

Bill Gunderson's Weekly "Best Stocks Now" Newsletter

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

<http://www.pwstreet.com>

@BillGunderson on Twitter

Bill@pwstreet.com Let me hear from you!

November 9, 2012



San Diego, CA

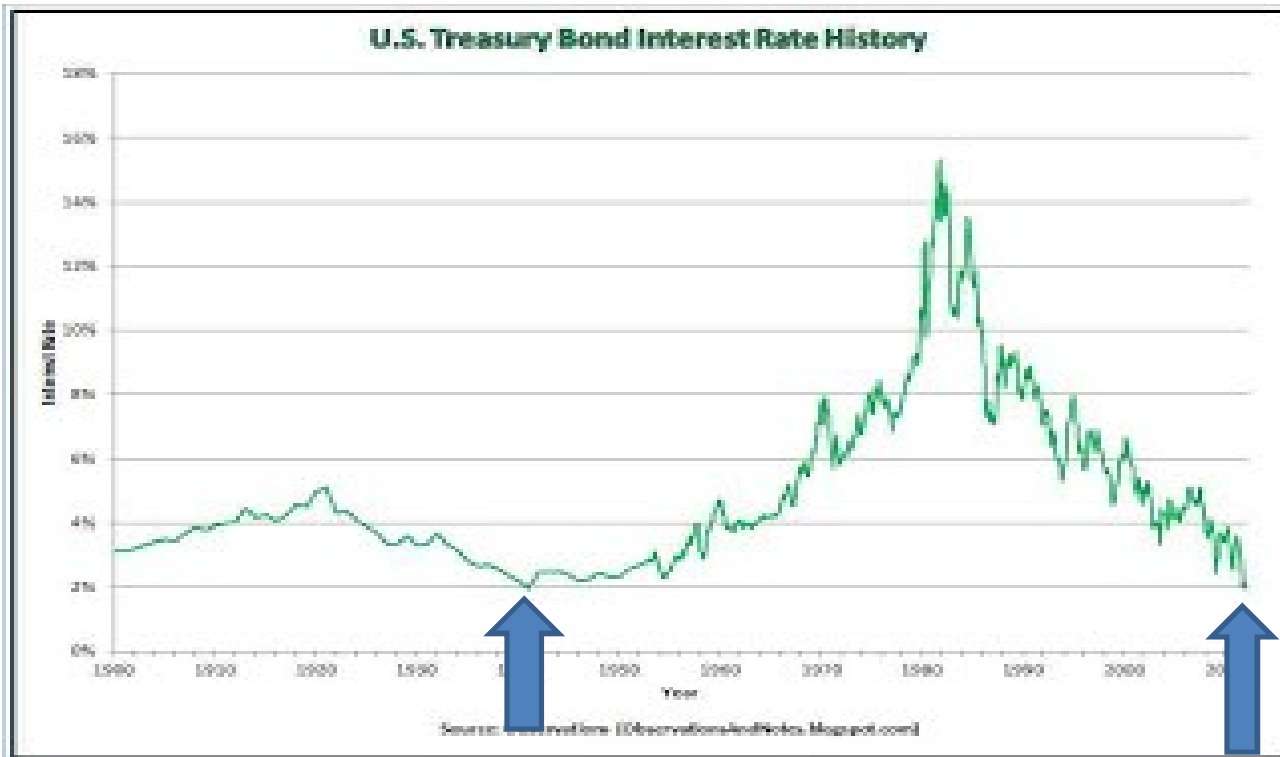
Bill Gunderson-President and Founder of Gunderson Capital Mgt. Inc.

Big Uncertainty out of the way!

Maybe the election went your way, maybe it didn't. Regardless of who you wanted to win, we now have another four years of an Obama/Biden reign. I know how to make money in an Obama/Biden economy. I have four years of experience under my belt. Over the past four years, I cleaned up in deep discounters like Ross Stores (ROST), Dollar Tree (DLTR), T J Maxx (TJX), etc.

I made money in used car stocks like Autozone (AZO), guns stocks like Sturm Ruger (RGR), and pawn shops like First Cash Financial (FCFS). With money-printing still taking place, that should be bullish for the precious metals once again. Wait until you see how gold has behaved since election-day! But, this biggest factor in the market going forward is:

DIRT CHEAP INTEREST RATES



Do you notice any kind of a trend here? To say that interest rates are at a 100 year low would be an accurate statement! The cost of borrowing money has never been this cheap before-now go borrow and spend, spend, spend!

