

# Stock Selections & Timing

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## Better News and Prices

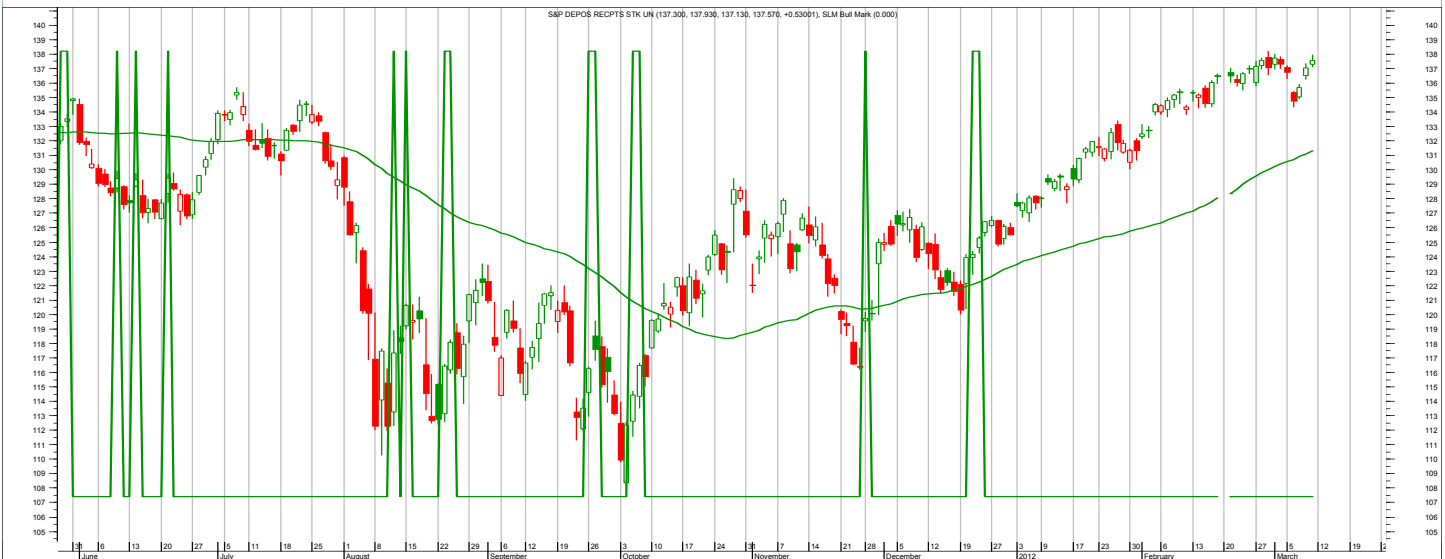
The domestic economic news is coming in a bit better than expected. Housing clearly appears to be stabilizing at these lower levels. This doesn't mean prices are heading up, but just not heading lower and wiping out more equity for homeowners or banks. Job growth is continuing. The

unemployment rate continues to decline, even as the number of people seeking jobs is expanding. The leading economic indicators continue to expand; they do not forecast a recession in sight. Consumer confidence has also picked up.

On the international front, Greece appears to have dodged

the bullet with its successful refinancing package, even if bond holders lost more than half their principle. Europe is in a recession, but the hope is it will not worsen. China has also slowed its growth pace, and the same hope is that it won't devolve into recession is wide-

*(Continued on bottom left on page 4)*



This is the daily chart of SPY (S&P 500 index). The green spikes show potential buying areas.

## SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	4.6%	11.7%	16.1%	2.8%	-0.3%	0.3%
Dow30 Portfolio	2.0%	-2.0%	2.4%	1.7%	-0.8%	-0.3%
Wilshire 5000 TR	10.2%	6.7%	20.3%	10.3%	2.2%	0.3%
Dow Industrials	5.8%	7.3%	17.6%	7.7%	0.9%	-0.4%

