

February 1, 2016
Market Strategies Newsletter
Sample Issue



**Balanced Investing Strategies To
Make Money In Up Or Down Markets**

A Publication of Princeton Research, Inc. (www.PrincetonResearch.com)
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Where To Invest In 2015 Newsletter Covering:

Where to Invest February 2016
Best Stocks To Buy February 2016
Stock Market Investing Strategies
Stock Options Trade Alerts
Options Trading Strategies
How To Trade Options

2016 YTD Profits \$ 1301

Over 13% Returns

2015 YTD Profits \$ 6646
Over 66% Returns

2014 Profits = \$ 20,443
Over 204% Returns

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\$10,000 Trading Portfolio Charles Moskowitz Discussion

We have One Open Long Position:

6 GLD Feb 105.50 Puts:

Funds in Use \$ 528

Week 4 was a small loss of \$193 bringing YTD performance down to \$1301, in a month that left a great deal to be desired. We have only one open position in GLD; puts bought on Thursday before the overnight Bank of Japan announcement of 0% interest rates.

This week also saw the second “bad” numbers for oil that resulted in a dramatic RISE in prices when everyone would have thought that a build in reserves was a negative. We own SLCA in the big account, but the options were illiquid so we never got the calls. Silica produces “silica for the fracking and glass industries,” so the move up in Oil prices and the technical position of the stock has helped this trade greatly.

Resistance still exists at the same places we discussed last week. The range from 1950 to 1990 in the S&P500 is still only a half way retracement of the break from the highs in this index. We are slightly more overbought and I'd be surprised if we were able to mount a meaningful future advance at this point. The B.O.J. going to zero helps the markets the same way that Dhragi and our own QE helped our asset markets, but you can only “push on the string” so far. These programs don't go on indefinitely and there is a price to be paid when they end. We have a short position in gold right now that may need selling for a small loss, but that was based on the strength in the US\$. While I understand that money is being created all around us and theoretically that inflation will pick up, it still means that there is downward pressure on the price of anything that is quoted in dollars as long as it maintains its strength.

We also got stopped out of a position that I am issuing another buy order for this week.

This market is filled with great companies that have gotten hurt. One of those, I believe is Salesforce.com. This company has been rumored to be on several shopping lists and some of the suitors are big names. Last fall there was a discussion between Oracle and CRM and when they broke off Marc Benioff I believe, was quoted as saying “I want \$100 and they want to pay \$85” so nothing progressed. Now the talk after last weeks earnings from MSFT are “What a great combination those would make and Benioff would still be running the Company.” I don't ever buy a stock only as a takeover candidate, but CRM is a real winner all on its own and Benioff is heralded as a great operator. Technically the stock is in an area of support around the \$62-\$64 area, is oversold, and my new buy price is published later in this letter..... *CAM*

Concerning the Central Banks:

“Insanity is when you do the same thing over and over and it doesn't work”

From Albert Einstein

Market Strategies \$10,000 Trading Account Trade Table

New Trades

1) Buy 6 SIG February 110 Puts @ \$ 1.65

DATE	TRADES	PRICE	COST	PROCEEDS	RESULTS
01/29	Sold 8 TBT February 42 Calls	0.24		192	192 Loss
01/28	Bought 6 GLD February 105.50 Puts	0.88	528		
01/25	Bought 8 TBT February 42 Calls	0.48	384		

**Remember, these trades are based on your participation in the
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MARKET LABORATORY – WEEKLY CHANGES

Prices are copied from [Barron's Weekly](#) and [Yahoo Finance](#) and may be incorrect.

Dow 16,466.30 +372.79 +2.32%	Nasdaq 4613.95 +22.77 +0.50%	S&P 500 1940.24 +33.34 +1.75%	Transportation 6906.76 +128.22 +1.89%	Russell 2000 1035.38 +14.72 +1.44%	Nasdaq100 4279.17 +19.40 +0.46%
Gold (spot) 1116.40 +19.20 +1.8%	Silver 1424.3 +18.6 +1.3%	Crude 33.62 +1.43 +4.4%	Heating Oil 107.87 +7.11 +7.1%	Unleaded Gas 1.1323 +0.0242 +2.4%	Natural Gas 2.298 +0.157 +7.3%
VIX 20.20 -2.14 -9.6%	Put/Call Ratios S&P 100 107/100's +31/100's	Put/Call Ratios CBOE Equity 64/100's 1/100's	Bonds 161-01 +2-00 2.75% - 0.07%	10 Yr. Note 128-18+1-06 1.93% - 0.12%	Copper 206.70 +6.45 +3.2%
CRB Inflation Index 166.75 +2.95 +1.8%	Barron's* Confidence 68.6 +1.3	S&P100 868.34 +17.0 +2.0%	5 Yr. Note 120-214 +217 1.34% -0.14%	Dollar 99.57 +0.04 +0.04%	DJ Utilities 611.35 +22.21 +3.77%
AAll Confidence Index Long Term Average	Bullish 29.8% +7.3% 38.74%	Bearish 40.0% -8.7% 30.30%	Neutral 30.2% +1.4% 30.96%	M1 Money Supply +6.16% Jan 18 th	M-2 Money Supply +6.04% Jan 18 th

* Component Change in the Confidence Index

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.

