Special Report:

The Top 12 Stocks to Buy in 2018

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Jim Woods -- Editor, *Successful Investing*

Bryan Perry -- Editor, *Cash Machine*

Bob Carlson -- Editor, *Retirement Watch*

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IMPORTANT NOTE: This special report is for informational and educational purposes only, based on current data as of February 2018. Do not buy or sell these investments until you have read the current issue of the publications written by Dr. Mark Skousen, Jim Woods, Bryan Perry or Bob Carlson.

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Introduction

The recommendations offered in this special report give you a dozen of the best investment opportunities available this year, courtesy of Eagle's team of experts. Dr. Mark Skousen, Jim Woods, Bryan Perry and Bob Carlson have each contributed their substantial individual investment wisdom to provide three recommendations apiece. You will not want to miss out on these potentially highly profitable opportunities for the year ahead.

Dr. Mark Skousen's Top Three Picks

1) Microsoft Corporation (MSFT)

2) Omega Healthcare Investors, Inc. (OHI)

3) Caterpillar, Inc. (CAT)

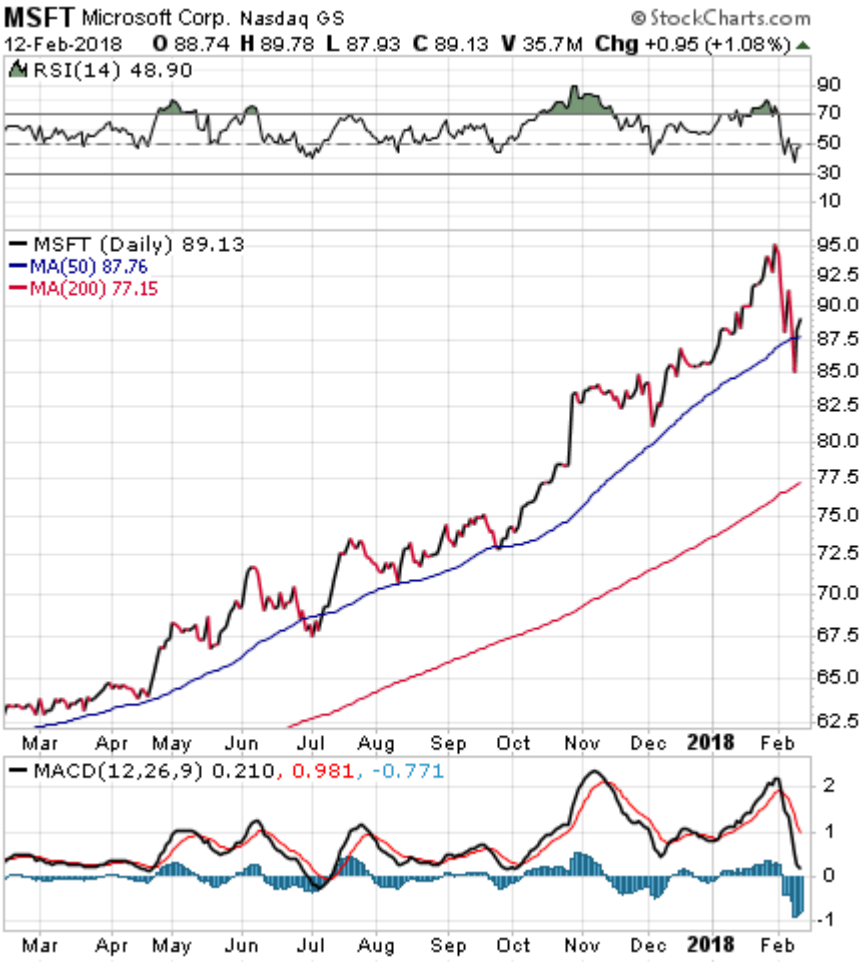
Top Pick #1
Microsoft Corporation (MSFT)

The reason why **Microsoft Corporation (MSFT)** is one of my top recommendations for 2018 is simple…the company may very well be the future of technology.

Microsoft is one of three companies that is racing to be the first business to reach a trillion-dollar market cap, the other two being Apple (AAPL) and Amazon.com (AMZN)**.** According to two Wall Street analysts, Canaccord and Evercore, the giant tech company is capable of achieving a trillion-dollar market cap by late 2019 or 2020.

Like other big tech firms, Microsoft is expected to benefit from the new tax law that reduces the business tax rate from 35% to 21%. 2017 annual returns, including dividends, were a very impressive 40%. After being up nearly 8% year to date in 2018, the $700 billion company fell back slightly in February on the heels of some broader market profit taking. However, I expect lots more upside ahead.

One other aspect of Microsoft that I like is that the company has a foot in the door of blockchain technology via the IOTA Foundation, a German nonprofit that oversees a virtual currency called IOTA. Unlike other cryptocurrencies, IOTA allows users to buy, sell and share data without transaction fees. The company is involved in a two-month pilot program with Microsoft, but I wouldn't be surprised to see it expand rapidly beyond that.



Data as of February 2018 (Source: StockCharts.com)

Top Pick #2
Omega Healthcare Investors, Inc. (OHI)

Omega Healthcare (OHI), I believe, is a fantastic value play in an unloved market.

Omega is a real estate investment trust (REIT) that owns more than 1,000 nursing homes, specialty hospitals and assisted living facilities across 42 states

and Britain. By paying out 90% of its profits to shareholders, OHI can avoid income taxes and be in a good position for continued dividend growth.

