

Markets at a glance

Trendspotter

Signals (click on links to obtain up to-date signal)

[Dow Jones \(DJ\)](#)

[S&P 500 \(SP\)](#)

[FTSE 100 \(X\)](#)

[DAX \(DY\)](#)

[£/US\\$ \(BP\)](#)

[US Dollar Index \(DX\)](#)

[Crude Oil \(CL\)](#)

[Gold \(GC\)](#)

[Coffee \(KC\)](#)

[Sugar \(SB\)](#)

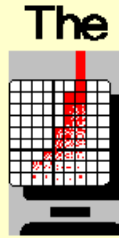
[Wheat](#)

[Cotton](#)

[Rough Rice](#)

The Insider Trader

Issue 99



February 2015

The Art of Stock Picking is still Alive and Well

Many say that trying to pick stocks is a waste of time and the best way to make money is just buying an index fund and tracking the market. Numerous studies have shown that the majority of fund managers cannot beat the S&P500 so why bother? Just buying a low cost Exchange Traded Fund would do better, you don't have to pay an expensive fees and you are guaranteed never to underperform the market, of course you will never do better either.

Whilst I believe there is a place for index tacking and for the majority they are better off settling for "average" than buying expensive mutual or investment products I disagree with the just index everything mantra.

There are opportunities in picking stocks and over the last 17 years I have done very well from individual stocks and

sectors. In many years where markets were flat or down I still managed to show excellent gains thanks to stock picking. Of course I am not the only one Warren Buffett, David Tepper and Mario Gabelli to name a few have achieved exceptional results over a long period of time, this invalidates the good luck argument , yes short term luck can help you but over years its skill that counts.

Whilst it's true "A rising tide lifts all boats" and having markets moving in an uptrend is always a welcome backdrop for your portfolio, it does not mean that just because a market is going down or sideways you cannot make money from individual stocks. I think that is a lazy answer to blame poor returns on difficult market conditions.

It will be 30 years in September that I first started trading and investing and many

So far this year S&P500 has done nothing but big moves in individual stocks

\$SPX - S&P 500 Index - Weekly OHLC Chart



AUD	2.50%
NZD	2.50%
CAD	1.00%
EUR	0.50%
GBP	0.50%
USD	0.25%
JPY	0.10%
CHF	0.00%

say that markets are far more efficient these days and that there are fewer opportunities to make money, I disagree and I can still find opportunities.

Efficient Market Hypothesis - EMH

EMH is an investment theory that states it is impossible to "beat the market" because stock market efficiency causes existing share prices to always incorporate and reflect all relevant information. According to the EMH, stocks always trade at their fair value on stock exchanges, making it impossible for investors to either purchase undervalued stocks or sell stocks for inflated prices. As such, it should be impossible to outperform the overall market through expert stock selection or market timing.

If that was the case then why can I make 40 or 50% gains in stocks such as VCA (WOOF) and Papa Johns (PZZA) to name a few? What about KKD over 600% in a few years!

Of course I can and do lose money in stocks, I can also be invested in a stock that does not do as well as the index but overall with good risk management then my portfolio of stocks can beat an index over time. That is also an important factor – TIME, we all like quick results but many situations take time to develop, for example a spin off situation where one company spins off part of its business into a newly listed company, the true value does not start to emerge for two years in many cases, but I can say this for sure, spin offs have been very profitable for me over the years and I will be talking more about those at my new seminar on the 17th April.

My point – if 2015 turns out to be a down or a flat year for stocks it does not mean that individual stocks that will do very well.

Best stocks so far in 2015

The list opposite shows the best stocks so far in 2015. All of these names have been featured on our 100% buy lists and if you are doing a simple 20 day high scan in sharescope you would have seen these names.

