



**BILL GUNDERSON'S
BEST STOCKS NOW NEWSLETTER**
Honest Counsel for Successful People.

December 12, 2014

Password for the Standard Newsletter Archive is: investment

What Will 2015 Bring?



My hometown of San Diego just finished playing host to the Winter Baseball Meetings. It is an annual affair wherein all of the owners, general managers, and field managers get together to try and make their ball clubs better in 2015. In the end, they all want to have the best 25 man roster that they can possibly assemble for when the first pitch of the new season is thrown out. And they all want to be world champs.

I have said many times that putting together a portfolio of stocks, mutual funds, and or exchange traded funds is no different. We all want the best lineup possible. We want to own the best stocks, the best mutual funds, and or the best ETF's. We want all-stars, not utility infielders.

Some of the teams in baseball have major overhauls to do, while other just need some minor tweaking. Some have big money to invest, and others have to make the most out of the budget that they have available to them.

Some are looking to sign the marquee players who command the big contracts, while other teams play "moneyball," trying to get maximum impact from what they have to work with. Some will be successful and others will have bad years.

Some teams like the Texas Rangers are changing managers. I watched a little bit of their organization's gathering this past week. Hope springs eternal. They all start with a clean slate when the pitchers and catchers report to spring training in February.



Investors who saw the U.S. indexes as the best places to be in 2014 have had a decent year. Those that invested in foreign players have had a very poor year. Those that saw the bond market as the best place to be this past year have had a good year, while commodity investors have gotten crushed once again.

What will 2015 bring? As always, there will be a lot of surprises. Events will happen that nobody could have ever predicted, and very few will make bold predictions that turn out to be right.

While I was watching this year's winter baseball meeting, I saw them play back the predictions that the baseball experts made last year. Very few of them were even close to being right. The New Yankees did not make the playoffs, and the Red Sox were not in the World Series, neither were the Dodgers, the Nationals, the Braves, or the Angels.

And no, the Giants did not have an off year. And yes the Kansas Royals did finally realize some of the potential that they have been building for so many years. Some players had much better than expected years, while many had much worse years than most thought. I watched the pundits making their predictions once again this year. Will they be right?



I am not a maker of bold predictions. Instead, I deal with the world that presents itself to me today. There are events that I see looming on the horizon however.

I also don't believe in being spread so thin as to almost guarantee mediocre performance. Nor do I believe in being fully invested all of the time. I also don't believe that the markets are for everyone. Many do not have the constitution that it takes to deal with the inherent volatility that comes with the territory. Those types of people are better off with extremely low volatility products, but they give up a whole lot of upside potential as a trade-off.

I avoid penny stocks and headline stocks like the plague. I don't try to worry myself with every possible scenario that could come along in 2015. I am just as competitive as anybody. More than anything, I want to both protect my clients' hard-earned money and make money for them. It is a delicate balance.

I made a lot of money for them in 2013 and if anything I was too defensive in 2014. I would rather err on the side of caution, however. This is not a young bull market, nor are we in an early expansion phase of the economy. This past year, the FED went from quantitative easing to quantitative tightening. This represents a major tidal shift. This is not a fact to take lightly.

Luckily, other countries are now picking up the QE baton, but no bull market lasts forever. This current one is now seventy months long in the tooth. No wonder I was cautious for my clients in 2014. Having said that, there are still opportunities in the market. Energy stocks could stage a huge recovery in 2015. More miracle cures could be discovered by our potent biotech companies. New products could take the tech world by storm. Inverse funds (bearish) may even be the place to be.

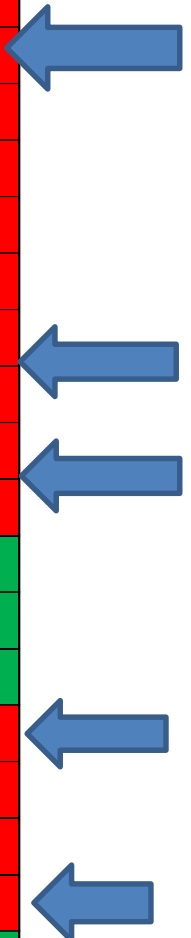
In the end, we all want to win. We all want to have the best players or stocks. Some of us have small accounts, while others fret over large accounts. All we can do is the absolute best that we possibly can with what we have to work with.

WE JUST HAVE TO TAKE ONE DAY, ONE STOCK, ONE SECTOR, ONE ASSET CLASS, ONE INDEX, AND ONE ECONOMIC REPORT AT A TIME.



Enough of the rah! rah! speech, this was a not a good week in the market. Especially disturbing to me was how it ended. Let's first assess the damage.

Asset Class	Fri. 12/5/14 Close	Fri. 12/12/14 as of CLOSE	Week Change	Pct. Change
S&P500	2075.37	2002.03	-73.34	-3.53%
Avg.Forward PE ratio 3800 stocks	17.22	16.93	-0.29	-1.68%
DJIA	17,958.79	17,280.83	-677.96	-3.78%
NASD	4780.76	4653.60	-127.16	-2.66%
S&P600 (Small)	682.67	664.20	-18.47	-2.71%
S&P400 (Mid-Cap)	1444.23	1402.36	-41.87	-2.90%
Tot.Wld Stock Index (VT)	61.65	59.07	-2.58	-4.18%
Emg. Mkts (VWO)	41.51	38.84	-2.67	-6.43%
Em Mkt Sm. Cap (DGS)	44.72	42.85	-1.87	-4.18%
Europe (EFA)	63.96	60.98	-2.98	-4.66%
India (IFN)	29.06	27.55	-1.51	-5.20%
China (FXI)	41.98	39.56	-2.42	-5.76%
Canada (EWC)	29.28	27.40	-1.88	-6.42%
Russia (RSX)	18.58	15.80	-2.78	-14.96%
Brazil (EWZ)	39.33	35.65	-3.68	-9.36%
Latin America (ILF)	33.83	30.62	-3.21	-9.49%
20 Yr.+ U.S Treas. (TLT)	121.09	126.30	5.21	4.30%
7-10 Yr. U.S Treas. (IEF)	105.10	107.01	1.91	1.82%
U.S. 10yr. Tr. Yield \$TNX	2.22%	2.10%	-0.12%	5.41%
Greece 10yr. Bond	7.61%	9.00%	1.39%	-18.27%
Brazil 10yr. Bond	12.01%	12.51%	0.50%	-4.16%
U.S Dollar (UUP)	23.72	23.43	-0.29	-1.22%
Oil	65.63	57.49	-8.14	-12.40%
Gold \$GOLD	1192.60	1222.10	29.50	2.47%



My accounts were doing fairly well for the week, and were even up most of the day on Friday. Then the last hour of the week hit and it got pretty ugly real fast.

