

**January 18, 2016
Market Strategies Newsletter
Sample Issue**



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

A Publication of Princeton Research, Inc. (www.PrincetonResearch.com)
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Where To Invest In 2015 Newsletter Covering:

**Where to Invest January 2016
Best Stocks To Buy January 2016
Stock Market Investing Strategies
Stock Options Trade Alerts
Options Trading Strategies
How To Trade Options**

Gain For The Week \$ 324

2016 YTD Profits \$ 732

Over 7% Returns

**2015 YTD Profits \$ 6646
Over 66% Returns**

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

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\$10,000 Trading Portfolio **Charles Moskowitz Discussion**

We have 1Open Position:

QQQ February \$99 puts

Funds in Use \$ 750

Week 2 was a tough one, although we managed to eke out a gain of \$324 bringing YTD up to \$732 (7.3%). We have only one open position for protection against further declines and that is the QQQ February \$99 puts. The QQQ is the top 100 NASDAQ names and they tend to outperform in both directions. Funds in use are \$750.

Since the question being asked is “Why isn’t the economy achieving better results,” we should be looking at how we are being misrepresented to by the government numbers. The case in point is the reporting of how the economy is actually performing. While many may say that this space should be reserved for market discussions, in case you didn’t know, the markets are the forward pricing mechanism for the economy. That makes this space the appropriate place for this discussion since the market is forward looking and is undisputedly the most accurate harbinger of what is really taking place. The point of this goes right to the core of the economic discussion: **JOBS....**

Last week we had a 200 point rally on the back of the “great” job creation number, 292,000 new jobs. This week we had the first time unemployment claims, 284,000 new first time claims. Monthly we hear from the Secretary of Labor while he applauds the fact that we have had 70 months of uninterrupted job creation. What he doesn’t say is “by the way, after the first time unemployment claims we created only 8000 jobs and oh yeah, they were part time and low paying as reflected by the labor force participation number.” And by the way, we hear that GE and GoPro are laying off over 10,000 workers from their workforce next month...

Unfortunately the structural change brought about by Dodd-Frank legislation has generated a fairly dramatic shift away from the type of liquidity that the major trading firms provided on days like Friday. They now have less leverage and the prohibition of proprietary trading. This is akin to the difference between the specialist system at the NYSE and the fragmented use of the electronic market maker system employed by the NASDAQ. The market makers can simply not post reasonable bids if they

think it will cost them money, whereas the specialists have a mandate to keep an “orderly market.” While this is not the ONLY reason for the “flash crashes” it absolutely contributes to the problem.

Earnings season will also be a problem although with the market down 8-10% depending upon which index you watch some of the downside could already be priced in. As we’ve discussed in this space before “stuff” meaning materials used to produce product doesn’t go to zero, and the manufacturers of products that drive the economy are gaining a competitive advantage as raw materials get cheaper. My favorite 2 examples are that with copper prices well below \$2.00, the cost of an electric driven automobile that uses 600 pounds of wiring and homes that use copper pipes become cheaper to complete and their margins become greater.

I will only be issuing 2 new trades tonight because the 3 day weekend makes it difficult to judge how much catchup and in what direction we will have to deal with on Tuesday, but my own belief is that with the sentiment numbers as absurdly skewed to the bear side, a tradable rally is coming. It may not come without a hard down open Tuesday, and we’re already in the QQQ puts to cover that possibility... The 2 new trades are below the market and in 2 names that tend to be where big money goes to hide, PG and CL, both consumer names. These trades are listed below..... *CAM*

Market Strategies \$10,000 Trading Account Trade Table

New Trades

- (1) BUY 4 PG FEBRUARY 72.50 CALLS @ \$ 1.10
- (2) BUY 4 CL FEBRUARY 62.50 CALLS @ \$ 1.55

DATE	TRADES	PRICE	COST	PROCEEDS	RESULTS
01/15	Bought 3 QQQ February 99 Puts	2.50	750		
01/14	Sold 4 SPY January 190 Calls	2.49		996	324 Gain
01/13	Bought 4 SPY January 190 Calls	1.68	672		

**Remember, these trades are based on your participation in the
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MARKET LABORATORY – WEEKLY CHANGES

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

Dow 15,988.08 -358.87 -2.19%	Nasdaq 4488.42 -155.21 -3.34%	S&P 500 1880.33 -41.70 -2.17%	Transportation 6689.06 -257.30 -3.70%	Russell 2000 1007.72 -38.48 -3.68%	Nasdaq100 4141.08 -129.70 -3.04%
Gold (spot) 1091.50 -6.30 -0.6%	Silver 1389.6 -2.2 -0.2%	Crude 29.42 -3.74 -11.3%	Heating Oil 93.43 -11.78 -11.2%	Unleaded Gas 1.0212 -0.1065 -9.4%	Natural Gas 2.100 -0.372 -15.0%
VIX 27.02 +0.01 +0.04%	Put/Call Ratios S&P 100 121/100's -6/100's	Put/Call Ratios CBOE Equity 93/100's 13/100's	Bonds 159-04 +2-24 2.81% - 0.13%	10 Yr. Note 128-14+1- 014 2.03% - 0.10%	Copper 194.35 -7.85 -3.7%
CRB Inflation Index 159.93 -8.65 -5.1%	Barron's* Confidence 70.3 -2.0	S&P100 839.89 -15.69 -1.83%	5 Yr. Note 120-012+222 1.45% -0.15%	Dollar 98.95 +0.57 +0.6%	DJ Utilities 582.79 +3.97 +0.69%
AAll Confidence Index Long Term Average	Bullish 17.9% -4.3% 38.74%	Bearish 45.5% +7.3% 30.30%	Neutral 36.6% -3.0% 30.96%	M1 Money Supply +10.79% Jan 4 th	M-2 Money Supply +6.05% Jan 4 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.

