

# MARKET STRATEGIES



Covering High Return Balanced Investing Success Strategies For  
Stocks ■ Bonds ■ Interest Rates ■ Natural Resources ■ Currencies ■ Venture Capital ■ Gold

A Publication of Princeton Research, Inc. ([www.PrincetonResearch.com](http://www.PrincetonResearch.com))

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## November 28, 2011, Market Strategies Guide to Successful Trading

**Special Note:** Charles Moskowitz appeared for an interview at StockLegends.com. <http://www.stocklegends.com>, we urge everyone to listen to the interview now available on our website at <http://www.princetonresearch.com>.

We have been asked to help those who do not wish to make a \$100,000 commitment to an account to scale back the initial investment to a \$10,000 account.

We are answering this request with an account that will only trade options. However, in order to take full advantage to this new account, you really need to also subscribe to our Texting service. There is no cost involved, but in order to receive all of the trading suggestions, in a high volatility environment, we need to communicate more often than weekly.

**To subscribe, simply TEXT the word UPDATES to 69302  
and you will automatically be included.**

**[\\$10,000 OPTIONS ONLY ACCT:](#)**

### **New Trades for this week:**

BUY 10 CONN 1/10 CALLS @ \$1.30

BUY 8 CBOE 1/26 CALLS @ \$1.30

BUY 4 VXX 12/46 PUTS @ \$2.60

The \$10,000 Options Only account lost \$2095 last week, its twenty sixth week of trading. We came into the week with a balance of \$11,194.00 and with the loss last week reduced gains to \$ 9099.00

This was a terrible week...the worst Thanksgiving week since 1932. The DISGRACEFUL lack of action by the "Super-committee" continues to utterly destroy confidence of the American people and foreign investors at every level of the social and economic strata. I foolishly assumed that the Debt ceiling issue would have made Washington understand the destructive nature of their inaction...but

their singular focus on re-election continues...On the technical side, we are very oversold and the level of bearishness points to a tradable rally. I will look to be a buyer on any further decline early this week...CAM

We have no open positions. With the new trades approximately \$ 3380 funds would be in in use.

**Remember, these trades are based on your participation in the  
TEXT MESSAGE TRADE ALERTS SERVICE TO RECEIVE ALL UPDATES.  
TEXT the word UPDATES to 69302 To Get In Now**

Previous closed out trades not listed here may be seen in the [November 21](#), [November 14](#), [November 7](#), [October 31](#), [October 24](#), [October 17](#), and [October 10](#) issues.

DATE	TRADE	PRICE	COST	PROCEEDS	RESULTS
11/25	Sold 3 TNA December 41 Calls (50% Rule)	1.60		480	(480)
11/23	Sold 5 VMW December 100 Calls (50% Rule)	.95		475	(455)
11/23	Sold 6 SPY December 124 Calls (50% Rule)	.90		540	(540)
11/22	Bought 3 TNA December 41 Calls	3.20	960		
11/22	Bought 5 VMW December 100 Calls	1.86	930		
11/21	Bought 6 SPY December 124 Calls	1.80	1080		
11/21	Sold 2 AAPL December 400 Calls (50% Rule)	3.10		620	(620)
11/14	Sold 5 TZA November 30 Calls	1.78		890	250
11/14	Bought 2 AAPL December 400 Calls	6.20	1240		
11/11	Bought 5 TZA November 30 Calls	1.28	640		

New trades \$ 10,000 account...In Texting we have a limited amount of words. In the interest of brevity:

OPTIONS ONLY: 11 November; 12 December; 1 January:

The Quantity and Strike Price for each trade is specific. For any questions please call 702 650 3000

