

Stock Selections & Timing

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November 26, 2012 (data through previous Friday's close)
Volume 3
Issue 42

A Sense of Urgency?

Thanksgiving has come and gone. (The smoked turkey was again excellent by the way.) Congress too vacationed, but is now back in session. If I read my calendar right, there's another holiday coming up. What shall we bet

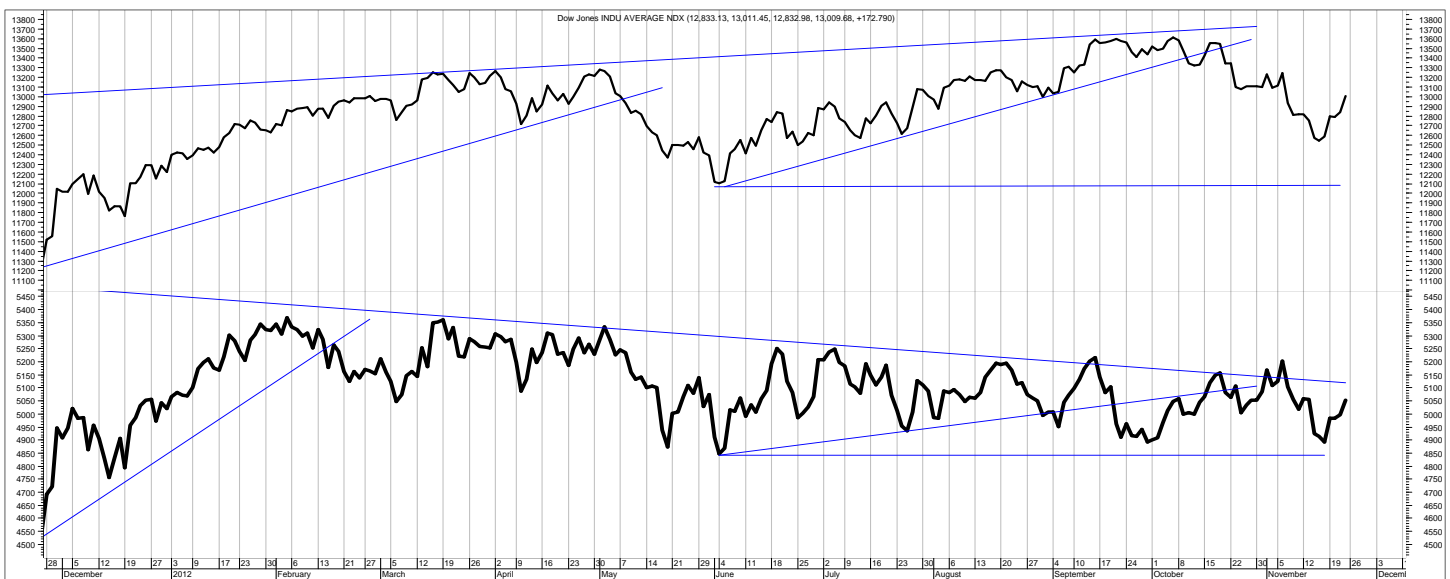
that Congress will also observe it, rather than taking the time to address the Fiscal Cliff? Urgency? Apparently not.

Maybe it is for the best for them and us to not kick the can down the road again. Take the month off. When you go over

the cliff, after all, there is no road. No escape hatch, but rather an intense focusing on the here and now with a bit of here-after thrown in.

They have to do something about the structural deficits.

(Continued on bottom left on page 4)



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	5.4%	8.6%	2.7%	-1.0%	0.6%	1.1%
Dow30 Portfolio	-1.7%	0.5%	-1.1%	0.0%	0.0%	0.0%
Wilshire 5000 TR	13.2%	23.0%	6.9%	-0.6%	-0.6%	3.3%
Dow Industrials	6.5%	15.6%	3.8%	-2.0%	-0.7%	3.4%

