

Stock Picks for the Week 6-10.2.2012

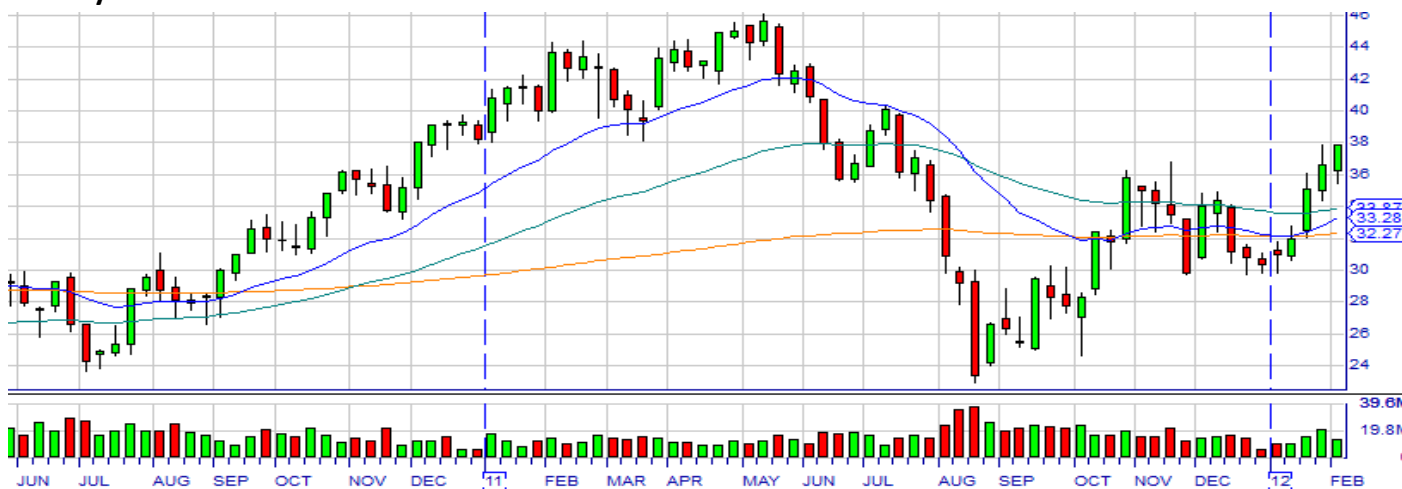
Stock number 1: ADSK **autodesk**

Name of Company	<u>Autodesk</u>
Entry trigger	\$38
Stop	\$36.86
First target (3%)	\$39.14 (3%)
Final target (6%)	\$40.28 (6%)
Average daily volume	3.07M
Sector	Technology Technical & System Software
52 week high	\$46.15
52 week low	\$22.99
Performance since the beginning of the year	24.76%

Daily chart



Weekly chart



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Fundamental Analysis

Autodesk, Inc. provides design software and service solutions to customers in architecture, engineering, and construction; manufacturing; and digital media and entertainment industries. It operates in four segments: Platform Solutions and Emerging Business (PSEB); Architecture, Engineering, and Construction (AEC); Manufacturing (MFG); and Media and Entertainment (M&E). The PSEB segment offers AutoCAD, a computer-aided design application for professional design, drafting, detailing, and visualization; and AutoCAD LT, a software for professional drafting and detailing. The AEC segment provides Autodesk Revit products that collect information about a building project and allow this information to be coordinated across other representations of the project; AutoCAD Civil 3D, a surveying, design, analysis, and documentation solution for civil engineering; AutoCAD Architecture that built on the AutoCAD platform for architects; and AutoCAD Map 3D, which provides direct access to data needed for infrastructure planning, design, and management activities. The MFG segment offers Autodesk Inventor, which provides a set of tools for 3D mechanical design, simulation, analysis, tooling, visualization, and documentation to manufacturers; AutoCAD Mechanical, a software to accelerate the mechanical design process; and Autodesk Moldflow, an injection molding simulation software, as well as a range of services, including consulting, support, and training. The M&E segment provides Autodesk 3ds Max, which offers 3D modeling, animation, and rendering solutions for game developers, design visualization professionals, and visual effects artists; Autodesk Maya, a solution for film and video artists, game developers, and design visualization professionals; and creative finishing solutions. It licenses and sells its products and services directly, as well as through distributors and resellers worldwide. Autodesk, Inc. was founded in 1982 and is headquartered in San Rafael, California. Autodesk is the gold standard in computer-animated design. The company's products are a mainstay of both engineering firms and entertainment companies worldwide.

