

**May 4, 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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**Market Strategies
\$10,000 Trading Account Traders Comments**

We have one open long position:

6 TXN May 55Calls

Funds in Use \$ 510

Week 17 was a bit of a mess for us. We had a loss of \$424 on two 50% rule liquidations in ARRY and LOCO and a truly minor gain is the FB calls. There were several good trades in the \$100,000 account but the options in those stocks were either dramatically overpriced (CRR) or had zero liquidity (AGQ) so I had to pass on both.

As you can see on page 6 in the fundamentals section, it was the "social media/tech" stocks that took the most beating with TWTR and Yelp and LinkedIn that took the brunt of the punishment in the NASDAQ.... If you're being priced for absolute perfection, even the slightest miss is devastating. The problem is that the analysts that works for the retail brokerage firms (the so-called Sell side) push out projections for earnings and revenue growth by a year or more and are counting on that steady growth to value shares. When that stream of continuously better numbers is interrupted all those values get downgraded and the selling comes in like it did for those 3....down 18-25% overnight.

Something else has occurred in this market for the past couple of weeks that shows the level of confusion in the US markets. Take a look at the AAll numbers at the bottom of the Market Lab on page 2. I can't remember the last time that the Bullish AND Bearish numbers were this low, and BOTH declining at the same time. Moves lower in bulls and higher in bears occur all the time but rarely is the neutral 55% over its long term average.

One more issue (as if we need anything else to worry about) is the DJ Transport average. It has spent the last several weeks consolidating under the 8,953 level. While it is oversold and near support it is nonetheless flirting with its 200 day moving average. A break of last weeks and the week of April 3rd closes around 8605 could take us down another 5% from there.

As I've said for the past several weeks I am keeping the options positions smaller than usual to mitigate risk. I plan to continue since this is typically the beginning of a slow period in volume and more volatility.
...CAM

Market Strategies \$10,000 Trading Account Trade Table

New Trades: Options Account :

- (1) Buy 1 ISRG May 29th 510 Call @ \$ 6.00 Limit**
- (2) Buy 8 XLE May 22nd 81.50 Puts @ \$ 0.82 O.B. (Or better)**

DATE	TRADE	PRICE	COST	PROCEEDS	RESULTS
04/29	Sold 6 FB May 82 Calls	1.12		672	36 Gain
04/28	Bought 6 FB May 82 Calls	1.06	636		
04/29	Sold 4 LOCO May 28 Calls (50% Loss Rule plus Gap Down)	0.35			200 Loss
04/27	Sold 12 ARRY June 8 Calls (50% Loss Rule)	0.45	540		270 Loss
04/23	Bought 6 TXN May 55 Calls	0.85	510		
04/15	Bought 4 LOCO May 28 Calls	0.85	340		
03/23	Bought 6 ARRY June 8 Calls	0.90	540		

**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 18,024.08 -56.08 -0.31%	Nasdaq 5005.39 -86.69 -1.70%	S&P 500 2108.29 -9.40 -0.44%	Transportation 8737.00 -143.17 -1.61%	Russell 2000 1228.11 -39.43 -3.11%	Nasdaq100 4479.06 -57.72 -1.27%
Gold (spot) 1174.50 -0.70 -0.06%	Silver 1613.5 +45.5 +2.9%	Crude 59.15 +2.00 +3.5%	Heating Oil 198.22 +4.99 +2.6%	Unleaded Gas 2.0453 +0.0395 +2.0%	Natural Gas 2.776 +0.208 +8.2%
VIX 12.70 +0.41 +3.3%	Put/Call Ratios S&P 100 176/100's +23/100's	Put/Call Ratios CBOE Equity 66/100's +5/100's	Bonds 157-20 -4-30 2.82% +0.20%	10 Yr. Note 127-25 -1-194 2.11%+0.18%	Copper 292.95 +17.65 +6.4%
CRB Inflation Index 227.95 +3.90 +1.7%	Barron's* Confidence 77.3% +1.1%	S&P100 926.09 -2.44 -0.24%	5 Yr. Note 119-267 -257 1.50% +0.15%	Dollar 95.21 -1.65 -1.7%	DJ Utilities 590.02 -7.79 -1.30%
AAII Confidence Index	Bullish 30.8% -0.7%	Bearish 22% -1.2%	Neutral 47.2% +1.9%	M1 Money Supply +6.73% April 20 th	M-2 Money Supply +6.24% April 20 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.

