

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. debating the Gold Standard on the Fox Business Channel.

SPECIAL NOTE: AM1000 KCEO HAS BEEN SOLD. WE HAVE MOVED TO AM1450 AND AM1510.

The current uptrend in the market that began last October remains in place for now, while the bond market continues to sell-off.



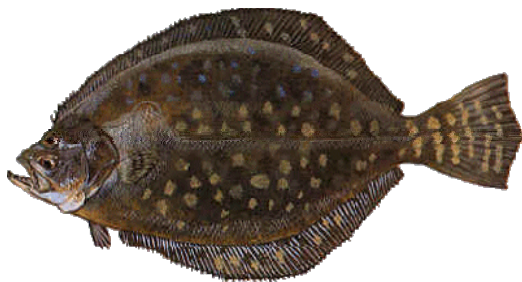
Why anyone would hold onto bonds right now is beyond me. I wrote two articles this past week about the bond market that I will refer you to, later in this week's newsletter.

Here is how we fared for the week:

	Fri. 3/16/12	Fri. 3/23/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1404.17	1397.11	-7.06	-0.50%
DJIA	13,232.62	13,089.05	-143.57	-1.08%
NASD	3055.26	3067.92	12.66	0.41%
S&P600 (Small)	461.77	461.31	-0.46	-0.10%
Emg. Mkts (ADRE)	43.17	42.25	-0.92	-2.13%
10yr Bd.	2.30%	2.24%	-0.06%	-2.61%
Oil	107.15	106.87	-0.28	-0.26%
Gold	1660.00	1662.80	2.80	0.17%

The equity markets were actually down the last three out of five days on China slowdown worries, but the Nasdaq finished positive for the week. Tech, small-cap, and emerging market stocks continue to lead the market in 2012, as the **risk-on** trade remains in place for now.

The bond market stabilized this past week after its worst week since 2006. Oil remained steady, while gold continues to flounder.



Flounder is delicious, but not in one's portfolio. Pass the tartar sauce please! I have no exposure to gold right now. The ETF (GLD) is ranked number at 1204 out of almost 2800 stocks. I try to focus on the top 100. There will more than likely be a time to own gold again, but not right now.

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

	12/31/11	Fri. 3/23/12	2012	YTD Pct.
	Value	Close	YTD	Change
S&P500	1260.37	1397.11	136.74	10.85%
DJIA	12,239.74	13,089.05	849.31	6.94%
NASD	2610.68	3067.92	457.24	17.51%
S&P600 (Small)	415.07	461.31	46.24	11.14%
Emg. Mkts (ADRE)	39.89	42.25	2.36	5.92%
10yr Bd.	1.87%	2.24%	0.37%	19.79%
Oil	98.87	106.87	8.00	8.09%
Gold	1565.90	1662.80	96.90	6.19%

The big story so far this year is the sell-off in the bond market and the shift from large-cap dividend payers to more aggressive stocks. The bond market is still very much bloated and money should continue to trickle out of it and feed the stock market. The Nasdaq continues to reach for the sky, while Apple is stalled at \$600.

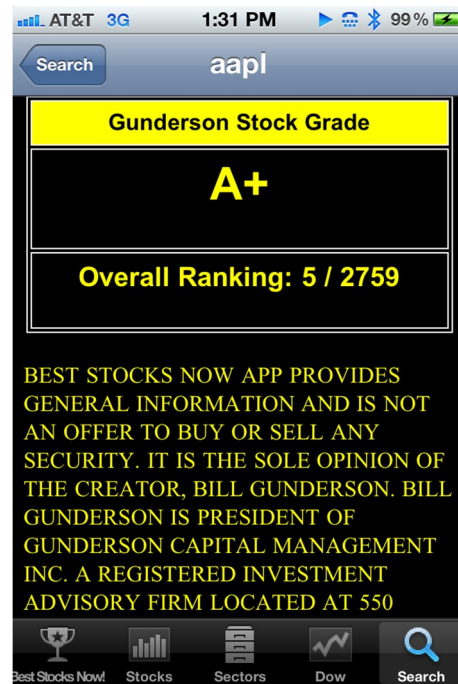
Apple Inc.

■ AAPL



This is what we call a very “extended” chart.

One of the most frequently asked questions of me is, “when do you sell?”



Data from Best Stocks Now App

Notice that according to my current valuation, Apple still has 90% upside potential over the next five years. It also gets an A- Gunderson Value Grade. Also notice that the stock is still ranked at #5 overall in my proprietary **momentum plus value** system.

