

Bill Gunderson's Weekly "Best Stocks Now" Newsletter

Straightforward, honest research, and advice for successful people...

<http://www.pwstreet.com>

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Bill@pwstreet.com Let me hear from you!

November 2, 2012



San Diego, CA

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

Election Day...

The debates are over, the campaigns are running their last minute ads, and America will finally vote on Tuesday. I for one will be glad when it is all over. I have never heard so much spin, so many half-truths, and so much media bias during my lifetime. We do not have a media any more, just spin masters. An honest journalist has almost become an oxymoron.

It will be good for the markets to get a big unknown out of the way when this issue is finally decided. Let's hope that we don't have a long, drawn out fiasco like Gore vs. Bush. The markets were a mess while those two duked it out in the Supreme Court. I think that is one of the reasons that we saw the market get a bit nasty late in the day on Friday-it was building in a *just in case* scenario.

I really don't want to see a repeat of that battle royal. Let's get a good decisive vote on Tuesday and move on. Let's also get a quick and decisive resolution to the fiscal cliff issues. No decision will put the economy right back into a recession. Let's hope for some leadership, some bi-partisanship, and a resolution that is best for our great country.

Remember, your vote really does count!



It was a hurricane shortened week, but busy nonetheless. Let's begin by looking at the chart of the S&P 500 that I showed you last week...



I said that the critical support level was at 1375. We close today at 1414, still within the margin of error.

Let's look at a current chart of the S&P 500:



As you can see, very little change from last Friday. The S & P 500 remains in an uptrend.

The NASDAQ is also hanging on to its uptrend and its 200 day moving avg.



There was very little change in the sector rankings this week. The building sector remains in the number one spot and it got a boost from Hurricane Sandy.



Data From Best Stocks Now App

The chart of the Homebuilding Sector (XHB) remains strong:



The Biotech sector is beginning to drop in rank and the chart is starting to roll over. This is a very ominous sign:



A break below the 200 day moving average would not be good.

Here are the lowest rated sectors:



Here is how the week went:

	Fri. 10/26/12	Fri. 11/2/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1411.94	1414.20	2.26	0.16%
DJIA	13,107.21	13,093.93	-13.28	-0.10%
NASD	2987.95	2982.13	-5.82	-0.19%
S&P600 (Small)	454.44	457.34	2.90	0.64%
S&P400 (Mid-Cap)	974.74	987.96	13.22	1.36%
Emg. Mkts (ADRE)	39.16	39.20	0.04	0.10%
Spain (EWP)	28.15	28.33	0.18	0.64%
Italy (EWI)	12.51	12.43	-0.08	-0.64%
Greece (GREK)	18.16	15.93	-2.23	-12.28%
U.S. 10yr. Tr.	1.75%	1.73%	-0.02%	1.14%
Greece 10yr. Bond	16.78%	18.26%	1.48%	-8.82%
Italy 10yr. Bond	4.79%	4.92%	0.13%	-2.71%
Spain 10yr. Bond	5.39%	5.63%	0.24%	-4.45%
Oil	88.30	87.58	-0.72	-0.82%
Gold	1711.60	1678.40	-33.20	-1.94%

Greece really got roughed up this past week, while the S&P 500 was actually positive by a little bit.

Here is where we stand year to date:

	12/31/11	Fri. 11/2/12	2012	YTD Pct.
	Value	Close	YTD	Change
S&P500	1257.60	1414.20	156.60	12.45%
DJIA	12,239.74	13,093.93	854.19	6.98%
NASD	2610.68	2982.13	371.45	14.23%
S&P600 (Small)	415.07	457.34	42.27	10.18%
S&P400 (Mid-Cap)	879.16	970.16	91.00	10.35%
Emg. Mkts (ADRE)	39.89	39.20	-0.69	-1.73%
Spain (EWP)	30.37	28.33	-2.04	-6.72%
U.S. 10yr. Tr.	1.87%	1.73%	-0.14%	7.49%
Spain 10yr. Bond	5.22%	5.63%	0.41%	-7.85%
Oil	98.87	87.58	-11.29	-11.42%
Gold	1565.90	1678.40	112.50	7.18%

Gold got clobbered on Friday:



It looks like Bernanke's days may be numbered.