Here are some disturbing pictures of different areas of the market. **WARNING: If you are squeamish or have a weak stomach, you may want to just look at the numbers above.**

Let's begin with the EMERGING MARKETS (VWO):



I have been telling investors to avoid the emerging markets all year long. Now with oil under \$60 per barrel, many of the ones that depend heavily on oil exports continue to get crushed.

Not only is Africa fighting Ebola, but now they are dealing with plunging oil prices. I should have kept my "short position" on AFK a little bit long in my speculative trading acct.



Brazil is dealing with a corrupt government and oil prices that are falling out of bed.



Russia's oil dependent economy is dealing with sanctions, a plunging ruble, and plunging exports. Putin's popularity is also plunging. Expect Mr. Putin to do something drastic SOON! This is not a bold prediction, this is reality.



Even the oil-rich economies in the Middle East are taking it on the chin.



Our friends to the North in Canada are being badly hurt...



So our friends to the South in Mexico...



Markets are reeling to the North, West, South and North, while oil is searching for a bottom.



It obviously has not found one yet.

And let's not forget the junk bond market that is dominated by energy company debt.



How many defaults are looming on the horizon? It is becoming quite obvious that low oil prices are a boon to the consumer and companies that are heavy users of it, but the fallout from the plunge in oil is being felt far and wide. Nobody thought that it would get this bad, this fast.

If there is one thing that I have learned in the markets over the last twenty years is that nothing goes up forever and nothing goes down forever. Right now, oil is in the midst of panic selling. Everybody wants out all at once. I am glad that I got out months ago. Eventually the selling will abate, cooler heads will prevail, and value investors will swoop in and start gobbling up shares that are being dumped by panic-stricken sellers. Take Apple for example



During the fall of 2012, Apple peaked at a then pre-split price of \$705 per share. Then it started to drop, and drop, and drop. Before it was over, Apple had lost one half of its value as investors fled for the exits. Panic selling was rampant. I sold my shares at \$635 and then watched it go clear down to \$350.

All along the way, I told anybody who wanted to listen that Apple would eventually find a bottom, build a sideways base, and someday emerge out of that base. I did not believe that it was over for Apple at the time, I just believed that it was best to get out of the way of a stampeding herd and wait for the dust to settle. During a CNBC appearance I went on to say that Apple would be dead money while it went through its sideways base, but that it would eventually emerge out of that base.

That would be the time to buy, and it was. I did not catch the bottom, investors rarely do, instead I waited for confirmation that the stock was back in an uptrend. I like to put the percentages in my favor.

I firmly believe that oil and oil stocks will **EVENTUALLY** do the same thing. But for now, they have not even STOPPED going down yet! Base building has not even started yet.



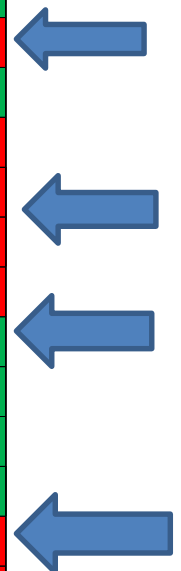
Eventually, the Saudis will have to tighten the spigot until some of the excess supply in the market is sopped up. That could happen very quickly. It is hard for me to believe that demand for oil has dropped off a cliff as the chart above suggests. Instead, panic selling has taken over and we just have to wait until it is exhausted.

In the meantime one would think that the sky is falling all of a sudden. Panic has set in.



With just about two weeks left in the year, here is where we stand year to date:

Asset Class	12/31/2013 Close	Fri. 12/12/14 as of CLOSE	2012 Final	2013 Final	2014 YTD
S&P500	1848.36	2002.03	13.41%	29.18%	8.31%
Forward PE ratio	18.58	16.93	14.78	18.58	-8.88%
DJIA	16576.66	17280.83	7.06%	26.50%	4.25%
NASD	4176.59	4653.60	15.66%	37.80%	11.42%
S&P600 (Small)	665.54	664.20	14.82%	39.65%	-0.20%
S&P400 (Mid-Cap)	1342.53	1402.36	16.07%	31.57%	4.46%
Tot World Stock Index (VT)	59.40	59.07	16.07%	20.19%	-0.56%
Emg. Mkts (VWO)	41.14	38.84	16.54%	-7.61%	-5.59%
Em Mkt Sm. Cap (DGS)	46.09	42.85	19.59%	-6.78%	-7.03%
India (IFN)	20.00	27.55	26.60%	-66.12%	37.75%
Europe (EFA)	67.10	60.98	14.80%	18.01%	-9.12%
China (FXI)	38.37	39.56	16.00%	-5.14%	3.10%
Canada (EWC)	29.16	27.40	9.10%	5.31%	-6.04%
Russia (RSX)	28.87	15.80	15.05%	0.89%	-45.27%
Brazil	44.69	35.65	23.65%	-3.85%	-20.23%
Latin America (ILF)	37.04	30.62	1.70%	-15.51%	-17.33%
20 Yr.+ U.S Treas. (TLT)	101.86	126.30	1.70%	-15.94%	23.99%
7-10 Yr. U.S Treas. (IEF)	99.24	107.01	2.50%	-7.24%	7.83%
U.S. 10yr. Tr. Yield \$TNX	2.98%	2.10%	0.88%	-49.25%	29.53%
U.S Dollar (UUP)	21.94	21.94	-2.9%	-1.33%	1.95%
Oil	94.18	57.49	5.21%	-2.07%	-38.96%
Gold	1237.40	1222.10	6.14%	-26.34%	-1.24%



It is easy to just look at the S&P 500 and assume that this has been a pretty good year in the market. Instead, this is one of those years where the indexes are quite deceiving. Look at the broader market.

