

Bill Gunderson's Weekly "Best Stocks Now" Newsletter

Straightforward, honest research for successful people...

<http://www.pwstreet.com>

@BillGunderson on Twitter

Bill@pwstreet.com Let me hear from you!

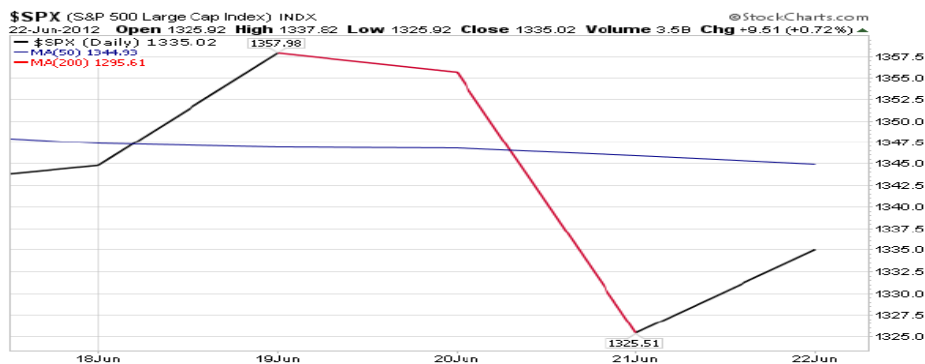
June 22, 2012



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

It's the Economy Stupid...

Let's begin by taking a look at a chart of the market over the last week:



It's funny how the above chart matches my mood swings for the week! Thursday was not a good day...

When all was said and done however, the week was not so bad. In fact, I witnessed many of the leadership stocks picking up where they left off before the Thursday swoon- more on that in a bit.

	Fri. 6/15/12	Fri. 6/22/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1342.84	1335.02	-7.82	-0.58%
DJIA	12,767.17	12,640.78	-126.39	-0.99%
NASD	2872.80	2892.42	19.62	0.68%
S&P600 (Small)	430.25	431.30	1.05	0.24%
Emg. Mkts (ADRE)	36.89	36.53	-0.36	-0.98%
Spain (EWP)	23.93	23.95	0.02	0.08%
Greek (GREK)	11.84	11.88	0.04	0.34%
U.S. 10yr. Tr.	1.59%	1.67%	0.08%	-5.16%
Greece 10yr. Bond	27.13%	26.90%	-0.23%	0.85%
Portugal 10yr. Bond	10.52%	10.15%	-0.37%	3.52%
Spain 10yr. Bond	6.87%	6.61%	-0.26%	3.78%
Oil	84.80	80.51	-4.29	-5.06%
Gold	1628.30	1573.10	-55.20	-3.39%

The NASDAQ was actually up for the week, as were the small-caps. Bond yields were down in Europe (that's a good thing) and commodities were down once again. How low can light, sweet crude go?



That is one ugly chart, but good news for us stinky old tuna fishermen. My old scowl holds 300 gallons!



Let's hope the tuna come in close this year!

Notice however that oil has landed on the support level that it hit last October. This is about when the stock market took off. Maybe this is a good omen. I could not resist and bought a few shares of Oil 2X (UCO) in my "fun" account. I figure this is the best way to hedge my next fill-up at the pump.

Here is where we stand year-to-date:

	12/31/11	Fri. 6/22/12	2012	YTD Pct.
	Value	Close	YTD	Change
S&P500	1257.60	1335.02	77.42	6.16%
DJIA	12,239.74	12,640.78	401.04	3.28%
NASD	2610.68	2892.42	281.74	10.79%
S&P600 (Small)	415.07	431.30	16.23	3.91%
Emg. Mkts (ADRE)	39.89	36.53	-3.36	-8.42%
Spain (EWP)	30.37	24.91	-5.46	-17.98%
U.S. 10yr. Tr.	1.87%	1.67%	-0.20%	10.59%
Spain 10yr. Bond	5.22%	6.61%	1.39%	-26.63%
Oil	98.87	80.51	-18.36	-18.57%
Gold	1565.90	1573.10	7.20	0.46%

With just one week to go before halftime and the S&P 500 is up 6.2%, while the NASDAQ is up 10.8% for the year. Oil is now down almost 19% for the year, and gold continues to go nowhere.