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Market Strategies Technical Information

Support Levels S&P 500 2088
Resistance S&P 500 2138

Support Levels DOW 17,920
Resistance DOW 18,288

Support Levels QQQ 108.20
Resistance QQQ 111.20

Support Levels NASDAQ 4890
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.

Market Strategies \$100,000 Trading Account

New Options Trades:

- 1) Buy 2 ISRG May 29th 510 Calls @ \$ 6.00 Limit**
- 2) Buy 16 XLE May 22nd 81.50 Puts @ \$ 0.82 (Or Better)**

There were three closed long option positions:

Facebook (FB) May 82 Calls making a small profit of \$ 72.

There were two losing positions:

LOCO May 28 Calls and the
 ARRY June 8 Calls.

The net resulted in a loss of \$ 868 for the week in options.

There were two closed out stock position the OSIR lost \$ 336 and the FORM making a profit of \$ 310 for a net result of a \$ 894 loss for the week.

For the full year to date, we have gains of \$ 18,633.

Open position losses increased to \$ 10,332.

There is one long n Option position:

TXN May 55 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
\$ 82,118 for the 21 open stock positions. There is one long option position requiring
\$ 1,020 totaling
\$ 83,138 leaving
\$ 16,862 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.

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...

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[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)
FB May 82 12 lots	Calls 1.06	04/28/15	1.12	04/29/15	\$ 72
TXN May 55 12 lots	Calls 0.85	04/23/15			
LOCO May 28 8 lots	Calls 0.85	04/15/15	0.35 (50% Loss Rule plus Gap down)	04/29/15	(\$ 400)
ARRY June 8 12 lots	Calls 0.90	03/23/15	0.45 (50% Loss Rule)	04/27/15	(\$ 540)

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This Weeks' Economic Numbers Earnings Releases and Media Data

MONDAY	<p>Arkansas Best (ARCB 0.10 vs -0.11) Array Biopharma (ARRY -0.19 vs -0.20) Comcast (CMCSA 0.74 vs 0.68) MGM (0.13 vs 0.21) Sysco (SYY 0.41 vs 0.38) Henry Schein (HSIC 1.27 vs 1.18) Tyson Foods (TSN 0.72 vs 0.60)</p> <p>10:00 hrs Factory Orders March (2.1% vs 0.2%)</p> <p>DaVita (DVA 0.86 vs 0.85) EOG Resources (EOG 0.00 vs 1.40) Freightcar America (RAIL 0.31 vs -0.58) Ingram Micro (IM 0.44 vs 0.43) Tenet Healthcare (THC 0.31 vs -0.14) UGI Corp (UGI 1.18 vs 1.84) Murphy MUSA (0.49 vs 0.19)</p>
TUESDAY	<p>Archer-Daniels (ADM 0.71 vs 0.55) Direct TV (DTV 1.53 vs 1.63) Estee Lauder (EL 0.51 vs 0.64)</p>

	<p>Emerson (EMR 0.76 vs 0.80) Energizer (ENR 1.73 vs 1.88) Kellogg (K 0.92 vs 1.01) Office Depot (ODP 0.13 vs 0.07) TRW 1.87 vs 1.81</p> <p>08:30 Trade Balance March (-40.0Bln vs -\$35.4Bln) 10:00 ISM Services Apr (56.4 vs 56.5)</p> <p>Agrium (AGU 0.32 vs 0.07) Allstate (ALL 1.42 vs 1.30) Century Link (CTL 0.59 vs 0.66) Community Health (CYH 0.66 vs 0.27) Devon Energy (DVN 0.26 vs 1.34) Mylan Labs (MYL 0.69 vs 0.66) Herbalife (HLF 1.01 vs 1.50) Sun Life (SLF 0.78 vs 0.74) Walt Disney (DIS 1.11 vs 1.11) Weight Watchers (WTW -0.19 vs 0.31)</p>
WEDNESDAY	<p>3 D Systems (DDD 0.03 vs 0.15) Chesapeake (CHK 0.05 vs 0.59) Denbury Resources (DNR 0.07 vs 0.25) Vitamin Shoppe (VSI 0.74 vs 0.70)</p> <p>07:00 hrs MBA Mortgage Index 05/02 (NA vs -2.3%) 08:15 hrs ADP Employment Index Apr (189K vs 189K) 08:30 hrs Productivity-Prel 1st Qtr (-1.9% vs -2.2%) 08:30 hrs Unit Labor Costs 1st Qtr (+4.2% vs +4.1%) 10:30 hrs Crude Inventories 05/02 (NA vs +1.910 Mln Bbls)</p> <p>21st Century Fox (FOXA 0.39 vs 0.47) Energen (EGN 0.06 vs 1.05) International Gaming Tech (IGT 0.50 vs 0.20) Jack Henry (JKHY 0.62 vs 0.55) Keurig Green Mountain (GMCR 1.06 vs 1.08) Marathon Oil (MRO -0.46 vs 0.88) Transocean (RIG 0.61 vs 1.43) Whole Foods WFM (0.43 vs 0.38) Tesla TSLA -0.51 vs 0.12)</p>
THURSDAY	<p>Alcatel Lucent (ALU -0.01 vs -0.03) Alibaba (BABA 0.42) Apache (APA -0.66 vs 1.78) Gartner (IT 0.37 vs 0.40) GOGO (-0.28 vs -20) Hecla Mining (HL -0.01 vs 0.01) NJ Resources (NJR 0.95 vs 3.61) Regeneron Pharma(REGN 2.71 vs 2.26) Sprint (S -0.04 vs -0.04) Swift Energy (SFY -0.66 vs 0.12) Scripps Networks Interactive (SNI 0.92 vs 0.87) Telus (TU 0.68) Windstream (WIN -0.02 vs 0.04)</p>

