

Stock Selections & Timing

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Now What

It would be a bit odd to get your trading information from what amounts, so far, to a (civil) war half way around the world that, so far, has not had any economic impact on the rest of the world. But if market speculators are

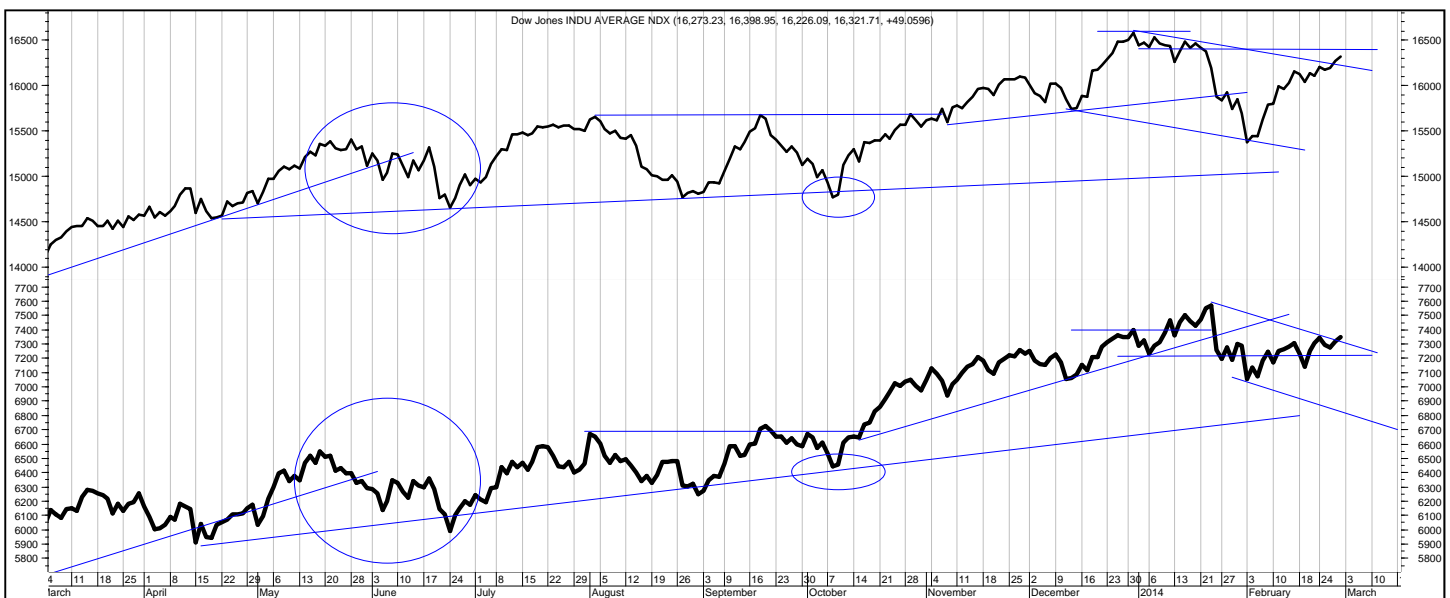
looking for an excuse to sell, that's about as good as any.

Going into this week's (Monday) selloff as I ponder these things, I've been mentioning that the investment background to the market's situation is the technical trend up within

the fundamental overvaluation. This hasn't changed.

I've also mentioned that what might happen is the economic news remains fairly good, while the stock market nonetheless declines. The ISM

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This is the daily chart of the Dow Industrials (upper) and Dow Transports (lower).

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	3.9%	18.3%	11.7%	2.7%	2.7%	-0.4%
Dow30 Portfolio	0.5%	2.8%	0.5%	0.5%	0.5%	0.1%
Index						
S&P 500 TR	1.4%	25.1%	15.1%	3.6%	4.7%	1.4%
Dow Industrials	-0.9%	15.8%	10.2%	1.3%	4.0%	1.4%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		2/28/2014						
Action Dates	Action Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 1/20	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total		
27-Jan	buy TAXI	13.22	600	7,942	GENC			9.75	7.56	10.77	2,278	24,534.06	14.0%		
this would be about 5% of total portfolio															
3-Feb	sell FULL	7.70	1,000	7,690											
3-Feb	sell IRET	>8.49	950												
3-Feb	sell O	39.92	300	11,966											
12-Feb	sell IRET	8.52	950	8,084	MCGC		10.8%	4.80	4.79	4.41	3,300	14,553.00	8.3%		
					NGPC		8.7%	7.15	7.04	7.56	2,000	15,120.00	8.6%		
18-Feb	buy GOOD	17.45	500	8,735	MVC		3.8%	14.50	12.71	14.52	1,200	17,424.00	9.9%		
this would be about 5% of total portfolio					PKY		4.3%	18.00	17.75	18.43	500	9,215.00	5.3%		
					GOOD		8.6%	17.70	17.45	17.40	500	8,700.00	5.0%		
					TAXI		6.9%	14.00	13.22	14.54	600	8,724.00	5.0%		
Above in green shows end price still below buy limit.															
Shown below is watch list for potential purchase at or below buy limit.															
Dividends												9,316.13	5.3%		
Money Market												1.00	67,893	67,893.00	38.7%
Total Valuation=												175,479.19	100.0%		

REVIEW since last issue

3/3 No changes.