Here is a current chart of S&P 500:



The chart of the S&P actually does not look very healthy right now. Why? It's the economy stupid!

How about a look at a chart of the all-important dollar?



The dollar remains in an almost one year uptrend. That has a lot to do with a weak market and plunging commodities.

Meanwhile, Europe is bouncing for now, but running into its 50 day and 200 day moving averages. That is a substantial resistance area. I got rid of my European hedge earlier in the day, but have no problem buying it back if necessary.



The emerging markets also experience a fairly substantial bounce this past week, but it is starting to look like a dead cat to me. I have sold my hedge on the emerging markets for now, but am prepared to repurchase if necessary.



My Dramamine moment of the week came when I sold my double short China hedge earlier in the week and then bought it back on Friday. Your tax preparer is going to love me. I started thinking about the big, looming Supreme Court decision on *Obamacare* next week. Could the verdict bring stir up some turmoil at home? I also like the chart of FXP again:



China is going to really struggle with the unhealthy economies in Europe and America. Speaking of America, check this out:



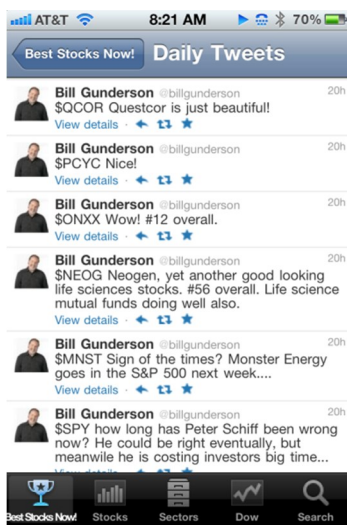
My office faces San Diego Bay (come visit!) and I get to watch the boats come in and out every day. I am still waiting for my ship to come in! But, there is nothing that sends a chill up my spine like an American warship returning from deployment!

I am obviously not *sitting in cash* right now. I would rather rotate with the market and go where the action is. I don't care if the action is in bonds, inverse etf's, commodities, or go-go stocks. I stay focused in my top 200.

I am going to leave the caution sign up for now. You still have to be very, very selective!



@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](http://www.pwstreet.com) of my website: <http://www.pwstreet.com>





SPECIAL NOTE: After being on the San Diego radio airwaves for the last 18 years, I have ended my relationship with the Astor Broadcast Group. I wish them the best of luck in the future.

I am moving my show to the Salem Broadcasting Network. They have hundreds of stations all over the country. I will be starting on July 2, on their Seattle (1300 KKOL) and Minneapolis/St. Paul (AM1570) stations. I will be broadcasting from my San Diego office. The show will be live at 7am in Seattle, which is 9am in Minn/St. Paul. I will be adding more cities along the way.



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. Time horizon of at least 3-5 years would be appropriate.

This portfolio is up **11.9%** year-to-date, while the S & P 500 is up **6.2%**. The portfolio currently has a **13.5%** cash position. This performance would place number 24 out of 1,727 Large-cap Growth funds according to Morningstar. I am selling my

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Check out a few charts here of some of my holdings:

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's Model Portfolio for Investors seeking **AGGRESSIVE** Growth



Are you Aggressive?

This is my most aggressive portfolio. It is designed for investors with long-term time horizons, seeking maximum growth. This portfolio is made up mainly of small and mid-cap stocks with superior growth potential.

This portfolio is much more volatile than the *Conservative Growth Portfolio* and the *Income Portfolio*. This portfolio also carries more risk than the other two. It also has a higher turnover rate. It also has the most upside potential, however.