	08:30 hrs Initial Claims 05/02 (280K vs 262K) Continuing Claims 04/25 (2300K vs 2253K) 08:30 hrs Natural Gas Inventories 05/02 (NA vs 81bcf) 15:00 hrs Consumer Credit March (\$16.0B vs \$ 15.5B) Amtech Systems (ASYS -0.34 vs -0.39) Alon USA Refining (ALJ 0.32 vs 0.06) Computer Sciences (CSC 1.21 vs 1.04) Crocs (CROX -0.02 vs 0.14) FTD Companies (FTD 0.21 vs 0.50) Great Plains Energy Utilities (GXP 0.12 vs 0.15) Kemper (KMPR 0.52 vs 0.56) Mohawk (MHK 1.61 vs 1.23) NVIDIA (NVDA 0.33 vs 0.29) Zogenix Inc (ZGNX -0.11 vs -0.20)
FRIDAY	AOL (AOL: 0.35 vs 0.34) Enerplus (ERF 0.05 vs 0.20) JD.COM (JD 0.00) 08:30 hrs Nonfarm Payrolls April (213K vs 126K) 08:30 hrs Private Payrolls April (205K vs 129K) 08:30 hrs Unemployment Rate (5.4% vs 5.5%) 08:30 hrs Hourly Earnings (+0.25 vs +0.3%) Ave Workweek Hours (34.6 vs 34.5) 10:00 hrs Wholesale Inventories March (+0.3% vs +0.3%)

Market Strategies Fundamentals

Nasdaq regained 64 points on Friday, or 1.29% on a possible bullish mirror image pattern. For the entire week Nasdaq lost 87 points or 1.7%. Just when it looked like NASDAQ was ready to lead the market higher, it ran out of steam. NASDAQ did finally close at a new all-time high twice, for the first time in over 15 years. It had risen to a new high at 5100.37 before closing at a new record 5092.08. Then last week Nasdaq fell sharply the first four days losing 159 points or 3%. Social media led the fall in tech stocks:

Twitter (TWTR: \$ 37.84) -\$ 12.98 fell 25.5% missing sales expectations. LinkedIn (LNKD: \$ 205.21) -46.92 fell 18.61%.Yelp (YELP: \$ 39.76) -10.85 fell 21%.

The S&P 500 lost just 9 points or 0.4% to 2108.29. The Dow plummeted 56 points or 0.3% on the week to 18,024.26. The Russell 2000 fell 3.1% to 1228.10. The Dow Jones Transportation Index fell 143.17 points or 1.61%. The index was unable to close above its 13 day moving average. The Russell 2000 fell 39.43 or 3.11% for the week and looks more vulnerable on the charts.

Treasuries fell sharply last week registering their heaviest weekly losses since March. The 10-year Treasury Note rose to 2.119%, the highest yield since March when it got to 2.24%.

30- Yr Bond fell 4-30 points. The strong move was driven by a report from the Institute of Supply Management pointing to a rebound in U.S. manufacturing. Also, the jobs report due Friday is expected to show solid jobs growth.