The Russell 2000 is now negative for the year, Europe is down 9%, Emerging Markets are down almost 6%, Canada is down 6%, Latin America is down 17%, Russia is down 45%, and oil is down a whopping 39%.

If your portfolio is up this year, count yourself lucky. If you bought the U.S. long bond at the beginning of the year, congratulations. 2014 has been a very difficult year. What will 2015 bring? A lot depends upon oil prices. Where will oil finally settle? Until that happens, all bets are off right now. We are still in black hole, pardon the pun.

The energy sector currently represents 12.6% of the S & P 500. The market can't stabilize until oil prices stabilize. For now, the benefits of lower oil on the consumer sectors are offsetting much of the loss in the energy sector, but I think that I have shown the severe impact that plunging oil has had on the rest of the world. These folks are also buyers of our goods.



Here is this week's all-important ranking of the 77 indexes that I track on a daily basis: **GRADING LEGEND (A+)=BEST (A)=Strong Buy (A-)=Buy (B+)=Weak Buy (B)=Strong Hold (B-)=Hold (C+)=WEAK HOLD (C)=SELL (C-)=Strong Sell (D+)=Weak SHORT (D)=SHORT (D-)=Strong Short (F+)=Horrible (F)=Worst**

BEST two weeks ago (Top 10)



Top Ten last week



Top Ten this week



The S & P 500 has gone from a BUY ranking to a HOLD ranking in just two weeks.

This is not the first time that this has happened during the current 70 month old BULL MARKET, however. It has happened many times during the course of this current uptrend. Here is what the technicals of the S & P currently look like.



Not that bad yet. So far the market has just pulled back to its 50 day moving average. It would be a pure guess to call the end to the BULL market based on the technicals of the market right now. The Dow looks about the same. It would be very difficult to cry BEAR here, but things could obviously get worse.



And the Nasdaq is just barely off of its high so far.



Here are this week's ten bottom ranked indexes. These are the ones to avoid.

Worst Indexes 2 weeks ago

Grade	Index Name	Symbol
C	Italy Index	EWI-(3173)
C	Australia Index	EWA-(3259)
C	South Korea Index	EWY-(3273)
C	Vietnam Index	VNM-(3290)
C	Greece Athex 20 Cappe...	GREK-(3429)
C-	Africa Index	AFK-(3522)
C-	Russia Index	RSX-(3573)
C-	Frontier Markets 100 Inde	FM-(3584)
D	Barclay's iPath Vix	VXX-(3822)
D-	Russia Small-Cap Index	RSXJ-(3886)

Worst Indexes last week

Grade	Index Name	Symbol
C-	Argentina Index	ARGT-(3506)
D+	Malaysia Index	EWM-(3544)
D+	Mexico Index	EWV-(3577)
D+	Latin America 40 Index	ILF-(3578)
D+	Brazil Index	EWZ-(3630)
D+	Latin Amer. Emg. Index	GML-(3647)
D	Africa Index	AFK-(3713)
D	Russia Index	RSX-(3728)
D	Barclay's iPath Vix	VXX-(3802)
F	Russia Small-Cap Index	RSXJ-(3924)

Worst Indexes this week

Grade	Index Name	Symbol
D+	Greece Athex 20 Cappe...	GREK-(3470)
D+	Middle East Dividend Inde	GULF-(3494)
D+	Brazil Index	EWZ-(3498)
D	Latin Amer. Emg. Index	GML-(3519)
D	Mexico Index	EWV-(3531)
D	Poland Index	EPOL-(3600)
D	Russia Index	RSX-(3617)
D-	Africa Index	AFK-(3730)
D-	Argentina Index	ARGT-(3732)
F	Russia Small-Cap Index	RSXJ-(3757)

No surprises here. Oil dependent economies are getting crushed. But, what about Greece?

Greece, is another problem that we have to deal with. The Greeks are getting tired of austerity and are anxious to return to their old ways. They will have an election soon that Europe will be watching very closely. In the meantime, the Greek stocks and bonds are plunging. There was a time not too long ago that Greece was the eye of the hurricane. It is now returning to the front burner once again.



Now for the current ranking of the **34** asset classes that I track on a daily basis. I am not an asset allocator. I believe in being invested in the best asset classes, not the worst ones.

Top 10 (3 wks. ago)

Rank	Asset Class
1	Nasdaq 100 Index (A-)
2	Largecap Dividend Index (A-)
3	U.S. Smallcap Div. Index (A-)
4	U.S. Mid-Cap Value Index (B+)
5	U.S. REIT Index (Dow J... (B+)
6	U.S. Small-Cap Value Inde (B+)
7	U.S. Small-Cap Growth... (B+)
8	U.S. Mid Cap Growth In... (B+)
9	U.S. Large-Cap Growth (B+)
10	U.S. Micro-Cap Index (B+)

Top 10 (2 wks. ago)

Rank	Asset Class
1	Nasdaq 100 Index (B+)
2	Largecap Dividend Index (B+)
3	U.S. Mid-Cap Value Index (B+)
4	U.S. Large-Cap Growth (B+)
5	U.S. Mid Cap Growth In... (B)
6	U.S. Small-Cap Value Inde (B)
7	U.S. REIT Index (Dow J... (B)
8	U.S. Treas. 20+ Index (B)
9	U.S. Large Cap Value Inde (B)
10	U.S. Smallcap Div. Index (B)

