

The Gleason Report  
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**S&P500: 2084**  
**Gold: \$1268**  
**10yr Bond: 1.76%**

### **Market Timing**

Based on the timing models in my book, most of the major market indexes went to a buy signal in March and April. These signals are derived from market price moving averages. They've been flip-flopping since late last year. Does this signify a new uptrend in stocks? I doubt it. Real corporate earnings are in decline. The earnings numbers they have to give the tax man say the market PE is 24. The numbers they give the media with their "one-time charges" excluded says the market PE is 18. That's a huge spread by historical standards. These one-time charges are for things like mass store closings, severance, and anything else Wall Street swears will never happen again. I will personally stay out of stocks because I don't like the earnings trend.

It is however quite possible that stocks will go up as the government monetizes debt year after year. With rates at zero the prevailing idea is that money has no place else to go but stocks. I get it but isn't that also how lemmings think? No thanks.

### **Dividend Stocks**

In early March 2016 I published a list of dividend stocks using my new dividend ranking model. The full report is on the web site. <http://gleasonreport.com/emails/2016-03-tgr.pdf>

My dividend timing model ranks more than 125 stocks by my timing metric and not by yield. I only showed 28 stocks in March because the rest didn't make my timing cut. Of those that made the timing cut, the average return of all 28 stocks was 13.4% after two months. That was almost twice the S&P500 index return from March 1<sup>st</sup> through May 9<sup>th</sup> 2016.

Ticker	Company Name	5yr Yield			Price			Trend	
		Min	Max	Avg	Now	Year Ago	1mo		Now
<a href="#">NKE</a>	Nike, Inc. Common Stock	0.16	0.91	0.3	0.9	48.08	57.17	61.59	UP
<a href="#">NDSN</a>	Nordson Corporation	0.18	2.59	0.6	2.0	74.4	58.67	71.67	UP
<a href="#">SKT</a>	Tanger Factory Outlet Centers,	0.00	8.34	3.0	7.9	32.78	31.82	32.08	UP
<a href="#">CINF</a>	Cincinnati Financial Corporatio	2.99	10.04	4.3	8.7	50.33	60.25	63.14	UP
<a href="#">CFR</a>	Cullen/Frost Bankers, Inc. Comm	2.51	4.75	3.1	4.4	66.91	47.85	47.93	DN
<a href="#">ANDE</a>	The Andersons, Inc.	0.47	2.27	1.0	2.1	41.44	27.57	26.85	UP
<a href="#">NUS</a>	Nu Skin Enterprises, Inc. Common	0.65	4.98	2.0	4.6	52.26	33.31	30.49	UP
<a href="#">ADM</a>	Archer-Daniels-Midland Company	1.73	3.55	2.3	3.2	44.98	33.76	34.96	UP
<a href="#">OKE</a>	ONEOK, Inc. Common Stock	0.55	13.00	3.0	10.2	43.8	25.54	24	UP
<a href="#">DCI</a>	Donaldson Company, Inc. Commu	0.32	3.78	1.4	3.6	36.73	29.54	28.24	DN
<a href="#">TIF</a>	Tiffany & Co. Common Stock	1.31	2.60	1.8	2.5	83.56	63.86	64.98	UP
<a href="#">IBM</a>	International Business Machines	1.54	4.30	2.3	4.0	153	127.27	131.03	UP
<a href="#">CLC</a>	CLARCOR Inc. Common Stock	0.52	1.96	1.0	1.8	63.6	46.63	48.14	UP
<a href="#">TROW</a>	T. Rowe Price Group, Inc.	1.67	3.20	2.2	3.0	77.94	68.64	69.11	UP
<a href="#">EOG</a>	EOG Resources, Inc. Common S	0.19	1.07	0.5	1.0	87.83	67.06	64.74	DN
<a href="#">CVX</a>	Chevron Corporation Common Sto	2.85	5.65	3.6	5.1	98.78	81.84	83.44	DN
<a href="#">HCP</a>	HCP, Inc. Common Stock	1.87	8.76	4.4	7.8	37.96	35.60	29.58	UP
<a href="#">AOS</a>	A.O. Smith Corporation Common	0.44	1.20	0.7	1.1	62.31	65.56	70.38	UP
<a href="#">CBSH</a>	Commerce Bancshares, Inc.	0.81	2.20	1.1	2.0	39.37	41.13	42.48	UP
<a href="#">ABT</a>	Abbott Laboratories Common Sto	1.37	2.59	1.8	2.5	45.49	37.41	38.74	UP
<a href="#">PII</a>	Polaris Industries Inc. Common	0.48	2.98	1.4	2.5	146.01	82.17	87.91	UP
<a href="#">BEN</a>	Franklin Resources, Inc. Commor	0.19	1.86	0.7	1.7	52.27	33.71	35.85	UP
<a href="#">GRC</a>	Gorman-Rupp Company (The) Co	0.63	1.87	1.2	1.7	27.58	23.20	25.26	UP
<a href="#">RAVN</a>	Raven Industries, Inc.	0.25	3.60	1.4	3.4	19.97	14.99	15.28	UP
<a href="#">KO</a>	Coca-Cola Company (The) Comm	0.52	3.46	1.3	3.1	40.18	42.44	43.13	DN
<a href="#">CAT</a>	Caterpillar, Inc. Common Stock	1.05	5.14	2.6	4.5	76.84	66.12	67.7	UP
<a href="#">NFG</a>	National Fuel Gas Company Com	1.83	4.17	2.5	3.5	59.68	45.29	45.68	UP
<a href="#">PNR</a>	Pentair plc. Ordinary Share	1.21	2.90	1.9	2.7	61.93	46.25	47.71	UP

