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## Penny Stocks In Play for 2012

Note: Each stock mentioned will have a short blurb and a snapshot of a weekly chart.

Disclaimer: None of the information provided in this report should be considered as a recommendation to buy or sell any of these stocks. My intention is to give you some trading ideas that you can elaborate on further as we head into 2012.

**SEED:** This is an agricultural stock, similar to the big names like POT and MOS. This is a Chinese stock, which is basically why it has fallen out of favor (many Chinese stocks have been exposed as frauds). It will need some unexpected good news to get it moving, other than that wait for a big 1-2 day drop of 25% or more and play some for a bottom bouncer trade.



**FBC:** This is a regional bank in the midwest. If the banking sector rallies in 2012 i.e. stocks like BAC and WFC this stock could up near \$2 or \$3 by the end of 2012. The chart shows a somewhat decent support area just below .50 but if that doesn't hold in the first couple months of 2012 all bets are off.



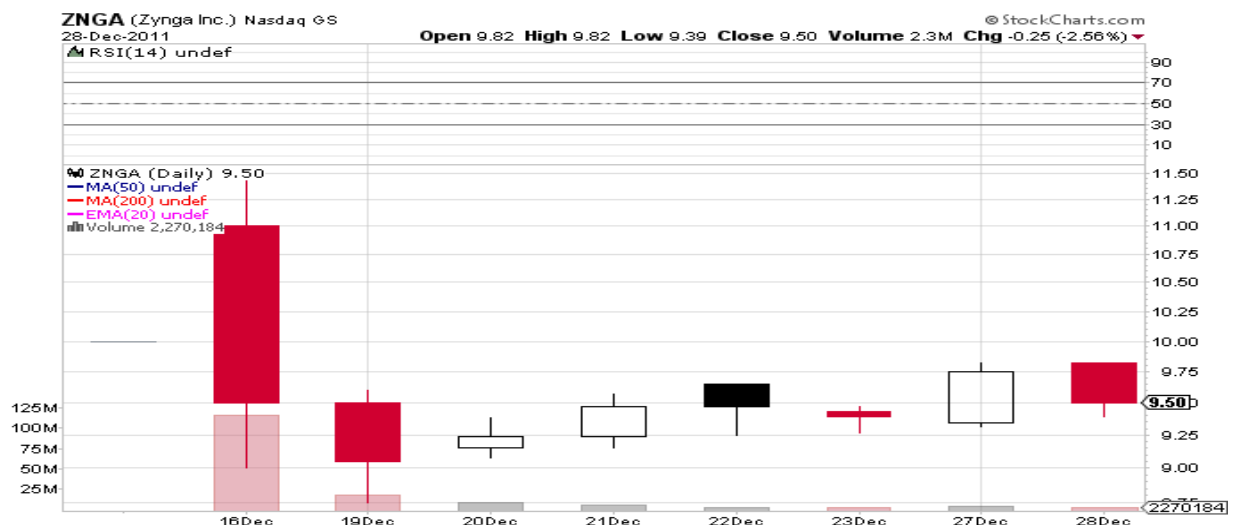
**LQMT:** This stock ran nicely in times past due to speculation that their technology was going to be used by Apple. It's had a big downturn, and although it is rallying hard in the late stage of December, 2012 could see more breakouts in this name.



**DANG:** Another Chinese stock here that has gone sour. This is dubbed as the "Amazon of China". However if Wall Street really believed that this stock would not be in the toilet. If somehow this company can prove it's legitimacy there is the potential for a big move in the stock. Outside of that, I'd only play it for bounces after it trades down for a few days consecutively. It traded above 20 shortly after its IPO in 2010 so there is plenty of upside if the trend changes.



**ZNGA:** Out of all the IPO duds of 2011, this one stands the best chance of actually not being a dud in 2012. What you look for in a new company is the potential to be "disruptive". ZNGA's games are disruptive in the sense that people are playing games on their tablets and phones more than they are playing them on game consoles now. Similar to how Google disrupted and bankrupted the phone book industry...people don't use the yellow pages anymore, they just use Google.



**GIGM:** The Obama administration is intent on legalizing online gambling and this stock may begin to uptrend in 2012 based on whether or not that actually happens. The chart shows there is a lot of upside if it can break this nasty downtrend.



**HDY:** This is an oil driller that is very speculative due to the fact that they are not generating revenue yet. Any sort of positive news could send it soaring. If that doesn't happen I would be content to play it when it drops.



**DVR:** Another oil driller, the chart is oversold and if they announce that they discovered more oil in the gulf region this one could be a nice play for much of 2012.



**SQNS:** This is a technology company that had a string of bad earnings the last few quarters. If they can break this trend the stock will move up strongly. Worth considering is that the company has 65M in cash and only 3M in debt.



**FFN:** This is a social media stock that has been a dog ever since it started trading. The earnings numbers I have seen look pretty good, but for whatever reason this stock can't catch a bid. That could change in 2012 since it is way off the range it opened up at after the IPO.



**DROP:** This one has already had a monster move in 2011 but could have another push higher in 2012 due to the star power of Tiger Woods (he endorses their product).



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That's it, been fun corresponding with you during 2011, looking forward to 2012.

Matt

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