

Stock Selections & Timing

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November 11, 2013 (data through previous Friday's close)
Volume 4
Issue 45

Maintaining

There has not been much economic, fundamental, or technical changes from last week. The only highlight is Fed tapering talk picking up again and the implications from it. Fed tapering is when they scale back their monthly

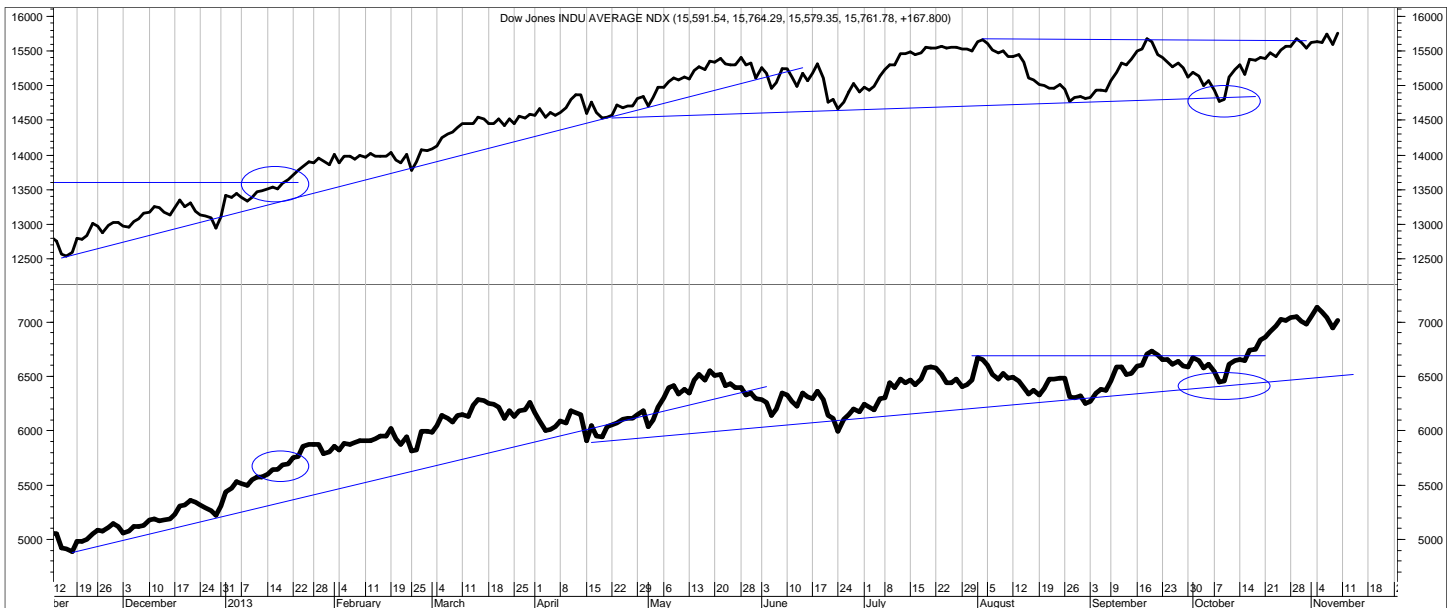
bond buying program of longer-term bonds. Even if they do this, they plan to keep short-term interest rates near zero percent.

It is interesting that what has been bad news is good news and vice-versa. In other words,

the reason the Fed postponed any tapering was because of perceived economic weakness. This would be bullish for bonds and should be bearish for stocks.

Instead, stocks have re-

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This is the daily chart of the Dow Industrials (upper) and Dow Transports (lower).