This portfolio is up **14.1%** YTD, while the S & P 500 is up **6.2%**. **This return would place me at number 18 out of 8,137 U.S. Stock Funds year to date.** I am selling

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Wait until you see some of these charts!

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's Model Portfolio for investors seeking Income along with the possibility of Growth. This is a good mix for retirees.



© Ron Leishman * www.ClipartOf.com/442095



"DO YOU REMEMBER WHEN I WAS YOUR TROPHY WIFE AND YOU WERE A STUD?"

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. They also *underperform* during a *go-go market*, however. **It is also important to remember, that even very conservative, income producing stocks still fluctuate with the markets!**

This portfolio is designed as ***a bond or CD alternative***, albeit with more risk. This portfolio currently has an average yield of **6.5%**. Compare this with the current U.S. Treasury yield of 1.6% and current CD yields.

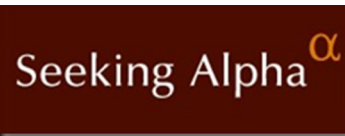
This portfolio is up **9.4%** since its August 2011 inception. That works out to very nice **11.0%** annualized rate. Not bad for an income account! I am selling

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson is a professional fee-based money manager. Gunderson Capital Management manages hundreds of accounts all across the country. Minimum account size is \$50,000. Annual Mgt. fees are 2% on accounts under \$250,000,

1.5% on accounts between \$250k and \$1 million, and 1% on accounts over \$1 million. Call us for a portfolio evaluation and more information. (760)736-8258.

Bill Gunderson is also columnist for *The Street.com*, *MarketWatch.com*, and *SeekingAlpha.com*

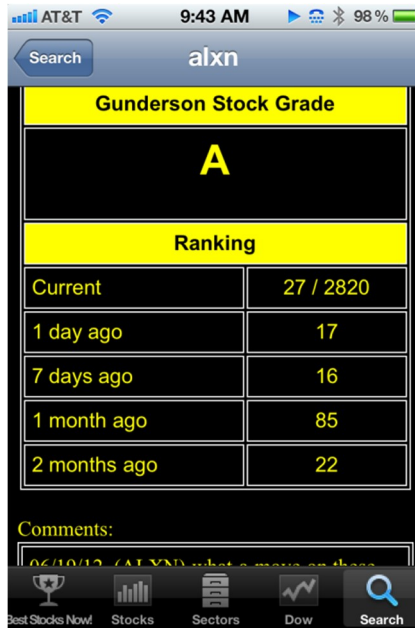
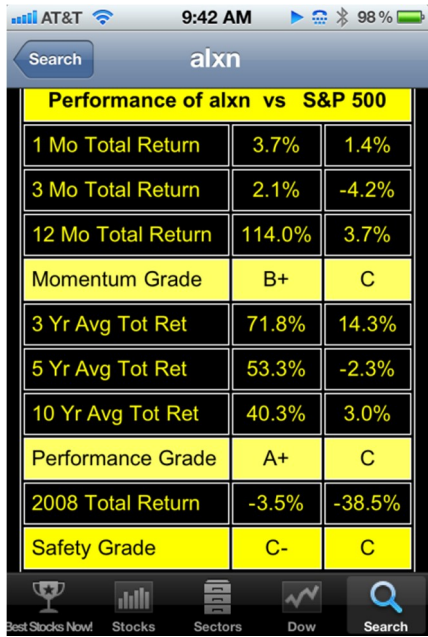


I currently have 2,788 stocks in my database. Every day when I am done doing my radio show, I spend several hours looking at them. I especially focus in on the ones I own, the stocks rising in rank, and the “A-” or better rated stocks (usually the top 200).

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! When it comes to growth stocks, I pretty much stay within the top 200. I do dip down lower than that when it comes to income stocks, however.

Here is my weekly example of what I am talking about...





Bill Gunderson's Weekly Top 200 List. These are the stocks that currently possess the best combination of performance and value. This is a great shopping list! This list represents the top 7% of the entire market.