Omega was recently downgraded by Jefferies to "underperform." On the same day though, Cantor Fitzgerald upgraded OHI to "overweight" with a price target of $34 a share in a year. Who's right? Omega was hurt by three nursing home operators running into financial trouble last year, but the company is expected to resolve these issues within the year. Bernie Korman, a top expert in the medical industry and an Omega Healthcare board member, bought nearly $3 million worth of OHI stock in December 2017. Like me, he feel that OHI is deeply undervalued play in the health care field.

OHI also just announced its 22nd consecutive dividend increase to $0.66 per share. After falling from $30, OHI's yield is now a seriously impressive 10%.

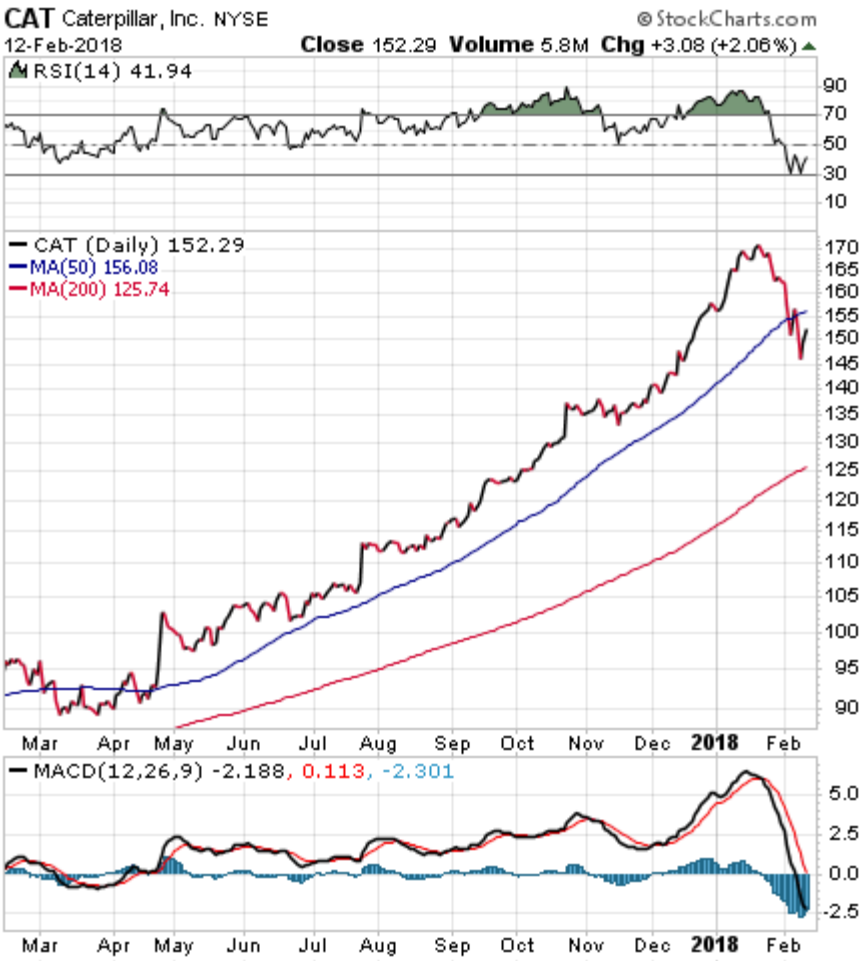
Data as of February 2018 (Source: StockCharts.com)

Top Pick #3
Caterpillar, Inc. (CAT)

One of the big 2016 campaign promises of President Trump was a $1 trillion plan to restore American infrastructure, which is in dire need of proper attention. Now that Trump's tax reform package has been passed, infrastructure reform is looking a lot less like a "promise" and much more like a reality. The expected "infrastructure boom" from this spending plan promises big things ahead for companies in the infrastructure and construction sectors.

I believe that Peoria, Illinois-based **Caterpillar, Inc. (CAT)** is one of the best ways to invest in a domestic stock that takes terrific advantage of this coming boom. The company invests in heavy machinery by designing, developing, engineering, manufacturing and marketing the machinery engines needed to power the construction vehicles for a massive rebuilding effort of the scale we're talking about. Last year, Caterpillar soared with a double-digit-percentage gain, and you can expect more gains as Trump's infrastructure plan comes into full fruition.

CAT currently pays a 2% yield and offers excellent appreciation potential going into year with favorable tailwinds for construction companies.



Data as of February 2018 (Source: StockCharts.com)

About Mark Skousen

Dr. Mark Skousen is part of the Eagle Financial Publications group of financial advisors. He is a nationally-known investment expert, professional economist, university professor and author of more than 25 books.

Since 1980, he has been the editor in chief of the award-winning ***Forecasts & Strategies***. He is also the editor of four weekly trading advisory services: ***Five Star Trader, High-Income Alert***, ***Fast Money Alert*** and ***TNT Trader***. He is the producer of FreedomFest, an annual gathering of individualists. Dr. Skousen was a former economic analyst to the CIA.

Dr. Skousen earned his Ph. D. in monetary economics at George Washington University in 1977. He has taught economics and finance at Columbia Business School, Columbia University, Grantham University, Barnard College, Mercy College, Rollins College and served as a Presidential Fellow at Chapman University. He also has been a consultant to IBM, Hutchinson Technology and other Fortune 500 companies.

