

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

Straightforward, honest research for successful people...

<http://www.pwstreet.com>

@BillGunderson on Twitter

[Bill@pwstreet.com](mailto:Bill@pwstreet.com) Let me hear from you!

April 13, 2012



Bill Gunderson- President and Founder of Gunderson Capital Mgt. Inc.

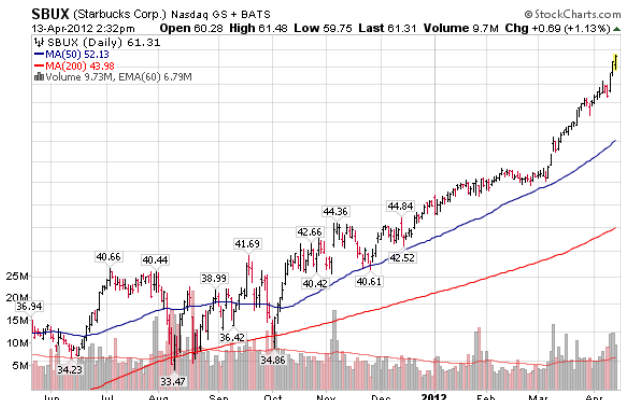
## **SIX MONTH TREND-LINE HAS BEEN BROKEN**



The chart above clearly shows a violation or a break below the 6 month uptrend this past week. In fact, the Dow Jones Industrial Average is now back below 13,000, and is currently trading below its 50 day moving average.



It is now time to panic, sell everything, and run for the exits, right? **Wrong!** It depends on the individual stock in question. I don't see Starbucks (SBUX) breaking its trend-line:



I don't see Tractor Supply (TSCO) rolling over yet:



In fact, I see some stocks like Titan Machinery (TITN) just beginning to emerge:



Some leadership stocks are starting to break down, however. I mentioned that I sold my Clean Harbors (CLH) last week:



I sold 1/2 of my Apple (AAPL) two weeks ago:



As you can see, just like children, each stock will behave differently during a crisis. Each one has to be treated individually. I talked at length about this last week in an article that I wrote for *MarketWatch*. If you did not read it, I suggest that you do so.

<http://seekingalpha.com/article/479931-there-will-be-a-correction>

Here is a summary of the article once again:

1. A correction is unavoidable.
2. Every stock will behave differently.
3. Big winners that are getting pricey are the most vulnerable
4. Some profit-taking will be warranted.
5. Many top performers may start rotating out of my top 200 while others take their place.
6. Each position has to be handled individually.
7. Going 100% to cash is what an amateur does.
8. Many stocks will hold up just fine.
9. New leaders will eventually emerge!
10. A correction is not the end of the world.

The S & P 500 is only 3.2% off of its recent high, while the Dow is down 2.8%, and the Nasdaq is off 3.6% from its high. These numbers do not even qualify as a correction yet, but with these important trend-lines being broken, it looks to me like we have begun to consolidate and correct.

How deep will a correction be? Nobody knows for sure, but as things stand right now, I would expect a shallow correction of 5-8%. I base that on the current support levels of the S & P 500 and the Dow. Many individual stocks will correct much more than that, however.

The stocks that have gone the furthest during this 30-35% run in the market will be the most vulnerable. Forty-three stocks (see list below) have more than doubled during this recent run, they obviously are the most vulnerable.

