

Stock Selections & Timing

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March 24, 2014 (data through previous Friday's close)
Volume 5
Issue 12

Underlying Strength

The new chart below shows the 2014 year to date performance of the close of the Dow Jones Industrial Average (blue line) and the NYSE advance/decline line (red).

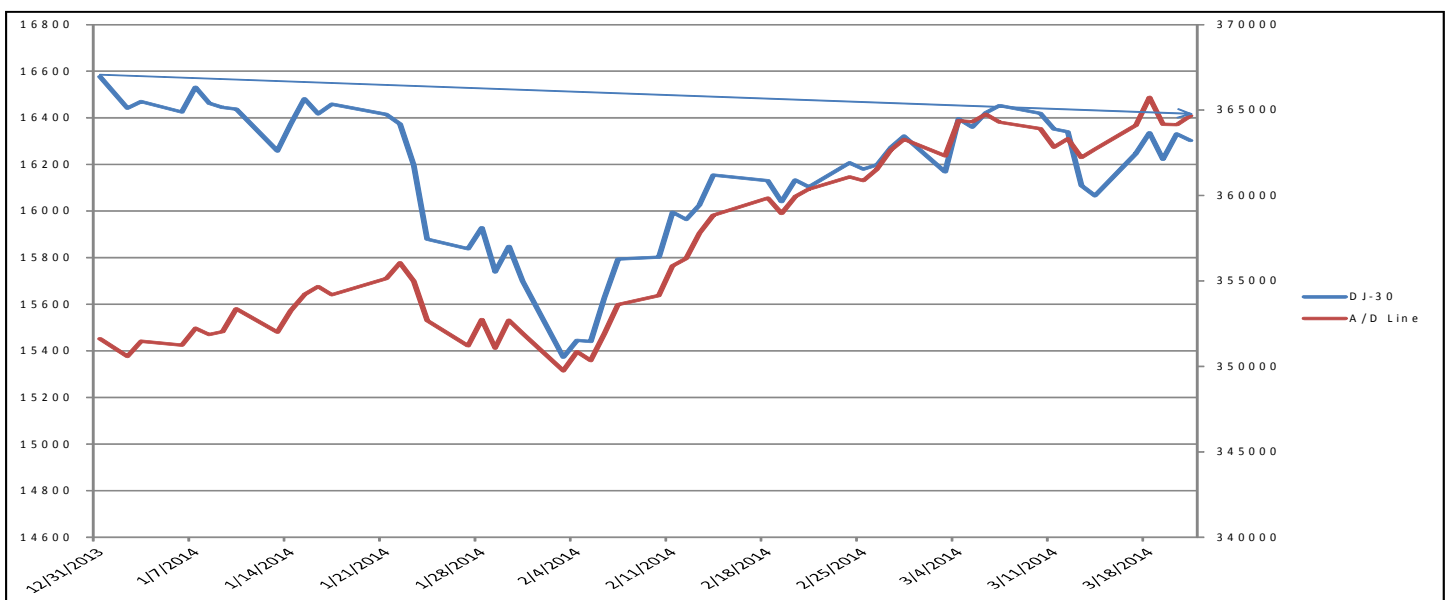
As you can see, the DJI is

not confirming the strength of the advance/decline line, just like it didn't confirm the Dow Jones Transportation Average. This too, along with various valuation measures, suggests a top-ping phase.

It is a bit unique, however,

because typically at tops it is the DJI that shows strength, while the advance/decline line lags. So, there is the possibility we get a severe correction and then another rally that reverses the current condition with the DJI

(Continued on bottom left on page 4)



This is a daily chart of the Dow Jones Industrial Average (blue, left scale) and NYSE advance/decline line (red, right scale).

