

May 11, 2015
Market Strategies Newsletter
Sample Issue



**Covering High Return 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
Stock Options Trading Newsletter Covering:

Where to Invest May 2015
Best Stocks To Buy May 2015
Stock Market Investing Strategies
Stock Options Trade Alerts
Options Trading Strategies
How To Trade Options

Gain last week \$ 484

Year To Date Profits \$ 5,922

Over 59% Returns

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

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

Market Strategies **\$10,000 Trading Account Traders Comments**

We have 3 open long position:

CRR June 45Calls
ISRG May 29th 510 Call and
XLE May 22nd 81.50 Puts

Funds in Use \$ 1640

We closed the week with 3 open positions including the second half of the XLE puts after getting lucky enough to catch a gap up through the 100% Rule and got \$1.97 instead of taking \$1.38. The gain was over 200% and we still own half.

This is an important trade for us because it brings up the discussion of how we are able to maintain balance with trades that are not necessarily in the same or like securities. I am speaking about the use of what may seem to be an unrelated but in fact is a perfect counter to the XLE.

First I bought the XLE puts as a play on the Oil, which we all know had been up over 12% in 7 trading days, 20% in 20 days, and over 30% since bottoming on March 18th.

As it turned out the oil made a new recovery high the next day and collapsed from \$63 to close under \$61 and down to \$58.50 the following day. I'm not sure if this was "the top" of the recovery but we took out \$788 on a \$522 position, still owning half the position, and more importantly took the opportunity to take a position of balance in CRR, an oil services stock that has come down from over \$150 and looks pretty good for a further rebound. Besides having an interesting chart, CRR also has a short interest of over 44% of its float. For those who aren't familiar with this statistic, when the stock starts to rise the short sellers tend to be buyers to mitigate their losses. With only 56% of the shares available for purchase this usually exacerbates the effect on the rallies.

So, the way it *should* work, if oil continues to weaken, the XLE puts rise, if oil falls, the XLE may decline (but as mentioned above we already took out a 200% gain) and the CRR should rise. If the shorts feel threatened, the CRR can easily move back to the 200 day moving average near \$56. Our calls are @ \$45 and run until June 19th and this stock has no trouble putting together consecutive gaining days of \$3-\$4.

Now, as to the markets...The mega-cap Dow stocks have again taken the lead and broke above the short-term downtrend line. This contrasts with the S&P500 which has an upward sloping trend but is still stuck below its uptrend line and needs to break to a new high just to get back into the uptrend.

I will continue to use small initial positions since I find trying to pick tops is a losing proposition in a market that keeps grinding higher. As mentioned here before, we have a solid rotation in groups and with the steepening of the yield curve it looks like the financials can now come back to a leadership position. This is especially meaningful since we rarely have a solid uptrend without this important group.

...**CAM**

Market Strategies \$10,000 Trading Account Trade Table

New Trades:

- 1) Buy 6 XLF June 24 Calls @ \$ 0.76 Or Better
- 2) Buy 4 TXN June 55 Calls @ \$ 1.12 O.B.

DATE	TRADES	PRICE	COST	PROCEEDS	RESULTS
05/08	Bought 4 CRR June 45 Calls	1.91	764		
05/08	Sold 4 SPY May 211 Calls	2.19		876	\$ 228 Gain
05/07	Sold 4 XLE May 22 nd 81.50 Puts (100% Profit Rule Plus Gap)	1.97		788	\$ 512 Gain
05/06	Sold 6 TXN May 55 Calls (50% Loss Rule)	0.42		252	\$ 258 Loss
05/05	Bought 4 SPY May 211 Calls	1.62	648		
05/04	Bought 8 XLE May 22 nd 81.50 Puts	0.69	552		
05/04	Bought 1 ISRG May 29 th 510 Calls	6.00	600		
04/23	Bought 6 TXN May 55 Calls	0.85	510		

**Remember, these trades are based on your participation in the
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Previous closed out trades not listed here may be seen in previous market letters in the [VIP Subscribers Members Area](#).

NOTE: In texting we have a limited amount of words. In the interest of brevity:

The Quantity and Strike Price for each trade is specific. 1=January, 2=February

Trading is hypothetical. We may trade weekly options and they are noted: SPY 1/25 147 for SPY Jan 25th 147 Calls or Puts.