BILL GUNDERSON'S TOP 200 LIST IS FOR CLIENTS AND SUBSCRIBERS ONLY, BUT HERE ARE 150-200

GUNDERSON			Three	Two	Six	One	Two	One		
Best Stocks Now			Mos. Ago	Mos. Ago	Wks. Ago	Mo. Ago	Wks. Ago	Wk. Ago	Yest.	Current
Top 200 6/22/2012			<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>
A-	VASC	Vascular Solutions Inc	859	952	131	220	273	162	168	151
A-	EUO	Euro Vs. Dollar Inverse 2X	1693	1979	619	74	9	58	64	152
A-	PPG	P P G Industries		2346	103	185	237	166	133	153
A-	ENB	Enbridge	225	127	141	82	151	122	121	154
A-	RHT	Red Hat Inc.	145	17	102	102	104	108	163	155
A-	VFC	VF Corp	146	119	144	165	105	109	138	156
A-	HAIN	Hain Celestial Grp	682	289	289	211	139	148	139	157
A-	EXR	Extra Space Storage	445	343	245	504	174	177	175	158
A-	UFI	Unifi Inc	688	1781	460	447	394	237	299	159
A-	MED	Medifast Inc	132	13	278	405	270	243	137	161
A-	ANSS	Ansys Inc	115	131	286	264	107	135	167	162
A-	INTU	Intuit Inc	272	389	389	432	145	220	207	163
A-	JHI	John Hancock Investors Trust	267	306	90	204	158	168	147	164
A-	DTG	Dollar Thrifty Automotive	166	337	321	404	319	205	188	165
A-	FFC	Flaherty Crm/Cly Pfd. Sec.	953	413	232	458	238	239	171	166
A-	CPHD	Cepheid	126	153	323	208	201	218	193	167
A-	RAVN	Raven Ind	549	391	165	151	195	156	157	168
A-	CRVL	Corvel Corp	2338	1049	1039	1019	352	212	237	169
A-	ECL	Ecolab Inc	649	417	216	167	180	206	189	170
A-	KSU	Kansas City Southern	220	234	40	292	384	224	161	171
A-	NSC	Norfolk Southern Corp	801	421	284	450	511	233	215	172
A-	EGHT	Eight by Eight Inc.	0	0	156	126	401	189	244	173
A-	OXM	Oxford Ind Inc	419	319	851	1053	208	178	172	174
A-	TTC	Toro Co	137	265	234	349	186	143	156	175
A-	WAB	Wabtec Corp	100	130	105	272	216	165	173	176
A-	HYT	BlackRock Corporate High Yield Fund VI Inc.	397	626	166	400	259	159	177	177
A-	PSEC	Prospect Capital Corp.	2280	2423	1738	1832	1042	1130	176	178
A-	EL	Estee Lauder Inc	69	86	194	259	190	147	203	179
A-	EPHC	Epoch Holding	586	588	763	680	113	173	225	180
A-	IGTE	IGate Corp	342	38	82	212	132	235	194	181
A-	USNA	USANA Health Sciences Inc	0	371	585	202	127	222	242	182
A-	BHY	BlackRock High Yield Trust	536	730	333	535	360	223	227	183
A-	CMO	Capstead Mortg.	499	226	174	155	80	154	160	184
A-	DKS	Dick's Sporting Goods Inc	56	121	110	334	189	150	143	185
A-	MMU	Western Asset Managed Municipals Fund Inc	865	346	271	194	204	264	187	186
A-	ABMD	Abiomed Inc	95	197	126	59	106	131	276	187
A-	VRSK	Verisk Analytics			100	111	110	97	120	188
A-	VTR	Ventas Inc.	0	438	220	198	200	172	217	189
A-	SHF	Weider Nutrition Intl Inc	641	140	160	134	262	356	192	190
A-	ZUMZ	Zumiez	592	453	207	234	150	216	170	191
A-	BME	BlackRock Health Sciences Trust	486	532	779	633	206	413	255	192
A-	SYNT	Syntel Inc	209	64	84	289	86	136	174	193
A-	ODFL	Old Dominion Freight Lines	24	56	139	152	135	129	197	194
A-	HCP	HCP Inc	0	831	553	253	240	281	238	195
A-	NLY	Annaly Capital	544	353	242	177	199	184	191	196
A-	ROP	Roper Industries Inc	203	436	183	219	116	139	223	197
A-	SAM	Boston Beer Company	1004	675	306	207	261	309	206	198
A-	CTXS	Citrix Systems Inc	72	175	47	149	369	193	250	199
A-	KST	DWS Strategic Income Fund	529	333	356	548	409	318	158	200