As I stated last week, parabolic charts like this are worrisome. Also consider that most of my clients are in this stock at \$218.95 when I added it to my aggressive model portfolio. I just thought it prudent to cut Apple in half right now. Chalk this up as **one of the reasons to sell or pare back on a position**.



Boy, does that picture bring back some memories!

Dear Prudence!

Bungalow Bill Gunderson remains BULLISH for now!



@billgunderson. Please follow me on Twitter, Facebook, or LinkedIn throughout the week for any changes in my current stance on the market or individual stocks. My tweets are also found on my **BEST STOCKS NOW** app every day and on the homepage of my website: <http://www.pwstreet.com>



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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 13.9% year-to-date, while the S & P 500 is up 11.0%. The portfolio currently has a 1.1% cash position and no hedges. The portfolio is currently heavily weighted in the consumer sector.

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 CONSERVATIVE GROWTH and the INCOME & GROWTH portfolios.

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 **14.6%** YTD, while the S & P 500 is up 11.00%.

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Aggressive stocks continue to be the place to be in 2012!

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 am very pleased with the results that my model portfolio has achieved thus far. It is designed as a bond or CD alternative, albeit with more risk.

This portfolio currently has an average yield of 6.2%. Compare this with the current U.S. Treasury yield of 2.3% and current CD yields.

This portfolio is up 12.5% since its August 2011 inception. It is currently running at an annualized rate 18.8%. Keep in mind that dividend stocks ruled the roost for much of 2011, however.

Notice that I have NO bond exposure whatsoever! The bond market has been rocked lately! How important is it for your advisor to **NOT** have you in bonds?

Bonds continue to be an extremely over-owned asset class, and they are in a **BEAR** market.

I don't care what your asset allocation says! There is such a thing as common sense. If you or your advisor, have you heavily weighted in bonds, you may want to ask the question **WHY?**

I wrote two articles on this subject this past week. One of them was for Marketwatch:

http://www.marketwatch.com/story/bond-market-gets-rocked-2012-03-21?link=MW_story_latest_news

The other one was for Seeking Alpha.

<http://seekingalpha.com/article/447991-it-is-time-for-bond-alternatives>

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

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

Bill Gunderson's Featured Stock of the Week 3/23/2012



THE FULL SUBSCRIPTION VERSION OF BEST STOCKS NOW IS NOW AVAILABLE FOR ANDROID PHONES AND TABLETS! PC VERSION COMING SOON...

I currently have 2,805 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

Netease.Com Inc ADR	
Sector	Technology
Market Cap	7,820,000,000
Size	Mid-Cap
Risk Profile	Moderate

Valuation 03/23/12

Last Closing Price	\$59.71
Next Yr EPS Est	\$5.08
Forward PE Ratio	11.75
Est 5Yr Annual Gr	16.70%

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2. Valuation

Valuation 03/23/12

Last Closing Price	\$59.71
Next Yr EPS Est	\$5.08
Forward PE Ratio	11.75
Est 5Yr Annual Gr	16.73%
PEG Ratio	0.70
5Year Target Price	\$113.18
Dividend Yield	0.00%
5Yr Tot Ret Pot	89.5%

Gunderson Value Grade

A-

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3. Performance

AT&T 3G 4:08 PM 100%

Search ntes

Performance of ntes vs S&P 500		
1 Mo Total Return	19.4%	2.5%
3 Mo Total Return	32.3%	0.3%
12 Mo Total Return	25.7%	7.7%
Momentum Grade	A	C
3 Yr Avg Tot Ret	35.3%	19.3%
5 Yr Avg Tot Ret	26.8%	-0.6%
10 Yr Avg Tot Ret	77.7%	2.0%
Performance Grade	A	C
2008 Total Return	16.6%	-38.5%
Safety Grade	B+	C

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4. Overall Grade

AT&T 3G 4:08 PM 100%

Search ntes

Gunderson Stock Grade

A+

Overall Ranking: 3 / 2813

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Business Summary

NetEase.com, Inc., an Internet technology company, engages in the development of applications, services, and other technologies for the Internet in China. It provides online game services to Internet users through in-house development or licensing of multi-player online role-playing games, including Fantasy Westward Journey, Westward Journey Online II, Westward Journey Online III, Tianxia II, and Datang, as well as the licensed game, Blizzard Entertainment's World of Warcraft. The company also offers online advertising on its Web sites; and has paid listings on its search engine and Web directory, and classified advertising services, as well as an online mall, which provides opportunities for e-commerce and traditional businesses to establish their own storefront on the Internet. In addition, it provides wireless value-added services, such as news and information content, matchmaking services, music, and photos from the Web, which are sent over short messaging services (SMS), multimedia messaging services (MMS), wireless application protocol (WAP), interactive voice response (IVR), and color ring-back tone technologies. Further, the company offers community services, including instant messaging, online personal advertisements, matchmaking, alumni clubs, e-cards, chat rooms, and community forums; and aggregates news content on world events, sports, science and technology, and financial markets, as well as entertainment content, such as cartoons, games, astrology, and jokes from international and domestic content providers. It also provides free e-mail services; and micro-blogging services that provide various channels of content. NetEase.com, Inc. was founded in 1997 and is based in Beijing, the People's Republic of China.

