

Stock Pick of the Week #38, May 20/2010 AD

Charts courtesy Stockcharts.com

This week's pick is Fortuna Silver Mines, FVI.TO on the TSX, and FVITF as a pink sheet stock.

Fortuna is producing Silver, Zinc and Lead at Caylloma in Peru. Drilling results shows very high grades of silver, along with decent grades of gold, as exploring is ongoing.

The company also owns a silver and gold project in Mexico. At the San Jose project resources consists of 18 million ounces of silver indicated and 49 million ounces inferred. For more details visit www.fortunasilver.com



Featured is the daily bar chart for FVI.TO. Price has corrected down to the 200DMA. Volume has decreased during the pullback (green arrow) and that is bullish. The supporting indicators are turning bullish (green lines). The 50D is in positive alignment to the 200D (oval). A close above 2.20 will tell us that the pullback is over.

Here is a review of Picks #1 to #37.

#1 CPQ.V (CPQRF) at 2.01; Bought 08/13/09 sold 11/19/09 at 3.45, profit = 110%

#2 CGC.TO (CGLD.BB), Bought 08/20/09 at 0.60; sold 11/4/09 at 0.94, profit = 36%
 #3 SVM.TO (SVM) Bought 08/27/09 at 3.74, sold 10/20/09 at 5.98, profit = 60%.
 #4 SCP.TO (SCPZF) at 3.10; Bought 09/03/09, sold 02/02/10 at 4.48, profit 1.38 = 44%.
 #5 FCG, bought 09/10/09 at 14.88; sold 10/20/09 at 18.69, profit = 25%.
 #6 MAG.TO (MVG) bought 09/17/09 at 5.55, sold 12/02/09 at 7.48, profit = 35%
 #7 ARZ.TO (AZK) at 4.60, last traded at 5.08.
 #8 IPT.V (ISVLF), at 0.88, last traded at 1.13.
 #9 RUN.V (RFXRF) at 0.22, last traded at 0.12.
 #10 KCL.TO (KCLOF) at 2.74, last traded at 2.09.
 #11 GPD.TO (GPRXF) at 0.59, last traded at 0.44.
 #12 GBG.TO (GBG) at 1.71, last traded at 1.74.
 #13 PGF/UN.TO (PGH) at 10.26, last traded at 9.64.
 #14 CHE/UN.TO (CGIFF) bought 11/12/09 at 9.12, sold 01/11/10 at 12.48; Pr = 36%
 #15 GAS.TO (CYMF) at 4.97, last traded at 3.62.
 #16 GOZ.TO (GREXF) at 0.50c, last traded at 0.44.
 #17 AOG/UN.TO (BAOGF) at 4.60, last traded at 4.53.
 #18 GDXJ at 26.14; bought Dec 11/2009, sold May 12 at 30.89, Profit = 18%.
 #19 SBT/UN.TO (SVRZF) at 12.92; last traded at 12.00.
 #20 MAG.TO (MVG), at 6.58, sold at 7.24, 03/08/10. Profit = 0.66 = 10%
 #21 SVM.TO (SVM), at 7.09; last traded at 6.97.
 (SVM paid a quarterly dividend April 21 of 2c/share).
 #22 R.V (RTRAF) at 1.51; last traded at 1.78.
 #23 CGC.TO (CGC) at 3.20, last traded at 3.33.
 #24 SGR.V (SGRCF) bought Feb 4/2010 at 3.27, sold May 12 at 4.89, profit = 49%.
 #25 RES.V at 3.45, (RRLMF), last traded at 2.32.
 #26 VGQ.TO (VGMNF), bought Feb 18 at 5.45, sold March 19 at 5.98, profit = 10%
 #27 BGM.V at 0.92c (BGMZF), last traded at .95.
 #28 FR.TO at 3.41 (FRMSF), last traded at 3.55.
 #29 TXG.TO at 0.95 (TORXF), last traded at 1.17.
 #30 GWY.V at 1.16 (GWYRF), last traded at 0.82.
 #31 SPM.TO at 0.67 (SMNPF), last traded at 0.70.
 #32 NGX.TO at 3.11 (NXG), last traded at 2.95.
 #33 EDV.TO at 2.30 (EDVMF), last traded at 2.47.
 #34 CZN.TO at 0.44 (CZICF), last traded at 0.385.
 #35 ECU.TO at 0.70c (ECUXF), last traded at 0.65.
 #36 CFO.V at 5.04 (CFMSF), last traded at 4.60.
 #37 CET.TO at 5.24 CETEF), last traded at 5.05

11 Picks have been sold at profits ranging between 10% and 110%, all within 5 months of purchase. 10 picks are trading above the introductory price and 16 are available at or below the starting price. There are some truly great bargains among these 16 due to the current correction in the HUI index. To make a profit and 'sell high' we must first 'buy low'.

The success ratio is 21 to 16.

Subscribers are notified as soon as we take a profit.

We encourage investors not to 'chase' these picks, but to try to buy them at or below the price at which they were introduced. **As long as a 'pick' remains part of this list, it is an indication that we still like it, even if it slips below the price at which the stock was first listed.**

Whenever you buy a stock at its pink listing (the five letter symbol), always be 'price-specific' with your order to avoid ending up with a 'bad fill'. The recommended procedure for buying or selling 'pink sheet stocks' is explained at the bottom of an article on the website titled: "The making of a successful investor."

To be notified when we take profits, all you need to do is become a subscriber. (The cost is less than \$1 per week). For details, click on 'how to subscribe.'

DISCLAIMER:

Please do your own due diligence. Investing involves taking risks. I am NOT responsible for your trading decisions.

Happy trading!

Peter Degraaf

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