



February 1, 2013

One Down-Eleven to go...

You can kiss January good-bye and say hello to February. I hate to see January come to an end. Don't think for a minute that February will be as good as January was.

I don't think that we will have another 6% move up in the S&P 500 this month. I also don't think that we will have a 6% drop.

The almost four year old BULL MARKET is still intact for now. I have been almost fully invested the entire time. Unfortunately, the bull will eventually run out of steam, begin to roll over and enter into BEAR MARKET territory once again.

It is how the markets and the economy work. We had a reminder this past week of what negative GDP growth looks like, the nation's economy contracted by 0.1% during the fourth quarter of 2012.

Another quarter of this and we could start hearing the "R" word once again. I do not foresee this happening, however. I think that between the fiscal cliff and Hurricane Sandy, we had more than enough of an excuse for a slight contraction.

Earnings reports from corporate America continue to be solid, housing continues to recover, and the jobs picture continues to improve. This is not exactly the breeding ground for a prolonged contraction.

We even had the first homebuilder IPO in over ten years. I heard the CEO state that we are in the first inning of a recovery... One down, eight to go!



Bulls eight, Bears zero! Here is how we finished the week:

Asset Class	Fri. 1/25/13 Close	Fri. 2/1/13 Close	Week Change	Week Pct. Change
S&P500	1502.96	1513.07	10.11	0.67%
DJIA	13,894.44	14,008.72	114.28	0.82%
NASD	3149.71	3179.10	29.39	0.93%
S&P600 (Small)	508.47	509.43	0.96	0.19%
S&P400 (Mid-Cap)	1096.67	1101.57	4.90	0.45%
Emg. Mkts (VWO)	44.56	44.86	0.30	0.67%
Em Mkt Sm. Cap (DGS)	50.02	50.51	0.49	0.98%
Europe (EFA)	59.01	59.44	0.43	0.73%
China (FXI)	41.12	41.82	0.70	1.70%
Latin America (ILF)	45.75	45.86	0.11	0.24%
U.S. 10yr. Tr.	1.95%	2.01%	0.06%	-3.08%
Greece 10yr. Bond	10.72%	10.29%	-0.43%	4.01%
Italy 10yr. Bond	4.19%	4.19%	0.00%	0.00%
Spain 10yr. Bond	5.14%	4.94%	-0.20%	3.89%
Oil	96.09	97.61	1.52	1.58%
Gold	1658.40	1681.00	22.60	1.36%

Here is where we stand year to date:

Asset Class	12/31/12 Close	Fri. 2/1/13 Close	2012 Final	2013 YTD
S&P500	1426.19	1513.07	13.41%	6.09%
DJIA	13104.00	14008.72	7.06%	6.90%
NASD	3019.51	3179.10	15.66%	5.29%
S&P600 (Small)	476.57	492.06	14.82%	3.25%
S&P400 (Mid-Cap)	1020.43	1101.57	16.07%	7.95%
Emg. Mkts (VWO)	44.53	44.86	16.54%	0.74%
Em Mkt Sm. Cap (DGS)	49.44	50.51	19.59%	2.16%
Europe (EFA)	56.86	59.44	14.80%	4.54%
China (FXI)	40.45	41.82	16.00%	3.39%
Latin America (ILF)	43.84	45.86	2.98%	4.61%
U.S. 10yr. Tr.	1.95%	2.01%	-0.53%	-3.08%
Spain 10yr. Bond	5.14%	4.94%	5.17%	3.89%
Oil	96.09	97.61	5.21%	1.58%
Gold	1658.40	1681.00	6.14%	1.36%

The only blemish on an otherwise perfect record is the bond market.

BND Vanguard Total Bond Market NYSE

1-Feb-2013

Open 83.44 High 83.44 Low 83.05 Close 83.05 Volume 1.8M Chg -0.23 (-0.28%) ▼

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Ominous...A real argument against asset allocation. On the other hand, here is a look at equities...

\$SPX S&P 500 Large Cap Index INDXX

1-Feb-2013 1:55pm

Open 1498.11 High 1514.22 Low 1498.11 Last 1514.01 Chg +15.90 (+1.06%) ▲

© StockCharts.com



Very healthy right now-enjoy it while it lasts, because it won't last forever. You have to make hay while the sun shines.



