

## INSIDE THIS ISSUE:

Stock Market Today

Say What?

Notable Numbers

## KEY TAKEAWAYS

- ⇒ *Some investment pros have turned decidedly bullish in recent days. Do we follow the herd or follow another path?*
- ⇒ *We have identified top 4 ways to make money in stocks*
- ⇒ *For example, buy back-to-school stocks now before the rest of the market*
- ⇒ *This low-priced NASDAQ stock is looking great on a technical and valuation basis, and its industry is very much in favor*

## THE MAJOR INDICES

Index	Close	2016
DJIA	18,571	6.4%
S&P 500	2175	6.4%
NASDAQ	5100	1.9%
Russell 2000	1213	6.8%

(figures are rounded)

## FOLLOW THE HERD OR GIVE THEM THE BIRD?

I am probably just as conflicted as the next guy. Do we follow the herd that has been the recipient of record highs of late? If so, is this what will happen?



Alternatively, should we break ranks and do the opposite in such a vociferous fashion that it seems as if we are giving bulls the bird? And wouldn't they eat that bird if they are on a roll?

Here are my top 4 ways to make money in stocks right now:

1. Buy stocks that have a high RSI and are good thematic and earnings-based investments, like Taser (NASDAQ—TASR—NR) which we have highlighted in successive weeks.
2. Stay ahead of the curve. No one is thinking about back-to-school season yet, but they will and that means you should buy stocks in this group now.
3. Middling performing stocks will stay that way, so stay away.
4. At some point, low RSI stocks that are oversold will move higher, such as after earnings. Start making your list. We picked a real good one for the latest 30-30 Report.

## The Stock Market Today

U.S. Stock Market Index Performance 7/22/2016								
Index	Close	52-Wk Hi	52-Wk Low	Hi Date	Low Date	% off High	% from Low	% Above 200-DMA
DJIA	18,571	18,557	15,370	7/20/16	8/24/15	-0.1%	20.8%	6.7%
S&P 500	2,175	2,169	1,810	7/20/16	2/11/16	-0.3%	20.2%	6.8%
NASDAQ	5,100	5,232	4,210	7/23/15	2/11/16	2.5%	21.1%	5.4%
Russell 2000	1,213	1,276	943	7/23/15	2/11/16	4.9%	28.6%	8.5%
Average						1.8%	22.7%	6.9%
Sources: www.BarChart.com, Goldman Small Cap Research								

As you have probably surmised from our “top four” list, you need to have exposure to the consumer discretionary space—a mantra we have had since the end of June. Earnings will be pretty good in this industry and that is before the back-to-school season. I would select stocks from two segments: casual dining and apparel (for kids), also ideas on which we have been bullish. It should be noted that last week the Dow Jones Clothing Index and the Dow Jones Restaurant Index both performed better than all non-utility indices aside from real estate.

Speaking of real estate, I am kicking myself a bit. I was strongly considering **Bankrate (NASDAQ—BANK—\$8.13—NR)**, which has bounced nicely off its recent low. The stock is still 50% off of its 52-week high, just broke above its 20DMA and is primed to do the same to the 50DMA. For the uninitiated, **RATE** is a leading online publisher, aggregator, and distributor of personal finance content. Bankrate aggregates large scale audiences of in-market consumers by providing them with content across multiple vertical categories including mortgages, deposits, credit cards, and other categories. Its flagship sites Bankrate.com, CreditCards.com, and Caring.com are leading destinations.

With EPS forecasts of \$0.50 and \$0.56 next year, and a history of beating projections 2 of the last 3 quarters, we seen RATE reaching \$10 in by year-end.

## ***Say What?***



Great info, insights, and hard-hitting stories make up this week's *Say What?* feature...

### *The New York Times*

[http://www.nytimes.com/2016/07/25/business/sponsored-content-takes-larger-role-in-media-companies.html?ref=business&\\_r=0](http://www.nytimes.com/2016/07/25/business/sponsored-content-takes-larger-role-in-media-companies.html?ref=business&_r=0)

Hello!

### *Marketwatch*

<http://www.marketwatch.com/story/technical-analyst-is-this-bull-market-just-a-bull-trap-2016-07-23>

A real question, in our view.

### *USA Today*

<http://www.usatoday.com/story/money/markets/2016/07/24/why-lithium-see-another-price-spike-fall/87031020/>

An important hot space that will only get hotter.

### *Bloomberg*

<http://www.bloomberg.com/news/articles/2016-07-24/buying-deepest-stock-dips-in-2016--returned-three-times-s-p-500>

Bit what about ahead?

### *ZeroHedge*

<http://www.zerohedge.com/news/2016-07-23/goldman-last-two-times-pe-multiples-expanded-much-result-was-historic-crash>

Uh-oh.

