

## **Bear Market? Yes Certainly... More to come?**

The simple answer is – I don't know, does anyone really? What I do know is that there are some very interesting ideas that are much cheaper today than they were six months ago. We suggest a dollar cost averaging methodology over time so don't focus too much on market timing. Here are some names you might look at for the coming six to eighteen months.

**HIMX\* \$9.45** – breaking out to new 52 week highs - strong stock to do that --- look for 5% pull backs to add shares. Perhaps the leading beneficiary of the emerging Augmented and Virtual Reality industry.

**SMSI\* \$0.69** – Very attractive chart with the shares now crossing above their 50-day moving average.

**CLMT\* \$9.70 yielding 29%** - appears to have put in a bottom. This it is a buy.

**GGN\* \$5.00 yielding 16%** - declared three more monthly dividends for May June and July at the same payout. Seems to have with stood the sell-off in mining shares – at least for now. Volatility helps option sales so with income subsidized by options sales this looks attractive and interesting for yield and more.

**WYNN \$82.80** – up from \$50.00 five weeks ago. Personally I like Steve Wynn's attitude and brashness. Needed if you are running a global casino business. Trading above all three major moving averages. Look for pullback to accumulate.

**AEG \$5.02** – *Too Big to Fail* insurer just reported earnings – 2015 was record year for revenue, Pays a dividend that they are raising to a project forward yield of 5.86%. Large share buy back in place. Seems too cheap.

**SZYM\* \$1.60** is beginning to act like the bottom ins in and the rally is at hand... till in love with this one even though she's been bad to me.

**CBB \$3.27** – held in like a rock through the crash in January. Gotta think this will do better as the market moves through 2016.

**ENZ \$4.23** – same comment as CBB above..... Collecting money from the multiple lawsuits they files....

**MGIC \$7.03** – don't know what's going on here but wow did it explode after earnings announcement from the \$5.30 area ten trading days ago.

**ROSG \$1.16** – strong chart lots of love from analysts. Above its 50-day moving average and up from \$0.75 seven trading days ago. In love with this story as well. Still cheaper than cheap.

**Income Ideas**, there are many, but one needs a strong stomach. The volatility can and economic conditions at this time can bring about a dividend cut or elimination.

**HTGC \$11.05 – 11.9%** our nomination for Best Business Development Corporation.

**CLMT \$9.70 – 29.7%** - Seems safer than the dividend indicates. End products are specialty oils from their refining process. Goal is to be “the” specialty oil company in the world. Annual revenue now is \$4.2 billion.

**YMLP \$3.51 – 29%** - fund with a focus on Energy related MLP’s but might not be as risky as it seems at first blush. Check them out and see if it might fit your situation.

**GGN \$5.00 – 16%** - Income fund of 70% Gold & Silver companies and 30% natural resource. What different here is tan he fund is active option seller to enhance the dividend.

**CODI \$14.66 – 10.03%** Small holding company acquiring companies for their cash flow.

**BDCS ETF \$18.51 - 7.79%** unleveraged ETF of Business Development Companies

Consider buying a basket of them.....

Due your Due – Diligence that is....

\* An account related to LOTM holds a position in this security.

In a LOTM view of perfect world, a balanced portfolio includes 1) dividend paying stocks, 2) option selling for cash flow and 3) small and micro-cap stocks. In accounts related to LOTM, we are focused on one specific sector and that is small and micro- cap companies.

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