Below are the returns of all dividend stocks that made my market timing cut in March.

Ticker	2 month gain
OKE	66.7
CINF	7.0
SKT	13.8
HCP	17.3
CVX	21.2
NUS	26.0
CAT	7.0
CFR	28.1
IBM	13.9
DCI	16.2
NFG	19.5
RAVN	2.4
ADM	9.4
KO	5.8
TROW	9.5
PNR	21.9
TIF	8.8
ABT	-1.5

PII	0.4
ANDE	0.7
NDSN	8.2
CBSH	11.7
CLC	19.1
BEN	1.8
GRC	10.5
AOS	11.9
EOG	22.9
NKE	-3.8

I suggest that you only buy dividend stocks with a yield of 3% or higher because if you have to wait you want to make some money. (The yield is under the column heading of NOW above.) Let's see how my 3% stocks from this list have performed.

My average 3% stock gained 17.6%. That's 105% annualized. **That's after TWO months.** The 3% stocks were: OKE, CINF, SKT, HCP, CVX, NUS, CAT, CFR, IBM, DCI, NFG, RAVN, ADM, KO

What this indicates is my dividend timing model identifies winning dividend stocks. Compare my performance to the fund OUSA which tracks dividend stocks. OUSA is run by Kevin O'Leary of Shark Tank fame. He returned 5.2% over the same period and the S&P500 index returned 7.5%. My 3% stocks outperformed OUSA by 3x and the S&P index by 2.3x.

My timing model is mathematical and the how-to is difficult for others to calculate so I'm not going to do the math in this newsletter. I will give you the timing status as of today for the new buy group.

I've sorted the pool by my timing metric and not by yield. Again, I only buy if the yield is over 3%. The pool this month is sparse since the market has gone up quite a bit. Only GE and CRR make the 3% cut. The rest will hopefully outperform the market.

I'd also suggest that you buy when price has moved above the 20 day moving average. It's no sure thing but you don't want to buy when a stock is still sliding down. As you can see, GE is in a small downtrend. It's probably ok to buy but I'm a cautious guy.

<https://finance.yahoo.com/echarts?s=GE+Interactive#%22showSma%22:true,%22smaColors%22:%22#cc0000%22,%22smaPeriods%22:%2220%22,%22smaWidths%22:%221%22,%22smaGhosting%22:%220%22,%22range%22:%226mo%22,%22allowChartStacking%22:true>

CRR is in a sharp downtrend so I'd wait for the price to move above the 20dma. This may take a while. Yeah, a 35% decline in two weeks is scary. [Note 5/11/16: CRR appears to have suspended its dividend. No longer a buy candidate]

<https://finance.yahoo.com/echarts?s=CRR#%22showSma%22:true,%22smaColors%22:%22#cc0000%22,%22smaPeriods%22:%2220%22,%22smaWidths%22:%221%22,%22smaGhosting%22:%220%22,%22range%22:%226mo%22,%22allowChartStacking%22:true>

I don't do any financial research on the dividend stocks nor do I pay attention to news headlines. I figure it's all in the price. Just wait for the price trend to change.

