

Stock Selections & Timing

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Volume 1

Issue 8

Update

After surging for about 11 weeks in a row, stocks have entered into a short-term saw tooth patter where one day rallies and sell offs are the norm.

The strong up trend line has been broken and it is now consolidating with that pattern. I expect it will continue through the end of May.

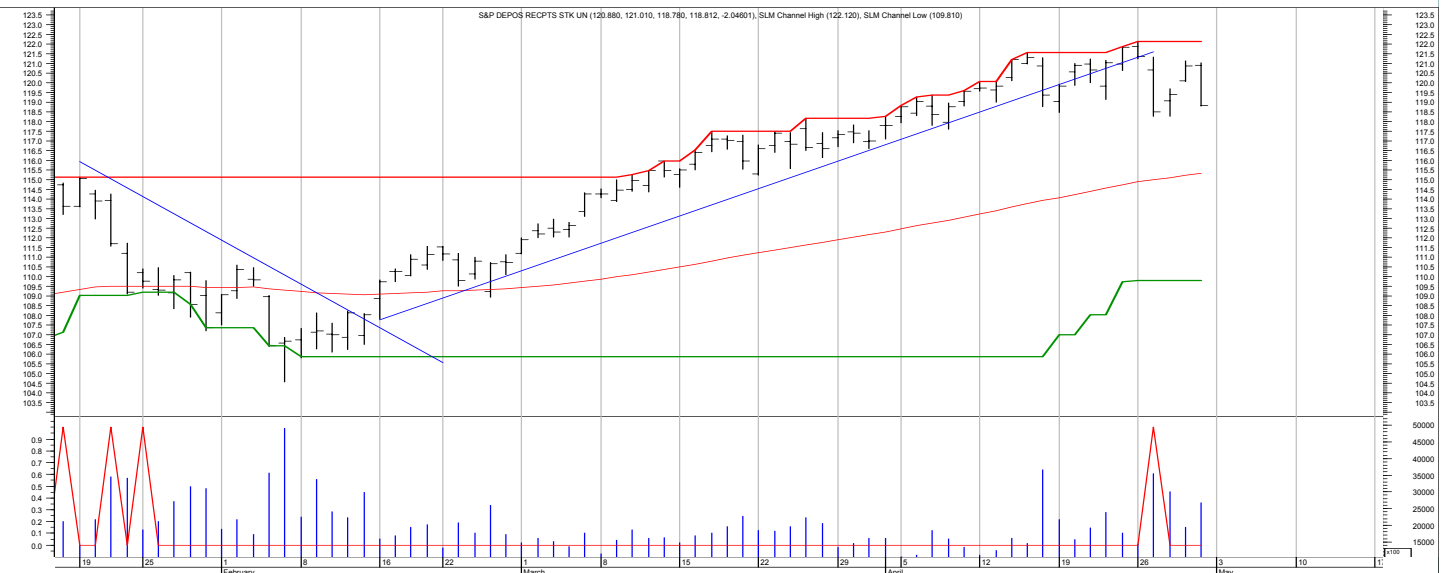
In the meantime, the funda-

mental background remains strong and is getting stronger. The two main engines driving the market higher remain in gear. Fed policy is still accommodative and Gov fiscal policy is still expansive.

The main input to those policies is a lagging indicator, job growth. It is slowly beginning to turn higher. The Fed

and Gov won't change their policies until the unemployment rate drops substantially, back into at most the 7% area. Job growth is moving in the right direction, but with it still about 9.7%, it has a long way to go before support changes.

Expect consolidation, maybe a brief sell off, and then a higher market.



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	3.1%			3.1%	1.7%	0.6%
Dow30 Portfolio	5.5%			8.3%	0.5%	-1.4%
Wilshire 5000	7.9%			11.3%	2.0%	-2.6%
Dow Industrials	5.6%			9.4%	0.8%	-1.7%