We have to ask ourselves the following question: what sectors of our economy benefit from low interest rates? How about the HOUSING SECTOR?



Do you think that new home builders benefit from 100 year low interest rates?

LEN (Lennar Corp.) NYSE

9-Nov-2012

Open 38.20 High 38.89 Low 36.69 Close 38.11 Volume 7.8M Chg -0.30 (-0.78%)

© StockCharts.com



In my humble opinion, we are in the early innings of a rebound in housing. This is good news for the overall economy. The housing industry is a job creator! If you missed my Street.com article on the housing recovery, here it is again. Be sure and listen to the interview that I had on my show with housing expert Mick Pattinson, CEO of Barratt homes in San Diego.

<http://www.thestreet.com/story/11733922/1/this-housing-recovery-is-real.html>

Auto sales also can't be hurt by dirt-cheap interest rates:

ABG (Asbury Automotive Group Inc.) NYSE

9-Nov-2012

Open 29.29 High 29.79 Low 28.58 Close 29.31 Volume 237.1K Chg -0.18 (-0.61%)

© StockCharts.com



I don't know about you, but I see no end to money printing. How can that not be bullish for precious metals? Here is how gold looked in the days leading up to the election...



Gold was pricing in a Romney victory, a chance for a balanced budget, and FED without Bernanke. Instead we go status quo and more of the same-where this all leads is a bit disturbing, as we have never gone this far down this path before.

Here is how gold has reacted since the election...



Let's also not forget Silver...



When Obama was elected four years ago, the market responded with a 450 point sell-off. This time it took two days for a similar response, as the market is obviously not happy with the election results. But, as you can see, it is very possible to make good money in the coming months and years. You just have to be in the right sectors of the market.

Here is how a very volatile week finally played out...

	Fri. 11/2/12	Fri. 11/9/12	Week	Week Pct.
	Close	Close	Change	Change
S&P500	1414.20	1379.85	-34.35	-2.43%
DJIA	13,093.93	12,813.93	-280.00	-2.14%
NASD	2982.13	2904.87	-77.26	-2.59%
S&P600 (Small)	457.34	447.74	-9.60	-2.10%
S&P400 (Mid-Cap)	987.96	969.92	-18.04	-1.83%
Emg. Mkts (ADRE)	39.20	38.39	-0.81	-2.07%
Spain (EWP)	28.33	27.02	-1.31	-4.62%
Italy (EWI)	12.43	11.92	-0.51	-4.10%
Greece (GREK)	15.93	16.10	0.17	1.07%
U.S. 10yr. Tr.	1.73%	1.61%	-0.12%	6.94%
Greece 10yr. Bond	18.26%	18.13%	-0.13%	0.71%
Italy 10yr. Bond	4.92%	5.02%	0.10%	-2.03%
Spain 10yr. Bond	5.63%	5.88%	0.25%	-4.44%
Oil	87.58	86.14	-1.44	-1.64%
Gold	1678.40	1736.10	57.70	3.44%

As you can see, the biggest plays on Bernanke were also the biggest winners for the week—bonds and gold.

Here is how a chart of the S&P looked like last week:



I said that last week, the critical support level was at 1375. Here is we are a week later...



We are now at 1,377 and barely hanging on to our one-year long PRIMARY UPTREND.

Here is how the INVERSE S&P 500 chart looks like right now...



This is definitely a trend reversal, but I am not ready to begin hedging yet.

Here is how the NASDAQ looked last week:



As you can see, as of last week, the NASDAQ was clinging to its uptrend and its 200 day moving avg. That is no longer true...



Much of this damage in the NASDAQ and the S&P 500 has been due in large part to Apple (AAPL):



