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Technical indicators performed well in 2010

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Let's look back on the performance of the 52 stocks recommended last year in our weekly column based on technical research. As usual, this report will cover a 12-month period from the beginning of December, 2009, to the same point in 2010, to allow last month's suggestions time to mature.

Despite the mid-2010 weakness, this period was an excellent time to be in the markets. In fact, 39 of the 52 positions are still open or were closed in the money, for a success ratio of 75 per cent.

We covered a wide variety of prices, from \$1.79 (Great Basin Gold Ltd. GBG-T, ahead 54.2 per cent) to \$79.47 U.S (Chevron Corp. CVX-N, which was up 15.1 per cent). The materials sector provided both the best and the worst results – Nevsun Resources Ltd. NSU-T with a 131.7 per cent gain and Plains Exploration and Production Co. PXP-T with a 13.3 per cent loss.

The average gain was 16.4 per cent for all 52 positions, not including dividends, which means the portfolio outperformed both the S&P 500 Index (up 7.4 per cent) and the S&P/TSX Index (up 11.9 per cent).

Where will the ideas come from in 2011? North American markets could stay in a narrow trading range for the first month or so, but then could rise towards targets of 1,400 for the S&P 500 and 14,500 for Toronto by year-end.

This will make stock selection difficult as the year begins, but the Canadian resource sector should come to the rescue as gold begins another assault towards the \$1,500 level.

Secondly, the majority of energy stocks seem to be gathering strength and we will probably pick a few ideas from this sector. Financials may stay weak, but some of the information technology stocks, such as Descartes Systems Group Inc. DSG-T, Sierra Wireless Inc. SW-T, Celestica Inc. CLS-T, Intel Corp. INTC-Q, Novell Inc. NOVL-Q, that topped out in 2000 and stayed in a narrow trading range since then, could come to the fore.

Happy investing for 2011!