MARKET LABORATORY – WEEKLY CHANGES

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

Dow 18,191.11 +167.05 +0.93%	Nasdaq 5003.55 -1.84 -0.04%	S&P 500 2116.10 +7.81 +0.37%	Transportation 8766.89 +29.89 +0.34%	Russell 2000 1234.93 +6.82 +0.56%	Nasdaq100 4458.65 -20.41 -0.46%
Gold (spot) 1189.10 +14.60 +1.2%	Silver 1646.5 +33.0 +2.1%	Crude 59.39 +0.24 +0.4%	Heating Oil 195.37 -2.85 -1.4%	Unleaded Gas 1.9918 -0.0535 -2.6%	Natural Gas 2.880 +0.104 +3.8%
VIX 12.86 +0.16	Put/Call Ratios S&P 100	Put/Call Ratios CBOE Equity 65/100's	Bonds 156-07 -1-13 2.90% +0.08%	10 Yr. Note 127-264 +014 2.14%+0.03%	Copper 292.05 -0.90

+1.1%	116/100's -60/100's	-1/100's			-0.31%
CRB Inflation Index 229.16 +1.21 +0.5%	Barron's* Confidence 77.3% +1.1%	S&P100 930.69 +4.60 +0.50%	5 Yr. Note 119-302 + 035 1.49% --0.01%	Dollar 94.79 -0.42 -0.4%	DJ Utilities 583.83 -6.19 -1.05%
AAll Confidence Index	Bullish 27.1% -3.7%	Bearish 26.8% +4.8%	Neutral 46.1% -1.1%	M1 Money Supply +6.98% April 27 th	M-2 Money Supply +5.52% April 27 th

Market Strategies Technical Information

Support Levels S&P 500 2088
Resistance S&P 500 2128

Support Levels DOW 17,760
Resistance DOW 18,218

Support Levels QQQ 106.20
Resistance QQQ 110.20

Support Levels NASDAQ 4900
Resistance NASDAQ 5120

\$100,000 Trading Portfolio Stock Positions and Trades

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)
AGQ 100	38.68	05/01			
CRM 100	72.90	04/29			
OSIR 400	16.73	04/16		15.89 04/27	(\$ 336)
FB 100	82.77	04/15			
IMAX 100	34.46	03/23			
GILD 50	102.73	03/03			
ARRY 500	8.02	02/24			
FORM 500	8.56	02/13		9.18 04/27	\$ 310
NAT 500	10.16	02/13			
NBG 600	1.40	02/17			
BAC. Wts 5,000 lots	0.7411	12/26			
BSBR 500	4.84	12/18			

BCRH 300	16.84	12/18		
SAN 600	8.40	12/16		
XCO 1200	3.10	11/28		
AA 500	14.21	10/16		
FCX 150	34.99	09/09		
NBG 300	2.95	05/19		
XRGYF 5000*	0.407	03/14		
RPTP 400	15.37	01/16		
NBG 300	4.08	8/12		
TEXQY* 200	6.56	7/11		
REPR* 5000	0.22	10/22/12	.12 sco	

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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.

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Market Strategies \$100,000 Trading Account

New Options Trades:

- 1) Buy 12 XLF June 24 Calls @ \$ 0.76
- 2) Buy 8 TXN June 55 Calls @ \$ 1.12

There were three closed long option positions, the Texas Instruments (TXN) May 55 Calls taking a loss of \$ 516.

There were two profitable positions; the SPY May 211 Calls and the XLE May 22nd Puts.

The net resulted in a gain of \$ 964 for the week in options.

There were no closed out stock positions.

For the full year to date, we have gains of \$ 19,597.

Open position losses decreased to \$ 8,957.

There are three long Option positions:

8 XLE May22nd 81.50 Puts
2 ISRG Calls and
8 CRR June 45 Calls.

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

The Stock table has the following 21 positions: AA, AGQ, ARRY, BAC.B.WS, BCRH, BSBR, CRM, FB, FCX, GILD, IMAX NAT NBG (3), REPR, RPTP, SAN, TEXQY, XCO, XRGYF:

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

We are basing money management on a hypothetical \$ 100,000 and are using a total of \$ 87,737 for the 21 open stock positions. There are three long option positions requiring \$ 3,280 totaling \$ 91,017 leaving \$ 8,983 in cash.

