

Bill Gunderson's Weekly "Best Stocks Now" Newsletter

Straightforward, honest research for successful people...

February 17, 2012



Bill Gunderson, President and Founder of Gunderson Capital Mgt. Inc. discussing the Solyndra scandal with Megyn Kelley of the Fox News Channel.

The 2012 rally in the stock market picked up steam once again this past week. Greece continues to drive the bus, as they seemingly have yet another agreement with the European Union for now. Earnings season is winding down here in the U.S. and while reports have been fairly good, companies are a bit cautious about future guidance.

In the meantime, we finally got an extension of our payroll tax break, but this is quickly offset by rising gasoline prices. Here in Southern California, \$4.00 per gallon gasoline is back, and it is not real welcome in my house. Remember that pipeline that would carry oil from oil rich Alberta, Canada to Houston? How can that not be in our best interest?

While we are saying no to a pipeline here in the U.S. the middle-east continues to be a bubbling cauldron. It would seem that the sanctions are having little effect on Iran's nuclear ambitions. What is the next step? I am bullish on oil

Here is how the markets fared for the week:

	Fri. 2/10/12	Fri. 2/17/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1342.64	1361.23	18.59	1.38%
DJIA	12,801.00	12,949.87	148.87	1.16%
NASD	2903.88	2951.78	47.90	1.65%
S&P600 (Small)	453.00	461.77	8.77	1.94%
Emg. Mkts (ADRE)	42.93	43.83	0.90	2.10%
10yr Bd.	1.98%	2.02%	0.04%	2.02%
Oil	98.41	103.36	4.95	5.03%
Gold	1722.00	1725.60	3.60	0.21%

As you can see from the table above, it was all positives this past week. Once again, the more aggressive Nasdaq and Small-cap indexes led the way. Oil is now at \$103.36, up 5% for the week!

Here is where we stand year to date:

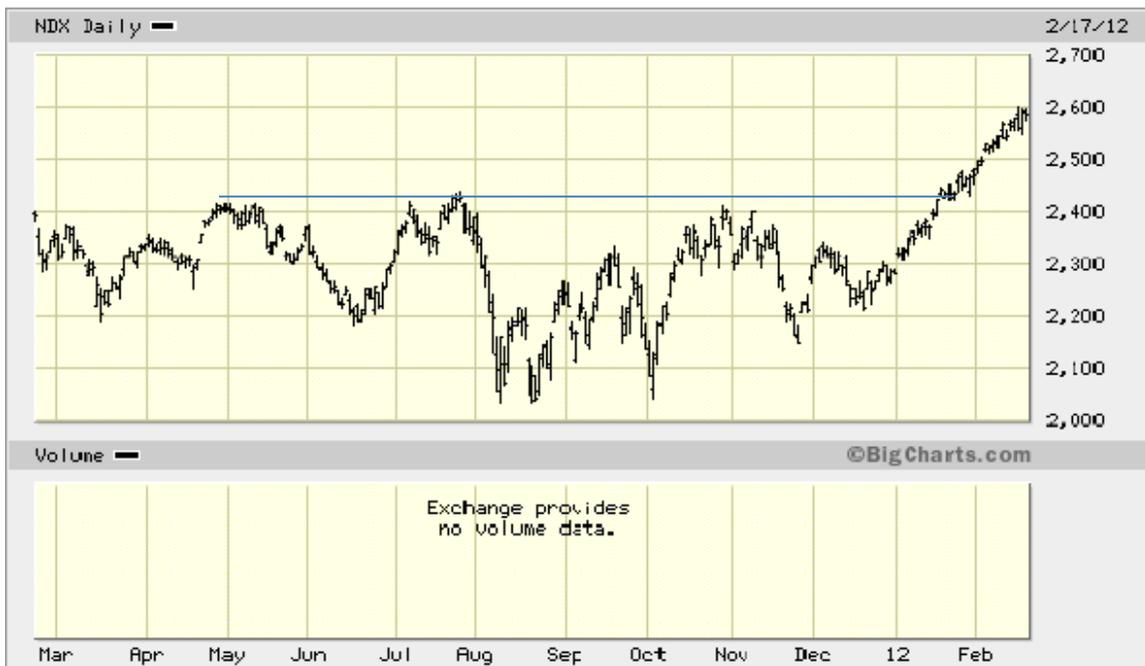
	12/31/11	Fri. 2/17/12	2012	YTD Pct.
	Value	Close	YTD	Change
S&P500	1260.37	1361.23	100.86	8.00%
DJIA	12,239.74	12,949.87	710.13	5.80%
NASD	2610.68	2951.78	341.10	13.07%
S&P600 (Small)	415.07	461.77	46.70	11.25%
Emg. Mkts (ADRE)	39.89	43.83	3.94	9.88%
10yr Bd.	1.87%	2.02%	0.15%	8.02%
Oil	98.87	103.36	4.49	4.54%
Gold	1565.90	1725.60	159.70	10.20%