			6 mo				6 mo
1	MDVN	Medivation	328.5%	22	CRYP	CryptoLogic Inc	121.9%
2	AE	Adams Res & Energy Inc.	248.8%	23	VOXX	Audiovox Corp	121.5%
3	CIE	Cobalt Intl. Energy	221.8%	24	PKT	Procera Networks	121.2%
4	KTCC	Key Tronic Corp	195.1%	25	MHO	MI Homes Inc	117.3%
5	SWHC	Smith & Wesson Hldg.	180.1%	26	FSII	FSI Intl Inc	117.1%
6	LCAV	LCA Vision Inc	170.5%	27	USG	USG Grp	116.9%
7	BLDR	Building First Source	168.6%	28	CONN	Conns Inc	116.7%
8	HW	Headwaters Inc	167.3%	29	AVD	American Vanguard Corp	116.4%
9	MNTG	MTR Gaming Grp	165.0%	30	CX	Cemex Sa De Cv Ads	113.3%
10	VVUS	Vivus Inc	164.8%	31	PCYC	Pharmacyclics Inc	113.2%
11	ACAT	Arctic Cat Inc	161.8%	32	CKEC	Carmike Cinemas Inc	112.8%
12	STX	Seagate Technology	146.3%	33	SCSS	Select Comfort Corp	112.7%
13	ZOLL	Zoll Medical	146.2%	34	ABD	A C C O Brands	112.0%
14	ANIK	Anika Therapeutics Inc	143.7%	35	MGAM	Multimedia Games Inc	111.9%
15	CPWM	Cost Plus Inc	142.5%	36	CTHR	Charles & Colvard Ltd	109.7%
16	MEG	Media General Inc Cl A	139.1%	37	SALM	Salem Communications A	109.4%
17	AMLN	Amylin Pharmaceuticals Inc	137.8%	38	ACFN	Acorn Energy Inc.	108.7%
18	LF	LeapFrog Enterprises Inc	130.1%	39	CHRS	Charming Shoppes inc	106.1%
19	RVSN	Radvision Ltd	128.2%	40	ADGF	Adams Golf	105.9%
20	AFFY	Affymax Inc.	127.8%	41	FFCH	First Financial Hldgs	105.7%
21	GRH	Greenhunter Energy Inc.	127.7%	42	DXPE	DXP Enterprises Inc	103.4%
				43	ASGN	On Assignment	100.7%

**It will also be very IMPORTANT to watch the market rotation and see which new stocks begin to enter into my Top 200. This current cycle is now 6 months old, and it is not unusual at all for some consolidation and rotation begin to take place.**

It is important to remember that in a relative grading and ranking system like mine, there will always be members of the top 200. We need to now start trimming some positions that have gone up a long ways and are starting to drop in rank and break their trend-lines. Meanwhile, we need to keep an eye out for new leaders to begin to emerge.

Here is how the markets fared this past week:

	<b>Fri. 4/6/12</b>	<b>Fri. 4/13/12</b>	<b>Week</b>	<b>Week Pct.</b>
	<b>Close</b>	<b>Close</b>	<b>Change</b>	<b>Change</b>
<b>S&amp;P500</b>	<b>1398.08</b>	<b>1377.00</b>	<b>-21.08</b>	<b>-1.51%</b>
<b>DJIA</b>	<b>13,060.14</b>	<b>12,918.00</b>	<b>-142.14</b>	<b>-1.09%</b>
<b>NASD</b>	<b>3080.50</b>	<b>3022.00</b>	<b>-58.50</b>	<b>-1.90%</b>
<b>S&amp;P600 (Small)</b>	<b>457.74</b>	<b>446.60</b>	<b>-11.14</b>	<b>-2.43%</b>
<b>Emg. Mkts (ADRE)</b>	<b>41.64</b>	<b>41.31</b>	<b>-0.33</b>	<b>-0.79%</b>
<b>10yr Bd.</b>	<b>2.17%</b>	<b>1.99%</b>	<b>-0.18%</b>	<b>-8.29%</b>
<b>Oil</b>	<b>103.25</b>	<b>103.36</b>	<b>0.11</b>	<b>0.11%</b>
<b>Gold</b>	<b>1630.80</b>	<b>1671.20</b>	<b>40.40</b>	<b>2.48%</b>

As you can see, all minus signs for the **second straight week**. We are also entering into that *Sell in May and Go Away* time-frame. In addition to this, Spain continues to teeter on the brink, and America's job situation has started to reverse again. The market would love to see QE3, but I would not count on it.

