

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)

Contributing Staff: Michael King, Bill Chippas, Charles Moskowitz

December 26, 2011, Market Strategies Guide to Successful Trading

Read The Market Investing Strategies Newsletter PDF Version – [CLICK HERE](#)

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/princeton-research-featured-on-investment-news-show/>

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:

(1) BUY 5 SEARS (SHLD) January 50 CALLS @ 1.00

(2) BUY 5 FIRST SOLAR (FSLR) January 35 CALLS @ \$ 2.20

The \$10,000 Options Only account lost \$1975 last week, its Thirtieth week of trading.

We came into the week with gains of \$8,948.00 and with the losses last week decreased the gains to \$6,973.00

Six positions remain: the QCOR Jan 44 Calls, TEN Jan 29 Calls, RIG Jan 40 Calls, APC 75 Calls, IBM Jan 185 Calls and ZSL Jan15 Calls. The Open positions are highlighted in the options table below. Approximately \$ 5955 funds are in use.

This was a particularly tough week for this account. We had the market right but got stopped out of positions just before the expected moves came to fruition. Our calls on RMBS and YHOO were stopped out on the 50% rule before moves up to over 100% gains based on our purchase prices. It wasn't a total loss, as we are long TEN, APC, and IBM all with substantial unrealized gains. We are also long ZSL (reverse Silver) calls and I feel it is likely to prove profitable in the coming weeks. As was pointed out in the "cycles" section, the current yield on many solid equities has only been this close to the 30Yr. Treasuries twice since 1850. This made way for an exponential long-term move in equities. Even though the "high-yield dividend" stocks are a very crowded trade right now, but with the degree of uncertainty from the Eurozone, China, Iran/Iraq etc., still makes it an attractive option....CAM

**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 28](#), [November 21](#), [November 14](#), [November 7](#), [October 31](#), [October 24](#), [October 17](#), and [October 10](#) issues.

DATE	TRADE	PRICE	COST	PROCEEDS	RESULTS
12/22	Bought 5 RIG January 40 Calls	1.78	890		
12/22	Sold 50 WFR January 5 Calls	.06		300	300 Loss
12/21	Bought 10 ZSL January 15 Calls	1.20	1200		
12/21	Bought 5 IBM January 185 Calls	3.05	1525		
12/20	Sold 5 TZA January 35 Calls	1.48		730	735 Loss
12/19	Sold 2 BLK January 180 Calls	1.85		370	370 Loss
12/19	Sold 10 RMBS January 7.50 Calls	.23		220	220 Loss
12/19	Sold 10 YHOO January 16 Calls	.35		350	350 Loss
12/16	Bought 10 YHOO January 16 Calls	.70	700		
12/15	Sold 10 CONN January 12.50 Calls	.45		450	550 Loss
12/14	Bought 5 TZA January 35 Calls	2.95	1475		
12/14	Bought 2 APC January 75 Calls	3.40	680		
12/14	Sold 3 TLT January 114 Puts	.91		273	276 Loss
12/14	Bought 50 WFR January 5 Calls	.12	600		
12/14	Sold 5 MHS January 60 Calls	.75		375	425 Loss
12/14	Sold 5 ZSL January 14 Calls	2.50		1250	800 Gain
12/14	Bought 5 TEN January 29 Calls	1.00	500		
12/14	Sold 5 ZSL January 14 Calls	2.30		1150	700 Gain
12/12	Bought 2 BLK January 180 Calls	3.70	740		
12/13	Sold 5 RIMM January 17.5 Calls	.90		450	450 Loss
12/12	Bought 10 RMBS January 7.50 Calls	.45	450		
12/12	Bought 3 TLT January 114 Puts	1.83	549		
12/12	Bought 5 MHS January 60 Calls	1.60	800		

