



## **BILL GUNDERSON'S BEST STOCKS NOW NEWSLETTER**

*Honest Counsel for Successful People.*

February 8, 2013

# ***Fifty Reasons to Sell a Stock...***

Reason #27 from Bill Gunderson's book of Hard Knocks: Alleged scandal, dishonesty, bribes, loss of trust in management, etc., etc.



(Reuters) - Milan prosecutors have put Paolo Scaroni, head of [Italy's Eni Spa \(ENI.MI\)](#), under investigation in a probe into alleged bribes paid to win contracts in Algeria for Saipem SpA ([SPMI.MI](#)), in which Eni is the largest investor, the company said.

As a professional money manager that has been entrusted to be a steward over other people's money, I do everything I can to find the very best stocks and investment for my clients. In my fee-based only world, there is absolutely no monetary incentive for me to choose one investment over another one.

In a commission based world, annuities pay brokers huge commissions. Packaged products offer incentives to sales people who peddle them. Loaded mutual funds can be tastier than a loaded baked potato to a young, hungry commissioned based salesperson.



*I picked the wrong week to start a diet!*

For this reason, I decided early on in my career in this industry that I wanted nothing to do with commissioned based products, to me there is an inherent conflict of interest. Instead I do my best to find the very best investments that I can for my clients.

There is absolutely no fool-proof selection method, however. Take Eni Spa (E) for instance:

After taking a beating, European stocks were breaking out:



After almost going bust, the Italian economy was in recovery mode and the Italian stock market was breaking out:



In addition to this, oil stocks were beginning to break out:



What could be better than an Italian Oil Stock that was also breaking out, and had the other two characteristics that I demand-value and performance?

I had been looking for a few good large-cap stocks for conservative growth investors, and this looked like a perfect fit. I bought it four weeks ago-just as the stock was breaking out of a long base:



Then the headline listed at the beginning of the newsletter and the sell-off in the stock. I have had very little luck in the past hanging onto stocks that are all of sudden embroiled in controversy, so it is time to move on and wish the company the best of luck.

I have replaced the stock with another oil stock that is breaking out. Let's hope there are no skeletons in their closet in Houston.



I would have liked to buy this stock a few weeks ago, but is currently my highest ranked oil stock and I want some exposure to the suddenly resurgent oil sector.

Here is how we finished this past week-as you can see the market has cooled off as I expected. Small-Cap and Mid-Cap stocks continue to lead the way. Europe got beat up a bit as yet another scandal is emerging in Spain with their prime minister:

<b>Asset Class</b>	<b>Fri. 2/1/13 Close</b>	<b>Fri. 2/8/13 Close</b>	<b>Week Change</b>	<b>Week Pct. Change</b>
<b>S&amp;P500</b>	1513.07	1517.93	<b>4.86</b>	<b>0.32%</b>
<b>DJIA</b>	14,008.72	13,991.74	<b>-16.98</b>	<b>-0.12%</b>
<b>NASD</b>	3179.10	3193.87	<b>14.77</b>	<b>0.46%</b>
<b>S&amp;P600 (Small)</b>	509.43	512.24	<b>2.81</b>	<b>0.55%</b>
<b>S&amp;P400 (Mid-Cap)</b>	1101.57	1109.07	<b>7.50</b>	<b>0.68%</b>
<b>Emg. Mkts (VWO)</b>	44.86	44.29	<b>-0.57</b>	<b>-1.27%</b>
<b>Em Mkt Sm. Cap (DGS)</b>	50.51	50.44	<b>-0.07</b>	<b>-0.14%</b>
<b>Europe (EFA)</b>	59.44	58.53	<b>-0.91</b>	<b>-1.53%</b>
<b>China (FXI)</b>	41.82	39.85	<b>-1.97</b>	<b>-4.71%</b>
<b>Latin America (ILF)</b>	45.86	45.02	<b>-0.84</b>	<b>-1.83%</b>
<b>U.S. 10yr. Tr.</b>	2.01%	1.95%	<b>-0.06%</b>	<b>2.99%</b>
<b>Greece 10yr. Bond</b>	10.29%	10.66%	<b>0.37%</b>	<b>-3.60%</b>
<b>Italy 10yr. Bond</b>	4.19%	4.33%	<b>0.14%</b>	<b>-3.34%</b>
<b>Spain 10yr. Bond</b>	4.94%	5.21%	<b>0.27%</b>	<b>-5.47%</b>
<b>Oil</b>	97.61	95.76	<b>-1.85</b>	<b>-1.90%</b>
<b>Gold</b>	1681.00	1669.90	<b>-11.10</b>	<b>-0.66%</b>