These figures are approximate and there might be errors.

We have not counted the dividends received from Apple, JP Morgan, BSBR (Brazil), Santander, Blue Capital Reinsurance and others. Blue Capital issued a special extra dividend of \$ 0.66 per share which enabled us to reduce our cost by that amount. In addition it pays about 7% per year in regular dividends. We do not count commission costs and all trading once again is hypothetical.

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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)
CRR June 45 8 lots	Calls 1.91	05/08/15			
ISRGMay29th510 2 lots only	Call 6.00	05/04/15			
SPY May 211 8 lots	Calls 1.62	05/05/15	2.19	05/08/15	\$ 456
XLE May 22 16 lots 8 lots Open	Puts 0.69	05/04/15	1.97 Sold Half on 100% Rule	05/07/15	\$ 1,024
TXN May 55 12 lots	Calls 0.85	04/23/15	0.42 (50% Loss Rule	05/06/15	(\$ 516)

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This Weeks' Economic Numbers **Earnings Releases and Media Data**

MONDAY	<p>Dish Networks (DISH 0.40 vs 0.38) Dean Foods (DF 0.17 vs -0.05) Magnum Hunter (MHR (-0.30 vs -0.15) Sotheby's (BID 0.02 vs -0.09)</p> <p>DryShips (DRYs 0.03 vs -0.04)McDermott (MDR -0.09 vs -0.21) Rackspace (RAX 0.19 vs 0.18) Surgical Care Affiliates (SCAI 0.37 vs 0.01)</p>
TUESDAY	<p>Aecom Tech (ACM 0.53 vs 0.41) Astronics (ATRO 0.70 vs 0.40) Encana (ECA - 0.10 vs 0.70) Int'l Flavors (IFF 1.43 vs 1.32) Sky Solar Hldgs (SKYS -0.07)</p> <p>10:00 JOLTS-Job Openings March (NA vs 5.133 Mln 14:00 Treasury Budget April (\$ + 155.0Bln vs \$ + 106.9Bln)</p> <p>Ducommun (DCO 0.30 vs 0.42) McKesson (MCK 2.75 vs 2.55) Silver Standard (SSRI 0.11 vs -0.21) Zillow (Z -0.11 vs 0.02)</p>
WEDNESDAY	<p>Diana Shipping (DSX -0.15 vs -0.08) International Gaming tech PLC (IGT 0.50 vs 0.20) Macy's (M 0.62 vs 0.60) Polo Ralph Lauren (RL 1.31 vs 1.60) Precision Castparts (PCP 2.92 vs 3.33) Zebra (ZBRA 1.12 vs 0.91)</p> <p>07:00 hrs MBA Mortgage Index 05/09 (NA vs -4.6%) 08:30 hrs Retail Sales Apr (0.2% vs 0.9%) Retail Sales Ex-Auto (0.4% vs 0.4%)</p> <p>08:30 hrs Export Rives Ex-Agriculture Apr NA vs 0.2%) 08:30 hrs Import Prices Ex Oil (NA vs -0.4%)</p> <p>10:00 hrs Business Inventories March (0.2% vs 0.3%) 10:30 hrs Crude Inventories 05/09 (NA vs -3.882 Mln Bbls)</p> <p>CISCO Systems (0.53 vs 0.51) JC Penney (JCP -0.78 vs -1.16) Jack in the Box (JACK 0.66 vs 0.51) Shake Shack (SHAK -0.03) WuXi Pharma (WX 0.31vs 0.30)</p>
THURSDAY	<p>China Global Gms (CMGE 0.39 vs 0.20) Kohls (KSS 0.55 vs 0.60) Prestige Brands (PBH 0.45 vs 0.35) Teekay Shipping (TK 0.17 vs 0.05) Norcraft (NCFT 0.23 vs 0.12) Perry Ellis (PERY 0.63 vs 0.55) Children Place (PLCE 0.83 vs 0.61)</p> <p>08:30 hrs Initial Claims 05/09 (275K vs 265K) Continuing Claims 05/02 (2300K vs 2228K)</p> <p>08:30 hrs PPI Apr (0.2% vs 0.2%) CORE PPI (0.1% vs 0.2%)</p> <p>10:30 hrs Natural Gas Inventories 05/09 (NA vs 76bcf) Applied Materials (AMAT 0.28 vs 0.28) Computer Sciences (CSC 1.20 vs 1.04) Dillards (DDS 2.78 vs 2.47) El Pollo Loco (LOCO 0.17) Nordstrom (JWN 0.71 vs 0.72) Radiant Logistics (RLGT (0.03) S&W Seed (SANW 0.03) Symantec (SYMC 0.44 vs 0.47) Veracyte (VCYT (-0.36 vs -0.32)</p>
FRIDAY	<p>HH Gregg (HGG -0.24 vs -0.17) Ocular therapeutics (OCUL -0.39) Tsakos Energy Navigation (TNP 0.37 vs 0.19)</p> <p>08:30 hrs Empire Manufacturing May (4.0 vs -1.2) 09:15 hrs Industrial Production Apr (+0.1% vs -0.6%) Capacity Utilization 78.4% vs 78.4%)</p> <p>10:00 hrs Michigan Sentiment May (96.0 vs 95.9) 16:00 hrs Net Long Term TIC Flows March (NA vs + \$ 9.8Bln)</p>