Top 10 (This week)

Rank	Asset Class
1	U.S. Treas. 20+ Index (B+)
2	U.S. REIT Index (Dow J... (B+)
3	Nasdaq 100 Index (B)
4	U.S. Treasury 5-10yr Index (B)
5	National Muni Bond Index (B)
6	Calif. Muni Bond Index (B)
7	Mort. Backed Sec. Index (B)
8	Silver (B-)
9	U.S. Small-Cap Value Inde (B-)
10	Largecap Dividend Index (B-)

For the last many months, U.S. stock dominated the top ten spots. This week, only four of the top ten spots are domestic equities. One week does not a new trend make however, but this could be a tipping point. Let's first look at a good indicator of fear, the U.S. bond market:



Just when we thought, "how could interest rates go any lower", they have! Look at the flight to safety represented by the chart above. Is this just a temporary move to a safe harbor by nervous stock investors, or is the bond market telling us something? It is still too soon to jump on the Bear Bandwagon. U.S. small-cap stocks are not exactly falling off a cliff just yet.



All of a sudden Silver (SLV) is making some noise. Maybe 2015 will finally ring in a rebound in the precious metals. Once again, it is still too soon to make that call. The precious metals would certainly get a boost if Putin was to do something drastic.



Here are this week's worst ranked asset classes. Avoid these neighborhoods.

Bottom 10 two weeks ago

Rank	Asset Class	Rating
1	High Yield Index (HYG-2546)	B-
2	Intl.Small-Cap Div.Index (DLS-2683)	B-
3	Inflation Protected Treas (TIP-2781)	C+
4	Emg. Mkt. Income (Tem... (TEI-2922)	C+
5	Emg.Mkts.Small-Cap In... (EWX-3095)	C+
6	Short Term Bonds (Cash) (BSV-3224)	C
7	Gold Bullion (GLD-3386)	C
8	Commodity Index (DBC-3421)	C
9	Silver (SLV-3517)	C-
10	S P 500 Inverse (SH-3885)	D-

Bottom 10 last week

Rank	Asset Class	Rating
1	High Yield Index (HYG-2554)	C+
2	Silver (SLV-2566)	C+
3	MLP Index JP Morgan/... (AMJ-2716)	C+
4	Intl.Small-Cap Div.Index (DLS-2743)	C+
5	Global Equity Income-... (DEW-2744)	C+
6	Short Term Bonds (Cash) (BSV-2968)	C
7	Emerging Mkt Index (ADRE-3194)	C
8	Emg.Mkts.Small-Cap In... (EWX-3409)	C-
9	Commodity Index (DBC-3556)	D+
10	S P 500 Inverse (SH-3754)	D

Bottom 10 this week

Rank	Asset Class	Rating
1	High Yield Index (HYG-2491)	C
2	Short Term Bonds (Cash) (BSV-2573)	C
3	Intl.Small-Cap Div.Index (DLS-2780)	C
4	Emg. Mkt. Income (Tem... (TEI-3005)	C-
5	Global Equity Income-... (DEW-3042)	C-
6	S P 500 Inverse (SH-3048)	C-
7	Emerging Mkt Index (ADRE-3274)	C-
8	Emg.Mkts.Small-Cap In... (EWX-3379)	D+
9	Commodity Index (DBC-3397)	D+
10	MLP Index JP Morgan/... (AMJ-3556)	D

I have already mentioned the issues in the high-yield bond market. Low oil could set off a round of defaults in the junk bond market that could have far-reaching tentacles. Once again, the S & P INVERSE index (SH) has risen up from dead last. It is still very hard to get too excited about the chart below, however. It is still way too soon to call for a **BEAR** here.



Here is my current ranking of the sixty equity sectors that I track on a daily basis. It is vital to be in the right sectors in the market.

Top 10 three weeks ago

Rank	Sector	Symbol
1	Biotech Index	IBB-(18)
2	Pharmaceuticals Sector	XPH-(88)
3	U.S. Healthcare Index (Do	IYH-(130)
4	Vanguard Healthcare Se...	VHT-(131)
5	Healthcare Sector Index	XLV-(132)
6	U.S. Hithcre Providers (Do	IHF-(217)
7	Consumer Staples Sector	XLP-(218)
8	U.S. Transportation Index	IYT-(229)
9	Retail Sector	XRT-(257)
10	Medical Equipment Index	IHI-(294)

Top 10 two weeks ago

Rank	Sector	Symbol
1	Biotech Index	IBB-(22)
2	U.S. Healthcare Index (Do	IYH-(146)
3	Vanguard Healthcare Se...	VHT-(147)
4	Healthcare Sector Index	XLV-(148)
5	Medical Equipment Index	IHI-(163)
6	Pharmaceuticals Sector	XPH-(210)
7	Consumer Staples Sector	XLP-(211)
8	U.S. Hithcre Providers (Do	IHF-(262)
9	Global Consumer Index	IYC-(266)
10	Global Health Care Index	IKJ-(299)

Top 10 this week

Rank	Sector	Symbol
1	Biotech Index	IBB-(22)
2	Pharmaceuticals Sector	XPH-(79)
3	Vanguard Healthcare Se...	VHT-(105)
4	U.S. Healthcare Index (Do	IYH-(221)
5	Healthcare Sector Index	XLV-(249)
6	Medical Equipment Index	IHI-(262)
7	Realty Majors	ICF-(269)
8	U.S. Consumer Index-D...	IYC-(301)
9	Semiconductor Industry...	SMH-(310)
10	U.S. Hithcre Providers (Do	IHF-(313)

The biotech, pharmaceutical, healthcare, and consumer sectors continue to hold up the world stock markets. How much longer can they do that however? We need the energy stocks to stabilize sooner, rather than later. I remain heavily weighted in the leading sectors above.