Top Performing Russell 3,000 Stocks YTD

Stock	Company	Sector	Price	YTD % Chg
FMI	Foundation Medicine Inc	Health Care	46.94	111.39
AINC	Ashford Inc	Financials	157.58	67.64
ZIOP	ZIOPHARM Oncology Inc	Health Care	8.31	64.79
FWM	Fairway Group Holdings Corp	Cons. Staples	5.06	61.90
BEBE	bebe stores inc	Cons. Discret.	3.53	60.73
EGLT	Egalet Corp	Health Care	8.76	53.95
ARRY	Array BioPharma Inc	Health Care	7.15	52.01
HALO	Halozyme Therapeutics Inc	Health Care	14.16	47.05
NBIX	Neurocrine Biosciences Inc	Health Care	32.78	46.78
TLYS	Tilly's Inc	Cons. Discret.	13.89	43.34
ADVS	Advent Software Inc	Technology	43.70	42.61
SN	Sanchez Energy Corp	Energy	13.24	40.15
RGDO	Regado Biosciences Inc	Health Care	1.28	39.08
AMPE	Ampio Pharmaceuticals Inc	Health Care	4.76	38.48
CHRS	Coherus Biosciences Inc	Health Care	21.98	36.80
EGY	VAALCO Energy Inc	Energy	6.20	35.96
ABMD	ABIOMED Inc	Health Care	51.79	35.55
EBIX	Ebix Inc	Technology	23.00	35.14
PCYC	Pharmacyclics Inc	Health Care	164.01	33.84
HZO	MarineMax Inc	Cons. Discret.	26.73	33.57
NOG	Northern Oil and Gas Inc	Energy	7.51	33.09
SIMG	Silicon Image Inc	Technology	7.27	31.70
GNCA	Genoecea Biosciences Inc	Health Care	9.21	31.57
SWHC	Smith & Wesson Holding Corp	Cons. Discret.	12.46	31.47
NFLX	Netflix Inc	Cons. Discret.	447.60	31.18
LRN	K12 Inc	Cons. Discret.	15.46	29.32
OCUL	Ocular Therapeutix Inc	Health Care	30.38	29.11
NEM	Newmont Mining Corp	Materials	24.36	28.76
IIVI	II-VI Inc	Technology	17.59	28.72
RARE	Ultragenyx Pharmaceutical Inc	Health Care	56.32	28.67
PSUN	Pacific Sunwear of California Inc	Cons. Discret.	2.80	28.44
NPSP	NPS Pharmaceuticals Inc	Health Care	45.88	28.29
LOCO	El Pollo Loco Holdings Inc	Cons. Discret.	25.53	28.10
EXEL	Exelixis Inc	Health Care	1.84	27.78
COMM	CommScope Holding Co Inc	Technology	29.17	27.68

Now it goes without say these stocks are **HIGH RISK**. A stock that moves up 50% in a few weeks can as easily give those gains back. The majority of these companies are fairly small cap and can move around 10% in one day. I don't suggest spread bets or if you do want to spread bet then really keep your bet size small.

How to use this list?

Firstly you want to look at the overall chart, I would be looking at the 21/6 moving average system and I would also check the news, for example you would not buy NPSP as its been taken over. As you will see healthcare which includes biotech and pharmaceuticals dominates the list. A few names that may have some potential **BEBE, GNCA, EGLT and PSUN** but I suggest doing your own research and of course only invest a small amount of risk capital.

Synchrony Financial Overview

1 Leading Consumer Finance Business

- ✓ Largest PLCC provider in US: 59.9 million average active accounts and \$56.8 billion in loan receivables^(a)
- ✓ A leader in financing for major consumer purchases and healthcare services
- ✓ Long-standing and diverse partner base

2 Strong Value Proposition for Partners and Consumers

- ✓ Deep partner integration enables customized loyalty products, across channels
- ✓ Advanced data analytics and targeted marketing capabilities
- ✓ Dedicated team members support partners to help maximize program effectiveness
- ✓ Partner and cardholder focused mobile payments and e-commerce strategies—forging new partnerships with Apple and LoopPay, while investing in emerging technologies

3 Attractive Growth and Ample Opportunities

- ✓ Strong receivables growth: 9% annual growth since 2011, with 714 average FICO
- ✓ Significant opportunity to leverage long-standing partnerships to increase penetration
- ✓ Opportunity to attract new partners
- ✓ Developing broad product suite to support our efforts to build a leading, full-scale online bank

4 Solid Financial Profile and Operating Performance

- ✓ Solid fundamentals with attractive returns
- ✓ Strong capital and liquidity with diverse funding profile
- ✓ Positioned for future capital return post separation

(a) Source: Nilson (April 2014)



Synchrony Financial (NYSE:SYF)

About: Synchrony Financial operates as a premier consumer financial services company in the United States. The company provides private label credit cards, dual cards, and small and medium-sized business credit products; promotional financing for consumer purchases, including instalment loans; and promotional financing to consumers for elective healthcare procedures or services, such as dental, veterinary, cosmetic, vision, and audiology. Synchrony Financial was incorporated in 2003 and is headquartered in Stamford, Connecticut. Synchrony Financial operates as a subsidiary of GE Consumer Finance, Inc.