Market Strategies Technical Information

Support/Resistance Levels:

	SUPPORT	RESISTANCE
S&P 500	1906	1960
Dow	16,155	16,663
QQQ	101.20	105.90
Transports	67.78	7287
NASDAQ	4590	4759

The market may have made a short term bottom. The S&P could rally all the way back to 1940-60 where it would be a short once again. Strength in the dollar remains a headwind. Volatility seems too high, We would buy the XIV on dips or be selling the VXX or UVXY on good rallies..

\$100,000 Trading Portfolio Stock Positions and Trades

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

- 1) Buy 100 CRM \$ 64.05 Place sell stop at \$ 61.55
- 2) Sell Short 50 SIG @ \$ 114.38 O.B. (Or Better)

Stock	Purchase Price	Purchase Date	Stop Loss	Price/Date Sold	Profit/ (Loss)
SLCA 300	16.92	01/26	17.28 sco		
SBH 200	25.53	01/25		26.84 01/26	\$ 262
KRO 800	5.13	01/04			
EYES 1000	6.49	12/28			
APC 100	51.21	12/10			
VA 200	36.50	12/08			
APC 100	53.53	12/07			
LVLTL 100	50.81	11/23			
TWTR 200	28.51	10/28			
CUBA 500	7.58	09/28			
MOS 100	43.55	08/14			
CRM 100	72.90	04/29	66.25	66.25 01/28	(\$ 665)
NBGGY 600	1.40	02/17			
BAC. Wts 5,000 lots	0.7411	12/26			
BSBR 500	4.84	12/18			
500	3.75				
SAN 600	8.40	12/16			
AA 500	14.21	10/16			
NBGGY 300	2.95	05/19			
NBGGY 300	4.08	8/12			
TEXQY* 200	6.56	7/11			
REPR* 5000	0.22	10/22/12			

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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, DXD, SDS, TZA and RWM**, which go up when the DOW, S&P 500 and Russell 2000 go **down and down when they go up. The DZZ goes up double when gold goes down.**

Market Strategies \$100,000 Trading Account

SCO means stop close only

New Options Trades:

1) Buy 12 SIG February 110 Puts @ \$ 1.65

There was one closed option position:

The February TBT 42 Calls lost \$ 384 being stopped out on the 50% loss rule.

There was one successful stock trade, the Sally Beauty Holdings (SBH) was bought at \$ 25.53 and sold at \$ 26.84 for a gain of \$ 262.

The Salesforce (CRM) was topped out for a loss of \$ 665.

The net for the week was a loss of \$ 787.

The options expire on the third Friday of each Month unless otherwise posted.

The Stock table has the following 20 positions: AA, APC(2), BAC.B.WS, BSBR(2), CRM, CUBA, EYES, KRO, LVLTL, MOS, NBBGY (3), REPR, SAN, TEXQY, TWTR, VA

The options call for a \$ 2,500 investment unless otherwise stated.

Each stock position requires \$5,000 unless otherwise mentioned specifically.

We are basing money management on a hypothetical

\$ 100,000 and are using a total of

\$ 77,879 for the 20 open stock positions. There is one long option position requiring

\$ 1,056 which totals a requirement of

\$ 78,935 leaving

\$ 21,065 in cash.

These figures are approximate and there might be errors.

We have not counted the dividends received from many previous trades such as Apple, Colgate Palmolive, JP Morgan, North American Tankers, Santander, their Brazil affiliate BSBR and Blue Capital Reinsurance which was sold for a profit and many others. We will begin adding them soon.

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 Market Strategies **\$100,000 Portfolio Trading Account**

- 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)
- The options will be followed until closed out.
- Option Symbols are stock symbol with expiration month and strike price

Option	COST	Date	Sold	Date	Profit/ (Loss)
GLD Feb 105.50 12 lots	Puts 0.88	01/28/16			
TBT Feb 42 16 lots	Calls 0.48	01/25/16	0.24 (50% Loss Rule)	01/29/2016	(\$ 384)

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This Weeks' Economic Numbers Earnings Releases and Media Data

Before the Open on top of the Row;
 After the close below the Economics Information

