

## MORE BIOTECH STOCK FACTORS

- Look for stocks that are just starting to emerge after hitting bottom.
- Most biotech stocks lose money, so compare their losses vs. cash.
- Look for stocks that have recently raised a fresh round of funding.
- Look for a good story and a fairly deep pipeline.
- Look for strong partnerships with established biotech/drug companies.
- They should be showing at least a small amount of sales.
- Look for positive analyst coverage.

## 10 TIPS FOR SUCCESSFUL BIOTECH INVESTING

1. Focus on the 3 Ms.
2. Focus your buying in strong market conditions.
3. Buy biotech stocks with strong price momentum and other characteristics found in great winning stocks.
4. Look for stocks with enough cash to offset losses.
5. Look for a good story, a fairly deep pipeline of candidates, strong partnerships, some sales and positive analyst coverage.
6. Try to do most of your buying on pullbacks.
7. Use stops below a key low from the past 3-6 months.
8. Move up trailing stops to lock in gains.
9. Selling half your position if a stock doubles.
10. Take responsibility for your investments.

## STRENGTH IN BIOTECH

— The Nasdaq Biotech Index (IBB) is up 700% since the bottom of the 2008-2009 bear market. It was up 32% in 2012, 66% in 2013, 34% last year and another 30% this year.

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## MONEY MANAGEMENT: SELLING TO CUT A LOSS

- Use stops below key lows of the past 3-6 months.
- Consider selling if a stock fails to make a new high for more than three months.
- Tighten stops if key market indices start breaking down.

## MARKET TIMING

- \* Three of four stocks will go up in a rising market and go down in a falling market.
- \* Signs of a rising market:
  - Above its 50-day moving average.
  - 50-day moving average is above the 200-day moving average.
  - Market in an uptrend.
  - Higher volume on up days; lower volume on down days.

## MONEY SHOW SPECIALS: SAVE ALMOST 30%

- \* Individual Newsletters, 1 year — \$99
- \* Premium Membership, 1 year — \$199
- Good only at the Money Show! Forms available at the front.

## FOCUS ON THE 'THREE M'S':

- \* Market Timing
- \* Momentum Stocks
- \* Money Management

## Finding The Next Big Biotech Winners

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## PREMIUM MEMBERSHIP

- (Receive all three newsletters)
- \* 4 months — \$139
  - \* 1 year — \$279
  - \* 2 years — \$479
  - \* 3 years — \$599

## THREE INVESTMENT NEWSLETTERS:

- \* Coolcat Explosive Small Cap Growth Stock Report
- \* Coolcat Stock Market Momentum Leaders Report
- \* Coolcat ETF Report
- Updated twice a month.
- Two model portfolios with specific buy and sell suggestions.

## MONEY SHOW WORKSHOPS

- \* Finding the Next Big Biotech Winners, Friday, 6-6:45 PM \* Nob Hill AV9
- \* Big Returns from Microcap and Small Cap Stocks, Saturday, 10:45-11:30 AM \* Nob Hill AV8
- \* Rock Solid Retirement Returns with a Long-Term ETF Approach (Investment Masters Symposium) Saturday, 1:30-2:15 PM

## INDIVIDUAL NEWSLETTERS

- \* 4 months — \$69
- \* 1 year — \$139
- \* 2 years — \$239
- \* 3 years — \$319

## MARKET TIMING

- Be aggressive in a strong market.
- Be defensive in a weak market.

## MOMENTUM STOCKS

- Focus on strong stocks that have winning characteristics: low float, low price, high relative strength, new highs, strong industry groups, big volume breakouts, pullbacks on lighter volume.

## MONEY MANAGEMENT

- Focus buying during price pullbacks.
- Follow selling rules to let profits run and keep losses small.

## MONEY MANAGEMENT: SELLING TO TAKE A PROFIT

- Take profits at pre-determined percentage gain figures.
- Sell into high-volume price spikes.
- Sell half your position on a double.
- Sell a parabolic stock that doubles in less than two weeks.
- Sell stocks more than 75% above their 50-day moving average.
- Sell stocks more quickly if the market really gets long in the tooth.
- Use trailing stops to lock in gains.
- Apply the Calculator Theory.

## MOMENTUM STOCKS

- Characteristics of past market winners:
- Low trading float.
  - Low price.
  - Lower market cap.
  - High relative price strength.
  - New 52-week highs.
  - Strong industry groups.
  - Breakouts on big volume and pullbacks on lighter volume.
  - Early stage of earnings turnaround.

## RECENT BIOTECH STOCK PICKS

- \* Alexion Pharmaceuticals (ALXN)
- \* Concert Pharmaceuticals (CNCE)
- \* Corbus Pharmaceuticals (CRBP)
- \* Emergent BioSolutions (EBS)

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## MONEY MANAGEMENT: BUYING

- Buy stocks that are acting strong, but are not too extended.

— In a normal market situation is on a pullback, e.g., after a pullback from the stock's 52-week high. — Only if the stock is up 7-15 stocks.

# Emergent Bio-solution (EBS)

Thecasesolutions.com



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