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Market Strategies Fundamentals

Both the S&P 500 and the Dow rallied nicely Friday, but closed short of making new all-time highs. For the week, The S&P rose 7.81 points to 2116.10, while the Dow gained 167.05 to 18,191.11. The employment report was just perfect in its balance, not being too strong to encourage the Fed to act more quickly and not too morose to suggest a slowing economy. The S and P 500 closed just short of its all-time high at 2117.69 while the Dow high is 18,288.63. The Nasdaq Composite Index closed at 5,003.55, but still down slightly on the week. However it did close above both its 13 and 50 day Price Moving Averages reversing the collapse from last Wednesday when the Fed Chair, Janet Yellen had stated that stock valuations were very high.

The Russell 2000, which reacts the worst of all indexes to the possibility of higher rates, managed to eke out a small gain for the week of 6.82 points or 0.56%.

Following Friday's explosive surge, Financial Services were the week's top Dow Jones performer, jumping 1.62%. Health Care was next up 1.13%. Consumer Goods followed up 0.00% and then Industrials plus 0.38%. Basic Materials benefitted from better metal prices most of the week up 0.36% and Consumer Services 0.07%. Four groups remained in the red for the week: Telecommunications were off 1.48%; Oil and Gas 1.28%; Utilities 1.10% and Technology 0.56%.

Faith based stocks were not to be ignored, like Amazon (AMZN: \$ 433.61) up 11.74 or 2.8%; Netflix (NFLX: \$ 574.60) up 17.57 or 3.2% and Tesla (TSLA: \$ 236.61) up 10.58 or 4.7%, all closed at or very near their all- time highs for the week. Apple is outselling both Xiaomi and Samsung in China.

The Euro had rallied above 113 against the dollar last week when it looked as if the Greece debt was insurmountable, but now it appears that they will soon make the first payment of EUR 773 mln to the IMF. The Greek bonds and some equities rallied on this.

In Great Britain David Cameron and his Conservative Party won a resounding election victory that knocked out several political rivals allowing him to claim a clear mandate to govern Britain. The Polls got it completely wrong. Pollsters and statisticians failed badly turning survey results into answers. It was their best showing since 1992. The far right Conservatives won 331 seats. The center-left Labour Party got just 232. The Conservatives received 36.9% of the popular vote even better than the 2010 election that resulted in a coalition government. Both the Pound and the FTSE had substantial gains. The pound touched a 10-week high of \$ 155.23. The FTSE 100 Index rose 2.3%; the Stoxx Europe index rose 2.9%. Smaller companies which earn a much bigger chunk of their revenue inside the U.K. fared even better.

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Market Strategies Economic Data

Labor market conditions have materially improved. The claims data released last Thursday suggests that jobs are at their most secure point is 15 years. Businesses, however have little desire to add to their workforce and are content to keep production levels stable.

