

**June 1, 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](http://www.PrincetonResearch.com))  
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## **Market Strategies** **\$10,000 Trading Account Traders Comments**

**We have six open long positions:**

DD June 70Calls  
GRPN July 7 Calls  
SNSS July 2.50 Call  
TXN June 55 Calls  
VA June 30 Calls and  
XLF June 24 Calls

**Funds in use = \$2368**

**Does anyone remember Stagflation??**

Week 21 was a slow grind for us. We added new positions in GRPN 7/7 calls and SNSS 7/2.50 calls, bringing our number of positions to 6 with \$2,368 of funds in use. Surprisingly most of our open positions are either very minor losses or good gains.

It looks to me as if we are at support in the S&P500 as well as very near important support in the DJ-20 (transports) between 8235-8250. Since we are already broken and followed thru the near term supports, the cost of "insurance" is too high for me to make new put purchases. If you add that to the fact that each and every break that has looked like the end of the world has arrived has been followed by yet another rally to new highs.

We are receiving a great many cross-currents among some of the top companies in the U.S. Take a look at AA. We've made great money on the move from \$8 (when it was dropped from the Dow) to the \$15 range in both options and the actual stock. Since early January until today the stock is down from \$17 to \$12.50 or nearly 30%. If it gets anywhere closer to \$12 I will step back into the options. We still own the stock in the \$100,000 account.

I'm also of the opinion that the coming increase in rates is well overdue and it will greatly help what I consider to be the second most important group...Financials. The increase in rates and a steepening yield curve will greatly help the banks and cause them to increase lending across the board. This would have a positive effect on the earnings power of a group that has had abysmal results. We are already long the XLF June calls.

**Stagflation** is defined by stagnation in the economy during a period of very slow growth along with higher inflation and high unemployment. If you're old enough to remember Gerald Ford one of his "programs" was WIN...Whip Inflation Now... So you may ask, Don't we have low inflation and low unemployment?? The answer isn't as simple as it may seem. If you follow the Labor Department number of 5.4% we are approaching what is considered "Full Employment." However, if you follow the wider definition and include the U6 number of those who are underemployed or working part time because they can't get full time, or have simply given up on looking the number doubles to well over 10%. Ask any newly minted MBA who is working at Macys how they feel about whether the debt they've incurred was worth the time and money they expended.

On the inflation side the number is also somewhat deceptive. As I've mentioned in this space more than just a few times, I do the shopping for my family so I am acutely aware of pricing. The games of changing the amount you receive by changing the manner in how pricing takes place abound. If you're used to buying by the ounce or pound and now are faced with metric weights you have no clue. If you buy an already roasted chicken you are charged by the item. My experience is that the chicken that used to cost \$5.49 is now \$6.99 up 27.2%. If you take the time to really look around your grocery store it is undeniable that prices are up, and weights and measures are lower. So the bottom line is if you are getting less or paying more, there is some inflation.

There will be no new trades in this letter as I need to see if we hold support or really break lower. The market is quiet (volume wise) and since the Sell in May and go away clearly didn't work and all the "talking heads" are asking if we are in for a "June Swoon," I'm going with "Never sell a quiet market after a decline."

... **CAM**

### **Market Strategies \$10,000 Trading Account Trade Table**

<b>DATE</b>	<b>TRADES</b>	<b>PRICE</b>	<b>COST</b>	<b>PROCEEDS</b>	<b>RESULTS</b>
05/29	Bought 10 SNSS July 2.50 Calls	0.30	300		
05/26	Bought 15 GRPN July 7 Calls	0.14	210		
05/22	Bought 10 VA June 30 Calls	0.60	600		
05/15	Sold 2 TXN June 55 Calls( 100% Profit Rule Leaves 2 lots open )	1.80		360	<b>\$ 180 Gain</b>
05/14	Bought 4 May 29 <sup>th</sup> S&P 210 Puts	1.20	480		
05/13	Bought 4 DD June 70 Calls	1.60	640		
05/11	Bought 6 XLF June 24 Calls	0.76	456		
05/11	Bought 4 TXN June 55 Calls ( filled on June 12 <sup>th</sup> )	0.90	360		