Market Strategies Technical Information

Support/Resistance Levels:

SUPPORT

RESISTANCE

S&P 500	1857 1828	1898
Dow	15,355	16,663
QQQ	98.04	101.90
Transports	65.18	7387
NASDAQ	4270	4759

\$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)
XIV 300	18.18	01/15		18.93 01/15	\$ 225
GM 100	31.02	01/13		30.75 01/13	(\$ 27)
NWL 100	60.75	01/13		59.87 01/13	(\$ 106)
AAPL 50 Shorted	101.54	01/06	101.59 stop	102.68 01/05	\$ 59
KRO 800	5.13	01/04			
EYES 1000	6.49	12/28			
APC 100	51.21	12/10			
VA 200	36.50	12/08			
APC 100	53.53	12/07			
LVLT 100	50.81	11/23			
TWTR 200	28.51	10/28			
CUBA 500	7.58	09/28			
MOS 100	43.55	08/14			
CRM 100	72.90	04/29	66.25		
NBGY 600	1.40	02/17			
BAC. Wts 5,000 lots	0.7411	12/26			
BSBR 500	4.84	12/18			
500	3.75				
SAN 600	8.40	12/16			
AA 500	14.21	10/16			
NBGY 300	2.95	05/19			
NBGY 300	4.08	8/12			
TEXQY* 200	6.56	7/11			
REPR* 5000	0.22	10/22/12			

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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 8 PG February \$72.50 Calls @ \$ 1.10**
- (2) Buy 8 CL February \$ 62.50 Calls @ \$ 1.55**

There was one closed option position: The January 190 SPY 190 Calls gained \$ 648.

There was one closed out stock trade: The XIV was bought at \$ 18.18 and sold at \$ 18.93 making \$225.

The VIV is a reverse volatility play. As fear and volatility rises the XIV goes lower. Both were counter-trend trades as Charles tends to trade predominantly from the long side.

This increased gains for the new-year to \$1,613.

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

The Stock table has the following 20 positions: AA, APC(2), BAC.B.WS, BSBR(2), CRM, CUBA, EYES, KRO, LVLTL, MOS, NBBGY (3), REPR, SAN, TEXQY, TWTR, VA:

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

We are basing money management on a hypothetical \$ 100,000 and are using a total of \$ 80,093 for the 20 open stock positions. There are no long option positions leaving \$ 19,907 in cash.

These figures are approximate and there might be errors.

We have not counted the dividends received from many previous trades such as Apple, JP Morgan, North American Tankers, Santander, their Brazil affiliate BSBR and Blue Capital Reinsurance which was sold for a profit and many others. We will begin adding them next year.

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)
QQQ Feb 99	Puts 2.50	01/15/15			
SPY Jan 190 8 lots	Calls 1.68	01/13/15	2.49	01/14/2015	\$ 648

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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	Martin Luther King Birthday Commemoration all U.S. markets closed
TUESDAY	Bank of America BAC (0.27 vs 0.32) Charles Schwab SCHW (0.25 vs 0.25) Comerica CMA (0.69 vs 0.80) Delta Air Lines DAL (1.19 vs 0.78) Morgan Stanley MS (0.34 vs 0.40) United Health UNH (1.38 vs 1.55) Synovus SNW 0.43 vs 0.39 10:00 hrs NAHB Housing Market Index Jan (61 vs +61) 19:00 hrs Net Long Term TIC Flows Nov (NA vs -\$16.6B) Advanced Micro AMD (-0.10 vs 0.00) IBM IBM (4,81 vs 5.81) Interactive Brokers IBKR (0.30 vs 0.12) Netflix NFLX (0.02 vs 0.72) Woodward WWD (0.51 vs 0.66)
WEDNESDAY	Amphenol APH (0.59 vs 0.63) Goldman Sachs GS (3.65 vs 4.38) Northern Trust NTRS (0.91 vs 0.98) TD Ameritrade AMTD (0.38 vs 0.39) Brinker EAT .75 vs .71 07:00 hrs MBA Mortgage Index 01/16 (NA vs +21.3%) 08:30 hrs CPI Dec (0.0% vs 0.0%) CORE CPI (+ 0.2% vs + 0.2%) 08:30 hrs Housing Starts Dec (1197K vs 1173K) Building Permits (1200K vs 1289K) 10:30 hrs Crude Inventories 01/16 (NA vs 0.234Mln Bbls) Kinder Morgan KMI (0.18 vs 0.08) Logitech LOGI (0.21 vs 0.41) Briggs and Stratton BGG (0.20 vs 0.26) Cathay Bancorp CATY (0.52 vs 0.44) Raymond James RJF (0.84 vs 0.87) Texas Capital TCBI (0.72 vs 0.78) Eagle Bancorp EGBN (0.63 vs 0.56) Sallie Mae SLM (0.19 vs 0.03) Xilinx XLNX (0.49 vs 0.62)
THURSDAY	Alaska Air ALK (1.41 vs 0.94) Avnet AVT (1.25 vs 1.27) BNY Melon BK (0.64 vs 0.58) Canadian Pacific CP (2.75 vs 2.68) Fairchild Semi FCS (0.14 vs 0.10) Fifth Third FITB (0.40 vs 0.43) GATX GMT (1.39 vs 1.30) Key Corp KEY (0.28 vs 0.28) Huntington Banc HBAN (0.21 vs 0.19) National Penn (NPBC 0.20 vs 0.18) Old Republic ORI (0.25 vs 0.23) Perrigo PRGO (1.94 vs 1.82) Precision Castparts PCP (3.04 vs 3.09) PPG Industries PPG (1.23 vs 2.11) Signature Bank SBNY (1.93 vs 1.60) JB Hunt Trans JBHT (0.99 vs 0.93) Southwest Air LUV (0.89 vs 0.59) Travelers TRV (2.64 vs 3.07) Union Pacific UNP (1.42 vs 1.61) United Continental UAL (2.59 vs 1.20) Verizon VZ (0.88 vs 0.71) WABC (0.58 vs 0.58) 08:30 hrs Initial Claims 01/16 (280K vs 284K) 08:30 hrs Continuing Claims 01/16 (2260K vs 2263K) 08:30 hrs Philadelphia Fed Jan (-4.0 vs -5.9) 10:30 hrs Natural Gas Inventories 01/16 (NA vs -168bcf) American Express AXP (1.12 vs 1.39) Celanese CE (1.24 vs 1.28) E Trade ETFC (0.30 vs 0.28) Intuitive Surgical ISRG (4.94 vs 4.92) Schlumberger SLB (0.63 vs 1.50) Starbucks SBUX (0.45 vs 0.80) Western Alliance Bancorp WAL (0.55 vs 0.46) Maxim Integrated MXIM (0.32 vs 0.33) Resmed RMD (0.66 vs 0.64)
FRIDAY	General Electric GE (0.49 vs 0.56) Citizens Financial Group CFG (0.42 vs 0.39) Rockwell Collins COL (0.99 vs 1.10) KC Southern KSU (1.10 vs 1.27) Sun Trust Banks STI (0.87 vs 0.88) Synchrony Financial SYF 0.63 vs 0.64 10:00 hrs Existing Home Sales Dec (5.12M vs 4.76M) 10:00 hrs Leading Economic Indicators Dec (-0.1% vs 0.4%)