The S&P 500 is now up an even 8% for the year, while the more aggressive Nasdaq is up 13.1%. The yield on the ten-year bond is up 15 basis points since the beginning of the year. Emerging Markets are up 9.9% for the year.

The Dow finally broke through resistance this past week and is rapidly heading for 13,000.



The Nasdaq also continues to roll:



Here is a current chart of the Emerging Markets (ADRE)



Lastly, here is the drive of the bus, the Euro. Notice how the rally in the Euro the last few days coincided with the rally in our markets. As the Euro goes, so goes the market.



I hate to say it, but I think that the Greek issues are far from being resolved.



By the way, here is how much the U.S. will take in next year.



And, here is how much we will spend...



Sorry, but this makes absolute no sense to me...

A lot companies will report earnings next week although most of the big companies have already reported.

The following companies will be reporting earnings next week: Sears, Winmark, Cheesecake Factory, Chesapeake Energy, Dell, Herbalife, Home Depot, Intuit, Kraft Foods, Macy's, Kohls, Target, Wal-Mart, Stephen Madden, Clean Harbors, Concho Resources, Continental Resources, Dollar Tree, Hewlett-Packard, T J Maxx, Tyler Technology, and J C Penney. A lot of my stocks in this group.

As you can see, the more aggressive Nasdaq, Emerging Markets, and Small-Caps continue to lead the markets so far in 2012. I remain bullish for now, but I am still short-term cautious.

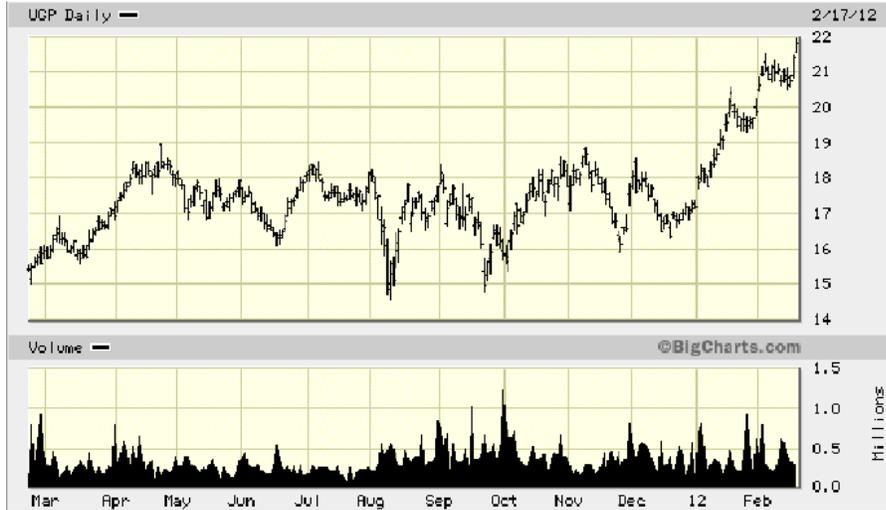


Bill Gunderson's Model Portfolio for Conservative Growth Investors:

This model is made up of the mostly mid-cap and large cap companies that I consider to be suitable for investors who have a conservative risk profile, but still want growth.

