

Stock Selections & Timing

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Eruptions

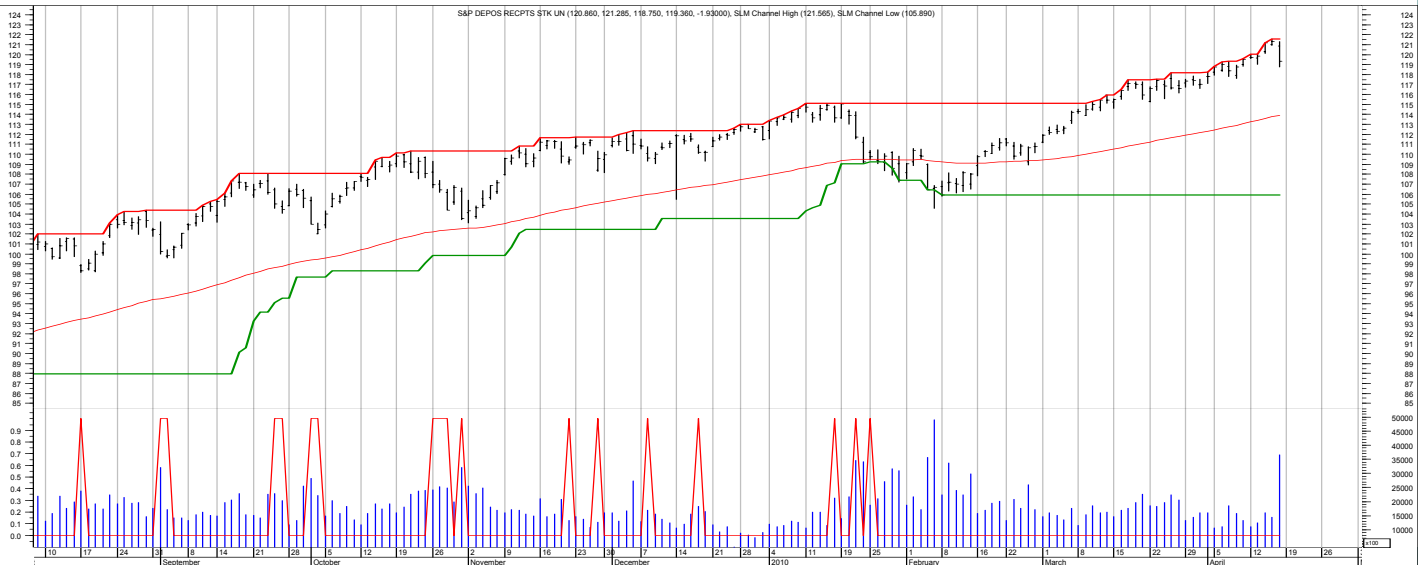
Talk about symbolism. Given that Iceland was at the epicenter of the financial disaster from two years ago, it is only a trifling symbolic that the volcanic ash, like the financial ash, has spread and at the same time, we now find out of possible financial fraud on the part of Goldman. Certainly the two are related.

As for the stock market, these two unnatural disasters should give it some pause, at least for a brief period. I would expect a pullback to at least the previous 'breakout' zone of 1150 on the S&P 500 or 10700 on the Dow Industrials.

The complacency index, the VIX, a measure of risk, was at recent lows. So, just as inves-

tors were getting comfortable, a bit of a shock hit. Investors should wonder if there won't be a second shoe to drop.

But, the main stock trend remains up; and, as I've been pointing out, fiscal and monetary stimulus programs are still solidly supportive. Watch for a pullback as a good place to accumulate.



The chart is the daily S&P 500 with an 80-day moving average.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	2.3%			2.3%	1.3%	-0.3%
Dow30 Portfolio	5.6%			5.6%	3.5%	-0.1%
Wilshire 5000	8.3%			6.3%	3.3%	0.0%
Dow Industrials	5.7%			3.9%	2.6%	0.2%

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Stock Portfolio

ACTION FOR						PORTFOLIO DETAILS						Value as of date: 4/16/2010	
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII			1.28	1.38	7,813	10,781.94	10.5%
2/22--	buy	DRAD	1.95	5,128	10,000	DRAD			1.95	2.11	5,128	10,820.08	10.6%
4/5 -	buy	ECGI	0.98	10,204	10,010	ECGI			0.98	1.05	10,204	10,714.20	10.5%
						Money Market			1.00		70,000	70,000.00	68.4%
								Total Valuation=				102,316.22	100.0%

REVIEW since last issue

We are long three small companies that are trading with the potential to double over the next 12 months, if they return to full valuation. Given the recovery, I expect it to happen.

