

Bill Gunderson's Weekly "Best Stocks Now" Newsletter

Straightforward, honest research for successful people...

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

SPECIAL NOTE: AM1000 KCEO HAS BEEN SOLD. WE WILL BE MOVING TO AM1450 AND AM1510 NEXT WEEK-I HOPE YOU JOIN US!

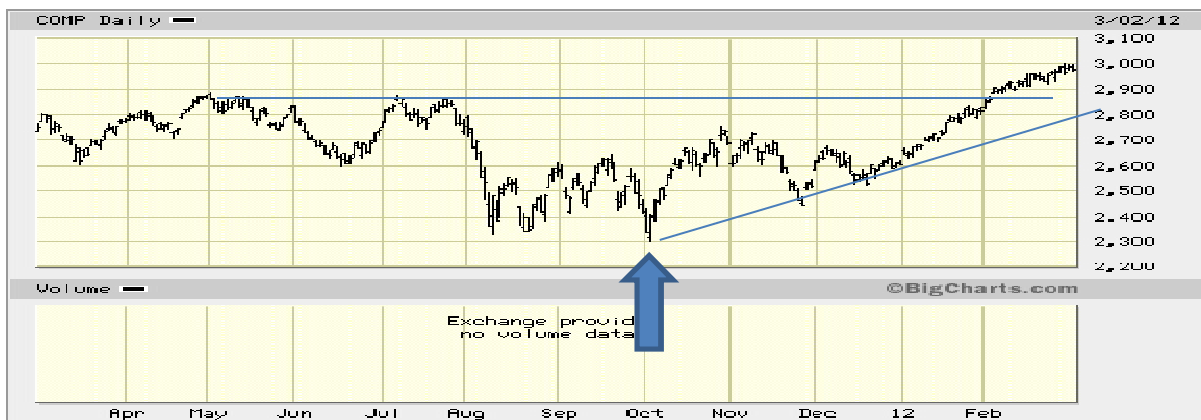
The Dow continues to struggle with the 13,000 level, but it looks like it will bust through that barrier soon enough.

Actually, this is how I started last week's newsletter. This statement is still true, however. The Dow continues to struggle with 13,000, closing just shy of that psychological barrier once again this week.

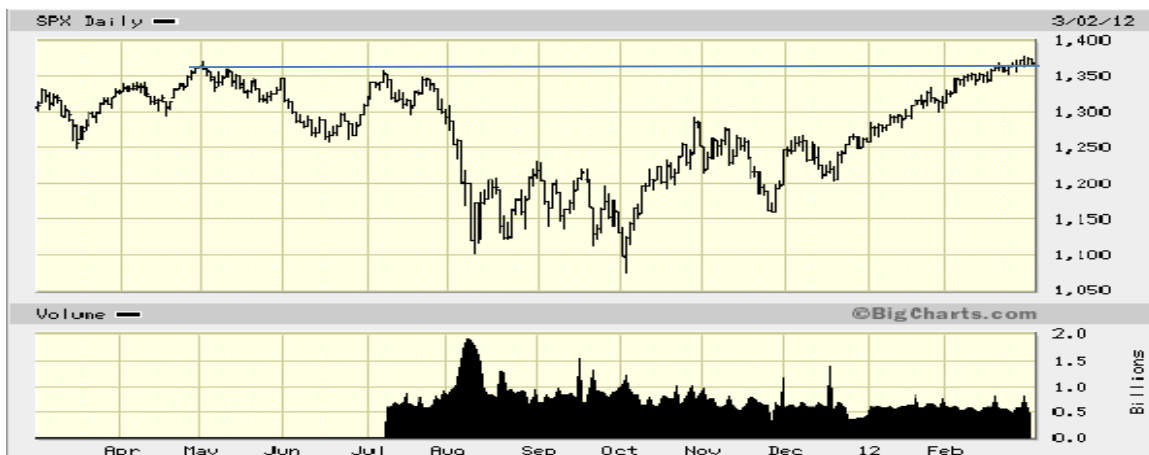


I want you to notice however, that even though the Dow is struggling with 13,000, it has already broken through its resistance level. The Dow remains in a *bullish* trend for now. That trend has been in place since last October.

The tech-heavy Nasdaq, along with the small-cap S & P 600 continue to lead the way in 2012. The chart of the Nasdaq looks almost the same as the Dow, just a bit more extended. The Nasdaq also remains in a bullish trend that began in October of last year.