Market Strategies Fundamentals

The current stock market decline began with transportation stocks and small capitalization stocks severely under-performing the market. Yield focused stocks were the next to fall, with Kinder Morgan being the most prominent example.

Weakness then spread to the energy complex and high-yield bonds. Then, the slide in oil prices have accelerated in relentless fashion dragging down stocks even further. Volatility rose continuously throughout the week. The S&P rallied up to 1950 early in the session on Wednesday, but then collapsed 64 points all the way down to 1886 in a matter of a few hours.

Stalwarts like Apple have held rather well defying the collapse in stocks. The first wave down culminated in a gut-wrenching August 2015 sell-off that saw the Dow Jones Industrial Average fall 1000 points at the open on August 24th, 2015. The panic was quickly brushed aside, but not forgotten, as market leading stocks made new highs in the fall of 2015. Apple has held above \$ 91.61 its August low which is not the case with the general indexes. Apple has earnings Tuesday Jan 26th, the following week, which will be followed closely.

The Transportation Index (DJT: \$ 6689.06) -257.30 fell another 3.7% last week leading the negative charge. The Russell 2000 (RUSS: \$ 1007.72) - 38.98 or 3.7% followed and is now in recession mode, a virtual collapse. The Nasdaq also broke below its August low close of (NASDAQ: \$ 4526.25 to close at 4488.42, although still above its August low point of 4292. The S&P 500 (SPY \$ 1880.33) -31.70 or 1.6% and the Dow Jones (DOW: \$ 15,988) -58 or 2.2%, both held above their August lows.

The general meltdown that has caused a multitude of stocks to correct 20 to 25%, thus far, began with Transportation stocks; then accelerated upon the decline of Crude oil and energy stocks. Demand became inelastic as commodity companies rather than reducing production chose to keep income flowing even at sharply reduced levels. Greed took over for economic reality. While U.S. stocks have outperformed international markets since 2011, 2014 and 2015 saw the development of material divergences. Specifically, smaller capitalization stocks, measured by the Russell 2000 Index, and represented by the iShares Russell 2000 ETF (IWM), began underperforming in 2014. Importantly, small-caps went on to make a new high in 2015, but their negative divergence all the way back in 2014, planted the seeds for the current decline, as illustrated in the chart below.



Apple (AAPL: \$ 97.13) + \$ 0.17 or +0.17%, was up last week defying the overall meltdown in stocks.



The FANG stocks, Facebook (FB: \$ 94.97) - 2.36 or 2.4%, Amazon (AMZN: \$ 570.18) -\$36.87 or -6.%; NetFlix (NFLX: \$ 104.04) -\$7.35 or -6.6% and Google, now know as Alphabet (GOOG: \$ 694.45) - \$20.02 or -2.8% were weak but well above their August lows. Earnings will be closely watched beginning next week with Net Flix Tuesday after the close expecting just \$ 0.02 in net earnings per share with top line slase expected at over \$ 1.9 Billion. Last year at this time their Sales reported were \$ 1.1 Billion. For the quarter ended September 2015, their top line sales hit \$ 1.738 Bln.





The question abounds whether the generals can hold their ground while the troops (other stocks) are in sharp decline mode. These five stocks, and Starbucks which should be added have defied the avalanche. They still look great on the charts.





Lower oil and energy prices have caused stocks to overreact. Same with China:

Too much hype has been applied to China, which really should not have a major effect like it has.

First of all, the direct impact of China's economy on US GDP is minor, to the point of virtual insignificance. For example, a dramatic decline of US exports to China of -10% (which is unlikely) would impact US GDP by less than 0.01%. It's simply not relevant. Second, the slowdown in the Chinese economy is primarily impacting Chinese demand for stuff that the US doesn't export, such as oil, copper and iron ore.