12/9	Bought 10 ZSL January 14 Calls	.90	900		
12/9	Sold 50 WFR Jan 5 Calls	.22		1100	250 Gain
12/7	Sold 10 QQQ December 57 Puts	1.35		1350	210 Gain
12/6	Bought 4 QCOR January 44 Calls	2.90	1160		
12/6	Bought 10 CONN January 12.50 Calls	1.10	1100		
12/6	Bought 50 WFR Jan 5 Calls	.17	850		
12/5	Bought 10 QQQ 12/57 Puts	1.14	1140		
12/5	Sold 50 BAC December 6 Calls	.22		1100	400 Gain
12/2	Bought 5 RIMM January 17.5 Calls	1.80	900		
12/1	Bought 50 BAC December 6 Calls	.14	700		

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

OPTIONS ONLY: 1 January; 2 February

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

Dow 12294.00 +427.61 +3.60%	Nasdaq 2618.64 +63.31 +2.48%	S&P 500 1265.33 +45.67 +3.74%	Transportation 5053.29 +147.03 +3.00%	Russell 2000 747.98 +25.93 +3.59%	Nasdaq 100 2287.57 +49.39 +2.21%
Gold 1606.00 +8.10 +0.5%	Silver 2908.4 -58.7 -1.98%	Crude 99.68 +6.13 +6.55%	Heating Oil 289.95 +8.89 +3.17%	Unleaded Gas 2.6781 +.1832 +7.37%	Natural Gas 3.114 -0.013 -0.42%
VIX 20.73 -3.56 -14.66%	Put/Call Ratios S&P 100 151/100's +18/100's	Put/Call Ratios CBOE Equity 63/100's -17/100's	Bonds 141-31 -3-10 3.06% +0.20%	10 Yr Note 129-274 -1-10 2.03% +0.18%	Copper 346.95 +13.85 +4.16%
CRB Inflation Index 306.08 +11.08 +3.76%	Barron's Confidence 67.3.% +0.4%	S&P100 574.00 +20.39 +3.68%	5 Yr Note 122-182 -0-238 .98% +0.16%	Dollar 79.99 -0.27 -0.34%	DJ Utilities 462.94 +16.79 +3.76%
AAll Confidence Index	Bullish 33.7 -6.5%	Bearish 28.2 -5.4%	Neutral 38.0% +11.8 %	M1 Money Supply +18.1%Dec12th	M-2 Money Supply +9.5%Dec12th

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

- (1) Buy 675 Harvest Natural Resources (HNR) \$ 7.40 stop out at \$ 6.80
- (2) Buy 1000 Power one (PWER) \$ 3.80
- (3) Buy 350 CVC at 14.25 stop out at 13.30 sco
- (4) Buy 1000 FORM at 4.93 stop out at 4.45 sco
- (5) Buy 2000 XOMA \$ 1.24 stop out at \$ 0.90
- (6) Buy 600 Maxlinear (MXL) @ \$ 4.35
- (7) Buy 650 Penn Virginia Corp (PVA) \$ 5.10 stop out at 4.50
- (8) Buy 300 Digital River (DRIV) \$ 14.50 stop out at \$13

(9) Buy 1500 Willbros Group (WG) \$ 3.65 stop out \$ 2.90

Last week we sold AGQ with a text alert.

(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)
AEZS 2500	1.65	12/15/11			
HWD 500	9.64	12/14/11			
AGQ 100	47.27	12/14/11		47.31 12/21	\$ 4
GMXR 2500	1.60	12/12/11			
WFR 1200	4.12	12/6/11			
STMP 200	25.66	12/5/11	28.35	24.57 12/12	\$ 218
RICK 600	7.78	12/5/11		8.15 12/13	\$ 222
HWD 500	10.33	11/28/11	9.49sco	11.574 12/5	\$622
CBOE 100	26.37	11/28/11	24.98sco		
USPR * 20,000	.13 half pos.	11/09/11		.181 12/09	\$1020
CONN 500	8.50	10/25/11	7.49X	12.86 12/13	\$ 2180
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 December 12, November 28, 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 SEARS (SHLD) JANUARY 50 CALLS @ 1.00**
- (2) BUY 10 FIRST SOLAR (FSLR) JANUARY 35 CALLS @ \$ 2.20**

Option and overall Comments

We had a loss last week of \$4131 in an up week. Our gains for the year were \$ 64,916 and with last week's losses are decreased to \$ 60,785. We have Six long options positions remaining, the QCOR Calls, IBM Calls, TEN Calls, RIG Calls, APC Calls, ZSL an inverse Silver ETF, and the CSCO Spread.