Here are this week's bottom ranked sectors. It is just as important to stay out of the worst ones

Bottom 10 Two Weeks Ago

Bottom 10 Last Week

Bottom 10 This Week



Frack, Frack, Frack...



I sent out several PUSH NOTIFICATIONS for all PREMIUM app subscribers again this past week. This service is now available for iOS Apple and Android premium app subscribers. In addition to the push notifications, we are also now sending out accompanying emails. These push notifications are instantaneous. This is really remarkable technology.

If you are having any trouble receiving the notifications, contact me directly at bill@pwstreet.com I have a great technical support dept. that will get right on it and help you. I aim to please all subscribers to my services!

THE PREMIUM SUBSCRIPTION ALSO GIVES YOU ACCESS TO ME VIA EMAIL. I WILL DO MY BEST TO RESPOND TO YOUR QUESTION ABOUT THE MARKET JUST AS QUICKLY AS I CAN. I AM HERE TO HELP! I AM FISHING THESE WATERS EVERY DAY OF MY LIFE

“Live trading” notifications are now available on the web based app. www.beststocksnowapp.com. You do not need a smart phone to receive these e-mails. They come via your laptop, tablet, or PC.

The cost for live trading notifications is \$89 per month. This service is not included in the free version of the app or the \$9.99 monthly subscription to the app.

I do not tweet live trades any more. I still send out about 5-10 tweets per day however, on stocks that really look outstanding or are giving new buy or sell signals. Here is a segment from a recent show, explaining how this service works.



THIS WEEK'S BOTTOM LINE

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

Please follow me on Twitter or Stocktwits @BillGunderson 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>

Gunderson Conservative Growth Model “C” Portfolio

This model is made up of mostly large and mid-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. **Investors need to be able to ride through swings up or down of at least 10-25%, however. Unforeseen world events are also always a risk!**

This portfolio was up **23.8%** in 2013. This is net of an annual mgt. fee of 2% and all \$7 trades. I have been fairly **DEFENSIVE** this year. This portfolio is up

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

Gunderson Model “D” Portfolio (Dividend & Growth)

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 is my **MOST CONSERVATIVE** portfolio. Still, investors need to be able to handle **10-20% swing up or down**. Again, unforeseen world events are always a risk. This portfolio currently has an average yield of **2.5%**.

This portfolio was up **21.75%** in 2013. It is now up **30.2%** since its August 5, 2011 inception. This portfolio is now

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Gunderson Model “B” (Moderate Risk Portfolio)

COMING SOON! Co-Manager-Stephen Gunderson

Gunderson Model “E” Portfolio (ETF’s)

This portfolio is for investors seeking growth. Investors should have at least a five year time horizon and be able to handle swings of 10-25%. **BIG LOSSES COULD OCCUR IF EXTREME EVENTS WERE TO HIT THE WORLD SUDDENLY.**

This portfolio was up 27.07% in 2013. This portfolio is now up

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

Gunderson Aggressive Growth Model “A” Portfolio

This is my most aggressive portfolio. It is designed for investors with long-term time horizons, seeking maximum growth. **It is also my most VOLATILE portfolio.** Investors need to be able to stomach as much as 10-30% swings from time to time in an aggressive style of investing. This portfolio goes anyone in in the world, wherever the action is. It can also be heavily weighted in certain sectors of the market. Unforeseen world events will always be a risk to markets.

This portfolio was up 39.5% in 2013 after all expenses. This portfolio is

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY Gunderson’s Model “F”

Portfolio (Funds/401-k)

Everyone has different choices to them in their 401-ks. The choices basically fall into several broad categories however: Large Cap, Mid-Cap, Small-Cap, Govt. Bond, Corp. Bond, Inflation Protected Bond, International, Emerging Market, and maybe 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 recommendation. This portfolio was up 31.33% in 2013 (net of all fees and trading costs).It is now up

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BASIC 401-K ALLOCATION

U.S. Small Cap Growth	0.0%	U.S. Small Cap Value	0.0%	U.S. Large Cap Growth	0.0%
U.S. Mid Cap Growth	0.0%	U.S. Mid Cap Value	0.0%	U.S. Large Cap Value	0.0%
U.S. REIT's	0.0%	U.S. Govt. Bonds	0.0%	U. S. Corp. Bonds	0.0%
Developed International	0.0%	Emerging Markets Stocks	0.0%	Emerging Market Income	0.0%
Natural Resources/Energy	0.0%	Precious Metals	0.0%	Technology	0.0%
Money Market (CASH)	0.0%	Latin America	0.0%	Asia	0.0%

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TSP Plans or Basic 401-k plans

Many folks have a very limited selection of choices in their retirement plans. This is my current recommendation for such basic plans. **No Changes this Week**

U.S. Lg. & Midcap Stocks	0.0%	C Fund
U.S. Sm. & Mid-Cap stocks	0.0%	S Fund
U.S. Bonds (CASH)	0.0%	G Fund (Government Securities)
Bond Fund	0.0%	F Fund (Govt. Bonds, Mortgage bonds, and Corp. Bonds)
International Dev. Mkts.	0.0%	I Fund
Asset Allocation	0.0%	L fund

Gunderson Trading Model Portfolio (Model "T")

This is my MOST AGGRESSIVE account. For the most part, these stocks are too small or too thinly traded for my managed accounts. This is not a day-trading account. I am looking to bag some big winners, while keeping a short leash on my positions. I am using 7-8% sell stops on most of these investments.

This account had a very good week with the big news on

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"Those other financial talk shows are boring" I only listen to Grandpa's Best Stocks Now show!

Bill & Lynn Gunderson's Granddaughter Melissa is now walking. She turned one-year old on November 21. She was born 30 minutes after my mother Lucy passed away last year.



Looking for a Hedge? I am! Here is my current ranking of inverse (Bearish) ETF's:

Two Weeks Ago



Last week.



This week.



Inverse junk bonds looks very interesting.