So far, the positives of lower fuel and energy prices on domestic consumption have been limited. Restaurant sales have received a nice bump up, and people are buying more trucks and SUVs, but the increase in consumer spending that was part of the whole gasoline "tax cut" thesis that most economists

had counted on to begin 2015 and drive three percent GDP growth last year has failed to materialize so far.

The consumer has decided to bank most of these savings for the time being with the personal savings rate being at multi-year highs. In addition, both rent and healthcare premiums have been rising at a much higher rate than core inflation soaking up a good portion of the savings from lower energy prices.

Stock can continue to fall, and as they do, if the fundamentals are intact, an opportunity becomes more and more undervalued. As the old saying goes, they do not ring a bell at the top or bottom of a market. Therefore, it is not only possible, but very likely, that you can make a great purchase of a super company that is undervalued and still watch the price continue to drop to lower levels before it inevitably turns around. The inevitable part comes when fundamentals support a higher value. Stops are important to utilize. It can take 2 or 3 attempts to get a good long position on the books.

Market Strategies Economic Data

Industrial Production declined 0.4% in December on the heels of a downwardly revised 0.9% decline (from -0.6%) in November. That was the fifth consecutive monthly decline and below the Briefing.com consensus estimate, which called for a 0.2% drop.

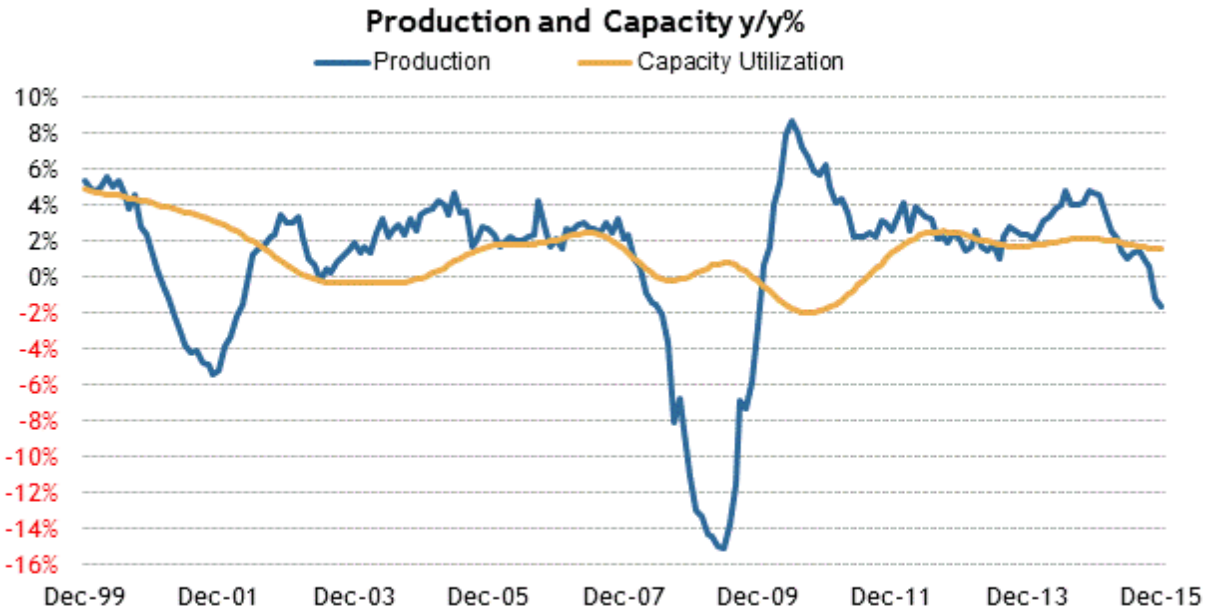
Capacity Utilization fell to 76.5% (Briefing.com consensus 76.9%) from a revised 76.9% (from 77.0%) in November.

The December report proved to be another disappointment for the series as all major industry groups showed declines. Manufacturing output declined 0.1% in December, mining output fell 0.8%. Utilities output declined 2.0%. The output of durable goods had a slight improvement in December, while nondurables output declined 0.2%, paced by a 1.2% drop in petroleum and coal products.

Once again, warmer-than-usual temperatures constricted demand for heating, causing the drop in utilities. Utilization rates were down for all major industry groups, led by utilities, which fell to 73.2% from 74.8%.