**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 25<sup>th</sup> 147 Calls or Puts.

## MARKET LABORATORY – WEEKLY CHANGES

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

<b>Dow</b> 18,010.68 -221.34 -1.21%	<b>Nasdaq</b> 5070.03 -19.34 -0.38%	<b>S&amp;P 500</b> 2107.39 -18.67 -0.88%	<b>Transportation</b> 8299.75 -182.56 -2.15%	<b>Russell 2000</b> 1246.53 -5.69 -0.45%	<b>Nasdaq100</b> 4508.25 -18.90 -0.42%
<b>Gold (spot)</b> 1189.40 -14.90 -1.2%	<b>Silver</b> 1670.1 -35.0 -2.1%	<b>Crude</b> 60.30 +0.58 +1.0%	<b>Heating Oil</b> 194.97 -0.76 -0.4%	<b>Unleaded Gas</b> 2.0627 +0.0237 +1.2%	<b>Natural Gas</b> 2.642 -0.277 -9.6%
<b>VIX</b> 13.84 +1.71 +14.1%	<b>Put/Call Ratios</b> S&P 100 148/100's -21/100's	<b>Put/Call Ratios CBOE Equity</b> 64/100's 00/100's	<b>Bonds</b> 157-06 +3-13 2.88% -0.10%	<b>10 Yr. Note</b> 128-10 + 1-01 2.13% - 0.08%	<b>Copper</b> 272.80 -8.30 -3.0%
<b>CRB Inflation Index</b> 223.18 -2.38 -1.1%	<b>Barron's* Confidence</b> 76.2% -1.5%	<b>S&amp;P100</b> 926.11 -7.97 -0.85%	<b>5 Yr. Note</b> 120-082 + 192 1.50% -0.05%	<b>Dollar</b> 96.89 +0.75 +0.8%	<b>DJ Utilities</b> 586.98 -1.16 -0.20%
<b>AAll Confidence Index</b>	<b>Bullish</b> 27.0% +1.8%	<b>Bearish</b> 25.1% +0.1%	<b>Neutral</b> 47.9% -1.9%	<b>M1 Money Supply</b> +7.04% May 18 <sup>th</sup>	<b>M-2 Money Supply</b> +5.90% May 18 <sup>th</sup>

\* 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	2100
Resistance S&P 500	2138
Support Levels DOW	17,810
Resistance DOW	18,240
Support Levels QQQ	108.70
Resistance QQQ	111.90
Support Levels Transports	8235
Resistance Transports	8498
Support Levels NASDAQ	4980
Resistance NASDAQ	5160

## \$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	43.28	05/22			
DSX 500	7.05	05/18			
CRM 100	72.90	04/29			
FB 100	82.77	04/15			
CUBA 500	9.59	04/06			
IMAX 100	34.46	03/23		38.88 05/27	\$ 442
GILD 50	102.73	03/03			
ARRY 500	8.02	02/24			
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		
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**

There were no closed long option positions.

The IMAX stock position was sold for a gain of \$ 442.

**For the full year to date, we have gains of \$ 13,848.**

Open position losses decreased to \$ 7,930.00.

There are six long Option positions:

8 DD June 70 Calls; 30 GRPN July 7 Calls; 20 SNSS July 2.50 Calls;  
4 TXN June 55 Calls; 20 Virgin Airways ( VA ) June 30 Calls and 12 XLF June 24 Calls.

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

The Stock table has the following 20 positions: AA, ARRY, AGQ, BAC.B.WS, BCRH, BSBR, CRM, CUBA, FB, FCX, GILD, NAT NBG (3), REPR, RPTP, SAN, TEXQY, XCO:

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 \$ 100,000.00 and are using a total of \$86,678.00 for the 20 open stock positions. There are six long option positions requiring \$ 4,736.00 totaling \$ 91,414.00, leaving \$ 8,586.00 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...

