

**July 1, 2019**  
**Market Strategies Newsletter**  
**Subscriber Members Issue**



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

**MARKET STRATEGIES  
NEWSLETTER**

A Publication of Princeton Research, Inc. ([www.PrincetonResearch.com](http://www.PrincetonResearch.com))  
Contributing Staff: Michael King, Charles Moskowitz

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**Investing Trade Alerts**  
**Charles Moskowitz Discussion**

**Net Loss For The Week \$300**

**Year To Date Total Returns \$379**

**3.79% Returns**

Funds in Use = \$720

**OPEN POSITIONS:**

06/28	4 TLT	JULY	133.50	CALLS	@ 0.98	392
06/28	4 XLE	JULY	62.50	PUTS	@ 0.82	328

**Plenty of Crosscurrents**

Week 26 produced a loss of \$300 from the earnings driven decline in SJM and the gap to the downside that sent us through our normal 50% Down Rule trigger. This brought our YTD back down to a meager \$379 (3.8%). This period is historic on 2 fronts with the worst performance on a YTD basis, ever, and the first time that we have ever had more losses than gains during a quarter. I'm not going to make any excuses, I am making adjustments in the way we handle the lack of liquidity in

some markets and making sure that we avoid all together and stocks that have limited liquidity. Unfortunately, this means that the trades made in the \$100,000 account, that have produced some nice gains do not translate to the options account since they represent liquidity constraints. The trades in the GBTC (Bitcoin Trust) have no options and the trades in LABU (3X Biopharma ETF) options are really untradeable. I believe that the current trades are in positions with reasonable open interest and volume.

Each time that I have looked at the DJ Transports, with an eye to judging if we have a Dow Theory confirmation of trend during the last 2 or 3 years, I have found that they were lagging. However, each of those times the transports have surprised and moved higher well out of proportion to the DJIA. Currently we are running dramatically below the Industrials. Are we going to catch up again? The short answer is, I don't know. There are several reasons for the transports to be lagging; truckers have under-performed, railroads have taken up some of the slack, and the airlines have been hurt by the Boeing problems with the 737-Max. My best advice is to look to the individual companies within the groups. For example, UPS looks better to me than FDX. JBHT is less overbought than JBHT, and LUV is the worst looking airline while DAL looks the best. That last comparison makes sense since LUV has the most 737-Maxes and has had to adjust their schedule the most. The overview for the group has improved recently, but where the airlines are still oversold, the rest of the group is overbought. I don't know if that helps, but we did the work and wanted to share it with you.

The A.A.I.I. numbers are a bit of a surprise to me. With the kind of action we had this week, with the pattern of making the highs within the first 15 minutes of the day, and then giving it up to finish lower I would have thought that we would have had the bullish number decline a bit. The numbers were unchanged across the board. That leaves us in the same camp as last week, news driven without any day over day continuity. Have a good and profitable week and have a good Fourth of July. **CAM**

### **Investing Trade Alerts Summary** **\$10,000 Trading Account Trade Table**

DATE	TRADES	PRICE	COST	PROCEEDS	RESULTS
06/28	4 TLT July 19 <sup>th</sup> 133.50 Calls	0.98	784		
06/28	4 XLE July 19 <sup>th</sup> 62.50 Puts	0.82	328		
06/28	Sold 4 SJM July 125 Calls @ \$ 0.45 ( 50% Loss Rule )	0.45		180	( 300 )
06/19	Bought 4 SJM July 125 Calls	1.20	480		

3rd Week expiration when the month is listed without a date

**Remember, these trades are based on your participation in the**  
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**You Don't Need To Learn Any Trading Skills Or  
Do Any Time Consuming Analysis and Tracking**

**+++ We DO IT ALL FOR YOU! +++**

### **Proven Trading Success**

**TRADE LIKE THIS:**

**175% Profits on SPY Puts in 3 Days  
57% Profits on JBLU Calls in 8 Days  
100% Profits on SPY Puts in 1 Day  
163% Profits on SPY Calls in 2 Days  
20% Profits on AGQ Calls in 15 Days  
89% Profits on SPY Calls in 1 Day  
130% Profits on GS Calls in 9 Days  
217% Profits on XOM Calls in 9 Days  
105% Profits on XOM Calls in 3 Days  
117% Profits on GLD Calls in 3 days  
62% Profits on XOM Calls in 20 days  
50% Profits on PFE Calls in 2 Days  
31% Profits TWTR Calls in 2 Days  
316% Profits on MOS Calls in 13 Days  
87% Profits on AMZN Calls in 2 Days  
96% Profits on K Calls in 17 Days  
16% Profits on HOG Calls in 8 Days  
163% Profits on SJM Calls in 23 Days  
102% Profits on AMBA Calls in 7 days  
250% Profits on WTW Calls in 1 Day  
128% Profits on WTW Calls in 1 Day  
148% Profits on NVDA Puts in 2 Days**

**See all trades in past newsletter issues.**

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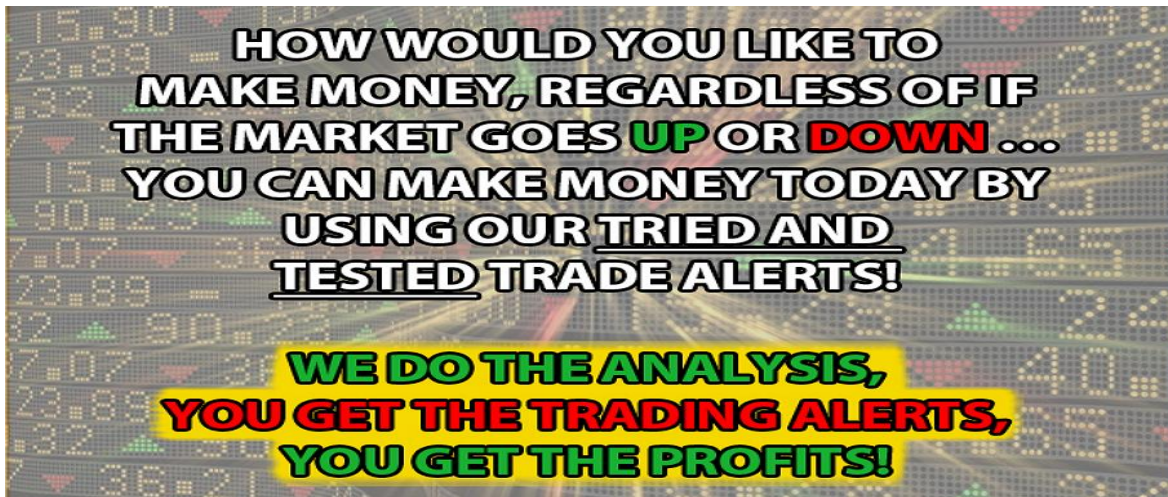
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## **MARKET LABORATORY – WEEKLY CHANGES**

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

Dow 26,599.96 -119.17 -0.45%	Nasdaq 8006.24 -25.46 -0.32%	S&P 500 2941.76 -8.70 -0.29%	Transportation 10,461.98 +109.49 +1.06%	Russell 2000 1566.57 +16.94 +1.09%	Nasdaq100 7871.07 -57.71 -0.75%
Gold June 1409.70 +13.50 + 1.0%	Silver June 15.341 +0.051 +0.33%	Crude June 58.47 +1.04 +1.8%	Heating Oil 1.9394 +0.0173 +0.9%	Unleaded Gas 1.8966 +0.0805 +4.4%	Natural Gas 2.308 +0.139 +6.4%
VIX 15.08 -0.32 -2.1%	Put/Call Ratios S&P 100 165/100's +4/100's	Put/Call Ratios CBOE Equity 60/100's +2/100's	Bonds 155-19 +1-00 2.52% 0-07	10 Yr. Note 127-31 +0-145 2.00% - 0.07	Copper Jan 2.7135 +0.0095 +0.35%
CRB Inflation Index 181.04 +2.52 +1.4%	Barron's Confidence 79.6 +0.7	S&P100 1297.46 -6.90 -0.53%	5 YR Note 118-050 +0.072 1.76% -0.4%	Dollar 96.11 +0.02 +0.02%	DJ Utilities 810.66 -15.67 -1.90%
AAll Confidence Index  Average	Bullish 29.6% +0.1%  38.4%	Bearish 32.1% Unch  30.30%	Neutral 38.3 -0.1%  30.96%	Money Supply M1 June 17 <sup>th</sup>  5.19%	Money Supply M2 June 17 <sup>th</sup>  4.52%

\* Component Change in the Confidence Index

M1...all money in hands of the public, Time Deposits Traveler's Checks, Demand Deposits

M2.. adds Savings and Money Market Accounts both compared with the previous year.

## **Market Strategies Technical Information**

SUPPORT

RESISTANCE



S&P 500	2820	2980
NASDAQ (QQQ)	178.50	191.50
Trans	10,050	10,650
DOW	25,950	26,950
TLT	129.80	137.40

## **STOCKS FOR TOTAL RETURN with OPTIONS PROTECTION**

The following list of stocks are those with reasonable dividend yields and the ability to protect the positions with either covered writing of calls, the purchase of out of the money puts, or a combination of both. Most are very solid names, but with current volatility across all stocks, these should be paired with some option activity.

**Kinder Morgan Oil and Gas:** KMI: \$20.88 with a dividend of \$ .80 for a 4.0% yield. The company has outstanding management, and now that the US is the biggest producer, pipeline usage growth makes this on a solid grower. Richard Kinder continues to buy stock for his own account.

**Valero Energy:** VLO: \$85.61 dividend \$3.20 3.7% yield. This is one of the most flexible of all refiners both for product choice and the ability to refine all of the different oils such as WTI (lighter), Venezuelan (heavier), Canadian (tar sands) and our shale.

**Schlumberger SLB:** (\$39.74 ) dividend \$2.00, 5.03% yield. Long standing worldwide Oil - conglomerate for all forms of drilling. The stock is down from \$80 last year with an excellent total return potential.

**CenturyLink:** CTL: \$11.76 dividend \$1.00 or 9.1% yield. Dividend was just cut from \$2.16; The Company is the result of a merger with Level3 Communication. Risk is now out of the stock due to over reliance on the dividend and focus on FCF (free cash flow) and increased margin will rule the day.

