

Stock Selections & Timing

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April 2, 2012 (data through previous Friday's close)
Volume 3
Issue 9

Trending Up

The stock market continues its trek higher with minor two or three day pullbacks. It is definitely a switch from last year's volatile wild ride.

The background for the move is now fairly well known. While China's economy is slowing, it is not to say it is in

recession. Europe and the IMF bailed out to a degree Greece; another liquidity domino disaster was averted. The Federal Reserve is also maintaining its easy money stance. It is emphasizing it's less well-known second half of its dual mandate, which is full employment. They have evidently projected this

will not happen until 2015, since they have maintained their intent to keep interest rates low at least through the end of 2014. They have also extended "operation twist" whereby they sell short-term paper and buy longer dated bonds. At this stage, for all we know, they

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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	6.5%	15.4%	22.6%	6.5%	2.1%	-0.2%
Dow30 Portfolio	1.6%	-4.2%	5.3%	1.6%	-0.8%	0.2%
Wilshire 5000 TR	13.1%	6.6%	26.6%	13.1%	2.9%	0.7%
Dow Industrials	8.1%	6.7%	21.1%	8.1%	1.8%	1.0%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		3/30/2012					
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	9.62	1,000	9,620.00	6.6%	
			>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	7.00	2,078	14,546.00	10.0%	
			<5.50			WTT		1.00	0.87	1.23	11,000	13,530.00	9.3%	
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	10.48	700	7,336.00	5.1%
29-Feb	sell	MRVL	15.00	900	13,490	FULL	7.00	11.9%	8.00	7.69	7.65	900	6,885.00	4.7%
12-Mar	buy	MRVL	15.04	900	13,546	USMO	13.00	7.4%	14.00	13.51	13.93	500	6,965.00	4.8%
12-Mar	buy	USMO	13.51	500	6,765	TAXI	10.00	7.1%	11.50			650		
12-Mar	buy	PKY	9.96	700	6,982	MRVL	14.00		15.40	15.04	15.73	900	14,157.00	9.7%
intraday PKY; two others at close						ACAS	8.40		7.40	6.58	8.68	900	7,812.00	5.4%
19-Mar	buy	AOSL	9.72	1,000	9,730							2,763.22	1.9%	
			<\$10		about 7%									
19-Mar	watch	SIMG	tight stop											
20-Mar	sell	SIMG	5.890	1,500	8,825									
2-Apr	buy	TAXI	11.32	650								58,492	40.3%	
			about 5%									1.00		
										Total Valuation=		145,256.22	100.0%	

REVIEW since last issue

4/2 WTT reported excellent results and I may increase its buy limit. The Highway Bill was extended 90 days, rather than for the 2 or 5 years hoped for (GENC).

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.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	6.5	45.3	14.2
W5000 TR	17.7%	0.5	13.1	33.8	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:		3/30/2012				
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
						DIA							0.0%
28-Nov	buy	DIA	114.84	500	57,430								
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	23.83	500	11,915.00	11.1%
						JNJ	64.00		64.45	65.96	200	13,192.00	12.2%
17-Jan	buy	HPQ	26.45	400	10,590	VZ	38.00		38.13	38.23	300	11,469.00	10.6%
						UTX	81.00		84.62	82.94	150	12,441.00	11.6%
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	24.04	500	12,030								
19-Mar	buy	UTX	85.00	150	12,760								
						Money Market							
									1.00		58,679	58,679.00	54.5%
												Total Valuation=	107,696.00
													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

4/2 No changes.

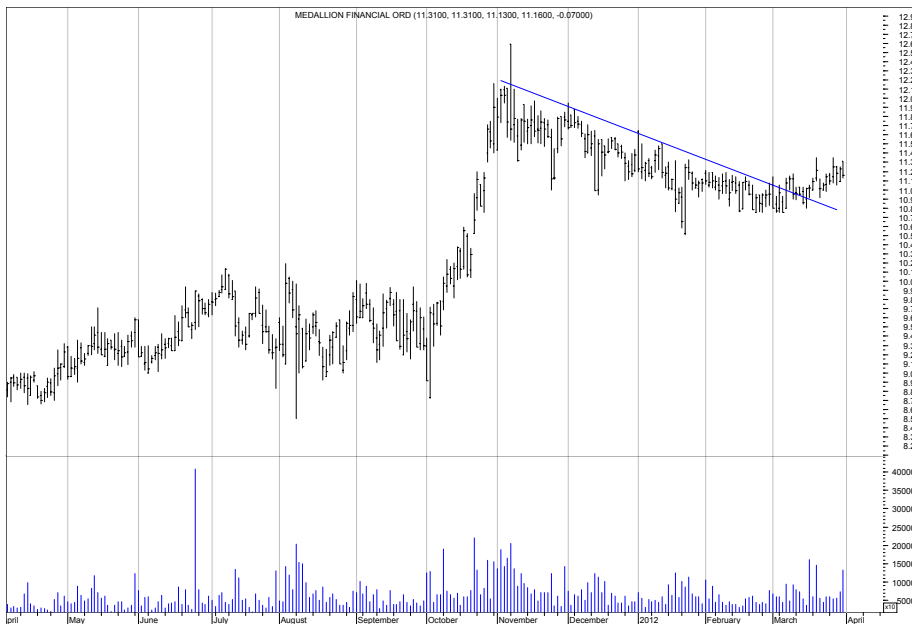
3/26 No changes.

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.

Feature Company



Medallion Financial (TAXI)

This company issues and finances taxi medallions in New York, Chicago, and other locals. It is a very interesting, stable business. It yields 7.1%. It just increased it.

For 2011, they earned \$1.09 per share, the highest since 1999. But the stock price does not reflect this achievement.

Accumulate below \$11.50.

(Continued from page 1)

might keep rates low out to 2016 even.

All of this liquidity needs a home. And right now, it is going into stocks. As mentioned, this will continue until it stops. This sounds trite, but it is true. How will we know?

One measure is investor sentiment. Are investors and advisors wildly bullish? This would signal at least an intermediate-term pullback. But measures

have not reached to extreme zones.

So, odds are, the market keeps climbing as everyone climbs aboard, until everyone is bullish. At that point, the buying would be over.

In the meantime, I keep waiting from some pullbacks in which to buy. But they are very shallow and infrequent.

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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