### May 10, 2016 Dividend Stocks

Ticker	Company Name	5yr Yield			Price			Trend	
		Min	Max	Avg	Now	Year Ago	1mo		Now
<a href="#">HRL</a>	Hormel Foods Corporation Comm	0.63	1.54	0.9	1.5	27.9	39.46	39.74	UP
<a href="#">NKE</a>	Nike, Inc. Common Stock	0.16	1.10	0.3	1.1	51.95	59.50	58.72	DN
<a href="#">GE</a>	General Electric Company Comm	1.22	4.89	2.0	4.6	26.39	31.03	29.87	DN
<a href="#">ANDE</a>	The Andersons, Inc.	0.47	2.52	1.0	2.3	45.25	32.27	26.67	DN
<a href="#">MKC</a>	McCormick & Company, Incorpor	0.91	2.11	1.1	1.8	77.82	95.06	96.99	UP
<a href="#">NDSN</a>	Nordson Corporation	0.19	2.59	0.7	1.9	82	78.05	76.37	DN
<a href="#">ABT</a>	Abbott Laboratories Common Sto	1.37	2.80	1.9	2.7	47.6	43.41	37.98	DN
<a href="#">AOS</a>	A.O. Smith Corporation Common	0.44	1.46	0.7	1.2	68.94	78.99	77.7	DN
<a href="#">WMT</a>	Wal-Mart Stores, Inc. Common S	0.90	3.33	1.5	2.8	77.48	69.06	68.95	UP
<a href="#">BEN</a>	Franklin Resources, Inc. Commor	0.19	2.23	0.8	2.0	50.94	39.51	35.95	DN
<a href="#">CRR</a>	Carbo Ceramics, Inc. Common St	0.44	4.40	1.6	3.4	43.39	15.73	11.85	DN
<a href="#">KO</a>	Coca-Cola Company (The) Comm	0.52	2.39	1.2	2.2	40.2	46.10	45.24	UP
<a href="#">OZRK</a>	Bank of the Ozarks	0.34	1.63	1.0	1.6	41.48	43.74	36.83	DN
<a href="#">PII</a>	Polaris Industries Inc. Common	0.48	2.98	1.5	2.5	137.37	95.67	88.26	DN

If my S&P500 timing model says to exit stocks you may want to consider taking profits. Dividend stocks don't hold up to market corrections.

### Political Commentary

As the world succumbs to a broad economic decline many in the hard money community are awaiting the "financial reset" which will push gold into its rightful position as the world's premier money. This is expected to happen in cooperation with the IMF and world governments. The general idea is that the SDR (Special Drawing Rights) will be used for reserves and the dollar will remain top dog among currencies. This idea would have the post WWII financial system remain intact but adapt itself to a surging Asia. China would have an ownership interest in the system and the world goes on.

First, why would Russia and China agree to such a setup? What's so wonderful about the IMF retaining its preeminent position? I can see China going along with this for a while but long term it is unlikely.

There is no way that the East is going to let the West remain in charge. Look at the way Russia has been treated by Europe/USA. It's been sanctioned over a trumped up Ukraine conflict that the West instigated. China isn't going to kowtow to American aircraft carriers in the South China Sea. They're fed up with being pushed around. The East sees a West in decline and they

are patient. The only New World Order they'll accept is one where they have an equal seat at the table. To do otherwise is to be forever a moon to the American planet.

Look at the West. It's got failing social welfare systems, financial colonialism, constant war, treachery, and a culture that's discarded its religious and philosophical traditions to cater to deceit and aberrant PC nuttiness. The East is socially conservative. Russia is a religious country. China respects its ancient traditions and that goes triple for India.