**CVS Healthcare:** CVS (\$54.49) dividend \$ 2.00 or 3.7% yield. Merger of CVS and Aetna: Stock is down from \$100 but represents the move of healthcare, Rx and insurance to provide total solutions with savings based on the advantages of their streamlined solution. This is really a total return story.

**J.P. Morgan Chase:** (JPM) \$111.80 div \$3.20 or 3.1%; Fortress balance sheet, best in class, long-term total return with a yield.

**Conagra Brands:** CAG: \$26.52 div \$ .85 or 3.2%, Stock is down from \$40 in past year and this major brands company should be in great shape with trends in many commodities turning up, this may be a great story. It does, however, require some diligence making the use of options for protection.

**AT&T T:** \$ 33.51: The stock was higher on earnings this week and the current div. of \$2.04 for a yield of 6.31%. This one should be held with a covered write or put purchase.

We own: 200 CAG @ \$22.36 ON 2/11/19 and  
100 CVS @ \$51.97 ON 4/2/19.

## WALMART (WMT) UPDATE:

This week I put out a video (#93) <https://youtu.be/NwIUH8kMjhM> in which I questioned whether this move was going to be halted as were the last two that sent prices lower by substantial amounts. This chart is a daily, while the video is on a weekly basis since I wanted to share my opinion about the last few days. I called the move higher into question when on Thursday we looked like we might be breaking down. Unfortunately, we missed an opportunity when WMT turned and moved back from \$108.86 to close over \$110. On Friday we were as high as \$111.51, but while higher on the day, we were closer to the low. This is why I try not to chase any trade. The daily move on a reversal from low to high one day and the exact opposite the next makes me sit aside and await some resolution. If we miss a trade here and there, there are always others coming. **CAM**



## \$100,000 Trading Portfolio Stock Positions and Trades



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

	Purchase Price	Purchase Date	Stop/Loss	Price/Date Offset	Profit/ (Loss)
LABU 100	44.26	06/27			
GBTC 500	9.36	06/05			
LABU 50	40.47	05/23		49.95 06/18	\$ 474.00
LABU 100	46.77	04/22		49.95 06/18	\$ 218.00
CVS 100	51.97	04/02			
SDRL 500	9.39	03/20			
GBTC 250	4.75	03/18		15.01 06/24	\$ 2,565.00
AA 200	30.40	02/25			
CEF 400	11.75	11/26			
UCO 200	25.45	11/07			
LGORF 2500	1.46	08/06			
GLYC 300	17.38	05/22			
BOX 300	22.61	04/23			
CTL 200	16.61	02/06			
INCY 50	100.63	01/08			
CTL 300	18.54	10/20			
HL 500	5.72	06/01			
GSAT 1500	2.30	05/18			
SLV 300	15.78	05/15			
AGQ 150	40.39	04/07			
NUGT 75	35.68	03/13			
RWM 100	50.60	11/21			
EYES 500	5.04	04/04			
EYES 1000	6.49	12/28			
HL 500	3.95	05/03			
SAN 600	8.40	12/16			
REPR* 5000	0.22	10/22/12			

**Recommendations will be both listed in this letter and texted to members.**

**Previous closed out stock and option positions can be found in past Market Strategies Newsletter issues available in the VIP Subscribers Members Area.**

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**

Last week there was one closed stock trades making \$ 5,130.00 and one closed option trade losing \$ 600.00. The net gain was \$4,530.00. The option funds remaining in use require \$1,440.00 for the positions listed on page seven.

The Stock table has the following 24 positions:

AA, AGQ, BOX, CEF, CTL (2), CVS, EYES ( 2 ), GBTC, GLYC, GSAT, HL( 2 ), INCY, LABU, LGORF, NUGT, REPR, RWM, SAN, SDRL, SLV and UCO.

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

Money management is based on a hypothetical \$ 5,000 for each stock trade unless otherwise posted.

Going back to the beginning of 2017; of the former closed positions, 255 were gains and 156 were losses. The profits taken increased by \$4,530.00 to \$ 25,332.00. The open position loss decreased to \$16,796.00 which if subtracted from the hypothetical profits taken of \$ 100,565.00, leaves an approximate gain of \$ 83,769.00 for the last 2 years.

The trading is hypothetical and we do not count commission costs.

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 )
XLE July 19 <sup>th</sup> 62.50 Puts	0.82	06/28/19			

TLT July 19 <sup>th</sup> 133.50Calls	0.98	06/28/19			
SJM July 125 Calls 8 lots Open	1.20	06/19/19	0.45 ( 50% Loss Rule )	06/26/2019	( \$ 600.00 )

Open Positions				Funds Required	
06/28	8 TLT	July 19 <sup>th</sup> 133.50	Calls @ 0.98	\$ 784.00	
06/28	8 XLE	July 19 <sup>th</sup> 62.50	Puts @ 0.82	\$ 656.00	
Total Funds in Use				\$ 1,440.00	

Recommendations will be both listed in this letter and texted to members.

Previous closed out stock and option positions can be found in past Market Strategies Newsletter issues available in the VIP Subscribers Members Area.

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

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

MONDAY	<p>Canada Day: All Exchanges closed in observance</p> <p>Coty, the beauty products manufacturer; hold a conference call to discuss its turnaround plan. The COTY stock was the worst performer in the S&amp;P 500 last year, however, the shares have doubled this year making it the S&amp;P 500 best performer in 2019.</p> <p>08:30 June 30<sup>th</sup> Chicago PMI June (NA) 10:00 July 1<sup>st</sup> ISM Manufacturing Index June (51.5 vs 52.1) 10:00 July 1<sup>st</sup> Construction Spending May (0.0% vs 0.0%) The World Economic Forum meets in Dalian, China for its 2019 annual meeting.</p> <p>This day is the 22<sup>nd</sup> anniversary of the British handover of Hong Kong from British sovereignty to Chinese rule. China's president, Xi Jinping pledged to unswervingly implement the policy of "one country, two systems." The enormous recent protests in Hong Kong over a proposed extradition bill , reflects fears that the policy will be undermined.</p>
TUESDAY	<p>Acuity Brands AYI (2.51 vs 2.37) Greenbrier GBX (0.96 vs 1.30) Jefferies JEF (0.37) MiMedx Group MDXG ( 111 vs 0.05 ) Omnova Solutions OMN ( 0.21 vs 0.20 ) Simply Good Foods SMPK ( 0.14 vs 0.10 )</p> <p>The Reserve Bank of Australia announces its monetary policy decision. The market expects that the central bank will cut its interest rate to 1% from 1.25%.</p> <p>14:00 hrs Auto Sales June ( NA vs 3.52 Mln Units ) 14:00 hrs Truck Sales June ( NA vs 9.92 Mln Units )</p>

WEDNESDAY	<p>Int'l Speedway ISCA ( 0.39 vs 0.37 )</p> <p>07:00 hrs MBA Mortgage Index 06/29 ( NA vs +1.3% )  08:15 hrs ADP Employment Change May ( 145K vs 27K )  08:30 hrs Trade Balance May ( - \$54.4Bln vs -\$50.8Bln )  08:30 hrs Initial Claims 06/29 ( 222K vs 227K )  08:30 hrs Continuing Claims 06/22 ( NA vs 1688K )  10:00 hrs ISM Non Manufacturing Index June ( 55.8 vs 56.9 )  10:00 hrs Factory Orders May ( -0.5% vs -0.8% )  08:30 hrs Crude Oil Inventories 06/29 ( NA vs -12.8 mln Bbls )</p> <p>H.B. Fuller FUL ( 0.89 vs 0.89 ) Herman Miller MLHR ( 0.78 vs 0.66 ) KB Home KBH ( 0.38 vs 0.57 ) National Beverage FIZZ ( 0.62 vs 0.77 ) Worthington WOR ( 0.77 vs 0.95 )</p>
THURSDAY	<p>Independence Day US market closed</p>
FRIDAY	<p>The U.S. Bureau of Labor Statistics releases its Average hourly earnings report which is expected to show a rise of 3.2%, for the year, while the average workweek remains the same at 34.4 hours.</p> <p>08:30 hrs Nonfarm Payrolls June ( 160K vs 75K )  08:30 hrs Nonfarm Private Payrolls June ( 147K vs 90K )  08:30 hrs Hourly Earnings June ( 03% vs 0.2% )  08:30 hrs Unemployment Rate June ( 3.6% vs 3.6% )  08:30 hrs Average Workweek June ( 34.4 vs 34.4 )  10:00 hrs Natural Gas Inventories 06/29 ( NA vs 98 bcf )</p>

## **Market Strategies Fundamentals**

### **FUNDAMENTALS**

The Russell 2000 continued on a bullish course, up 1.1%, while the other major exchanges had a small setback. The NASDAQ lost 25.47 points for the week or - 0.3%, now up 20.7% on the year. The Dow declined 119 points or - 0.4%, up 14%, while the S&P 500 fell 8.70 points or -0.3%, up 17.4% on the year. after reaching new all-time high ground at 2963.on June 20<sup>th</sup>.

Bond yields also were lower after following supportive comments from the Fed that interest rates were ameliorating. The TYX, the CBOE 30 yr. Treasury yield Index was down 0.64 at 25.28. The TNX, the 10-yr Note yield index, which made a new all-time high at 32.48 on October 5<sup>th</sup> ended the week at 20.00-0.68 or -0.2% little changed, making a total decline of 5.7% the last month. The US Dollar Index was about unchanged, rallied just 0.02 to 96.11, up 0.02%, while the fear index, the CBOE Volatility Index (VIX: 15.08) decreased 0.32 points or - 2.1% a small percentage decrease. Volatility (VIX: \$ 15.08) remains down sharply from the December highs of 36.20, still much lower in 2019, as market support continues robust with just very minor verbal support from the Fed.

**Transportation Avg (DJT 10,461.98) +109.49 or +1.06%:** The Transportation Average continued its up-trend leading overall market strength. Strong rail and trucking stocks continue to keep the rally going. Norfolk Southern Corp., NSC ( 199.33 last week +2.14 or +1.1% ) rebounded to the 50 price moving average, which seems to be resistance after bottoming at the 190 area. NSC is headed again to new all-time highs. Norfolk Southern Corp still remains one of the strongest Transport stocks well above the lows when NSC Corp declined December 26<sup>th</sup> to \$138.65, after collapsing to its lowest levels in a year since April 2018. In February 2015 NSC was trading at \$ 65.00. CSX ( \$77.37 -\$ 1.30 -1.7%); UNP ( \$ 169.11 + \$ 0.24 or + 0.1%). Union Pacific remained more neutral, below resistance at \$ 172.00, the 50 day price moving average.

