

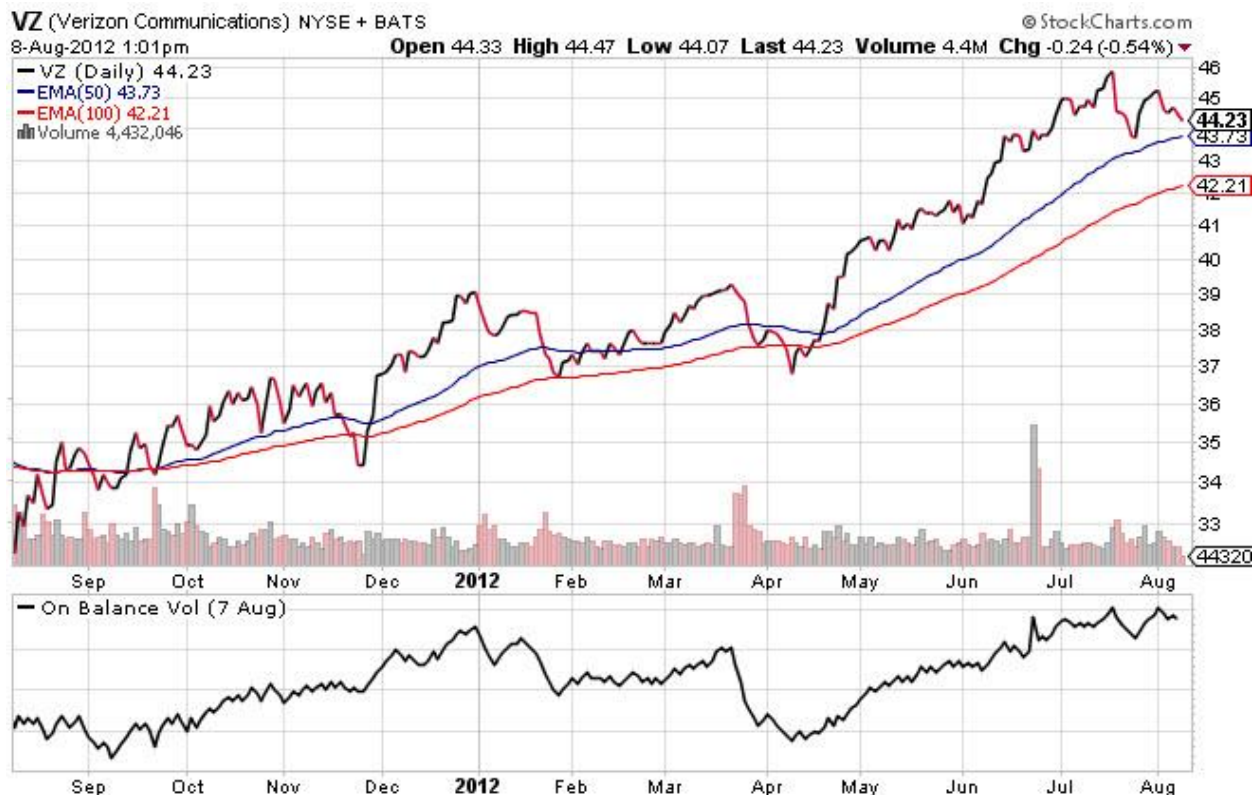
August 8th 2012 | Cash Cow Newsletter

In this week's newsletter we're going to look at various profit opportunities for the August 18th weekly option expiration. Last week we discussed how defensive stocks have historically outperformed the market during slow growth periods, making them first-rate candidates for our weekly options strategies.

We will continue to focus on trading select defensive stocks to take advantage of the price appreciation that's occurring.

The first Defensive Stock we'll look at is **VZ** (Verizon):

VZ Continues Up-Trend



VZ is in an up-trend with the 50-Day EMA above the 100-Day EMA as well as an up-sloping OBV. VZ also pays a high 4.5% yield.

