

Stock Selections & Timing

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Hungry For Gains

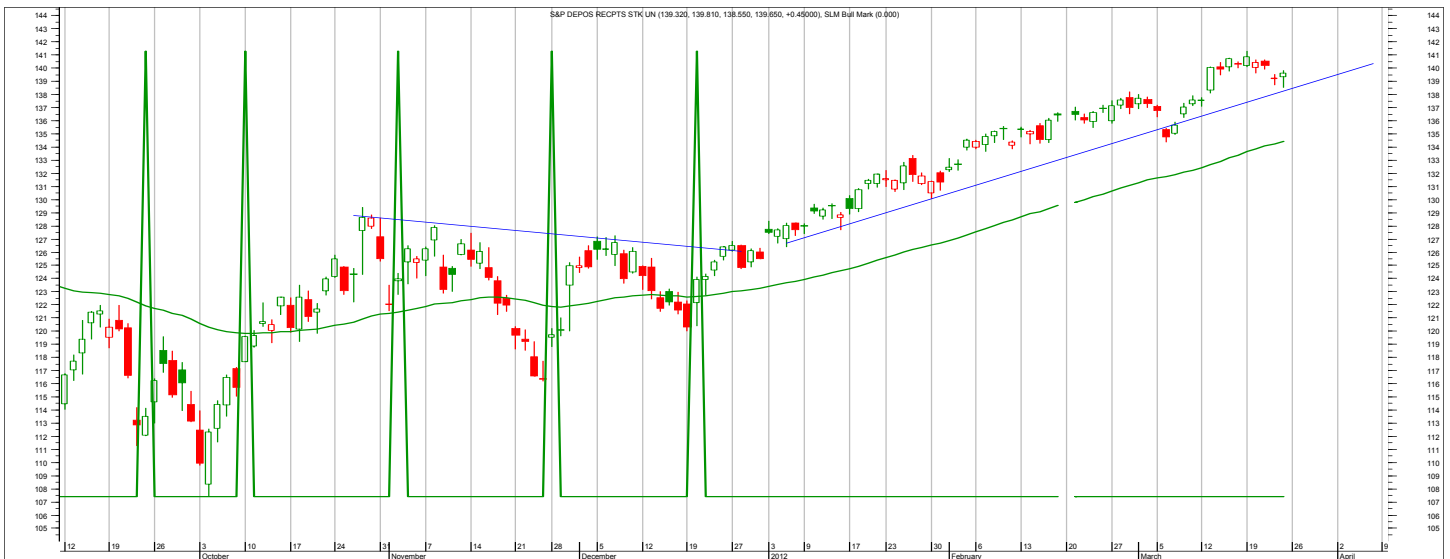
Back at Christmas time three short months ago, my son gave my other son a book *The Hunger Games*. And I'm thinking what in the world is that all about? Now I'm reminded of Peter Lynch's old general advice to consider things you're familiar with, things that might be right under

your nose. The film distributor Lions Gate (LGF) was around \$9.50/share and it's now about \$15.50/share. Nice gain. But, I have no idea whether the fundamentals were there or not. Opening weekend brought in \$155 million of sales, so that should help regardless. Need to remind myself that sometimes

the market does miss the obvious, at least in the short-term.

In the meantime, there was a short-term pullback last week. If you blinked though, you missed it. Investors slowly and surely are continuing their trek, moving away from the low risk