Inverse Emerging Markets also looks very tempting.

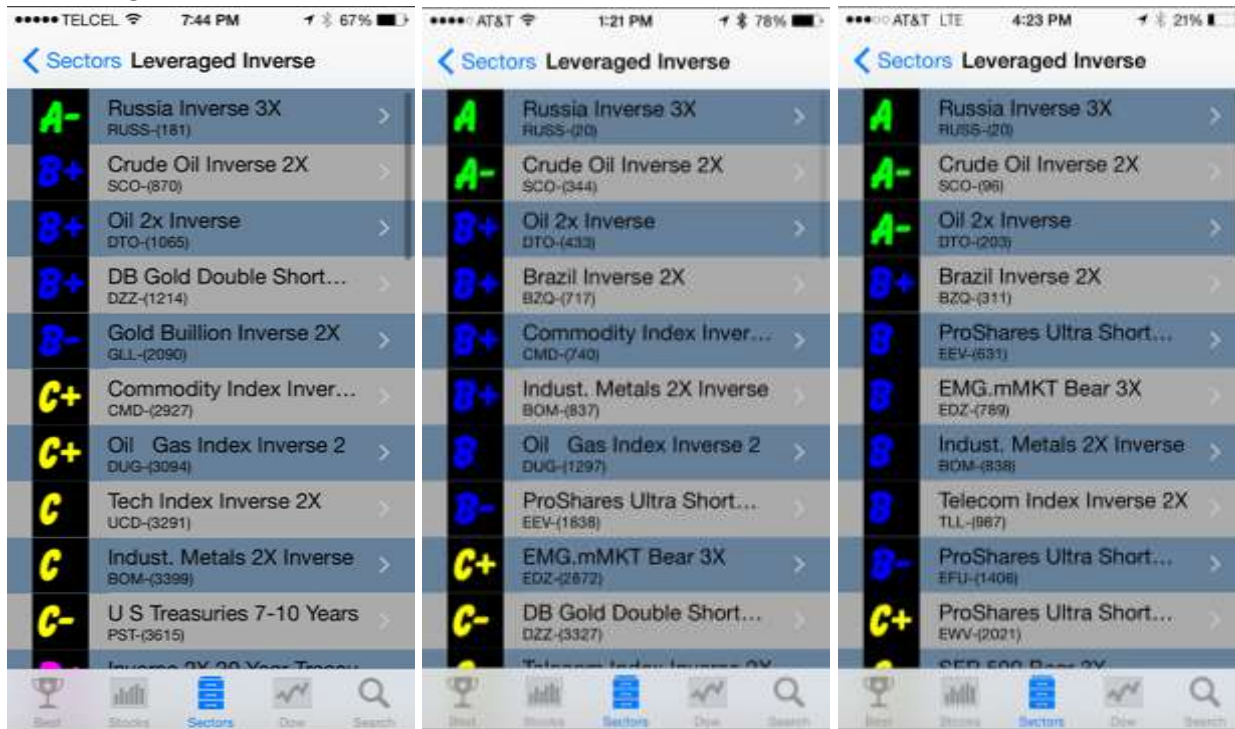


Leveraged Inverse Rankings

2 Wks ago

Last week

This week



No this is not Vladimir Putin's blood pressure. It is 2X the inverse of his stock market.



This chart below actually gives me hope that oil prices will start stabilizing soon. This is a parabolic chart of double inverse Crude Oil! Parabolic charts NEVER END WELL!



Current leveraged index rankings (not for the faint of heart)

2 Wks ago



Last week



This week



Leveraged Sectors

2 Wks ago



Last week



This 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 \$100,000. Annual Mgt. fees are 2% on accounts under \$250,000, 1.5%-1.75% on accounts between \$250k and \$1 million, and 1%-1.25% on accounts over \$1 million. Call us for a portfolio evaluation and more info. (855)611-BEST.

To view this past week's show archives click [here](#)

BILL GUNDERSON'S WEEKLY TOP 300 LIST

Rank	Company Name	Symbol	Grade
1	Bluebird Bio	BLUE-(1)	A+
2	ISIS Pharmaceuticals Inc	ISIS-(2)	A+
3	U.S. Treasury 20+ Index 2	UBT-(3)	A+
4	Avago Technologies	AVGO-(4)	A+
5	Delta Air Lines	DAL-(5)	A+
6	H Q Healthcare Investors	HQH-(6)	A+
7	Hawaiian Holdings Inc	HA-(7)	A+
8	BioMarin Pharmaceutical	BMRN-(8)	A
9	Celgene Corp	CELG-(9)	A
10	G-III Apparel Group, Ltd	GIII-(10)	A

This is just an appetizer, here is the full list.