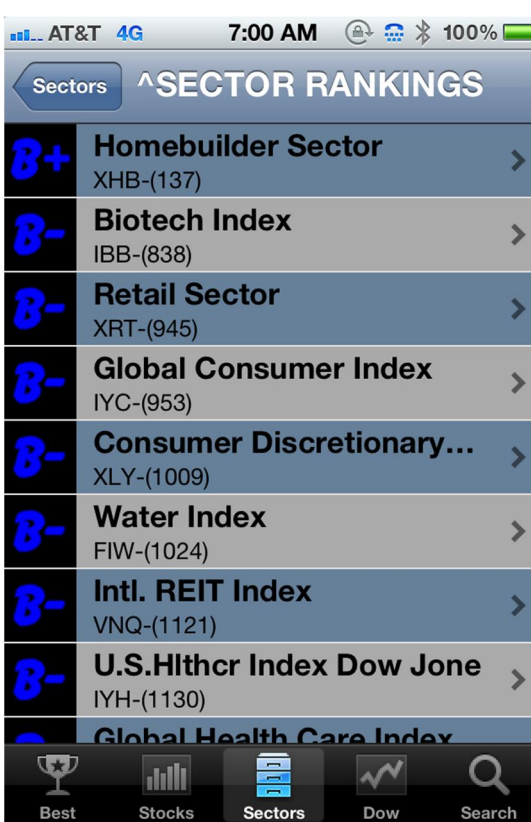
Apple is fast closing in on its next support level at \$517. The stock needs to hold this level, begin a sideways base, and begin a new uptrend-stay tuned....

Here is how the Sector Rankings looked last week, and how they look this week...

Last Week (11/2/2012)



This week (11/9/2012)



Very little change from last week to this week, the insurers would have benefitted from a repeal of Obamacare, but that one is here to stay. The REIT index is also rising again (low interest rates), along with the Healthcare Sector (Obamacare).

Note the rally in the bond market this past week (Bernanke):



The Biotech sector has been selling off, but I have not panicked yet. It is holding its 200 day moving average, and usually does well in a sluggish economy...



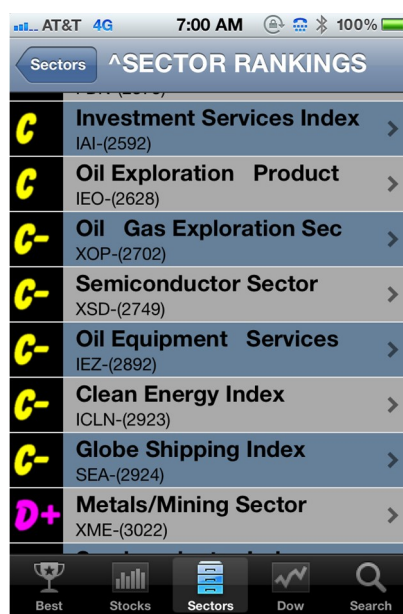
A break below the 200 day moving average would be ominous however...

Here are the lowest rated sectors:

Last Week



This Week



Note that the Investment Services Sector is now in the crosshairs of Elizabeth Warren and the Oil Exploration Sector is in the hands of the EPA.

With just seven weeks left, here is where the markets stand year to date:

	12/31/11	Fri. 11/9/12	2012	YTD Pct.
	Value	Close	YTD	Change
S&P500	1257.60	1379.85	122.25	9.72%
DJIA	12,239.74	12,813.93	574.19	4.69%
NASD	2610.68	2904.87	294.19	11.27%
S&P600 (Small)	415.07	447.74	32.67	7.87%
S&P400 (Mid-Cap)	879.16	970.16	91.00	10.35%
Emg. Mkts (ADRE)	39.89	38.39	-1.50	-3.76%
Spain (EWP)	30.37	27.02	-3.35	-11.03%
U.S. 10yr. Tr.	1.87%	1.61%	-0.26%	13.90%
Spain 10yr. Bond	5.22%	5.88%	0.66%	-12.64%
Oil	98.87	86.14	-12.73	-12.88%
Gold	1565.90	1736.10	170.20	10.87%

One last chart-Now that the election is over, gasoline is starting to rise again. \$5 gas coming soon?



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



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

You can listen live to the show on the internet through the station's websites:



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Coming to more cities across America Soon!!!!

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!



"It's over Myrtle, Ohio went for Obama!"

Bill Gunderson's Model Portfolio for Conservative Growth Investors:



“Look at who got 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 OF THE NEWSLETTER IS FOR CLIENTS AND SUBSCRIBERS ONLY

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



Boehner and Reed taking us over the fiscal cliff?