Here is where we stand year to date:

<b>Asset Class</b>	<b>12/31/12 Close</b>	<b>Fri. 2/8/13 Close</b>	<b>2012 Final</b>	<b>2013 YTD</b>
<b>S&amp;P500</b>	1426.19	1517.93	13.41%	<b>6.43%</b>
<b>DJIA</b>	13104.00	13991.74	7.06%	<b>6.77%</b>
<b>NASD</b>	3019.51	3193.87	15.66%	<b>5.77%</b>
<b>S&amp;P600 (Small)</b>	476.57	492.06	14.82%	<b>3.25%</b>
<b>S&amp;P400 (Mid-Cap)</b>	1020.43	1109.07	16.07%	<b>8.69%</b>
<b>Emg. Mkts (VWO)</b>	44.53	44.29	16.54%	<b>-0.54%</b>
<b>Em Mkt Sm. Cap (DGS)</b>	49.44	50.44	19.59%	<b>2.02%</b>
<b>Europe (EFA)</b>	56.86	58.53	14.80%	<b>2.94%</b>
<b>China (FXI)</b>	40.45	39.85	16.00%	<b>-1.48%</b>
<b>Latin America (ILF)</b>	43.84	45.02	2.98%	<b>2.69%</b>
<b>U.S. 10yr. Tr.</b>	2.01%	1.95%	-0.53%	<b>2.99%</b>
<b>Spain 10yr. Bond</b>	4.94%	5.21%	5.17%	<b>-5.47%</b>
<b>Oil</b>	97.61	95.76	5.21%	<b>-1.90%</b>
<b>Gold</b>	1681.00	1669.90	6.14%	<b>-0.66%</b>

The Emerging markets have not performed as I expected so far this year, but I believe time will prove me right and they will outperform our domestic markets this year.

The S & P 500 continues in its current uptrend.



The almost four-year old Bull Market remains intact for now.



The Dow is currently struggling in its battle with 14,000. Its all-time high close was clear back on October 12, 2007, when it closed at 14,093. We are just a mere 101 points away from that.



The tech-heavy NASDAQ continues to move closer to a breakout through the 3,200 level.



And now for a word on Apple (AAPL):

On Monday, I wrote an article about Apple for Dow Jones Marketwatch.com. In the article, I called Apple "dead money" for now. On Tuesday, I appeared on CNBC to discuss my article. Click on the link below to view:

<http://video.cnbc.com/gallery/?video=3000146035>

On CNBC I stated that I require three characteristics in stock that I own or buy:

- 1-Performance (short-term, intermediate-term), and long-term if possible)
- 2-Valuation (favorable)
- 3-A healthy stock chart.

Apple currently only has one of those three-*valuation*. When a bit of performance returns to the stock and the chart gets healthier, I will be interested in the stock again. Until then, I believe it is dead money. That will eventually change, however.





