

# Bill Gunderson's Weekly "Best Stocks Now" Newsletter

*Straightforward, honest research for successful people...*

February 24, 2012



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

The Dow continues to struggle with the 13,000 level, but it looks like it will bust through that barrier soon enough. The big story right now is oil prices. I paid \$4.17 per gallon at the cheapest station that I know of. I had to tell my poor dog, no beef jerky today, the oil companies got it instead. We are being told that there is no quick fix to the current situation. Maybe a fix should have been started years ago. I just don't see Solar algae being the answer.

These high oil prices are not good for the struggling European Union, our fragile economy, the consumer's pocketbook, or voter sentiment. How can the Keystone Pipeline not be in the best interest of the country? Meanwhile the market continues to inch its way higher and is off to a good start for the year.

Here is how this last week went:

	<b>Fri. 2/17/12</b>	<b>Fri. 2/24/12</b>	<b>Week</b>	<b>Week Pct.</b>
	<b>Close</b>	<b>9AM</b>	<b>Change</b>	<b>Change</b>
<b>S&amp;P500</b>	<b>1361.23</b>	<b>1366.86</b>	<b>5.63</b>	<b>0.41%</b>
<b>DJIA</b>	<b>12,949.87</b>	<b>12,995.00</b>	<b>45.13</b>	<b>0.35%</b>
<b>NASD</b>	<b>2951.78</b>	<b>2965.00</b>	<b>13.22</b>	<b>0.45%</b>
<b>S&amp;P600 (Small)</b>	<b>461.77</b>	<b>460.81</b>	<b>-0.96</b>	<b>-0.21%</b>
<b>Emg. Mkts (ADRE)</b>	<b>43.83</b>	<b>43.85</b>	<b>0.02</b>	<b>0.05%</b>
<b>10yr Bd.</b>	<b>2.02%</b>	<b>1.99%</b>	<b>-0.03%</b>	<b>-1.49%</b>
<b>Oil</b>	<b>103.36</b>	<b>109.00</b>	<b>5.64</b>	<b>5.46%</b>
<b>Gold</b>	<b>1725.60</b>	<b>1777.00</b>	<b>51.40</b>	<b>2.98%</b>

As you can see from the table above, it was all positives this past week, except for the Small Caps. Once again, the big story of the week is a jump of 5.46% in oil. Here is a current chart of unleaded gas-the symbol is (OUCH)!



By the way, UGA is an ETF that one can buy. If you think gas is going higher then you may want to consider it....

Here is where the markets stand year-to-date:

	12/31/11 Value	Fri. 2/24/12 9AM	2012 YTD	YTD Pct. Change
S&P500	1260.37	1366.86	106.49	8.45%
DJIA	12,239.74	12,995.00	755.26	6.17%
NASD	2610.68	2965.00	354.32	13.57%
S&P600 (Small)	415.07	460.81	45.74	11.02%
Emg. Mkts (ADRE)	39.89	43.85	3.96	9.93%
10yr Bd.	1.87%	1.99%	0.12%	6.42%
Oil	98.87	109.00	10.13	10.25%
Gold	1565.90	1777.00	211.10	13.48%

The Nasdaq is now up 13.57% for the year, while the small cap index is up 11.02%. By contrast, the Large-Cap dividend paying Dow is only up by 6.17% year to date. *Risk on*, continues to be the mode in the market for now.

Here is a current chart of the Nasdaq:



The Nasdaq continues to roll.

Let's also not forget that the Euro (FXE) continues to drive this bus:



Many of my stocks had nice earnings reports this past week:

Clean Harbors (CLH) had another blowout report this past week and continues to hit new highs:



Harold Hamm's Continental Resources (CLR) impressed once again:



T J Maxx also continues to impress with earnings:



Lastly, small-cap Tyler Technologies turned in super impressive earnings:



Once again, stocks of yesteryear like Sears, Dell, and Hewlett Packard turned in lousy earnings. I remain bullish for now.