The Unemployment rate fell to 5.4% in April from 5.4% in March which met consensus expectations. Nonfarm payrolls added 223,000 new jobs in April, up from a downwardly revised 85,000 (from 126,000) in March. Private payrolls increased by 213,000 jobs in April after adding a downwardly revised 94,000 (from 129,000) in March. The consensus expected private payrolls to increase by 215,000.

The average hourly wage increased 0.1% in April after increasing a downwardly revised 0.2% in March. The average workweek remained at 34.5 hours for a second consecutive month. This is the first time nonfarm business productivity has declined for two consecutive quarters since the second and third quarters of 2006. Even during the Great Recession, productivity managed to inch ahead on an upward trend. Output declined 0.2% in Q1 2015 after increasing 2.6% in Q4 2014. That was in-line with the minimal gain in Q1 2015 GDP growth.

Total hours increased 1.7% in Q1 2015, down from a 4.9% gain in Q4 2014. The lackluster 1.7% gain was the weakest increase since hours increased by the same rate in Q4 2013. The combination of an increase in hours and a decline in output led to the decline in productivity. Unit labor costs increased 5.0% in Q1 2015 after increasing 4.2% in Q4 2014. That was the biggest increase in unit labor costs since an 11.5% increase in Q1 2014.

Category	APR	MAR	FEB	JAN	DEC
Establishment Survey					
Nonfarm Payrolls	223K	85K	266K	201K	329K
Goods-Producing	31K	-21K	20K	51K	64K
Construction	45K	-9K	31K	41K	44K
Manufacturing	1K	0K	3K	17K	19K
Service-Providing	182K	115K	241K	151K	255K
Retail Trade	12K	25K	23K	35K	0K
Financial	9K	7K	9K	19K	7K
Business	62K	35K	49K	20K	72K
Temporary help	16K	13K	-4K	-8K	21K
Education/Health	61K	35K	61K	42K	54K
Leisure/Hospitality	17K	-6K	61K	24K	56K
Government	10K	-9K	5K	-1K	10K
Average Workweek	34.5	34.5	34.6	34.6	34.6
Production Workweek	33.7	33.7	33.8	33.7	33.8
Factory Overtime	4.3	4.3	4.3	4.4	4.6
Aggregate Hours Index	0.2%	-0.3%	0.3%	0.1%	0.3%
Avg Hourly Earnings	0.1%	0.2%	0.1%	0.6%	-0.2

As businesses suffered through higher labor costs, the flip side was a sizable gain in real hourly compensation for employees. Real compensation increased 6.2% in Q1 2015, which was the largest quarterly increase since a 7.3% increase in Q4 2012. Nonfarm business productivity declined 1.9% in Q1 2015 after declining an upwardly revised 2.1% (from -2.2%) in Q4 2014. The Briefing.com Consensus expected productivity to decline 1.8%.

This is the first time nonfarm business productivity has declined for two consecutive quarters since the second and third quarters of 2006. Even during the Great Recession, productivity managed to inch ahead on an upward trend. Output declined 0.2% in Q1 2015 after increasing 2.6% in Q4 2014. That was in-line with the minimal gain in Q1 2015 GDP growth.

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Productivity gains help keep cost-push inflation pressures from rising wages in check. Over the long term, it is productivity gains that provide the increase in output that have led to the consistent gains in living standards in free market economies.

Category	Q1	Q4	Q3	Q2	Q1
Nonfarm Business Sector					
Productivity Q/Q	-1.9%	-2.1%	3.9%	2.9%	-4.7%
Unit Labor Costs Q/Q	5.0%	4.2%	-1.0%	-3.7%	11.5%
Productivity Y/Y	0.6%	-0.1%	1.2%	1.1%	0.6%
Unit Labor Costs Y/Y	1.1%	2.6%	1.2%	0.7%	2.5%

Market Strategies Cycles

Last Thursday, the Stock Market Analysts issued their Seasonal MACD Sell Signal for DJIA and S&P 500. NASDAQ's Best Eight Months lasts until June. From our October 21, 2014 Seasonal MACD Buy Signal through last Thursday's sell signal DJIA and S&P 500 both gained 7.4% in 191 calendar days. DJIA gained only 7.5% in all of 2014, this result is additional proof that the market does make the bulk of its gains in the six months from November through April.