Jim Woods' Top Three Plays

4) PowerShares DB Commodity Tracking ETF (DBC)

5) PowerShares QQQ ETF (QQQ)

6) Financial Select Sector SPDR ETF (XLF)

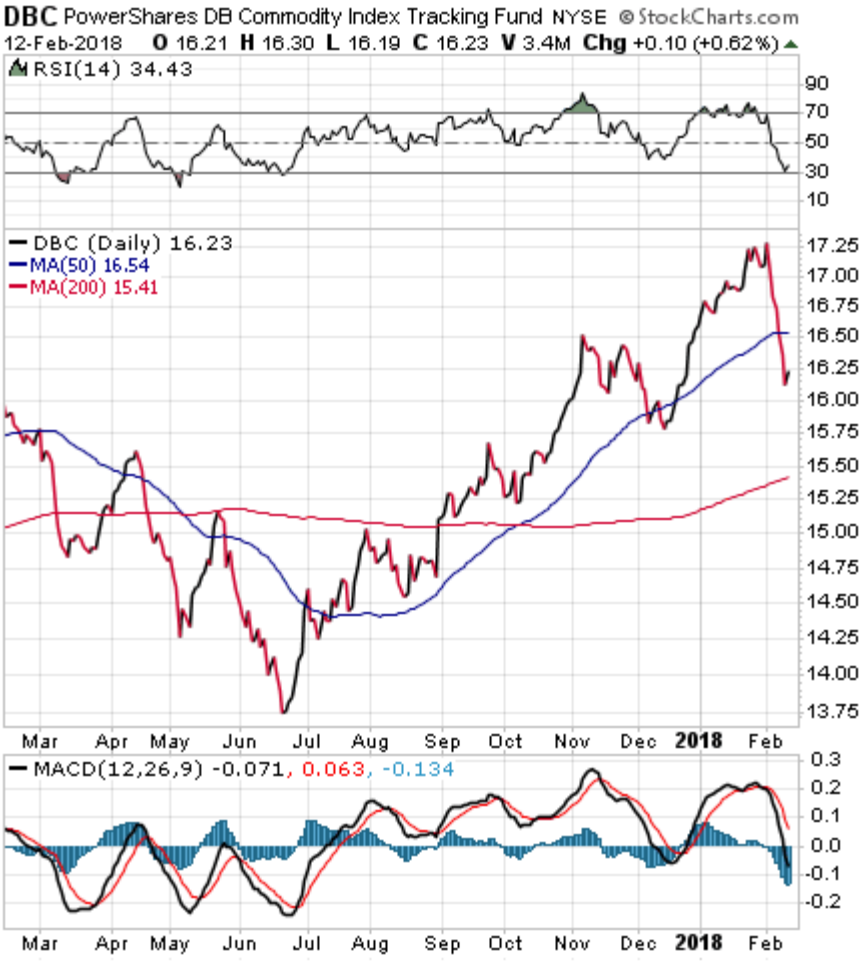
Top Pick #4
PowerShares DB Commodity Tracking ETF (DBC)

Back in October 2017, the World Bank predicted that commodities would experience growth almost across the board in the new year. So far, those predictions have been proven right. We're currently seeing some of the highest manufacturing activity since the global financial crisis, and this has set commodity prices soaring.

One way for investors to participate in this trend is through the **PowerShares DB Commodity Tracking ETF (DBC)**. DBC tracks an index of 14 commodities (including things such as metals, grains, oil, soybeans and sugar) that is a widely followed benchmark index of the commodities space. Thus, the broad-based nature of DBC means it is a great way to get a handle on global commodity prices.

DBC makes use of future contracts to maintain exposure and selects them based on the shape of the futures curve. Currently, DBC has $2.59 billion in assets and trades nearly $58 million in daily volume, which makes it one of the largest and most popular options for investors looking to achieve broad-based commodity exposure.

Looking at DBC's chart below shows a move to the downside for the first half of 2017 due to a lower global demand for commodities such as gold, which essentially means a lack of global growth. In the second half of 2017, the fund rose 25% higher, effectively erasing all of its previous losses in the year and then some.



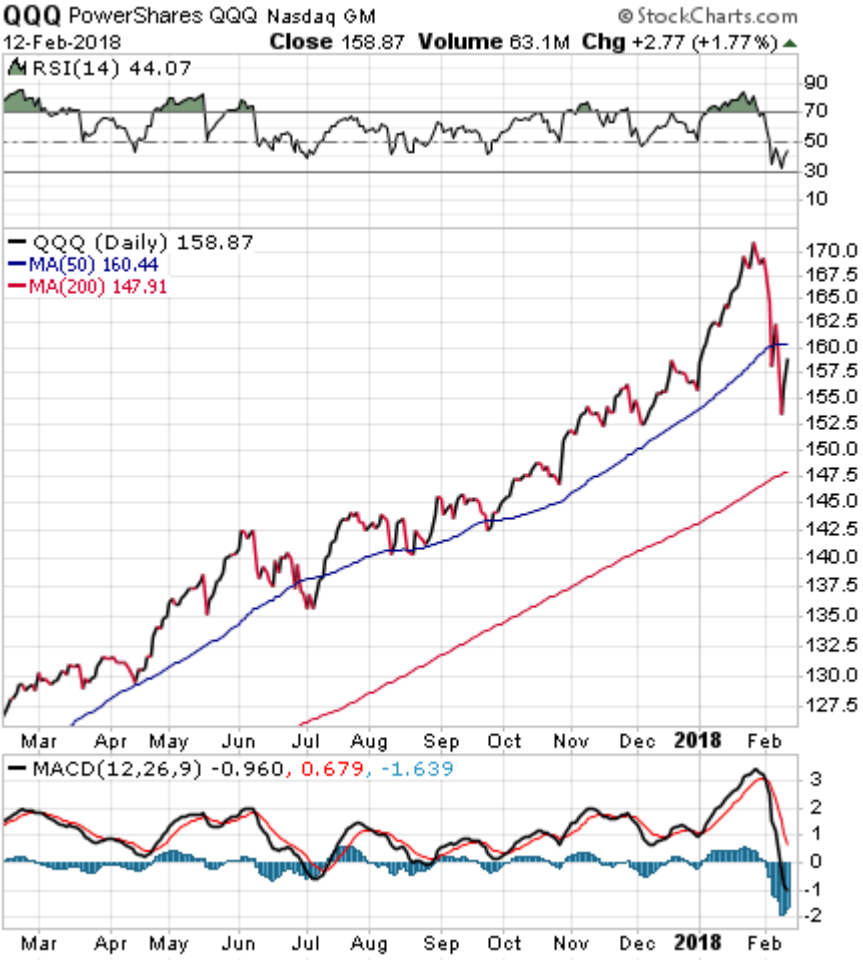
Data as of February 2018 (Source: StockCharts.com)