This schism between east and west means something big is going to happen. Europe is in disarray with waves of Muslim immigrants. Britain wants to leave the EU. America is splitting up with the Saudis. The petrodollar is dead. The American electorate has rejected the neocon interventionists. The leadership thinks it's just a phase and they'll soon regain control through media disinformation and then more war. History shows that once these pent up, powerful forces are set in motion the slate will be cleared of the political and financial themes that aren't working.

The reason the world is going to dump America's New World Order is because of hypocrisy. The Indispensable Nation preaches to the world about evil while blatantly saying its own actions are exempt from criticism – end of discussion.

Seymour Hersh is America's #1 investigative journalist. He has broken many major new stories. Nowadays, he can't get published in the US. The corporate media has locked him out. He is published by the London Review of Books and this month he nailed Hillary Clinton and Obama as perpetrators of a false flag attack.

*"The Obama Administration falsely blamed the government of Syria's Bashar al-Assad for the sarin gas attack that Obama was trying to use as an excuse to invade Syria; and Hersh pointed to a report from British intelligence saying that the sarin that was used didn't come from Assad's stockpiles. Hersh also said that a secret agreement in 2012 was reached between the Obama Administration and the leaders of Turkey, Saudi Arabia, and Qatar, to set up a sarin gas attack and blame it on Assad so that the US could invade and overthrow Assad."*

<http://www.strategic-culture.org/news/2016/04/28/seymour-hersh-hillary-approved-sending-libya-sarin-syrian-rebels.html>

Hillary Clinton while Obama's Secretary of State was working her Clinton Foundation shakedown while hiding her emails on an illegal, hacked server. While fundraising she allegedly approved a false flag mass murder in Syria in cooperation with Turkey, Qatar, and Saudi Arabia. Over 1400 civilians in a residential Damascus neighborhood died a horrifying death. Many were children. America blamed Assad. In case you didn't know, the use of poison gas is against international law and a war crime. Would you like to see live images of innocent people dying from sarin gas?

Here's a 2013 video released by the US government through CBS News blaming Syria for the atrocity. Scott Pelley, what a "journalist". Doesn't anyone at CBS fact check? Behold the false flag handiwork of Obama and Hillary.

[https://www.youtube.com/watch?v=Q\\_cpRsFsmmQ](https://www.youtube.com/watch?v=Q_cpRsFsmmQ)

Readers, you have to know that a nation has lost legitimacy when a politician like Hillary is protected from criminal charges. She's even allowed to run for president!

Big changes are coming to the world. NATO is obsolete, the dollar isn't going to rule the roost, Russia and China have made huge advances in military technology, the world economy is sinking into recession/depression, and the demographics in the West portend huge deficits out twenty-five years. Meanwhile, at home, the neocon agenda is out of gas. The people are tired of cronyism, endless war, no jobs and constant lies. To quote Obama, "profound changes are ahead" though probably not the same ones he envisions.

America will monetize its debt and so will China. This requires low bond rates to keep costs down while they print and clean things up. How can an improved financial system get installed amid that kind of baggage? Nobody will trust a new financial system unless the people who ran the failing one are run out of town and something fairer takes its place. That won't happen until the old system collapses. All this talk of SDR and a controlled transition are wishful thinking.

Larry Lindsey was a FED governor and later George W. Bush's advisor on economic policy. He warned Bush that the Iraq war would cost over \$200 billion but Rumsfeld convinced Dubya it would be \$50B. It has actually cost well over \$1.1 trillion so far. The money was just printed and we're still in Iraq. Lindsey said:

*"But as states never go bankrupt, they then must seize the assets under their dominion through inflation, taxation and confiscation. The Roman Empire tried all three. The medieval popes had their Jubilee Years in which all debts, particularly their own and those of other sovereigns, were forgiven. Debasement, grinding taxation, and confiscation from disfavored groups (often the Jews) were all part of the process.*

*So, there is nothing new under the sun that shines in the Policy Activists' Universe. Negative interest rates sound new and 'unconventional,' but they are nothing more than an extension of this nostrum. Undertaken in the name of promoting inflation, they are really nothing more than taxation of (and ultimately confiscation of) liquid wealth. They are 'unconventional' only in the context that as time goes on, the policies of state acquisition of wealth must become ever more creative.*

*A 40- or 50-basis point 'tax' on wealth doesn't sound like much, but in a world in which the 'normal' real return on capital might be 2%, this is a tax on income equivalent to 20 to 25%. (.5% / 2%) Add to this a modest 'inflation tax' of 1% (below the target of 2%), and the new, effective rate on the normal return on capital becomes 70 to 75%.*

*... no one will really move to bring this down until it collapses of its own weight.*

<http://www.zerohedge.com/news/2016-05-05/larry-lindsey-warns-nothing-will-change-until-system-collapses-under-its-own-weight>

The prevailing powers will do everything in their power to maintain control because they have a lot to lose including their freedom. They don't want to be judged.