The dollar rose slightly on Friday to 95.21, up from Thursday's low close of 94.78. The greenback had been plummeting since making a double top at the 100 level on April 13th. The dollar strength together with the dock workers strike had caused serious export deterioration. The Labor Department last Thursday reported the lowest number of Americans applying for first time unemployment benefits in 15 years. The Fed would like to be able to consider a raise in rates this summer providing that deflationary risks continue to subside.

Bank stock prices improved nicely last week with the outlook for higher rates. Bank of America gained 3% on the week rallying above its 13-day Price Moving Average. The next hurdle for B of A shares will be its 200-day moving average at about 16.35.

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Market Strategies Economic Data

The Employment Cost Index increased 0.7% in Q1 2015 after increasing 0.5% in Fourth QTR 2014. Wages and salaries increased 0.7% in the first quarter. Benefits spending growth held steady at 0.6%. Private industry compensation increased 0.7% in Q1 2015 after increasing 0.5% in Q4 2014. Both wages and salaries (0.7% vs. 0.5%) and benefits (0.6% vs. 0.5%) accelerated in the first quarter.

Public compensation growth decelerated in the first quarter, up only 0.5% after increasing 0.6% in Q4 2014. Wages and salaries were steady, up 0.4% for a second consecutive quarter. Benefits spending increased 0.5% in Q1 2015 after increasing 0.9% in Q4 2014.:

The ISM manufacturing Index was unchanged and remained at 51.5 in April.

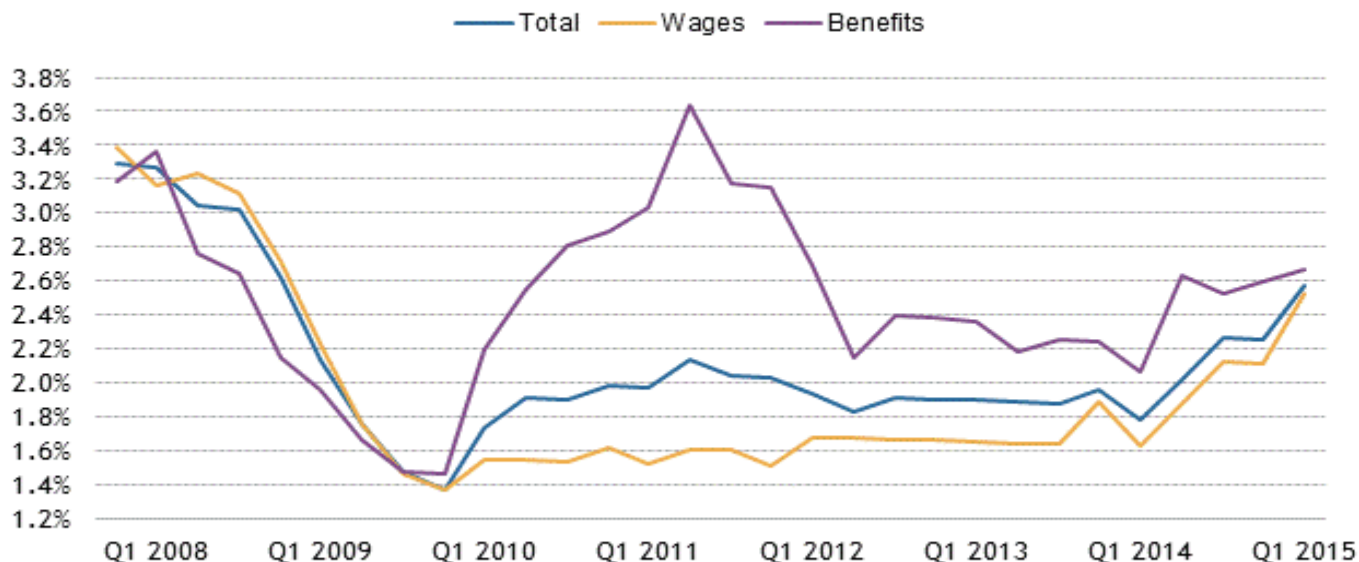
The Briefing.Com consensus expected the index to increase to 51.9. The production Index increased to 56.0 in April from 53.8 in March. Solid auto sales signaled stronger activity. The New Orders Index rose 1.7 points to 53.5, the best showing so far for 2015. Construction Spending declined 0.6% in March after increasing 0.1% in February. Private Construction Spending increased 0.3% in March after declining 0.3% in February.