## MARKET LABORATORY – WEEKLY CHANGES

Prices are copied from Barron's Weekly and Yahoo Finance and may be incorrect

<b>Dow</b> 11,231.78 -564.38 -4.78%	<b>Nasdaq</b> 2441.51 -130.99 -5.09%	<b>S&amp;P 500</b> 1158.67 -56.98 -4.69%	<b>Transportation</b> 4533.44 -307.60 -6.35%	<b>Russell 2000</b> 666.16 -53.26 -7.40%	<b>Nasdaq 100</b> 2150.88 -103.07 -4.57%
<b>Gold</b> 1685.70 -39.40 -2.28%	<b>Silver</b> 3101.4 -140.3 -4.33%	<b>Crude</b> 96.77 -0.90 -0.92%	<b>Heating Oil</b> 294.05 -10.08 -3.32%	<b>Unleaded Gas</b> 2.4542 -0.0338 -1.36%	<b>Natural Gas</b> 3.542 +0.226 +6.82%
<b>VIX</b> 34.47 +2.47 +7.71%	<b>Put/Call Ratios</b> S&P 100 109/100's -10/100's	<b>Put/Call Ratios</b> CBOE Equity 69/100 -11/100's	<b>Bonds</b> 143-27 +1-02 2.92% -0.08%	<b>10 Yr Note</b> 130-21 +0-11 1.97% -0.04%	<b>Copper</b> 327.00 -13.20 -3.88%
<b>CRB Inflation Index</b> 305.45 -6.76 -2.2%	<b>Barron's Confidence</b> 68.4.% -0.5%	<b>S&amp;P100</b> 522.27 -25.53 -4.66%	<b>5 Yr Note</b> 123-02 +0-04 .94% +0.02%	<b>Dollar</b> 79.61 +1.59 +2.03%	<b>DJ Utilities</b> 426.01 -16.00 -3.62%
<b>AAll Confidence Index</b>	<b>Bullish</b> 32.7 -9.2%	<b>Bearish</b> 38.3 +7.2%	<b>Neutral</b> 29.0% +2.0 %	<b>M1 Money Supply</b> +19.3%Nov 14th	<b>M-2 Money Supply</b> +9.7%Nov 14th

M1...all money in hands of the public, Time Deposits Traveler's Checks, Demand Deposits  
M2 adds Savings and Money market Accounts both compared with the previous year.

## **New Stock Recommendations**

Last Week we were stopped last week on CDTI and FCH  
THESE ARE the new STOCK TRADES TO BUY AT MKT...

- ( 1 ) 600 CSII
- ( 2 ) 100 CBOE
- ( 3 ) 500 HWD
- ( 4 ) 200 SUSS

(A full position is \$5,000)

Each stock is allocated a theoretical \$ 5,000 share of the portfolio unless otherwise indicated.

Stock	Purchase Price	Purchase Date	Stop/Loss	Price/Date Sold	Profit/(Loss)
USPR * 20,000	.13 half pos.	11/09/11			
CDTI 1200	3.30	11/7/11	2.75 sco	2.71 11/23 stopped	(\$660)
FCH 1300	3.41	11/7/11	2.79X	2.79 11/22 stopped	(\$806)
CONN 500	8.50	10/25/11	7.49X		
BBVA 600	8.79	10/25/11	5.50X		
SDS 100	25.55	10/5/11			
XBOR*	1.40	8/12/11	0.70sco		
LEI*	2.06	8/10/11	1.03x		
KAJMY	30.45	3/21/11	29.60 sco		
LEOM*	0.30	12/17/10	0.03 sco		

Previous closed out positions can be found in the November 21, November 7, October 17, October 3, September 19, September 6th, August 15th, August 8th, August 1st and July 18th letters.

Model Portfolio Comments/Changes:

## **INDEX OPTION RECOMMENDATIONS**

For those of you who do not buy puts to protect your portfolio, there are many ETF's that are the inverse of the DOW. The symbols are **DOG** and **SDS**, which go up when the DOW and S&P 500 go down and down when they go up.

## **NEW STOCK OPTION RECOMMENDATIONS**

- (1) BUY 15 CONN 1/10 CALLS @ \$1.30
- (2) BUY 10 CBOE 1/26 CALLS @ \$1.30
- (3) BUY 8 VXX 12/46 PUTS @ \$2.60

## Option and overall Comments

We had a loss last week of \$11,279 in the worst Thanksgiving week percentage loss since 1932. Our gains for the year decreased from \$73,295 to \$ 62,016. We have four long options positions remaining, the SPY Puts, AAPL Calls, SDS Calls and UUP Calls, a US Dollar ETF. The stock table includes eight long stock positions: USPR, CONN, BBVA, LEI, KAJMY, LEOM, SDS and XBOR. The SDS is a double inverse SP500 ETF.