Lastly, here is a chart of the S & P 500:

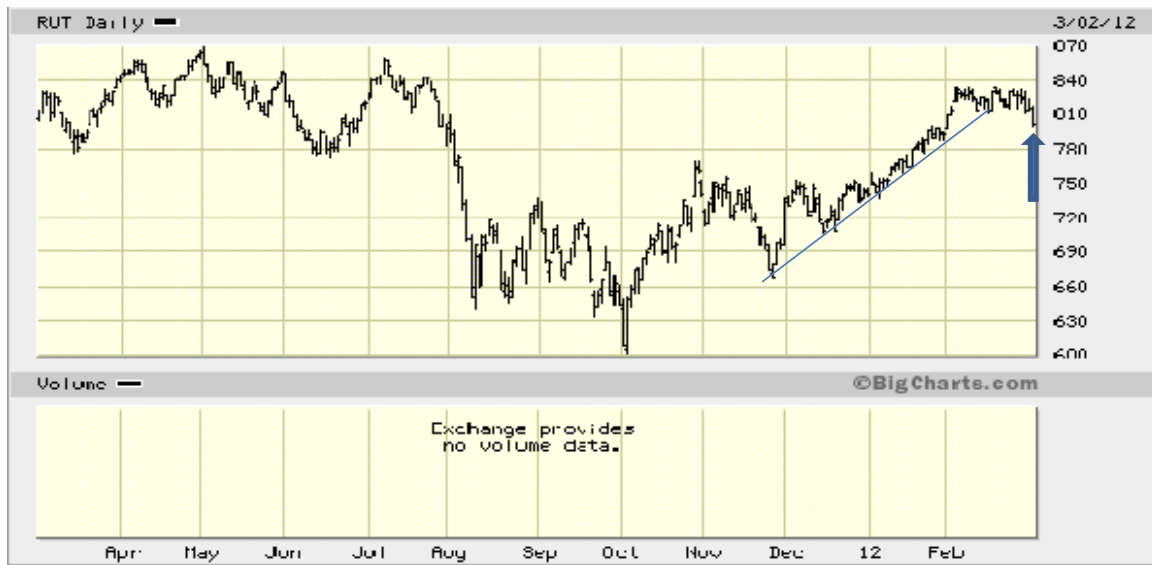


The S & P also remains in a bullish uptrend for now. Economic reports were just decent this past week. The real big downside surprise for me was the durable goods orders which were very, very weak. Hopefully, this is just an anomaly and it will rebound next month.

Here is how we fared in the markets this past week:

	Fri. 2/24/12	Fri. 3/2/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1365.54	1369.63	4.09	0.30%
DJIA	12,982.00	12,977.57	-4.43	-0.03%
NASD	2963.75	2976.19	12.44	0.42%
S&P600 (Small)	459.76	446.23	-13.53	-2.94%
Emg. Mkts (ADRE)	43.80	44.16	0.36	0.82%
10yr Bd.	2.02%	1.99%	-0.03%	-1.49%
Oil	103.36	106.64	3.28	3.17%
Gold	1725.60	1713.10	-12.50	-0.72%

One disturbing trend that jumps out at me from the above graph is the sell-off in the small-cap index this past week. This is something that needs to be watched closely as it could be the pre-cursor to a correction in the market.



Just for fun, let's look at a chart of an inverse small-cap fund:



As you can see, the small-caps have been a good place to be since October. Being in an inverse fund has not been the place to be. You can see just a little uptrend maybe brewing in this inverse small-cap fund. Once again, this is worth keeping an eye on. It is comforting to see SBB ranked number 2,278 right now.

While we are at it, let's just take a peek a double-short inverse small cap ETF:



Once again, it may be the small-caps are due for a breather. If the small-caps start to correct, it is only a matter of time before the Dow and the S & P 500 follow along. Stay tuned. SDD is ranked number 2739 out of 2762, however.

Let's next take a peek at the current elephant in the room-light, sweet crude:



Oil and gas prices continue to move higher, this is not a good scenario for a sustainable recovery in our economy. The biggest wild card that the market has to be concerned about right now is Iran.

It almost seems like a sure thing, that this issue is not going to be solved peaceably. An attack on Iran would not sit well with friends of Iran like Russia, China, North Korea, Pakistan, etc. etc. These are definitely interesting times that we live in.

In the meantime we can only take the market one day, one week, and one month at a time. There is always something hanging over the head of the market.

Lastly, let's take a look at a current chart of Gold:



Gold remains in a very choppy, sideways trend just as I predicted it would after it broke its ten year uptrend line back in September. Gold and silver are currently ranked at number 645 out of 2,762 stocks. I currently have no positions in either.

Silver Wheaton has moved back up into a rank of 367 and bears watching going forward. I usually like to buy things that are ranked number 150 or better.