Bill Gunderson on Saturday. (just kidding)

This year the NASDAQ is lagging behind the S&P 500 and the Dow. Of course, Apple is not helping. Tech stocks are starting to break out however. I would think that the NASDAQ is not far behind.



Here is my current ranking of the various asset classes:

Top Ranked Last Week

Rating	Asset Class	Symbol
A-	Emg.Mkts.Small-Cap Ind...	EWX-(227)
A-	Templeton Emg.Mkt.Inc....	TEI-(265)
B+	Mid Cap Growth	IJK-(525)
B+	Small-Cap Growth Index	IJT-(585)
B+	Smallcap Dividend Index (DES-(698)
B+	Small-Cap Value Index	IJS-(710)
B+	Small-Cap Vanguard Index	VB-(754)
B	REIT Index US Spider	RWR-(942)
B	Intl Small-Cap Div Index	

Top Ranked This Week

Rating	Asset Class	Symbol
B+	Templeton Emg.Mkt.Inc....	TEI-(328)
B+	Mid Cap Growth	IJK-(526)
B+	Small-Cap Value Index	IJS-(654)
B+	Emg.Mkts.Small-Cap Ind...	EWX-(694)
B	Smallcap Dividend Index (DES-(711)
B	Small-Cap Vanguard Index	VB-(762)
B	Small-Cap Growth Index	IJT-(806)
B	Intl.Small-Cap Div.Index	DLS-(881)
B	Largcap Dividend Index (

Emerging Markets have cooled off for now, but they should continue to do fine in 2013. Small-caps and Mid-caps continue to dominate the scene here at home. No real significant changes this week.

Here are worst asset classes to be invested right now.

Bottom Ranked Last Week

Rating	Asset Class	Symbol
C+	Corp. Bond Inv.Gr. Index	LQD-(2263)
C+	Mort. Backed Sec. Index (MBB-(2293)
C+	Gold Bullion	GLD-(2379)
C+	Commodity Index	DBC-(2391)
C+	Gold denominated in U.S.	GTU-(2637)
C-	Short Term Bond Index	BSV-(2972)
D+	Goldminer's Index	GDX-(3112)
D	S P 500 Inverse	SH-(3203)

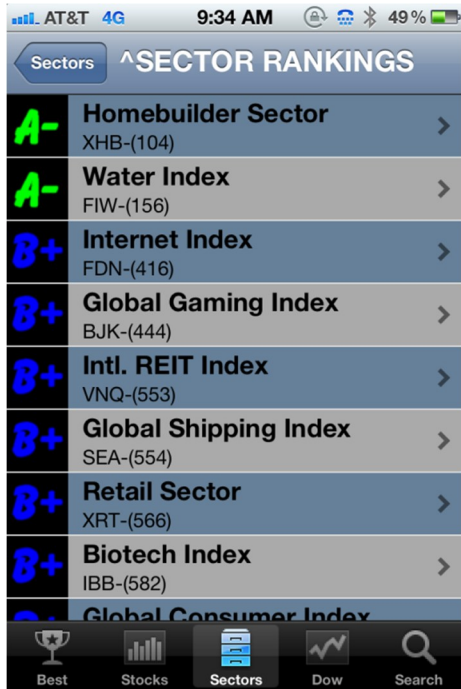
Bottom Ranked This Week

Rating	Asset Class	Symbol
C+	Mort. Backed Sec. Index (MBB-(2143)
C+	U.S. Treas. 20+ Index	TLT-(2193)
C+	Corp. Bond Inv.Gr. Index	LQD-(2200)
C+	Gold Bullion	GLD-(2250)
C	Gold denominated in U.S.	GTU-(2788)
C-	Short Term Bond Index	BSV-(2969)
D+	Goldminer's Index	GDX-(3098)
D	S P 500 Inverse	SH-(3179)

Being SHORT the market has got to be painful. Gold and Bonds are no fun either.

Here are the leading sectors in the market.