<p>MONDAY</p>	<p>Aetna AET (1.22 vs 1.22) Cardinal Health CAG (1.26 vs 1.20) Mitsubishi Financial MTU (16.72) Roper ROP (1.87 vs 1.85) SOHU (-0.42 vs -0.36) Sysco SYY (0.41 vs 0.41) 08:30 hrs Personal Income Dec (+ 0.2% vs + 0.3%) Personal Spending (+0.2% vs + 0.3%) CORE PCE Prices (+0.1% vs +0.1%) 10:00 hrs Construction Spending Dec (+0.5% vs -0.4%) 10:00 hrs ISM Index Jan (48.3 vs 48.2) Aflac AFL (1.48 vs 1.29) Alphabet GOOG (8.09 vs 6.88) Banco Santander BSAC (0.76 vs 0.48) Mattel MAT (0.61 vs 0.52) Tesoro TSO (2.07 vs 1.46) UGI Corp UGI (0.79 vs 0.66)</p>
<p>TUESDAY</p>	<p>Archer-Daniels ADM (0.66 vs 1.00) Baxter BAX (0.32 vs 1.34) Dow Chemical DOW (0.69 vs 0.85) Exxon Mobil XOM (0.63 vs 1.56) LyondellBasell LYB (2.15 vs 2.48) Nomura Holdings NMR (12.40) Pfizer PFE (0.52 vs 0.54) Ryder System R (1.74 vs 1.60) Royal Caribbean RCL (0.92 vs 0.32) Sirius XM Radio SIRI (0.03) UPS UPS (1.42 vs 1.25) 14:00 hrs Auto Sales January (NA vs 5.51Mln) 14:00 hrs Truck Sales January (NA vs 8.34 Mln) Arthur Gallagher AJG (0.54 vs 0.56) CH Robinson CHRW (0.87 vs 0.77) Chipotle Mexican Grill CMG (1.85 vs 3.84) Fiserv FISV (1.00 vs 0.89) Gilead Sciences GILD (2.97 vs 2.43) Olin OLN (0.20 vs 0.16) Robert Half RHI 0.70 vs 0.62 UNM 0.92 vs 0.90 YHOO .13 vs .30</p>
<p>WEDNESDAY</p>	<p>ABB Ltd ABB (0.32 vs 0.30) Avery Dennison AVY (0.78 vs 0.90) Becton Dickinson BDX (1.84 vs 1.53) CB Richard Ellis CBG (0.79 vs 0.68) Comcast CMCSA (0.82 vs 0.77) Eaton ETN (1.10 vs 1.27) General Motors GM (1.20 vs 1.19) Marathon MPC (0.69 vs 2.86) Merck (0.91 vs 0.87) Spectra Energy SE(0.30 vs 0.47) Southern (SO 0.42 vs 0.38) Performance Food PFGC (0.26) 07:00 hrs MBA Mortgage Index 01/30 (NA vs +8.8%) 10:00 hrs ADP Employment Change Jan (190K vs 257K) 10:00 hrs ISM Services Jan (55.0 vs 55.3) 10:30 hrs Crude Inventories 01/30 (NA vs 8.383Mln Bbls) Allstate ALL (1.34 vs 1.72) Crown Holdings (CCK 0.69 vs 0.48) GoPro GPRO (0-.03 vs 0.99) MetLife MET (1.36 vs 1.38) Weatherford WFT (-0.19 vs 0.32) Yum YUM 0.66 v 0.61</p>
<p>THURSDAY</p>	<p>Amerisource Bergen ABC (1.25 vs 1.14) Arrow Elec ARW (1.83 vs 1.88) Asbury Automotive ABG (1.34 vs 1.07) AstraZeneca AZN (0.89 vs 0.76) BCE Inc BCE 0.73 vs 0.72 Boston Scientific BSX 0.25 vs 0.22 Cigna CI (1.79 vs 1.69) Clorox CLX (1.05 vs 0.97) Conoco Phillips COP -0.64 vs 0.60 Level 3 LVLT (0.54 vs 0.35) Motorola MSI 1.46 vs 1.25 OXY -0.11 vs 0.72 PM 0.81 vs 1.03 Ralph Lauren RL 2.12 vs 2.41 WEC Energy 0.64 vs 0.56 08:30 hrs Initial Claims 01/30 (275K vs 278K) 08:30 hrs Continuing Claims 01/23 (2253K vs 2268K) 08:30 hrs Productivity 4thQtr (-1;7% vs +2.2%) Unit Labor Costs Prel 4th Qtr (+ 3.8% vs + 1.8%) 10:00 hrs Factory Orders Dec (-2.6% vs -0.2 %) 10:30 hrs Natural Gas Inventories 01/30 (NA vs -211bcf) Eversource Energy ES 0.63 Genworth Financial GNW (0.21 vs -0.84) Hanesbrands HBI (0.46 vs 1.46) Hartford HIG 0.98 vs 096 News Corp NWSA 0.24 vs 0.26 SKYW 0.44 vs-0.54</p>

