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KEY TAKEAWAYS

- ⇒ *Big priced and high valuation stocks have out-performed*
- ⇒ *Consumer stocks are on fire*
- ⇒ *Leveraging seasonality and following window-dressing, consumer stocks are ready to move*
- ⇒ *Today's Guide features four vacation-related stocks*
- ⇒ *One stock is a recent tech darling*
- ⇒ *The other 3 are household brand names*

KEY STATISTICS

<u>Index</u>	<u>Close</u>	<u>2013</u>
DJIA	14512	10.8%
S&P 500	1557	9.2%
NASDAQ	3245	7.2%
Russell 2K	946	11.5%

(figures are rounded)

Don't Pass Over This

In honor of the upcoming Passover holiday, we are taking a new tack with *The Goldman Guide* this week. Consider this issue: all stock picks all the time.

During the course of the week we provide you with stock picks that we believe will have some big moves in the near term. These daily blogs profile listed stocks trading between \$3.00—\$10.00 and we have had some unreal success stories.

From time to time we provide you with sponsored research coverage of emerging growth and low-priced stocks that offer substantial upside with speculative risk. Our last 4 picks have performed very well.

Each month, we provide our premium subscribers with a product that has produced 13 stocks that have risen 30% within an average of 48 days and includes a stock on NASDAQ that is up over 400% since our original profile.

Each week, via *The Goldman Guide*, we produce what could be called a review and comment on the market and the economy and some forward-looking insights to prepare you for what is on the horizon.

So today, it is only fitting that we focus on some big cap and big-\$ stocks that we think can put some extra coin in your pocket. The theme with most of these picks is seasonality and how to take advantage of it with some consumer stocks and technology.

Before we get into the specifics found on the next page, let's take a quick look at our thesis. Springtime is here and somehow somehow the consumer is not dead, despite elements of inflation, and sequestration issues. Retail investors receiving their statements are just flat our rejoicing in the Q1 market jump and will likely continue to pile in with more money. Fund managers have finished their window dressing and will keep their focus on the best performing stocks. While we are leery in general of earnings pre-announcements beginning next week, we do not think these puppies will be on that list.

Four Vacation Stocks

Few of us are taking vacations at this time of year. But, oftentimes stocks that are in what would classify as leisure or casual dining stocks tend to make a little but of a run, ahead of the Memorial Day weekend—which is the unofficial start of summer vacation. For those of you familiar with our Market Monitor (daily blog) picks, we are sneaking in a couple of low-priced ones over the border that we have successfully profiled before, along with 2 new names.

High Valuation Could Mean High Returns

Yes, this stock, like many others, has moved higher in practically a straight line over the past 3 months and is up 50%. Still, while it seems to hit new highs daily, the valuation is high but the growth rate is huge. **HomeAway, Inc. (NASDAQ—AWAY—\$33.11)** operates an online marketplace for the vacation rental industry worldwide. Its vacation rental properties include homes, condominiums, villas, and cabins to the public on a nightly, weekly, or monthly basis. The Company's online vacation rental property marketplace enables property owners and managers to market properties available for rental to vacation travelers who rely on its Websites to search for and find available properties. It publishes detailed property listings, including photographs, descriptions, location, pricing, availability, and contact information. **HomeAway** also sells complementary products, such as travel guarantees and property management software and services. The Company's portfolio of websites comprise HomeAway.com, VRBO.com, and VacationRentals.com in the United States. **AWAY** is expected to earn \$0.64 in 2013, up from \$0.48. A just-announced deal to match vacation rental property owners with travelers is a boon, in our view.

Delicious and Fair Valuation

Cracker Barrel Old Country Store Inc. (NASDAQ—CBRL—\$80.59) operates 621 restaurant and retail stores across the country. EPS is expected to be \$4.77 for the July 2013 year but should leap to \$5.52 level in the next fiscal year. At current prices, the stock is trading 16x FY13E EPS and we would not be surprised to see it approach \$90 in the near term. Slow and steady are the keys to success here and the tried-and-true methods, along with its subsequent results should give investors comfort and confidence.

Low Price and Low-end

One of the first Market Monitor stocks last spring was another casual dining stock, **Denny's (NASDAQ—DENN—\$5.77)**. We have repeatedly profiled it and it hasn't gone south yet. The Company has 1,688 franchised, licensed, and company operated restaurants, including 1,590 restaurants in the United States. The Company has been reducing debt, simplified its menu and is on an earnings tear. EPS is expected to reach \$0.33 this year and \$0.38 next year. We look for the stock to hit the \$7.00 in the near term, in anticipation of the summer season.

Four Vacation Stocks (cont'd)

More Low Price and Low End

A vacation or road trip stock list would be incomplete without **TravelCenters of America LLC (NYSE—TA—\$9.55)**, which we profiled just last week. TA operates and franchises 244 travel centers primarily in the United States offering diesel and gasoline. The company partners with well known restaurant chains to offer full service at all stations. These include Iron Skillet and Country Pride brand names, and quick serve restaurants primarily under the brand names of Arby's, Burger King, Dunkin' Donuts, Pizza Hut, Popeye's Chicken & Biscuits, Starbuck's Coffee, Subway, and Taco Bell. Additionally, TA caters to trucking clients offering repair and maintenance services, as well as modern conveniences like Wi-Fi, laundry, ATM, fax, overnight mail, and private shower and locker facilities.



The stock is also a great value based on projected EPS and revenue (8x FY13 EPS and a fraction of \$8.4B in revenue vs. its sub-\$300M market cap.). This could be a great play ahead of travel season and a general rebound in the trucking industry. We think a \$12.00 price target is achievable in 2Q13.

Recap: How Did You Do With Your Bracket?

We had the entire Midwest region called right, but only Ohio State correct in the West. Ouch. Three out of four for the South wasn't bad too, though Georgetown hurt us and many others. If Butler would have held on we would have had that entire region correct as well. All in all, 11 out of 16 of the Sweet Sixteen is not too bad.

Our picks for the Final Four are slightly changed. We like: Indiana, Louisville, Michigan, and Ohio State.

Until next week...



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