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Ultrapar Participaco continues to break out to new highs:



Bill Gunderson's Model Portfolio for investors seeking Income along with the possibility of Growth.

This model is my most conservative model. It is designed for risk-averse investors that want income first and growth second. Income producing investments have proven themselves over time to be much less volatile than pure growth investments. If you look back at the year 2008, when the overall market was down 38.5%, income producers held up much better.

I do like some growth with my income, however. I have written several articles on this subject recently. Here is an [article](#) that I wrote on Nation Health Investors (NHI) this past week for *Seeking Alpha*. It has been a very healthy *income and growth* stock over the years.

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's Model Portfolio for Investors seeking AGGRESSIVE Growth

This is my most aggressive portfolio. It is designed for investors with long-term time horizons seeking maximum growth. This portfolio is mainly made up of small and mid-cap stocks with superior growth potential. This portfolio is much more volatile than the Conservative Portfolio and the Income Portfolio. This portfolio also carries more risk than the aforementioned ones.

I still feel like aggressive growth will be the best place to be this year as it had a lousy year in 2011. I am seeing breakouts all over the place in the aggressive arena.

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's Featured Stock of the Week 2/17/2012

I currently have about 2,700 in my database. Every day when I am done doing my radio show, I spend several hours looking at them. I especially focus in on the ones I own and the "A" rated stocks.

My proprietary grading system consists of Value, Performance, and Safety. I like stocks that have performed much better than the rest and still offer good value. I spent years developing this grading system and I am thrilled with the results!

This week's pick:

1. Description



The screenshot shows a mobile application interface for 'geoi'. At the top, there is a search bar and the time is 1:39 PM. The main content area is titled 'GeoResources Inc' in a yellow box. Below this, there are several rows of data in a table format:

Sector	Energy
Market Cap	856,610,000
Size	Small-Cap
Risk Profile	Aggressive

Below the table, there is another yellow box titled 'Valuation 02/16/12'. Underneath, there is another table:

Last Closing Price	\$33.49
Last Change	1.38
Next Yr EPS Est	\$1.99
Forward PE Ratio	16.83

At the bottom, there is a navigation bar with icons for 'Best Stocks Now!', 'Stocks', 'Sectors', 'Dow', and 'Search'.

2. Valuation



The screenshot shows the same mobile application interface for 'geoi', but with the time at 1:38 PM. The main content area is titled 'Valuation 02/16/12' in a yellow box. Below this, there is a table with the following data:

Last Closing Price	\$33.49
Last Change	1.38
Next Yr EPS Est	\$1.99
Forward PE Ratio	16.83
Est 5Yr Annual Gr	23.53%
5Year Target Price	\$61.75
Dividend Yield	0.00%
5Yr Tot Ret Pot	84.4%

Below the table, there is another yellow box titled 'Gunderson Value Grade'. Underneath, the grade 'B+' is displayed in a large, bold font.

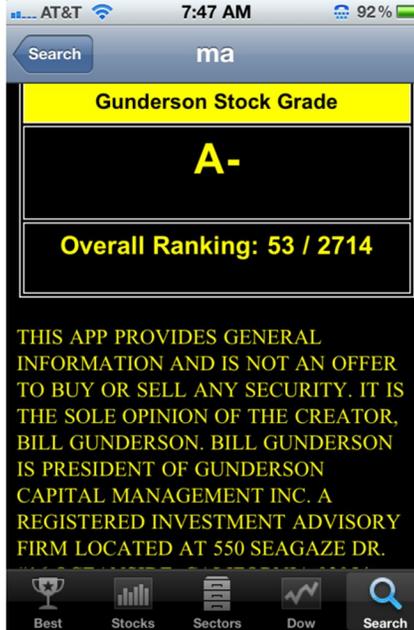
At the bottom, there is a navigation bar with icons for 'Best Stocks Now!', 'Stocks', 'Sectors', 'Dow', and 'Search'.