The University of Michigan Consumer Sentiment Index was unrevised in the final April reading. Sentiment rose from 93.0 in March to 95.9 in April. The Briefing.com Consensus expected the Consumer Sentiment Index to be revised up to 96.0.

The economic reports suggest that headwinds to the economy may be receding.

Q1 Employment Cost Index

Employment Costs y/y%



Source: Bureau of Labor Statistics; updated 04/30/15

Briefing.com

Big Picture: The Fed has been pushing for a whiff of inflation: Employment costs are the major component of business costs. The trend is favorable for the Fed to accomplish its goal to create inflation. Their strategy appears to be working. Costs have important implications for profit margins. However, both wages and salaries have a long way to go before they impact negatively with the exception on natural resource producers..

Category	Q1	Q4	Q3	Q2	Q1
Quarterly Changes					
Total ECI	0.7%	0.5%	0.7%	0.7%	0.3%
Wages and Salaries	0.7%	0.6%	0.6%	0.7%	0.3%
Benefits	0.6%	0.6%	0.5%	1.1%	0.5%
Year/Year Changes					
Total ECI	2.6%	2.2%	2.2%	2.0%	1.8%
Wages and Salaries	2.6%	2.1%	2.1%	1.8%	1.6%
Benefits	2.7%	2.6%	2.4%	2.5%	2.1%

Market Strategies Cycles

The U.S. markets performance this past week has followed a similar pattern to what we as investors have been witnessing since December 5, 2014, and that is of a roller coaster from hell. Since that date the bulls and bears have been fighting it out tooth and nail and so far neither has come out a winner. The market's longer-term trend higher is still intact, but it has yet to decisively breakout of the increasingly smaller range it has been stuck in since last December.



The first two days of May are usually strong. May officially marks the beginning of the “Worst Six Months” for the DJIA and S&P. To wit: “Sell in May and go away.”

The Stock Trader’s Almanac shows that a hypothetical \$10,000 investment in the DJIA compounded to \$816,984 for November-April in 64 years compared to \$221 loss for May-October.

The same hypothetical \$10,000 investment in the S&P 500 compounded to \$607,883 for November-April in 65 years compared to a gain of just \$8,090 for May-October.

In the years since 1997, DJIA’s May performance has been abysmal, up only seven times in the past seventeen years (three of the years had gains in excess of 4%). NASDAQ suffered five May losses in a row from 1998-2002, down – 11.9% in 2000, followed by seven sizable gains in excess of 3% and four losses, the worst of which was 8.3% in 2010. Since 1950, pre-election-year Mays rank poorly, #10 DJIA and S&P 500, #7 NASDAQ and #5 Russell 2000. May has been a tricky month over the years, a well-deserved reputation following the May 6, 2010 “flash crash”.

It used to be part of what we called the “May/June disaster area.” From 1965 to 1984 the S&P 500 was down during May fifteen out of twenty times. Then from 1985 through 1997 May was the best month, gaining ground every single year (13 straight gains) on the S&P, up 3.3% on average with the DJIA falling once and two NASDAQ losses.

Based upon the S&P 500, Monday before May option expiration is much stronger than expiration day itself albeit weaker for small caps. Big caps have registered six losses in the last twenty-five years. Expiration day is a loser across the board. The full week had a bullish bias that has faded in recent years and down four straight, 2009-2012. Since 1998, the week after options expiration week is bearish. DJIA has fallen in ten of the last sixteen weeks after.

On the Friday before Mother's Day the DJIA has gained ground thirteen of the last twenty years and on the Monday after (the first day of options expiration this year), the blue-chip average has risen in fifteen of those years.

The economy in the U.S. has made forecasting a lot more complicated for stocks as on Wednesday it was reported that first quarter gross domestic product grew at a lower-than-expected 0.2 percent. In comparison GDP grew 2.2 percent in the fourth quarter and 5 percent in the third quarter of 2014.

Consumer spending, which is 70% of our economy and is the main engine of economic growth, slowed sharply to 1.9%, below the average 2.3% increase since the recovery began in mid-2009. In that report it also showed that business investment in "structures" such as mining shafts and wells sank 23.1% in the first quarter, reflecting lower spending by U.S. energy companies seeking to cope with suddenly cheap oil and that exports tumbled 7.2% while imports edged up 1.8%. A bigger trade deficit subtracts from GDP.