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Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 11/23/2012							
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 9/7	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total
31-Jul	sold	WTT	1.230	1,000	1,220									
31-Jul	bought	MCGC	4.380	1,000	4,390									
1-Aug	bought	NGPC	7.030	500	3,525	GENC			8.00	7.56	7.73	2,278	17,608.94	12.3%
1-Aug	bought	OPLK	13.00	300	3,910	WTT			1.00	0.87	1.24	9,000	11,160.00	7.8%
						OPLK			13.00	12.84	16.07	600	9,642.00	6.7%
20-Aug	buy	NGPC	7.030	500	3,525									
23-Aug	buy	MCGC	4.37	500	2,195	MCGC	12.9%		4.40	4.38	4.31	1,500	6,465.00	4.5%
						NGPC	8.7%		7.15	7.04	7.05	2,000	14,100.00	9.8%
11-Sep	sold	TAXI	11.370	650	7,381	O	4.4%		41.50	40.76	39.33	180	7,079.40	4.9%
						MVC	3.8%		13.00	12.80	11.99	600	7,194.00	5.0%
1-Oct	buy	O	40.76	180	7,347	GAIN	8.0%		7.55	7.48	6.93	1,000	6,930.00	4.8%
1-Oct	buy	MVC	12.80	600	7,690									
both positions will be roughly 5% of total portfolio						WATCH LIST FOR POTENTIAL PURCHASE AT OR BELOW BUY LIMIT NEW FROM 8/18/12								
15-Oct	buy	GAIN	7.48	1,000	7,490	TAXI			11.00					
this will be about 5% of total portfolio														
12-Nov	buy	NGPC	7.05	1,000	7,060									
						Dividends							3,665.82	2.6%
						Money Market					1.00	59,857	59,857.00	41.7%
						Total Valuation=							143,702.16	100.0%

REVIEW since last issue

11/26 No changes.

11/19 The dividend payers were hit hard the last few weeks because of the fears of upcoming tax changes. While taxes may be a factor, I suspect the sell off is overdone.

11/12 Buy more NGPC as noted above.

11/5 GENC remains the cheapest stock out there I know of. OPLK reported \$0.26 q1 earnings, beating estimates of \$0.20. WTT is locked in a trading range, but, given good upcoming earnings, should move up.

10/30 MCGC reduced its dividend. Still trades below NAV.

10/22 MVC raised its dividend this payout by 13%.

No other changes of note.

10/15 Buy the new position as noted above.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	4.2	42.1	16.6
W5000 TtlRtrn	17.7%	0.5	9.6	29.7	12.2

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: 11/23/2012								
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 5/21	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
23-May	sell	AXP	55.99	200	11,188									
1-Jun	sell	AA	8.29	1,300	10,767									
1-Jun	sell	KFT	37.57	300	11,261									
1-Jun	sell	IBM	188.78	60	11,317									
1-Jun	sell	MCD	86.88	125	10,850									
11-Jun	sell	DIS	45.74	250	11,425									
11-Jun	sell	KO	74.55	150	11,173									
11-Jun	sell	MRK	38.51	300	11,543									
						Money Market					1.00	104,247	104,247.00	100.0%
												Total Valuation=	104,247.00	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

- 9/4 No changes. The selecting and timing model is undergoing changes.
- 8/20 No changes.
- 7/30 No changes.
- 7/23 No changes.
- 7/16 No changes.

Feature Company

No new recommendations. I expect the market to weaken through year's end, unless Congress begins to actually compromise on the tax and spending issues.

(Continued from page 1)

They have to do something about wasteful spending. Tough to believe that with a trillion dollar budget that they can't find 10% (\$100 million) in savings anywhere. How about across the board?

The rest of the country, both citizens and states, as well as corporations have tightened the belt a bit, got their fiscal houses in order. Why shouldn't the federal government do the same? It

should, even if it can print unlimited (or borrow from the printer-aka Federal Reserve) quantities of money.

Until the issue is resolved one way or the other, volatility should be expected through year end. It's the uncertainty that drives the market lower, as well as the good possibility of a recession in next year's first half.

Last week I mentioned the market was oversold and a bounce expected. We got the

bounce; we're in it. It has put us back to resistance where selling should be expected.

Please see the specific portfolio pages for 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 Wilshire 5000 TR (total return) includes dividend reinvestment.

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