



January 18, 2013

BREAKOUT...

We are currently in between worries, and the market finally got the catalyst that it needed to break out through its resistance level. It is still early on in the current earnings season and so far the numbers have been good. Next week will be a very big week as it relates to earnings.

In addition to this, housing numbers continue to be very strong and even the employment picture continues to improve. Dividend stocks are blasting off and lots of stock breakouts are occurring all across the board. I sent out tweets on many of them this past week. *We have a breakout!*



As you can see from the chart above, the S & P 500 finally broke out on Thursday and then followed through on Friday. The debt ceiling now looms out there on the horizon, but the two sides are already working on some kind of a resolution. *It is still full speed ahead in the equities markets.*

Here is how we finished the week:

Asset Class	Fri. 1/11/13 Close	Fri. 1/18/13 Close	Week Change	Week Pct. Change
S&P500	1472.05	1485.98	13.93	0.95%
DJIA	13,488.81	13,648.54	159.73	1.18%
NASD	3125.63	3134.71	9.08	0.29%
S&P600 (Small)	492.06	500.06	8.00	1.63%
S&P400 (Mid-Cap)	1057.77	1073.86	16.09	1.52%
Emg. Mkts (VWO)	44.84	45.13	0.29	0.65%
Em Mkt Sm. Cap (DGS)	50.09	50.36	0.27	0.54%
Europe (EFA)	58.04	58.15	0.11	0.19%
China (FXI)	41.08	41.70	0.62	1.51%
Latin America (ILF)	45.16	45.57	0.41	0.91%
U.S. 10yr. Tr.	1.88%	1.84%	-0.04%	2.13%
Greece 10yr. Bond	11.75%	11.75%	0.00%	0.00%
Italy 10yr. Bond	4.16%	4.16%	0.00%	0.00%
Spain 10yr. Bond	4.95%	4.90%	-0.05%	1.01%
Oil	93.72	95.79	2.07	2.21%
Gold	1662.10	1684.60	22.50	1.35%

Here is where we stand year-to-date:

Asset Class	12/31/12 Close	Fri. 1/18/13 Close	2012 Final	2013 YTD
S&P500	1426.19	1485.98	13.41%	4.19%
DJIA	13104.00	13648.54	7.06%	4.16%
NASD	3019.51	3134.71	15.66%	3.82%
S&P600 (Small)	476.57	492.06	14.82%	3.25%
S&P400 (Mid-Cap)	1020.43	1073.86	16.07%	5.24%
Emg. Mkts (VWO)	44.53	45.13	16.54%	1.35%
Em Mkt Sm. Cap (DGS)	49.44	50.36	19.59%	1.86%
Europe (EFA)	56.86	58.15	14.80%	2.27%
China (FXI)	40.45	41.70	16.00%	3.09%
Latin America (ILF)	43.84	45.57	2.98%	3.95%
U.S. 10yr. Tr.	1.88%	1.84%	-0.53%	2.13%
Spain 10yr. Bond	4.95%	4.90%	5.17%	1.01%
Oil	93.72	95.79	5.21%	2.21%
Gold	1662.10	1684.60	6.14%	1.35%

Small and Mid-Cap stocks continue to lead the way. Here is my current ranking of the various asset classes:

Top Ranked Last Week

Rating	Asset Class	Index
A	Emg.Mkts.Small-Cap Ind...	EWX-(76)
B+	Templeton Emg.Mkt.Inc....	TEI-(377)
B	Smallcap Dividend Index (DES-(761)
B	Small-Cap Value Index	IJS-(821)
B	Mid Cap Growth	IJK-(861)
B	Intl.Small-Cap Div.Index	DLS-(864)
B	Small-Cap Growth Index	IJT-(883)
B	Small-Cap Vanguard Index	VB-(898)
B	Private Equity Listed Ind	

Top Ranked This Week

Rating	Asset Class	Index
A-	Emg.Mkts.Small-Cap Ind...	EWX-(277)
B+	Templeton Emg.Mkt.Inc....	TEI-(344)
B+	Small-Cap Growth Index	IJT-(708)
B	Smallcap Dividend Index (DES-(775)
B	Small-Cap Value Index	IJS-(795)
B	Small-Cap Vanguard Index	VB-(833)
B	Mid Cap Growth	IJK-(868)
B	Intl.Small-Cap Div.Index	DLS-(930)
B	Inflation Protected Treas	

Bottom Ranked Last Week

12:43 PM 68% battery

Rating	Asset Class	Ticker
C+	Calif. Muni Bond Index	CMF-(2223)
C+	Gold Bullion	GLD-(2251)
C+	Silver	SLV-(2482)
C+	Commodity Index	DBC-(2521)
C	Gold denominated in U.S.	GTU-(2840)
C	Goldminer's Index	GDX-(2914)
C-	Short Term Bond Index	BSV-(2957)
D	S P 500 Inverse	SH-(3162)