3. Performance



Performance of geoi vs S&P 500		
1 Mo Total Return	16.4%	3.8%
3 Mo Total Return	30.4%	11.4%
12 Mo Total Return	N/A	1.1%
Momentum Grade	NA	C
3 Yr Avg Tot Ret	70.4%	19.8%
5 Yr Avg Tot Ret	42.2%	-100.0%
10 Yr Avg Tot Ret	N/A	2.1%
Performance Grade	NA	C
2008 Total Return	-3.4%	-38.5%
Safety Grade	B	C

4. Overall Grade



Gunderson Stock Grade

A-

Overall Ranking: 53 / 2714

THIS APP PROVIDES GENERAL INFORMATION AND IS NOT AN OFFER TO BUY OR SELL ANY SECURITY. IT IS THE SOLE OPINION OF THE CREATOR, BILL GUNDERSON. BILL GUNDERSON IS PRESIDENT OF GUNDERSON CAPITAL MANAGEMENT INC. A REGISTERED INVESTMENT ADVISORY FIRM LOCATED AT 550 SEAGAZE DR.

Data from Bill Gunderson's best Stocks Now App

Georesources is an \$835 billion dollar market-cap company headquartered in Houston, Texas. They are engaged in oil and natural gas production in the Southwest, Gulf Coast, and Williston Basin are of the United States.

The stock has been a top performer and is still a good value, hence the current Gunderson grade of "A-."

Here is a one-year chart of Georesources:



Previously featured stocks: (As of 2/17/2012)

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

I have been featuring stocks in my newsletter for over five years now. The average featured stock of the week has beaten the S & P 500 by 21.2%. The list above is the current active list. The stocks that have been deleted from this list are listed later in the newsletter.

Click [here](#) to read my article on Green Mountain Coffee on Marketwatch this past week.

Click [here](#) to read my article in Seeking Alpha on Ezc corp [s:EZPW] this past week

Click [here](#) to read my op-ed piece in the Huffington Post about a flat tax rate of 100% for all.



Global Markets as of 2/17/2012-On Fire!

The Global markets continue on fire. Right now, the U.S. is the worst market in the world. Don't look now, cut here comes Chile.

		<u>2012 ytd</u>
India	INP	32.5%
Vietnam	VNM	21.7%
Brazil	EWZ	19.8%
Russia	RSX	19.6%
Chile	CH	19.5%
China	FXI	15.5%
Peru	EPU	15.3%
Emerging Mkts.	ADRE	15.1%
Thailand	THD	15.1%
Mexico	EWW	12.3%
Europe	EFA	10.1%
Japan	EWJ	9.4%
Canada	EWC	6.7%

Commodities as of 2/17/2012

COMMODITIES-Oil breaking out. Gas above \$4 in Socal.

		<u>2012 YTD</u>
Steel	SLX	15.5%
Silver	SLV	19.8%
Coal	KOL	11.2%
Copper	JJC	8.4%
Gold	GLD	10.1%
Cotton	BAL	-0.1%
Grains	JJG	0.7%
Oil	USO	4.2%



For the most part, commodities cooled off this past week with the exception of oil which is now over \$103 per barrel. Unleaded gas is once again above \$4 per gallon here in Southern California. There goes the benefits from the payroll tax extension.

Bill Gunderson's Current Basic Recommended 401-k Allocation

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY.

WORST STOCKS NOW! Short Ideas

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Shorting stocks is merely the practice of borrowing and selling a stock today and selling at a later date. Borrowing and buying First Solar on May 27, 2011 at its then price of \$121.37 has netted a profit of 62.53% ! Buying puts is also a good way to go.