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.

401-K Section

Everyone has different choices to them in their 401-ks. The choices basically fall into about broad categories however:

Large Cap, Mid-Cap, Small-Cap, Govt. Bond, Corp. Bond, Inflation Protected Bond, International, Emerging Market, and maybes sectors like technology, natural resources, etc.

I have added 41 Fidelity Mutual funds to my Best Stocks Now database that are representative of the categories listed above. I am grading them on a daily basis. I only want to own funds that are graded B+ or better and ranked 600 or higher, overall.

Of the 41 funds that I am tracking, I only have 7 that currently meet this criteria.

GUNDERSON				
Best Stocks Now				
401-K Allocation			Rank	Allocation
22-Jun-11				
A-	FBTAX	Fidelity Advisor Biotechnology A	160	25.0%
B+	PRHSX	T.Rowe Price Health Science	249	na
B+	FLBIX	Fidelity Spartan L/T Tr Bd Idx Inv	260	25.0%
B+	FINPX	Fidelity Inflation-Protected Bond	418	25.0%
B+	FHEAX	Fidelity Advisor Real Estate A	455	25.0%
B+	FIBIX	Fidelity Spartan Interm Tr Bd Idx Inv	484	na
B+	FGBTX	Fidelity Advisor Investment Gr Bd T	595	na
		CASH		0.0%
				100.0%

Notice that there are no Large Cap, Mid Cap, Small Cap, International, or Natural Resource funds in my top 600 right now. This is extremely valuable information as it relates to choosing you allocation right now!

The only sectors that come up right now are Biotech (life science) and real estate. No other sectors are currently listed. This is also very valuable information.

Tips, Government Bonds, and Corporate Bonds dominate the list right now. This is also extremely valuable information. You will have to look at the choices within your 401-k and do the best that you can.

INTERNATIONAL AND EMERGING MARKET WATCH:

As of June 22, 2012

		<u>2012 ytd</u>
Vietnam	VNM	25.4%
Peru	EPU	9.9%
Thailand	THD	9.7%
Mexico	EWV	5.8%
United States	AGSPC	5.8%
India	INP	3.3%
Chile	CH	3.0%
Japan	EWJ	-1.0%
Europe	EFA	-2.6%
Emerging Mkts.	ADRE	-4.6%
Canada	EWC	-5.5%
China	FXI	-7.1%
Russia	RSX	-7.5%
Italy	EWI	-11.3%
Brazil	EWZ	-11.8%
Greece	GREK	-15.4%
Spain	EWP	-21.6%

COMMODITIES (as of June 22, 2012)

		<u>2012 YTD</u>
Grains	JJG	7.4%
Gold	GLD	-0.3%
Silver	SLV	-3.9%
Copper	JJC	-4.7%
Steel	SLX	-10.9%
Cotton	BAL	-19.6%
Oil	USO	-21.9%
Coal	KOL	-26.3%

Watch for Bill Gunderson on:



The San Diego



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/>

MORTGAGE RATES remain at all-time lows. "Craig Brock, our local mortgage expert and bond market commentator on Positively Wall Street is actually closing HARP-2 loans for people (while many banks are hopelessly backlogged). Are you under water on your property? These new rules are helping folks who may not have otherwise qualified for a new loan at these historic low rates!

Talk to Craig! (855) 900-EASY"

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/>

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.