### **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)
SNSS July 2.50 20 lots	Calls 0.30	05/29/15			
GRPN July 7 30 lots	Calls 0.14	05/27/15			
VA June 30 20 lots	Calls 0.60	05/22/15			
DD June 70 8 lots	Calls 1.60	05/13/15			
TXN June 55 4 lots remaining	Calls 0.90	05/12/15	1.80 ( 100% Profit Rule )	05/15/15	\$ 360
XLF June 24 12 lots	Calls 0.76				

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

**Earnings Reports Before the Open on Top of the Row;  
After the Close are Below the Economics Numbers.**

<b>MONDAY</b>	<b>Akorn ( AKRX 0.43 vs 0.16 )</b> 08:30 hrs Personal Income April ( 0.3% vs 0.0% ) Personal Spending April ( 0.0% vs 0.4% ) PCE Prices Core ( 0.2% vs 0.1% ) 10:00 hrs ISM Index ( 51.0 vs 51.5 ) 10:00 hrs Construction Spending ( 0.5% vs -0.6% )
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	<b>PVH ( PVH 1.38 vs 1.47 ) Quiksilver ( ZQK -0.12 vs -0.15 )</b>
<b>TUESDAY</b>	<b>Conn's ( CONN 0.42 vs 0.80 ) Dollar General ( DG 0.81 vs 0.72 )</b> <b>MDT 1.05 vs 1.10</b> Vice Chair Fischer speaks on the Federal Reserve and the Global Economy 10:00 hrs Factory Orders April ( 0.0% vs 2.1% ) 17:00 hrs Auto Sales May ( NA vs 5.3 Mln Vehicles ) 17:00 hrs Truck Sales May ( NA vs 7.9 Mln Trucks ) <b>ABM Industries ( ABM 0.35 vs 0.33 ) Ascena ( ASNA 0.19 vs 0.27 )</b> <b>Guess ( GES</b> <b>-0.05 v -0.03 ) NCI Building Systems ( NCS -0.03 vs -0.07 )</b>
<b>WEDNESDAY</b>	<b>Brown-Forman ( BF.B 0.66 vs 0.62 ) Hovnanian ( HOV -0.06 vs -0.05 )</b> 07:00 hrs MBA Mortgage Index 05/30 ( NA vs -1.6% ) 08:15 hrs ADP Employment Change May ( 200K vs 169K ) 08:30 hrs Trade Balance April ( -44.0Bln vs -\$51.4Bln ) 10:00 hrs ISM Services May ( 57.1 vs 57.8 ) 10:30 hrs Crude Inventories 05/30 ( NA vs -2.802 Mln Bbls ) 14:00 hrs Fed's Beige Book June ( NA ) <b>Dresser Rand ( DRC ( 0.12 vs 0.22 ) Greif ( GEF 0.52 vs 0.61 )</b>
<b>THURSDAY</b>	<b>J.M. Smucker ( SJM ( 0.99 vs 1.21 ) Joy Global ( JOY 0.56 vs 0.76 )</b> <b>Michaels Stores ( MIK 0.33 ) Navistar ( NAV -0.16 vs -3.65 )</b> <b>Quanex ( NX 0.00 vs -0.05 )</b> 08:30 hrs Initial Claims 05/30 ( 280K vs 282K ) Continuing Claims 05/23 ( 2215K vs 222K ) 08:30 hrs Productivity Rev 1 <sup>st</sup> Qtr ( -2.9% vs -1.9% ) 08:30 hrs Unit Labor Costs-Rev 1 st Qtr ( 5.9% vs 5.0% ) 10:30 hrs Natural Gas Inventories 5/30 I ( NA vs 112 bcf ) <b>Cooper ( COO 1.76 vs 1.64 ) Diamond Foods ( DMND 0.15 vs 0.11 )</b> <b>Esterine Techs</b> <b>( ESL1.33 vs 1.28 )Thor Industries ( THO 1.20 vs 1.03 )</b> <b>Verifone(PAY 0.42 vs0.37 )</b>
<b>FRIDAY</b>	<b>Ixys (IXYS 0.19 vs0.13 ) Yingli Green Energy ( YGE -0.24 vs -0.35 )</b> 08:30 hrs Nonfarm Payrolls May ( 225K vs 223K ) Nonfarm Private Payrolls May ( 225K vs 213K ) Unemployment Rate May ( 5.4% vs 5.4% ) Hourly Earnings May ( 0.2% vs 0.1% ) Ave Workweek May ( 34.5 hrs vs Same ) 14:00 hrs Consumer Credit April \$ 17.0Bln vs \$ 20.5Bln )

## Market Strategies Fundamentals

For the second consecutive week the major averages couldn't hold their gains and made significant declines at the end of the week. The DJ Transportation was most significant making new lows at 8299.75, off 182.56 or -2.15% for the week. Since the beginning of the year, the DJT is off 834 points or 9% and influenced all other markets.