Growth: Autodesk has seen seven straight quarters of year-over-year revenue growth, though, admittedly, sales still are down from their pre-recession peak. The company has also seen eight straight quarters of EPS increases, with fiscal 2012 earnings forecast to be up more than 50% over last year and more than five times earnings in fiscal 2010.

Cash: Total debt is zero, and cash and short-term investments at Autodesk tally over \$1.3 billion.

Technical Perspective

ADSK was down for 2011, despite the fact that its performance doubled that of the market over the last 2 years, recording gains of 50% since the beginning of 2010. The stock has performed quite well of late, beating the market with gains of more than 25% since the beginning of the year. The analysts of Jefferies Group last week raised their rating on the stock to "Buy." With a series of rising highs and rising lows since the October 2011 low, the stock has officially entered the category of an upward trend. A breakup of the \$38 round number, will signal to us that the stock has completed a *Bullish Cup* pattern and that it's ready to climb even higher.

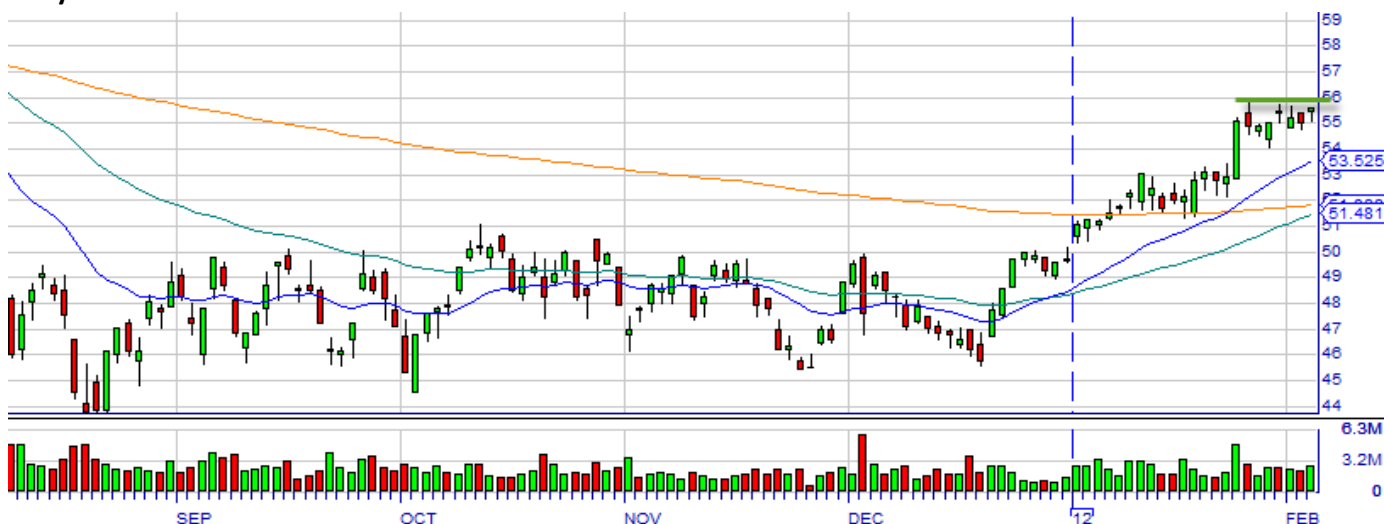
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Stock number 2: SYK