Previously featured stocks: (As of 3/23/2012)

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 23.2%. The list below is the current active list. The stocks that have been deleted from this list are listed later in the newsletter.

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BILL GUNDERSON'S TOP 100 LIST IS NOW PRINTED EACH WEEEK IN THE NEWSLETTER. HERE IS A PEEK AT 68-100.

A	Stephen Madden	SHOO	17	55	46	68
A-	Sally Beauty Holdings	SBH	21	60	51	69
A	European Aeronautic	EADSY.PK	161	21	91	70
A-	Advance Auto Parts Inc	AAP	114	101	68	71
A-	Michael Kors Hldg	KORS	298	54	72	72
A-	Credicorp Ltd	BAP	79	56	75	72
A	Dominoes Pizza	DPZ	1262	220	175	73
A-	Grainger WW Inc	GWW	92	77	70	74
A-	Limited Bands inc	LTD	202	112	50	75
A-	MSC Industrial Direct Co Inc	MSM	98	83	194	76
A-	National Research Corp	NRCI	348	198	153	77
A-	Comp De Bebidas Adr	ABV	162	137	74	79
A-	Genesco Inc	GCO	306	111	104	80
A-	Rex American Resources	REX	74	81	81	81
A-	Perrigo Co	PRGO	237	46	49	81
A-	Buffalo Wild Wings Inc	BWLD	6	43	78	82
A	Fifty One Job Inc.	JOBS	1081	53	118	83
A-	Red Hat Inc.	RHT	539	286	145	84
A-	Polo Ralph Lauren Corp	RL	58	102	87	85
A-	Bio Reference Lab Inc	BRLI	249	68	79	86
A-	Transdigm Group Inc	TDG	20	93	62	87
A-	Ariad Pharmaceuticals Inc	ARIA	113	177	63	88
A-	Coach inc	COH	27	61	52	89
A-	Ansys Inc	ANSS	206	142	115	90
A	Sourecefire Inc.	FIRE	111	91	91	91
A-	Procera Networks	PKT	111	91	91	91
A-	Healthstream	HSTM	198	22	127	91
A-	British American Tobacco Plc	BTI		97	84	92
A-	Tyler Technologies Inc	TYL	59	78	88	93
A-	FARO Technologies Inc	FARO	89	174	106	94
A	Hibbett Sporting Goods Inc	HIBB	197	107	98	95
A-	Dollar General Corp	DG	655	229	73	96
A-	Isramco Inc	ISRL	389	1399	914	97
A	GeoResources Inc	GEOI	34	30	101	98
A-	Healthcare Services Grp Inc	HCSG	216	79	102	99
A-	Buckle Inc	BKE	247	189	99	100

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 3/23/2012 The Global markets continue to outpace the U.S. markets right now.

		<u>2012 ytd</u>
Vietnam	VNM	36.6%
Thailand	THD	21.7%
Chile	CH	20.1%
India	INP	19.7%
Russia	RSX	17.6%
Peru	EPU	16.3%
Brazil	EWZ	14.7%
Mexico	EWW	13.3%
Emerging Mkts.	ADRE	11.2%
Europe	EFA	10.6%
Japan	EWJ	9.8%
Canada	EWC	6.7%
China	FXI	5.9%



Commodities as of 3/23/2012

COMMODITIES-No real reason to own commodities right now.

		<u>2012 YTD</u>
Silver	SLV	16.0%
Steel	SLX	12.3%
Copper	JJC	10.9%
Oil	USO	6.8%
Grains	JJG	3.9%
Gold	GLD	6.3%
Coal	KOL	0.6%
Cotton	BAL	-3.4%

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>

Here are snippets on all of the stocks I have talked about on my radio show, and articles that I have written over the last few months. They are in alphabetical order.

<http://pwstreet.com/good-bad-stocks/>

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>

I 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 the link below:

<http://pwstreet.com/book/>

To set up and appointment with me, click the link below:

<http://pwstreet.com/contact-us/>

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>

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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