I featured this stock on the 20th January in my updates at \$28 a share its now at \$32 a quick 15% however even after this move I see a lot of potential here and I am expecting to hold this stock for at least the next 12 months. Synchrony is basically GE Finance, they came to the market via an IPO end of July 2014 but GE still hold around 84% of the shares which are likely to be distributed to GE shareholders before the end of 2015.

Recent results were good and the P/E even after the recent share price increase is still on 12. I can see these shares trading at \$42 to \$45 mark by this time next year so still another 30% upside.

On a related note **General Electric (GE)** is one of our Dogs of the Dow stocks for 2015. So far its about flat from where we bought it. The dividend is currently 3.72% and should have a better year.

17th April 2015 to read more please click here

www.traders2015.com

FINANCIAL TRADING DAY LIVE
17th April 2015 – LONDON

Vince Stanzone, Jeff Hirsch, Marc Faber, Jim Mellon

CLICK TO FIND OUT MORE

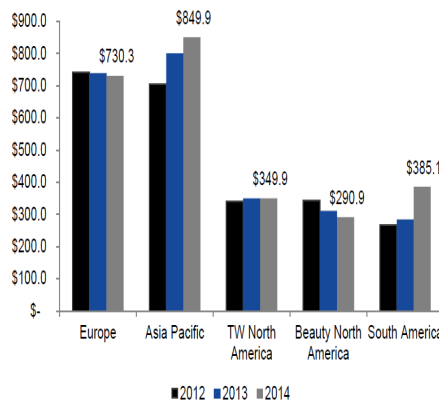
Tupperware Brands Corporation
(NYSE:TUP)

Full Year 2014 Global Portfolio

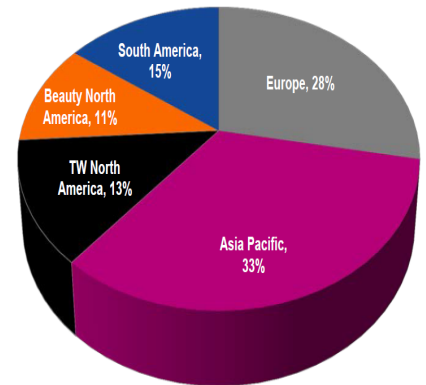
Tupperware operates as a direct-to-consumer marketer of various products across a range of brands and categories worldwide. The company is engaged in the manufacture and sale of preparation, storage, and serving solutions for the kitchen and home, as well as a line of cookware, knives, microwave products, microfiber textiles, water related items, and toys and gifts under the Tupperware brand. It also manufactures and distributes beauty and personal care products, including skin care products, cosmetics, bath and body care, toiletries, fragrances, jewelry, and nutritional products under the Armand Dupree, Avroy Shlain, BeautiControl, Fuller, NaturCare, Nutrimetics, and Nuvo brands. Tupperware Brands Corporation sells its products directly to distributors, directors, managers, and dealers.

Tupperware conjures the image of housewives selling overpriced plastic tubes but Tupperware has come a long way from that. In China which is a big market for the company their agents are young, millennial entrepreneurs and make more money than they could in another kind of job. Also unlike Herbalife were in my view distributors spend most of their time recruiting more distributors Tupperware actually sell the products, therefore the company should not be affected by any clamp downs on direct selling. As well as the household items they sell various beauty products & skincare items. The company is currently on a P/E of 13 and pays a 3.8% dividend and is a fairly defensive business.

2014 Sales, +5% Local Currency



2014 Segment Sales as % of Total



TUP - Tupperware Corp - Monthly OHLC Chart



My worry is currency fluctuations could drag on earnings but I think they have already been factored in.

From the current \$70 I think we can get back up to \$90 before year end.

Risk Warning All trading and investing involves risk and you should only invest what risk capital that you can afford to lose. These trading ideas are based on buying Exchange Trading Funds or stocks outright, should you decide to spread bet then other risks will be present. Only speculate with money you can afford to lose. Spread betting may not be suitable for all readers, therefore ensure you fully understand the risks involved. Past performance is not necessarily a guide to future performance. Ultimately all investment decisions are made by you. Insider Trader does not advise when to open or close a transaction. If you choose to open a transaction it is based on your own judgement and research and at your own risk. It is the responsibility of visitors to this Site to ascertain the terms of and comply with any local law or regulation to which they are subject.