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

	12/31/11 Value	Fri. 3/2/12 Close	2012 YTD	YTD Pct. Change
S&P500	1260.37	1369.63	109.26	8.67%
DJIA	12,239.74	12,977.57	737.83	6.03%
NASD	2610.68	2976.19	365.51	14.00%
S&P600 (Small)	415.07	446.23	31.16	7.51%
Emg. Mkts (ADRE)	39.89	44.16	4.27	10.70%
10yr Bd.	1.87%	1.99%	0.12%	6.42%
Oil	98.87	106.64	7.77	7.86%
Gold	1565.90	1713.10	147.20	9.40%

The Nasdaq (thanks Apple!) continues to lead the way, while all of sudden the small-caps had a very bad week. This may portend a sea-change ahead, but those inverse funds would have to move up significantly in rank first. The emerging markets also continue to do well.

One more key chart to look at is the Euro (FXE):



Our markets and commodities want a strong euro and a weak dollar. As you can see the Euro pulled back over the last three days as Spain is not meeting its debt targets. A breakdown of the Euro would also lead to a sell-off in the markets. Stay tuned. Follow me on twitter @billgunderson.

I remain bullish for now, but my vigilance antenna is going up!



The first mobile radio

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 11.0% year-to-date, while the S & P 500 is up 8.9%. The portfolio currently has a 1.1% cash position and no hedges. The portfolio is currently heavily weighted in the consumer sector.

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Apple continues to hit new highs, but it sure looks tired:



This is a great chart to own, not to buy!

AutoZone is almost as impressive:



I would be a little reluctant to buy it here, though.

I could not be happier with Dollar Tree:



One of my favorite stocks (and largest holdings) Priceline.com blasted off this past week. It also moved up to number 12 in overall rank:



Boy, a move like this brings a smile to my face!



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 for Seeking Alpha on this very subject. Check out how the stocks I mentioned have performed since I wrote the article!

The list below contains the best examples of such stocks that I can find in the market right now.

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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 is obviously more risk in investing in a portfolio like this, but the reward potential is also much greater.

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

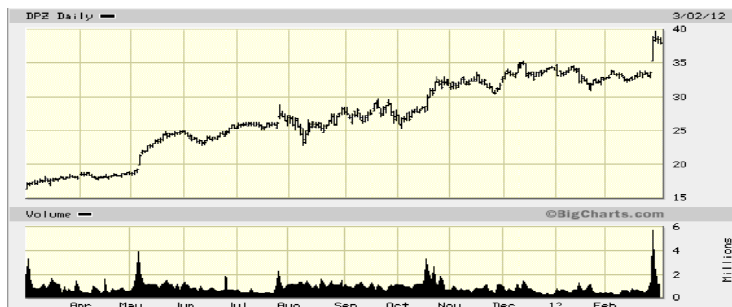
Bill Gunderson's Model Portfolio for Investors seeking AGGRESSIVE Growth

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. This portfolio is up 11.6% YTD, while the S & P 500 is up 8.9%.

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Domino's Pizza had blowout earnings this past week and the stock had a huge breakout:



Bill Gunderson's Featured Stock of the Week 3/2/2012

I currently have 2,762 stocks 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
2. Valuation

AT&T 3G 3:44 PM 96%

Search bwld

Buffalo Wild Wings Inc	
Sector	Consumer
Market Cap	1,590,000,000
Size	Small-Cap
Risk Profile	Aggressive
Valuation 03/02/12	
Last Closing Price	\$86.76
Next Yr EPS Est	\$3.92
Forward PE Ratio	22.13
Est 5Yr Annual Gr	20.49%

Best Stocks Now! Stocks Sectors Dow Search

AT&T 3G 3:44 PM 96%

Search bwld

Valuation 03/02/12	
Last Closing Price	\$86.76
Next Yr EPS Est	\$3.92
Forward PE Ratio	22.13
Est 5Yr Annual Gr	20.49%
PEG Ratio	1.08
5Year Target Price	\$165.24
Dividend Yield	0.00%
5Yr Tot Ret Pot	90.5%
Gunderson Value Grade	
A-	

Best Stocks Now! Stocks Sectors Dow Search

3. Performance

Performance of bwld vs S&P 500		
1 Mo Total Return	26.1%	3.3%
3 Mo Total Return	35.2%	-0.3%
12 Mo Total Return	70.5%	4.7%
Momentum Grade	A+	C
3 Yr Avg Tot Ret	40.9%	25.0%
5 Yr Avg Tot Ret	26.0%	-0.3%
10 Yr Avg Tot Ret	N/A	1.9%
Performance Grade	NA	C
2008 Total Return	10.5%	-38.5%
Safety Grade	B+	C

4. Overall Grade

Gunderson Stock Grade

A+

Overall Ranking: 5 / 2762

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Data from Bill Gunderson's "Best Stocks Now App"

Buffalo Wild Wings operates and franchises 732 quick casual restaurants in 44 states with plans to open 95 more in 2012. From time to time restaurant chains come along that sweep America. We saw this with Chipotle. This looks like a good growth story for now. Let's see where it takes us.