Index	Started Week	Ended Week	Change	% Change	YTD %
<b>DJIA</b>	<b>26,719.13</b>	<b>26599.96</b>	<b>-119.17</b>	<b>-0.4</b>	<b>14.0</b>
<b>Nasdaq</b>	<b>8031.71</b>	<b>8006.24</b>	<b>-25.47</b>	<b>-0.3</b>	<b>20.7</b>
<b>S&amp;P 500</b>	<b>2950.46</b>	<b>2941.76</b>	<b>-8.70</b>	<b>-0.3</b>	<b>17.4</b>
<b>Russell 2000</b>	<b>1549.63</b>	<b>1566.57</b>	<b>16.94</b>	<b>+1.1</b>	<b>16.2</b>

**SMH: \$ 110.18 + \$ 3.03 or +2.8%** Semiconductors continued its uptrend surging through resistance at the 50 day price moving average at the \$107.66 level.

**Alibaba (BABA: \$169.45 + \$ 1.90) or +1.1%** A small reflex rally right at the 200 day moving average, after declining 24.5% in May.

**AMZN (1893.63 - \$ 117.67 or -0.6%;** In congestion above the 50 day price moving average, the world's strongest stock sold off losing its gains of the prior week with a 118 point loss, still having gained a net of 228 points, up 13.5% the last three weeks.

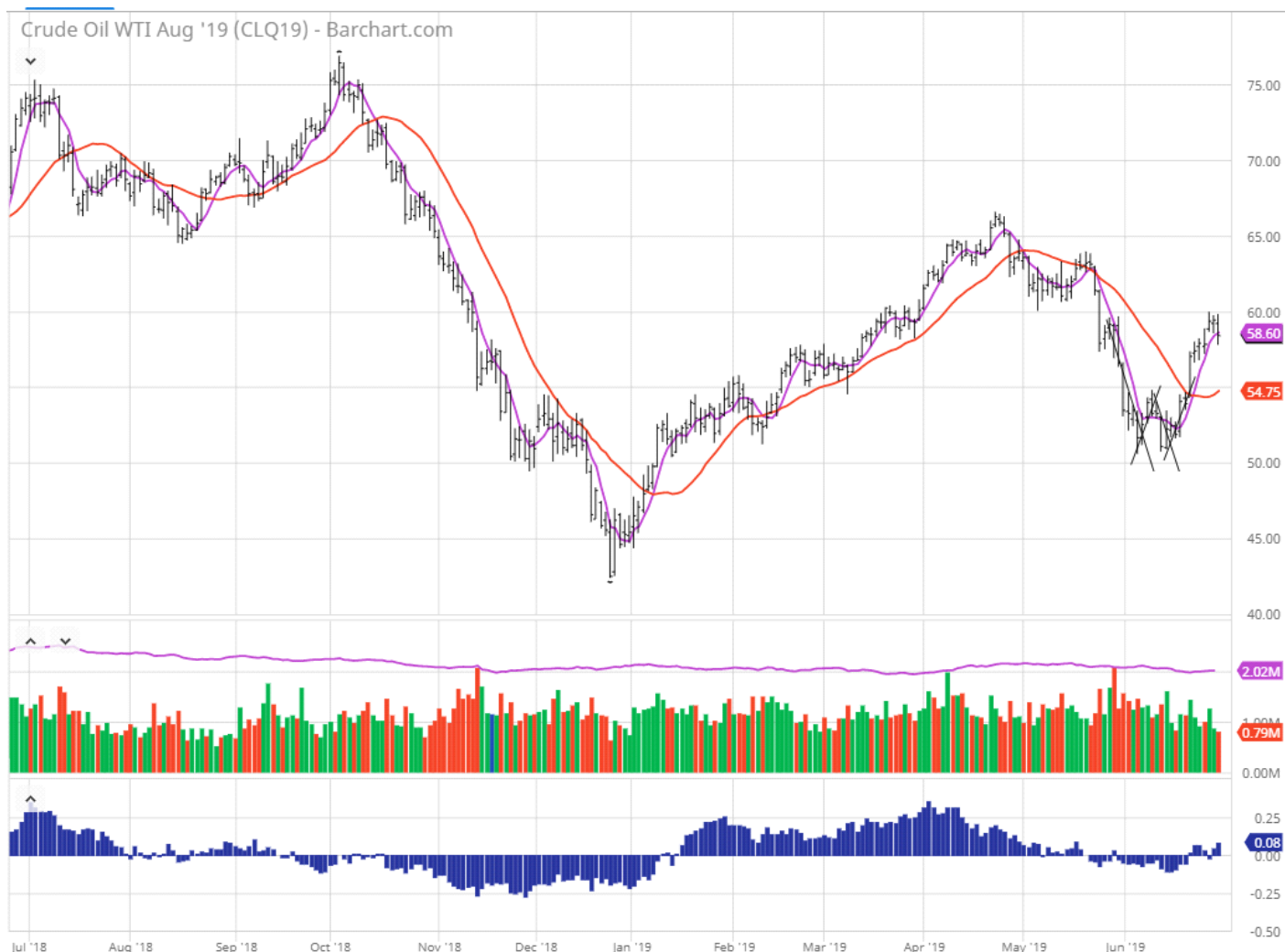
**GDX 25.56 + 0.35. or +1.4%:** Decent upmove making new yearly highs following a dovish Fed: **VXGDX:** Gold Miners ETF Volatility Index **30.80 +2.95 or +10.6% last week.** The Gold Volatility Fund surged leading the way for a Gold rally, reversing the small decline in an upward pattern for Gold prices.**THE TECHNICAL PICTURE FOR GOLD** -Turning now to the charts for gold and silver, the technical action for both price and volatility increased a more positive posture. Link for Gold Video: <https://youtu.be/RngzTpOnMS4>

**VIX: CBOE Volatility Index (15.08 - \$ 0.32) -2.1%:** Bullish Consolidation. The VIX had little new direction, which remains bullish for equities, **VXN: NASDAQ Volatility 19.76 + \$ 0.58 or +3.0%,** remaining in a sideways congestion pattern, which is more negative / neutral for tech stocks.

**TMO Thermo Fisher Scientific: 293.68 - \$ 0.78 or -0.02%:** Consolidation confirming strength.

## **OIL COMMENT:**

Oil came out of a well-defined "W" bottom and has rallied back up to the most recent break-down at \$60.00. Lower regional manufacturing numbers have trended lower and the need for continued QE in the Euro-zone speak to slowing economies. The most recent rally was started with a break to support around \$50.00 and the geopolitical influence of the alleged attacks by Iran on two commercial vessels in the Straits of Hormuz. Absent these geopolitical issues, there is plenty of oil to meet declining demand. This week's OPEC meeting should have no real influence since regardless the actual promises, Iran (and others) will cheat. We, of course are the swing producer with the real control over the West Texas crude, while the rest of the world will be on the hook for the higher priced Brent, currently at a \$6 premium. While Oil companies are more than just the price of Oil, if a downtrend, or even just another test of \$50 - \$55 will send them lower. **CAM**



## Market Strategies Economic Data

### Economics

#### Leading Indicators:

Bullish Consensus (+0.1%) following a downwardly revised 0.1% increase (from 0.4%) in April. The strength among the leading indicators in May was less widespread. Stock Prices subtracted 0.07 percentage points; ISM New Orders subtracted 0.06 percentage points; and Avg. Weekly Initial Claims subtracted 0.04 percentage points.

The largest contributors to the Leading Economic Index in May were Avg. Consumer Expectations for Business Conditions and the Leading Credit Index, which added 0.13 and 0.12 percentage points, respectively.

The Coincident Economic Index increased 0.2% after increasing 0.1% in April. The Lagging Economic Index decreased 0.2% after decreasing 0.1% in April.

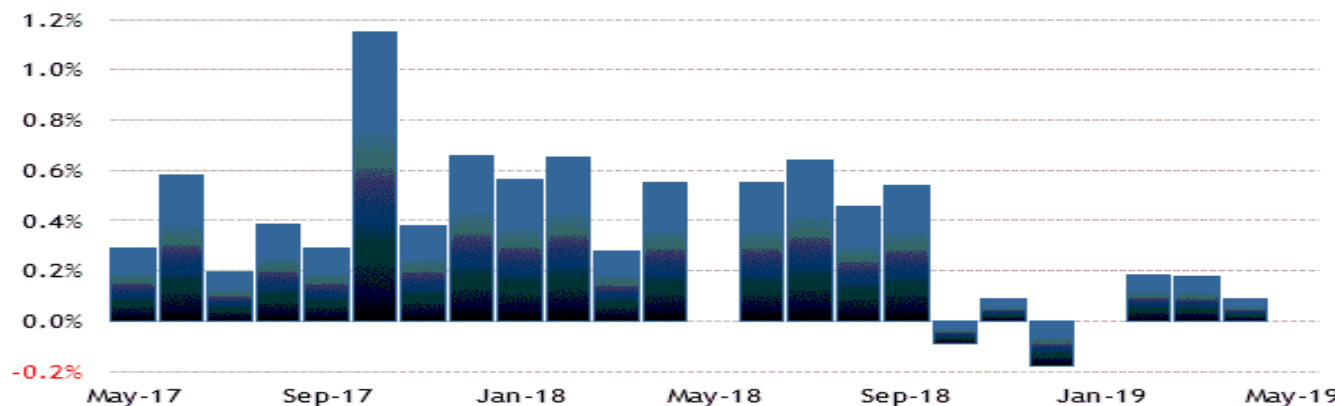
The key takeaway from the report is that it reflects an environment of slower economic growth unfolding in the second quarter.

According to the Conference Board, the Leading Economic Index increased 0.3% for the six-month period ending May 2019, versus 2.2% growth during the previous six months.