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# Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS					Value as of date:		3/9/2012					
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 3/12	Yield at buy	Start Price	Ending Price	# of Shares	Current Value	Percent of Total		
13-Feb	sell	ANIK	10.92	600	6,542	DRAD			1.90	2.10	1,500	3,150.00	2.2%		
13-Feb	buy	SIMG	5.49	1,500	8,245	GENC			7.53	7.06	2,078	14,670.68	10.3%		
13-Feb	buy	DRAD	<2.00			WTT			0.87	1.20	11,000	13,200.00	9.2%		
23-Feb	sell	PSEC	11.080	1,200	13,286	SIMG			5.49	5.17	1,500	7,755.00	5.4%		
29-Feb	sell	MRVL	15.00	900	13,490	PKY	9.40	3.0%							
12-Mar	buy	MRVL		900		FULL	7.00	11.9%	7.69	7.26	900	6,534.00	4.6%		
12-Mar	buy	USMO		500		USMO	13.00	7.4%							
12-Mar	buy	PKY		700		MRVL	14.00								
						ACAS	8.40		6.58	9.02	900	8,118.00	5.7%		
											Dividends	2,568.92	1.8%		
											Money Market	1.00	86,711	86,711.00	60.8%
											Total Valuation=		142,707.60	100.0%	

## REVIEW since last issue

3/12 Reenter MRVL and buy USMO and PKY as noted above. As we publish this today, GENC has had a nice bounce. Maybe it is finally getting some recognition of the huge spread between value and price.

2/27 Sold PSEC for a nice gain. It is offering new stock. Generally speaking, I still find the business development companies attractive.

2/13 Take final profits from ANIK. Raise the buy level on DRAD to 2.00. Accumulate SIMG. See page 4 for some details.

1/30 Accumulate FULL below \$7.70. Please note the tight stop raises on MRVL and ACAS.

1/17 No changes.

1/3 Reenter DRAD as noted above.

12/19 GENC reported flat earnings. Still trading below net cash. Monitor the trades as noted above.

12/5/ Subscribers should have received the emailed Hotline notifying you to buy MRVL and ACAS on

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	4.6	42.7	14.2
W5000 TR	17.7%	0.5	10.2	30.4	10.1

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:		3/9/2012			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/12 Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
28-Nov	buy	DIA	114.84	500	57,430	DIA						0.0%
8-Dec	sell	DIA	119.94	500	59,960							
23-Dec	buy	AA	<9	1,300								
23-Dec	buy	AA	8.86	1,300	11,528	HPQ	21.00					
17-Jan	buy	HPQ	26.45	400	10,590	JNJ	64.00	64.45	64.74	200	12,948.00	12.0%
						VZ	38.00	38.13	39.10	300	11,730.00	10.8%
23-Feb	sell	HPQ	27.05	400	10,810							
27-Feb	buy	VZ	38.13	300	11,449							
27-Feb	buy	JNJ	64.45	200	12,900							
5-Mar	sell	AA	9.87	1,300	12,821							
12-Mar	buy	HPQ	24.10	500	12,060							
			about 11%									
Money Market								1.00		83,469	83,469.00	77.2%
Total Valuation=											108,147.00	100.0%

Company	Symbol
Alcoa	AA
American Express	AXP
Boeing	BA
Bank of America	BAC
Catepillar	CAT
Cisco	CSCO
Chevron	CVX
DuPont	DD
Disney	DIS
GE	GE
Home Depot	HD
Hewlett Packard	HPQ
IBM	IBM
Intel	INTC
Johnson & Johnson	JNJ

Company	Symbol
JP Morgan	JPM
Kraft	KFT
Coca-Cola	KO
McDonalds	MCD
3M Company	MMM
Merck	MRK
Microsoft	MSFT
Pfizer	PFE
Proctor & Gamble	PG
ATT	T
Travelers	TRV
United Technologies	UTX
Verizon	VZ
Wal-Mart	WMT
Exxon Mobil	XOM