Top Pick #5
PowerShares QQQ ETF (QQQ)

QQQ has an unusual model in that it holds 100 of the largest non-financial stocks listed on the Nasdaq. As a result, QQQ has huge tech exposure, which was the fastest-growing sector in 2017. Owning QQQ right now means you own some of the market's most profitable companies in a good economy and in a period of record earnings.

The fund turned in a 28% return in 2017, thanks to its heavy weighting towards large-cap tech. If my analysis is correct and tech leads the market again in 2018, the fund's significant concentration in that sector, combined with continued strong economic growth, should propel QQQ forward more so than many other funds.

As you might expect, QQQ's top holdings are some of the best-of-breed companies currently out there. This list includes Apple (10.86%), Microsoft (9.17%), Amazon (9.06%), Facebook (5.70%) and Google (4.86%). As the fund also has a low expense ratio of 0.2% (or $20 per $10,000 invested annually), many analysts have recommended QQQ as a suitable choice for both investors with relatively little experience and seasoned investors with high ambitions.



Data as of February 2018 (Source: StockCharts.com)

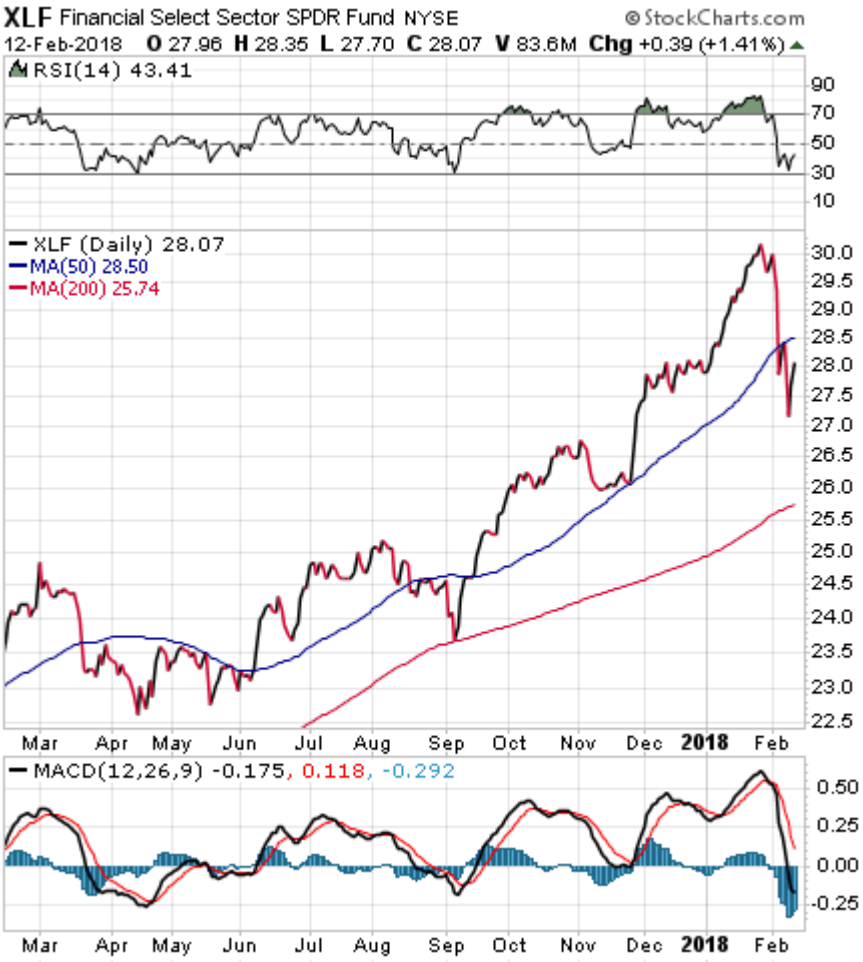
Top Pick #6
Financial Select Sector SPDR ETF (XLF)

The **Financial Select Sector SPDR ETF (XLF)** provides broad exposure to the U.S. financial services sector that is expected to benefit nicely under President Trump.

Unlike most other sectors, financials started out slow in early 2017 and then picked up speed near the end of the year. Money has been rotating into the financial sector lately as the Federal Reserve gradually transitions to a more hawkish stance.

XLF is one of the bigger players in the S&P 500, with over $34 billion in total assets under its management. The fund tracks the Financial Select Sector Index, which houses insurance, consumer banks, diversified financial services and real estate management and development industries.

This fund's top 10 holdings comprise more than 55% of its total assets, and nearly all of them are well-known names in the financial world. J.P. Morgan (JPM) takes the top spot with 11.4% of assets, closely followed by Warren Buffett's Berkshire Hathaway (BRK-B) with 11.3%. Other major holdings include Bank of America Corporation (BAC), 8.8%; Wells Fargo (WFC), 7.4%; and banking and financial services giant Citigroup (C), 5.8%.