Earnings season is now under way. We have a good start so far, with Alcoa, J P Morgan, Wells Fargo, and Google all exceeding expectations. Next week will be a very important week for the market as many leading companies like Citigroup, Goldman Sachs, IBM, Intel, Qualcomm, Bank of America, Microsoft, and General Electric will be reporting earnings.

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

	<b>12/31/11</b>	<b>Fri. 4/13/12</b>	<b>2012</b>	<b>YTD Pct.</b>
	<b>Value</b>	<b>Close</b>	<b>YTD</b>	<b>Change</b>
<b>S&amp;P500</b>	<b>1260.37</b>	<b>1377.00</b>	<b>116.63</b>	<b>9.25%</b>
<b>DJIA</b>	<b>12,239.74</b>	<b>12,918.00</b>	<b>678.26</b>	<b>5.54%</b>
<b>NASD</b>	<b>2610.68</b>	<b>3022.00</b>	<b>411.32</b>	<b>15.76%</b>
<b>S&amp;P600 (Small)</b>	<b>415.07</b>	<b>446.60</b>	<b>31.53</b>	<b>7.60%</b>
<b>Emg. Mkts (ADRE)</b>	<b>39.89</b>	<b>41.31</b>	<b>1.42</b>	<b>3.56%</b>
<b>10yr Bd.</b>	<b>1.87%</b>	<b>1.99%</b>	<b>0.12%</b>	<b>6.42%</b>
<b>Oil</b>	<b>98.87</b>	<b>103.36</b>	<b>4.49</b>	<b>4.54%</b>
<b>Gold</b>	<b>1565.90</b>	<b>1671.20</b>	<b>105.30</b>	<b>6.72%</b>

**The market is beginning to correct. It is time to lock in some profits and start looking for some new leaders to emerge.**



@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>





### **Bill Gunderson's Model Portfolio for Conservative Growth Investors:**

This model is made up of 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 **16.9** year-to-date, while the S & P 500 is up **9.6%**. The portfolio currently has a 4.6% cash position and no hedges. The portfolio is currently heavily weighted in the consumer sector.

THIS SECTION IS 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.

Aggressive growth stocks continue to perform best this year, but they are also the MOST vulnerable at the current time. This portfolio is up **14.0%** YTD, while the S & P 500 is up 9.3%. I am selling....

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

Aggressive stocks continue to be the place to be in 2012, but they will also be the most VULNERABLE during a correction.

### **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 6.0%. Compare this with the current U.S. Treasury yield of 2.2% and current CD yields.

This portfolio is up **13.3%** since its August 2011 inception. It is currently running at an annualized rate **19.0%**. Keep in mind that dividend stocks ruled the roost for much of 2011, however.

I am selling ...

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Dividend stocks continue to underperform the market so far in 2012, but will **outperform** during a correction.



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

### **Bill Gunderson's Featured Stock of the Week 4/13/2012**

I currently have 2,821 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:

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

**Previously featured stocks: (As of 4/13/2012)**

*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 23.0%. The list below is the current active list. The stocks that have been deleted from this list are listed later in the newsletter.*

