

Stock Selections & Timing

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Rebounding

After some weak economic news over the last two weeks that held the stock market down, Friday's jobs report came in better than expected. On the news, stocks turned up and bonds turned down. The follow through rally

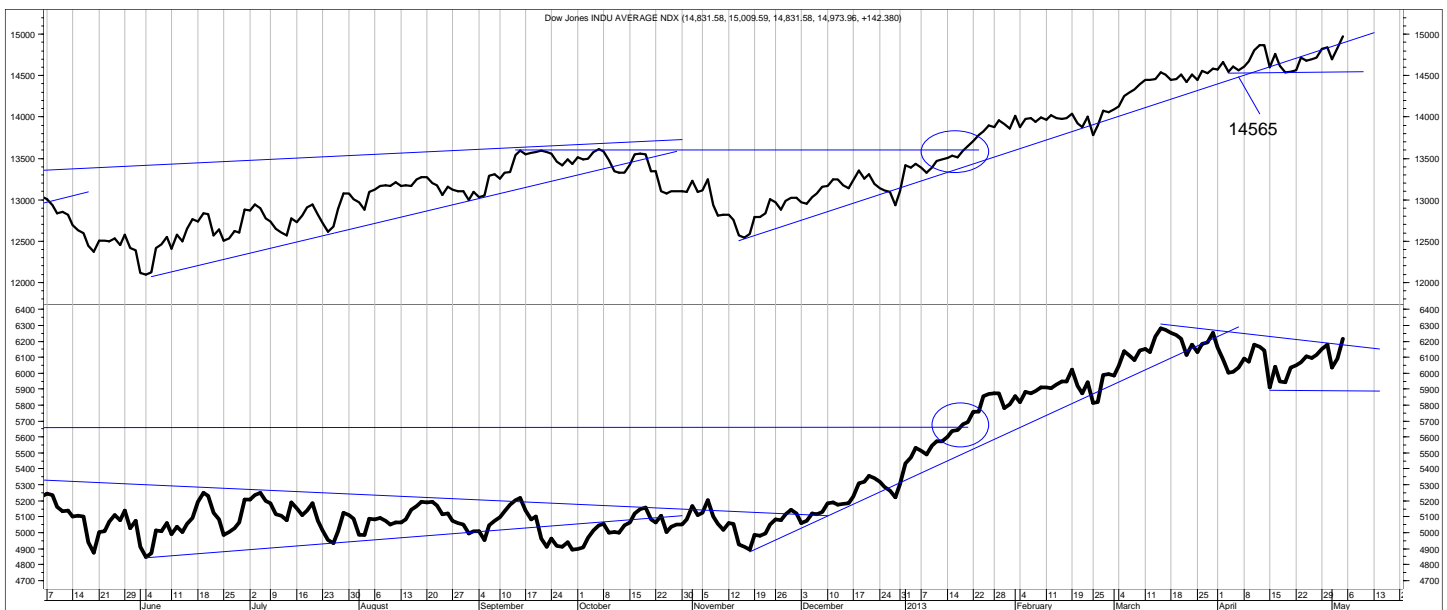
continues today (Monday) with both the Industrials and Transports making it to new highs.

What this means is the minor negative divergence between the two indexes drawn on the chart below is once again nullified. The charts are updat-

ed through Friday, but the Transports have notched a new high above its previous high.

On that minor divergence, some of the bullish advisor sentiment turned lower, but not by much. This as measured by In-

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This is the daily chart of the Dow Industrials (top) and Transports (bottom).

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	8.0%	8.9%	7.6%	5.4%	0.3%	1.4%
Dow30 Portfolio	8.5%	5.0%	7.2%	5.0%	3.7%	1.6%
S&P 500 TR	15.8%	20.4%	15.3%	7.2%	4.0%	2.0%
Dow Industrials	15.7%	14.8%	14.4%	6.9%	2.8%	1.8%