FRIDAY	Ametec AME 0.63 vs Same Aon AON (2.10 vs 1.89) Domtar UFS 0.85 vs 1.41 Estee Lauder EL 1.10 vs 1.13 Tyson Foods TSN 0.89 vs 0.77 Beacon Roofing Supply BECN (0.36 vs 0.26) CME Group CME 0.90 vs 0.95 Moody's MCO 1.04 vs 1.12 08:30 hrs Nonfarm Payrolls Jan (188K vs 292K) Nonfarm Private Payrolls Jan (183K vs 275K) 08:30 hrs Unemployment Rate Jan (5.0% vs 5.0%) 08:30 hrs Hourly Earnings Jan (+0.3% vs 0.0%) Ave Workweek Jan 34.5 vs Same) 08:30 hrs Trade Balance Dec (-43.5Bln vs -\$42.4Bln) 15:00 hrs Consumer Credit Dec \$ 16.5B vs \$ 13.9B) Cameco CCJ (0.46 vs 0.52) Golub Capital GBDC (0.32 vs Same)
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Market Strategies Fundamentals

Bonds throughout the world soared led by the Bank of Japan which cut its main policy rate from 0.10% to -0.10%. The markets needed a whiff of global easing to help reverse their downward spiral. Equities mounted a huge rally burying the shorts, which had been overly abundant. While the GDP came up short and helped to keep advances at bay in early trading, when the January Chicago PMI came out fifteen minutes after the open, up a surprising 11.6 to 55.6 from December's reading of 45.0, the bears were run-in and a huge short-covering rally continued the rest of the trading session.

The Dow led the way up 396.66 points for the day or 2.47% which made up for several days of losses to close the week up 373 points or 2.32%. Visa was best, up \$ 5.16 or 7.44%, followed by Microsoft up \$3 or 5.8%. Intel added \$ 1.05 or 3.5%; Apple gained back \$ 3.25 or 3.45% while United Health gained \$ 3.78 or 3.39%, rounding out the top five. Even the worst Dow performer, Chevron was up \$ 0.55 or 0.64% for the day.

The Transportation Index performed well holding its early lows and gaining 128 points or 1.89% for the week. The S&P 500 rose 33 points or 1.75%; Even after the nice rally, the S&P 500 finished the month down 5.1%. It had been as low as a negative 11%. Based on the Stock Trader's Almanac, it is the seventh worst start since 1950. The Russell added 14.72 or 1.44% while the Nasdaq was the weakest of the indexes up just 22.77 or 0.50%.

Weak oil prices, which had been pressuring the markets, cooperated also with a rebound for a second consecutive week, up 4.4% to \$ 33.62 per barrel. Oil and Gas was the second best group of the Dow up 4.39%, just a tad behind Telecomm.

Telecommunication stocks were again the best performing group for the second consecutive week, up 4.40% following its gain of 4.19% last week. AT&T (T: \$ 36.06) + \$ 0.92 added another 2.6% to the previous week's gain of 3.4%. Verizon (VZ: \$ 49.97) + \$ 2.93 added 6.2% last week to make a gain of 12% for the past two weeks.

Value stocks, recommended a week ago, continued to climb. Colgate Palmolive (CL: \$ 67.53) + \$ 2.92 for the week or +4.5% added to its gains of 2% the previous week. Home Depot (HD: \$ 125.76) + \$ 3 or + 2.4% likewise duplicated its gain of the previous week. Similarly, Procter and Gamble (PG: \$ 81.69) + \$ 4.33 or 5.6% added to its previous week's gain of 3.2% to make a gain of 8.8% for the two weeks. Church and Dwight (CHD: \$ 84.00) + \$ 3 or 3.7% again making an impressive weekly performance and showing why to buy value stocks.

Not to be denied, among growth stocks, Facebook (FB: \$ 112.21) + \$ 14.27 or 14.6% had a huge daily gain benefitting from blowout earnings, well above expectations. Facebook had visited its 200 day moving average on January 20th at just \$ 89.37. However, Netflix (NFLX: \$ 91.84) - \$ 8.88 or -8.8% for the week, did just the opposite and is down 20% since the beginning of January.

In troubling times like these traders need to seek value stocks. Ford (F: \$ 11.94) -\$ 0.20 or 1.7% for last week, had a breakout year. Not only did Ford have record profits and the best-selling vehicle in the U.S., the F-150 pickup. Some might be surprised at the strength in China sales.

A troubling sign for the market is that leading transportation stocks like Union Pacific (NYSE:UNP), American Airlines (NASDAQ:AAL), and Delta Airlines (NYSE:DAL) have not reacted positively to lower oil and fuel prices. In fact, these stocks, which led the decline in the broader market, continue to hover near their 52-week lows.

Notwithstanding an oversold rally, even a powerful one, there are many cracks in the foundation of the stock market, signifying sickness, not health. The price action in Treasury bond prices, as measured by the iShares Barclays 20+ Year Treasury Bond Fund, illustrates this setting, as prices are rising, meaning yields are dropping. Large institutional investors, like hedge funds, are liquidating, as investors pull the most money from hedge funds since 2008, providing a perilous back drop for individual investors. Until the "health" of the market improves, rallies should be sold. The only "dip buying" that should occur, in my opinion, should be in companies and sectors that have been out-of-favor for years. To close, keep the defensive team on the field, and look for opportunities in value stocks.