Total Index	0.0%	0.1%	0.2%	0.2%	0.0%
Manufacturing Workweek	0.00%	-0.07%	-0.07%	-0.13%	0.00%
Initial Claims	-0.04%	0.02%	0.11%	0.06%	-0.05%
Cons. Goods Orders	0.01%	-0.05%	-0.06%	0.02%	-0.02%
ISM New Orders	-0.06%	-0.08%	0.04%	0.00%	0.05%
Nondef. Cap Goods Orders, exc. Aircraft	0.03%	-0.05%	0.01%	0.01%	0.03%
Building Permits	0.01%	0.00%	-0.01%	-0.06%	-0.2%
Stock Prices	-0.07%	0.14%	0.07%	0.22%	0.06%
Leading Credit Index	0.12%	0.11%	0.08%	0.08%	0.05%
Interest Rate Spread	0.00%	0.01%	0.02%	0.03%	0.04%
Consumer Expectations	0.13%	0.07%	0.06%	0.05%	-0.07%

**Leading Indicators m/m%**



Source: Conference Board; updated 06 / 20 / 19

Briefing.com

The Conference Board's Consumer Confidence Index increased to 134.1 in May according to the Briefing.com consensus rising to 130.0 from 129.2 in April.

The May reading is the highest level for the index since November 2018.

#### Key Factors

The Present Situation Index increased from 169.0 to 175.2.

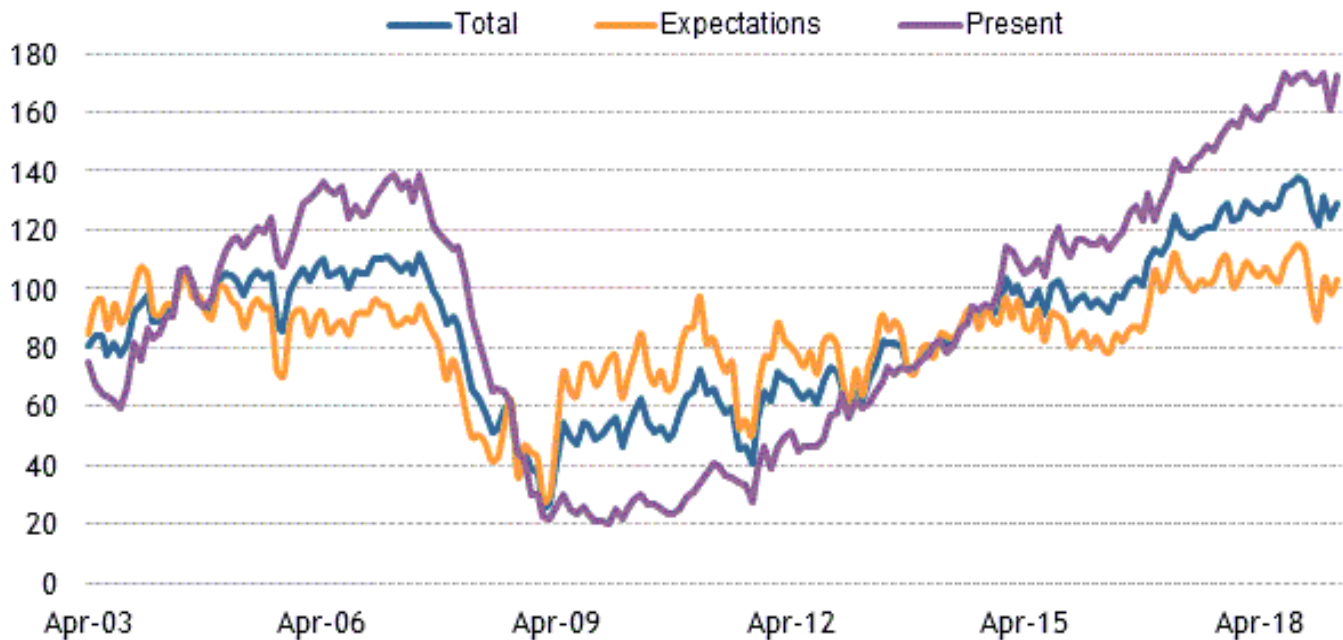
The Expectations Index increased from 102.7 to 106.6.

#### Big Picture

The key takeaway from the report is that it shows consumer confidence has not been impacted yet by the increased trade tension between the U.S. and China, which includes an escalation in tariff rates on Chinese imports that could ultimately be passed along to the consumer.

Category	MAY	APR	MAR	FEB	JAN
Conference Board	134.1	129.2	124.2	131.4	121.7
Expectations	106.6	102.7	98.3	103.8	89.4
Present Situation	175.2	169.0	160.6	172.8	170.2
Employment ('plentiful' less 'hard to get')	36.3	33.2	28.7	34.0	34.1
1 yr inflation expectations	4.4%	4.6%	4.6%	4.3%	4.4%

## Consumer Confidence



Source: Conference Board; updated 04/30/19

Briefing.com

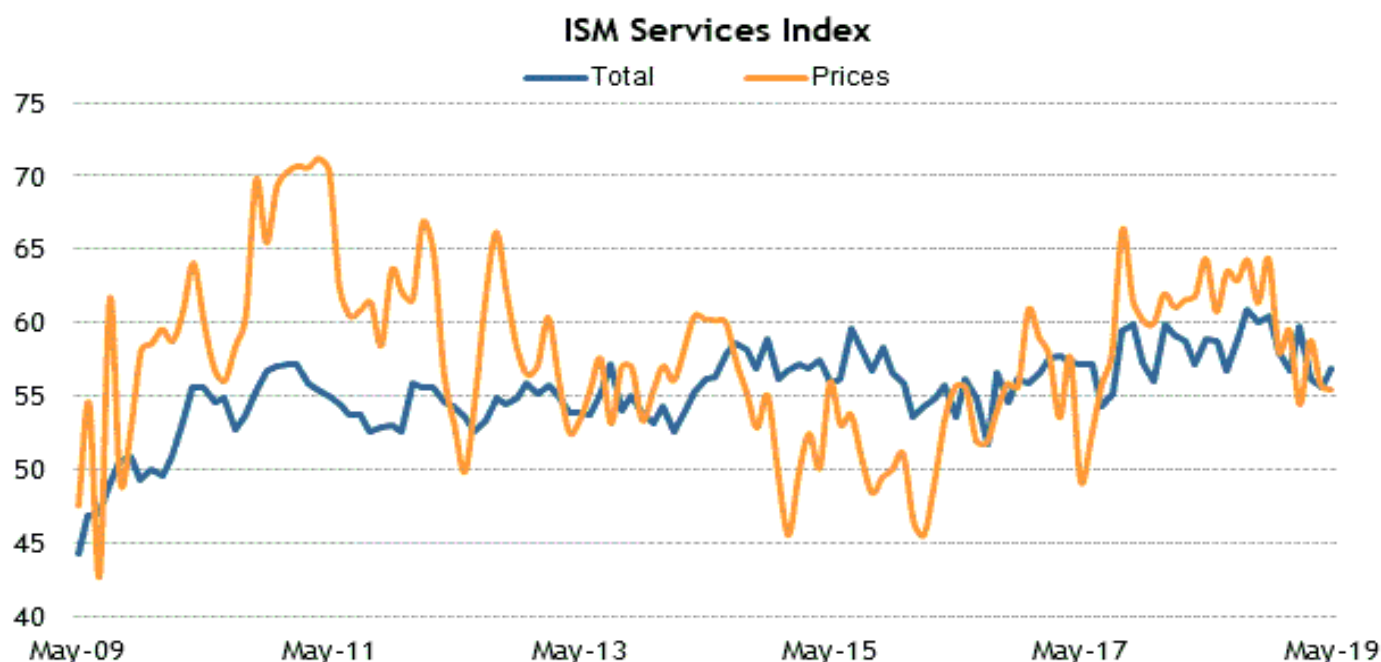
The ISM Non-Manufacturing Index increased to 56.9%, well above the Briefing.com consensus of 55.4% down slightly from 55.5% in April. The dividing line between expansion and contraction is 50.0%, so the uptick in May reflects a slight acceleration in growth for the non-manufacturing sector.

The New Orders Index increased to 58.6% from 58.1%. The Employment Index increased to 58.1% from 53.7%. The Prices Index dipped to 55.4% from 55.7%. The Backlog of Orders Index fell to 52.5% from 55.0%.

The key takeaway from the report is that growth in the sector is leveling off; and it was said in the report that respondents are "mostly optimistic about overall business conditions, but concerns remained concerning the Fed, interest rates and president Trump about tariffs and employment resources.

According to the ISM, the past relationship between the Non-Manufacturing Index (NMI) and the overall economy indicates the NMI for May corresponds to a 2.9% increase in real GDP on an annualized basis.

Category	MAY	APR	MAR	FEB	JAN
Non-Manufacturing ISM index	56.9	55.5	56.1	59.7	56.7
Business Activity	61.2	59.5	57.4	64.7	59.7
New Orders	58.6	58.1	59.0	65.2	57.7
Employment	58.1	53.7	55.9	55.2	57.8
Deliveries (nsa)	49.5	50.5	52.0	53.5	51.5
Inventories (nsa)	54.0	51.5	50.0	51.0	49.0
Exports (nsa)	55.5	57.0	52.5	55.0	50.5
Imports (nsa)	50.0	55.0	51.5	48.5	52.



Source: Institute for Supply Management; updated 06/05/19

Briefing.com

The ISM Manufacturing Index for April fell to 52.8% well below the Briefing.com consensus expecting 55.0% down from 55.3% in March. The April reading is the lowest since October 2016. The dividing line between expansion and contraction is 50.0%.

### Key Factors

The New Orders Index dropped to 51.7% from 57.4%, which is the lowest level of expansion since December 2018. The Production Index fell to 52.3% from 55.8%. The Employment Index decreased to 52.4% from 57.5%. The New Export Orders Index fell to 49.5% from 51.7% -- the first contraction since February 2016. The Prices Index registered 50.0% versus 54.3% in March.

### Big Picture

The key takeaway from the report is that it shows there was a notable deceleration in manufacturing activity to begin the second quarter, which is a data point that will contribute to the Fed's patient mindset.

According to the ISM, the past relationship between the PMI and the overall economy indicates the April reading corresponds to a 2.9% increase in real GDP on an annualized basis.

**Durable Goods** Orders for April decreased 2.1% (Briefing.com consensus -2.0%) while orders, excluding transportation, were unchanged, just above the Briefing.com consensus of +0.2%. Shipments of nondefense capital goods orders, excluding aircraft -- the component that factors into GDP estimates -- were unchanged in April after decreasing 0.6% in March.