I think that it is prudent to keep the yellow flag flying, but I still remain almost fully invested for now, just as I have been all year. It is also vital to be invested in the **BEST STOCKS NOW...** wherever they may be!



@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>



My Best Stocks Now Radio Hour is heard on the Salem Broadcast Network every weekday from 7:00am to 8:00am PST.

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Coming to Denver AM1060 on Monday!

In addition to this we will also download the shows to the radio archives on my website <http://pwstreet.com> and send them to iTunes. There is no excuse to not keep up on your investments!



“Shhhh! Here comes the Ohio Results!”

Bill Gunderson’s Model Portfolio for Conservative Growth Investors:



“Who will get the last laugh?”

This model is made up of mostly mid-cap and large cap companies that I consider suitable for investors who have a **conservative growth risk profile**. Time horizon of at least 3-5 years would be appropriate. This portfolio

THIS SECTION FOR SUBSCRIBERS AND CLIENTS ONLY

Bill Gunderson's Model Portfolio for Investors seeking AGGRESSIVE/Moderate Growth.



Boys will be

boys!

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 more volatile than the *Conservative Growth Portfolio* and the *Income/Growth 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.

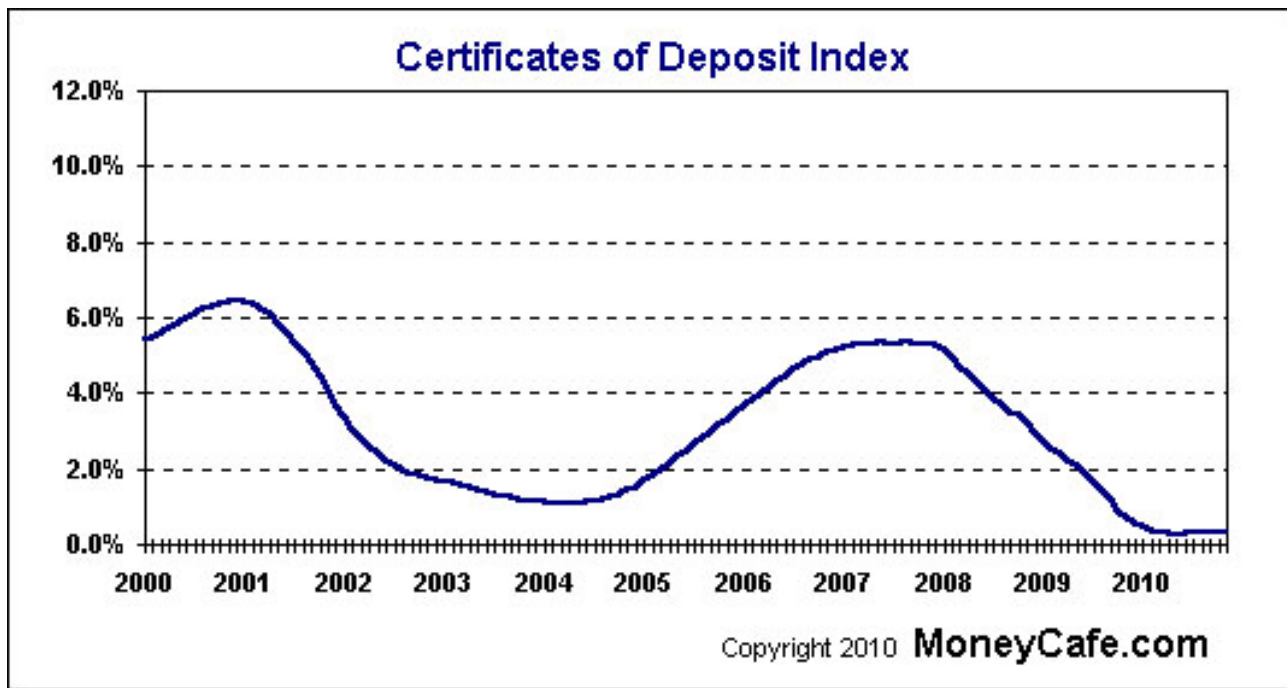
This portfolio is

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Schiff Nutrition was bought out on Tuesday-sweet!