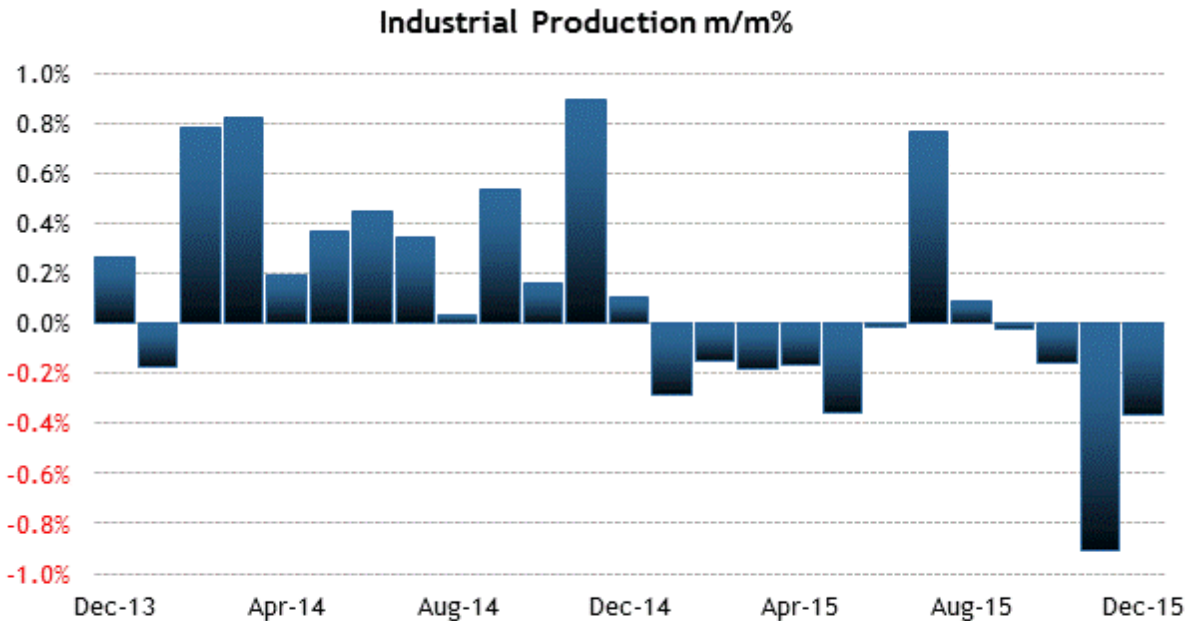
Total industrial production in December was 1.8% below the December 2014 level.

Category	DEC	NOV	OCT	SEP	AUG
Industrial Production					
Total Index	-0.4%	-0.6%	-0.4%	-0.1%	0.2%
Manufacturing	-0.1%	0.0%	0.3%	-0.2%	-0.1%
Utilities	-2.0%	-4.3%	-2.8%	1.6%	1.6%
Mining	-0.8%	-1.1%	-2.4%	-1.3%	0.3%
Capacity Utilization					
Total Industry	76.5%	77.0%	77.5%	77.9%	78.1%
Manufacturing	76.0%	76.2%	76.3%	76.1%	76.4%



Source: Federal Reserve; updated 01/15/16

Briefing.com



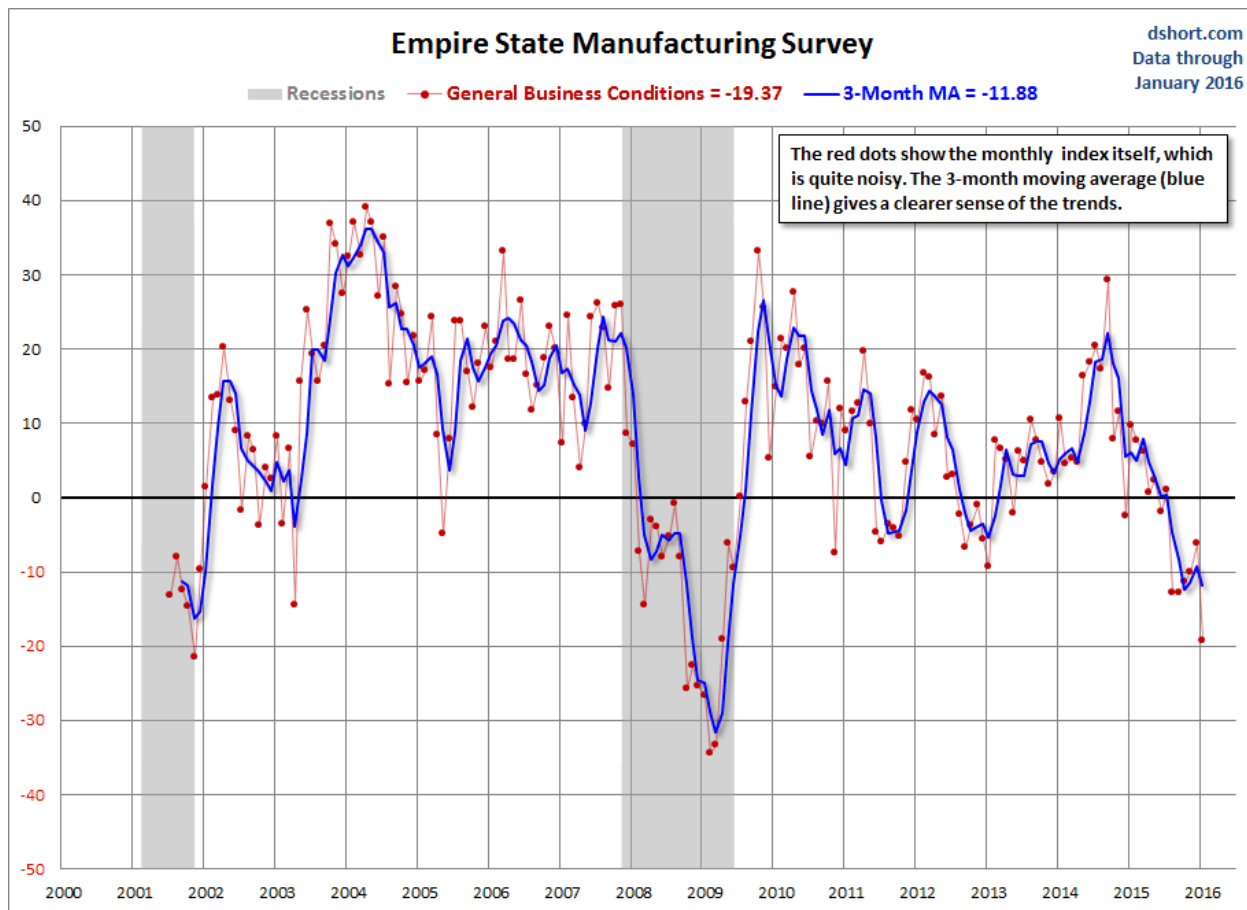
Source: Federal Reserve; updated 01/15/16