Bottom Ranked This Week

9:34 AM 49% battery

Rating	Asset Class	Ticker
B-	Gold Bullion	GLD-(2042)
B-	Mort. Backed Sec. Index (MBB-(2045)
B-	U.S. Treasury 5-10yr Index	BIV-(2096)
C+	Commodity Index	DBC-(2420)
C	Gold denominated in U.S.	GTU-(2692)
C	Goldminer's Index	GDX-(2854)
C-	Short Term Bond Index	BSV-(2946)
D	S P 500 Inverse	SH-(3158)

Data from Best Stocks Now App

Inverse Markets, Cash, Gold and Commodities continue to bring up the rear.

Here are this week's sector rankings vs. last week's sector rankings.

Last Week

12:44 PM 68% battery

Rating	Sector	Ticker
A-	Homebuilder Sector	XHB-(90)
A-	Water Index	FIW-(162)
A-	Globe Shipping Index	SEA-(205)
A-	Global Gaming Index	BJK-(227)
B+	Biotech Index	IBB-(344)
B+	Internet Index	FDN-(409)
B+	Gbl Cons Descr iShare	RXI-(519)
B+	Pharmaceuticals Sector	XPH-(619)
B+	Consumer Discretionary	

This Week

9:34 AM 49% battery

Rating	Sector	Ticker
A-	Homebuilder Sector	XHB-(104)
A-	Water Index	FIW-(156)
B+	Internet Index	FDN-(416)
B+	Global Gaming Index	BJK-(444)
B+	Intl. REIT Index	VNQ-(553)
B+	Global Shipping Index	SEA-(554)
B+	Retail Sector	XRT-(566)
B+	Biotech Index	IBB-(582)
B+	Global Consumer Index	

Very little change from last week.

Here are this week's lowest rated sectors:

Last Week



A screenshot of a mobile application titled "SECTOR RANKINGS" showing a list of sectors. The status bar at the top shows AT&T, 12:44 PM, and 68% battery. The sectors are ranked from top to bottom: IGN-(2145), Financial Sector (XLF-(2167)), Energy Sector (XLE-(2168)), Global Telecom Sector (IXP-(2221)), Global Energy Sector (IXC-(2267)), U.S. Oil Gas Index (IYE-(2268)), Natural Resource Index (IGE-(2314)), Utility Index (XLU-(2443)), and Metals/Mining Sector (XME-(2788)). Each sector has a rating icon (C+, C, or D+) and a right-pointing arrow. The bottom navigation bar includes icons for Best, Stocks, Sectors, Dow, and Search.

Rank	Rating	Sector Name	Index
1		IGN-(2145)	
2	C+	Financial Sector	XLF-(2167)
3	C+	Energy Sector	XLE-(2168)
4	C+	Global Telecom Sector	IXP-(2221)
5	C+	Global Energy Sector	IXC-(2267)
6	C+	U.S. Oil Gas Index	IYE-(2268)
7	C+	Natural Resource Index	IGE-(2314)
8	C+	Utility Index	XLU-(2443)
9	C	Metals/Mining Sector	XME-(2788)

This Week



A screenshot of the same mobile application titled "SECTOR RANKINGS" showing a list of sectors. The status bar at the top shows AT&T, 9:34 AM, and 49% battery. The sectors are ranked from top to bottom: IYG-(2110), Infrastructure Index (IGF-(2198)), Utility Index (XLU-(2255)), Financial Sector (XLF-(2276)), Natural Resource Index (IGE-(2340)), Global Energy Sector (IXC-(2356)), Global Telecom Sector (IXP-(2389)), Telecom Sector (IYZ-(2402)), and Metals/Mining Sector (XME-(3072)). Each sector has a rating icon (C+, C, or D+) and a right-pointing arrow. The bottom navigation bar includes icons for Best, Stocks, Sectors, Dow, and Search.

Rank	Rating	Sector Name	Index
1		IYG-(2110)	
2	C+	Infrastructure Index	IGF-(2198)
3	C+	Utility Index	XLU-(2255)
4	C+	Financial Sector	XLF-(2276)
5	C+	Natural Resource Index	IGE-(2340)
6	C+	Global Energy Sector	IXC-(2356)
7	C+	Global Telecom Sector	IXP-(2389)
8	C+	Telecom Sector	IYZ-(2402)
9	D+	Metals/Mining Sector	XME-(3072)

Oil & Gas is beginning to rise from the bottom.