Bill Gunderson's Model Portfolio for investors seeking Income along with the possibility of Growth. This is a good mix for retirees who are seeking a CD alternative-albeit with greater risk.



Three-month CD rate chart

This model is my most conservative model. It is designed for risk-adverse 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!**

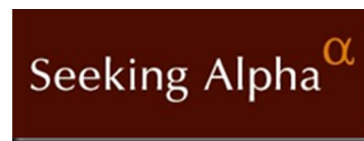
This portfolio is designed as **a bond or CD alternative**, albeit with more risk. This portfolio currently has an average yield of **5.7%**. Compare this with the current U.S. Treasury yield of 1.8% and current CD yields.

This portfolio is up

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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%-1.75% on accounts between \$250k and \$1 million, and 1% on accounts over \$1 million. Call us for a portfolio evaluation and more info. (855)611-BEST.

Bill Gunderson is also columnist for *The Street.com*, *MarketWatch.com*, and *SeekingAlpha.com*. Here are links to this week's articles that I wrote:



This week's article...

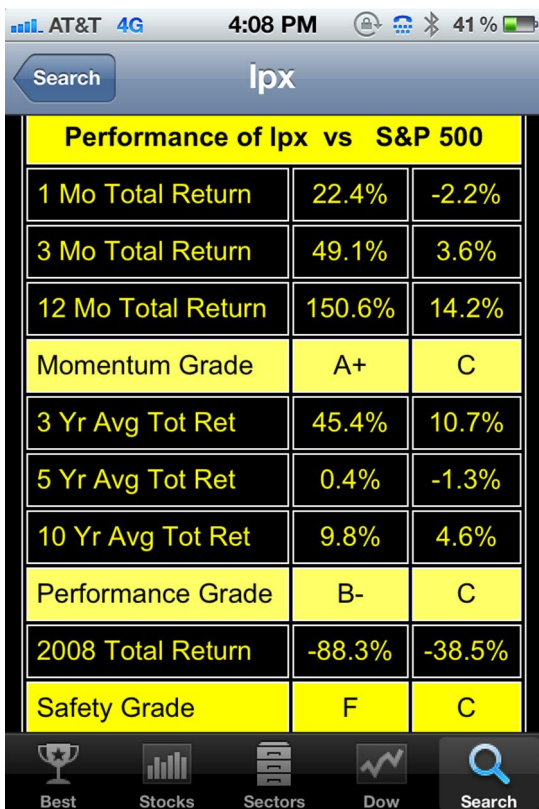
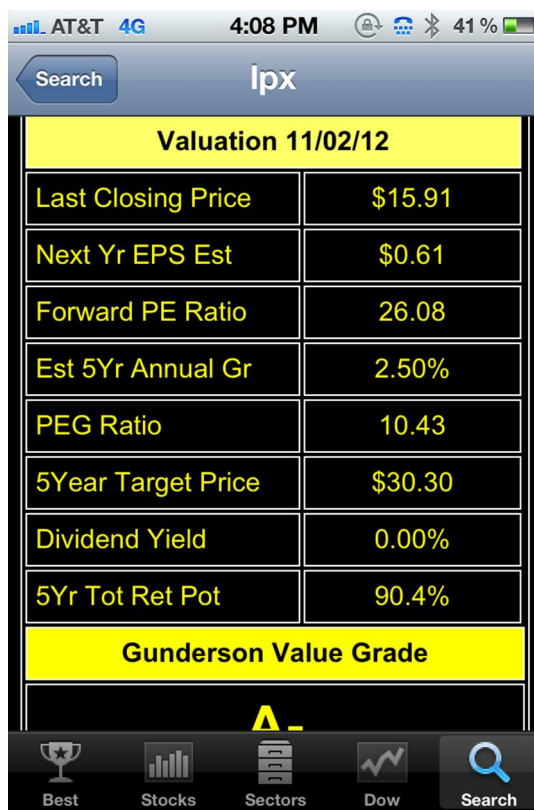
Why solar panels (and stocks) don't work

But no one cares about inefficient equipment because most people who install panels do so for publicity and marketing rather than for energy.