The Dow fell 221 points or -1.21% to 18,010.88, while the S&P 500 lost 18.67 to 2107.39, a loss of -0.88%.

The Russell 2000 closed at 1246.53, off 5.69 or -0.45%. Nasdaq was without of doubt the strongest index making a new all-time high at 5111.54 before succumbing to the overall selling and settled at 5070.03, off 19.34 for the week or -0.38%. May was still a bullish month overall as the S&P was up 1.05% and the Dow 0.95%.

The indexes had been much lower on Friday reclaiming 2/3<sup>rd</sup>s of their decline when Greece's Economy Minister Giorgio Stathakis said his country will make its next debt payment to the International Monetary Fund. The S&P had been down to test the 2104 mark prior to his comments. According to Mr. Stathakis, the country will pay EUR 304 million next Friday. That headline was welcome news considering huge deposit outflows of deposits from banks to low levels not seen in more than ten years.

The Dow Jones Transportation Index decline of over 2% was influenced most by Trucking companies and Railroad stocks which have been declining all year and accelerating sharply on the week. Adding to the fire at the lower levels was the downgrade by Bank of America-Merrill Lynch of Con-way. ( CNW: \$ 40.47 -\$1.42 ) CSX Corp (CSX: \$ 34.23 ) – 1.24 or 3.3% and JB Hunt ( JBHT: \$ 84 ) – 1.24 or 1.5% both members of the Tranny were also influenced. Other member Railroad stocks were decimated: Kansas City Southern ( KSU \$ 90.59 – 3.32 ) –3.5% as well Union Pacific ( UNP \$ 100.55 – 3.65 ) also -3.5% and Norfolk and Southern ( NSC \$ 92.29 -3.24 ) -3.4%.

Landstar ( LSTR: \$ 65.11 ) + 1.83 or + 2.8% was a surprise, bucking the entire trend of its competitors. Airline member stocks were slightly higher looking like they may have made a bottom. United looked the best ( UAL \$ 54.43 + 0.74 + 1.4% ) Southwest Airlines ( LUV \$ 37.05 ) + 0.24 or + 0.65%; Delta ( DAL: \$ 42.87 -0.31 -0.7% ) Alaska Air ( ALK: \$ 64.20 - 0.20 or -0.3% ) and Jet Blue ( JBLU: \$ 19.96 -0.48 ) were not influenced as much by negative comments.

The Chicago PMI declined to 46.2 in May from 52.3 in April, only the second sub-50 number of 2015, while the Briefing.com consensus expected an increase to 53.0.

Treasuries rallied sharply on the poor GDP number ( -0.7% ) and the Chicago PMI number closing at their best levels for the month of May. The Barclay 20+ Year Treasury Index ( TLT: 123.20 ) + 0.76 for the day and 5.07 points from the low on May 19<sup>th</sup>.

Business lending by banks is rising at a fast clip. Commercial and Industrial loans rose 8.5% in the first quarter from the same period a year ago and accounted for 21% of outstanding loan balances at U.S. banks, the highest level in 13 years, according to the FDIC Insurance Corp data released last Wednesday.

## Market Strategies Economic Data

First quarter GDP was revised down to -0.7% in the second estimate from an originally reported +0.2% in the advance release, which is what the Briefing.com consensus expected. This was the first contraction in GDP growth since Q1 2014. The real final sales component, which strips out volatile inventories, declined 1.1%. That topped the 1.0% decline from Q1 2014 and was the biggest real final sales drop since a 3.3% decline in Q1 2009, suggesting that economic growth trends in Q1 2015 were some of the worst seen since the Great Recession.

The real trade deficit was revised down to -\$548.4 bln from -\$522.1 bln in the advance release. That caused a 1.90 percentage point reduction in first quarter GDP growth, up from a 1.25 reduction in the advance release. Inventories were revised down from \$110.3 bln in the advance release to \$95.0 bln. The impact of inventories on GDP growth was also reduced from +0.74 percentage points to +0.33 percentage points.