Full-time traders may not find this return all that impressive, but the history of steady consistent returns with less volatility does add up to an impressive result in a retirement account. It also comes with the added benefit of being able to enjoy the summer without fretting over the markets every twist and turn. Updated tables comparing our Best Months Switching Strategy can be found here. NASDAQ's return for its current "Best Eight Months" through yesterday's close was 13.5%.

May Sector Seasonalities

With the end of the "Best Six Months" come a slew of long sector seasonalities that also end in May: Banking, Cyclical, Healthcare, Materials, Real Estate and Transports. With the exception of Healthcare related positions, corresponding ETFs were closed out of the Stock Trader's Almanac

ETF Portfolio using closing prices from the day when the Stock Trader's Almanac issued their Seasonal MACD Sell Signal. **SPDR Retail** (XRT) was also closed out. The average gain on these positions was 5.4% in the Stock Trader's Almanac Portfolio. However, if you are looking for sell advice you will likely get a better price being patient and waiting for the Mother's Day Week-end-Friday and Monday to be completed before initiating short positions.

Four sectors often begin seasonally weak periods in May: Banking, Cyclical, Gold & Silver (stocks) and Materials. Over the past five years Cyclical and Materials have managed to eke out minor gains, on average, however, over the past 15 years, all four sectors have declined on average 6.6 to 8.0% which sets them up as good short trade candidates during the summer and early fall months.

Typically the STA likes to take advantage of sector weakness through the use of inverse or bearish sectors. By doing so, the trade is similar to any other long trade that we choose to execute. One of the drawbacks of inverse ETFs is they frequently employ leverage and only track the daily performance of the underlying benchmark. As holding periods get longer, these types of funds often exhibit performance that differs significantly than expected due to compounding and tracking error. Three out of today's four new trade ideas are going to be short trades. An "(S)" follows each ETF name in the Portfolio Table to denote it is a short trade. Only in the case of Gold & Silver will the STA use a leveraged inverse fund as its seasonally weak period is only about six weeks long.

SPDR Financial (XLF) could be shorted at the 25.07 possible double top as it is currently struggling to break through. See below for the relationship between margin debt - money borrowed by retail investors against their stocks and used to buy more stock - where Short has enhanced the visual impact by inverting the margin debt line. As presented here, a downward sloping red line means margin debt is increasing. So when the two lines diverge, that means stock prices and margin debt are both rising. So far as the DJ Transportation Average is concerned, I would sell a break of the thirteen-day M.A. and two closes below it.

The gap between them is thus a measure of the divergence between investor expectations and market reality. Note two things: 1) when the gap grows too large, the lines tend to converge via falling stock prices and shrinking margin debt (usually through involuntary liquidation of leveraged stock portfolios). And 2) today the gap is wider than it's ever been. If history is a valid guide, the two lines could shortly cross somewhere around 1,000 on the S&P, or about 50% lower than current levels.

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Undervalued Small Cap Stocks

Spanish bank Banco Santander (SAN: 7.26)

is ready to outperform right now. In the last six months, this \$98 billion banking play has shed 30% of its market value, dragged lower by ongoing issues in the Eurozone financial system. But things could be about to change for long-suffering shareholders. SAN is starting to show signs of a bottom here. They will have better earnings having cut dividends.

Santander is currently forming a double bottom pattern, a bullish reversal pattern that looks just like it sounds. The double bottom is formed by a pair of swing lows that find support at approximately the same price level. The buy signal comes on a breakout through the peak that separates though two troughs. For SAN, that's the \$7.40 breakout level.

RMS Medical Systems, Inc (REPR 0.405)*

Has doubled this year already and can double again .

RMS designs, markets, manufactures portable easy to operate infusion devices, including needles and tubing. It is easy to handle by patients. The Freedom 60 is being marketed in Europe as well as gaining a footing among home-care professionals in America. The RescueVac is used in ambulances and planes for emergency suction.

Immune Therapeutics, Inc. (IMUN)

is a specialty pharmaceutical company formed by patients funded by patients involved in the manufacturing, distribution and marketing of patented therapies to combat chronic, life-threatening diseases through the activation and modulation of the body's immune system.