By TheStreet Staff 3 hours ago

<http://money.msn.com/technology-investment/post.aspx?post=1caf21ea-2252-440d-8273-89a35459fcb0>

I track just over 3,000 stocks, funds, etf's, etc. I spend several hours looking at them each day. I especially focus in on the ones I own, the stocks rising in rank, and the A- or better rated stocks (usually about the top 200). I like Performance and Value. Here is a good example of what I mean by this...



BILL GUNDERSON WEEKLY TOP 200 LIST:

Rank	Company Name	Rating
1	Admin Fondos (PVD)	A+
2	Transdigm Group Inc (TDG)	A+
3	Ocwen Financial Corp (OCN)	A+
4	Aegerion Pharm. (AEGR)	A
5	Nacco Ind. (NC)	A
6	Altisource (ASPS)	A
7	CTG Resources Inc (CTGX)	A
8	OSI Systems Inc (OSIS)	A
9	Electcor Technologies	A

Just an appetizer-the full list is below!

BILL GUNDERSON TOP 200 LIST IS FOR CLIENTS AND SUBSCRIBER ONLY. HERE ARE 150-200, HOWEVER.



Bill Gunderson's

Best Stocks Now

Top 200 as of 11/2/2012

	Six	Three	Two	Six	One	Two	One	Yest.	Current
	Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Mo. Ago	Wks. Ago	Wk. Ago	Rank	Rank
	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>
B+ ECL Ecolab Inc	312	325	589	900	889	236	242	212	151
B+ SXI Standex Intl Corp	264	199	162	276	371	481	392	153	152
B+ EQIX Equinix Inc	61	47	23	32	79	115	289	283	153
B+ CLR Continental Res Inc.	130	726	25	60	63	341	151	180	154
B+ DISCA Discovery Holding Co.	63	439	122	155	154	124	196	135	155
B+ FIRE Sourcefire Inc.	171	777	428	552	1045	673	623	184	156
B+ FSCRX Fidelity Small Cap Discovery	58	940	540	236	508	300	402	307	157
B+ MTGE Amer. Cap. Mtg. Inv.	0	0	0	0	0	151	176	97	158
B+ RUE Rue21 Inc.	1018	1388	171	255	61	313	321	289	159
B+ OKE Oneok	108	258	388	260	182	62	99	170	160
B+ VASC Vascular Solutions Inc	453	131	267	499	98	67	101	121	161
B+ TWC Time Warner Cable Inc	310	145	121	196	114	84	87	95	162
B+ SBH Sally Beauty Holdings	32	66	93	479	444	477	505	194	163
B+ SDRL Seadrill Ltd.	153	215	94	61	215	117	142	115	164
B+ KWR Quaker Chemical	565	694	211	308	791	415	234	161	165
B+ MSM MSC Industrial Direct Co Inc	566	233	472	213	432	396	306	176	166
B+ NPO EnPro Industries Inc	560	1488	695	596	1306	993	809	253	167
B+ TREX Trex Company Inc	289	960	140	262	183	258	147	178	168
B+ VFC VF Corp	35	161	119	135	121	99	229	163	169
B+ ARLP Alliance Res Corp Lp	963	565	296	414	433	244	119	231	170
B+ LECO Lincoln Electric Holdings	283	713	676	807	1035	695	686	214	171
B+ THOR Thoratec Corp	336	557	727	417	571	952	608	543	172
B+ SLH Solera Holdings	999	1040	636	548	363	185	121	143	173
B+ MWV M WI Veterinary Supply	103	520	63	71	221	263	124	96	174
B+ ULTA Ulta Salon	169	486	145	275	655	669	170	136	175
B+ AN AutoNation Inc	508	89	222	229	57	126	136	133	176
B+ ARG Airgas Inc	84	678	500	1053	724	720	248	205	177
B+ JHX James Hardee Industrial	935	48	308	81	288	179	180	206	178
B+ ALNC Alliance Financial Corp.	1404	1007	645	689	417	247	175	209	179
B+ SLW Silver Wheaton	1355	639	189	238	85	173	111	182	180
B+ USG USG Grp	952	2318	519	475	808	384	228	210	181
B+ FSHOX Fidelity Select Const. & Housing	58	1306	498	463	445	248	386	259	183
B+ BLX Banco Latinoamericano E	603	692	283	266	96	148	179	251	184
B+ IEX IDEX Corp	688	1147	622	544	370	531	285	147	185
B+ RGR Sturm, Ruger & Co. Inc	10	95	216	184	3	55	70	230	186
B+ DEST Destination Maternity	651	1243	627	599	514	308	341	364	187
B+ PRGO Perrigo Co	101	37	252	426	218	107	139	139	188
B+ COH Coach inc	198	1367	450	455	985	988	446	117	189
B+ DDS Dillard's Inc	440	576	418	436	986	394	241	188	190
B+ SNA Snap On Inc	647	514	504	450	422	268	270	220	191
B+ TOL Toll Brothers Inc	1394	1331	739	567	972	773	181	108	192
B+ PCYC Pharmacyclics Inc	111	41	3	5	75	18	11	64	193
B+ CMI Cummins Inc	495	451	320	448	847	607	210	228	194
B+ ENB Enbridge	85	296	429	489	500	216	257	160	195
B+ WAB Wabtec Corp	142	139	175	152	184	133	143	300	196
B+ WTS Watts Water Tech	1261	293	240	388	365	429	295	199	197
B+ PPG P P G Industries	128	211	314	283	350	468	385	217	198
B+ AWF Alliance World Dollar Govt. Fund II	343	56	338	284	353	177	132	150	199
B+ BNA BlackRock Income Opportunity Trust	326	112	486	779	623	162	358	326	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 a number of mutual funds to my **Best Stocks Now** database that are representative of the various categories of funds that are available in most 401k plans. I grade them on a daily basis. I only want to own funds that are ranked 850 or higher, overall.

