

MARKET STRATEGIES



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

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Contributing Staff: Michael King, Bill Chippas, Charles Moskowitz

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

New Trades for this week:

BUY 6 RCII March 35 PUTS @ \$1.00

BUY 4 WTW March 77.50 PUTS @ \$1.95

BUY 5 RVBD March 28 PUTS @\$1.20

BUY 10 MTOR March 8 CALLS @ \$.50

The \$10,000 Options Only account had a Loss last week of \$190, decreasing our gains for the year from \$5,497 to \$5,307.

Two positions remain:

The ZSL March 10 Calls and JEF March 16 Calls.

The Open positions are highlighted in the options table below.

Approximately \$ 3329 funds are in use.

This was a very interesting week, again....Greece continues to do nothing with any degree of consistency and the powers-that-be in the Eurozone don't really seem to care, OR, they are fine with not making their own commitments and actually putting their "skin" in the game. The current argument seems to be that if Greece fails to knuckle under, and they get tossed from the EU, all of the others will be that much better off.....VERY shortsighted. Syria and Western Africa continue to grow worse, and Iran/Iraq are barely being talked about. We had what I would call a "junior technician" event in AAPL... A move of parabolic proportions followed by a "one day reversal" and an almost meaningful decline... In fact, it broke out @ \$425 and ran \$100 to \$525...and pulled back to \$486, a retracement over one-third of the rally over 425. I'm not saying that the stock can be

bought without risk, but the stock is cheap by most standards. Pick a spot and by 20-25% of your position and add down anytime it drops 10%...Have a good, and short week....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 February 13 and 2011 weekly newsletters.

DATE	TRADE	PRICE	COST	PROCEEDS	RESULTS
2/17	Sold 5 JAZZ February 48 Calls	.75		375	650 Loss
2/14	Sold 10 HGSI March 12 Calls	.30		300	300 Loss
2/13	Sold 4 CALM February 35 Calls	4.30		1720	760 Gain
2/13	Bought 10 JEF March 16 calls	.60	600		
2/9	Bought 8 ZSL March 10 Calls	.93	744		
2/9	Bought 10 HGSI March 12 Calls	.60	600		
1/27	Bought 5 JAZZ February 48 Calls	2.05	1025		
1/19	Bought 4 CALM February 35 Calls	2.40	960		

New trades \$ 10,000 account...In Texting we have a limited amount of words. In the interest of brevity: OPTIONS ONLY: 3 March, 4 April . 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 12949.87 +148.64 +1.16%	Nasdaq 2951.68 +47.90 +1.65%	S&P 500 1361.23 +18.59 +1.38%	Transportation 5239.52 -14.62 -0.28%	Russell 2000 828.68 +15.35 +1.89%	Nasdaq 100 2584.24 36.92 +1.89%
Gold 1725.90 +0.60 +0.00%	Silver 3321.6 -38.8 -1.15%	Crude 103.24 +4.57 +4.63%	Heating Oil 318.89 +0.68 +0.21%	Unleaded Gas 3.0156 +0.0407 +1.37%	Natural Gas 2.684 +0.207 +8.35
VIX 17.78 -3.01 -14.48%	Put/Call Ratios S&P 100 127/100's -21/100's	Put/Call Ratios CBOE Equity 59/100's -1/100's	Bonds 142-03 -0-22 3.16% +0.04%	10 Yr Note 130-294 -0-15 2.01% +0.04%	Copper 370.80 -15.40 -3.99%
CRB Inflation Index 317.39 +5.25 +1.68%	Barron's Confidence 68.2.% +0.9%	S&P100 615.06 +07.94 +1.31%	5 Yr Note 123-094 -0-22 .86% +0.06%	Dollar 79.45 +0.23 +0.29%	DJ Utilities 452.60 +2.15 +0.48%
AAII Confidence Index	Bullish 42.7 -8.9%	Bearish 26.6 +6.4%	Neutral 30.7% +2.5 %	M1 Money Supply +16.39%Feb6th	M-2 Money Supply +10.1%Feb6th

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 with a text alerts we Sold PRGN.