What the Charts Said in 2010

| Buy Date | Recommended Company to buy | Ticker | Buy Price \$ | Jan 11/11 Price \$ | Price at close \$ | Closing Date | % chg |
|----------|----------------------------|----------|--------------|--------------------|-------------------|--------------|-------|
| 12-5 | Suncor | SU-T | 37.91 | 38.24 | | | 0.9 |
| 12-12 | Sensient Technology | SXT-N | 25.60 | 43.05 | | | 68.2 |
| 12-19 | Toromont Ind. | TIH-T | 26.07 | 30.60 | 28.75 | 2010-4-19 | 10.3 |
| 12-26 | Lennar | LEN-T | 13.36 | 19.10 | | | 43.0 |
| 1-2 | Rona | RON-T | 15.45 | 14.85 | 15.20 | 2010-8-6 | -1.6 |
| 1-9 | Chevron | CVX-N | 79.47 | 91.44 | | | 15.1 |
| 1-16 | Shawcor | SCL.A-T | 29.39 | 33.06 | | | 12.5 |
| 1-23 | MAG Silver | MAG-T | 6.67 | 12.00 | | | 79.9 |
| 1-30 | Mosaic | MOS-N | 53.51 | 77.13 | | | 44.1 |
| 2-6 | Gammon Gold | GAM-T | 9.99 | 7.85 | 9.40 | | -5.9 |
| 2-13 | Bristol-Myers | BMY-N | 23.91 | 26.06 | | | 9.0 |
| 2-20 | Cliffs Natural Res. | CLF-N | 53.60 | 84.93 | | | 58.5 |
| 2-27 | Plains Exploration | PXP-N | 32.81 | 32.78 | 28.45 | 2010-5-3 | -13.3 |
| 3-6 | Great Basin Gold | GBG-T | 1.79 | 2.76 | | | 54.2 |
| 3-13 | SNC-Lavalin | SNC-T | 52.40 | 58.94 | | | 12.5 |
| 3-20 | Wal-Mart | WMT-N | 55.34 | 54.41 | 52.60 | 2010-5-6 | -5.0 |
| 3-27 | Galleon Energy | GO-T | 6.76 | 4.04 | 5.90 | 2010-5-19 | -12.7 |
| 4-3 | Agrium | AGU-T | 70.99 | 91.27 | | | 28.6 |
| 4-10 | Jacobs Engineering | JEC-N | 47.61 | 45.49 | | | -4.5 |
| 4-17 | XTO Energy | XTO-N | 47.67 | takeover | 46.48 | 2010-4-29 | -2.5 |
| 4-24 | Helmerich & Payne | HP-N | 43.21 | 49.22 | | | 13.9 |
| 5-1 | Colgate-Palmolive | CL-N | 84.10 | 79.18 | 81.55 | 2010-5-14 | -3.0 |
| 5-8 | 99¢ Only Stores | NDN-N | 14.23 | 15.65 | 16.50 | 2010-10-8 | 16.0 |
| 5-15 | Atco 'X' | ACO.X-T | 48.32 | 59.25 | | | 22.6 |
| 5-22 | Rogers 'B' | RCI.B-T | 36.00 | 34.66 | 37.90 | 2010-10-26 | 5.3 |
| 5-29 | Nevsun Resources | NSU-T | 3.16 | 7.32 | | | 131.6 |
| 6-5 | Finning Int'l | FTT-T | 17.46 | 27.67 | | | 58.5 |
| 6-12 | Home Depot | HD-N | 32.22 | 34.56 | | | 7.3 |
| 6-19 | El Paso | EP-N | 12.68 | 13.77 | | | 8.6 |
| 6-26 | Astral Media 'A' | ACM.A-T | 35.77 | 41.49 | | | 16.0 |
| 7-3 | Nike | NKE-N | 67.86 | 84.52 | | | 24.6 |
| 7-10 | Metro 'A' | MRU.A-T | 43.00 | 45.27 | | | 5.3 |
| 7-17 | Enbridge | ENB-T | 51.17 | 55.30 | | | 8.1 |
| 7-24 | Tim Hortons | THI-T | 35.60 | 42.05 | | | 18.1 |
| 7-31 | Family Dollar Stores | FDO-N | 41.35 | 44.99 | | | 8.8 |
| 8-7 | CNR | CNR-T | 65.99 | 66.14 | | | 0.2 |
| 8-14 | Newmont Mining | NMC-T | 58.94 | 58.07 | 63.36 | 2010-10-13 | 7.5 |
| 8-21 | CCL Industries 'B' | CCL.B-T | 30.17 | 29.90 | | | -0.9 |
| 8-28 | Fronteer Gold | FRG-T | 8.39 | 10.73 | | | 27.9 |
| 9-4 | Cliffs Natural Resources | CLF-N | 67.08 | 84.93 | | | 26.6 |
| 9-11 | YUM! Brands | YUM-N | 44.52 | 48.57 | | | 9.1 |
| 9-18 | 99¢ Only Stores | NDN-N | 18.06 | 15.65 | 16.50 | 2010-10-8 | -8.6 |
| 9-25 | Boardwalk Real Estate | BEI.UN-T | 44.09 | 41.88 | | | -5.0 |
| 10-2 | Clorox | CLX-N | 67.00 | 61.94 | 63.75 | 2010-11-2 | -4.9 |
| 10-9 | Agnico Eagle Mines | AEM-T | 73.48 | 71.24 | 78.50 | 2010-12-16 | 6.8 |
| 10-16 | George Weston | WN-T | 77.79 | 83.54 | | | 7.4 |
| 10-23 | Loblaw | L-T | 42.46 | 39.72 | | | -6.5 |
| 10-30 | Autonation | AN-N | 23.22 | 28.19 | | | 21.4 |
| 11-6 | Alaska Air Group | ALK-N | 55.88 | 59.11 | | | 5.8 |
| 11-13 | Forzani Group | FGL-T | 15.97 | 18.30 | | | 14.6 |
| 11-20 | Sherwin Williams | SHW-N | 73.38 | 82.60 | | | 12.6 |
| 11-27 | Fortis | FTS-T | 31.86 | 34.06 | | | 6.9 |

Source: Phases & Cycles