Here is my current ranking of the various asset classes:

Top Ranked Last Week



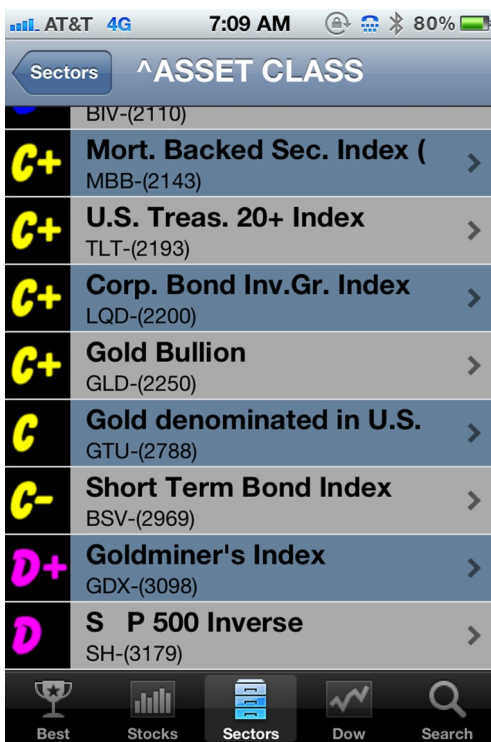
Top Ranked This Week



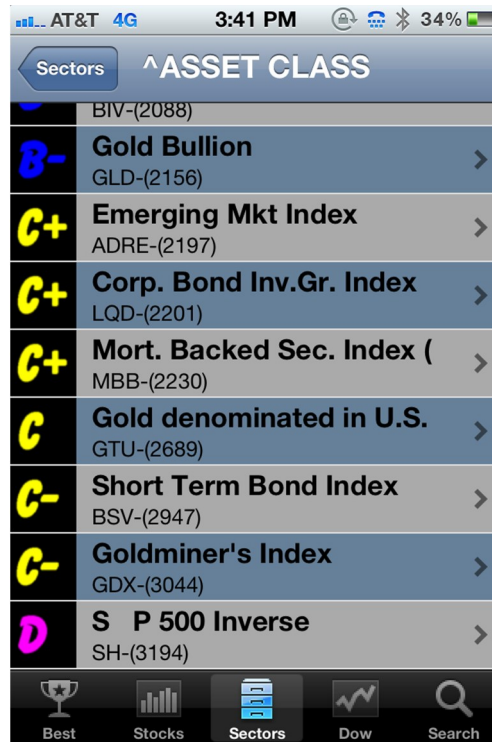
Data from Best Stocks Now App

Just a little jockeying around, but overall very little change from last week.

Bottom Ranked Last Week



Bottom Ranked This Week



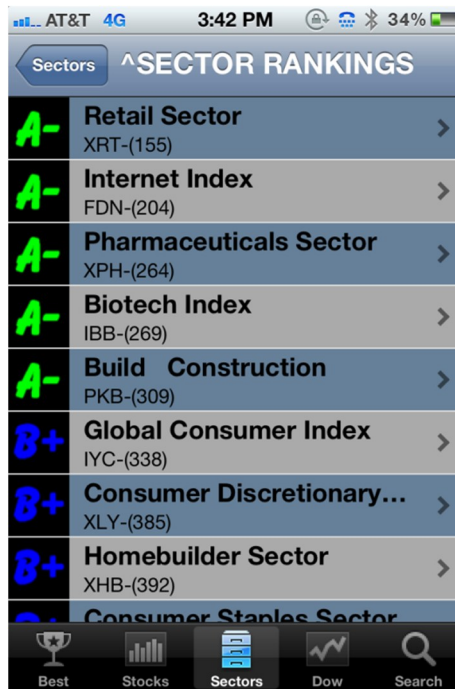
Inverse Equities, Bonds and Gold continue to be the WORST place to be!

Here are the current leading sectors in the market.

**Last Week**



**This Week**



The Retail sector has stormed to the lead this week, with the Internet Sector close on its heels, and the Biotech/Drug sector rounding out the superfecta. The homebuilding sector continues to hang tough, but could be due for a little profit taking. Here are the worst sectors:

**Last Week**



**This Week**



Very little change from last week...

I am glad that we have Europe and more specifically to Spain to worry about once again. I start to get really worried when there is nothing to worry about. Again, I see 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](http://www.pwstreet.com) 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 **9.16%** YTD and **16.91%** since its August 5, 2011 inception. This works out to an annualized rate of **11.16%**. Not bad for a CD alternative.