Last Week



This Week



I see very little change from last week, just a little bouncing around amongst the leaders. Here are the laggards:

Last Week



This Week



Very little change from last week...

My biggest worry continues to be that there is currently nothing to worry about. In fact, I wrote an article to this effect for TheStreet.com this past week:

My Biggest Worry About This Current Market

By [Bill Gunderson](#) 01/29/13 - 06:00 AM EST

<http://www.thestreet.com/story/11824710/1/my-biggest-worry-about-this-current-market.html>

I also gave a short dissertation on the subject during my radio show this past week:

<http://pwstreet.com/wp-content/uploads/2013/01/My-Biggest-Worry-About-the-Market-Right-Now.mp3>

Despite very little to worry about right now, there is no reason not keep the green flag flying for now!



Please follow me on Twitter @BillGunderson, 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 INCOME/GROWTH Model Portfolio

This portfolio is 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. This portfolio currently has an average yield of **6.2%**.

This portfolio is now up a whopping **9.22%** YTD and **16.79%** since its August 5, 2011 inception. This works out to an annualized rate of **11.34%**. Not bad for a CD alternative.

This is net of all \$7 trades and an annual mgt. fee of 2.0%. **I sold**

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

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

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 up **4.89%** year-to-date. This is net of a 2.0% annual management fee and all \$7 trades. I am adding

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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 suitable for investors who have a **conservative growth risk profile**. Time horizon of at least 3-5 years would be appropriate.

This portfolio is up **4.46%** year-to-date. This is net of an annual mgt. fee of 2.0% and all \$7 trades. I am replacing

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Bill Gunderson's ETF Model Portfolio

This portfolio is for investors seeking growth. This portfolio can be done with as little as \$10,000 and I strive to keep trading costs down to a minimum.

This portfolio is now up

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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.

Here are my current 401-k suggestions:

This portfolio is up 4.66% year-to-date (net of all fees and trading costs).

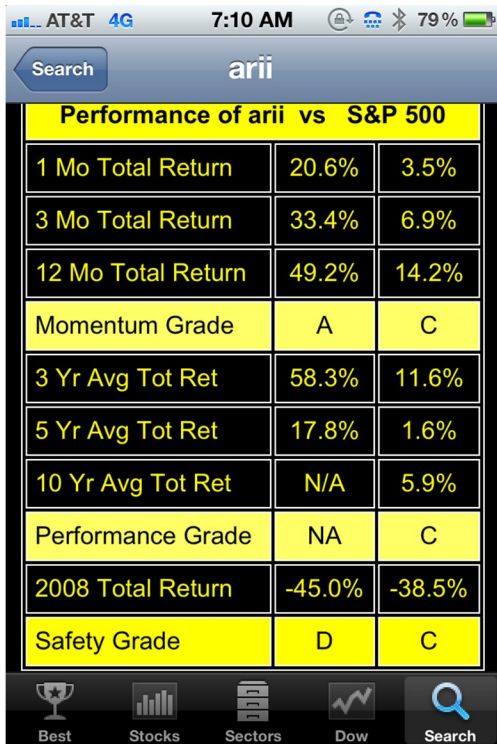
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401-K Section (VERY BASIC)

