

The Sunday Brief																			
Value Creation Since 1/1/2019																			
Stock price as of end of trading of date shown																			
FAB FIVE		Shares outstanding (end of yr unless noted)				Stock Price (last trading day of year)				Equity Value (\$B)				Annual Change		2022 YTD PERFORMANCE			
Stock Name	Symbol	Dec-18	Dec-19	Dec-20	Dec-21	Dec-18	Dec-19	Dec-20	Dec-21	Dec-18	Dec-19	Dec-20	Dec-21	Amount	Percent	14-Apr	% change	Value Gained/Lost (\$B)	Current market cap
Apple	AAPL	4,715.3	4,373.5	16,788.0	16,319.4	\$ 155.41	\$ 293.65	\$ 131.97	\$ 177.57	\$ 733	\$ 1,284	\$ 2,216	\$ 2,898	\$ 682	31%	\$ 165.29	-7%	\$ (200)	\$ 2,697
Alphabet (Google)	GOOG	695.2	689.7	674.1	661.0	\$ 1,035.61	\$ 1,337.62	\$ 1,751.88	\$ 2,893.59	\$ 720	\$ 923	\$ 1,181	\$ 1,913	\$ 732	62%	\$ 2,545.06	-12%	\$ (230)	\$ 1,682
Microsoft	MSFT	7,672.2	7,606.0	7,542.2	7,496.9	\$ 100.09	\$ 157.70	\$ 222.42	\$ 336.32	\$ 768	\$ 1,199	\$ 1,678	\$ 2,521	\$ 844	50%	\$ 279.83	-17%	\$ (423)	\$ 2,098
Amazon	AMZN	491.2	497.8	503.6	508.8	\$ 1,501.97	\$ 1,847.84	\$ 3,256.93	\$ 3,334.34	\$ 738	\$ 920	\$ 1,640	\$ 1,697	\$ 57	3%	\$ 3,034.13	-9%	\$ (153)	\$ 1,544
Facebook	FB	2,854.0	2,850.5	2,847.6	2,765.9	\$ 131.09	\$ 205.25	\$ 273.16	\$ 336.35	\$ 374	\$ 585	\$ 778	\$ 930	\$ 152	20%	\$ 210.18	-38%	\$ (349)	\$ 581
Totals										\$ 3,333	\$ 4,911	\$ 7,492	\$ 9,959	\$ 2,467	33%			\$ (1,356)	\$ 8,603
Change										\$ 1,579	\$ 2,581	\$ 2,467							
Cumulative Change										\$ 4,159	\$ 6,626	\$ 345							
TELCO TOP FIVE																			
Stock Name	Symbol	Dec-18	Dec-19	Dec-20	Dec-21	Dec-18	Dec-19	Dec-20	Dec-21	Dec-18	Dec-19	Dec-20	Dec-21	Amount	Percent	14-Apr	% change	Value Gained/Lost (\$B)	Current market cap
AT&T	T	7,285.0	7,170.0	7,126.0	7,142.0	\$ 26.50	\$ 38.56	\$ 28.75	\$ 24.60	\$ 193	\$ 276	\$ 205	\$ 176	\$ (29)	-14%	\$ 19.54	-21%	\$ (36)	\$ 140
Verizon	VZ	4,130.0	4,140.0	4,141.0	4,197.8	\$ 53.38	\$ 60.77	\$ 58.73	\$ 51.96	\$ 220	\$ 252	\$ 243	\$ 218	\$ (25)	-10%	\$ 53.83	4%	\$ 8	\$ 226
T-Mobile	TMUS	850.2	855.6	1,241.6	1,249.3	\$ 63.61	\$ 78.42	\$ 134.85	\$ 115.98	\$ 54	\$ 67	\$ 167	\$ 145	\$ (23)	-13%	\$ 132.96	15%	\$ 21	\$ 166
Comcast	CMCSA	4,517.0	4,540.0	4,598.2	4,533.2	\$ 33.39	\$ 44.76	\$ 52.40	\$ 50.33	\$ 151	\$ 203	\$ 241	\$ 228	\$ (13)	-5%	\$ 47.58	-5%	\$ (12)	\$ 216
Charter	CHTR	225.3	214.8	193.7	172.7	\$ 284.97	\$ 485.08	\$ 661.55	\$ 651.97	\$ 64	\$ 104	\$ 128	\$ 113	\$ (16)	-12%	\$ 555.32	-15%	\$ (17)	\$ 96
Totals										\$ 683	\$ 903	\$ 985	\$ 879	\$ (105)	-11%			\$ (36)	\$ 843
Change										\$ 220	\$ 82	\$ (105)							
Cumulative Change										\$ 302	\$ 197								
Relative market cap										4.88	5.44	7.61	11.32						10.20

Thanks to the Good Friday holiday, we can release the interim value creation spreadsheet on Friday rather than Saturday. The last two weeks have been tough for the Fab Five but relatively benign (if not slightly positive, depending on how the WBD spin is viewed) for the Telco Top Five.

The Fab Five market value dipped \$773 billion in the last two weeks following a gain of \$399 billion for the two weeks ending April 1. As of April 14, the Fab Five had given up 55% of their 2021 gains. As we have stated in previous analyses, Facebook accounts for a disproportional amount of the loss (26% of the total Fab Five loss yet only 9% of the cumulative market cap heading into 2022). Apple and Amazon have suffered the least relative to their Fab Five peers.

The Telco Top Five market value is truly a tale of two expectations. On the one hand, Verizon and T-Mobile are slowly but steadily adding to 2021's ending market cap (VZ +\$8 billion year to date, TMUS +\$21 billion), while Comcast and Charter fears mount concerning broadband growth (CMCSA -\$12 billion, CHTR -\$17 billion). It's not surprising to see that the sum totals offset each other – investment conviction is tepid. Overall, the Telco Top Five lost \$36 billion over the last two weeks, but more than that consists of the spinoff of AT&T's stake in WarnerMedia (\$42 billion by our calculation using April 11th closing price).

While we will discuss in detail next Sunday in connection with AT&T's and Verizon's Q1 earnings announcements (see schedule below), it's important to recognize that T's value no longer reflects WarnerMedia (spun to shareholders, and now a part of the WBD ticker). While WBD has only been trading as a new company for a few days, the stock was largely flat in its first four trading sessions. Our expectation is that more entry/ exit will occur after earnings are digested. We want to see the revised debt levels prior to declaring the spin a success – something tells us that T was able to allocate a healthy portion of debt to WBD.

The earnings calendar for the Telco Top Five and the Fab Five is as follows:

AT&T: Next Thurs (4/21), a.m. release
 Verizon: Next Friday (4/22), a.m. release
 Microsoft: Tuesday, 4/26, p.m. release
 Alphabet: Tuesday, 4/26, p.m. release
 T-Mobile: Wednesday, 4/27, p.m. release
 Facebook: Wednesday, 4/27, p.m. release

Comcast: Thursday, 4/28, a.m. release
Amazon: Thursday, 4/28, p.m. release
Apple: Thursday, 4/28, p.m. release
Charter: Friday, 4/29, a.m. release

Finally, if you have extra time this weekend, we encourage you to watch CNBC's full interview with Andy Jassy [here](#). For some extra reading, we would advise diving into the latest producer price report [here](#) which shows that intermediate demand inflation for processed goods is still above 20%. So much for transiency.

Happy Easter and Chag Sameach!