The voters are rebelling against insider graft. The establishment responds by offering up the corrupt Hillary. The world economy is contracting. The establishment responds with market rigging and negative rates. Investigative reports show genocide and false flag attacks in Ukraine and Syria. The establishment media hides the truth and blames Syria and Russia.

It's not possible for an honest capitalist system to function with negative rates, monetization, and rigged markets. Deutsche Bank admitted rigging the gold market with the other big banks. GATA's tin foil hat conspiracy theories of gold market rigging were scoffed at by the financial media for years until proven correct this April.

<http://www.zerohedge.com/news/2016-04-14/first-silver-now-gold-deutsche-bank-admits-it-also-rigged-gold-prices-legal-settleme>

It's not possible for the major media outlets to have credibility when they spew disinformation to appease the government. They believe loyalty to the establishment is more important than truth. They cover up war crimes and graft.

### **Beware the Bank Roach Motel**

About six months ago I warned subscribers to get some money out of the banks and place it in a Federal money market fund at their brokerage or through a mutual fund. A short term federal bond fund is another option. The key idea is to hold no repos or promises to pay from third parties.

*Like a Mafia Don protecting his "family," the Fed is implementing another layer of "protection" from collapse for the Too Big To Fail Banks. This latest deal will prevent bank counter-parties from pulling collateral from a collapsing bank. The installation of this law is a warning signal that the global banking system is barreling toward another devastating financial collapse.*

*The implementation of this new regulation extends the bail-in concept to TBTF "big boy" counter-parties, like hedge funds, insurance companies and pensions. ... Bail-in regulations are now methodically being installed in the U.S. banking system.*

<http://investmentresearchdynamics.com/did-the-fed-signal-the-inevitability-of-the-next-banking-system-collapse/>

Many smaller banks and credit unions have a correspondent relationship with a TBTF bank which means your money can be sucked up if one collapses. Nothing is really safe except gold in physical form and in your personal possession.

### **Summary**

Periods of great change often offer great financial opportunity to the fleet of foot. Most others get crushed.

The financial establishment has everyone convinced that modern portfolio theory will continue to work during whatever transition is ahead. I believe people should have up to 30% in gold as a hedge. Few suggest such heresy despite the evidence of failure all around us. You are all living this history but most refuse to accept what's right before their eyes.

There have been real consequences since America went off the gold standard. From 1971 through the end of March of this year, the annual return for the price of gold has been 8.01% (Source: Merk Investments, Bloomberg). With governments beginning a process of debt monetization which requires negative real rates for decades, I believe the return on gold could be higher than the forty-five year average. I'd be happy with 5%. Talk of \$10,000 gold is farfetched but I could be wrong.

If Hillary Clinton is elected, the unrepentant will have four more years of control. Look at what she's done right under the nose of the FBI, the NY Times, and world opinion. DC is afraid of her and the media defends her. What do you think she'll do to protect the privilege and personal freedom of the guilty once she attains great power? Look at what she's done already and then use your imagination. They call her the HildaBeast for a reason.

We are going to witness a changing of the guard in foreign policy and financial markets. The media revolution is just beginning. The Fed, the NY Times and the military-security establishments will fight to the very end so don't expect a smooth transition. As the government controlled media is abandoned by truth seekers and the impoverished, a change will sweep the western world. The powerful will fight to maintain their lucre and privilege. This implies a great conflict. At the end, the establishment's worst financial enemy, gold, will be standing tall. The neocons will be swept away. The promises made to you will be broken. Of course, if the Beast from Hell is let loose you may also be dead.

Best regards,

Tom Gleason  
The Gleason Report