll hold shares in the Base Builders portion of the Modern Asset Portfolio.**

## Powering the AI Revolution

Now let's shift gears to the electricity generation needed to power the data centers driving the AI revolution.

Every ChatGPT query burns through nearly 10 times the electricity of a Google search – and in that simple stat lies a multitrillion-dollar inflection point.

For decades, data centers quietly scaled up without triggering a major power surge.

Those days are over.

As AI goes mainstream and efficiency gains hit a ceiling, Goldman Sachs now projects data center power demand will soar by 160% by 2030.

To meet these power needs, there has been renewed interest in nuclear power, which brings us to **Constellation Energy Corporation (CEG)**.

Headquartered in Baltimore and incorporated in 2021, Constellation produces and sells energy products and services in the U.S. With about 31,700 megawatts of electricity-generating capacity – 70% from nuclear power – it's perfectly positioned for the AI-driven power surge.

On January 10, Constellation made a huge splash when it announced a definitive agreement to acquire private electricity heavyweight Calpine for \$26.6 billion.

Once completed, the Calpine acquisition will nearly double Constellation's power generation capacity to approximately 60 gigawatts of capacity across nuclear, natural gas, and renewables. The Calpine facilities alone have the capacity to generate 27.7 gigawatts from 79 plants, making Calpine one of the top natural gas power producers in the country.

Investors loved the Calpine news, and shares of Constellation jumped more than 25% in a single day!

Additionally, Constellation announced on September 20, 2024, a 20-year power purchasing agreement with Microsoft to restart the undamaged Three Mile Island Unit 1 through Crane Clean Energy Center. Microsoft will purchase energy from the plant to help match the power its data centers use.

Investors liked that too, driving shares of Constellation up 22.23% in a single session.

Reports of Microsoft adjusting its data center expansion plans – potentially reducing its overall capacity needs – and recent market volatility have knocked Constellation shares down by more than 40%.

Shares now trade at \$207, which is the same price they were trading at prior to the Microsoft news and Calpine news.

That's a huge discount – and a huge opportunity.

**Action to Take No. 2:** Buy to open a one-third position in **Constellation Energy Corporation** (Nasdaq: CEG) at market. We'll hold shares in the Growth and Income portion of the Modern Asset Portfolio.

## Revolutionizing Drug Discovery With AI

Now let's shift gears from banks and electricity capacity to machine learning and drug discovery.

Currently, 90% of drugs that go into clinical trials fail before they make it to patients – a staggering failure rate that **Recursion Pharmaceuticals** (RXXR) aims to dramatically reduce.

Recursion is a clinical-stage “TechBio” company using robotics paired with an AI-enabled supercomputer to perform millions of experiments every week, using real human cells, real chemicals, and real biological probes – all in an effort to identify likely successful drug candidates.

The company recorded every gene in the human genome and profiled millions of chemical compounds across multiple human cell types, creating one of the world's largest proprietary biological and chemical datasets.

Coupled with the largest supercomputer in the biopharma industry, Recursion trains generative AI and predictive models on this massive dataset to design, synthesize, and test novel molecules optimized for efficacy.

With this computational power, Recursion can search trillions of biological and chemical relationships for disease-specific opportunities, handing promising leads to its scientists for further research.

This approach enables research on an unprecedented scale and accelerates each project by several years.

That's revolutionary compared with traditional models that require years of research followed by more years of testing small groups of candidates – often proving fruitless.

This technology has already yielded 10 candidates in various clinical trial phases. Beyond its own pipeline, Recursion has partnerships with pharmaceutical giants Roche, Sanofi, Bayer, and Merck, generating approximately \$450 million in milestone payments, with the potential for another \$20 billion.

Like many early-stage biotech companies, Recursion doesn't yet turn a profit and might not for several years, but that hasn't stopped investors from paying attention.

Recursion shares traded as high as \$12.36 earlier this year before recent volatility knocked them down to \$5.50. That means we can scoop up shares of this exciting AI-biotech hybrid at a 55% discount to where they traded just two months ago.

**Action to Take No. 3:** Buy to open a one-third position in **Recursion Pharmaceuticals** (Nasdaq: RXXR) at market. We'll hold shares in the Rocket Riders portion of the Modern Asset Portfolio.

## The Market Meltdown Wasn't a Mistake... It Was the Plan

Over the past six weeks, we witnessed one of the fastest market sell-offs in history.