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Stock Portfolio

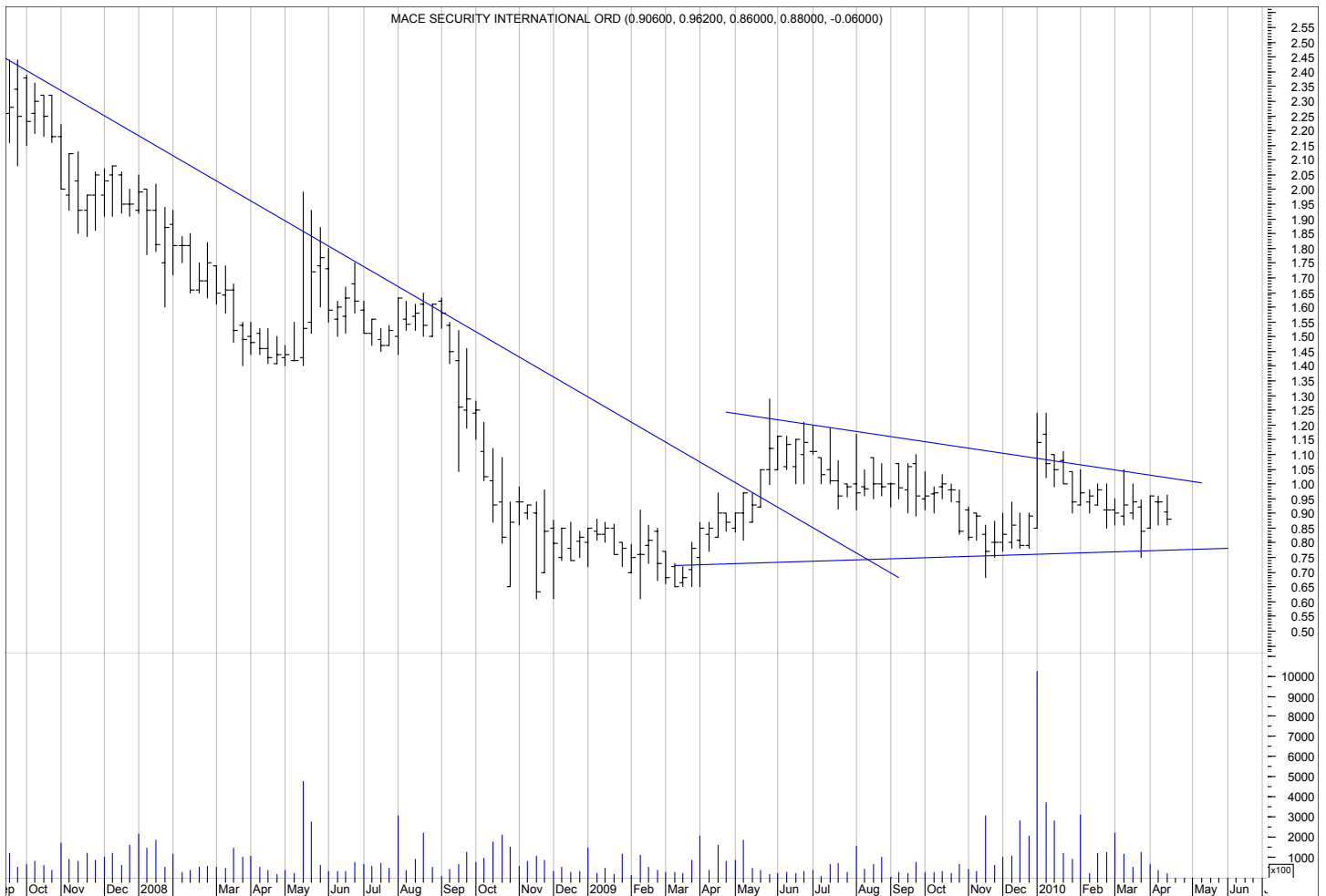
ACTION FOR			PORTFOLIO DETAILS				Value as of date: 4/30/2010						
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII			1.28	1.40	7,813	10,938.20	10.6%
2/22--	buy	DRAD	1.95	5,128	10,000	DRAD			1.95	2.21	5,128	11,332.88	11.0%
4/5 -	buy	ECGI	0.98	10,204	10,010	ECGI			0.98	1.06	10,204	10,816.24	10.5%
						Money Market			1.00		70,000	70,000.00	67.9%
								Total Valuation=				103,087.32	100.0%

REVIEW since last issue

DRAD was the big news over the last two weeks. The stock gapped up to \$3 on the news of FDA approval to market its general-purpose portable imaging system. Since then it has retraced back to \$2.20. Another excellent entry point.

I mentioned MACE as a watch candidate. No news from them, although their recent quarterly update made it to the Seeking Alpha web site. That should help the company gain some positive exposure as an undervalued company.

Feature Company



MACE (Nasdaq, \$0.90).

No change here, but I thought I'd bring the information forward from two weeks ago—

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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