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

MY TOP 200 IS LIST FOR CLIENTS AND SUBSCRIBERS ONLY. BUT, HERE IS THE TOP 150-200

B+	Enbridge	ENB	217	271	178	<b>151</b>
A-	Align Tech Inc	ALGN	220	342	107	<b>152</b>
B+	MicroFinancial Inc	MFI	849	1041	146	<b>153</b>
A-	SBA Communications Corp	SBAC	146	168	181	<b>154</b>
A-	Wayside Tech. Group	WSTG	295	382	147	<b>155</b>
B+	Clean Energy Fuels	CLNE	41	39	282	<b>156</b>
A-	Celgene Corp	CELG	112	148	138	<b>157</b>
B+	Check Point Software Tech	CHKP	502	536	188	<b>158</b>
B+	IntergaMed Amer Inc	INMD	489	397	150	<b>159</b>
B+	Salesforce.com Inc	CRM	281	298	143	<b>160</b>
A-	Coach inc	COH	71	67	118	<b>161</b>
B+	Sunoco Logistic Parnters	SXL	367	305	202	<b>162</b>
A-	Micros System Inc	MCRS	179	196	128	<b>163</b>
B+	CBS Corp	CBS	382	366	199	<b>164</b>
A-	Isramco Inc	ISRL	1544	1510	145	<b>165</b>
A-	Espey Man. & Elec.	ESP	430	504	176	<b>166</b>
A-	Culp Inc	CFI	633	583	169	<b>167</b>
A-	FMC Corp	FMC	226	205	179	<b>168</b>
A-	National Research Corp	NRCI	290	268	167	<b>169</b>
A-	Bancolumbia Sa Adr	CIB	405	417	136	<b>170</b>
B+	Netsuite	N	394	313	244	<b>171</b>
A-	Permian Basin	PBT	12	12	208	<b>172</b>
B+	Pier 1 Imports Inc	PIR	483	448	162	<b>173</b>
B+	Phillips-Van Heusen Corp	PVH	419	473	240	<b>174</b>
A-	Wabtec Corp	WAB	46	62	186	<b>175</b>
B+	Wyndham Worldwide Corp	WYN	171	174	105	<b>176</b>
B+	American Ecology Corp	ECOL	624	561	165	<b>177</b>
A-	Petsmart Inc	PETM	58	56	220	<b>178</b>
B+	Smart Balance Inc.	SMBL	187	191	212	<b>179</b>
A-	Grainger WW Inc	GWW	118	68	170	<b>180</b>
A-	WP Carey & Co. LLC	WPC	218	225	213	<b>181</b>
A-	Intuit Inc	INTU	288	360	210	<b>182</b>
A-	Mitcham Ind Inc	MIND	541	477	172	<b>183</b>
A-	US Physical Trerapy Inc	USPH	759	816	205	<b>184</b>
B+	Seagate Technology	STX	117	125	193	<b>186</b>
na	Philip Morris Intl. Inc.	PM	263	216	183	<b>187</b>
A-	Cirrus Logic Inc	CRUS	137	93	171	<b>188</b>
A-	Movado Group Inc	MOV	530	703	223	<b>189</b>
A-	Oceaneering Intl Inc	OII	100	111	133	<b>190</b>
A-	Sherwin-Williams Co	SHW	379	296	196	<b>191</b>
B+	B J's Restaurants	BJRI	244	274	187	<b>192</b>
B+	Cepheid	CPHD	228	184	203	<b>193</b>
B	City Telecom HK Ltd Adr	CTEL	167	177	204	<b>194</b>
A-	European Aeronautic	EADSY.PK	24	24	151	<b>195</b>
B+	Innodata Isogen Inc	INOD	532	612	233	<b>196</b>
B+	Compania Cerveceras Adr	CCU	360	331	206	<b>197</b>
A-	Cobalt Intl. Energy	CIE	432	393	109	<b>198</b>
B+	Grace WR & Co	GRA	266	294	207	<b>199</b>
B+	Home Depot Inc	HD	267	218	226	<b>200</b>

Bill Gunderson's Top 200 is a new feature in the newsletter. I can tell you from experience that it is very powerful. The Top 200 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.

**AS THE MARKET NOW BEGINS TO ROTATE-IT IS IMPORANT TO WATCH FOR NEW STOCKS TO FILTER INTO THE TOP 200. IT IS BEST TO WAIT FOR THINGS TO SETTLE A BIT, HOWEVER AS THE ROTATION IS JUST STARTING TO BEGIN.**

**SPECIAL NOTE: AM1000 KCEO HAS BEEN SOLD. WE HAVE MOVED TO AM1450 AND AM1510. You can also tune in on your smartphone or the internet.**

**Global Markets as of 4/13/2012**

Many of the global markets continue to outpace the U.S. markets right now. Spain in a major concern however. They do not have a very good economic model to follow.