New orders for primary metals decreased 0.8% in April after falling 1.9% in March.

New orders for fabricated metals increased 0.4% in April after decreasing 1.6% in March.

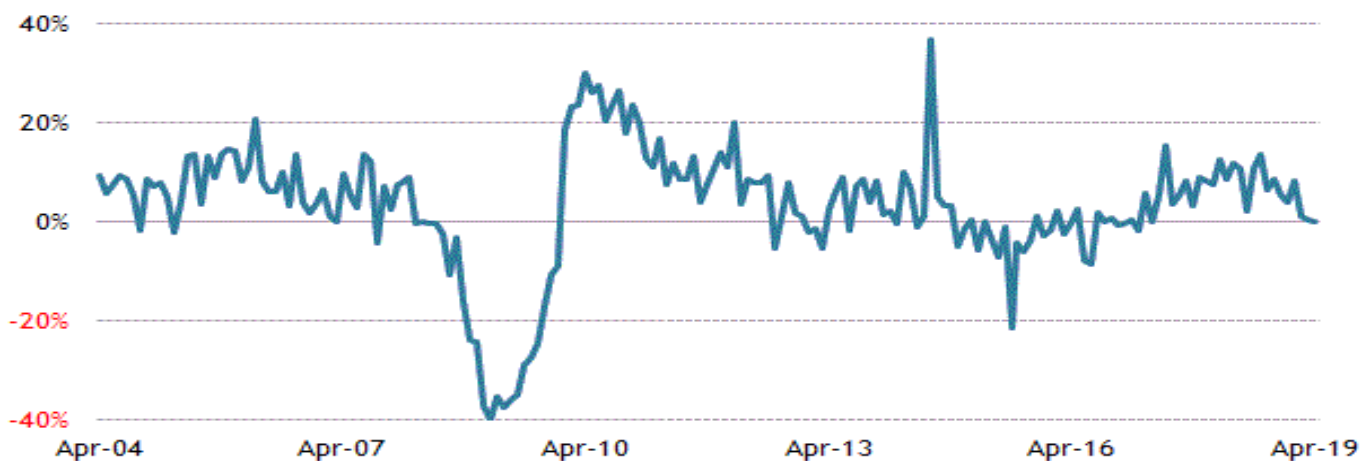
New orders for machinery increased 0.1% in April after decreasing 2.0% in March.

Transportation equipment orders fell 5.9% in April after increasing 5.9% in March.

The key takeaway from the report is that orders for nondefense capital goods, excluding aircraft, decreased 0.9% while the previous month's increase was revised down to 0.3% from 1.3%. These orders are a proxy for business spending, so it can be said that business spending decelerated in April after a smaller than previously estimated increase in March.

Category	APR	MAR	FEB	JAN	DEC
Total Durable Orders	-2.1%	1.7%	-2.6%	0.5%	1.1%
Less Defense	-2.5%	0.1%	-2.1%	1.3%	1.5%
Less Transport	0.0%	-0.5%	-0.3%	0.1%	0.2%
Transportation	-5.9%	5.9%	-6.7%	1.3%	2.9%
Capital Goods	-3.5%	6.3%	-7.3%	2.2%	1.8%
Nondefense	-5.0%	2.6%	-5.9%	4.0%	2.8%
Nondefense/non-aircraft (core cap goods)	-0.9%	0.3%	0.3%	1.4%	-1.6%
Defense Cap Goods	4.8%	32.6%	-16.5%	-7.8%	-3.8%

**Durable Goods Orders y/y%**



Source: Census Bureau; updated 05/24/19

Briefing.com

The **University of Michigan Index of Consumer Sentiment** jumped to 102.4, well above all estimates averaging expectations of about 97% in May from 97.2 in April.

The May reading is the highest reading since 2004.

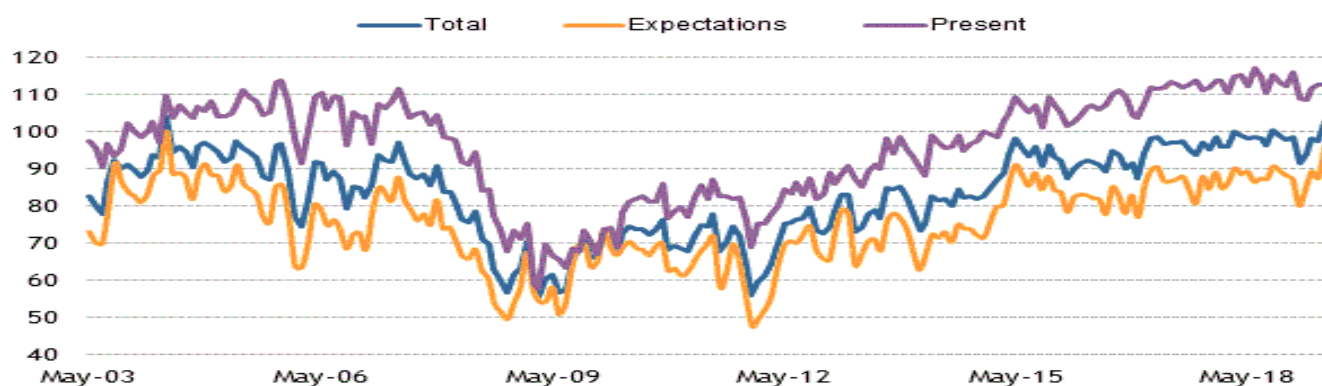
The Current Economic Conditions Index edged up to 112.4 from 112.3.

The Index of Consumer Expectations increased to 96.0 from 87.4.

The key takeaway from the report is that it was driven by positive attitudes and expectations, although it would be remiss not to mention that the results were tabulated before the recent setback in trade negotiations with China and implementation of new tariff rates on both sides. That understanding could raise the prospect of a downward revision with the final report for May.

Category	MAY	APR	MAR	FEB	JAN
Sentiment	102.4	97.2	98.4	93.8	91.2
Outlook	96.0	87.4	88.8	84.4	79.9
Present conditions	112.4	112.3	113.3	108.5	108.8

### University of Michigan Consumer Sentiment



Source: University of Michigan; updated 05/17/19

Briefing.com

**Housing Starts** increased 5.7% m/m in April to a seasonally adjusted annual rate of 1.235 million (Briefing.com consensus 1.200 million), led by a 6.2% increase in single-unit starts.

**Building Permits** rose 0.6% m/m to 1.296 million (Briefing.com consensus 1.280 million), although permits for single-unit dwellings declined 4.2%.

The uptick in April housing starts was driven by the Northeast (+84.6%) and Midwest (+42.0%) regions, yet the nation's two largest regions -- the South (-5.7%) and West (-5.5%) -- both saw a drop in total starts.

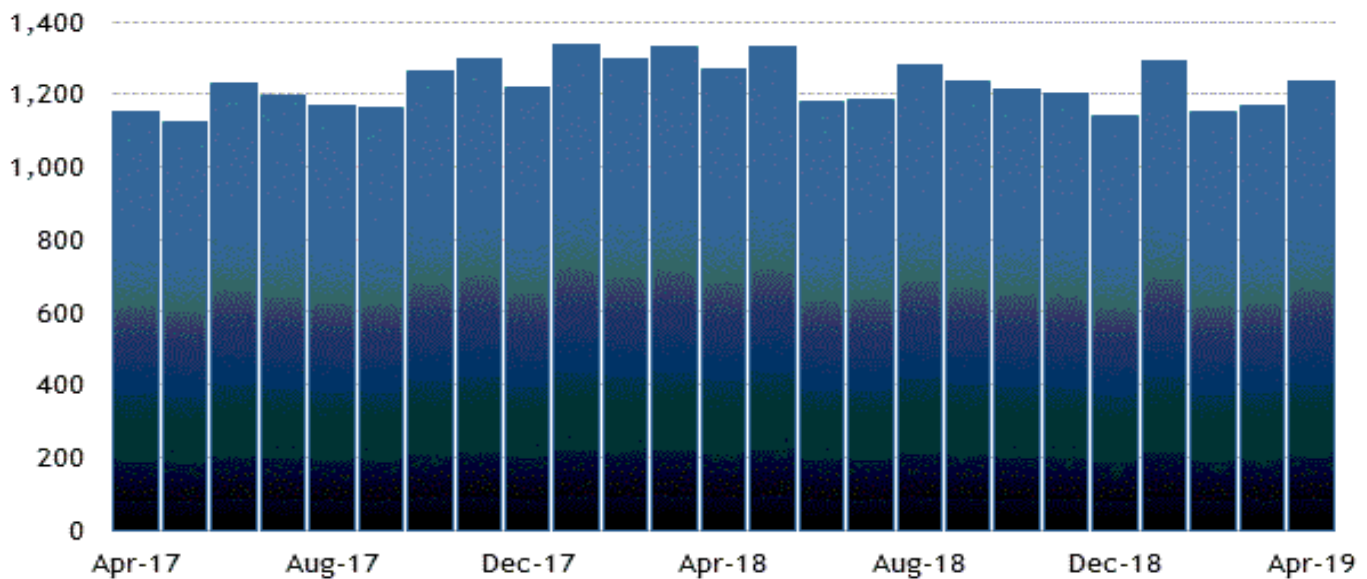
Building permits for single-unit dwellings were down in all regions -- Northeast (-7.5%), South (8.8%), and West (-0.5%) -- with the exception of the Midwest (+11.8%).

The number of units under construction at the end of the period totaled 1.121 million, down 0.9% m/m and down 0.4% yr./yr. That is 2.4% below the first quarter average, which will be a negative input for Q2 GDP forecasts.

The key takeaway from the report, however, is that there hasn't been any acceleration in building activity. Total housing starts are down 2.5% yr./yr. and single-unit starts are down 4.3% yr./yr.