Buy 2000 Shares Cross Border Resources (XBOR *) at \$ 2.25

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)
PRGN 3000	.85	2/10/12		.93 2/15/12	\$ 240
CISG 600	8.50	2/10/12			
DZZ 1200	4.35	2/6/12			
ANX 6000	.83	2/6/12			
ABR 1200	4.30	2/6/12			
PRKR 2000	.83	1/30/12			
QUICK1600	2.91	1/30/12			
AOI 1500	3.02	1/26/12			
CALM 150	37.23	1/19/12			
DVR 2000	2.77	1/17/12			
AEZS 2500	1.65	12/15/11			
SDS 100	25.55	10/5/11			
XBOR*3570	1.40	8/12/11	0.70sco		
LEI* 2425	2.06	8/10/11	1.03x		
LEOM*16650	0.30	12/17/10	0.03 sco		

Note: Previous closed out stock and option positions can be found in the February 13 and newsletters dating back to July 20, 2009. Stay alert on the free texting service for new trades and exits.

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, SDS and TZA**, 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.

NEW STOCK OPTION RECOMMENDATIONS

BUY 12 RCII March 35 PUTS @ \$1.00

BUY 8 WTW March 77.50 PUTS @ \$1.95

BUY 10 RVBD March 28 PUTS @\$1.20

BUY 20 MTOR March 8 CALLS @ \$.50

Option and overall Comments

We had a loss last week of \$1,660 in an up week. Our gain for the year was \$15,420 and with last week's loss has decreased to \$13,760. We have Three long options positions remaining, the CSCO Jan 20 Calls, ZSL March 10 Calls and JEF March 16 Calls. The stock table includes Fourteen long

stock positions: CISG, DZZ, ANX, ABR, PKRK, QUIK, CALM, AOI, DVR, AEZS, LEI, LEOM, XBOR and SDS. The SDS is a double inverse SP500 ETF and DZZ is a double inverse Gold 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 \$3,300 in the options positions and \$ 63,050 in the 14 long stock positions for a total of \$ 66,350 with \$ 33,650 in cash. 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)
- The options will be followed until closed out.
- **Option Symbols are 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	Date	Sold	Date	Profit/(Loss)
JEF Mar 16 20 Lots	Calls _____ .60	2/13			
ZSL Mar 10 20 Lots	Calls _____ .93	2/9/12			
HGSI Mar 12 20 Lots	Calls _____ .60	2/9/12	.30	2/14	(600)
JAZZ Feb 48 10 Lots	Calls _____ 2.05	1/27/12	.75	2/17	(1300)
CSCO Jan 20 3 lots	Calls _____ .80	2/14/11			

Note: Previous closed out stock and option positions can be found in the February 13 and newsletters dating back to July 20, 2009.

This Weeks' Economic Numbers and Media Data

MONDAY	Presidents Day Holiday The Euro Group of Finance Ministers will determine whether to approve a second aid package to Greece.
TUESDAY	Investors will assess weekend Eurozone and geo-political news. Wal-Mart and Home Depot report results.
WEDNESDAY	07:00 hrs MBA Mortgage Index Feb 18 (NA vs -1.0%) 10:00 hrs Existing Homes Sales Jan (4.63 vs 4.61)

THURSDAY	08:30 hrs Initial Unemployment Claims 2/18 (355K vs 348K) 08:30 hrs Continuing Claims 2/11(3450K vs 3426K) 10:00 hrs FHFA Housing Price Index Dec (NA vs 1%) 11:00 hrs Crude Inventories Feb 18 (NA vs - 0.171M)
FRIDAY	09:55 hrs Michigan Sentiment Final Feb (73 vs 72.5) 10:00 hrs New Home Sales Jan (315K vs 307K)

Economic Data

Domestic data was heavy last week. Initial weekly jobless claims continued to move in a positive direction at 348K, again less than the estimated 365K. Housing starts improved in January to an annualized rate of 699,000 from an upwardly revised rate of 689,000 in the prior month. CPI rose 0.2% a bit less than the expected 0.3% rise while Core PPI rose 0.1%. Year over Year the CPI is up 2.9% and Core CPI was up 2.3%. PPI Core also rose 0.4% while the overall PPI rose 0.1 %

Leading rose 0.4 %, but less than expected 0.5 %. The Philadelphia Fed Survey rose 10.2 from 7.3, expectations were for a rise to 10.0. Industrial production came in Flat versus expectations for a 0.6% increase. Total Retail sales for January increased by 0.4% half the expectations for an 0.8% increase, ex-auto sales were better than expected at 0.7% increase and Business inventories increased in December by 0.4%, less the 0.5% increase.

