



# WallStreetWindow PowerInvestor

## Some Interesting Low PEG Stocks –Mike Swanson (12/08/13)



On Friday the United States government declared that the unemployment rate has dropped to 7%. Stock market futures traded up before the open on the news and then the stock market had a nice rally throughout the rest of the day.

The United States stock market has been in a strong rally since it made its last low in October that came during the time of all of the worries about the government shutdown and the budget debacle. Now those worries are gone and investors are more scared about missing out on further gains than anything else. Money is flowing into the stock market now from individual investors at a pace not seen in over 13 years. The little guy is back!

Many people have CD's and other interest bearing instruments that are coming due and are throwing it into the market.

I believe they will continue to be able to do this for another year or two and will help keep the market bullish.

However, there are always dips and trends in the market we need to be aware of. Historically in every year there is almost always an end of the year rally and some sort of pause or dip before it starts in the first week of December.

So it was no surprise to see some weakness in the market last week to start the month - especially since it had gone up in November without any pullback at all and came into December very overbought.

Could Friday's move spell the end of the normal start of December pullback and beginning of the end of the year rally?

The answer is possibly, but we cannot know for sure. But don't worry, because we do not have to know for sure in order to make money in the markets.

What we need to do is invest when the market does have its pauses and pullbacks in the best stocks we can find. Those are stocks that aren't just the regular ones everyone is talking about, but ones with strong charts and good growth prospects still priced at a low valuation.

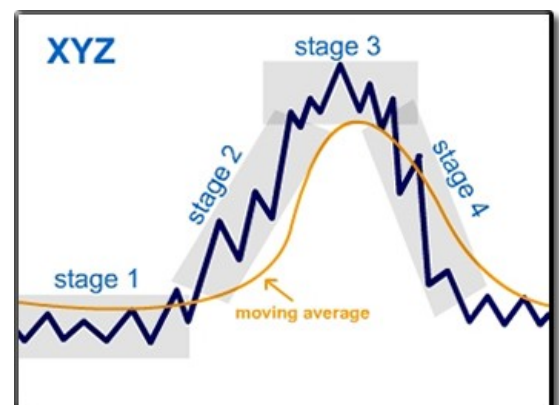
If you focus on what you pay for growth you invest in a bargain and if you do that with a good chart you can make money with the confidence that you are doing so wisely.

Most people just throw money at the market. We look at what we buy and get in at the right price.

It's impossible to time markets and stocks perfectly and buy at exact bottoms and sell at exact tops. But you don't have to be perfect to make money in the end; you just have to give yourself some leeway when you buy and manage your risk by owning multiple positions so no single one causes you any big stress or worries. What I strive to do is do most of my buying towards the end of a stage one base or start of a stage two bull market.

That makes it easier to hold so that you can ride your winners and occasionally trim out your losers.

Right now the three major US stock market averages are four years into a stage two



bull market, while most European markets are one year into a bull market and the stock market in Argentina is just a few months into one. That's why I bought three new stocks in Argentina myself just the other week.

Gold and commodities are still in a stage on base. A lot of people are negative about them and are believing that they are now dead forever, because CNBC is telling them that. But no matter what the "news" is it is inevitable that every market will begin a new bull market after it has gone through a bear market.

So the odds favor a new bull market beginning in commodities and precious metals next year.

So that is a place I will likely be putting a lot of new money to work at next year.

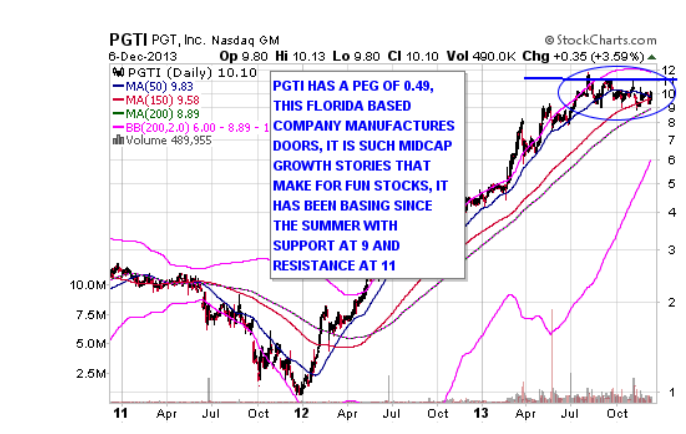
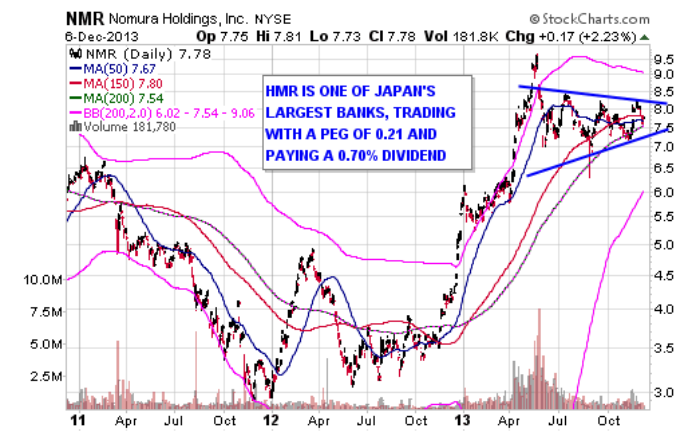
Right now I'm 87% invested so I'm not in a huge hurry to do a lot of buying. I'm only going to buy new stocks this month if they have truly exceptional charts and are priced at bargain levels.

What this means is that I'm not too concerned about the gyrations in the S&P 500. I'm happy with what I own and am not worried about a new bear market starting soon or some crash. I also already own a bunch of positions so I don't need to worry about "missing out" if the market goes up.

But I am always on the lookout for new good stocks and companies to add to my portfolio and I'm always revising my watchlist by adding new ones to them.

I want you to know about the stocks I'm researching before I ever buy them, because you may not be as invested as I am and need to do more buying yourself. Knowing what new stocks are looking good and lining up is important in these markets in order to really know what is happening beyond the TV headlines. So this weekend I looked through all of the stocks trading on the US stock exchanges, including foreign ADR's with PEG ratios below 0.50. These are the most interesting ones I have my eye on now:





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