2/24 No changes.

2/18 IRET was sold and I'll buy GOOD as noted above. GENC is finally getting some recognition. I raised the buy limit, though the stock is still north of it. Their q1 report was hugely positive. Infrastructure rebuild in USA and Canada here we come. May have to raise the value too from \$12.50 to north of \$15.00.

2/10 Two of the three positions were sold last week. IRET still needs to rally above the sell limit.

Incredible that WTT has made it north of \$3.50. Sold too soon evidently.

2/3 Take further profits as noted above. I'm raising cash.

1/27 WTT soared further, and we're out. Buy TAXI as noted above.

1/20 We'll attempt to take final profits out of WTT. It's been a nice ride, but appears fully valued now.

We'll buy FULL. They recently issued new stock and the price has fallen below that level. This will probably be a trade.

	2010	2011	2012	2013	ytd 2014
Stock Portfolio	12.3%	21.4	5.0	15.8	3.9
S&P 500 TR	15.0%	1.9	14.1	28.7	1.4

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

Dow 30 Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 2/28/2014						
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/3	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
10-Feb	buy	GE	25.04	200	5,018								0.0%
10-Feb	buy	IBM	177.14	30	5,324	IBM	182.00		177.14	185.10	30	5,553.00	5.1%
10-Feb	buy	JPM	56.66	95	5,393								0.0%
10-Feb	buy	TRV	82.35	65	5,363	TRV	83.00		82.35	83.84	65	5,449.60	5.0%
19-Feb	sell	GE	25.18	200	5,026	VZ	46.40		46.53	47.55	110	5,230.50	4.8%
			close below	stop of 25.50		KO	37.20		37.43	38.25	140	5,355.00	4.9%
19-Feb	buy	VZ	46.53	110	5,128								
24-Feb	buy	KO	37.43	140	5,250								
27-Feb	sell	JPM	56.75	95	5,381								
3-Mar	sell	TRV	mrkt	65									
						TO BE ADDED, IF ABOVE: BUY STOP							
						T	31.00		32.00		170		
						TO BE ADDED, IF BELOW: BUY LIMIT							
						Money Market			1.00	87,930		87,930.00	80.3%
									Total Valuation=			109,518.10	100.0%

For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials . We also will use the ETF that tracks the same. The symbol is DIA.

We monitor the underlying individual stocks for buys and sells in order to overweight the portfolio to what is expected to outperform and underweight the portfolio with what is expected to underperform.

REVIEW since last issue

3/3 Sell TRV as noted above and watch T, which is potentially setting up a new buy signal. I've raised the stops also.

2/24 KO has set itself up for a potential buy, if it closes above the buy stop as noted above.

2/18 No new buys, except for potentially VZ for this week to watch for.

2/10 I'll be the first to admit we are in a tricky situation. The timing model is on a sell signal as noted in the front page article, but there are some individual trades getting set up. I will opt to trade them as noted above. Watch the stops carefully. These, more than likely, will be trades, rather than long-term holds.

Once bought, the portfolio will be about 20% invested and 80% in cash.

2/3 Potential trades are getting set up. Will watch for reversals.

1/27 With the market's pullback, trades are now getting set up. Depending on market action, we may be sending emailed Hotline reports between the weekly issues.

New recommendations

None this week.

(Continued from page 1)

number came out stronger than expected today, but the market (DJ Industrials) is down about 180 points supposedly on the war news.

I understand one day's news and information doesn't necessarily make a trend (and I suppose one point can't make a trend), but if one is looking for these things before hand, then it is at least very interesting and reinforcing when it does happen.

As to the future, I've drawn on the front page chart a couple of down channels that may contain the next move. For this, we'll just have to see.

The World Growth Model

(WGM, shown in the ETF Selections & Timing letter) remains bullish right now. Again it is based on trends, rather than fundamentals. The reason for this is because trends may dominate fundamentals on both the upside (like today and 1999) and to the downside (like in 1982 and 2003).

For Stock Selections & Timing, I use the WGM as a backdrop to considering where the market is and where it might be going.

At the same time, it will help investors mentally to know what the fundamentals are. At market tops, the fundamental news is always good. How can you sell

when the news is good? At market bottoms, the news is always terrible. How can you buy when the news is bad? The old adage, buy low and sell high, is nothing if not accurate, but hard emotionally to correctly implement, unless you know market history and its methods.

So, is the market cheap or dear? It's expensive (dear). The news is good. Strong economy, actually getting stronger. Recession nowhere in sight. What will make it go down? A war outside our familiarity and sphere of influence? Could be.

In the meantime, see the portfolios for more information.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

Our guiding goal is to provide the most return with the least risk.

The two portfolios were started on 1/1/10 with \$100,000. Beginning in 2012 (12/31/11), the official portfolio for measuring the newsletter performance is the Stock Portfolio only.

Portfolio changes will usually be made at the close on Monday (the day this eNewsletter is posted), or if a position is stopped out, the close that day, unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Stock dividends are paid in cash. Interest is assumed to be zero for the money market (cash) position. Commission costs to buy and sell are assumed to be \$10.00 per trade.

The S&P 500 TR (total return) includes dividend reinvestment.

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