These are the stocks that I have deleted from my Conservative Model Portfolio so far this year.

These are the stocks that I have deleted from my INCOME Model Portfolio so far this year.

These are the stocks that I have eliminated from my Aggressive Portfolio this year:

To order my book BEST STOCKS NOW, click [here](#)

To set up and appointment with me, click [here](#)

If you are looking for a good CPA to do some tax-planning or financial planning, give Randy Goodsell a call. Randy has been my CPA for many years. Randy is a frequent guest on my daily radio show. Randy can be reached at (619)238-4343. His website is <http://www.goodsellcpa.com>

Scott Voak, our show's Real Estate expert continues to find double-digit returns on income properties all throughout San Diego. You can reach Scott at (888)311-6311. Scott's website is <http://www.voakhomes.com> covered a lot of interesting topics on my daily radio this past week. To listen to the archives, you can visit <http://www.pwstreet.com/radio-show-archives>

Subscriptions to this weekly newsletter are \$195 per year or \$60 per quarter. To subscribe call us at (760)736-8258 or visit our website at <http://pwstreet.com>. You can also mail a check to Gunderson Capital Mgt. 550 Seagaze Dr. #16 Oceanside, CA 92054.

THIS REPORT PROVIDES GENERAL INFORMATION AND IS NOT AN OFFER TO BUY OR SELL ANY SECURITY. IT IS THE SOLE OPINION OF THE WRITER, BILL GUNDERSON. BILL GUNDERSON IS PRESIDENT OF GUNDERSON CAPITAL MANAGEMENT INC. A REGISTERED INVESTMENT ADVISORY FIRM LOCATED AT 550 SEAGAZE DR. #16 OCEANSIDE, CALIFORNIA 92054 PHONE NO. (760)736-8258. BILL GUNDERSON EDITS THE WEEKLY NEWSLETTER. INFORMATION IN THIS NEWSLETTER COMES FROM INDEPENDENT SOURCES BELIEVED TO BE RELIABLE, BUT ACCURACY IS NOT GUARANTEED. BILL GUNDERSON OR GUNDERSON CAPITAL MGT. INC. HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION PUBLISHED BY THE INDEPENDENT SOURCES. SELECTIONS IN THIS NEWSLETTER ARE THE SOLE OPINIONS OF BILL GUNDERSON AND ARE SUBJECT TO RISKS AND UNCERTAINTIES BEYOND THE CONTROL OF BILL GUNDERSON AND GUNDERSON CAPITAL MGT. INC. SUCH RISKS AND UNCERTAINTIES INCLUDE NATIONAL, INTERNATIONAL, ECONOMIC CONDITIONS AND FLUCTUATIONS; ECONOMIC CONDITIONS OF SPECIFIC SECTORS AND GROUPS AND COMPANIES; MANAGEMENT CAPABILITIES OF COMPANIES SELECTED. SELECTIONS IN THIS NEWSLETTER MAY NOT YIELD PROFITABLE RESULTS AND MAY ACTUALLY RESULT IN A LOSS OF INVESTMENT CAPITAL. AS AN INVESTMENT ADVISORS, BILL GUNDERSON, OR CLIENTS OF GUNDERSON CAPITAL MGT. INC. MAY PURCHASE AND SELL SECURITIES IDENTIFIED EITHER IN THEIR OWN ACCOUNTS OR ACCOUNTS THAT THEY MANAGE. THEY MAY ALSO BUY OR SELL SECURITIES MENTIONED WITHOUT NOTICE TO NEWSLETTER SUBSCRIBERS. IF YOU HAVE ANY QUESTONS, YOU CAN CONTACT BILL GUNDERSON AT (760)736-8258

This document was created with Win2PDF available at <http://www.win2pdf.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.
This page will not be added after purchasing Win2PDF.