Data as of February 2018 (Source: StockCharts.com)

About Jim Woods

Jim Woods is a 20-plus-year veteran of the markets with varied experience as a broker, hedge fund trader, financial writer, author and newsletter editor. Jim Woods is the editor of two monthly newsletters, ***Successful Investing*** and ***Intelligence Report***, as well as the co-editor of the weekly trading advisory service ***Fast Money Alert***.

His articles have appeared on many leading financial websites, including InvestorPlace.com, Main Street Investor, MarketWatch, and Street Authority.

Jim formerly worked with *Investor's Business Daily* founder William J. O'Neil, helping to author training courses in the CANSLIM stock-picking methodology.

In the five-year period from 2009 to 2014, the independent firm TipRanks ranked Jim the No. 4 financial blogger in the world (out of more than 9,000). TipRanks calculates that during that period, he made 378 successful recommendations out of 506 total, earning a success rate of 75% and a +16.3% average return per recommendation.

He is known in professional and personal circles as "The Renaissance Man," because his expertise includes such varied fields as composing and performing music, Western horsemanship, combat marksmanship, martial arts, auto racing and bodybuilding.

Jim holds a BA in philosophy from the University of California, Los Angeles, and is a former U.S. Army paratrooper. A self-described "radical for capitalism," he celebrates the virtue of making money from his Southern California horse ranch.

His books include co-authoring, "Billion Dollar Green: Profit from the Eco Revolution," and "The Wealth Shield: How to Invest and Protect Your Money from Another Stock Market Crash, Financial Crisis or Global Economic Collapse." He's also ghostwritten many books and articles, as well as edited content for some of the investment industry's biggest luminaries.

Bryan Perry's Top Three Plays

10) New Residential Investment Corporation (NRZ)

11) NGL Energy Partners LP (NGL)

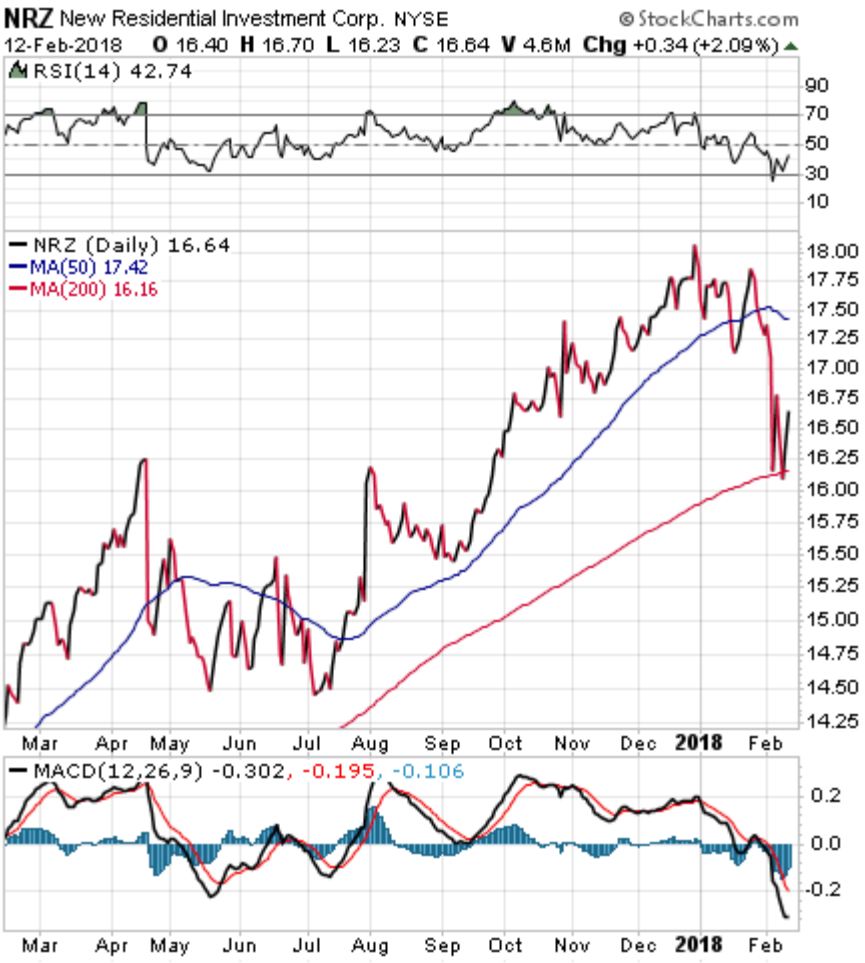
12) Altaba, Inc. (AABA)

Top Pick #7
New Residential Investment Corporation (NRZ)

New Residential Investment Corporation (NRZ) operates in what is known as the "mortgage servicing rights" space, or MSRs for short. The company is structured as a real estate investment trust (REIT) and basically buys MSR portfolios from banks and other MSR holding companies. In addition, the company also acquires and manages a diversified portfolio of credit-sensitive securities made up of mortgage and consumer loans.

As it is seems increasingly likely that more interest rate hikes can be expected this year, NRZ's near-term future is looking bright. How does an interest rate hike benefit NRZ? A rate increase results in slower refinancing, which means that NRZ services are less likely to be refinanced and directed to another servicer. There is less potential of losing loans under the service agreement in an up-rate market, as most homeowners have aggressively refinanced their mortgages at current or lower rates.

2018 has been good for NRZ so far. On Jan. 27, NRZ raised over $420 million in a secondary stock offering that will be very good for the MSR portfolio. Also, NRZ recently raised guidance, forecasting earnings per share of $0.57-$0.65 versus current estimates of $0.54 per share. That's pretty impressive, as it leaves room for another hike in the quarterly dividend payout. The current yield stands at unbelievable 12%, and the payout has grown over 30% in the last three years.