Briefing.com

Jolts -Job Openings : Job openings were little changed at 5.4 million by the end of November. The job openings rate was 3.7 percent. The number of hires was 5.2 million in November, little changed from October. The hires rate was 3.6 percent. Job openings increased in health care and social assistance (+57,000) and decreased in retail trade (-64,000), information (- 48,000) and Oil and Mining (-18,000). In the regions, job openings increased in the South and decreased in the Midwest over the month. Job openings decreased over the year in information (-48,000) and mining and logging (-8,000). Layoffs in

mining and oil were relatively slow even though prices collapsed. They have since picked up dramatically as prices fell well below expectations.

Empire Manufacturing fell 19.2%, even worse than December's -4.6%: The January Report was by far the worst showing since 2009. It bodes poorly for the new year in a State not mining related.



Retail Sales fell 0.1% versus expectations by Briefing.com of a +0.1% reading.

Retail Sales excluding automobiles fell 0.1% versus expectations for an increase of 0.3%. Declines were seen across categories like electronics & appliance stores (-0.2%), food & beverage stores (-0.3%), gasoline stations (-1.1%), clothing & accessory stores (-0.9%), general merchandise stores (-1.0%), and miscellaneous store retailers (-2.0%). Sales at furniture & home furnishing stores (+0.9%), building supplies dealers (+0.7%), sporting goods stores (+0.9%), and food services & drinking places (+0.8%) improved.

Core retail sales factor into the goods component of personal consumption expenditures in the GDP report, so this December data can be thought of as a negative input.

Category	DEC	NOV	OCT	SEP	AUG
Retail Sales	-0.1%	0.2%	0.1%	-0.1%	0.0%
Excluding Autos	-0.1%	0.4%	0.1%	-0.5%	-0.1%
Durable goods					

Building Materials	0.7%	-0.3%	0.9%	-0.5%	-1.1%
Autos/parts	0.0%	-0.4%	-0.3%	1.4%	0.3%
Furniture	0.9%	-0.3%	0.5%	1.2%	-0.1%
Nondurable goods					
General Merchandise	-1.0%	0.7%	-0.1%	0.4%	0.4%
Food	-0.3%	0.7%	-0.2%	-0.3%	0.4%
Gasoline stations	-1.1%	-0.8%	-1.0%	-4.8%	-2.2%
Clothing	-0.9%	0.8%	-0.5%	-0.6%	-0.1%
e*retailing/non-store	0.3%	0.6%	1.4%	0.3%	0.0%

Market Strategies Cycles

The Russell 2000 entered bear market territory last week and the DJIA, S&P 500 and NASDAQ Composite all reached the 10% correction level. But there were some good rallies during the week even though they failed to hold. Volatility was constrained and was little changed from the previous week.

This has been the worst start to a New Year on record, triggering bearish warning signs on several New Year seasonal indicators. There have been few places to hide, barely any respite and little solace. With our “Santa Claus Rally” (SCR) and “First Five Days Early Warning System” (FFD) in the red and the DJIA’s December closing low violated, a positive reading from our full-month January Barometer would need to go a long way to improve prospects for the year.

If the S&P 500 could move up more than 10% by the close of the month, the January Barometer will be positive and an indication that this current selloff is of similar ilk to the August-September correction last year. However, a negative January Barometer is not the death knell for the market. It sure suggests rough sledding and likely lower prices if history is any guide. A deeper examination of the historical record illustrates that despite the market’s current troubles - and even if the JB is negative - there will likely be a silver lining.

Of the past 10 times that the SCR and FFD were both negative, the December low was NOT violated only once in 1985 as you can see in the accompanying annotated table. 1985 is also one of the three years in the table that registered a positive January Barometer. All three were pure bull market years with solid gains. 1985 and 1991 were both up 26.3% and 1993 was up 7.1%.

The January Barometer was up in 2005 and the bull market raged on, but the year was flat with a paltry 3% gain. The other six years in the table are a mish-mash, but only three are a total washout. 1969, 2000 and 2008 all registered losses for the next eleven months, the full year and beyond, delivering bear markets that spanned more than one year. The other three years, 1956, 1978 and 1982 all contained bear and bull markets and managed 11-month and full-year gains; modest in 1956 and 1978, but smashing in 1982 with the start of the last secular bull.