Stocks dropped over 20%...

Crypto lost \$3.5 trillion in market value...

Volatility spiked to the highest levels since the pandemic.

But here's the part many are missing: *NONE* of this was accidental.

This is a deliberate shift in U.S. economic policy under the Trump administration.

I call it a “controlled demolition” – the intentional economic slowdown engineered to bring inflation under control and lower U.S. government borrowing costs.

The playbook is simple: Spark chaos, pull forward a consumer slowdown, and then set the stage for stimulus and rate cuts.

It's already working.

After a 14% drop in three days, the S&P 500 ignited fears of another 2020-style meltdown.



Robert Ross



Yet, unlike the external shocks that caused past crashes, this one was self-inflicted.

Trump's "Liberation Day" tariffs – 10% across the board, 54% on China – sent shock waves through the markets.

Bond yields spiked as foreign buyers like Japan dumped Treasuries.

The VIX – the market's fear gauge – briefly surged past 50, its highest level since the COVID crash.

Why would any administration do this?

Because it needs the Fed to cut rates.

## Follow the Breadcrumbs

Treasury Secretary Scott Bessent made it plain in a recent interview: The administration wants stimulus, but it needs room to maneuver.

Crashing asset prices reduce consumption and weaken inflation expectations, giving the Fed air cover to ease.

And right on cue, the messaging shifted.

Fed Governor Christopher Waller – often seen as a policy bellwether – has signaled that cuts are likely regardless of how the tariff scenario plays out.

And the market got the message. Five rate cuts have been priced in for 2025.

At the same time, Bessent said the administration plans "much more" than just extending the Tax Cuts and Jobs Act.

Deregulation is expected to return to the front burner, and new initiatives to revive domestic energy and infrastructure are already being drafted.

Markets are beginning to sniff this out.

After bottoming out, stocks staged one of the largest single-day rallies in history.

It was a signal: A new bull phase could begin once the Fed steps in, especially for quality stocks with durable earnings power.

What does that mean for investors right now?

## You Need to Survive the Next Six Months

First, this remains a high-volatility environment, and broad indexes like the S&P 500 and Nasdaq are still below their 200-day moving averages.

We're not out of the woods yet, which means it's a time to be selective.

Companies exposed to globalization headwinds – particularly the Magnificent Seven – face ongoing pressure.

But domestic-oriented value stocks, select commodity plays, and defensive names with pricing power are in a sweet spot.

Finally, don't underestimate the tailwind of policy reversal.

If we do get rate cuts this summer – combined with a reacceleration in fiscal stimulus and corporate tax reform –

### S&P 500 After VIX Closes Above 45 for 3 Straight Days

Date	1 month later	2 months later	3 months later	6 months later	9 months later	1 year later
October 21, 1987	-7.09%	-3.42%	-5.90%	-0.76%	3.20%	7.19%
December 14, 1987	1.52%	6.38%	9.88%	13.26%	10.42%	14.17%
October 6, 2008	-4.84%	-20.03%	-11.56%	-22.83%	-16.78%	-0.21%
January 16, 2009	-7.26%	-7.77%	-2.09%	11.88%	27.94%	35.3%
February 19, 2009	-1.34%	9.13%	15.99%	27.93%	42.54%	42.39%
March 3, 2009	16.48%	26.02%	35.67%	46.57%	57.34%	60.67%
March 11, 2020	1.77%	6.89%	16.37%	23.99%	35.05%	43.70%
April 8, 2025						
<b>Average</b>	<b>-0.11%</b>	<b>2.46%</b>	<b>8.34%</b>	<b>14.29%</b>	<b>22.82%</b>	<b>29.03%</b>
<b>% Positive</b>	<b>43%</b>	<b>57%</b>	<b>57%</b>	<b>71%</b>	<b>86%</b>	<b>86%</b>

Source: Company reports

you'll want to be positioned ahead of that inflection, not after.

And you should have a few stocks and cryptocurrencies on your radar to profit from this next phase of the cycle.

## Opportunities Are Emerging... if You Know Where to Look

Panic has defined the first half of 2025.

The second half is all about positioning for the policy reversal that's coming next.

Let's start with crypto.

After a \$3.5 trillion drawdown, much of the excess has been flushed from the system.