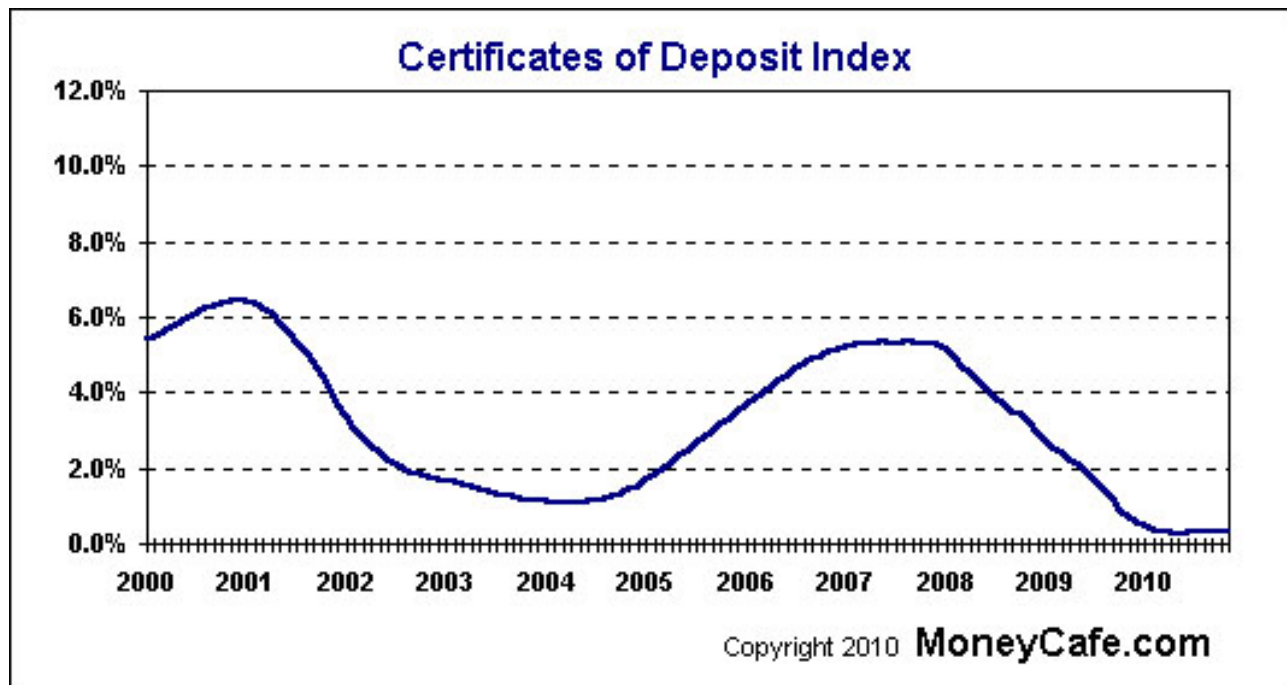
Are you Aggressive?

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 up

THIS SECTION IS 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 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-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 **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 articles...

Daily Newspapers Can Be Hazardous to You Wealth

<http://www.thestreet.com/story/11757636/1/daily-newspapers-can-be-hazardous-to-your-health.html>

I love Visa

http://www.marketwatch.com/story/i-love-visa-2012-11-08?link=MW_latest_news

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...

AT&T 4G 7:30 AM 100%

Rank 1-300 **AZZ-(2)**

BEST STOCKS NOW! APP

AZZ Inc

Sector	Industrial
Market Cap	933,510,000
Size	Small-Cap
Risk Profile	Aggressive

Valuation 11/09/12

Last Closing Price	\$36.88
Next Yr EPS Est	\$2.67
Forward PE Ratio	13.81
Est 5Yr Annual Gr	26.50%

Best Stocks Sectors Dow Search

AT&T 4G 7:30 AM 100%

Rank 1-300 **AZZ-(2)**

Valuation 11/09/12

Last Closing Price	\$36.88
Next Yr EPS Est	\$2.67
Forward PE Ratio	13.81
Est 5Yr Annual Gr	26.50%
PEG Ratio	0.52
5Year Target Price	\$75.00
Dividend Yield	1.50%
5Yr Tot Ret Pot	110.9%

Gunderson Value Grade

A+

Best Stocks Sectors Dow Search

AT&T 4G 7:30 AM 100%

Rank 1-300 **AZZ-(2)**

Performance of AZZ vs S&P 500

1 Mo Total Return	4.1%	-4.3%
3 Mo Total Return	17.1%	-1.6%
12 Mo Total Return	81.6%	12.3%
Momentum Grade	A-	C
3 Yr Avg Tot Ret	30.2%	8.1%
5 Yr Avg Tot Ret	22.2%	-1.0%
10 Yr Avg Tot Ret	28.1%	4.4%
Performance Grade	A	C
2008 Total Return	-11.5%	-38.5%
Safety Grade	B-	C