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	16.0%	16.5%	7.7%	4.9%	-0.4%	0.2%
Dow30 Portfolio	5.8%	4.6%	-2.8%	0.0%	0.0%	0.0%
Index						
S&P 500 TR	27.1%	29.8%	8.4%	4.9%	4.1%	0.7%
Dow Industrials	21.8%	23.0%	4.3%	2.2%	3.5%	0.9%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date: 11/8/2013							
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 6/9	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total
23-Sep	sell	WTT	1.89	2,000	3,770	GENC			8.00	7.56	9.14	2,278	20,820.92	12.5%
23-Sep	sell	MCC	13.48	1,000	13,470	WTT			1.00	0.87	1.93	4,500	8,685.00	5.2%
30-Sep	sell	WTT	2.01	1,000	2,000	OPLK			13.00	12.84	16.06	600	9,636.00	5.8%
14-Oct	raise buy limit on MVC (NAV is \$17.56)													
14-Oct	sell	MCGC	5.16	1,500	7,730	MCGC		10.8%	4.80	4.79	4.66	3,300	15,378.00	9.3%
4-Nov	buy	MCGC	4.79	3,300	15,817	NGPC		8.7%	7.15	7.04	7.49	2,000	14,980.00	9.0%
						MVC		3.8%	14.50	12.71	13.85	1,200	16,620.00	10.0%
						GAIN		8.0%	7.55	7.48	7.30	1,000	7,300.00	4.4%
						IRET	7.85	6.3%	8.50	8.35	8.35	950	7,932.50	4.8%
						O	38.00	5.5%	41.00	39.96	40.08	200	8,016.00	4.8%
Above in green shows end price still below buy limit.														
Shown below is watch list for potential purchase at or below buy limit.														
Dividends												8,436.40	5.1%	
Money Market												1.00 48,214	48,214.00 29.0%	
Total Valuation=												166,018.82	100.0%	

REVIEW since last issue

11/11 No changes.

11/4 OPLK tumbled on weaker than expected earnings. I will watch for rebounds. Reenter MCGC as its numbers have come in on target. NAV is \$5.10 and they will purchase stock on the open market.

10/28 No changes. O tumbled on the news of a secondary offering, but has rebounded.

10/21 No changes.

10/14 I've raised the buy limit on MVC in reaction to its positive news. GAIN raised its monthly dividend from 0.05 to 0.06. I'll take some gains on MCGC in reaction to the first page article.

10/7 MVC announced it is selling its largest portfolio holding. The dividend may "materially" change, the company said. As of 7/31/13, it's NAV was \$17.36. Stock is still priced at nearly a 25% discount.

9/30 WTT rallied back and we will take further profits.

	2010	2011	2012	ytd 2013	Incptn
Stock Portfolio	12.3%	21.4	5.0	16.0	66.0
S&P 500 TR	15.0%	1.9	14.1	27.1	70.0

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: 11/8/2013						
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 6/9	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
24-Jun	sell	AA	7.79	1,500	11,675								0.0%
24-Jun	sell	BAC	12.30	900	11,060								0.0%
24-Jun	sell	INTC	23.58	519	12,228								0.0%
25-Jun	sell	MRK	46.23	265	12,241								0.0%
TO BE ADDED, IF ABOVE SELL STOP													
TO BE ADDED, IF BELOW BUY LIMIT													
Money Market									1.00	108,999		108,998.88	100.0%
Total Valuation=											108,998.88	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

11/11 Added "NOT" to last week's comment. No other changes.

11/4 When things are NOT working, a change is required. I am in the process of testing a new trading strategy for the Dow 30 Portfolio.

10/28 No changes.

Feature Company (none)

Finding “cheap” stocks is getting harder and harder. No new recommendations for now.

(Continued from page 1)

mained near their highs. The bad news of a weak economy translates into Fed’s continued easing, which has helped stocks in their rally.

Since then, however, the latest unemployment numbers came out fairly strongly. In addition, the leading economic indicators came out stronger in their latest reporting period. Plus the government shutdown did not seem to harm the economy.

What this means, if past patterns continue to hold, is the taper

talk should pick up even further, which will knock bonds lower in price. We have already seen this.

But this talk should also translate into a weaker stock market, which we have yet to see.

The stronger economic news is helping investor sentiment turn more bullish, which in turn is bearish from a contrary point of view.

So at least the background information of tapering and sentiment to form a short-term stock market top appears to be in place.

Please see the individual portfolio pages for any updates and changes.

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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