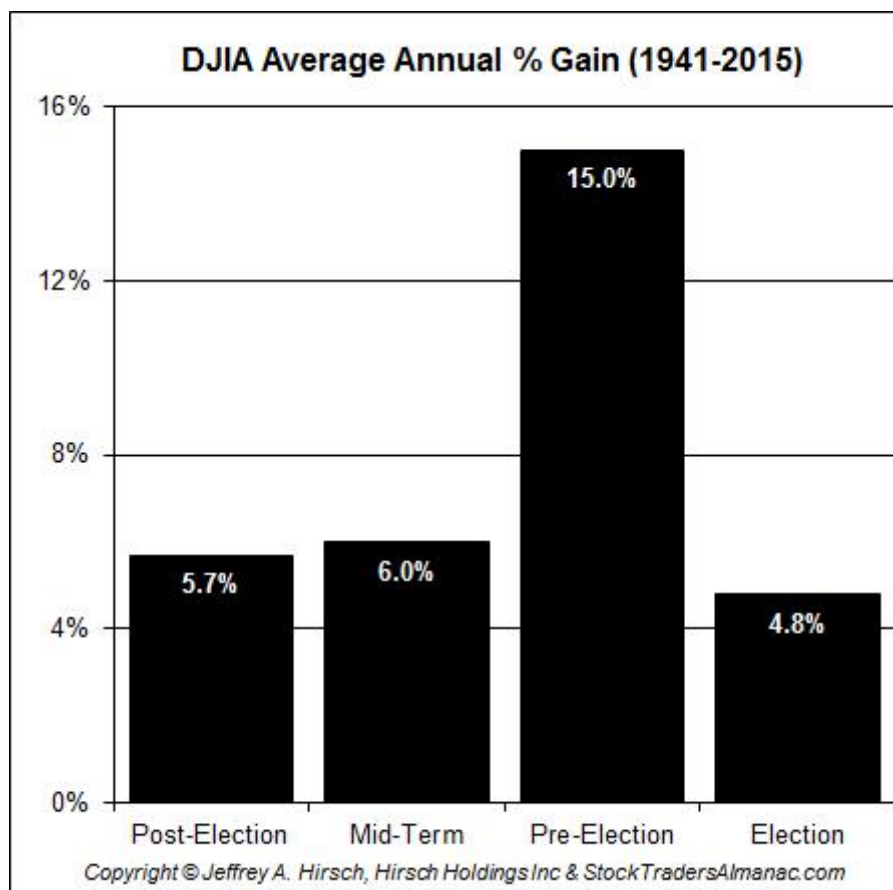
S&P 500 January Early Indicator Trifecta — DOWN SCR & FFD

Year	SCR	FFD	JB	Feb	Last 11 Mo	Full Year	Year's Action
1956	-0.9%	-2.1%	-3.6%	3.5%	6.5%	2.6%	Bear Begins 4/6/56
1969	-1.2%	-2.9%	-0.8%	-4.7%	-10.6%	-11.4%	Bear Began 12/3/68
1978	-0.3%	-4.7%	-6.2%	-2.5%	7.7%	1.1%	Bull 2/28/78, Bear 9/8/78
1982	-1.8%	-2.4%	-1.8%	-6.1%	16.8%	14.8%	Bear Bottom 8/12/82 Bull Begins
1985	-0.6%	-1.9%	7.4%	0.9%	17.6%	26.3%	Bull Market Year
1991	-3.0%	-4.6%	4.2%	6.7%	21.3%	26.3%	Bull Market Year
1993	-1.1%	-1.5%	0.7%	1.0%	6.3%	7.1%	Bull Market Year
2000	-4.0%	-1.9%	-5.1%	-2.0%	-5.3%	-10.1%	Bear Begins 1/14/00
2005	-1.8%	-2.1%	-2.5%	1.9%	5.7%	3.0%	Bull Market Year
2008	-2.5%	-5.3%	-6.1%	-3.5%	-34.5%	-38.5%	Bear Began 10/9/07
2016*	-2.3%	-6.0%	—	—	—	—	????
Average:					-0.5%	3.1%	2.1%
Median:					-0.6%	6.4%	2.8%
# Up:					5	7	7
#Down:					5	3	3

Bold = DJIA Dec NOT Low Violated

Shade = Bull Market Year

Source: StockTradersAlmanac.com. All rights reserved.



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Undervalued Small Cap Stocks

Lower Priced stocks that look to be a buy:

Repro-Med Systems, Inc (OTCQX: REPR 0.43)*

Repro Med Systems, Inc. dba RMS Medical Products (OTCQX: REPR) announced that its net revenues for the third quarter ended November 30 for fiscal 2016 increased 18% over the previous year's Q3, led by the Company's sales of proprietary infusion products. The Company's current fiscal year ends February 28, 2016.

Revenues for the third quarter of fiscal 2016 were \$3,145,000 compared with \$2,655,000 for the third quarter of fiscal 2015. Revenues for the first nine months of the fiscal 2016 were \$8,942,000 compared with \$7,797,000 for the same period last year, an increase of 15%.

RMS continues to benefit from recent lean manufacturing initiatives, which have resulted in increased capacity and decreased direct assembly labor costs compared to last year. Gross margin improved in fiscal Q3 to 67% from 60% in the same quarter last year, and from 63% in fiscal Q2.

Driven by the strong sales in the quarter, net income for the third quarter was \$168,000, an improvement of 81% compared with the same period last year. In addition, net income was negatively impacted due to costs associated with several trade shows in the quarter, the hiring of new sales representatives, and continued legal and consulting fees, all of which reflect an investment for growth in future periods. Excluding certain of these non-recurring items, net income margin would have been in excess of 10% for the quarter.

"We continue to see growth in all sectors of the homecare infusion market both domestically and internationally," commented Andy Sealfon, President and CEO of the company. "I am also very excited about our newest board member, Cyril N. Narishkin and have appointed him as Interim Chief Operating Office to support our expanded management team and accelerate our growth opportunities. Cyril brings a wealth of experience consulting with companies of all sizes, and will also be instrumental in assisting the Company on its lean initiatives and growth plans," Mr. Sealfon added.

The Company manufactures medical products used for infusions and suctioning. The Infusion product portfolio currently includes the FREEDOM60(R) and our latest FreedomEdge(TM) Syringe Infusion Pumps, RMS Precision Flow Rate Tubing(TM) and RMS HIgH-Flo(TM) Subcutaneous Safety Needle Sets. These devices are used for infusions administered in professional healthcare settings as well as at home. The company's RES-Q-VAC line of medical suctioning products is used by emergency medical service providers in addition to a variety of other healthcare providers.

