

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

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

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April 6, 2012



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

**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.**

We are now officially on **correction watch**. The markets are up just over 30% in the last six months and as we know, no trend lasts forever. At the same time, no one knows when a correction will begin, how deep it will be, or how long it will last. We do know however, that there will be one. Here is an article that I wrote on the subject for Seeking Alpha this past week:

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

Here is a summary of the article:

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. A correction is not the end of the world

Now, having said that, a correction has not yet begun in the market, but it will hit eventually. I have heard correction talk for several months now, while the market has continued to carve out new highs.

Here is how the markets fared this past week:

	<b>Fri. 3/30/12</b>	<b>Fri. 4/6/12</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>1403.28</b>	<b>1398.08</b>	<b>-5.20</b>	<b>-0.37%</b>
<b>DJIA</b>	<b>13,166.55</b>	<b>13,060.14</b>	<b>-106.41</b>	<b>-0.81%</b>
<b>NASD</b>	<b>3086.61</b>	<b>3080.50</b>	<b>-6.11</b>	<b>-0.20%</b>
<b>S&amp;P600 (Small)</b>	<b>463.28</b>	<b>457.74</b>	<b>-5.54</b>	<b>-1.20%</b>
<b>Emg. Mkts (ADRE)</b>	<b>41.97</b>	<b>41.64</b>	<b>-0.33</b>	<b>-0.79%</b>
<b>10yr Bd.</b>	<b>2.16%</b>	<b>2.17%</b>	<b>0.01%</b>	<b>0.46%</b>
<b>Oil</b>	<b>103.41</b>	<b>103.25</b>	<b>-0.16</b>	<b>-0.15%</b>
<b>Gold</b>	<b>1661.00</b>	<b>1630.80</b>	<b>-30.20</b>	<b>-1.82%</b>

As you can see, all minus signs this past week. That is helping to fuel *correction* talk. There are also a few big factors that could lead to a correction. The FED shut-off the punch bowl this past week, Spain continues to weaken, and the jobs report on Friday was very poor. While they tell you that the economy created 120,000 jobs and the unemployment rate dropped from 8.3% to 8.2%, they don't tell you that 330,000 folks gave up looking for work.

Here is a current chart of the S & P 500



As you can see, no correction yet. Keep in mind that historically April is the best overall month for the DJIA, while May is a whole other story.

Here is where we stand year-to-date:

	12/31/11 Value	Fri. 4/6/12 Close	2012 YTD	YTD Pct. Change
S&P500	1260.37	1398.08	137.71	10.93%
DJIA	12,239.74	13,060.14	820.40	6.70%
NASD	2610.68	3080.50	469.82	18.00%
S&P600 (Small)	415.07	457.74	42.67	10.28%
Emg. Mkts (ADRE)	39.89	41.64	1.75	4.39%
10yr Bd.	1.87%	2.17%	0.30%	16.04%
Oil	98.87	103.25	4.38	4.43%
Gold	1565.90	1630.80	64.90	4.14%

Small-caps and aggressive growth stocks continue to outperform the larger dividend paying, Dow-type stocks year-to-date. Here is a quote that I made about the big dividend payers in my last newsletter of last year, "The big run in dividend payers is getting way overdone however, and I would be very careful in taking new positions in them."

As you will see later in the newsletter, my income focused model portfolio is doing well, but it is also running far behind the aggressive growth model. For now, this trend remains in place until further notice. ***It will change at some point, however.***

I remain BULLISH for now, but I am on *correction watch*.



@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 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 16.6 year-to-date, while the S & P 500 is up 11.2%. 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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### **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. This portfolio is up **15.7% YTD**, while the S & P 500 is up **11.30%**.

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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 6.2%. Compare this with the current U.S. Treasury yield of 2.2% and current CD yields.

This portfolio is up **13.6%** 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.

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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 4/6/2012**



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

I currently have 2,819 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:

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### ***Previously featured stocks: (As of 4/6/2012)***