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Stock Portfolio

ACTION FOR						PORTFOLIO DETAILS						Value as of date: 5/3/2013		
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 4/15	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total
4-Feb	buy	ANIK about 5%	10.63	700	7,451	GENC			8.00	7.56	7.00	2,278	15,946.00	10.3%
						WTT			1.00	0.87	1.86	8,500	15,810.00	10.2%
						OPLK			13.00	12.84	16.80	600	10,080.00	6.5%
8-Feb	buy	SILU	1.46	5,000	7,310	AOSL				8.16	7.50	1,100	8,250.00	5.3%
4-Mar	buy	AOSL	8.16	1,100	8,986									
						MCGC		12.9%	4.40	4.38	5.32	1,500	7,980.00	5.2%
21-Mar	buy	SILU	1.35	5,000	6,760	NGPC		8.7%	7.15	7.04	6.52	2,000	13,040.00	8.4%
						MVC		3.8%	13.00	12.71	13.08	1,200	15,696.00	10.2%
22-Mar	buy	MVC	12.62	600	7,582	GAIN		8.0%	7.55	7.48	7.24	1,000	7,240.00	4.7%
						SILU		4.2%	1.42	1.41	1.40	10,000	14,000.00	9.1%
15-Apr	sell	ANIK	12.82	700	8,964	TAXI		7.0%	11.40	11.36	14.71	600	8,826.00	5.7%
29-Apr	sell	WTT	1.81	500	895	Above in green shows end price below buy limit.								
						Below is watch list for potential purchase at or below buy limit.								
6-May	sell	AOSL		1,100		ALSK			1.65			5,000		
6-May	sell	WTT	>1.81	1,000										
Dividends												5,563.00	3.6%	
Money Market												1.00 32,111	32,111.00	20.8%
Total Valuation=												154,542.00	100.0%	

REVIEW since last issue

5/6 Stop the loss on AOSL by selling. Take more profits in WTT. ALSK is added to the watch list.

4/29 No changes.

4/22 Positions pulled back with the market last week.

4/15 Take profits in ANIK.

4/8 MVC announced a stock buy back last week to close the gap between its price (\$12.87) and its NAV (\$16.29). Hard to believe GENC still trades below its net cash in the bank. WTT has been on fire.

4/1 MVC was bought last week. ANIK is getting recognized. GENC may be tracing out a bottom again.

3/25 MVC has pulled back under the buy limit, so I'll buy more at or below \$12.69 as noted above.

3/18 AOSL may be breaking to the upside, but no public supporting news.

3/11 No changes.

3/4 ANIK jumped on good news. There is a new position AOSL to be bought.

2/25 No changes.

2/19 WTT appears to be breaking higher.

	2010	2011	2012	ytd 2013	Incptn
Stock Portfolio	12.3%	21.4	5.0	6.5	52.5
S&P 500 TR	15.0%	1.9	14.1	13.5	51.8

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: 5/3/2013	
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 4/29	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
26-Dec	sell	MRK	41.34	234	9,664	AA	8.00		8.42	8.62	1,422	12,257.64	11.0%
28-Jan	sell	DD	48.15	241	11,594	INTC	23.00		20.08	23.96	519	12,435.24	11.1%
19-Feb	sell	WMT	68.76	150	10,304	MSFT	30.00		26.94	33.49	387	12,960.63	11.6%
1-Apr	sell	KO	40.45	278	11,235	T	36.00		33.73	37.34	309	11,538.06	10.3%
29-Apr	buy	AA	8.42	1,422	11,982	XOM	87.00		88.21	90.02	136	12,242.72	11.0%
29-Apr	buy	XOM	88.21	136	11,971								
two new purchases are for roughly 11% of total portfolio													
6-May	sell	MSFT		387									
6-May	sell	T		309									
Money Market									1.00	50,331	50,331.00	45.0%	
									Total Valuation=		111,765.29	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

5/6 Take profits as noted above.

4/29 Please note the new buys in the Portfolio and the new much tighter stops.

4/22 No changes.

4/15 No changes.

4/8 No changes.

4/1 Take profits as noted above.

Feature Company (none)

(Continued from page 1)

vestor's Intelligence. But what is remarkable, while advisors are clearly bullish, the investing public is near downright bearish. This as measured by AAI.com (Association for Individual Investors). I wonder whether such a contrast between the two groups has existed in the past? The public is bearish and the pros are bullish. Who will be right in the weeks ahead? So far, it has been the pros.

Basically, the economic

news continues to suggest mild growth ahead. Investor sentiment is basically mixed. What's an investor to do? Gold is down. Bond yields are still near zero. The alternative for now remains stocks.

Please see the individual portfolio pages for any changes.

I want to mention that I will be in Las Vegas next Monday and Tuesday 5/13 and 5/14 at The MoneyShow giving workshops

on mutual fund and ETF investing. I hope to see you there.

I still plan to have the weekly letter posted on 5/13.

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 (12/31/11), 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 S&P 500 TR (total return) includes dividend reinvestment.

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