

INSIDE THIS ISSUE:

Takeover of Popular Brand?

Upcoming Publications

KEY TAKEAWAYS

- ⇒ *Heading into the last 6 weeks of the year means preparing and re-balancing your portfolio*
- ⇒ *Prepare to sell your losers and buy underperforming stocks*
- ⇒ *Expected 2015 turnaround plays tend to move early—be ready to pounce in early December*
- ⇒ *Causal dining stocks benefit from a string Black Friday*
- ⇒ *Tech stocks, especially in software security look strong*
- ⇒ *Could PERY be a real takeover target?*

KEY STATISTICS

Index	Close	2014
DJIA	17635	6.3%
S&P 500	2040	10.3%
NASDAQ	4689	12.3%
Russell 2000	1174	0.8%

(figures are rounded)

TOP 10 MARKET THOUGHTS

As we had into one of the most profitable and important stretches in the market historically, we offer our Top 10 thoughts on stocks and the stock market.

1. With earnings season over, a recession in Japan, and Thanksgiving around the corner, stocks are likely to be mixed, with an upside bias for the next 10 days.
2. This is the time of year when investors make incremental moves, while they perform due diligence and re-balance portfolios.
3. Merger and advisory business has been risk this year. Look for a rash of small company M&A before 2014 concludes.
4. Before you prepare your holiday gift list, prepare your year-end stock debacle sell list and sell before the crowd.
5. Speaking of lists, it is no secret that this year's losers tend to become next year's winners. Start compiling your watch list—today.
6. Gold has been beaten down but could get a year-end push, even if it is just in the form of a dead-cat bounce. Interestingly, this time around consumers appear to be keenly aware of the drop in gold and may take advantage of lower retail jewelry prices, as a result.
7. Companies expected to enjoy an EPS turnaround next year tend to move higher beginning in December. Seek these stocks out in the consumer discretionary and technology sectors.
8. A successful Black Friday usually portends a strong performance from causal dining stocks.
9. Apparel stocks are as fickle as their customers but the early cold weather could mean an upside surprise here.
10. Higher profits likely mean greater capex spending in tech in 2015 and the software security space looks hot.

Takeover of Well Known Brand?

I have met hundreds of management teams over the years. In some cases, such as with **Perry Ellis, International (NASDAQ—PERY- \$23.58)** I met the founder and his family through very close family friends of 40 years. Without getting into grand details, the Company (which acquired the Perry Ellis brand years ago) is a true American success story of Cuban immigrants that arrived here and made something out of nothing.

Is now the time for the family to cash out? The founder is 78, but his son, who runs the day-to-day operations is only in his mid-50's. Perhaps a cash deal would be too hard to resist? After all, rumors have swirled that Sequential Brands may be seeking a buyout of PERY. I can only speculate here, but if I had to guess, a reasonable price would be a 20% premium to the current stock price. Next year is expected to be markedly better than the current fiscal year ending in January and even if a deal does not materialize, we believe that the stock could approach the \$30 level sometime next year.

Upcoming Publishing Schedule

This Thursday, we will be publishing the next edition of The 30-30 Report. We just added another big winner to the 30-30 circle and historically, this month tends to be our best performing period. Make sure you subscribe today! <http://www.goldmanresearch.com/plan/subscribe.html>

Our Fourth Annual Thanksgiving Treats and Turkeys Report will be out next week. You don't want to miss this year's year-end buys and sells.

Have a great week!



The Goldman Guide

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