Dow 30 Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 4/16/2010						
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
20-Jan	buy	DIA	106.02	471.61	50,000	DIA			103.83	110.18	771.04	84,953.19	80.5%
	at close					T			25.18	25.93	120	3,111.60	2.9%
						VZ			28.70	29.58	105	3,105.90	2.9%
8-Feb	buy	DIA	100.19	299.43	30,000	PFE			17.86	16.80	167	2,805.60	2.7%
8-Feb	buy	T	25.18	120	3,026	CVX			70.89	80.75	43	3,472.25	3.3%
8-Feb	buy	VZ	28.70	105	3,032								
8-Feb	buy	PFE	17.86	167	2,997	XOM			65.11	67.93	46	3,124.78	3.0%
8-Feb	buy	CVX	70.89	43	3,023								
8-Feb	buy	KO	53.69	57	3,051								
8-Feb	buy	XOM	65.11	46	3,028								
22-Feb	sell	KO	55.38	57	3,167								
						Money Market			1.00		5,010	5,010.00	4.7%
									Total Valuation=			105,583.32	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

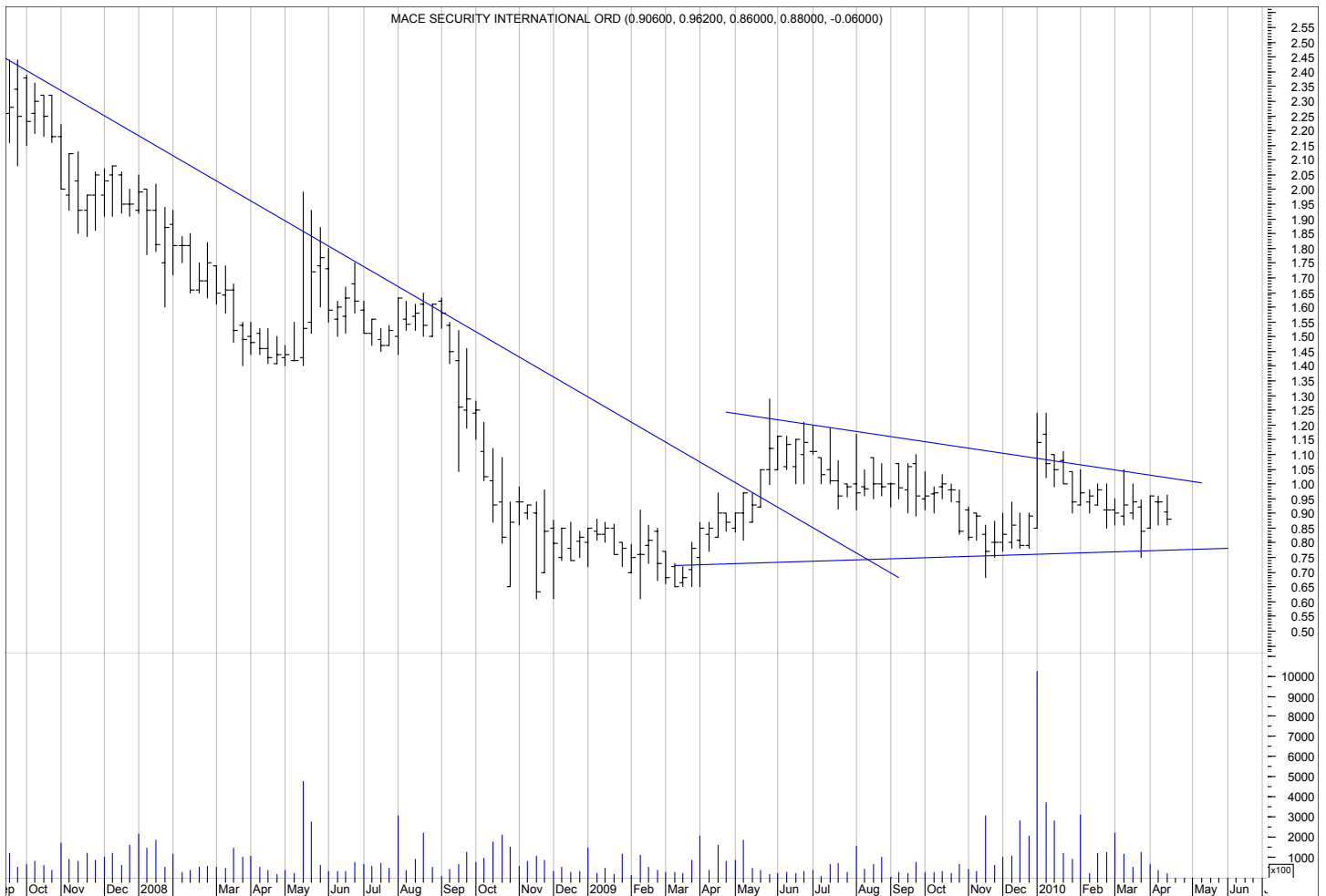
For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials. We also will use the ETF that tracks the same. The symbol is DIA.

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

No changes.

Feature Company



MACE (Nasdaq, \$0.90).

I am putting this company on our watch list, but I don't have an official buy yet.

They are the makers of the well-known MACE brand, but over the years the company moved away from its "knitting" into all sorts of distractions.

A new CEO is moving the company back on track however.

But there are still legacy problems, not the least of which is a settlement pending with the former CEO who was dismissed.

This suit should wrap up in the next 6 weeks. Depending on the outcome, I may or may not issue a buy. In the meantime, keep a watch out on this one.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

Our guiding goal is to provide the most return with the least risk.

The portfolios were started on 1/1/10 with \$100,000.

Portfolio changes will usually be made either at the close on Monday (the day this eNewsletter is posted), unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Dividends are paid in cash. Interest is zero for the money market (cash) position.

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Unless otherwise noted, the weekly eNewsletter is posted by 2:30 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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