Category	APR	MAR	FEB	JAN	DEC
Starts	1235K	1168K	1149K	1291K	1142K
1 Unit	854K	804K	792K	966K	814K
Multi Units	381K	364K	357K	325K	328K
Permits	1296K	1288K	1291K	1317K	1326K

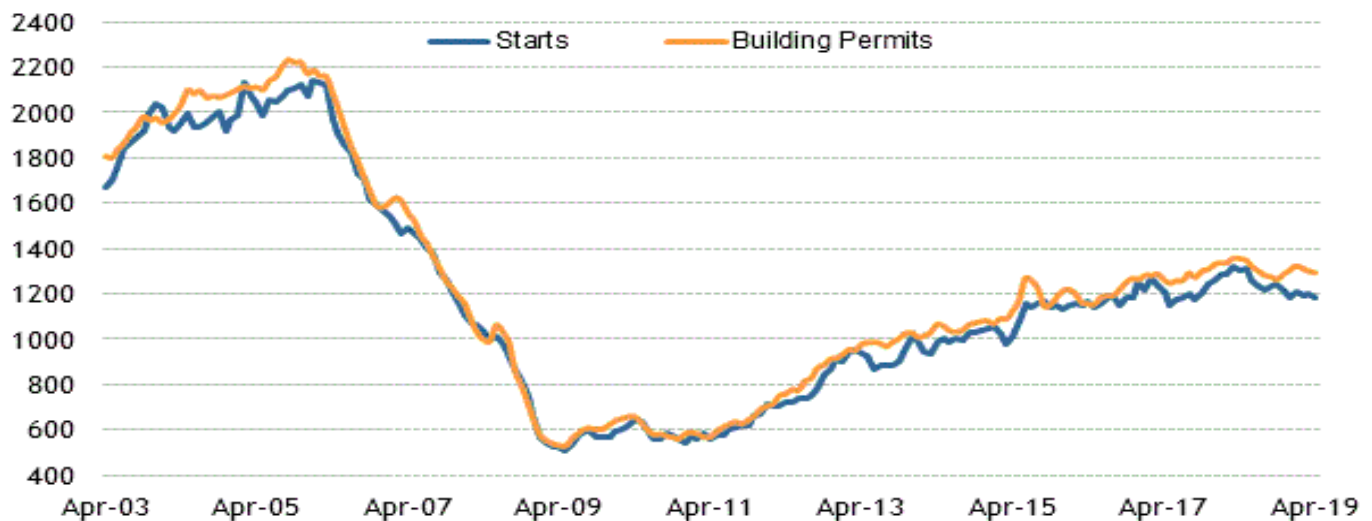
**Housing Starts (thousands, SAAR)**



Source: Census Bureau; updated 05/16/19

Briefing.com

**Housing Starts and Building Permits 3-Month Moving Average (thousands, SAAR)**



Source: Census Bureau; updated 05/16/19

Briefing.com

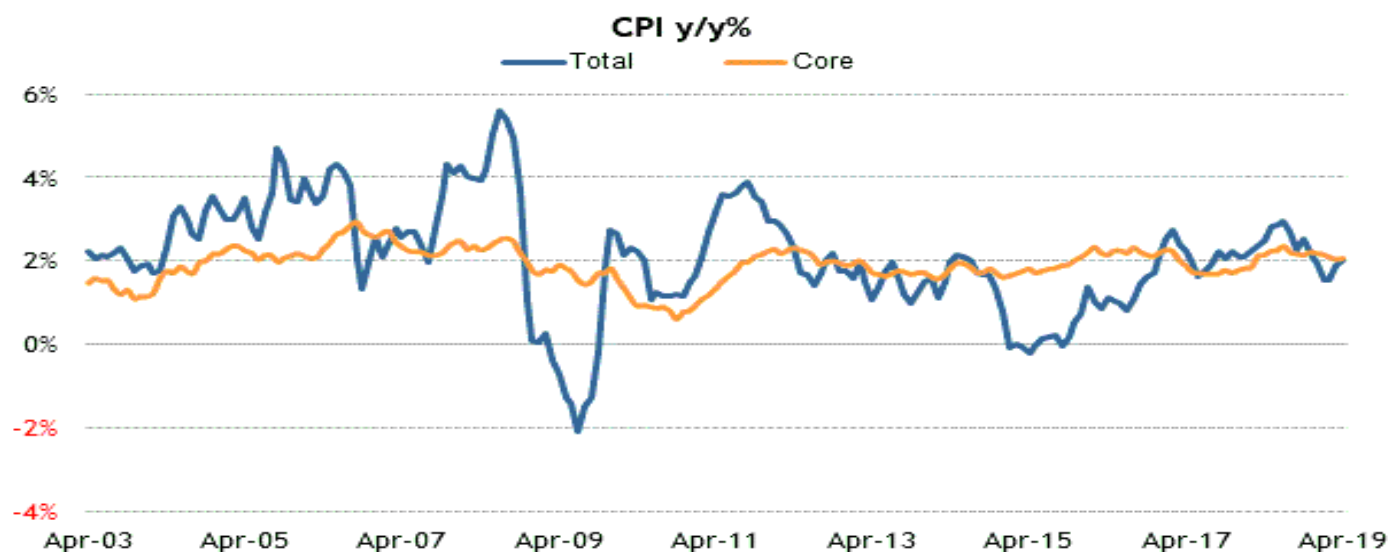
**Total CPI** increased 0.3% m/m in April (Briefing.com consensus 0.4%) while core CPI, which excludes food and energy, rose just 0.1% (Briefing.com consensus 0.2%) for the third consecutive month. That left the yr./yr. increases at 2.0% and 2.1%, respectively. The gasoline index increased 5.7% and accounted for more than two-thirds of the increase in total CPI. The food index declined 0.1%, which was the first decline since June 2017.

Gains in the indexes for shelter, medical care, education, and new vehicles helped underpin the modest increase in core CPI. Declines, though, were registered in the indexes for used cars and trucks, apparel, and household furnishings.



The key takeaway from the report is that it will keep the Fed in a neutral state of policy-setting mind and the market in an uncertain state over what the Fed's next move will be -- and when.

Category	APR	MAR	FEB	JAN	DEC
All Items	0.3%	0.4%	0.2%	0.0%	0.0%
Food and Beverages	-0.1%	0.2%	0.4%	0.2%	0.3%
Housing	0.3%	0.3%	0.2%	0.2%	0.3%
Equivalent Rent	0.3%	0.3%	0.3%	0.3%	0.2%
Apparel	-0.8%	-1.9%	0.3%	1.1%	0.0%
Transportation	1.2%	1.5%	0.1%	-1.3%	-1.5%
Vehicles	-0.4%	0.0%	-0.6%	0.1%	-0.1%
Motor Fuel	5.7%	6.5%	1.5%	-5.5%	-5.8%
Medical Care	0.3%	0.3%	-0.2%	0.2%	0.3%
Educ and Commun	0.1%	0.1%	0.2%	0.2%	0.1%
<b>Special Indices</b>					
Core	0.1%	0.1%	0.1%	0.2%	0.2%
Energy	2.9%	3.5%	0.4%	-3.1%	-2.6%
Services	0.3%	0.3%	0.1%	0.2%	0.3%



Source: Bureau of Labor Statistics; updated 05/10/19

Briefing.com

Category	Q1	Q4	Q3	Q2	Q1
<b>Nonfarm Business Sector</b>					
Productivity Q/Q	3.6%	1.3%	1.9%	2.9%	0.7%
Unit Labor Costs Q/Q	-0.9%	2.5%	1.6%	-2.8%	3.5%
Productivity Y/Y	2.4%	1.7%	1.3%	1.4%	1.1%
Unit Labor Costs Y/Y	0.1%	1.2%	1.1%	1.4%	2.1%

Unit labor costs decreased 0.9% in the first quarter well below the Briefing.com consensus expecting +1.6%, following an upwardly revised 2.5% increase from 2.0% in the fourth quarter.

From the first quarter of 2018 to the first quarter of 2019, productivity increased 2.4%. That is the largest four-quarter increase since the third quarter of 2010. Unit labor costs increased just 0.1% over the last four quarters, which is the slowest pace since the fourth quarter of 2013.

The productivity increase in the first quarter was driven by output increasing 4.1% and hours worked increasing 0.5%.

The key takeaway from the backward-looking report is that it fit quite well with the understanding that U.S. economic activity is solid while inflation pressures are muted.

## **BOND COMMENT:**

Bonds have been consolidating for the past 10 days or so, above the \$154 level and looks to be ready to add another leg higher. This week was an “inside” week which is generally inconclusive, but in this context, a consolidation. While I’m writing this before there has been any public discussion about the G20 meeting, there is little chance that we get a blockbuster announcement that everything is great and there is no need for Draghi’s easing announced last week. Here at home there has been some good news on earnings, although I really don’t think that when a company like FDX lowers projections from \$6.00 per share \$4.85 and then beats @ \$5.01 that it is a cause for celebration. And after falling from \$200 to \$160, a \$4 rally speaks volumes. Other pieces of evidence that speaks volumes are the regional manufacturing numbers, and this week that downward trend continued. Also telling is income and spending, also unimpressive. **CAM**


