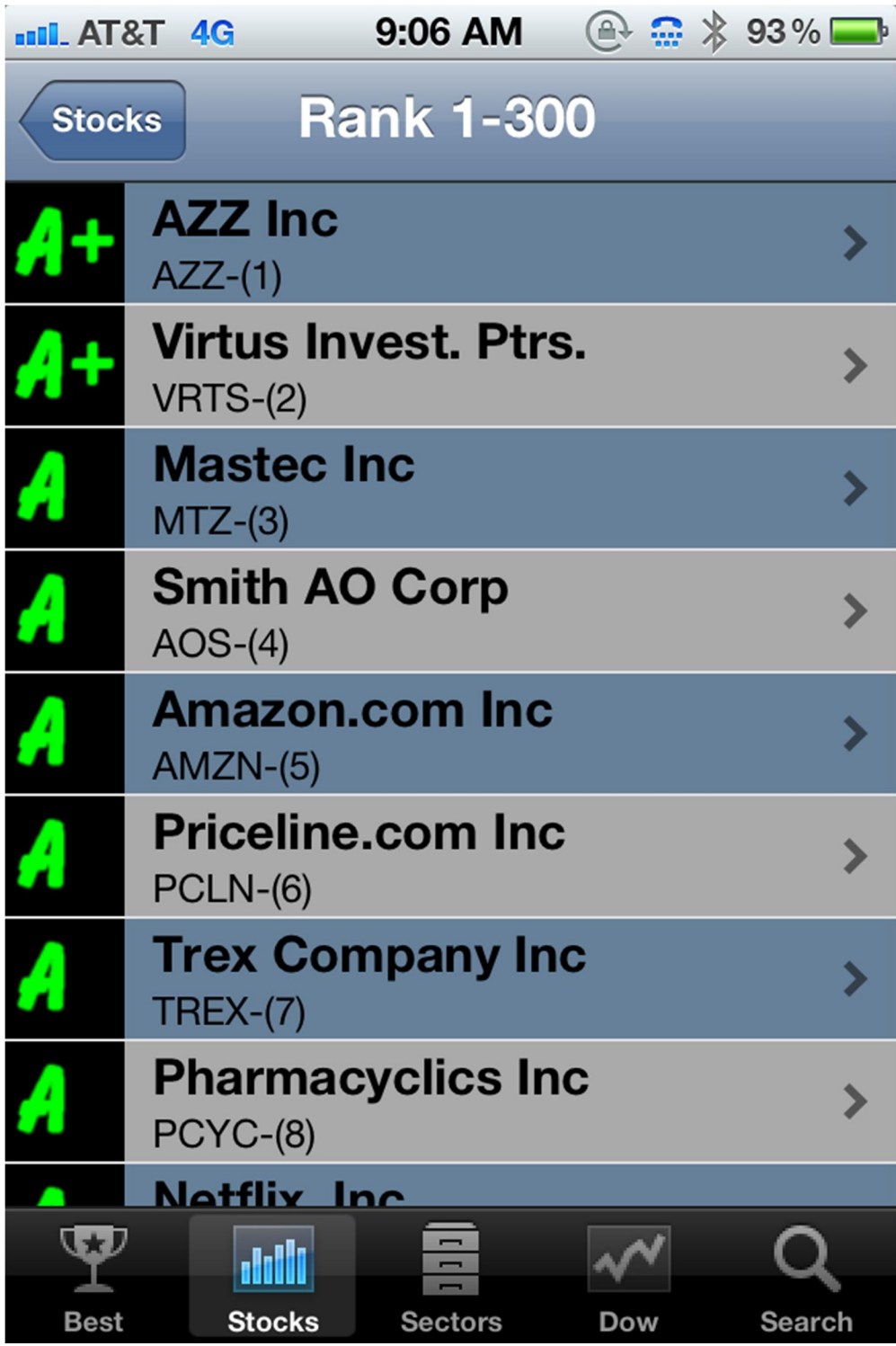
Many folks have a very limited selection of choices in your 401-k. THIS NEW SECTION IS FOR YOU!

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I track just over 3,200 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:



Just an appetizer-the full list is below!