Delta, like AAL UNP and many other members of the Dow Jones Transportation Index have not acted well during periods of cheaper fuel prices which have helped earnings.



Union Pacific Shares (UNP: \$ 72.00) + \$ 2.01 or 2.9% for the week, finally had an up week after having declined \$ 24.92 or 25.7% since October

Market Strategies Economic Data

The advance fourth quarter GDP report was quite weak as expected, showing an annualized rate of real GDP growth of just 0.7%. That was below the Briefing.com consensus estimate of 0.9% and down from 2.0% in the third quarter. The GDP Deflator was up 0.8% (Briefing.com consensus +0.9%) after a 1.3% increase in the third quarter

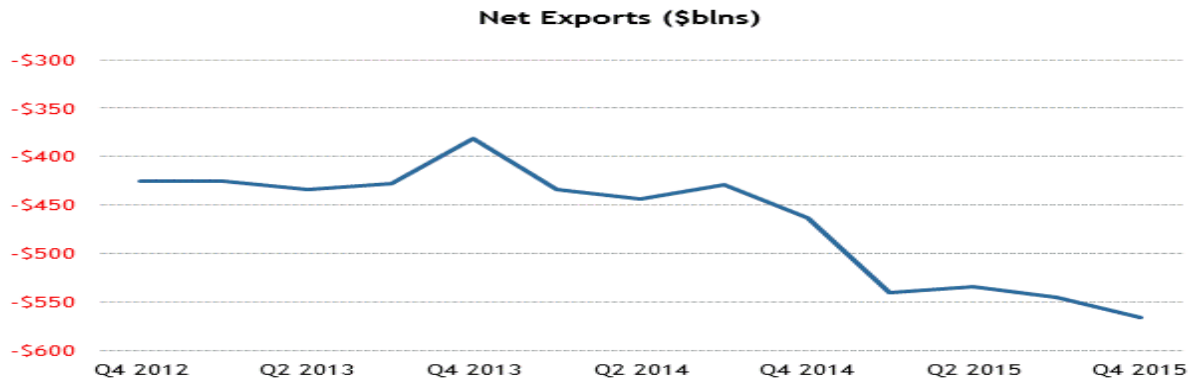
The report showed weak quarter-over-quarter readings for all key components. Personal consumption expenditures were up just 2.2% versus 3.0% in the third quarter Gross private domestic investment declined 2.5% after declining 0.7% in the third quarter. Exports were down 2.5% after increasing 0.7% in the third quarter and imports were up 1.1% after increasing 2.3% in the third quarter. Private inventories fell \$ 16.9 billion. Government spending was up 0.7% after increasing 1.8% in the third quarter

The increase in personal consumption expenditures accounted for 1.46 percentage points of GDP growth, which was offset primarily by the negative contribution from net exports (-0.47 percentage points) and the change in private inventories (-0.45 percentage points).

Final sales of domestic product, which exclude the change in inventories, were up just 1.2% after increasing 2.7% in the third quarter. That was the weakest pace since a 0.2% decline in the first quarter of 2015. The strong dollar has been an impediment to exports as seen in the chart below.

Category	Q4	Q3	Q2	Q1	Q4
GDP	0.7%	2.0%	3.9%	0.6%	2.1%
Inventories (change)	\$68.6B	\$85.5B	\$113.5B	\$112.8B	\$78.2B
Final Sales	1.1%	2.7%	3.9%	-0.2%	2.1%
PCE	2.2%	3.0%	3.6%	1.7%	4.3%
Nonresidential Inv.	-1.8%	2.6%	4.1%	1.6%	0.7%
Structures	-5.2%	-7.2%	6.3%	-7.6%	4.2%
Equipment	-2.5%	9.9%	0.3%	2.3%	-4.9%
Intellectual Property	1.6%	-0.8%	8.3%	7.4%	6.9%
Residential Inv.	8.2%	8.2%	9.4%	10.1%	9.9%
Net Exports	-\$566.5B	-\$546.1B	-\$534.6B	-\$541.2B	-\$463.6B

Export	-2.5%	0.7%	5.1%	-6.0%	5.4%
Imports	1.1%	2.3%	3.0%	7.1%	10.3%
Government	0.7%	1.8%	2.6%	-0.1%	-1.4%
GDP Price Index	0.8%	1.3%	2.1%	0.1%	0.1%



Source: Bureau of Economic Analysis; updated 01/29/16

Briefing.com

Market Strategies Cycles

Devised by Yale Hirsch in 1972, the January Barometer has registered eight major errors since 1950 for an 87.9% accuracy ratio. This indicator adheres to propensity that as the S&P 500 goes in January, so goes the year. Of the eight major errors Vietnam affected 1966 and 1968. 1982 saw the start of a major bull market in August. Two January rate cuts and 9/11 affected 2001. The market in January 2003 was held down by the anticipation of military action in Iraq. The second worst bear market since 1900 ended in March of 2009 and Federal Reserve intervention influenced 2010 and 2014. Including the eight flat years yields a .758 batting average.