The Company's website may be visited at www.rmsmedicalproducts.com.

Repro-Med Systems, Inc has had an increase in sales each of the last four years. They finished the year of 2014 with \$ 11.2 million in sales reflecting top line growth of 29% from 2013. In each of the previous two years they had a 12% increase in sales. The company has had at least \$ 700 thousand of net income in each of the past four years and has no debt. The patented needle sets alone can give the company a huge growth potential. In my opinion, with new products coming on stream, the stock should trade between \$ 3 and \$ 8 in the next two years.

Immune Therapeutics (OTCQB: IMUN \$ 0.20)*

Appears ready to go; up 20% on the week. This biotechnology company is seeking to commercialize patented therapies in emerging nations that combat chronic, life-threatening diseases by rebalancing the immune system. The trials in Africa are going well.

The value of Naltrexone as an immune modulator was recognized by Dr. Ian Zagon at the University of Pennsylvania.^{2,3} The late Dr. Bernard Bihari, a Neurophysician from New York, USA (who passed away on May 16th, 2010) began treating his patients in the late 1980s.

Since that time, many doctors throughout the United States prescribe LDN for a number of indications including Multiple Sclerosis (MS), Parkinson's disease, Crohn's disease, HIV/AIDS, cancer and other autoimmune and inflammatory diseases.

A number of research and clinical trials have been completed and undergone in regards to LDN immunotherapies, with phase I and phase II clinical trials successfully run at a number of universities in the United States and Europe, including Pennsylvania State University Medical School at Hershey; University of Chicago; State University of New York; SUNY Upstate Medical University; London Health Sciences Centre - University Hospital, USA; Alpert Medical School of Brown University; Department of Neurology, San Raffaele Scientific Institute; Division of Rheumatology, St. Louis College of Pharmacy; Department of Internal Medicine, University of Utah; Jondi-Shapoor University of Medical Sciences; Department of Psychiatry & Behavioral Sciences, Duke University Medical Center; and Multiple Sclerosis Center at UCSF⁶. These efforts were pioneered by leading immunologists Dr. Nicholas Plotnikoff, Dr. Ronald Herberman, Dr. Bernard Bihari, Dr. Angus Dalgleish, Dr. Ian S. Zagon, Dr. Jill Smith, Dr. McLaughlin, Dr. Jacqueline McCandless, and Moshe Rogosnitzky, among others.

Oakridge Global Energy Solutions, Inc. (OTCQB: OGES \$ 0.58) *

Oakridge Global Energy Solutions Inc., is a publicly traded company, trading symbol: **OGES** on the OTCQB with a market capitalization of approximately USD \$ 250,000,000, whose primary business is the development, manufacturing and marketing of energy storage products.

Oakridge Global Energy Solutions, Inc. (OGES) is an integrated energy storage solutions company that uses state-of-the-art technology in the design, development and manufacture of high-quality cells, batteries, and energy storage systems.

The company's innovative 'Made in the USA' product line includes multiple lithium-ion chemistries, technologies and form factors that are optimized to address four high-demand target markets – motive applications, such as electric and hybrid electric fleet vehicles (especially golf cars and local area electric vehicles), stationary living space power for domestic, commercial and grid applications (homes, businesses, RVs, boats, and uninterruptable power supplies), remote control and portable devices (including medical devices), and also starter motor batteries for motorcycles, jet skis, snow mobiles and boats, as well as cars and trucks. All the company's batteries and power systems also have major application to the military, aerospace, marine, medical and telecom sectors generally

Fundamental Analysis Stocks To Buy with Stops

Dycom we were and still are looking for a place to buy.

We bought and were stopped out. LUV and VA were stopped out with very nice gains. We want to be a buyer of both once again.

Both Intel and Kroger were excellent positions. We were stopped out of the Intel the week before last.

Hold on to the KR. Enzo Biochem (ENZ) remains cheap.

Profits are large so we would take the gain in uncertain times like these. Continue to buy Bank of America on dips. We were finally able to get filled on theoretical orders to buy Microsoft .

Surprisingly, Akorn was bought at our price and stopped out.

The HDGE has been a major success for those who believe in hedging.

Call me at 702 650 3000 for questions.

Symbol	Name	Business Description	PE	P/S	MV mln	Price	Buy Limit	Stop Loss Or sold
AKRX	Akorn, Inc	Drug Manufacturing	100	7.15	4.3B	28.51	36.60	33 Stopped Out
T	AT&T	Communications	36	1.54	211.7B	33.99	34.10	32x
DY	Dycom Industries	Internet Cable Provider	28	1.10	2.5B	64.98	66.60 Price to buy	63x Stopped out
MSFT	Microsoft	Technology Software, Services, Devices	17	4.7	431B	50.99	53	51x Stopped out
KR	Kroger	Food Mfg and Processing	18	0.33	37B	38.49	36.76 11/16	39.60x
INTC	Intel	Technology chips platforms processors	13.6	2.8	152.83B	29.76	30.48 10/26	29.50 Stopped Out
VA	Virgin Air	Regional Airlines	7.2	1.0	1.5B	32.87	32 <i>Suggested buy</i>	30.50x

LUV	Southwest Air	Regional Airlines	16	1.15	22.6B	42.21	40.41	38x
ENZ	Enzo Biochem	Life Sciences	NA	1.35	134M	4.52	2.78 8/24	3.78x
BAC	Bank of America	Commercial Bank	10	2.02	165.3B	14.46	14.89	16.92x <i>stopped out</i>
HDGE	Advisor Shares	Ranger Bear ETF				12.02	Buy 10.68	10.55X

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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.

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