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY-BUT HERE ARE 150-200

Bill Gunderson's

Best Stocks Now

Top 200 as of 2/1/2013

		Six	Three	Two	Six	One	Two	One	Yest.	Current
		Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Mo. Ago	Wks. Ago	Wk. Ago		
		<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>
A- WLK	Westlake Chemical	839	285	607	383	314	280	293	193	151
A- RXL	U S Hlthcre Idx 2X	445	196	1289	738	394	1059	761	159	152
A- UPV	Europe Index 2X	2643	318	2271	112	366	179	121	153	154
A- FLS	Flowserve Corp	341	370	439	545	785	133	91	104	155
A- SCL	Stepan Co	276	1037	677	476	604	125	165	172	156
A- ODFL	Old Dominion Freight Lines	345	44	35	75	157	10	19	173	157
A- AFSI	Amtrust Fin. Svcs.	195	451	74	59	81	35	13	158	158
A- DPZ	Dominoes Pizza	824	93	225	229	29	166	241	187	159
A- TSCO	Tractor Supply Co	326	24	166	234	199	103	186	182	160
A- UHAL	Amerco	414	57	46	66	200	208	79	156	161
A- AMP	Ameriprise Financial Inc	2266	1492	1301	1274	141	210	260	136	162
A- HSY	Hershey Foods Corp	442	1035	475	627	535	221	226	150	163
A- SMP	Standard Motor Prod	1376	693	442	230	537	719	148	201	164
A- WYN	Wyndham Worldwide Corp	144	68	377	735	302	131	190	122	166
A- TRS	Trimas Corp.	979	311	762	518	438	710	64	185	167
A- VMED	Virgin Media	761	512	520	714	68	64	99	215	168
A- RHT	Red Hat Inc.	334	679	542	699	327	277	272	167	169
A- RKT	Rock Tenn Co Cl A	537	78	463	727	94	178	257	218	170
A- PRA	Proassurance Corp.	581	1099	1250	1087	863	162	321	168	171
A- ALXN	Alexion Pharmaceuticals	15	91	132	240	128	172	177	179	172
A- APOG	Apogee Enterprises	1717	1203	1098	359	42	215	228	180	173
A- LUX	Luxottica Grp SpA Adr	805	533	407	523	370	161	96	210	174
A- MHK	Mohawk Ind Inc	1165	1425	1278	1307	2286	76	76	197	175
A- MMS	Maximus Inc	33	74	36	61	93	222	280	217	176
A- RGR	Sturm, Ruger & Co. Inc	158	55	9	45	670	783	446	278	177
A- EQIX	Equinix Inc	69	115	192	217	59	239	136	188	178
A- LNKD	Linkedin Inc.	573	1294	515	196	98	246	325	223	179
A- RLJ	R L J Lodging Trust	0	1299	3059	716	1665	329	197	225	180
A- ASR	Grupo Aeroportuario	294	132	104	320	80	92	122	176	181
A- BLX	Banco Latinoamericano E	880	148	405	282	796	637	209	226	182
A- TSM	Taiwan Semiconductor Inc	791	43	40	115	202	202	68	107	183
A- IJJI	Internet Initiative Japan Inc	302	108	212	945	2105	2176	1260	301	185
A- V	Visa Inc.	81	61	92	95	104	55	66	98	186
A- MJN	Mead Johnson Nutrition	962	1372	1089	1459	1144	824	1004	194	187
A- TMH	Team Health Hldg,	923	1249	495	339	383	312	128	299	188
A- HSNL	H S N Inc.	0		22	19	119	57	50	195	190
A- TRV	St. Paul Travelers Co	952	154	455	747	145	223	274	219	191
A- WSO	Watsco Inc	41	306	71	58	37	24	36	95	192
A- WST	West Pharmaceutical Svcs	925	502	586	618	475	1029	573	236	193
A- CMCSA	Comcast Corp Cl A	319	36	84	93	101	50	56	202	194
A- FEIC	FEI Co	651	775	136	117	189	82	166	184	195
A- ABT	Abbot Laboratories	435	800	1176	1178	949	262	214	175	196
A- CLB	Core Laboratories NV	532	845	567	775	503	357	430	200	197
A- ACAD	Acadia Pharm.	2224	874	1584	143	154	510	247	245	198
A- CTSH	Cognizant Tech Sol Cl A	1076	351	626	800	285	290	276	181	199
A- SLXP	Salix Pharmaceuticals Ltd	20	224	139	99	214	254	168	238	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.

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.



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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!



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



I wrote about one of my favorite tech stocks this past week:

One semiconductor spot tops them all

<http://www.marketwatch.com/story/one-semiconductor-stock-tops-them-all-2013-01-23>

I also made an appearance on the Fox TV Business network with Liz Clayman in early December.

Click here to view my 2013 predictions:

http://www.foxbusiness.com/on-air/closing-bell/index.html#/v/2043996213001/time-for-investors-to-sell-gun-stocks/?playlist_id=87063

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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