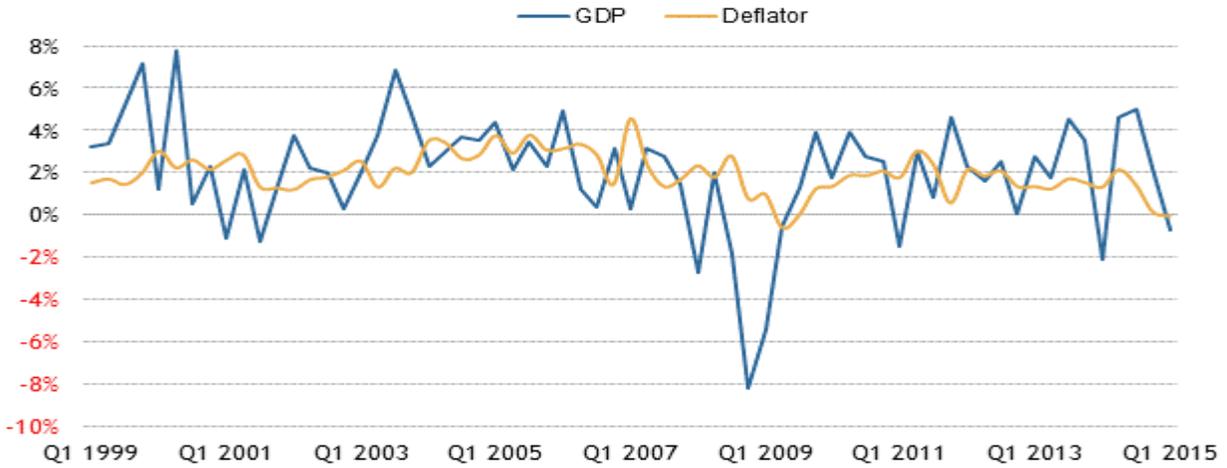
The Chicago PMI declined to 46.2 in May from 52.3 in April while the Briefing.com consensus expected an increase to 53.0. That was the third time the Chicago PMI has fallen below 50, the expansion/contraction threshold, in the last four months. With the exception of the Prices Paid Index (51.2 from 43.1), all of the sub-indexes declined and also contracted in May.

The University of Michigan Consumer Sentiment Index was revised up to 90.7 in the May final reading from 88.6 in the preliminary reading while the Briefing.com consensus expected an increase to 89.0.

**This Report was arguably the worst quarter for economic growth since the Great Recession.**

Category	Q1	Q4	Q3	Q2	Q1
GDP	-0.7%	2.2%	5.0%	4.6%	-2.1%
Inventories (change)	\$95.0B	\$80.0B	\$82.2B	\$84.8B	\$35.2B
Final Sales	-1.1%	2.3%	5.0%	3.2%	-1.0%
PCE	1.8%	4.4%	3.2%	2.5%	1.2%
Nonresidential Inv.	-2.8%	4.7%	8.9%	9.7%	1.6%
Structures	-20.8%	5.9%	4.8%	12.6%	2.9%
Equipment	2.7%	0.6%	11.0%	11.2%	-1.0%
Intellectual Property	3.6%	10.3%	8.8%	5.5%	4.7%
Residential Inv.	4.9%	3.8%	3.3%	8.8%	-5.3%
Net Exports	-\$548.4B	-\$471.4B	-\$431.4B	-\$460.4B	-\$447.2B
Export	-7.6%	4.5%	4.6%	11.1%	-9.2%
Imports	5.6%	10.4%	-0.9%	11.3%	2.2%
Government	-1.1%	-1.9%	4.4%	1.7%	-0.8%
GDP Price Index	-0.1%	0.1%	1.4%	2.1%	1.3%