The stock table includes Ten long stock positions: HWD, AEZS, GMXR, WFR, CBOE, 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 a hypothetical \$ 100,000.00 and are using \$13,800 in the options positions and \$ 43,100 in the Ten long stock positions for a total of \$ 56,900 with \$ 43,100 in cash. This is our 48th letter for 2011. These figures are approximate.

We do not count commission costs and there may be errors.

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>RIG Jan 40</u> 15 Lots	Calls 1.78	12/22/11			
<u>ZSL Jan 15</u> 20 Lots	Calls 1.20	12/21/11			
<u>IBM Jan 185</u> 10 Lots	Calls 3.05	12/21/11			
<u>YHOO Jan 16</u> 20 Lots	Calls .70	12/16/11	.35	12/19/11	(700)
<u>TZA Jan 35</u> 10 Lots	Calls 2.95	12/14/11	1.48	12/20/11	(1470)
<u>APC Jan 75</u> 5 Lots	Calls 3.40	12/14/11			
<u>WFR Jan 5</u> 100 Lots	Calls .12	12/14/11	.06	12/22/11	(600)
<u>TEN Jan 29</u> 10 Lots	Calls 1.00	12/14/11			
<u>BLK Jan 180</u> 5 Lots	Calls 3.70	12/12/11	1.85	12/19/11	(925)
<u>RMBS Jan 7.5</u> 20 Lots	Calls .45	12/12/11	.23	12/19/11	(440)
<u>TLT Jan 114</u> 6 Lots	Puts 1.83	12/12/11	.91	12/14/11	(\$552)

<u>MHS Jan 60</u> <u>10 Lots</u>	<u>Calls</u> <u>1.60</u>	12/12/11	.75	12/14/11	(\$850)
<u>ZSL Jan 14</u> <u>25 Lots</u>	<u>Calls</u> <u>.90</u>	12/9/11	12 at 2.30 13 at 2.50	12/14/11	3760
<u>OCOR Jan 44</u> <u>10 lots</u>	<u>Call</u> <u>2.90</u>	12/6/11			
<u>WFR Jan 5</u> <u>50 Lots</u>	<u>Calls</u> <u>.17</u>	12/6/11	.23	12/9/11	\$ 250
<u>CONN Jan</u> <u>12.5 25 Lots</u>	<u>Calls</u> <u>1.10</u>	12//5	.45	12/15/11	(\$1625)
<u>QQQ Dec 57</u> <u>25 Lots</u>	<u>Puts</u> <u>1.14</u>	12/5/11	1.35	12/7/11	\$ 525
<u>RIMM Jan</u> <u>17.5, 15 Lots</u>	<u>Calls</u> <u>1.80</u>	12/2/11	.90	12/13/11	(\$1350)
<u>BAC Dec 6</u> <u>100 Lots</u>	<u>Calls</u> <u>.14</u>	12/1/11	.22	12/6/11	\$ 800
<u>SDS Jan 20</u> <u>15 Lots</u>	<u>Calls</u> <u>1.71</u>	11/30/11	1.80	12/14/11	\$ 135
<u>UUP Jan 22</u> <u>20 Lots</u>	<u>Calls</u> <u>.65</u>	11/25/11	.78	12/14/11	\$ 260
<u>CSCO Jan 20</u> <u>2012 Put short;</u> <u>longJan20;2013</u> <u>Call</u>	<u>Put/Call Spread</u> <u>0.07</u>	2/14/11			