The options call for a \$ 2,500 investment unless otherwise stated, while each stock position requires \$ 5,000 unless specifically stated.

We are basing money management on an hypothetical \$ 100,000.00 and are using \$8,500 in the options positions and \$ 35,000 in the eight long stock positions for a total of \$ 43,500 with \$56,500 in cash. This is our 44th letter for 2011. These figures are approximate. We do not count commission costs and there may be errors. If the suggested stocks and options are executed another \$ 25,000 would be in use.

*Executions that have occurred at or near the open or close of trading sometimes vary from our actual numbers. For example, when something opens down and it is through our price, we take the next trade whether it is an uptick or continues lower. This sometimes results in a 50% trade that is slightly above or below the exact number...*

## Previous Week's Recommendations and Rules for the \$ 100,000 account Text UPDATES to 69302.

- All options count for about \$ 2,500.00 for model portfolio calculations unless otherwise stated.
- When the option has doubled sell half the position.
- Stop Loss protection is either half or offered with each trade.
- The cost of the option is the asking price (or the price between the bid and ask, whichever is more realistic) at the close the previous Friday or at the open on Monday.
- The options will be followed until closed out.
- **Option Symbols have changed. We will now use a new terminology. ( stock symbol with expiration month and strike price )**
- **Subscribers can follow us on Twitter or call 702 650 3000 for up to date information.**

Option	CO ST	Date	Sold	Date	Profit/(Loss)
<u>UUP Jan 22</u> <u>20 Lots</u>	Calls .65	11/25/11			
<u>SPY Dec 116</u> <u>6 lots</u>	Puts 3.75	11/25/11			
<u>AAPL Dec 390</u> <u>6 lots</u>	Calls 4.05	11/23/11			
<u>TNA Dec 41</u> <u>6 lots</u>	Calls 3.20	11/22/11	1.60 (50% rule)	11/25/11	(\$ 960)
<u>VMW Dec 100</u> <u>10 Lots</u>	Calls 1.86	11/22/11	.95 ( 50% rule)	11/23/11	(\$ 910 )

<u>SDS Dec 22</u> 15 lots	<u>Calls</u> 1.38	11/21/11			
<u>TZA Dec 36</u> 5 lots	<u>Calls</u> 3.85	11/21/11	5.10	11/23/11	\$ 625
<u>SPY Dec 124</u> 15 lots	<u>Calls</u> 1.80	11/21/11	.90 (50% rule)	11/23/11	(\$1350)
<u>IBM Dec 190</u> 10 lots	<u>Calls</u> 2.06	11/21/11	1.03 (50% rule)	11/23/11	(\$ 1030 )
<u>SPYJan 125</u> 10 lots	<u>Calls</u> 2.50	11/17/11	1.25 (50% rule)	11/21/11	(\$1250)
<u>MMM Jan 85</u> 10 lots	<u>Calls</u> 2.25	11/17/11	1.11 (50% rule)	11/23/11	(\$1140)
<u>DD Jan 49</u> 14 lots	<u>Calls</u> 1.75	11/17/11	.88 (50% rule)	11//23/11	(\$1218)
<u>AAPL Dec 400</u> 4 Lots	<u>Calls</u> 6.20	11/14/11	3.10 ( 50% rule)	11/21/11	(\$ 1240 )
<u>ORCL Dec 32</u> 20 Lots	<u>Calls</u> 1.25	11/10/11	.58 (50% rule)	11/21/11	(\$ 1340 )
<u>CSCO Jan 20</u> 2012 Put short; longJan20;2013 Call	<u>Put/Call Spread</u> 0.07	2/14/11			

Note: Previous closed out stock and option positions can be found in the November 21, November 7, October 17, October 3, September 19, September 6, August 22, August 8, August 1, July 18, July 11, July 5, June 20, May 16, April 25, April 11, March 21, March 14, March 7, February 21, 2011 February 7, 2011 January 24, 2011, December 20,2010, November 22, 2010, October 11, 2010, September 13, 2010, July 26, 2010, June 14, 2010, May 10, 2010, January 25, 2010, November 23, October 23, August 24, July 20, 2009 newsletters.