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	1.3%	12.3%	4.1%	1.3%	-2.9%	-0.4%
Dow30 Portfolio	0.7%	2.3%	0.7%	0.7%	0.4%	0.5%
Index						
S&P 500 TR	1.2%	21.5%	9.6%	2.5%	1.2%	0.8%
Dow Industrials	-1.1%	12.3%	5.5%	0.5%	1.2%	1.5%

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Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date:		3/21/2014							
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	10.48	2,278	23,873.44	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%	3.00	4.79	3.60	3,300	11,880.00	6.9%		
18-Feb	buy	GOOD	17.45	500	8,735	MVC		3.8%	14.50	12.71	13.83	1,200	16,596.00	9.7%		
this would be about 5% of total portfolio																
						PKY		4.3%	18.00	17.75	18.36	500	9,180.00	5.4%		
						GOOD		8.6%	17.70	17.45	17.53	500	8,765.00	5.1%		
17-Mar	sell	NGPC	7.41	2,000	14,810	TAXI		6.9%	14.00	13.22	13.49	600	8,094.00	4.7%		
Above in green shows end price still below buy limit.																
Shown below is watch list for potential purchase at or below buy limit.																
Dividends													10,022.88	5.9%		
Money Market													1.00	82,703	82,703.00	48.3%
Total Valuation=													171,114.32	100.0%		

REVIEW since last issue

3/24 No changes.

3/17 Take profits in NGPC as noted above.

3/10 MCGC announced it was cutting its dividend. The stock has sold off hard. But it is still cheap in our estimation. We'll let things settle down and then reappraise. No other changes.

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.

	2010	2011	2012	2013	ytd 2014
Stock Portfolio	12.3%	21.4	5.0	15.8	1.3
S&P 500 TR	15.0%	1.9	14.1	28.7	1.2

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: 3/21/2014		
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/24	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
17-Mar	buy	DIA	162.34	200	32,478	DIA			162.34	162.73	200	32,546.00	29.6%	
	this will buy about 33% of total portfolio					IBM	188.40		177.14	186.67	30	5,600.10	5.1%	
17-Mar	buy	TRV	83.54	65	5,440								0.0%	
17-Mar	buy	V	223.78	25	5,605	KO	37.95		37.43	38.44	140	5,381.60	4.9%	
						PFE	31.40		31.93	32.02	160	5,123.20	4.7%	
18-Mar	buy	PFE	31.93	160	5,119	T			32.15	34.27	170	5,825.90	5.3%	
						TRV	82.50		83.54	83.78	65	5,445.70	5.0%	
24-Mar	sell	DIA		200		V	220.00		223.78	223.02	25	5,575.50	5.1%	
24-Mar	sell	T		170		TO BE ADDED, IF ABOVE: BUY STOP								
24-Mar	sell	TRV		65		TO BE ADDED, IF BELOW: BUY LIMIT								
24-Mar	sell	V		25										
									Money Market		1.00	44,301	44,301.00	40.3%
											Total Valuation=		109,799.00	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

3/24 I will take some profits and a loss as noted above. These will likely be short-term trades. The market rallied into resistance and has failed to push through. So, I will look to reenter on weakness, if it happens. T closed the gap. TRV is at the top of a trading range. V looks to be failing. Please also note the very close raised stops.

3/17 We do have some potential new buys as noted in the right box above. One position was stopped out. I am also buying DIA (the Dow 30 index ETF) with a tight stop.

3/10 No changes. With the market sell off, we may get further “set ups” to buys or we may get stopped out. We’ll just have to see.

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.

New recommendations

None this week.

(Continued from page 1)

leading and the other lagging. That would be a “normal” top signal.

As well, the confirmation of this divergence is not until both indexes close below previous lows, which were set in February.

At the same time, while the market is overvalued currently, the trends for now still remain up.

In the World Growth Model, there, there are, amongst other things, five trend inputs. Two are currently bearish and three remain bullish. It takes a majority of the five to signal a bull (buy) or bear (sell) signal.

So, as usual, it is a mixed bag with various indicators signaling

divergent views.

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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