*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 23.5%. 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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<b>GUNDERSON</b>			One	Last			BILL GUNDERSON'S
Best Stock Now			Mo. Ago	Week	Yest.	<b>Current</b>	TOP 200 LIST IS
<b>Top 200 4/6/2012</b>			<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	FOR CLIENTS AND
A-	British American Tobacco Plc	BTI	117	136	147	<b>151</b>	SUBSCRIBERS
A-	Banco De Chile Adr	BCH	95	114	216	<b>152</b>	ONLY-BUT HERE
A-	Salesforce.com Inc	CRM	177	268	134	<b>153</b>	ARE 150-200
A-	Hornbeck Offshore	HOS	99	110	116	<b>154</b>	
A-	Wayside Tech. Group	WSTG	558	414	227	<b>155</b>	
B+	Alaska Air Group Inc	ALK	1067	242	148	<b>156</b>	
A-	Dollar Thrifty Automotive	DTG	253	249	167	<b>157</b>	
B+	LAN Airlines SA	LFL	199	174	168	<b>158</b>	
A	Arctic Cat Inc	ACAT	55	274	138	<b>159</b>	
A-	Dorman Products Inc	DORM	280	298	169	<b>160</b>	
A-	Dollar General Corp	DG	236	289	170	<b>161</b>	
B	C F Industries	CF	350	91	266	<b>162</b>	
A-	Collectors Universe Inc	CLCT	79	16	130	<b>163</b>	
A-	Repligen Corp	RGEN	662	412	136	<b>164</b>	
A-	AutoZone Inc	AZO	61	94	127	<b>165</b>	
A+	Medivation	MDVN	63	80	166	<b>166</b>	
A-	Standex Intl Corp	SXI	528	200	189	<b>166</b>	
A-	Valspar Corp	VAL	120	273	213	<b>167</b>	
na	Howard Hughes Corp.	HHC	248	643	256	<b>168</b>	
A-	Taiwan Semiconductor Inc	TSM	278	181	250	<b>169</b>	
A-	Time Warner Cable Inc	TWC	171	143	199	<b>170</b>	
A-	Telular Corp	WRLS	850	413	159	<b>171</b>	
A	Approach Resources	AREX	1084	158	210	<b>172</b>	
A-	Group 1 Automotive Inc	GPI	668	426	203	<b>173</b>	
A-	Pier 1 Imports Inc	PIR	310	263	156	<b>174</b>	
A-	Schweitzer-Mauduit Intl	SWM	138	107	180	<b>175</b>	
B+	Credit Acceptance Corp.	CACC	293	265	194	<b>176</b>	
A-	Informatica	INFA	303	361	222	<b>177</b>	
A-	Verifone	PAY	420	430	288	<b>178</b>	
A-	Under Armour	UA	100	190	172	<b>179</b>	
A-	Colfax	CFX	464	74	165	<b>180</b>	
B+	Enbridge	ENB	156	205	208	<b>181</b>	
A-	Tennant Co	TNC	529	343	219	<b>182</b>	
A-	Weider Nutrition Intl Inc	WNI	920	540	184	<b>183</b>	
A-	Altisource	ASPS	1	96	151	<b>184</b>	
A-	City Telecom HK Ltd Adr	CTEL	90	165	185	<b>185</b>	
A-	Intuit Inc	INTU	495	197	223	<b>186</b>	
B+	Cynosure Inc.	CYNO	57	278	142	<b>187</b>	
A-	SBA Communications Corp	SBAC	222	218	253	<b>188</b>	
A-	Cummins Inc	CMI	127	44	155	<b>189</b>	
D+	Nuvasive Inc.	NUVA	263	189	189	<b>189</b>	
A-	Western Digital Corp	WDC	292	121	82	<b>190</b>	
A-	Mesa Laboratories	MLAB	2	38	174	<b>191</b>	
A-	Whole Foods Market	WFM	176	168	238	<b>192</b>	
A-	Applied Industrial Tech	AIT	168	118	176	<b>193</b>	
A-	Lions Gate Entertainment	LGF	67	157	218	<b>194</b>	
A-	Bed Bath & Beyond Inc	BBBY	581	245	193	<b>195</b>	
A-	Cal-Maine Foods Inc	CALM	134	150	160	<b>196</b>	
A-	Nova Measuring Instrument	NVMI	1402	395	190	<b>197</b>	
B+	Newmarket Corp.	NEU	300	287	205	<b>199</b>	
A-	Watsco Inc	WSO	232	133	163	<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.



**Global Markets as of 4/6/2012** The Global markets continue to outpace the U.S. markets right now.

		<b><u>2012 ytd</u></b>
Vietnam	VNM	<b>33.9%</b>
Chile	CH	<b>25.0%</b>
India	INP	<b>21.4%</b>
Thailand	THD	<b>19.9%</b>
Peru	EPU	<b>19.3%</b>
Mexico	EWW	<b>15.7%</b>
Russia	RSX	<b>14.9%</b>
Brazil	EWZ	<b>10.8%</b>
Emerging Mkts.	ADRE	<b>9.4%</b>
Japan	EWJ	<b>7.8%</b>
Europe	EFA	<b>7.0%</b>
China	FXI	<b>6.1%</b>
Canada	EWC	<b>4.2%</b>

Commodities as of 4/6/2012



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

		<u>2012 YTD</u>
Silver	SLV	14.0%
Copper	JJC	10.4%
Steel	SLX	8.7%
Grains	JJG	6.1%
Gold	GLD	4.2%
Oil	USO	3.0%
Coal	KOL	-1.9%
Cotton	BAL	-4.5%

## 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**

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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>

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