Here is where the markets stand year-to-date:

Asset Class	12/31/12 Close	Fri. 1/11/13 Close	2012 Final	2013 YTD
S&P500	1426.19	1472.05	13.41%	3.22%
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China (FXI)	40.45	41.08	16.00%	1.56%
Latin America (ILF)	43.84	45.16	2.98%	3.01%
U.S. 10yr. Tr.	1.91%	1.88%	-0.53%	1.57%
Spain 10yr. Bond	5.03%	4.95%	5.17%	1.59%
Oil	92.97	93.72	5.21%	0.81%
Gold	1657.90	1662.10	6.14%	0.25%

The 3.5 year long bull market remains intact. With the fiscal behind us, I continue to fly the green flag.



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 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 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 **4.20%** year-to-date. This is net of a 2.0% annual management fee and all \$7 trades. Two...

THIS SECTION 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.

This portfolio is up **2.96%** year-to-date. This is net of an annual mgt. fee of 2.0% and all \$7 trades. I am locking in a 35% gain on

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

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 **6.1%**.

This portfolio is now up a whopping **7.07%** YTD and **14.75%** since its August 5, 2011 inception. This works out to an annualized rate of **10.12%**. Not bad for a CD alternative.

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

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

Bill Gunderson's ETF Model Portfolio

This portfolio is for investors seeking growth and I strive to keep trading costs down to a minimum.

This portfolio is now up **3.15%** YTD. This is net of all \$7 trades and an annual mgt. fee of 2.0%.

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

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 to begin 2013.

This portfolio is up **3.80%** year-to-date (net of all fees and trading costs). No changes this week.

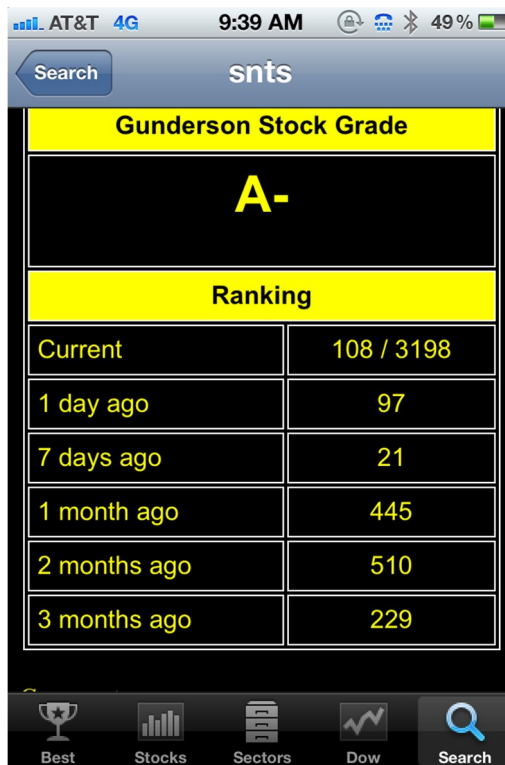
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401-K Section (VERY BASIC)

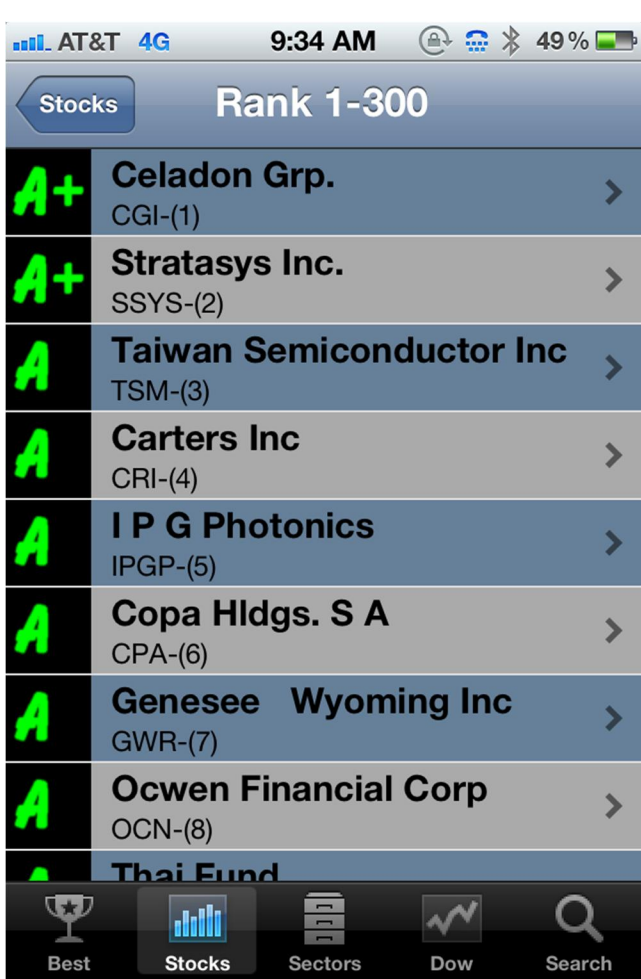
Many folks have a very limited selection of choices in your 401-k. THIS NEW SECTION IS FOR YOU!