One year chart of BWLD



Since Inception



Previously featured stocks: (As of 3/2/2012)

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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 22.3%. The list above is the current active list. The

stocks that have been deleted from this list are listed later in the newsletter.

Gunderson Best Stocks Now Top 100

			Current	One	One	One
			Rank	Day	Week	Month
			Rank	Ago	Ago	Ago
MLAB	A+	Mesa Laboratories	1	9	8	59
REGN	A+	Regeneron Pharmaceuticals	2	2	2	1
ASPS	A+	Altisource	3	3	417	181
EZCH	A+	Ezchip Semiconductor	4	6	16	151
BWLD	A+	Buffalo Wild Wings Inc	5	13	4	285
VVUS	A+	Vivus Inc	6	4	3	8
CIE	A+	Cobalt Intl. Energy	7	5	5	2
FOSL	A+	Fossil Inc	8	7	62	89
FAST	A+	Fastenal Co	9	8	18	37
PCLN	A+	Priceline.com Inc	10	10	47	105
CRMT	A+	America's Car-Mart Inc	11	17	24	56
TNH	A+	Terra Nitrogen Co Lp	12	11	11	21
AAPL	A+	Apple Computer	13	12	7	35
PCYC	A	Pharmacyclics Inc	14	14	12	3
LPSN	A	LivePerson Inc	15	16	185	456
ALXN	A+	Alexion Pharmaceuticals	16	15	6	31
TSCO	A	Tractor Supply Co	17	21	19	5
CHSI	A	Catalyst Health Solutions	18	18	52	18
CERN	A	Cerner Corp	19	22	134	248
UFPT	A	U F P Tech. Inc.	20	44	624	1167
ADGF	A	Adams Golf	21	67	410	0
SXCI	A	S X C Health Solutions	22	29	169	53
NVO	A	Novo Nordisk A/S	23	20	27	109
CLR	A	Continental Res Inc.	24	34	286	336
AAP	A	Advance Auto Parts Inc	25	45	118	148
SHOO	A	Stephen Madden	26	32	25	32
ORLY	A	O'Reilly Automotive Inc	27	33	81	77
CSTR	A	Coinstar	28	27	29	182
TDG	A	Transdigm Group Inc	29	28	17	47
ACFN	A-	Acorn Energy Inc.	30	24	15	0
GMCRA	A-	Green Mtn Coffee Roasters Inc	31	1	1	249
KTCC	A	Key Tronic Corp	32	19	9	4
DXPE	A	DXP Enterprises Inc	33	37	13	30
AE	A	Adams Res & Energy Inc.	34	35	77	12

THE REST OF THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's Top 100 is a new feature in the newsletter. I can tell you from experience that it is very powerful. The Top 100 is a reflection of the market and the economy. These trends can remain in place for a long time. Sometimes bonds are at the top, sometimes cash is at the top, and there are even times when inverse funds rule the roost. Study this list carefully each week.



Global Markets as of 3/2/2012-On Fire!

The Global markets continue on fire. Right now, the U.S. is the worst market in the world. Good info to know right? Right!

		<u>2012 ytd</u>
Vietnam	VNM	38.8%
India	INP	26.8%
Russia	RSX	26.3%
Brazil	EWZ	22.5%
Thailand	THD	19.7%
Chile	CH	18.5%
Peru	EPU	16.8%
Emerging Mkts.	ADRE	16.0%
China	FXI	15.5%
Mexico	EWX	12.8%
Europe	EFA	10.6%
Japan	EWJ	9.2%
Canada	EWC	9.2%

Commodities as of 3/2/2012



COMMODITIES-Oil breaking out. Gas now \$4.49 plus in Socal!

		<u>2012 YTD</u>
Silver	SLV	25.3%
Steel	SLX	16.1%
Copper	JJC	14.3%
Gold	GLD	9.4%
Oil	USO	7.0%
Coal	KOL	7.0%
Grains	JJG	4.1%
Cotton	BAL	-4.9%

Oil continues to break out to new highs along with unleaded gas. The average price in San Diego today is \$4.49 per gallon!

Bill Gunderson's Current Basic Recommended 401-k Allocation

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WORST STOCKS NOW! Short Ideas

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<http://www.youtube.com/watch?v=bOwWvEBkTxA>

Bill Gunderson appeared on Bloomberg Radio with Pimm Foxx and Courtney Donahoe this past week. I talked about Priceline.com, one of the great stocks of the decade,



Pimm Foxx

Listen [Here](#)

Click [here](#) to read Bill Gunderson's article on Priceline.com this past week on Seeking Alpha.

Priceline is up over 130 points since my last [article](#) on the stock.

Click [here](#) to read Bill Gunderson's Marketwatch article on his top three energy picks right now.

Click [here](#) to read Bill Gunderson's latest commentary on Warren Buffett-A big position in the Obama administration coming?

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>

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>

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