**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 portfolio is up 9.2% year-to-date, while the S & P 500 is up 8.5%. The portfolio currently has a 1.1% cash position and no hedges. The portfolio is currently heavily weighted in the consumer and commodity related sectors.

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**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.

The list below contains the best examples of such stocks that I can find in the market right now. No changes this week.

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It should be noted that the average yield of this portfolio is 7.1%. This compares with a ten year U.S. treasury at a current rate of 1.8%, CD's offering next to nothing, and corporate bonds offering about 5.0% with very little chance of growth. There obviously is more risk in investing in a portfolio like this, but the reward potential is greater.

Dividend stocks continue to underperform the market so far in 2012.

**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. No changes this week. This portfolio is up 10.65% YTD.

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**Bill Gunderson's Featured Stock of the Week 2/24/2012**

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

Oceaneering Intl Inc	
Sector	Energy
Market Cap	6,170,000,000
Size	Mid-Cap
Risk Profile	Moderate
Valuation 02/23/12	
Last Closing Price	\$56.80
Last Change	0.79
Next Yr EPS Est	\$3.18
Forward PE Ratio	17.86
Gunderson Value Grade	
<b>B</b>	

2. Valuation

Valuation 02/23/12	
Last Closing Price	\$56.80
Last Change	0.79
Next Yr EPS Est	\$3.18
Forward PE Ratio	17.86
Est 5Yr Annual Gr	19.05%
5Year Target Price	\$99.51
Dividend Yield	1.10%
5Yr Tot Ret Pot	80.7%
Gunderson Value Grade	
<b>B</b>	



### 3. Performance

Valuation 02/23/12	
Last Closing Price	\$56.80
Last Change	0.79
Next Yr EPS Est	\$3.18
Forward PE Ratio	17.86
Est 5Yr Annual Gr	19.05%
5Year Target Price	\$99.51
Dividend Yield	1.10%
5Yr Tot Ret Pot	80.7%

**Gunderson Value Grade**

**B**

### 4. Overall Grade

**Gunderson Stock Grade**

**A**

**Overall Ranking: 23 / 2671**

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#### **Data from Bill Gunderson's best Stocks Now App**

Oceaneering Intl. provides deepwater engineered services to the offshore oil and gas industry. Headquartered in Houston, Texas it is a \$6 billion mid-cap stock that would be appropriate for aggressive to moderate growth investors.

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



**Previously featured stocks: (As of 2/24/2012)**

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*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 21.5%. 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 2/24/2012-On Fire!**

The Global markets continue on fire. Right now, the U.S. is the worst market in the world.

		<b><u>2012 ytd</u></b>
Vietnam	VNM	<b>35.0%</b>
India	INP	<b>30.0%</b>
Russia	RSX	<b>24.7%</b>
Brazil	EWZ	<b>20.9%</b>
Chile	CH	<b>20.8%</b>
Thailand	THD	<b>18.9%</b>
Emerging Mkts.	ADRE	<b>17.8%</b>
Peru	EPU	<b>15.3%</b>
China	FXI	<b>15.3%</b>
Europe	EFA	<b>11.4%</b>
Mexico	EWX	<b>10.9%</b>
Japan	EWJ	<b>10.9%</b>
Canada	EWC	<b>9.0%</b>

**Commodities as of 2/24/2012**

		<u><b>2012 YTD</b></u>
<b>Silver</b>	SLV	<b>27.4%</b>
<b>Steel</b>	SLX	<b>17.1%</b>
<b>Copper</b>	JJC	<b>13.0%</b>
<b>Coal</b>	KOL	<b>11.2%</b>
<b>Gold</b>	GLD	<b>10.1%</b>
<b>Oil</b>	USO	<b>10.1%</b>
<b>Grains</b>	JJG	<b>0.6%</b>
<b>Cotton</b>	BAL	<b>-2.6%</b>

Oil continues to break out to new highs along with unleaded gas. The average price in San Diego today is \$4.23 per gallon!

### **Bill Gunderson's Current Basic Recommended 401-k Allocation**

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### **WORST STOCKS NOW! Short Ideas**

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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](#)

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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.**

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