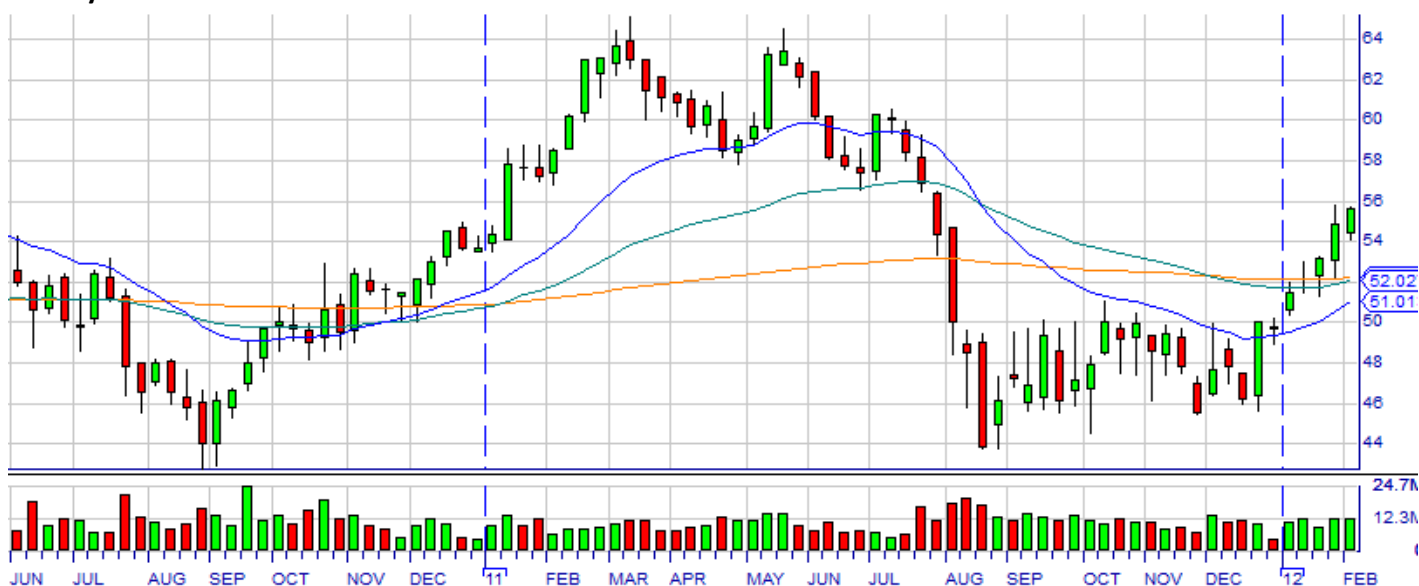


Name of Company	Stryker
Entry trigger	\$55.87
Stop	\$54.19
First target (3%)	\$57.55
Final target (6%)	\$59.22
Average daily volume	2.16M
Sector	Healthcare Medical Appliances & Equipment
52 week high	\$64.30
52 week low	\$43.38
Performance since the beginning of the year	11.87%

Daily Chart



Weekly chart



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Fundamental Analysis

Stryker Corporation, together with its subsidiaries, operates as a medical technology company worldwide. The company operates in three segments: Reconstructive, MedSurg, and Neurotechnology and Spine. The Reconstructive segment offers orthopaedic reconstructive (hip and knee) and trauma implant systems, as well as other related products. The MedSurg segment provides surgical equipment and surgical navigation systems; endoscopic and communications systems; patient handling and emergency medical equipment; and other related products. The Neurotechnology and Spine segment offers neurovascular products, spinal implant systems, and other related products. The company sells its products through local dealers and direct sales force to doctors, hospitals, and other healthcare facilities, as well as through third-party dealers and distributors in the United States, Europe, the Middle East, Africa, and Japan, Canada, the Pacific region, and the Latin America region. Stryker Corporation was founded in 1941 and is headquartered in Kalamazoo, Michigan.

Stryker Corporation saw a healthy double-digit growth in its profits in the fourth quarter, which bucked a declining trend witnessed in the first three quarters of 2011. The Michigan-based orthopedic devices major's profit shot up 35.9% to \$401 million or \$1.05 a share in the quarter on the heels of strong revenues.

Stryker was involved in a series of acquisitions last year pressed by sustained pricing and procedure volume pressure in its core replacement hips and knees businesses.

Stryker ended the quarter with cash and cash equivalents and marketable securities of \$3,418 million, a year-over-year decline of roughly 28%, partly due to cash spent on acquisitions. Long-term debt increased 76% year over year to \$1,751 million.

We believe that Stryker is poised for growth powered by new products, acquisitions and recovery in capital spending by hospitals. The company is expanding its product portfolio by acquiring complementary businesses leveraging a solid balance sheet.

Technical Perspective

SYK was a late riser. As the market's advance that began in October 2011 widened, the stock built a solid base for gains, but did not realize its potential. From the start of the year, the stock has been on fire and has not stopped climbing. Trading volumes backed by solid reports attracted investors who pressed on their bid buttons one day after the next. Last week, the stock was on standby and was traded at a narrow trading range at its 2012 high. A breakup of the recent sideways market will prove that the stock was just stopping for breath on the way to another rally which we would like to join.