Of the funds that I am tracking, here is my current basic recommendation.

I am reducing

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

MODEL MUTUAL FUND PORTFOLIO COMING SOON

INTERNATIONAL AND EMERGING MARKET WATCH:

As of Oct. 26, 2012

		<u>2012 ytd</u>
Greece	GREK	29.5%
Thailand	THD	23.9%
Mexico	EWV	23.6%
India	INP	23.1%
Peru	EPU	15.1%
United States	AGSPC	12.3%
Vietnam	VNM	10.6%
Europe	EFA	8.3%
Canada	EWI	6.0%
China	FXI	5.9%
Russia	RSX	5.1%
Italy	EWI	4.3%
Emerging Mkts.	ADRE	2.9%
Chile	CH	1.5%
Japan	EWJ	0.1%
Brazil	EWZ	-6.6%
Spain	EWP	-7.0%

NEW!

			<i>Bill Gunderson's</i>							
			Six	Three	Two	One	Two	One		
			Mos. Ago	Mos. Ago	Mos. Ago	Mo. Ago	Wks. Ago	Wk. Ago	Current	
			Rank	Rank	Rank	Rank	Rank	Rank	Rank	YTD
1	A-	TTF Thai Fund	86	647	304	247	96	64	75	48.1%
2	B+	MXE Mexico Equity and Income Fund	822	467	781	361	239	172	133	34.7%
3	B+	MXF Mexico Fund	958	452	629	252	173	102	141	33.4%
4	B+	AFK Market Vectors Africa	1977	1439	2054	566	1049	857	384	22.9%
5	B	EWV iShares MSCI Mexico Index Fund	na	na	na	707	515	368	546	24.8%
6	B	EIS Israel iShares	na	2214	2144	1627	595	551	580	6.1%
7	B	EWM iShares MSCI Malaysia Index Fund	na	na	na	1802	1016	1107	648	13.1%
8	B	AIA Asia 50 Index iShares	na	na	na	1151	848	1195	693	0.0%
9	B	TKF Turkish Investment Fund	1377	801	404	1010	924	383	832	39.9%
10	B	DGS WisdomTree Emerging Market	1834	1362	1296	933	1194	1003	881	11.6%

Watch for Bill Gunderson on:



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"

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

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

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

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