Stock Selections & Timing

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> May 17, 2010 (data through previous Friday's close Volume 1 Issue 9

Uncertainty

The domestic stock market is at its major bull market support area. It seriously needs to remain higher than the lows it established last week in the "flash crash". That's about 9900 on the Dow Industrials.

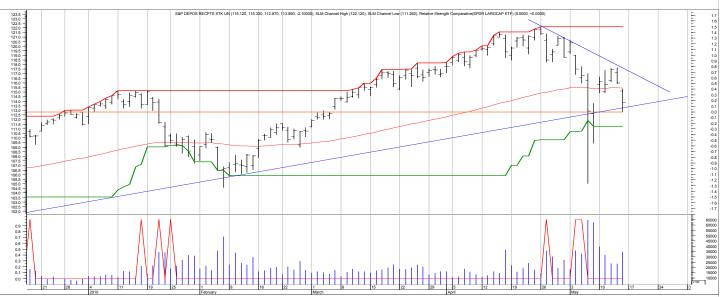
Uncertainty is the key word. The question that is beginning to surface is whether the debt shell game is ending because there are no more players. It moved from individuals to corporations to governments. Now what?

Greece's debt ratio to GDP is near 150%. They want to get it down to 80%. That is about where America's is, but ours is projected to run higher given our bailouts and programs of the last two years. Not to mention

the looming baby boomer retirement and health issues.

Lots of questions without answers. And down stocks go. But the market is at major support. Short-term interest rates remain about 0%. The recovery appears intact. Investor sentiment has worsened; as a contrary indicator, that is bullish.

Look for bargains again.



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	6.3%			6.0%	3.9%	-0.2%
Dow30 Portfolio	2.1%			4.1%	-3.3%	1.5%
Wilshire 5000	3.3%			6.5%	-4.6%	2.7%
Dow Industrials	1.8%			5.2%	-3.6%	2.3%

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Stock Portfolio

ACTION F	OR				PORTFOLI	O DETAILS	3				Value as of	date:	5/14/2010
Action			Action	# of	Action		Closing		Start	Ending	# of	Current	Percent of
Dates	Action	Symbol	Price	Shares	Value	Symbol	Stop	Description	Price	Price	Shares	Value	Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII			1.28	1.39	7,813	10,860.07	10.2%
						DRAD			1.95	2.31	5,128	11,845.68	11.1%
2/22	buy	DRAD	1.95	5,128	10,000	ECGI			0.98	1.33	10,204	13,571.32	12.8%
4/5 -	buy	ECGI	0.98	10,204	10,010								
	-												
						Money N	∕larket			1.00	70,000	70,000.00	65.9%
											Valuation=	106,277.07	100.0%
												,	

REVIEW since last issue

I mentioned MACE as a watch candidate. They reported that they lost the arbitration proceedings to the former CEO. They also reported poor earnings. Stock is still a watch.

TIII reported earnings of \$0.03 today and the stock is up It is cheap and the target is still north of \$2.00 per share.

No new purchases at this time.

Dow 30 Portfolio

ACTION I	FOR				PORTFOLI	DETAILS	3			1	Value as of	date:	5/14/2010
Action			Action	# of	Action		Closing		Start	Ending	# of	Current	Percent of
Date	Action	Symbol	Price	Shares	Value	Symbol	Stop	Description	Price	Price	Shares	Value	Total
3-May	sell	CVX	82.83	43	3,562	DIA			103.83	106.53	771.04	82,138.89	80.5%
3-May	buy	VZ	29.29	50	1,475								
3-May	buy	PFE	16.91	60	1,025	T			25.18	25.40	120	3,048.00	3.0%
3-May	buy	AA	13.15	231	3,048	VZ			28.70	28.41	155	4,403.55	4.3%
						PFE			17.86	16.23	227	3,684.21	3.6%
						AA			13.15	12.41	231	2,866.71	2.8%
						XOM			65.11	63.70	46	2,930.20	2.9%
						Money N	∕larket			1.00	3,024	3,024.00	3.0%
											/aluation=	102,095.56	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
Hewlitt 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	Т
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

I made some changes and will now sit tight.

Feature Company

No new stock this week. I am, however, putting together a list of the lower risk, higher yielding stocks for recommendations.

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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