# JULY 2019

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

**Start:** Gold & Silver (L), Industrials (S), Transports (S)

**In Play:** Utilities (L), Materials (S)

**Finish:** Oil (L), High-Tech (L), Computer Tech (L),  
Banking (S), Natural Gas (S)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT	SUN
<b>1</b>  <b>1st Trading Day</b> <b>Dow Up 25 of Last 30</b>  Construction Spending ISM Index	<b>2</b> 	<b>3</b>   (Shortened Trading)  Factory Orders Int'l Trade Deficit ISM Non-Mfg. Index	<b>4</b>  <b>Independence Day</b> <b>(Market Closed)</b>  Chain Store Sales	<b>5</b>  <b>Market Subject to</b> <b>Elevated Volatility</b> <b>After July 4th</b>  ECRI Future Inflation Index Employment Rate	<b>6</b>	<b>7</b>
<b>8</b>	<b>9</b>  <b>Average July Gains Last 21 Years:</b>  <b>Dow: 1.0%</b> <b>Up 14 Down 7</b> <b>Rank #5</b>	<b>10</b>  <b>S&amp;P: 0.5%</b> <b>Up 11 Down 10</b> <b>Rank #6</b>  FOMC Minutes Wholesale Trade	<b>11</b>   <b>NAS: 0.6%</b> <b>Up 11 Down 10</b> <b>Rank #8</b>  CPI Treasury Budget	<b>12</b>   PPI	<b>13</b>	<b>14</b>
<b>15</b>  <b>First Trading Day</b> <b>Of Expiration Week,</b> <b>Dow Up 12 of Last 16</b>	<b>16</b>  <b>July is the Best Performing Dow and S&amp;P Month of the Third Quarter,</b> <b>But Beware the "Summer Rally" Hype. Historically the Weakest Rally</b>  Business Inventories Import/Export Prices Industrial Production NAHB Housing Mkt Index Retail Sales	<b>17</b>  Beige Book Housing Starts	<b>18</b>   Leading Indicators Philadelphia Fed Survey	<b>19</b>   <b>Expiration Day</b> <b>Dow Down 12 of Last 19</b>  U Mich Consumer Sentiment	<b>20</b>	<b>21</b>
<b>22</b> 	<b>23</b>  <b>July Begins NASDAQ's "Worst Four Months"</b> <b>Week After Expiration Prone to Wild Swings, Dow Up 12 of Last 17,</b> <b>1998 -4.3%, 2002 +3.1%, 2006 +3.2%, 2007 -4.2%, 2009 +4.0%, 2010 +3.2%</b>  Existing Home Sales	<b>24</b>  New Home Sales	<b>25</b>  Durable Goods Semiconductor Billings	<b>26</b>  GDP - Q2 Advance	<b>27</b>	<b>28</b>
<b>29</b> 	<b>30</b>  Consumer Confidence Personal Income/Spending	<b>31</b>  Agricultural Prices Chicago PMI FOMC Meeting ECI	<b>*Tuesdays:</b> Wkly Chain Store Sales & Avg Hrly Earnings <b>*Wednesdays:</b> Oil & Gas Inventories <b>*Thursdays:</b> Weekly Unemployment Report, Wkly Mutual Fund Flows & Weekly Natural Gas Storage Report <b>*Fridays:</b> Weekly Leading Economic Index <b>*Except holidays</b>			
<div>Release dates obtained from sources believed to be reliable. All dates subject to change. © Hirsch Holdings Inc., Stocktradersalmanac.com, All rights reserved.</div> <div> Bull symbol signifies a favorable day based on the S&amp;P 500 Rising 60% or more of the time on a particular trading day 1998-2018</div> <div> Bear symbol signifies an unfavorable day based on the S&amp;P 500 Falling 60% or more of the time on a particular trading day 1998-2018</div>						

## July Almanac: Luke Warm in Pre-Election Years

July historically is the best performing month of the third quarter however, the mostly negative results in August and September make the comparison easy. Two "hot" Julys in 2009 and 2010 where DJIA and S&P 500 both

gained greater than 6% and a strong performance in 2013 have boosted July's average gains since 1950 to 1.2% and 1.1% respectively. Such strength inevitably stirs talk of a "summer rally", but beware the hype, as it has historically been the weakest rally of all seasons (page 74, Stock Trader's Almanac 2019).

July begins NASDAQ's worst four months and is the third weakest performing NASDAQ month since 1971, posting a 0.5% average gain. Dynamic trading often accompanies the first full month of summer as the beginning of the second half of the year brings an inflow of new capital. This creates a bullish beginning, a soft week after options expiration and strength towards the end.

July's first trading day is the second best performing first trading day of all twelve months with DJIA gaining a cumulative 1175.74 points since 1998. Over the past 21 years, DJIA's first trading day of July has produced gains 81.0% of the time with an average advance of 0.42%. S&P 500 has advanced 85.7% of the time (average gain 0.40%). NASDAQ has been slightly weaker at 76.2% (0.26% average gain). No other day of the year exhibits this amount of across-the-board strength which makes a case for declaring the first trading day of July the most consistently bullish day of the year over the past 21 years.

Trading on the day before and after the Independence Day holiday is often lackluster. Volume tends to decline on either side of the holiday as vacations begin early and/or finish late. Since 1980, DJIA, S&P 500, NASDAQ and Russell 2000 have recorded net losses on the day after.

Pre-Election Year July since 1950				
	Rank	Avg %	Up	Down
DJIA	6	1.0	10	7
S&P 500	7	0.9	10	7
NASDAQ*	8	0.9	6	6
Russell 1K**	8	0.5	6	4
Russell 2K**	9	0.3	5	5
* Since 1971, ** Since 1979				
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Pre-election-year July rankings are something of a mixed bag, ranking #6 for DJIA and #7 S&P 500, averaging gains of 1.0% and 0.9% respectively (since 1950); while NASDAQ (since 1971) and Russell 1000 (since 1979) pre-election Julys both rank #8. NASDAQ has only advanced in six of the last twelve pre-election Julys. Russell 2000 has advanced in five of its last ten. Despite tech's and small-cap's meager pre-election July track record, NASDAQ and Russell 2000 have averaged gains of 0.9% and 0.3% respectively.

July (1950-2018)									
	DJI		SP500		NASDAQ		Russell 1K		Russell 2K
Rank		4		5		10		8	10
# Up		44		39		26		20	20
# Down		25		30		22		20	20
Average %		1.2		1.1		0.5		0.8	-0.2
4-Year Presidential Election Cycle Performance by %									
Post-Election		2.2		2.1		3.4		3.2	2.8
Mid-Term		1.3		0.9		-1.9		-0.7	-3.8
Pre-Election		1.0		0.9		0.9		0.5	0.3
Election		0.5		0.4		-0.7		0.1	-0.2
Best & Worst July by %									

Best	1989	9.0	1989	8.8	1997	10.5	1989	8.2	1980	11.0
Worst	1969	-6.6	2002	-7.9	2002	-9.2	2002	-7.5	2002	-15.2
July Weeks by %										
Best	7/17/09	7.3	7/17/09	7.0	7/17/09	7.4	7/17/09	7.0	7/17/09	8.0
Worst	7/19/02	-7.7	7/19/02	-8.0	7/28/00	-10.5	7/19/02	-7.4	7/2/10	-7.2
July Days by %										
Best	7/24/02	6.4	7/24/02	5.7	7/29/02	5.8	7/24/02	5.6	7/29/02	4.9
Worst	7/19/02	-4.6	7/19/02	-3.8	7/28/00	-4.7	7/19/02	-3.6	7/23/02	-4.1
First Trading Day of Expiration Week: 1990-2018										
#Up-#Down		19-10		17-12		19-10		17-12		16-13
Streak		U1		D2		D1		D1		D1
Avg %		0.1		0.001		0.1		-0.02		-0.05
Options Expiration Day: 1990-2018										
#Up-#Down		10-17		11-18		10-19		11-18		8-21
Streak		D2		D3		D3		D3		D2
Avg %		-0.4		-0.4		-0.5		-0.4		-0.6
Options Expiration Week: 1990-2018										
#Up-#Down		18-11		16-13		14-15		16-13		15-14
Streak		U1		U7		D1		U7		U4
Avg %		0.4		0.03		0.1		0.01		-0.2
Week After Options Expiration: 1990-2018										
#Up-#Down		16-13		14-15		14-15		15-14		11-18
Streak		U3		U1		D2		U1		D2
Avg %		0.01		-0.1		-0.5		-0.2		-0.4
July 2019 Bullish Days: Data 1998-2018										
	1, 5, 8, 9, 11, 12	1, 3, 5, 11, 12, 18			1, 5, 8, 9, 11, 12		1, 5, 11, 12		1, 11, 18	
	17, 18, 25					16-18, 30		18, 25		
July 2019 Bearish Days: Data 1998-2018										
	2, 19, 22-24		2, 15, 19, 22, 29		2, 19, 29, 31		2, 15, 19, 22, 29		2, 19, 23, 24, 29	
	29-31									

## Undervalued Small Cap Stocks

Small Cap Stocks with Interesting Opportunities to move higher:

### [Centaurus Diamond Technologies CTDI \(\\$ 0.12\) -0.03](#)



The company is in the business of growing and producing diamonds. Its operations are focused on researching and developing its technology for the manufacture of industrial grade cultured diamonds that are chemically, optically and physically the same as their natural counterparts; the integration of the intellectual property it has acquired through years of research and acquisitions and partnerships; it has

developed a technology which crystallizes carbon into diamond under a combination of extreme pressure and heat, which allows the Company to manufacture industrial diamonds that can be sold to consumers.

The Company's man - made or cultured diamond material can be sold to various industries ranging from cutting tools, film and coating, to semiconductor and other electronics manufacturing. It is focused on developing a prototype process for its technology.



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### [Leo Motors \(LEOM: \\$0.04 - 0.01\)](#)

Leo Motors is a premier company that develops technology for boats and electric vehicles (EV's) that can travel at higher speed along roads, freeways and waterways. After 10 years of field tests, the Company has surpassed obstacles of speed, torque and reliability over other e-vehicles. Leo motors has developed an array of electric vehicles and boats, including armored military vehicles, sports cars, utility trucks, passenger buses and electronic title water boats.

Leo Motors primary division, LGM, is producing and marketing electric boats (E- boats). LGM is one of the few companies in the world that produces a safe high power electric boat. March 2017, LGM unveiled their proprietary new electric powerboat propulsion system at the 2017 Busan Boat Show in Korea. The new LGM powerboat electric propulsion system produces up to 660 horse power (HP) and is compatible with most power boats and yachts.

LGM's electric inboard and outboard propulsion systems now range from 40 HP to 700 HP and also includes their Sailing Generation System that uses wind to recharge batteries while under way, eliminating conventional charging processes. LGM is communicating with potential partners in America for their conversion enterprise.

LGM will enter into the U.S. market this year providing electric conversion services. LGM will replace old internal combustion engine yachts and powerboats to the LGM electric power system.

### **Smart E-Vehicle Technology**

LEO's proprietary electronic vehicle ecosystem has intelligent software which controls a cloud system. LEO developed the Vehicle to Everything (V2E) platform which uses smart technology to manage a cloud in the operating system (OS). The integrated OS allows connectivity with a smart device for improved driving solutions. The smart application helps reduce battery exchange recharge time and provides roadside assistance. A GPS application uses satellite and mobile networks connected to Android systems using a Bluetooth®. The app sends updates, battery status and swap service information.



## Pressure Bio Sciences OTCQB: PBIO \$ 3.00 +0.65

Pressure BioSciences, Inc. (OTCQB: PBIO) is a leader in the development and sale of innovative, broadly enabling, pressure-based platform solutions for the worldwide life sciences industry. The Company's products and services are based on the unique properties of three patented, pressure-enhanced platforms: (i) Pressure Cycling Technology ("PCT"), (ii) Pressure Enabled Protein Manufacturing Technology ("PreEMT"), and (iii) Ultra Shear Technology ("UST").