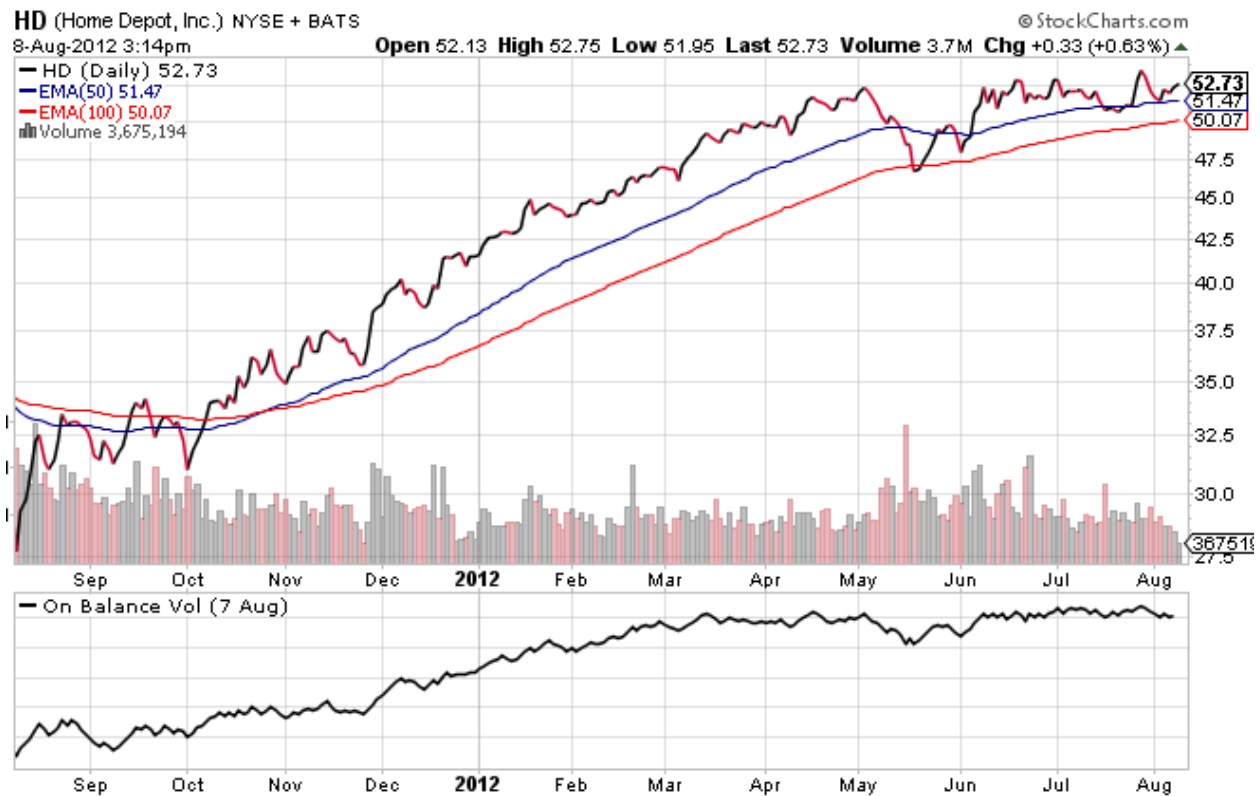
Here is a price chart of VZ with the Keltner Channels displayed:



We can see that Verizon has recently closed below its middle Keltner Channel. This presents a good opportunity to purchase a call option for the August 18th weekly option expiration.

The next Defensive Stock we're going to look at is **HD** (Home Depot):

HD Continues Strong Up-Trend



HD is in an up-trend with the 50-Day EMA above the 100-Day EMA as well as an up-sloping OBV. We can see how well HD has been performing over the past year. We can expect HD to continue its upward price movement as it has solid Equity Growth rates and Earnings growth.

Here is a price chart of HD with the Keltner Channels shown:



We can see that HD has recently closed at the middle Keltner Channel. When HD closed below the middle/lower Keltner Channel in the past, it resumed its uptrend. HD recently closed below the middle Keltner Channel making it a good candidate for an August 18th call option purchase.

Super Portfolio Opportunity

The last trade we'll look at this week is a Super Portfolio stock. The Super Portfolio strategy is a spread strategy that buys the strongest performing stocks and sells weekly call options on ETF's in weak sectors. You can read more about the Super Portfolio strategy in Chapter 5 of the W.O.W Guaranteed Income Manual.

Here's a chart of **AGNC** (American Capital Agency Corp.):



AGNC pays an attractive 14.7% yield. AGNC doesn't trade weekly options but we can still take advantage of its price appreciation and high yield by purchasing the stock and selling an August 18th weekly SPY call option to create a Super Portfolio spread. As recommended in the W.O.W manual, this weekly call option can be rolled over each week to create an income stream. The big advantage of the Super Portfolio strategy is that you can profit from the price appreciation in the stock which is not limited, and at the same time profit from the income derived from

selling weekly call options. Over the last several years, the cost basis for AGNC stock is zero due to the high dividend it paid which has paid for the cost of the stock.