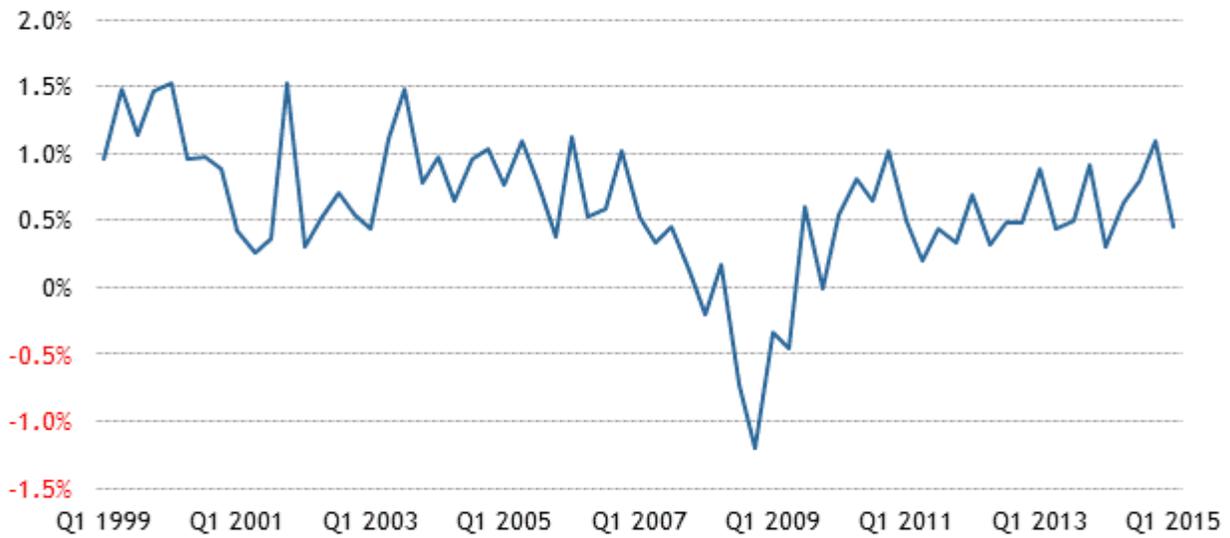
### Real GDP and Deflator q/q%



Source: Bureau of Economic Analysis; updated 05/29/15

Briefing.com

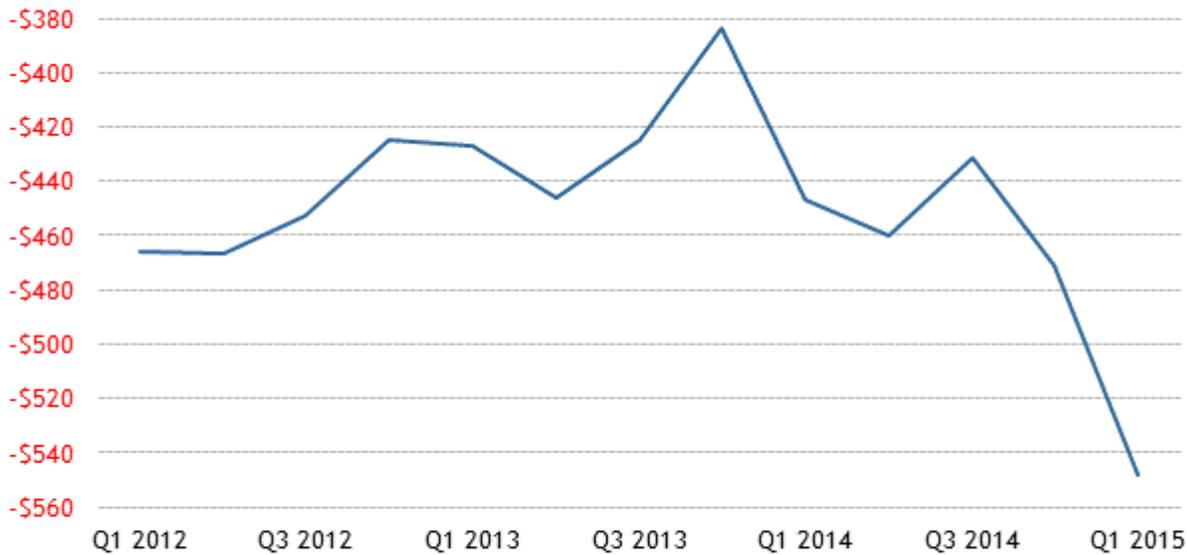
### Personal Consumption y/y%



Source: Bureau of Economic Analysis; updated 05/29/15

Briefing.com

## Net Exports (\$blns)



Source: Bureau of Economic Analysis; updated 05/29/15

Briefing.com

## Market Strategies Cycles

**The bull market is by no means over. However, I believe Uncle Ben has the right idea, the markets will rally when interest rates are raised.**