Data as of February 2018 (Source: StockCharts.com)

Top Pick #8
NGL Energy Partners LP (NGL)

NGL Energy Partners LP (NGL) is not a pure play on oil, but rather a spread play on aspects of energy distribution, logistics and refining operations. NGL spreads its risk among propane/butane terminals, crude terminals, water facilities, refined fuel terminals, truck stations, rail leases and renewables.

I remain in the camp of those who expect ample supply of oil and gas, but I also firmly believe that the companies moving, storing and refining oil and gas stand to benefit from a strengthening economy as demand rises. Not only is NGL in this sector, but it's also a company that is seeing improving margins in all of these segments of its business. According to NGL's CEO Mike Krimbill, NGL has "… been pretty consistent here and

firm… We indicated we're going to maintain the $0.39/qtr. (dividend) for this year and then look to recommend to the board that we would increase the distribution with really the caveat being that we hit our forecasted numbers of $475 million to $500 million… All the discussions are about increasing as we beat our numbers."

2017 was a mixed year for NGL, with the stock price falling just about in half before rallying heavily at the end of the year. However, I believe the future path for NGL is at an upward angle with strong gains and rising distribution payouts in store for 2018.

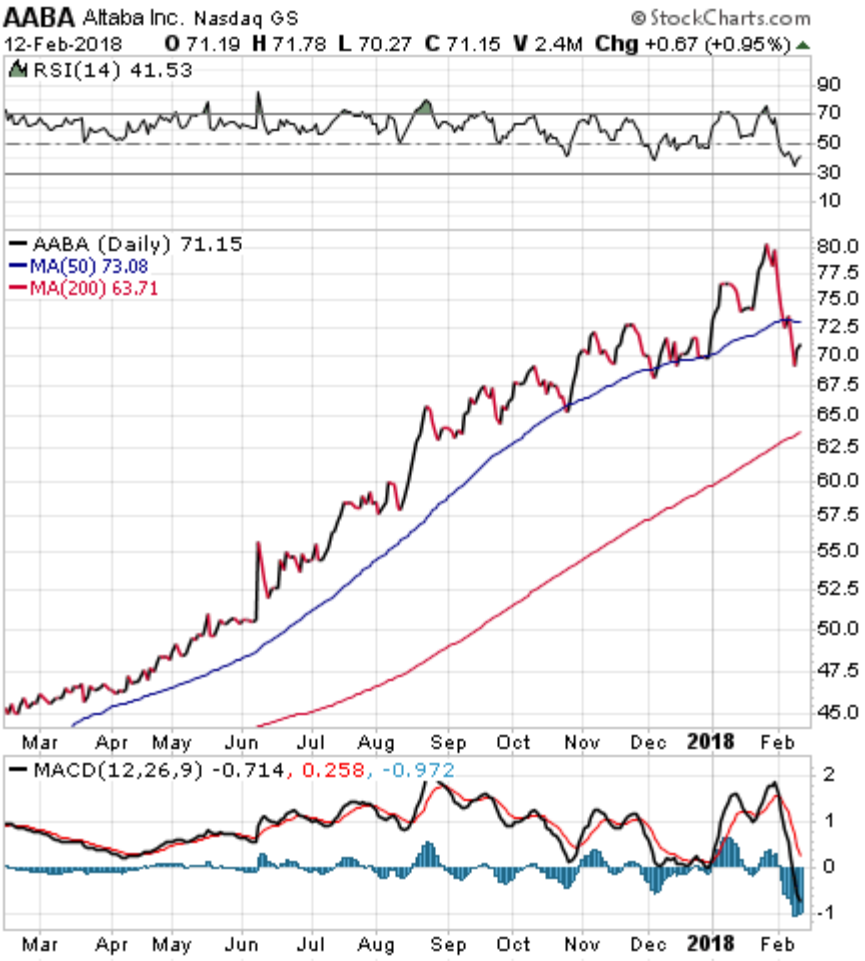
Data as of February 2018 (Source: StockCharts.com)

Top Pick #9
Altaba Inc. (AABA)

Altaba, Inc. (AABA) is an investment company that came about as a result of Verizon's acquisition of Yahoo! Inc.'s internet business. The company that remained after the purchase changed its name to Altaba Inc. on June 16, 2017.

Altaba owns a 15% stake in Alibaba (BABA), the Amazon.com of China, which is currently valued at over $470 billion, making AABA's investment worth over $70 billion in its own right. Altaba's stock has been trading in lockstep with Alibaba and will continue to do so as long as they maintain their full position in the company. I see no reason why a break should happen, as AABA rose an eye-popping 80% in 2017 in tandem with BABA's 95% rise.

AABA also holds 4.6 million shares of Snap (the parent company of Snapchat), and these shares are worth another $80 million or so. Despite being much smaller than the BABA holding, Snap is nonetheless one of AABA's more noteworthy investments and really helps exemplify how savvy Altaba is as a holding company. Heavily invested in the booming online space of China and Japan, I see no sign of AABA's growth slowing down.



Data as of February 2018 (Source: StockCharts.com)

About Bryan Perry

Bryan Perry is the editor of ***Cash Machine***, a dividend-oriented monthly newsletter and investment advisory service. He also is the editor of four other trading services: ***Premium Income***, a supplement to *Cash Machine* that uses covered call options to generate additional income; ***Quick Income Trader*** and ***Instant Income Trader***, both options-oriented trading services; and ***Hi-Tech Trader***, which seeks out stock and option plays on the hottest technology companies currently on the market.