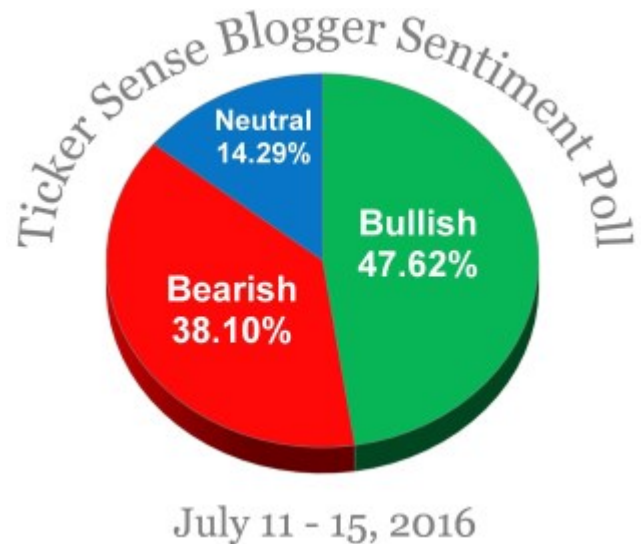
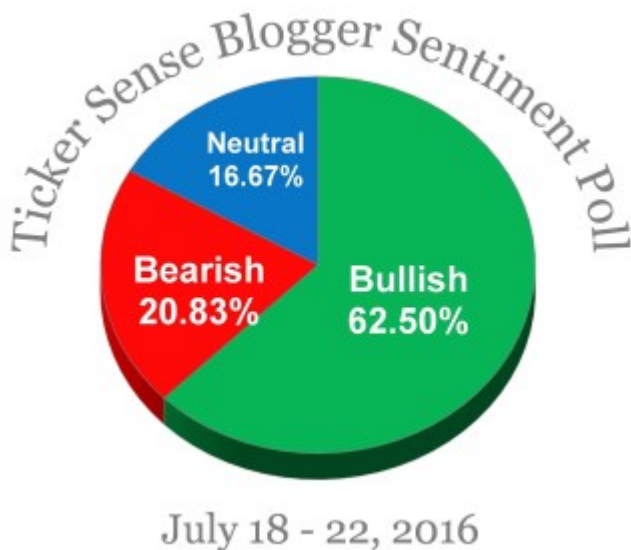
## Notable Numbers

### AAll Sentiment Survey (figures rounded)

	<u>Current</u>	<u>Last Week</u>	<u>Long Term Avg</u>
Bullish	35%	37%	39%
Neutral	38%	39%	31%
Bearish	27%	24%	30%



Holy crap! What a crazy move to the upside in the Bullish category for the Ticker Sense poll. Is it sustainable through earnings season or will it drop thereafter? If I had to bet on it, I would say yes and then yes. As to this week, I suspect that if Hillary Clinton's policies are viewed favorably at this week's DNC, we could get a little rally at week's end. I for one don't believe Trump has a chance. It is just too much of an uphill battle. So, you might as well start paying attention to Democratic policies and how that will affect the markets going forward.





# The Goldman Guide

1498 Reisterstown Road, Suite 286 Baltimore Maryland 21208 Phone: 410.609.7100

[info@goldmanresearch.com](mailto:info@goldmanresearch.com) [www.goldmanresearch.com](http://www.goldmanresearch.com)

Launched in May 2010, *The Goldman Guide* is a free weekly publication of Goldman Small Cap Research and is written by Founder Rob Goldman with contributions from the GSCR contributor team. This non-sponsored investment newsletter seeks to provide investors with market, economic, political and equity-specific insights via an action-oriented, straight to the point approach. No companies mentioned in this newsletter are current sponsored research clients of the Company or its parent, unless noted. With some exceptions, all companies or investment ideas mentioned in this publication are publicly traded stocks listed either on the NYSE or the NASDAQ. Goldman Small Cap Research members and contributors' bios, certifications, and experience can be found on our website: [www.goldmanresearch.com](http://www.goldmanresearch.com).

## Disclaimer

This newsletter was prepared for informational purposes only. *Goldman Small Cap Research*, (a division of Two Triangle Consulting Group, LLC) produces non-sponsored and sponsored (paid) investment research. Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

The Firm's non-sponsored research publications category, **Select Research**, reflects the Firm's internally generated stock ideas, along with economic, industry and market outlooks. In virtually all cases, stocks mentioned in **Select Research** offerings are listed on the NYSE or the NASDAQ. Publications in this category include the weekly newsletter *The Goldman Guide*, Market Monitor blogs, Special Reports, and premium products such as *The 30-30 Report*. Goldman Small Cap Research analysts are neither long nor short stocks mentioned in this newsletter.

**Opportunity Research** reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored microcap research ideas that typically carry greater risks than those stocks covered in Select Research category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Please view the company's individual disclosures for each engagement, which can be found in company-specific **Opportunity Research** reports, updates and articles.

Goldman Small Cap Research has not been compensated for any content in this issue.

All information contained in this newsletter and in our reports were provided by the companies mentioned via news releases, filings, and their websites or generated from our own due diligence. Economic, market data and charts are provided by a variety of sources and are cited upon publication. Stock performance data and information are derived from Yahoo! Finance and other websites or sources, as noted. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, other firms, or other financial news outlets. *Goldman Small Cap Research* relied solely upon information provided by companies through filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report, update, article, blog, note, or newsletter is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This newsletter does not take into account the investment objectives, financial situation, or particular needs of any particular person. This newsletter does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with the FINRA or with any state securities regulatory authority. Statements herein may contain forward-looking statements and are subject to significant risks and uncertainties affecting results.



# *The Goldman Guide*

1498 Reisterstown Road, Suite 286 Baltimore Maryland 21208 Phone: 410.609.7100

[info@goldmanresearch.com](mailto:info@goldmanresearch.com) [www.goldmanresearch.com](http://www.goldmanresearch.com)

Separate from the factual content of our articles about the company featured in this newsletter, we may from time to time include our own opinions about the companies profiled herein, their businesses, markets and opportunities. Any opinions we may offer about the companies are solely our own, and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, TWO TRIANGLE CONSULTING GROUP, LLC WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, TWO TRIANGLE CONSULTING GROUP, LLC WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: [www.goldmanresearch.com](http://www.goldmanresearch.com)