This is net of all \$7 trades and an annual mgt. fee of 2.0%. No changes this week.

**THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS.**

## **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 **4.65%** year-to-date. This is net of a 2.0% annual management fee and all \$7 trades.

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

## **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.

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## **Bill Gunderson's ETF Model Portfolio**

This portfolio is for investors seeking growth. 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.

If you have a wide selection of mutual funds in your plan, here is my current basic recommendation:

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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...

AT&T 4G 4:01 PM 29%

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**BEST STOCKS NOW! APP**

**C B Richard Ellis Group**

Sector	Services
Market Cap	7,870,000,000
Size	Mid-Cap
Risk Profile	Moderate

**Valuation 02/08/13**

Last Closing Price	\$24.19
Next Yr EPS Est	\$1.65
Forward PE Ratio	14.66
Est 5Yr Annual Gr	14.96%

Best Stocks Sectors Dow Search

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**Valuation 02/08/13**

Last Closing Price	\$24.19
Next Yr EPS Est	\$1.65
Forward PE Ratio	14.66
Est 5Yr Annual Gr	14.96%
PEG Ratio	0.98
5Year Target Price	\$40.00
Dividend Yield	0.00%
5Yr Tot Ret Pot	65.4%

**Gunderson Value Grade**

**C-**

Best Stocks Sectors Dow Search

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**Performance of cbg vs S&P 500**

1 Mo Total Return	16.4%	4.2%
3 Mo Total Return	38.5%	7.0%
12 Mo Total Return	33.6%	12.4%
Momentum Grade	A	C
3 Yr Avg Tot Ret	25.8%	12.8%
5 Yr Avg Tot Ret	6.1%	2.7%
10 Yr Avg Tot Ret	N/A	6.2%
Performance Grade	NA	C
2008 Total Return	-80.0%	-38.5%
Safety Grade	D-	C

Best Stocks Sectors Dow Search

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Search cbg

**Gunderson Stock Grade**

**B+**

**Ranking**

Current	337 / 3220
1 day ago	458
7 days ago	416
1 month ago	340
2 months ago	1192
3 months ago	2123

Best Stocks Sectors Dow Search

**BILL GUNDERSON WEEKLY TOP 200 LIST:**

Rating	Company Name	Symbol	Rank
A+	AZZ Inc	AZZ	(1)
A+	Pharmacyclics Inc	PCYC	(2)
A+	ASML Hldgs NY Ny	ASML	(3)
A	Mastec Inc	MTZ	(4)
A	DXP Enterprises Inc	DXPE	(5)
A	Smith AO Corp	AOS	(6)
A	Middleby Corp	MIDD	(7)
A	Gilead Sciences Inc	GILD	(8)
A	Thai Fund		

Just an appetizer-the full list is below!

