

Stock Selections & Timing

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Push and Pull

The American consumer continues to make a comeback. Retail sales picked up in the most recent reporting period through March. They jumped 0.8% versus an expected 0.4%. Consumers account for some 70% of GDP, so this is a positive. It suggests that the Fed will not move to

flood the markets with another quantitative easing. But, this is not to say they will abandon their late 2014 target of keeping interest rates down. After all, just last week the jobs report came in weaker than expected. Payrolls increased 120,000, but expectations were for another 200,000 plus report. We live in

a push pull world right now.

Likewise is the conflicting economic news from Europe versus the domestic economy. They are in a recession, yet we are moving in expansion. China has slowed, but this just means growth of some 5% versus 8%.

It is the same with investor

(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	4.4%	12.5%	14.5%	2.6%	-2.1%	-1.3%
Dow30 Portfolio	0.7%	-5.4%	2.1%	-0.7%	-1.7%	-0.1%
Wilshire 5000 TR	10.0%	4.7%	13.9%	7.0%	-2.4%	-2.0%
Dow Industrials	5.2%	4.1%	10.4%	3.4%	-2.9%	-1.6%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		4/6/2012					
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	
12-Mar	buy	MRVL	15.04	900	13,546	AOSL	9.00						0.0%	
12-Mar	buy	USMO	13.51	500	6,765	DRAD		2.00	1.90	2.02	1,500	3,030.00	2.1%	
12-Mar	buy	PKY	9.96	700	6,982	GENC		8.00	7.53	6.98	2,078	14,504.44	10.2%	
intraday PKY; two others at close						WTT		1.00	0.87	1.25	11,000	13,750.00	9.7%	
						SIMG	5.98						0.0%	
19-Mar	buy	AOSL	9.72	1,000	9,730									
		<\$10			about 7%									
19-Mar	watch	SIMG	tight stop			PKY	9.40	3.0%	10.00	9.96	9.95	700	6,965.00	4.9%
20-Mar	sell	SIMG	5.890	1,500	8,825	FULL	7.00	11.9%	8.00	7.69	7.47	900	6,723.00	4.7%
2-Apr	buy	TAXI	11.30	650	7,355	USMO	13.00	7.4%	14.00	13.51	13.14	500	6,570.00	4.6%
					about 5%	TAXI	10.00	7.1%	11.50	11.30	10.87	650	7,065.50	5.0%
10-Apr	sell	ACAS	8.16	900	7,334	MRVL	14.00		15.40	15.04	15.12	900	13,608.00	9.6%
						ACAS	8.40							
13-Apr	sell	AOSL	8.89	1,000	8,880									
16-Apr	buy	USMO	13.14	500	6,580									
					about 5%									
Dividends											2,763.22	1.9%		
Money Market											1.00	67,351	67,351.00	47.3%
Total Valuation=											142,330.16	100.0%		

REVIEW since last issue

4/16 ACAS was stopped out. I'm buying more of USMO; it yields 7.6% and recent earnings suggest it is undervalued.

4/8 The Stock Portfolio has pulled back with the market. Watch the stops.

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.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	4.4	42.3	14.8
W5000 TR	17.7%	0.5	10.0	30.1	10.6

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: 4/6/2012							
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%	
5-Mar	sell	AA	9.87	1,300	12,821									
			stopped out											
12-Mar	buy	HPQ	24.04	500	12,030									
			about 11%											
19-Mar	buy	UTX	85.00	150	12,760	HPQ	23.00		24.04	24.57	500	12,285.00	11.5%	
			about 11%			JNJ	64.00						0.0%	
5-Apr	sell	VZ	37.66	300	11,288	VZ	38.00						0.0%	
						UTX	81.00						0.0%	
10-Apr	sell	UTX	78.48	150	11,762									
13-Apr	sell	JNJ	63.54	200	12,698									
						Money Market					1.00	94,427	94,427.00	88.5%
												Total Valuation=	106,712.00	100.0%

Company	Symbol
Alcoa	AA
American Express	AXP
Boeing	BA
Bank of America	BAC
Caterpillar	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.

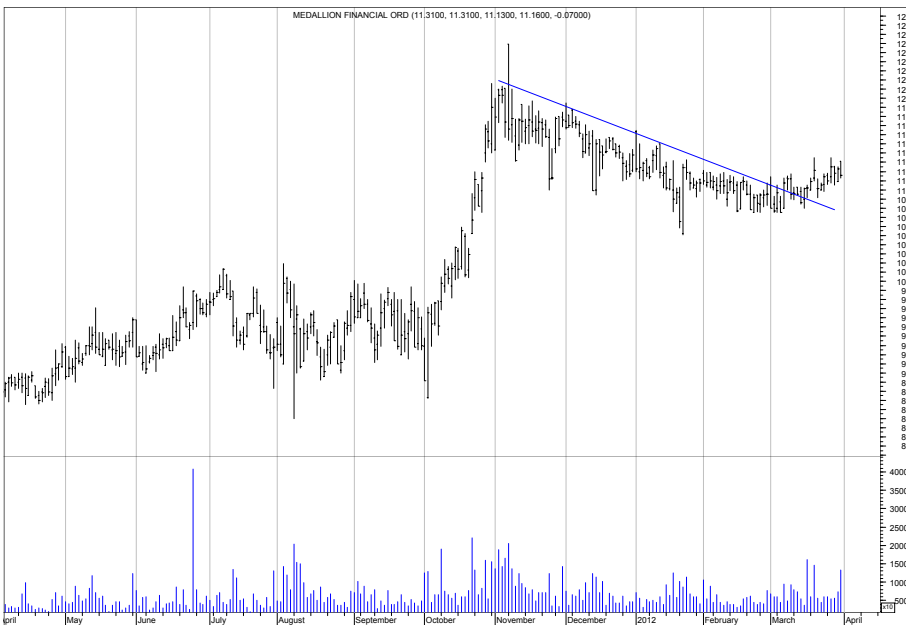
We monitor the underlying individual stocks for buys and sells in order to overweight the portfolio to what is expected to outperform and underweight the portfolio with what is expected to underperform.

REVIEW since last issue

- 4/16 No changes.
- 4/8 VZ was stopped out on the market's weakness.
- 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".

Feature Company

REITERATION



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)

sentiment. After the rally off the bottom last August, you would think investors would be giddy. They're not. Neither investors or advisors are wildly bullish. They are still in the neutral bands of sentiment. I was reading through MarketWatch and it is amazing how so many are calling for a top. Is that really the sign of a top? A top comes with exuberance, not a time to get out warning (at least from the majority).

On a technical basis, the ongoing negative divergence between the Dow Industrials and Dow Transportation Indexes is still ongoing. The Industrials have made a recovery high, but the Transports still lag. Yet, rather than sell off sharply, the market continues to meander.

So, all of these crosscurrents, these push and pull examples mean the markets will remain volatile, and at least for now, the main trend still appears up.

Corporate earnings continue to recover, the consumer also, but everyone still appears very cautious. The worry about sovereign debt and the domestic budget deficit is well placed, but hasn't really yet impacted reality. Like everyone else, we know it's out there and will have to be addressed, just not yet.

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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Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time every other Monday, except for holidays and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day or during the week. Symbols, rather than names, are the official identification used for activity.

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