The PCT Platform uses alternating cycles of hydrostatic pressure between ambient and ultra-high levels to safely and reproducibly control bio-molecular interactions (e.g., critical research steps routinely performed by hundreds of thousands of scientists worldwide, such as cell lysis and biomolecule extraction). PBIO's primary focus is in making their recently-released, GMP-compliant, next generation PCT-based Barocycler EXT instrument available to biopharmaceutical drug manufacturers around the world for use in the design, development, characterization and quality control of their biotherapeutic drugs. The PCT Platform is also used in biomarker and target discovery, soil & plant biology, anti-bioterror, and forensics. PBIO currently has over 300 PCT instrument systems placed in approximately 175 academic, government, pharmaceutical, and biotech research laboratories worldwide. There are over 120 independent publications highlighting the advantages of using the PCT Platform in scientific research studies, many from worldwide key opinion leaders. The PCT Platform is offered through the Company's Research Products & Services Group.

The PreEMT Platform can be used to significantly impact and improve the quality of protein therapeutics. It employs high pressure for the disaggregation and controlled refolding of proteins to their native structures at yields and efficiencies not achievable using existing technologies. The PreEMT Platform has been shown to remove protein aggregates in biotherapeutic drug manufacturing, thereby improving product efficacy and safety for both new-drug entities and biosimilar products. The PreEMT Platform can help companies create novel protein therapeutics, accelerate therapeutic protein development, manufacture follow-on biologics, and enable life-cycle management of protein therapeutics. It is scaleable and practical for standard manufacturing processes. This unique technology platform can help protein-based biopharmaceutical companies create and manufacture high quality, novel protein therapeutics and lower the cost of existing formulations. The PreEMT Platform is offered as a service by PBI's Biological Contract Research Services Group. Manufacturing licenses are available.

The UST Platform is based on the use of intense shear forces generated from ultra-high pressure (greater than 20,000 psi) valve discharge. UST has been shown to turn hydrophobic extracts into stable, water-soluble formulations, on a small, laboratory scale. Thus, the UST Platform offers the potential to produce stable nanoemulsions of oil-like products in water. Such formulations could potentially have enormous success in many markets, including inks, industrial lubricants, paints, and cosmetics, as well as in pharmaceuticals and nutraceuticals, such as medically important plant oil extracts, i.e., making CBD-enriched plant oil water soluble. The Company believes that UST has the potential to play a significant role in a number of commercially important areas, including (i) the creation of stable nanoemulsions of otherwise immiscible fluids (e.g., oils and water), and (ii) the preparation of higher quality, homogenized, extended shelf-life or room temperature stable low-acid liquid foods that cannot be effectively preserved using existing non-thermal technologies, e.g., dairy products. The UST Platform is currently offered as a service through PBI's Research Products and Services Group.

### **2018 Accomplishments**

- **May 15, 2018:** the Company announced that it had converted \$6.39M of debt into equity. The Company also reported continued increases in revenue for the first quarter of 2018, including an 11% increase in products and services sales, an 8% increase in instrument sales, and an 18% increase in consumable sales Y/Y.

- **May 3:** the Company announced receipt of the first contract utilizing the recently acquired high pressure technology from BaroFold, Inc. to evaluate PBI's patented Pre-EMT platform to enhance the manufacturing process and improve the quality of protein therapeutic drug candidates.
- **April 3:** the Company reported Q4 and FY2017 financial results and offered a business update. Instruments, consumables, products & services and total revenue continued to show double-digit growth. Quarterly revenue has increased eight quarters in a row, on a Y/Y basis. Total revenue has increased three years in a row, on a Y/Y basis.

### Investment Highlights

- Seasoned Management Team & Board of Directors
- Novel, Enabling, Patent Protected, Proprietary Platform (PCT)
- Proven Core Technology with Multiple Applications (over 270 PCT systems placed)
- Razor/Razorblade Business Model
- Sales into the Research Market (fast market penetration with minimal approvals required)
- Increasing Number of 3rd Party Publications from Marquee Laboratories
- PCT Breaks Through Bottlenecks and Barriers to Enable and Accelerate Scientific Discovery
- PCT Exquisitely Controls Test Variables, Providing Methods Standardization/Reproducibility
- Significant Market Opportunity (~\$6 Billion from ~500K scientists in 80K labs worldwide)

## Fundamental Analysis Stocks To Buy with Stops

Fundamental Analysis: Stocks to Buy again with Stops: Using fundamentals the following are stocks to trade hypothetically. They have done well. We have taken numerous profits as indicated on the table below. In addition, some have been stopped out with small losses. January was the month to rebuy positions. This (May-June) is historically the time to take profits, sell in May and go away, annually for stocks. The worst six months are typically from May through October.

As indicated on the table below, balance is critical. The stocks listed below, we are interested in buying for position to be long. All stocks need to have disciplined stops. We are neutral to stocks and do not see a direction. Alibaba and Amazon should be rebought on weakness again. Boeing remains neutral - negative; wait for 320 for entry. Last year all three made a great deal of points. We have no position in Alcoa AA. For those still long, we were stopped out at \$ 28.25. Flushing Financial (FFIC \$ 21.06) collapsed below the 50-day price moving averages and there is no urgency to be long. The 50-day moving average is about 22.00, has now failed at support which needed to hold if long. FFIC remains neutral to negative. Silicon Motion was an excellent long, which is now consolidating, and would stand aside. BMY is a re-buy again at the 50 DMA around \$46 and could be bought. We recommended sales at \$ 61. We sold the HDGE at \$ 8.62 as discussed. The HDGE is a trading vehicle for stock market protection. We recommend longs above 6.65 and we have executed, long at 6.66, which is the 50-day price moving average. For those needing protection, this could be a stock to consider purchases at the possible double bottom. at \$ 6.43.

<i>Stock Symbol</i>	<i>Name</i>	<i>Business Description</i>	<i>PE</i>	<i>P/S</i>	<i>MV mln</i>	<i>Current Price</i>	<i>Buy or Sell Limit</i>	<i>Stop Loss Or offset</i>
<i>BABA</i>	<i>Alibaba</i>	<i>Largest on-line book seller in China; more of a retailer than Amazon</i>	<i>50.67</i>	<i>13.21</i>	<i>511B</i>	<i>169.45</i>	<i>Look to sell at the \$ 175 AREA</i>	<i>50Day MA support at 160-170 area Sell</i>

								<i>below</i>
<i>AMZN</i>	<i>Amazon</i>	<i>Catalog &amp; Mail Order reported great earnings</i>	<i>189</i>	<i>2.90</i>	<i>780B</i>	<i>1893.63</i>	<i>Possible double top at 19.50</i>	<i>Stop Loss at 18.37</i>
<i>SIMO</i>	<i>Silicon Motion</i>	<i>Semiconductor solutions for mobile storage and communications</i>	<i>9.7</i>	<i>2.5</i>	<i>1.77B</i>	<i>44.38</i>	<i>Sell at the 50 DMA at about 40</i>	<i>Sold at \$ 54.40 9/07/18</i>
<i>TPC</i>	<i>Tutor Perini</i>	<i>Construction</i>	<i>12</i>	<i>0.25</i>	<i>1.03B</i>	<i>13.87 Stopped out 17.90 05/09/19</i>	<i>Sell on a rally</i>	<i>Look for better pattern to trade</i>
<i>BMV</i>	<i>Bristol Myers</i>	<i>Drug Manufacturing Biopharmaceutical Products</i>	<i>28</i>	<i>5.1</i>	<i>86.2B</i>	<i>45.35</i>	<i>Look to be long at the 44-45 level</i>	<i>Bought at \$ 46</i>
<i>BA</i>	<i>Boeing</i>	<i>Aerospace, commercial Jetliners, military systems</i>	<i>14</i>	<i>0.90</i>	<i>211B</i>	<i>364.01</i>	<i>Bought at \$ 132 10/4/16</i>	<i>Took Profits at 384</i>
<i>GEL</i>	<i>Genesis Energy</i>	<i>Oil and Gas Pipelines</i>	<i>44</i>	<i>3.61</i>	<i>2.6B</i>	<i>21.90</i>	<i>Buy at 20.70</i>	<i>Stand aside</i>
<i>HDGE</i>	<i>Bear ETF</i>	<i>Resistance remains heavy at 7.50</i>	<i>NA</i>	<i>NA</i>	<i>149Mln</i>	<i>6.38</i>	<i>Long at 6.66 Stop at 6.25</i>	<i>Long above the 50 DMA</i>
<i>FFIC</i>	<i>Flushing Financial</i>	<i>Banking Savings and Loans</i>	<i>20</i>			<i>22.20</i>	<i>Buy at 20.40</i>	<i>Bottoming Pattern</i>
<i>AA</i>	<i>Alcoa</i>	<i>Aluminum Processing and Technology</i>	<i>N/A</i>	<i>0.4</i>	<i>8.94B</i>	<i>23.41</i>	<i>Remaining Short</i>	<i>Sold at 36 10/24</i>
<i>BAC</i>	<i>Bank of America</i>	<i>Commercial Bank</i>	<i>10</i>	<i>2.02</i>	<i>306B</i>	<i>29.00</i>	<i>Stand Aside</i>	<i>29.70 sale on 01/25/19</i>
<i>GIS</i>	<i>General Mills</i>	<i>Consumer Goods processed and Packaged Foods</i>	<i>16</i>	<i>1.61</i>	<i>25.28B</i>	<i>52.52</i>	<i>Long again Raise stops to 50</i>	<i>Look to be Long above 45</i>
<i>VTI</i>	<i>Vanguard</i>	<i>Exchange traded Fund</i>				<i>150.09</i>	<i>No current Position</i>	<i>Possible Dbl Top</i>

### Rule 17B Attestations and Disclaimers

Princeton is paid \$ 1,500 per month from RMS Medical Products. The SITS contract calls for \$ 1,500 per month. Princeton had been engaged by Target Energy. No contract is currently in place. Princeton is paid \$ 2500 per month by Pressure Biosciences. Princeton was paid about 300,000

restricted shares of Leo Motors. Princeton is paid \$ 2,500 per month for International Star. Princeton is paid \$ 2,500 from Leo Motors.

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