The Company's technology platform is built on two different immunotherapies, Low Dose Naltrexone (LDN) and Methionine-Enkephalin (MENK). These proprietary technologies exploit the power of the body's own immune system to find and kill diseased cells

Low Dose Naltrexone (LDN) is a proprietary immunotherapy for the treatment of autoimmune diseases, HIV/AIDS, opportunistic infections, cancer and a range of other serious diseases. LDN works by boosting levels of endorphins (peptides produced in the brain and adrenal glands).

These natural peptides are also powerful modulators of the immune system. In order for the body to maintain good health and wellness, there is a balance of the immune system between the cellular (Th1) and the humoral (Th2) immune systems. Immune balance is regulated through T-helper cells that produce cytokines. The Th1 lymphocytes help fight pathogens that are within cells like cancer and viruses through activation of interferon-gamma and macrophages. The Th2 lymphocytes target external pathogens like parasites, allergens, toxins through the activation of B-cells

In order for the body to maintain good health and wellness, there is a steady state of balance of the immune system between the cellular and humoral immunity as well as the regulatory T-cells that keep things under control.

When there is an excess of Th1 responses or cellular immunity conditions such as Crohn's disease, Type 1 diabetes mellitus and graft versus host diseases result. When there is over activity of the humoral immune system the body over reacts to allergens or even itself (autoimmunity). And with less cellular surveillance cancer can occur. What the body needs to remain healthy is a balance of the immune system. LDN is a compound that works on the body's natural opioid system to restore immune balance.

Stocks and ETF's bought over the past few weeks:

We bought the Enzo Biochem (ENZ: \$ 3.01) on the opening last Monday at \$ 2.70 as advertised. However, we were stopped out with a small profit.

We do not have positions in the VXX, SPXU or UDOW The VIX, HDGE and SPXU protect against declines while the UDOW and various stocks reflect the long side. VIX is a measure of market expectations of near term volatility conveyed by S&P 500 Index Option prices. Buy the HDGE on a stop above 11.04. It only got to 11.02 on Thursday.

We think VIX prices are too low and would like initiate longs on a better chart pattern than presently exists. We like having both long and short positions because of the tremendous uncertainty of the markets and world events. Please check on the previous weekly market letters if there are questions. We are long the Alcoa at 13.03 with a close stop just below the 13 DMA.

We are long and behind in Diana Shipping at 6.60. The Scorpio Tankers were not ever filled as the market never got to our price. Try to buy a scale down on this move.

The tanker shippers like NAT and GLNG are doing much better than dry shippers like Diana Shipping. Buy GLNG in liquefied N.G. at \$ 32 about the 50 day moving average. We no longer wish to initiate longs in Chesapeake and would avoid the oil stocks unless we can buy Exxon below \$ 86 this week.(All trading is hypothetical and intended as guidance)

Symbol	Name	Business Description	PE	P/S	MV mln	Price	Buy Limit	Stop Loss Or sold
ENZ	Enzo Biochem	Medical Labs Research	----	1.25	123 mln	2.56	2.70	2.85x stopped out
BAC	Bank of America	Commercial Bank	10	2.02	165.3B	16.11	16.45	15.22x
HDGE	Advisor Shares	Ranger Bear ETF				10.87	11.04 X	10.60X if filled
AA	Alcoa	Aluminum	11	0.66	16.06B	13.82	13.03	13.10stop
XOM	Exxon Mobil	Oil and Gas	11	0.96	351B	88.99	85.75	80
GLNG	Golar	Liquefied N.G. Hedging	NA	30.39	3.14B	46.08	32.44	30.50
SAN	Santander	Banking world-wide	14	2.34	91.6B	7.61	7.28	6.80
DSX	Diana Shipping	Dry Cargo Shipping	N/A	3.7	611	6.88	6.60	5.90
STNG	Scorpio Tankers	Oil Transportation	26	5.6	1.47B	9.27	7.46 unable	7.48

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paid \$ 1,500 per month from RMS Medical Products. Princeton has bought 81,100 shares of RMS Medical Products. Princeton was paid \$ 2,500 to write a report on Xinergy. Princeton has signed a contract with CBLI to be paid \$ 2500 for July and August for investor relations. Princeton has been engaged by Target Energy. No contract is currently in place. Princeton was paid about 500,000 restricted shares of Leo Motors.

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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