Before launching *Cash Machine*, Bryan spent more than 20 years working as a financial adviser for major Wall Street firms, including Bear Stearns, Paine Webber and Lehman Brothers. He is frequently quoted by *Forbes*, *Business Week* and CBS' *Marketwatch*, and he often participates as a guest speaker on numerous investment forums and investment conferences around the nation.

Bryan's 30 years of experience inside Wall Street has given him a unique approach to high-yield investing: He combines his valuable insights into dividend-paying investments with in-depth fundamental research in order to pick stocks with high dividend yields and potential capital appreciation.

Bob Carlson's Top Three Plays

10) T. Rowe Price Latin America (PRLAX)

11) International Business Machines Corporation (IBM)

12) WCM Focused International Growth (WCMRX)

Top Pick #10
T. Rowe Price Latin America (PRLAX)

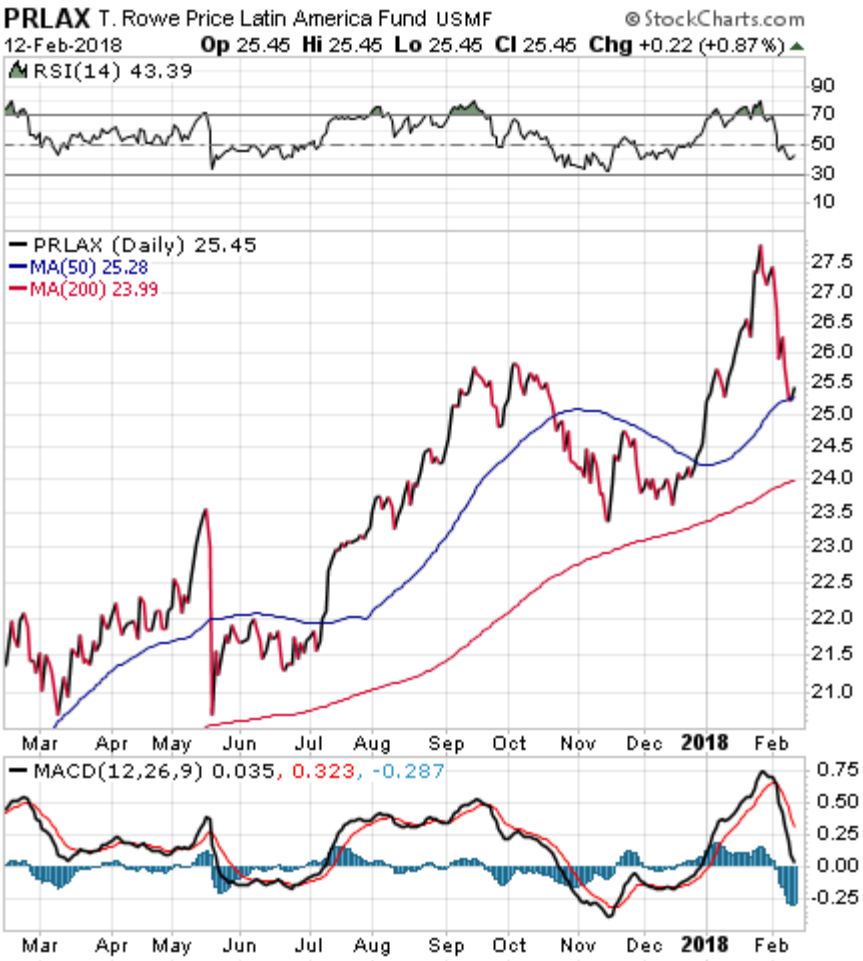
Diversifying globally and in different types of assets is likely to pay off for investors again in 2018. Earnings and revenues are growing faster outside the United States, and the markets still haven't recognized this.

Since the bottom of their 2013-2016 bear market, Latin American stocks have had substantially higher returns than U.S. stocks. The end of the commodity bear market and higher global economic growth are boosting the Latin American economies. Stocks took a pause for a couple months in the fall of 2017 but accelerated again in December. We've seen volatility in these stocks, largely because of political scandals in Brazil, but the trend is for higher returns.

T. Rowe Price Latin America (PRLAX), a no-load, low-expense fund, is one of the oldest and most successful in this sector. The fund looks for growing companies with stocks selling at reasonable prices. It has a long-term focus and invests in relatively few companies to hold the stocks for years.

The fund held 59 stocks recently, and almost 50% of the fund was in its 10 largest positions. Brazil, the largest economy in South America by far, accounted for 57% of the fund. Major sector weightings are financials (33%), consumer staples (21%) and consumer discretionary (12%). Turnover is only 27%.

As you can by the chart below, PRLAX suffered some downturns last year but powered higher overall. 2016 annual returns were around 25%, 2017's were around 30%, and I see no reason why we shouldn't expect similar returns this year as long as the global economy continues to grow.



Data as of February 2018 (Source: Stockcharts.com)

Top Pick #11
International Business Machines Corporation (IBM)

International Business Machines Corp. (IBM), a well-known Information Technology (IT) provider, has seen negative returns for several years in a row now, but 2018 seems to be the year that the tide is turning.

Revenue declined for a few years because IBM was shedding non-strategic businesses and was losing share to competitors. However, revenue is stabilizing overall, and the company is increasing its strategic businesses. IBM is delivering breakthroughs in cloud computing, computer hardware, servers and other areas after years of investing heavily.

And finally, it seems like IBM's investments in new businesses are beginning to pay off. IBM started 2018 by announcing the company's first revenue increase in some time, and

Barron's ran a positive article on the stock back in November 2017. Currently trading at around $150-$155, I believe IBM is a good deal on a company that is finally seeing some light at the end of a long tunnel.