**INTERNATIONAL AND EMERGING MARKET WATCH:**

		<b><u>2012 ytd</u></b>
Vietnam	VNM	<b>38.8%</b>
Peru	EPU	<b>19.3%</b>
Thailand	THD	<b>18.8%</b>
Chile	CH	<b>18.4%</b>
India	INP	<b>16.6%</b>
Russia	RSX	<b>13.1%</b>
Mexico	EWV	<b>11.8%</b>
Brazil	EWZ	<b>8.9%</b>
Emerging Mkts.	ADRE	<b>8.3%</b>
China	FXI	<b>7.3%</b>
Japan	EWJ	<b>6.7%</b>
Greece	GREK	<b>5.9%</b>
Europe	EFA	<b>5.6%</b>
Canada	EWC	<b>3.2%</b>
Italy	EWI	<b>-3.2%</b>
Spain	EWP	<b>-13.6%</b>





**Commodities as of 4/13/2012**

**COMMODITIES-No real reason to own commodities right now.**

		<u>2012 YTD</u>
Silver	SLV	13.4%
Steel	SLX	9.3%
Gold	GLD	5.8%
Copper	JJC	5.2%
Grains	JJG	3.7%
Oil	USO	2.7%
Cotton	BAL	-1.2%
Coal	KOL	-2.5%

## 401(k) Current Basic Allocation

	Long way till Retirement	Nearing Retirement
Best Bond Fund Choices that you have:	10.0%	30.0%
Best Large Cap Choices that you have:	0.0%	20.0%
Best Mid Cap Choices that you have:	25.0%	20.0%
Best Small Cap Choices that you have:	35.0%	20.0%
Best Nat. Resource (GOLD) Choices that you have:	0.0%	0.0%
Best Technology Choices that you have:	15.0%	0.0%
Best International Choices that you have:	15.0%	10.0%
Cash	0.0%	0.0%
<b>TOTAL</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>

## WORST STOCKS NOW! Short Ideas

Not a good environment for short positions right now

### CLOSED

<b>Sprint Nextel</b>	S	October 7, 2011	\$2.45	\$2.30	<b>6.1%</b>
<b>Salesforce</b>	CRM	November 11, 2011	\$129.87	\$123.94	<b>4.6%</b>
<b>Sears Holding</b>	SHLD	December 16, 2011	\$46.16	\$45.10	<b>2.3%</b>
<b>First Solar</b>	FSLR	May 27, 2011	\$121.37	\$45.54	<b>62.5%</b>
<b>Frontline</b>	FRO	June 10, 2011	\$15.84	\$11.81	<b>25.4%</b>
<b>Sunpower</b>	SPWR	November 4, 2011	\$8.76	\$7.25	<b>17.2%</b>
<b>Yingli Gr. Energy</b>	YGE	October 21, 2011	\$3.58	\$4.54	<b>-26.8%</b>
<b>Amazon.com</b>	AMZN	December 30, 2011	\$173.10	\$190.93	<b>-10.3%</b>
<b>Goldman Sachs</b>	GS	September 9, 2011	\$102.57	\$102.09	<b>0.5%</b>
<b>UBS</b>	UBS	September 30, 2011	\$11.43	\$12.45	<b>-8.9%</b>
<b>Daimler</b>	DDAIF	September 9, 2011	\$43.96	\$51.10	<b>-16.2%</b>
<b>Toll Brothers</b>	TOL	September 9, 2011	\$15.65	\$18.09	<b>-15.6%</b>
<b>Amer. Int. Gr.</b>	AIG	August 5, 2011	\$25.10	\$26.34	<b>-4.9%</b>

### AVERAGE

AVG.

2.8%



<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.**

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.