At this juncture there is not a great deal left to be said about January this year. Following Santa's "no-show," January's First Five Days were the worst on record. DJIA violated its December closing low of 17128.55 on the third trading day and today the January Barometer is officially negative. The January Indicator Trifecta is negative across the board.

S&P 500 January Early Indicator Trifecta — DOWN SCR, FFD & JB							
Year	SCR	FFD	JB	Feb	Last 11 Mo	Full Year	Year's Action
1956	-0.9%	-2.1%	-3.6%	3.5%	6.5%	2.6%	Bear Begins 4/6/56
1969	-1.2%	-2.9%	-0.8%	-4.7%	-10.6%	-11.4%	Bear Began 12/3/68
1978	-0.3%	-4.7%	-6.2%	-2.5%	7.7%	1.1%	Bull 2/28/78, Bear 9/8/78
1982	-1.8%	-2.4%	-1.8%	-6.1%	16.8%	14.8%	Bear Bottom 8/12/82 Bull Begins
2000	-4.0%	-1.9%	-5.1%	-2.0%	-5.3%	-10.1%	Bear Begins 1/14/00
2005	-1.8%	-2.1%	-2.5%	1.9%	5.7%	3.0%	Bull Market Year
2008	-2.5%	-5.3%	-6.1%	-3.5%	-34.5%	-38.5%	Bear Began 10/9/07
2016*	-2.3%	-6.0%	-5.1%	—	—	—	????
Average:				-1.9%	-2.0%	-5.5%	
Median:				-2.5%	5.7%	1.1%	
# Up:				2	4	4	
#Down:				5	3	3	

Shade = Bull Market Year

Source: StockTradersAlmanac.com. All rights reserved.

Since 1950, this is only the eighth time that all three indicators were negative and DJIA's December closing low was violated. Of the previous seven occasions, February was up just twice with an average loss in all seven of 1.9% for S&P 500. However, the next 11 months and full-year S&P 500 was mixed, up four and down three albeit with a negative average performance.

As recently as yesterday's alert the Stock Trader's Almanac expressed concern for the short-term and beyond. The market's valiant attempt at reclaiming some of this month's losses last Friday is noteworthy, but has been accompanied by some disappointing earnings and economic data. When the STA released its annual forecast a little over six weeks ago they saw two potential scenarios for 2016. The first agreed with the Fed, commodity rout and resulting deflation are most likely transitory, in which they expected mid-single digit gains for 2016. The second scenario assumed the Fed was wrong and a mild bear market would be the most likely outcome. Most indicators are suggesting that the Fed is likely wrong and there will be more pain in 2016. It is too early to say with a great deal of confidence that this is the case. Oil appears to be finding some stability this week and the U.S dollar index appears to be settling into a trading range between 95 and 100. The Fed also appears to have recognized that its previous interest rate tightening schedule may have been too aggressive.

A bear market is still on the table at this juncture. What exactly does this mean? There is no prediction on the table. It is too early to tell if there will be another 2008 style total global meltdown. In the short-term expect market volatility to remain elevated as the market wrestles with incoming data and fundamentals are mixed as is the technical picture which is not great. The DJIA, S&P 500 and NASDAQ have not all violated their respective October 2014 lows, which still leaves the door open to a year like 2005, not a banner year, but still modestly positive.




FEBRUARY 2016

Sector Seasonalities: Long = (L); Short = (S)

Start: Natural Gas (L)

In Play: Biotech (L), Banking (L), Broker/Dealer (L), Consumer Disc. (L), Consumer Staples (L), Healthcare (L), Materials (L), Real Estate (L), Transports (L), Oil (L), Computer Tech (S)