As we enter June keep a few things in mind. According to the Stock Trader's Almanac, while June improves in pre-election years the last two, 2007 and 2011, were down across the board. However, the first trading day has been rather strong. Gains have been scant for the rest of the month until the last few days when NASDAQ and Russell 2000 perk up and begin to outperform as we hit the end of their Best 8 Months. Be mindful of the week after Triple- Witching, the week of the June 22-26. It has been nasty with Dow losses in 22 of the last 25 years with average losses of 1.1%. It is much more difficult to pick a top than a bottom because volatility is much higher which increases the cost of mistakes.

**Psychological:** *Confused.* There is plenty of bullish sentiment and not a lot of bears. [Investor's Intelligence](#) latest survey reported bull advisors at 48.5% and bearish advisors at 14.9%. S&P 500 is above 2120 and flirting with new all-time highs, but bond yields have fallen since mid-May signaling some flight to safety is happening. Low trading volumes and volatility suggest that traders and investors are uncertain if recent market strength is for real or just another fake out.

**Fundamental:** *Tepid.* Recent economic data is pointing to the strong possibility that 2015 Q1 GDP will be negative and the outlook for growth is suggesting another year around 2% GDP for the U.S. Weak growth however has not translated into major trouble for the job market yet. It is likely to impact corporate earnings which are now forecast to be flat to negative in Q2.

**Technical:** *Range bound.* Although the DJIA, S&P 500 and NASDAQ have been able to extend the top end of their respective trading ranges with modest new all-time highs, a meaningful and lasting breakout has yet to materialize. Stochastic, MACD and relative strength indicators all reached overbought levels in mid-May and have since eased to essentially neutral. A brisk market pullback, to the 200-day moving averages or lower, would actually be welcome as it would likely clear the path higher. Current 200-day moving averages are around DJIA 17560, S&P 500 2040 and NASDAQ 4740.

**Seasonal:** *Bearish.* June is the last month of NASDAQ's "Best Eight Months." NASDAQ's Seasonal MACD Sell signal can occur as soon as June 1. In pre-election years since 1950, June ranks no better than mid-pack. Recent pre-election year Junes in 2011 and 2007 were troublesome for the market as DJIA, S&P 500, NASDAQ and Russell 2000 all declined.

Further signs of a divergent and confused overall market can be seen in the number of NYSE Weekly Advancers and Decliners (6). Last week's gains by S&P 500 and NASDAQ were accomplished with a greater number of declining stocks than advancing. Those gains are suspect. Further compounding concerns is the meager number of New NYSE Highs (7) and the sudden jump in New NYSE Lows. A healthy market advance would have major indices moving higher, together, more Weekly Advancers than Decliners and a more robust number of New Highs.