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY, BUT THERE ARE 200-300

Bill Gunderson's

Best Stocks Now

Top 300 as of 12/12/2014

		One Yr.	6 Mos	3 Mos	Eight	Six	Four	Three	Two	One	Yest.	Current		
		Year Ago	Year Ago	Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Wks. 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>	<u>Rank</u>	<u>Rank</u>		
A-	TNK	Teekay Tankers	2514	2970	3352	3655	3220	1996	2572	1760	1724	523	201	
A-	FXH	Strataquant Healthcare Index	353	311	177	568	503	214	0	192	86	160	202	
A-	TMO	Thermo Electron Corp	881	423	575	525	1142	1593	659	405	222	244	203	
A-	TSM	Taiwan Semiconductor Inc	1214	43	412	484	55	146	135	115	128	252	204	
A-	CLIR	Clearsign Combustion	3475	1696	3718	3720	1906	3729	3144	2807	208	184	205	
A-	INSY	Insys Ther.	258	3116	1391	359	1047	3132	1855	1438	265	1,124	206	
A-	RDI	Reading Intl Inc	1349	919	3197	2023	700	871	652	541	300	237	207	
A-	CVS	CVS Corp	279	173	501	69	134	115	141	171	177	238	208	
A-	FIS	Fidelity National Information S	491	1401	178	523	897	414	225	232	227	228	209	
A-	REZ	Residential iShares Index	3164	1066	2740	1313	270	426	863	876	600	315	210	
A-	INT	World Fuel Svcs	857	1341	1679	1295	1367	600	875	617	413	295	211	
A-	NVO	Novo Nordisk A/S	596	798	269	134	447	1052	319	754	41	100	212	
A-	CMCSA	Comcast Corp Cl A	155	321	74	363	497	226	321	377	298	189	213	
A-	MYL	Mylan Labs Inc	782	892	517	81	146	190	83	123	83	114	214	
A-	HNH	Handy & Harman Ltd.	501	63	1477	90	84	236	233	205	278	171	215	
A-	FOX	Twenty-First Century Fox	909	74	1361	902	826	1347	693	825	293	276	216	
A-	VHT	Vanguard Hlthcre ETF	363	658	157	367	345	159	129	147	61	129	218	
A-	HCI	H C I Group	425	385	568	61	397	762	2052	2962	932	653	219	
A-	IHE	Pharmaceutical Index	412	1415	201	310	334	241	184	163	97	104	220	
A-	LUX	Luxottica Grp SpA Adr	1331	534	1377	338	1290	1661	450	375	221	279	221	
A-	WSM	Williams-Sonoma Inc	666	83	1952	157	1061	1636	959	801	154	224	222	
A-	ARMH	A R M Holdings	179	780	321	919	1554	1342	724	470	262	281	223	
A-	AVIV	Aviv REIT Inc.	0	361	2481	650	549	1179	152	127	369	268	224	
A-	KNX	Knight Transportation	1513	1183	337	42	94	103	147	132	164	180	225	
A-	RDCM	Radcom Ltd	2069	1687	566	2577	2045	1277	1213	959	634	501	226	
A-	SHPG	Shire Pharmaceuticals Grp PLC	302	145	194	83	1375	2098	2180	286	264	253	227	
A-	VDSI	Vasco Data Security Intl	2959	3282	354	114	486	528	520	201	354	432	228	
A-	IPXL	Impax Labs	2926	2320	1270	122	261	148	334	228	271	219	229	
B+	BABY	Natus Medical Inc	218	1301	445	12	114	244	0	153	189	143	230	
B+	CASY	Casey's General Stores Inc	1218	700	1753	187	59	309	0	167	323	175	231	
B+	WOOF	VCA Antech Inc	1732	2632	1566	1536	1128	1455	1558	1286	238	213	232	
B+	RCL	Royal Caribbean Cruises	1282	501	136	665	840	254	320	343	319	290	233	
B+	WWW	Wolverine World Wide Inc	71	1348	183	739	121	1008	994	890	383	274	234	
B+	CATO	Cato Corp.	1430	326	85	241	258	421	622	475	333	292	235	
B+	DXCM	Dexcom	10	689	546	627	32	70	22	26	7	80	236	
B+	WSO	Watsco Inc	586	603	1286	276	85	138	187	152	261	161	237	
B+	LO	Lorillard Inc	451	215	1240	160	463	609	729	504	309	235	238	
B+	IPGP	IP G Photonics	893	1485	843	1274	585	508	406	466	287	479	239	
B+	PBH	Prestige Brands Hldgs.	656	1095	1775	748	192	634	1820	722	502	210	240	
A-	FHCCX	Fidelity Healthcare Fund	0	472	1406	380	731	240	236	241	241	241	241	
B+	SNI	Scripps Network	1951	548	530	732	1247	1735	1286	842	303	226	241	
B+	HNP	Huaneng Pwr International Inc	2012	600	151	1032	538	787	845	752	337	306	242	
B+	AAPL	Apple Computer	307	21	128	79	104	53	67	57	72	106	243	
B+	CBOE	C B O E Hldgs.	658	3064	401	120	115	178	98	79	831	303	244	
B+	XLV	Healthcare Sector	574	546	239	309	396	160	130	169	62	182	245	
B+	MHLD	Maiden Hldgs	1813	2780	721	1008	223	358	344	372	436	220	246	
B+	TM	Toyota Motor Corp Adr	1840	1236	1829	1019	2175	1856	958	620	296	260	247	
B+	TXRH	Texas Roadhouse	475	833	587	50	267	245	188	52	214	398	248	
B+	AEC		0	1432	1258	0	1216	670	899	1307	908	445	324	249
B+	LB	Limited Bands inc	0	441	289	72	99	443	430	415	338	242	250	