Finish: None

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT	SUN
1  1st Day Dow, S&P & NAS Up 11 of Last 13 Construction Spending ISM Index Personal Income/Spending Semiconductor Billings	2 Average February Gains Last 21 Years: Dow: 0.4% Up 14 Down 7 Rank #7 Vehicle Sales	3 S&P: 0.1% Up 13 Down 8 Rank #8 ISM Non-Mfg. Index	4 NAS: 0.01% Up 10 Down 11 Rank #10 Chain Store Sales Factory Orders Productivity and Costs	5 Consumer Credit ECRI Future Inflation Index Employment Rate Int'l Trade Deficit	6	7
8 	9 Week Before Expiration Week, NASDAQ Down 9 of Last 15 Wholesale Trade	10  Ash Wednesday Treasury Budget	11 	12 Day Before Presidents' Day Weekend, S&P Down 17 of Last 24 Business Inventories Import/Export Prices Retail Sales U Mich Consumer Sentiment	13	14 Valentine's Day
15 Presidents' Day (Market Closed)	16  Day After Presidents' Day, NAS Down 14 of Last 21 NAHB Housing Mkt Index	17  FOMC Minutes Housing Starts Industrial Production PPI	18 Leading Indicators Philadelphia Fed Survey	19  Expiration Day, NAS Down 12 of Last 16 CPI	20	21
22	End of February Miserable in Recent Years (Page 22 & 133 STA 2016) Week After Expiration Week, Dow Down 11 of Last 17 Consumer Confidence Existing Home Sales SEMI Book to Bill Ratio			26 GDP - Q4 Revised Personal Income/Spending U Mich Consumer Sentiment	27	28
29 Agricultural Prices ISM-Chicago	<p>*Tuesdays: Wkly Chain Store Sales & Avg Hourly Earnings *Wednesdays: Oil & Gas Inventories *Thursdays: Weekly Unemployment Report, Weekly Mutual Fund Flows & Weekly Natural Gas Storage Report *Fridays: Weekly Leading Economic Index *Except holidays</p>					
<i>Economic release dates obtained from sources believed to be reliable. All dates subject to change.</i>			Bull symbol signifies a favorable day based on the S&P 500 Rising 60% or more of the time on a particular trading day 1995-2015			Bear symbol signifies an unfavorable day based on the S&P 500 Falling 60% or more of the time on a particular trading day 1995-2015

Undervalued Small Cap Stocks

Lower Priced stocks that look to be a buy:

Repro-Med Systems, Inc (OTCQX: REPR 0.41)*

Repro Med Systems, Inc. dba RMS Medical Products (OTCQX: REPR) has been one of the best performing stocks in 2016.

They announced that its net revenues for the third quarter ended November 30 for fiscal 2016 increased 18% over the previous year's Q3, led by the Company's sales of proprietary infusion products. The Company's current fiscal year ends February 28, 2016.

Revenues for the third quarter of fiscal 2016 were \$3,145,000 compared with \$2,655,000 for the third quarter of fiscal 2015. Revenues for the first nine months of the fiscal 2016 were \$8,942,000 compared with \$7,797,000 for the same period last year, an increase of 15%.

RMS continues to benefit from recent lean manufacturing initiatives, which have resulted in increased capacity and decreased direct assembly labor costs compared to last year. Gross margin improved in fiscal Q3 to 67% from 60% in the same quarter last year, and from 63% in fiscal Q2.

Driven by the strong sales in the quarter, net income for the third quarter was \$168,000, an improvement of 81% compared with the same period last year. In addition, net income was negatively impacted due to costs associated with several trade shows in the quarter, the hiring of new sales representatives, and continued legal and consulting fees, all of which reflect an investment for growth in future periods. Excluding certain of these non-recurring items, net income margin would have been in excess of 10% for the quarter.

"We continue to see growth in all sectors of the homecare infusion market both domestically and internationally," commented Andy Sealfon, President and CEO of the company. "I am also very excited about our newest board member, Cyril N. Narishkin and have appointed him as Interim Chief Operating Office to support our expanded management team and accelerate our growth opportunities. Cyril brings a wealth of experience consulting with companies of all sizes, and will also be instrumental in assisting the Company on its lean initiatives and growth plans," Mr. Sealfon added.

The Company manufactures medical products used for infusions and suctioning. The Infusion product portfolio currently includes the FREEDOM60(R) and our latest FreedomEdge(TM) Syringe Infusion Pumps, RMS Precision Flow Rate Tubing(TM) and RMS HIgH-Flo(TM) Subcutaneous Safety Needle Sets. These devices are used for infusions administered in professional healthcare settings as well as at home. The company's RES-Q-VAC line of medical suctioning products is used by emergency medical service providers in addition to a variety of other healthcare providers.

The Company's website may be visited at www.rmsmedicalproducts.com.

Repro-Med Systems, Inc has had an increase in sales each of the last four years. They finished the year of 2014 with \$ 11.2 million in sales reflecting top line growth of 29% from 2013. In each of the previous two years they had a 12% increase in sales. The company has had at least \$ 700 thousand of net income in each of the past four years and has no debt. The patented needle sets alone can

give the company a huge growth potential. In my opinion, with new products coming on stream, the stock should trade between \$ 3 and \$ 8 in the next two years.

Immune Therapeutics (OTCQB: IMUN \$ 0.20)*

Appears ready to go; up 20% on the week. This biotechnology company is seeking to commercialize patented therapies in emerging nations that combat chronic, life-threatening diseases by rebalancing the immune system. The trials in Africa are going well.

The value of Naltrexone as an immune modulator was recognized by Dr. Ian Zagon at the University of Pennsylvania.^{2,3} The late Dr. Bernard Bihari, a Neurophysician from New York, USA (who passed away on May 16th, 2010) began treating his patients in the late 1980s^{4,5}. Since that time, many doctors throughout the United States prescribe LDN for a number of indications including Multiple Sclerosis (MS), Parkinson's disease, Crohn's disease, HIV/AIDS, cancer and other autoimmune and inflammatory diseases.