Best Stocks Sectors Dow Search

AT&T 4G 7:30 AM 100%

Rank 1-300 **AZZ-(2)**

Gunderson Stock Grade

A+

Ranking

Current	2 / 3168
1 day ago	2
7 days ago	11
1 month ago	16
2 months ago	20
3 months ago	107

Best Stocks Sectors Dow Search

AT&T 4G 7:30 AM 100%

Rank 1-300 **AZZ-(2)**

Comments:

11/05/12 AZZ powerful chart. Great Sector. #11

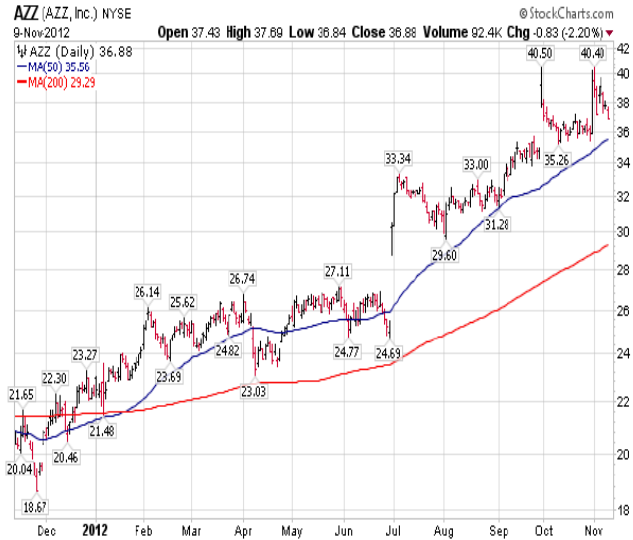
10/31/12 (AZZ) another very good storm play. A lot of conduit needed in rebuilding. #4 overall Best Stocks Now App before storm.

09/11/12 (AZZ) breaking out today. #20 overall in Best Stocks Now App. No position.

07/03/12 (AZZ) Wow!

07/02/12 (AZZ) AZZ Inc. There it goes. #84 overall.

Best Stocks Sectors Dow Search



BILL GUNDERSON WEEKLY TOP 200 LIST:

Rating	Company Name	Symbol
A+	Barrett Business Svcs	BBSI-(1)
A+	AZZ Inc	AZZ-(2)
A	Aegerion Pharm.	AEGR-(3)
A	Transdigm Group Inc	TDG-(4)
A	Admin Fondos	PVD-(5)
A	Trex Company Inc	TREX-(6)
A	Netspend Hldgs.	NTSP-(7)
A	Smith AO Corp	AOS-(8)
A	Eagle Materials Inc	

Best Stocks Sectors Dow Search

Just an appetizer-the full list is below!