## This Weeks' Economic Numbers and Media Data

<b>MONDAY</b>	IMF Board Members discuss the disbursement of Greek aid. Hewlett Packard reports earnings after the close. 10:00 hrs Existing Home Sales ( 4.85M vs 4.91M )
<b>TUESDAY</b>	08:30 hrs GDP- Second estimate 3rd Qtr ( 2.5% vs Same ) Implicit Price Deflator ( 2.5% vs Same ) 14:00 hrs FOMC Minutes Nov 2nd meeting
<b>WEDNESDAY</b>	07:00 hrs MBA Mortgage Purchase Index 11/05 ( NA vs -10.0% ) 08:30 hrs Initial Unemployment Claims 11/19 ( 391K vs 388K ) Continuing Claims 11/12 ( 3620K vs 3608K ) 08:30 hrs Oct Personal Income Oct ( 0.3% vs 0.1% ) Personal Spending ( 0.3% vs 0.6% ) PCE Prices ( 0.1% vs 0.1% ) 08:30 hrs Durable Goods Orders Oct ( -1.0% vs -0.6% ) Ex-Transportation ( 0.0% vs 1.8 ) 09:55 hrs Michigan Sentiment Nov 64.2 vs 64.2 ) 10:30 hrs Crude Inventories ( NA vs -1.056Mln bbls )
<b>THURSDAY</b>	THANKSGIVING U.S. Markets Closed
<b>FRIDAY</b>	Black Friday U.S. Equity Markets close at 1:00PM Italy has auctions of notes and bonds again as traders will be

looking at their acceptance.

## **Economic Data**

The GDP is a disaster. No-one expected that an error by the BEA could be so grievous. The Bureau of Economic Analysis hugely overstated inventories in September when they actually declined by \$ 8.5 bln instead of increasing \$ 5.4 bln as originally stated. Personal consumption and fixed investment were also revised down. One positive development was in the net export data revealed every month in the Trade Balance. The net export deficit decreased \$ 9.3 billion ( from -\$ 409.4bln to -\$400.7bln ) which added 0.27 percentage points to the GDP.

**Fundamentals ( previous letters may be seen at [www.princetonresearch.com](http://www.princetonresearch.com) )**

All ten Dow Industrial groups were lower led by Basic Materials down 5.77%. Oil and Gas lost 5.67% and Financials 5.41%. Industrials fell 5.16%; Technology 4.75%; Telecommunications 3.60%; Utilities 3.48%; Consumer Services declined 3.38%; Consumer Goods was off 2.89% and Health Care down the least 2.79%. Stocks were down all week in light trading and are now very oversold.

## **TECHNICAL INFORMATION**

<b>Support Levels:</b>	<b>S&amp;P 500</b>	<b>1132; 1096</b>	<b>Resistance S&amp;P 500</b>	<b>1180; 1192</b>
	<b>DOW</b>	<b>11,010; 10,680</b>	<b>Resistance DOW</b>	<b>11,360; 11,500</b>
	<b>QQQ</b>	<b>5200; 5056</b>	<b>Resistance QQQ</b>	<b>5356; 5430</b>
	<b>Nasdaq</b>	<b>2411; 2354</b>	<b>Resistance Nasdaq</b>	<b>2511; 2552</b>

## **CYCLES**

Short Term Cycles suggest range a bound mkt within last weeks range. The deplorable performance for the thanksgiving holiday extenuates the longer term seasonal up cycle work for the holiday season and year end.

### **Rule 17B requires disclosure of payment for investor relations\***

Princeton Research has received about \$ 2,500 per month from Lucas ( LEI ) marked with an asterisk. Princeton has been paid for investor relations in the past and has negotiated a contract to be paid 100,000 restricted shares from Leo Motors. Princeton is paid by Baron Energy ( BROE ) to do investor relations in the amount of 300,000 shares. Princeton has also bought separate shares about 327,600 and owns the shares for its own account. USPR paid us 200,000 restricted shares. Cross Border paid us 25,000 restricted shares and we bought and own another 25,000 purchased at higher prices. .

## **CONTACT**

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