Bill Gunderson's

Best Stocks Now

Top 300 as of 12/12/2014

		One Yr.	6 Mos	3 Mos	Eight	Six	Four	Three	Two	One	Yest.	Current	
		Year Ago	Year Ago	Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Wks. 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>	<u>Rank</u>	<u>Rank</u>	
B+	MOH	Molina Healthcare Inc	1463	1232	241	987	282	243	175	178	295	309	251
B+	TLYS	Tilly's Inc.	3229	3335	1446	2237	2409	2979	1781	2152	355	293	252
B+	INFI	Infinity Pharm.	0	2645	1553	2539	1273	1471	682	584	515	302	253
B+	CNAT	Cimatron Ltd.	0	0	3761	3618	1211	2392	1204	2930	490	456	254
B+	LEG	Leggett & Platt Inc	1130	738	443	354	119	336	193	172	228	296	255
B+	RMD	Resmed Inc	1333	113	821	762	1281	1164	561	363	273	243	256
B+	LL	Lumber Liquidators	414	1949	657	490	2104	897	0	662	408	301	257
B+	CSII	Cardiovascular Systems	44	2259	3161	2413	374	1113	1143	1473	1599	674	260
B+	HNT	Health Net Inc	2258	1926	1352	1559	1031	2265	407	273	318	278	261
B+	GNTX	Gentex Corp	834	2114	1150	975	402	1194	961	802	622	291	262
B+	MGPI	MGP Ingredients Inc	2097	656	214	281	1297	1215	2712	1245	375	277	263
B+	DDS	Dillard's Inc	1173	40	1014	609	734	597	447	414	330	258	266
B+	MNST	Monster Beverage Co.	309	193	17	16	36	266	53	51	366	190	267
B+	SYNA	Synaptics Inc	553	350	301	768	696	2454	2529	2579	451	275	268
B+	POOL	Pool Corp.	616	486	1117	218	140	260	342	806	308	250	269
B+	NCT	Newcastle Invnt. Corp.	2567	716	3119	2518	528	3616	390	782	301	264	270
B+	CRI	Carters Inc	646	598	163	44	490	1067	770	478	370	269	273
B+	IT	Gartner Inc Cl A	223	439	63	154	30	20	30	17	220	211	274
B+	SKX	Skechers USA Inc Cl A	231	221	37	263	921	145	254	299	284	280	275
B+	RFMD	RF Micro Devices Inc	2656	1688	173	1722	1873	291	458	403	450	385	277
B+	LLTC	Linear Technology Corp	1594	2337	1532	2235	2321	1268	1155	1056	719	632	278
B+	BERY	Berry Plastics	2309	3065	1478	1634	866	720	670	293	316	334	279
B+	IMMU	Immunomedics Inc	1599	2705	3398	2808	2023	157	1614	2272	393	337	280
B+	SIMO	Silicon Motion Technology	844	199	38	833	426	3026	2991	2815	654	338	281
B+	KMX	CarMax Inc	1199	307	181	986	275	494	332	297	331	287	283
B+	AAON	A A O N Inc	176	187	646	462	170	188	105	85	229	222	284
B+	HELE	Helen of Troy Ltd	408	1383	1198	372	229	417	264	325	200	261	285
B+	RYAA	Ryanair Holdings plc	2089	1240	1046	2464	1990	913	978	757	399	342	286
B+	CUBE	Cubesmart	2275	984	2463	194	380	1013	645	684	609	378	287
B+	HCN	Health Care Reit Inc	2280	1323	2179	524	673	1069	1208	812	599	417	288
B+	MA	Mastercard	163	216	1068	747	846	112	102	120	180	127	289
B+	TDG	Transdigm Group Inc	1165	422	107	435	756	804	488	348	392	300	290
B+	VAL	Valspar Corp	440	250	255	250	205	118	117	179	373	328	291
B+	HAS	Hasbro Inc	1542	2860	256	99	12	73	577	432	404	282	292
B+	JBSS	Sanfilippo John B & Son	1134	1194	781	445	425	925	1154	817	470	350	293
B+	RIGL	Rigel Pharmaceuticals	3652	3343	3831	3830	3787	3671	3480	3344	2969	2,768	294
B+	BME	BlackRock Health Sciences Trust	1125	478	71	215	82	121	124	67	216	77	298
B+	UTX	United Technologies corp	610	1406	881	1092	1177	751	850	567	494	405	299
B+	ADS	Alliance Data Sys	85	128	0	336	67	72	64	84	282	241	301

HERE IS HOW YOU CAN STAY ON TOP OF THE MARKET THIS YEAR...TWO NEW MARKETS BEGAN ON SEPT. 15. (TAMPA AND SARASOTA.)



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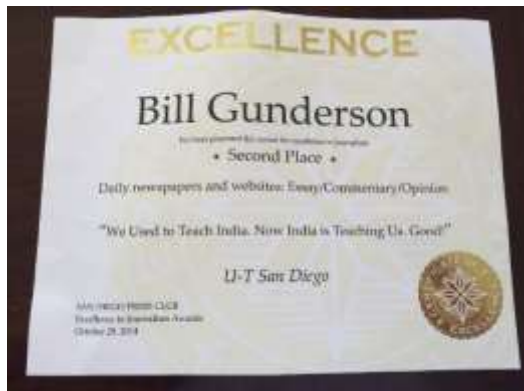
Bill Gunderson is also columnist for *The Street.com*, *MarketWatch.com*, *Townhall Finance*, and *SeekingAlpha.com*.



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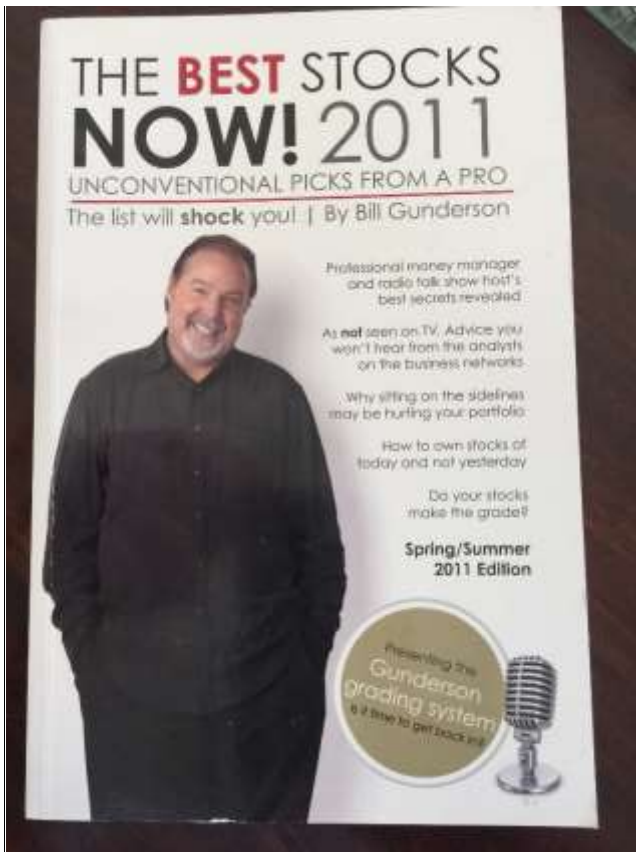
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