Note: Previous closed out stock and option positions can be found in the December 5, November 28, 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

MONDAY	The Day after Christmas also known as boxing day. U.S. Markets are closed. Also, Australian, Canadian, Hong Kong and UK markets are also closed.
TUESDAY	Markets remain closed in Australia, Canada, H.K. and U.K. 09:00 hrs Case-Shiller City Index Oct (-3.0% vs -3.6%) 10:00 hrs Consumer Confidence Dec (58.0 vs 56.0)
WEDNESDAY	07:00 hrs MBA Mortgage Index 12/17 (NA vs -2.6%) Trial resumes for former Egyptian president Mubarak, his 2 sons, the former interior minister and senior police officers accused of killing protestors.
THURSDAY	08:30 hrs Initial Claims 12/17 (368K vs 364K) Continuing Claims 12/10 (3600K vs 3546K) 08:30 hrs PPI Nov (0.2% vs -0.3%) CORE (0.1% vs 0.0%) 09:45 hrs Chicago PMI Dec (60.1 vs 62.6)
FRIDAY	Spain's new prime minister Mariano Rajoy is expected to announce detailed spending cuts. Many markets are closed including Brazil, Ireland and South Korea

in celebration of the new year.

Economic Data

Most economic reports showed steady improvement in the economy. The lone negative showing was from 3rd QTR GDP which, the latest estimate down 0.2% to 1.8% from the 2.0% expected.

Housing Starts at 685K (+ 9.3%) and Building permits of 681K (+ 7.6%) were well above expectations. In addition, Unemployment Claims came in lower again at 364K showing encouraging signs of new jobs. Durable Goods were very strong up 3.8%, well above the consensus of 2.0% and last month which was flat. Michigan Sentiment was better at 69.9 vs 68.0 anticipated by most.

Fundamentals (previous letters may be seen at www.princetonresearch.com)

The Oracle (\$ 26.06) - 10.8% earnings news was horrible and it fell 12% on Wednesday taking Nasdaq and the QQQ with it. American Greetings (AM: \$ 12.98) -21% for two days following its poor earnings report. Both Apple and IBM opened lower on the Oracle news. Apple closed higher on the day and we bought the IBM which recovered nicely.

Both Akamai (AKAM: \$ 31.93) + 19.8% and Delphi Financial (DFG: \$ 44.13) + 75.2% had big gains following M&A news.

All ten Dow Economic Groups were higher just the opposite of the previous week setting up the possibility of a mirror image up pattern if the up-coming week follows through. Oil and Gas led all groups up 5.40% reversing the 5.95% loss the previous week. Financials gained 4.63%; last week they lost 3.15%. Basic Materials gained 4.16% and Industrials 4.13%. Health Care rose 3.98%; Utilities gained 3.62%. Telecomm rose 3.47% and Consumer goods 3.32%. Consumer Services gained 3.10% and Technology, reeling from the poor Oracle earnings still managed to eke out a gain of a not too shabby 1.91%.

TECHNICAL INFORMATION

Support Levels:	S&P 500	1253; 1232	Resistance S&P 500	1274; 1289
	DOW	12,175; 11,920	Resistance DOW	12,380; 12,680
	QQQ	5553; 5492	Resistance QQQ	5653; 5729
	Nasdaq	2568; 2511	Resistance Nasdaq	2663; 2716

CYCLES

Only twice since 1850 in America have 30-year bond returns been as close to equity returns as they are today. And both times multi-decade bond-bear markets followed. During these periods the stock market jumped as much as 7-fold." - Oxford Club newsletter, 11/12/11

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

Please Direct All Inquiries To:

Mike King
Princeton Research
3887 Pacific Street, Las Vegas, Nevada 89121

Phone: (702) 650-3000

Fax: (702) 697-8944

mike@princetonresearch.com

Visit: www.princetonresearch.com

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