A number of research and clinical trials have been completed and undergone in regards to LDN immunotherapies, with phase I and phase II clinical trials successfully run at a number of universities in the United States and Europe, including Pennsylvania State University Medical School at Hershey; University of Chicago; State University of New York; SUNY Upstate Medical University; London Health Sciences Centre - University Hospital, USA; Alpert Medical School of Brown University; Department of Neurology, San Raffaele Scientific Institute; Division of Rheumatology, St. Louis College of Pharmacy; Department of Internal Medicine, University of Utah; Jondi-Shapoor University of Medical Sciences; Department of Psychiatry & Behavioral Sciences, Duke University Medical Center; and Multiple Sclerosis Center at UCSF⁶. These efforts were pioneered by leading immunologists Dr. Nicholas Plotnikoff, Dr. Ronald Herberman, Dr. Bernard Bihari, Dr. Angus Dalgleish, Dr. Ian S. Zagon, Dr. Jill Smith, Dr. McLaughlin, Dr. Jacqueline McCandless, and Moshe Rogosnitzky, among others.

Oakridge Global Energy Solutions, Inc. (OTCQB: OGES \$ 0.57) *

Oakridge Global Energy Solutions Inc., is a publicly traded company, trading symbol: OGES on the OTCQB with a market capitalization of approximately USD \$ 250,000,000, whose primary business is the development, manufacturing and marketing of energy storage products.

Oakridge Global Energy Solutions, Inc. (OGES) is an integrated energy storage solutions company that uses state-of-the-art technology in the design, development and manufacture of high-quality cells, batteries, and energy storage systems.

The company's innovative 'Made in the USA' product line includes multiple lithium-ion chemistries, technologies and form factors that are optimized to address four high-demand target markets – motive applications, such as electric and hybrid electric fleet vehicles (especially golf cars and local area electric vehicles), stationary living space power for domestic, commercial and grid applications (homes, businesses, RVs, boats, and uninterruptable power supplies), remote control and portable devices (including medical devices), and also starter motor batteries for motorcycles, jet skis, snow mobiles and boats, as well as cars and trucks.

All the company's batteries and power systems also have major application to the military, aerospace, marine, medical and telecom sectors generally.

Fundamental Analysis Stocks To Buy with Stops

Dycom we finally were able to buy. LUV and VA were stopped out with very nice gains.

We want to be a buyer of both once again.

Both Intel and Kroger were excellent positions. We were stopped out of both the Intel and Kroger with profits. We would buy Kroger again.

Continue to buy Bank of America on dips.

We were finally able to get filled on theoretical orders to buy Microsoft .

Enzo is on our radar just waiting for a much better chart pattern to rebuy. We had originally bought at \$ 2.78.

Both Ericsson and Church and Dwight are worth a try at the long side. The HDGE has been a major success for those who believe in hedging. It may be topping out now.

Call 702 650 3000 for questions.

Symbol	Name	Business Description	PE	P/S	MV mln	Price	Buy Limit	Stop Loss Or sold
AA	Alcoa	Aluminum Processing and Technology	N/A	0.4	9.5B	7.29	7.05	6.77X
NFLX	Netflix New Short	Internet Television Network	300	6.25	42B	91.83	Sell @ 101	103.50X
SBH	Sally Beauty Holdings	Specialty Retailer and distributor beauty supplies	16	1	4B	27.14	26.30	
ERIC	Ericsson	Communications Technology	24	1	30.3B	8.90	9.32	8.48x
CHD	Church & Dwight	Consumer Products Sodium bicarbonate Arm and Hammer	25	3	10.6B	84.0	79.80 01/26/16	77x
T	AT&T	Communications	36	1.54	211.7B	35.14	34.10	32x
DY	Dycom Industries	Internet Cable Provider	28	1.10	2.5B	62.49	61.54	Bought Wednesday
MSFT	Microsoft	Technology Software, Services, Devices	17	4.7	431B	55.09	50.90	55.09 sold at the 50 DMA
KR	Kroger	Food Mfg and Processing	18	0.33	37B	36.78	36.76 11/16	35.60x
VA	Virgin Air	Regional Airlines	7.2	1.0	1.5B	31.35	30.30 Suggested buy	28.50x

ENZ	Enzo Biochem	Life Sciences	NA	1.35	134M	4.63	4.15 2.78	3.78x
BAC	Bank of America	Commercial Bank	10	2.02	165.3B	14.14	13.56	11.90x
HDGE	Advisor Shares	Ranger Bear ETF				11.95	Buy 11.68	11.46x

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When there is no movement in penny stocks, even though there is none or very small losses, we will liquidate (sold AIVN on stop) even though we like the company, if money is needed for better opportunities.

We now believe REPR represents upside opportunity. The Target ADR trades at about \$ 4.50 in U.S. vs 0.05 in Australia. Princeton owns 400,000 Australia shares and about 900 U.S. ADR's.

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