(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	6.7%	15.5%	22.0%	6.9%	1.4%	0.1%
Dow30 Portfolio	1.4%	-3.0%	5.4%	1.1%	-1.0%	-1.0%
Wilshire 5000 TR	12.2%	7.6%	24.8%	11.5%	2.2%	-0.4%
Dow Industrials	7.1%	7.0%	21.4%	6.4%	0.8%	-1.1%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		3/23/2012					
Action Dates	Action Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 3/19	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total	
13-Feb	sell	ANIK	10.92	600	6,542	AOSL	9.00	10.00	9.72	10.10	1,000	10,100.00	6.9%	
			>10.90			DRAD		2.00	1.90	2.10	1,500	3,150.00	2.2%	
13-Feb	buy	SIMG	5.49	1,500	8,245	GENC		8.00	7.53	7.17	2,078	14,899.26	10.2%	
			<5.50			WTT		1.00	0.87	1.21	11,000	13,310.00	9.1%	
13-Feb	buy	DRAD	<2.00			SIMG	5.98						0.0%	
23-Feb	sell	PSEC	11.08	1,200	13,286	PKY	9.40	3.0%	10.00	9.96	10.20	700	7,140.00	4.9%
29-Feb	sell	MRVL	15.00	900	13,490	FULL	7.00	11.9%	8.00	7.69	7.47	900	6,723.00	4.6%
						USMO	13.00	7.4%	14.00	13.51	13.48	500	6,740.00	4.6%
12-Mar	buy	MRVL	15.04	900	13,546	MRVL	14.00		15.40	15.04	15.84	900	14,256.00	9.8%
12-Mar	buy	USMO	13.51	500	6,765	ACAS	8.40		7.40	6.58	8.94	900	8,046.00	5.5%
12-Mar	buy	PKY	9.96	700	6,982									
intraday PKY; two others at close														
19-Mar	buy	AOSL	9.72	1,000	9,730									
			<\$10		about 7%									
19-Mar	watch	SIMG	tight stop											
20-Mar	sell	SIMG	5.890	1,500	8,825									
Dividends											2,638.22	1.8%		
Money Market											1.00	58,492	58,492.00	40.2%
Total Valuation=											145,494.48	100.0%		

REVIEW since last issue

3/26 I've included a new column to show buy limits. SIMG was stopped out last week. No new buys. GENC remains the cheapest stock out there in my estimation. Congress has until 3/31 to pass the new two-year Highway Bill or extend the old one for 3-6 months.

3/19 Note the new buy above and previous entries. Please note that MRVL and USMO were bought at the close, but PKY was bought intraday. When the Letter was posted to the web site, the stock was below the buy limit, but at the close it was above. Apparently my buy limit was too tight for some. But I do this in order to avoid "chasing" and use limits; but I may widen the buy limits going forward.

Also please note the very tight stop on SIMG. If it is a strong break out, it should not trigger the stop.

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.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	6.7	45.5	14.2
W5000 TR	17.7%	0.5	12.2	32.8	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:		3/23/2012				
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/19 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	23.00	24.04	23.63	500	11,815.00	11.0%	
17-Jan	buy	HPQ	26.45	400	10,590	JNJ	64.00	64.45	64.55	200	12,910.00	12.0%	
23-Feb	sell	HPQ	27.05	400	10,810	VZ	38.00	38.13	39.42	300	11,826.00	11.0%	
27-Feb	buy	VZ	38.13	300	11,449	UTZ	81.00	84.62	81.80	150	12,270.00	11.4%	
27-Feb	buy	JNJ	64.45	200	12,900								
5-Mar	sell	AA	9.87	1,300	12,821								
12-Mar	buy	HPQ	24.04	500	12,030								
19-Mar	buy	UTX	85.00	150	12,760								
						Money Market				1.00	58,679	58,679.00	54.6%
											Total Valuation=	107,500.00	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

3/26 No changes.

3/19 Buy UTX as noted above.

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.

Feature Company

REITERATION



Alpha & Omega Semiconductor (AOSL)

Using my proprietary selection methodology, AOSL stock price is cheap relative to its assets, liabilities, and earnings. Buy below \$10.00. But, also note the sell stop in the Growth Portfolio. The stock has pulled back to a defined base.

The company designs, develops, and sells power semiconductors worldwide for a variety of applications such as cell phones, PCs, and TVs. Sales are concentrated to a few clients, which increases risk.

First upside target is back above its recent high at \$10.50.

(Continued from page 1)

investments like Treasuries into higher risk investments like stocks. This has been taking place off and on since the bear market bottom in March, 2009.

As you can see on the chart on page one, there is a fairly well-defined up trend supporting those short-term pullbacks. People are buying the dips. As the sage said, this will continue till it doesn't.

The economic background remains positive on the domestic front, but not so strong internationally. Domestic leading eco-

nomic indicators from the Conference Board continue their up trend. There is no recession in sight for at least the next six months. Europe, however, is in a recession as they continue to grapple with sovereign debt issues. The emerging markets look relatively attractive with higher growth and less debt.

Investor sentiment is the surprise. While it continues to move toward the frothy complacency, it surprisingly isn't fully there yet. I say surprisingly because it's been a good rally, and it'd be nor-

mal to see some wildly bullish spike readings, which hasn't happened.

It's been more of a stealth rally. The only thing supporting it is the accommodative Fed and the fact that investors can't quite believe it.

So, I'll continue to look for what I consider to be undervalued situations, though I may have to expand that definition to include the assessment, has the market recognized a huge impact just around the corner.

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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