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# JUNE 2015

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

**Start:** Natural Gas (S)

**In Play:** Oil (L), High-Tech (L), Utilities (L), Computer Tech (L), Banking (S), Cyclical (S), Materials (S)

**Finish:** Natural Gas (L), Gold and Silver (S), Consumer (L)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT	SUN
<b>1</b>  <b>First Trading Day,</b> <b>Dow Up 20 of Last 27</b> Construction Spending ISM Index Personal Income/Spending Semiconductor Billings	<b>2</b>  Factory Orders Vehicle Sales	<b>3</b> Beige Book Int'l Trade Deficit ISM Non-Mfg. Index	<b>4</b> Chain Store Sales Productivity and Costs	<b>5</b> <b>June Ends NASDAQ's</b> <b>Best Eight Months</b> Consumer Debt ECRI Future Inflation Index Employment Rate	<b>6</b>	<b>7</b>
<b>8</b>	<b>9</b> Dow: <b>-0.7%</b> Up 9 Down 12 Rank #11	<b>10</b> Average June Gains Last 21 Years: S&P: <b>-0.2%</b> Up 12 Down 9 Rank #10	<b>11</b> NAS: <b>1.1%</b> Up 11 Down 10 Rank #6 Business Inventories Import/Export Prices Retail Sales	<b>12</b>  PPI U Mich Consumer Sentiment	<b>13</b>	<b>14</b>
<b>15</b>  <b>Monday of Triple</b> <b>Witching Week,</b> <b>Dow Down 10</b> <b>of Last 18</b> Industrial Production NAHB Housing Mrkt Index	<b>16</b> Housing Starts	<b>17</b> Treasury Budget FOMC Meeting	<b>18</b> CPI Leading Indicators Philadelphia Fed Survey SEMI Book to Bill Ratio	<b>19</b>    <b>Triple Witching Day,</b> <b>Dow Up 10 of Last 16</b>	<b>20</b>	<b>21</b> Father's Day
<b>22</b>	<b>23</b>  Durable Goods New Home Sales	<b>24</b>  GDP - Q1 Final	<b>25</b>  Personal Income/Spending	<b>26</b> U Mich Consumer Sentiment	<b>27</b>	<b>28</b>
Week After Triple Witching Dow Down 22 of Last 25, Average Loss since 1990, 1.1% 2008 2nd Worst June Ever, Dow -10.2%, S&P -8.6%, 1930 Was Worse, NASDAQ -9.1%, June 2002 -9.4%						
<b>29</b>  Agricultural Prices	<b>30</b>  <b>Last Day of Q2</b> <b>Dow Down 17 of Last 24</b> <b>But, NASDAQ Up</b> <b>15 of Last 22</b> Consumer Confidence ISM-Chicago	*Tuesdays: Weekly 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  Bull symbol signifies a favorable day based on the S&P 500 Rising 60% or more of the time on a particular trading day 1994-2014  Bear symbol signifies an unfavorable day based on the S&P 500 Falling 60% or more of the time on a particular trading day 1994-2014				
Economic release dates obtained from sources believed to be reliable. All dates subject to change.						

## Undervalued Small Cap Stocks

### Spanish bank Banco Santander (SAN: 7.26)

Is disappointing 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 massive 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, the stock needs to close above the \$7.60 breakout level.

## **RMS Medical Systems, Inc ( REPR 0.45 )\***

**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 0.10 )\* Buy now. 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. We have bought the shares.

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:**

The heavy black marks indicate execution.

We are further away from getting buy stopped into the HDGE. Buy the HDGE on a stop above 11.04. It only got to 11.02 a week ago Thursday. HDGE is the BEAR Financial Services ETF. The VIX is too low to initiate shorts or to be too bearish in the markets.

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 were stopped out of the Alcoa at 13.10. We are long 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.

We missed Buying GLNG in liquefied N.G. at \$ 32 about the 50 day moving average. We would initiate longs in oil stocks on the next down turn and would buy Exxon below \$ 85 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
BAC	Bank of America	Commercial Bank	10	2.02	165.3B	<b>16.50</b>	<b>16.45</b>	15.22x
HDGE	Advisor Shares	Ranger Bear ETF				10.64	<b>11.04 X</b>	10.60X if filled
XOM	Exxon Mobil	Oil and Gas	11	0.96	351B	85.20	84.20	82
GLNG	Golar	Liquefied N.G. Hedging	NA	30.39	3.14B	47.51	32.44	30.50
SAN	Santander	Banking world-wide	14	2.34	91.6B	<b>7.</b>	<b>7.10</b>	6.80
DSX	Diana Shipping	Dry Cargo Shipping	N/A	3.7	611	6.42	<b>6.60</b>	5.90
STNG	Scorpio Tankers	Oil Transportation	26	5.6	1.47B	9.12	7.46 unable	7.48

### Rule 17B Attestations and Disclaimers

Princeton Research, Inc. has approximately 2,581,578 shares of AIVN both free and restricted and represents them for Investor relations. Princeton also has about 40,000 shares of TXGE. Princeton is 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 Xinerdy. 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.

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 e-mail issue. Princeton may buy or sell its free-trading shares in companies it represents at any time.

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