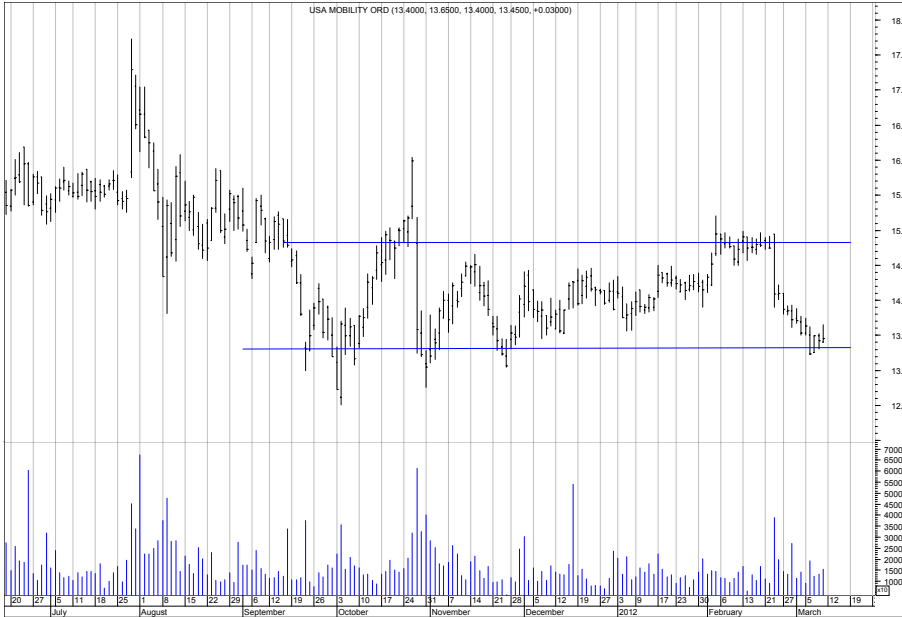
For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials. We also will use the ETF that tracks the same. The symbol is DIA.

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

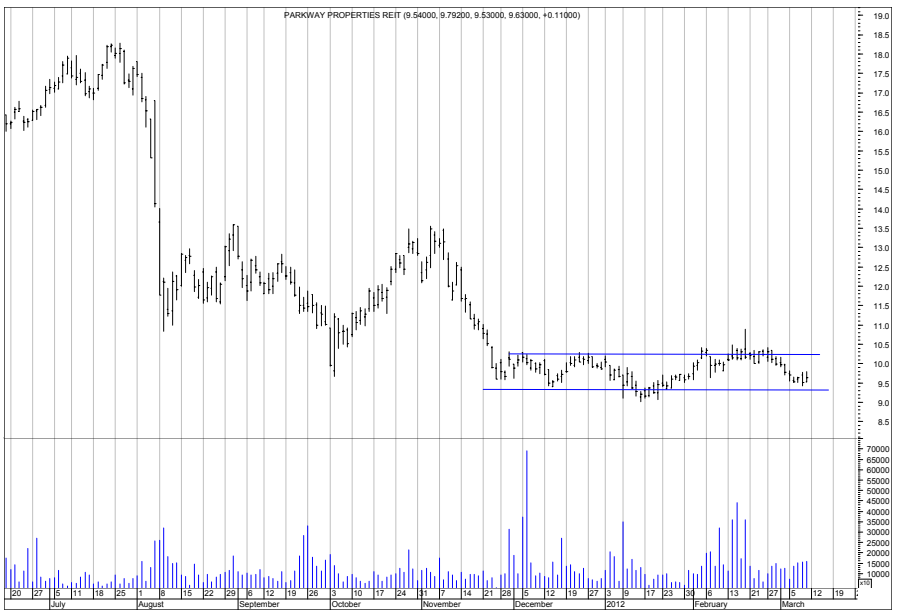
- 3/12 Time to reenter HPQ because it is "cheap".
- 2/27 Make the portfolio changes noted above. HPQ was stopped out.
- 2/13 No changes.
- 1/17 Buy HPQ as noted above.
- 1/3 No changes.

# Feature Company



## USA Mobility (USMO)

Fundamentals are improving with this company, but the stock was knocked lower. It looks like a good trade here. It yields 7.4%.  
Buy below \$14.00.



## Parkway Properties (PKY)

Insiders are buying. Company yields 3%.  
Buy below \$10.00.

*(Continued from page 1)*  
spread.

Given these things, we can understand why the stock market has rallied the past two months. For my part, I underestimated the resolve to bail out Greece. I suppose it is better to lose half one's investment than to lose all of it.

So, the news is fairly well discounted. For the market to move higher, it will require more improvement. As long as the Fed stays accommodative and the

economy stays out of recession, the market should move irregularly higher in 2012.

It is to 2013 when the elections are over that the new worry will emerge. Congress will have to address the deficit. It may do this by increasing taxes and cutting spending. Both of these measures will be negatives.

Trading value will still be the strategy going forward.

# 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, 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 Wilshire 5000 TR (total return) includes dividend reinvestment.

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