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

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 SUBSCRIBER ONLY, BUT HERE ARE 150-200

Bill Gunderson's

Best Stocks Now

Top 200 as of 1/18/2013

		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- CCI	Crown Castle Intl Corp	139	85	189	186	6	38	87	155	151
A- EGOV	NIC Inc	492	1350	664	749	864	97	135	156	152
A- IMGN	Immunogen Inc	64	715	1475	1171	321	305	251	159	153
A- CQP	Cheniere Energy Partners	26	1192	1173	1403	531	286	204	160	154
A- ITB	U.S.Home Const.Index	0	87	367	335	476	195	129	161	155
A- BLX	Banco Latinoamericano E	880	148	405	282	796	637	209	163	158
A- HEI	Heico Corp	634	434	302	179	26	109	108	164	159
A- KUB	Kubota Corp Adr	1593	1344	1095	1060	1224	93	155	165	160
A- CERN	Cerner Corp	103	449	27	29	34	153	144	103	161
A- AME	Ametek Inc	211	314	109	105	105	108	152	132	162
A- ASR	Grupo Aeroportuario	294	132	104	320	80	92	122	145	163
A- CFI	Culp Inc	1533	782	580	592	343	150	191	169	164
A- PVH	Phillips-Van Heusen Corp	382	51	24	91	184	201	175	170	165
A- SNA	Snap On Inc	539	268	78	132	107	171	215	171	166
A- PROV	Provident Financial Hldg	1420	854	295	459	566	242	185	172	167
A- OII	Oceaneering Intl Inc	150	333	214	370	572	274	338	174	168
A- PII	Polaris Industries Inc	94	34	91	80	183	190	156	175	169
A- SHW	Sherwin-Williams Co	46	27	53	63	359	152	117	138	170
A- SLXP	Salix Pharmaceuticals Ltd	20	224	139	99	214	254	168	157	171
A- STX	Seagate Technology	469	856	809	1347	611	591	174	216	172
A- TGH	Textainer Group	12	252	738	677	232	505	282	176	173
A- CVI	C V R Energy	1277	1128	207	2	663	68	127	105	174
A- DDD	Three D Systems Inc.	44	1247	401	202	118	341	38	177	175
A- TMH	Team Health Hldg.	923	1249	495	339	383	312	128	178	176
A- WYN	Wyndham Worldwide Corp	144	68	377	735	302	131	190	181	177
A- CMI	Cummins Inc	881	607	190	207	91	85	205	182	178
A- SCL	Stepan Co	276	1037	677	476	604	125	165	183	179
A- AFCE	A F C Enterprises	688	401	285	239	510	237	143	184	180
A- PSMT	PriceSmart Inc	269	486	185	148	136	243	98	185	181
A- SIRO	Sirona Dental	1400	1355	364	334	226	387	151	186	182
A- ECL	Ecolab Inc	149	236	312	131	116	116	207	187	183
A- WTS	Watts Water Tech	1060	429	803	454	241	49	150	188	184
A- IDCC	InterDigital Comm Corp	2295	1127	614	730	596	122	225	189	185
A- SBH	Sally Beauty Holdings	154	477	145	212	858	794	534	226	186
A- LNKD	Linkedin Inc.	573	1294	515	196	98	246	325	190	187
A- LL	Lumber Liquidators	75	955	20	50	772	259	146	168	188
A- UCC	Consumer Services Index 2X	357	302	1341	166	459	268	266	239	189
A- HD	Home Depot Inc	260	26	26	18	195	265	198	191	190
A- LF	LeapFrog Enterprises Inc	85	704	1194	809	1303	969	199	242	191
A- LFC	China Life Insurance Adr	1969	2341	2590	2371	2521	503	291	166	192
A- TXI	Texas Ind Inc	1140	2025	1203	811	1229	314	224	192	193
A- AIMC	Altra Holdings	1769	714	993	614	131	167	140	224	194
A- GEOY	Geoeeye Inc	1810	1826	2071	1591	1349	488	195	106	196
A- TRIP	Tripadvisor	0	0	0	0	822	728	101	194	197
A- ELLI	Ellie Mae		125	740	290	336	56	188	195	198
A- GMK	Gruma SA de CV Adr	1665	1235	2356	2486	1645	657	732	241	199
A- MHO	MI Homes Inc	1030	137	213	328	192	115	200	214	200
A- MMS	Maximus Inc	33	74	36	61	93	222	280	266	201
A- CHN	China Fund	1226	1186	1047	1119	711	130	223	179	202

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



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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*.



No article this week, but I 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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6:07 p PT **Bill Gunderson**
GUNDERSON CAPITAL MANAGEMENT **BUSINESS ALERT**

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IBM (IBM)	175.54 ▲	1.31

FOX BUSINESS