This serious drop in the growth of GDP has spawned many theories as to what the Federal Reserve will do with regard to interest rates going forward. It appears that the Federal Reserve will be successful in achieving the necessary inflation and will be able to raise interest rates sooner than later. The Fed will do what it can to help the economy achieving wage and salary growth.

The economy has a long way to go before its growth will help the beleaguered natural resource companies in both oil and gold production. Goldcorp (NYSE:[GG](#)), for example, caused a bit of a panic this week in the gold pits and brought on strong selling in gold as the company reported: Goldcorp Inc, the world's biggest gold producer by market value, reported weaker earnings on Thursday that fell well short of analyst expectations, as lower prices along with higher taxes and costs more than offset increased production from its mines. Goldcorp shares fell 5.8 percent in Toronto after the results were announced, amid deep market declines for gold miners.

Gold, which early in 2015 spiked up to \$1,300 an ounce, is now at \$1,173 and if it drops to below \$1,150, it will break through its 2014 low. If it does that then we need to go back to 2010 in the chart below, at \$990 an ounce, before we find the next support point. So gold is about \$83 an ounce away from having some serious problems, if it breaks through those two key resistance points.

The same situation exists for the many prominent oil producers like EOG (0.00 vs 1.40) Chesapeake Energy (0.05 vs 0.59) Occidental Petroleum (OXY 0.04 vs 1.75) Transocean (RIG: 0.61 vs 1.43) Swift Energy (SFY: -0.66 vs 0.12); Talisman Energy (TLM: -0.10 vs 0.47); Magnum Hunter (MHR - 0.31 vs -0.15); Devon Energy (DVN: 0.26 vs 1.34). All of the production companies are likely to report dismal earnings this week The ETF tracing the industry is (XLE: 82.87) struggling to remain above its 13 day price moving average.


The economy will need to shift from its deflationary mode for the mining industry to regain its footing. In the meantime, both oil and gold appear to be a sale on any rally as they continue to struggle to meet expensive payrolls.

enlarge)



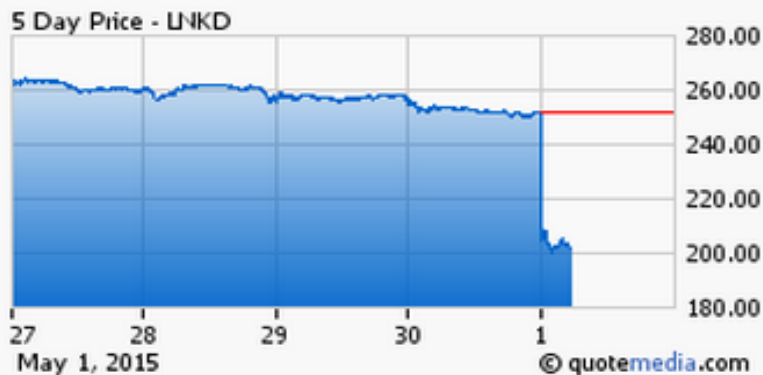
The fall of hyperinflation and rise of deflation



 LinkedIn (LNKD) - NYSE

\$200.72 ↓ -51.41 (-20.39%)

11:14 AM, 05/01 - BATS BZX Real-Time Price



52wk high: 276.18
52wk low: 136.02
EPS: -0.13
PE (ttm): N/A
Div Rate: N/A
Yield: N/A
Market Cap: \$31.55b
Volume: 8,669,171

Today 5d 1m 3m 1y 5y 10y

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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	3.01	2.70	2.85x stopped out
BAC	Bank of America	Commercial Bank	10	2.02	165.3B	16.11	15.60	15.22x
HDGE	Advisor Shares	Ranger Bear ETF				10.86	11.04 X	10.60X if filled
AA	Alcoa	Aluminum	11	0.66	16.06B	14.15	13.03	13.10stop
XOM	Exxon Mobil	Oil and Gas	11	0.96	351B	88.85	85.75	80
GLNG	Golar	Liquefied N.G. Hedging	NA	30.39	3.14B	36.10	32.44	30.50
SAN	Santander	Banking world-wide	14	2.34	91.6B	7.54	7.28	6.80
DSX	Diana Shipping	Dry Cargo Shipping	N/A	3.7	611	6.25	6.60	5.90
STNG	Scorpio Tankers	Oil Transportation	26	5.6	1.47B	9.46	7.46 unable	7.48

Undervalued Small Cap Stocks

Spanish bank Banco Santander (SAN: 7.26)

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.

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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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