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

*Bill Gunderson's*

**Best Stocks Now**

**Top 200 as of 2/8/2013**

		Six	Three	Two	Six	One	Two	One		
		Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Mo. Ago	Wks. Ago	Wk. Ago	Yest.	Current
		<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- CHD	Church & Dwight Co Inc	640	506	479	237	356	340	219	126	<b>151</b>
A- RXL	U S Hlthcre Idx 2X	408	1115	933	482	1059	243	152	138	<b>152</b>
A- UHS	Universal Health Svcs B	915	1132	925	916	1087	141	141	139	<b>153</b>
A- QCOM	Qualcomm Inc	402	275	197	159	244	235	347	141	<b>154</b>
A- BSET	Bassett Furniture Inds	471	263	276	246	238	156	149	177	<b>156</b>
A- BLX	Banco Latinoamericano E	848	295	342	468	637	219	182	142	<b>157</b>
A- KSU	Kansas City Southern	140	131	443	305	51	132	119	144	<b>158</b>
A- NVO	Novo Nordisk A/S	65	58	156	19	151	75	80	122	<b>159</b>
A- OIS	Oil States Intl	79	819	1102	432	478	352	221	269	<b>160</b>
A- RMD	Resmed Inc	99	38	112	126	73	95	86	105	<b>161</b>
A- WST	West Pharmaceutical Svcs	1189	422	593	349	1029	165	193	147	<b>162</b>
A- TSLA	Tesla Motors	2837	1088	571	384	413	119	134	148	<b>163</b>
A- CHN	China Fund	1247	1001	1255	867	130	154	131	152	<b>164</b>
A- EXPE	Expedia	1270	1290	166	435	424	208	75	153	<b>165</b>
A- DEST	Destination Maternity	604	384	134	33	421	479	397	158	<b>166</b>
A- ECPG	Encore Capital	44	517	243	181	86	282	334	176	<b>167</b>
A- SHW	Sherwin-Williams Co	54	236	27	31	152	83	120	123	<b>168</b>
A- AEGR	Aegerion Pharm.	858	3	11	363	3	134	244	261	<b>169</b>
A- LORL	Loral Space	22	16	22	21	91	58	114	95	<b>171</b>
A- LPSN	LivePerson Inc	80	683	536	811	293	309	515	216	<b>172</b>
A- POPE	Pope Resources Ltd Ptrns	147	486	727	677	159	123	146	166	<b>173</b>
A- FBT	Biotech Index-First Trust	0	836	221	171	196	89	115	167	<b>174</b>
A- BRS	Bristow Group Inc.	1168	1580	1591	1676	600	410	454	199	<b>175</b>
A- CTSH	Cognizant Tech Sol Cl A	246	804	800	422	290	308	199	223	<b>176</b>
A- TSCO	Tractor Supply Co	55	87	160	266	103	153	160	159	<b>177</b>
A- CLR	Continental Res Inc.	124	743	678	334	574	237	132	236	<b>178</b>
A- CONN	Conns Inc	1092	596	428	639	25	571	445	188	<b>179</b>
A- LKQ	LKQ Corp	137	29	50	111	270	106	215	210	<b>180</b>
A- MJN	Mead Johnson Nutrition	633	1293	1192	838	824	395	187	149	<b>182</b>
A- HSNI	H S N Inc.	0	15	13	50	57	94	190	171	<b>183</b>
A- BIB	Biotech Sector 2x	1871	2053	1128	446	868	196	112	282	<b>184</b>
A- ADS	Alliance Data Systems Corp	241	81	288	172	40	124	118	173	<b>186</b>
A- NBL	Noble Energy Inc	305	1017	1005	1049	1491	1637	236	225	<b>187</b>
A- AFCE	A F C Enterprises	1018	116	435	350	237	150	127	163	<b>188</b>
A- DLTR	Dollar Tree Stores	43	581	177	272	1608	1022	1168	531	<b>189</b>
A- AWF	Alliance World Dollar Govt. Fund II	130	160	328	434	256	264	207	235	<b>190</b>
A- FORTY	Formula Systems Ltd Adr	1396	1128	1117	393	1182	597	992	238	<b>191</b>
A- TRS	Trimas Corp.	90	648	657	479	710	137	167	178	<b>192</b>
A- CSL	Carlisle Cos Inc	836	161	240	320	176	268	234	174	<b>194</b>
A- MHK	Mohawk Ind Inc	1874	972	878	2035	76	163	175	179	<b>195</b>
A- NHI	National Health Investor	713	208	248	224	170	172	109	180	<b>196</b>
A- TAXI	Medallion Financial Corp	228	500	449	847	514	449	266	244	<b>197</b>
A- CLMT	Calumet	795	934	1116	1697	323	468	378	300	<b>199</b>
A- MLNX	Mellanox Technologies	3	415	74	428	831	1171	804	155	<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.

**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.**



My Best Stocks Now Radio Hour is heard on the Salem Broadcast Network every weekday from 7:00am to 8:00am PST. **I HAVE DISCONTINUED MY SAN DIEGO SHOW. THE STATION'S SIGNAL IS JUST TOO WEAK.** I can now be heard in Atlanta.

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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](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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