THIS SECTION OF THE NEWSLETTER IS FOR CLIENTS AND SUBSCRIBERS ONLY. HERE IS A PEEK AT 15-200



Bill Gunderson's

Best Stocks Now

Top 200 as of 11/9/2012

			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+	PCN	PIMCO Corporate Income Fund	679	69	205	325	57	86	136	188	150
B+	WINA	Winmark Corp	703	718	925	503	339	388	317	161	151
B+	HHC	Howard Hughes Corp.	665	264	392	29	27	138	125	263	152
B+	NPO	EnPro Industries Inc	721	1771	560	940	807	662	167	163	153
B+	GILD	Gilead Sciences Inc	215	354	142	105	24	46	114	172	155
B+	NDSN	Nordson Corp	84	826	239	671	1013	684	378	144	156
B+	PETM	Petsmart Inc	0	26	82	242	199	199	76	131	157
B+	PAA	Plains All Amer. Pipe	533	657	1484	961	2276	2242	2331	114	158
B+	ABG	Asbury Automotive Group Inc	230	256	137	167	171	91	75	117	159
B+	AWF	Alliance World Dollar Govt. Fund II	266	130	311	369	334	142	199	147	160
B+	CSL	Carlisle Cos Inc	12	836	367	635	757	187	100	219	161
B+	DXPE	DXP Enterprises Inc	276	58	115	35	16	27	12	119	162
B+	BLW	BlackRock Limited Duration Income Trust	1261	223	645	604	278	166	278	152	163
B+	FAF	First American Corp	1060	1169	1482	758	686	687	853	76	164
B+	CHS	Chicos FAS Inc	1720	984	220	192	463	172	140	153	165
B+	SMP	Standard Motor Prod	696	134	257	312	321	294	123	149	166
B+	ACET	Aceto Corp	390	562	661	336	483	178	146	138	167
B+	BKE	Buckle Inc	200	265	156	233	720	590	329	231	168
B+	CBD	Companhia Brasileira Adr	219	170	108	26	23	35	106	196	169
B+	CLH	Clean Harbors	747	440	1003	1015	736	376	272	128	170
B+	IEX	IDEX Corp	624	699	548	495	475	254	185	244	171
B+	WRLS	Telular Corp	348	95	97	329	445	242	379	136	172
B+	HEI	Heico Corp	804	986	1109	462	455	494	245	270	173
B+	ROK	Rockwell Automation Inc	126	417	368	682	543	522	132	192	174
B+	UNP	Union Pacific Corp	57	120	109	304	164	79	72	182	175
B+	AAPL	Apple Computer	104	14	2	7	64	60	117	160	176
B+	ALXN	Alexion Pharmaceuticals	637	8	19	12	46	311	239	140	177
B+	UTEK	Ultratech Inc	1079	556	261	253	314	296	267	240	178
B+	JDAS	JDA Software Grp Inc	0	1231	1667	1388	1011	780	249	184	179
B+	MTGE	Amer. Cap. Mtg. Inv.	263	0	0	0	107	114	158	162	181
B+	CRI	Carters Inc	759	219	51	118	424	58	63	203	182
B+	UNAM	Unico American Corp	881	2071	2409	1187	379	475	639	208	183
B+	ASH	Ashland Inc	225	535	183	567	709	444	310	272	184
B+	FL	Foot Locker Inc	680	53	28	30	62	117	111	148	185
B+	BFZ	BlackRock California Municipal Income Trust	48	485	1157	1059	506	233	271	214	186
B+	FDO	Family Dollar Stores Inc	406	203	574	516	209	139	229	233	187
B+	PMO	Putnam Municipal Opportunities Trust	1262	322	921	1103	1171	504	353	217	188
B+	PPO	Polypore Intl.	1174	1588	604	876	587	347	307	494	189
B+	USG	USG Grp	579	2190	387	391	1053	236	181	155	190
B+	BLDR	Building First Source	676	2561	647	421	1627	841	208	189	191
B+	CACC	Credit Acceptance Corp.	496	45	264	189	382	267	464	235	192
B+	CPRT	Copart Inc	152	503	397	339	715	550	323	211	193
B+	VASC	Vascular Solutions Inc	923	226	372	123	158	113	161	213	194
B+	AGX	Argan Inc	1122	284	433	439	330	243	277	186	195
B+	LCC	US Airways Group Inc	700	1513	453	1581	1117	333	305	283	196
B+	LEO	Dreyfus Strategic Municipals	443	405	602	574	770	385	850	284	197
B+	MYI	BlackRock MuniYield Insured Fund Inc.	1209	361	736	763	690	335	702	216	198
B+	ALKS	Alkermes Inc	838	1249	757	222	222	2189	1274	603	199
B+	APKT	Acme Packet	414	636	300	514	1096	1386	599	394	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.

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MODEL MUTUAL FUND PORTFOLIO COMING SOON

INTERNATIONAL AND EMERGING MARKET WATCH:

As of Nov. 9, 2012

		<u>2012 ytd</u>
Thailand	THD	25.5%
India	INP	21.5%
Mexico	EWW	18.8%
Peru	EPU	16.5%
Greece	GREK	14.8%
United States	AGSPC	9.7%
Vietnam	VNM	9.7%
Europe	EFA	6.6%
Canada	EWC	4.7%
China	FXI	4.6%
Chile	CH	2.5%
Russia	RSX	1.8%
Emerging Mkts.	ADRE	0.8%
Italy	EWI	-0.6%
Japan	EWJ	-1.8%
Brazil	EWZ	-8.1%
Spain	EWP	-10.7%

COMMODITIES (as of Nov. 9, 2012)

		<u>2012 YTD</u>
Grains	JJG	26.9%
Silver	SLV	17.1%
Gasoline	UGA	17.0%
Corn	CORN	12.7%
Gold	GLD	10.4%
Copper	JJC	-1.3%
Livestock	COW	-5.3%
Steel	SLX	-7.1%
Oil	USO	-16.7%
Cotton	BAL	-19.0%
Coal	KOL	-24.7%

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"

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