Data as of February 2018 (Source: Stockcharts.com)

Top Pick #12
WCM Focused International Growth (WCMRX)

A great way to take advantage of opportunities in select global stocks is through **WCM Focused International Growth (WCMRX)**. This relatively new fund is managed by a small firm in Newport Beach, California, that has compiled an impressive record over the years for institutional investors. WCMRX buys relatively few stocks, looking for companies it can hold for a long time.

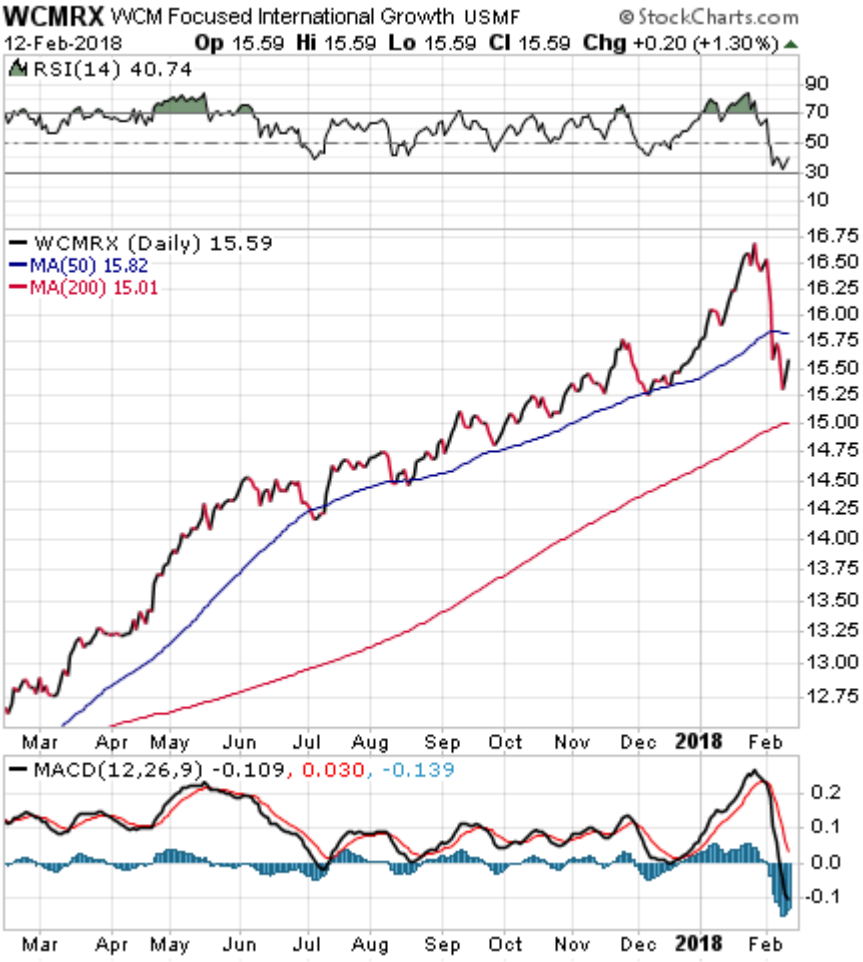
The managers unabashedly say they are looking for "great companies." First, they want companies that have earned high returns on invested capital and that carry little to no

debt. The fund looks for businesses benefitting from long-term global trends that are characterized as tailwinds.

For example, such tailwinds can include changing demographics, increased outsourcing, the growing global middle class and the proliferation of technology.

The fund usually invests in large, multinational companies in the technology, consumer discretionary, consumer staples and health care sectors of the market. The fund also doesn't care where a company is based and doesn't try to follow an index. The fund recently was 50% invested in Europe, 19% in the Americas and about 31% in Asia. Approximately 6.5% of the fund is invested in Japan.

WCMRX's total return in 2017 was around 30%. Minimum initial investment is $1,000, and the fund is available through most discount brokers and no-transaction-fee programs.



Data as of February 2018 (Source: Stockcharts.com)

About Bob Carlson

Bob Carlson is editor of the monthly newsletter ***Retirement Watch****;* a free weekly e-letter, ***Retirement Watch Weekly***; and a monthly webinar series called ***Retirement Watch Spotlight***. In these services and videos, he provides independent, objective research covering all the financial issues of retirement and retirement planning.

An expert in all things retirement, Bob is the author of numerous books and reports including *The New Rules of Retirement*, *Invest Like a Fox… Not Like a Hedgehog, Tax Wise Money Strategies*, *Retirement Tax Guide*, *How to Slash Your Mutual Fund Taxes*, *Bob Carlson's Estate Planning Files,* and *199 Loopholes That Survived Tax Reform*.

He also has been interviewed by or quoted in numerous publications, including *The Wall Street Journal*, *Reader's Digest, Barron's, AARP Bulletin, Money, Worth, Kiplinger's Personal Finance,* the *Washington Post*, and many others.

In his free time, Bob Carlson serves as the Chairman of the Board of Trustees of the Fairfax County Employees' Retirement System, which has over $2.8 billion in assets, and has served on the board since 1992. He was a member of the Board of Trustees of the Virginia Retirement System, which oversaw $42 billion in assets, from 2001-2005.

Conclusion

In 2016, a lot of investors were expecting markets to buckle should Donald Trump manage to pull off a win in the November election. As we've seen though, a lot of "experts" were wrong and the market actually surged all last year in response to his victory.

2018 brings with it its own set of challenges, but rest assured that the top 12 recommendations highlighted in this report are intended to tap ripe market opportunities based on the current conditions. Whether you invest purely in domestic stocks or prefer to find bargains around the world, there should be a play in this special report that's helpful to you throughout this year.

Sincerely,

Roger Michalski
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