But the high-quality names – **Bitcoin** (BTC), **Ethereum** (ETH), **Solana** (SOL), and **Algorand** (ALGO) – have not changed their long-term value propositions. If anything, the sell-off has created rare entry points for them.

Bitcoin remains the best-performing asset over the last 10 years and continues to attract institutional flows.

Ethereum, despite short-term weakness, still dominates decentralized finance and NFTs.

Solana is emerging as a serious Layer 1 competitor, with blistering speeds and growing developer activity.

And Algorand, while more under-the-radar, is building real-world utility in areas like tokenized finance and cross-border payments.

These are asymmetric bets with 3X to 5X upside over a multiyear window – especially once rate cuts begin and the liquidity tide comes back in.

On the equity side, small caps have been left for dead.

But some of these names are built to thrive in this new regime. **Aris Water Solutions** (ARIS) is a standout.

It's tariff-proof, levered to the U.S. energy boom, and boasts real profits with strong margins.

Water management will become even more critical as fracking expands under a pro-oil administration. That makes Aris a pick-and-shovel play with staying power.

**New Gold** (NGD) is another one to watch. It's a levered play on rising gold prices – a theme supported by central bank buying and the renewed appetite for hard assets as fiscal dominance returns.

Since January 2025, gold's price has surged by over 22%, offering stability even as the S&P 500 dropped 14% in three days in April.

Gold's strength comes from its reputation as a safe-haven asset amid economic uncertainty.

Increased demand from central banks and expectations of Federal Reserve rate cuts have further supported its price.

As tariffs threaten global trade and fuel inflation, gold's role as an inflation hedge has become critical.

Then there's **Innodata** (INOD) – a sleeper AI play with real traction.

The company helps train AI models through data labeling and structuring, which makes it a backbone provider for the entire space.

With AI demand still surging and stimulus likely juicing speculative risk again, this is the kind of stock that could see outsize returns.

## Little-Known AI Stock Could Be the Next Tech Giant

The biggest profits of this **\$26.5 trillion AI revolution** will NOT come from the likes of **Nvidia** (NVDA), **Microsoft** (MSFT), or any other company you've heard of. The real money is in the smallest companies with the biggest upside – the ones operating in "stealth mode" that aren't blabbering to the media or huge PR firms.

Shah has released details on these AI Stealth Stocks. The best part? They're still insanely cheap. In fact, one is trading for around \$1. For now.

Visit [www.PrivateAIBriefing.com](http://www.PrivateAIBriefing.com) to see Shah's urgent briefing.



## Steady Hands

The next six months will remain bumpy.

This is exactly the moment when great entries appear for forward-looking portfolios.

Focus on durable assets, deep value, and long-term narratives.

The Fed will cut rates.

Stimulus will return.

The cycle will turn.

Your job is to be ready for it and position yourself to profit.

In the meantime, don't swing for the fences.

Your goal is simple: Build a durable, upside-levered portfolio that can ride the cycle back up.

Trump is clearly trying to juice the economy before the midterms – and if it works, we could see new highs nobody's pricing in.

But to take advantage of that environment, you need to not blow yourself up in the meantime.

That means no leverage or margin.

If Trump's plan works, we'll make a ton of money, with new highs well in excess of where we were at the start of 2025.

### But Wait... There's More!

Keep reading the May issue online for portfolio highlights and a comprehensive view of our positions.



Visit [www.manward.co/may2025](http://www.manward.co/may2025).

## Alpesh Patel's Ratings Corner

### Coca-Cola FEMSA (NYSE: KOF)

#### Overview

Coca-Cola FEMSA is the largest franchise bottler of Coca-Cola products in the world by volume. It operates across Latin America and is yet another business using AI in many of its processes.

Its AI algorithms predict consumer demand, improve quality control and supply chain management, and analyze consumer behavior.

#### Key Metrics

Market cap	\$20B
Current price	\$93.44
Fair value	\$172
✓ Forecast P/E	14.8
CROCI	N/A
✓ Return on equity	18%
✓ Volatility	13%
✓ Return alpha	5%
✓ Sortino ratio	0.60

#### Strengths

- ✓ Its revenue growth and profitability projections are strong.
- ✓ It pays a 3.89% dividend that is well covered by earnings.
- ✓ Its geographic and product diversification lowers market risk and drives stable growth.

**Alpesh's Rating: A**

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