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

Nasdaq rallied to its best level since November 8, 2000, only to have a very light correction Friday. Tonight, Sunday evening the S&P is 7 points higher at 1368. Technology stocks have traditionally performed well in times of economic crisis, partly because they deal with a wide range of diverse products that are comprehensively distributed across international markets.

All ten Dow Industrial Groups were higher led by Oil and Gas, up 2.51%; Technology was second best plus 1.71%. Financials improved by 1.40% but were besieged by worries that analysts at Moodys were going to review their ratings. Both Bank of America (BAC: \$ 8.02) up from \$ 4.92 December 19th and JP Morgan Chase (JPM: \$ 38.47) up from \$ 28.48 November 25th had a sideways type week climbing a wall of worry.

Congress voted to extend the payroll-tax cut through December. Wal-Mart (WMT) and Home Depot (HD) report Earnings on Tuesday. Last week Comcast (CMCSA), Teva Pharma (TEVA), Deere & Co. (DE) , Marsh McLennan (MMC), MetLife (MET), HJ Heinz (HNZ) , and Nordstrom (JWN) all rewarded shareholders with better than expected earnings. Abercrombie & Fitch (ANF), General Motors (GM), Enbridge (ENB), and Marriott (MAR) were considered to have missed the expected earnings.

Separately, Kellogg (K: 52.53) announced that they would buy Pringles from Procter & Gamble (PG\$ 64.91) for nearly \$ 2.7 billion. SanDisk (SNDK: \$ 47.79) announced it has agreed to acquire FlashSoft, but did not disclose the terms.

On the Geopolitical level, China officials expressed interest to expand their interest in Europe. Greece's parliament approved austerity measures last weekend, however, market participants are concerned about the sincerity of Greece's commitment to measure to shore up fiscal and financial conditions. Other area such as Austria, France and the United Kingdom received negative outlooks from analysts at Moodys.

TECHNICAL INFORMATION

Support Levels: S&P 500

1346; 1334

Resistance S&P 500 1377; 1383

DOW	12,890 12,680	Resistance DOW	13,040; 13,100
QQQ	6270; 6190	Resistance QQQ	6430; 6509
Nasdaq	2928; 2883	Resistance Nasdaq	2990; 3036

CYCLES

The Stock Trader's Almanac believes that a first half top will most likely occur in the March to May timeframe, but the much anticipated pullback of 2-4% may not occur and the market may push higher than we have forecasted before any significant decline takes hold. Last Thursday's solid upside move has pushed the DJIA and NASDAQ to new recovery highs. Though the S&P 500 has not yet been able to take out its April/May 2011 closing and intraday highs it has taken out the July highs and the 2011 highs are less than 1% away from today's close.

Additionally, NASDAQ impressively pushed through the first level of monthly pivot point resistance as noted in the chart below by the dark red dotted line early in February and now encroaches on the second level of resistance. The Stochastic and MACD technical indicators in the chart have been stubbornly resilient.

As the market is nearing the DJIA 13,000-13,500 range of the first half top we detailed in our [2012 Forecast](http://www.stocktradersalmanac.com/sta/alertDisplay.do?alertId=1520#article2) (http://www.stocktradersalmanac.com/sta/alertDisplay.do?alertId=1520#article2) and in subsequent commentary, it has become increasingly apparent that some contrary thinking may be in order. It may not be classic contrary analysis, but many traders, market professionals and people we know and talk to have been expecting a mild correction over the past several weeks.

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. In addition Princeton has bought shares. 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.

Pursuant to the provisions of Rule 206 (4) of the Investment Advisers Act of 1940, readers should recognize that not all recommendations made in the future will be profitable or will equal the performance of any recommendations referred to in this Email issue. Princeton may buy or sell shares in companies it represents at any time.

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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