80 Favorite Stocks for 2010

Welcome to our 27th annual survey of the nation's 80 leading financial newsletter advisors.

Compiled by
thestockadvisors.com

Top Stocks 2010

Looking for a shopping list of new stock ideas for 2010? Each year for 27 years, TheStockAdvisors.com has turned to the nation's most respected and well-known newsletter advisors and asked them for their single favorite stock or fund ideas for the coming 12 months.

With 80 advisors participating in this year's survey, there's something for every type of investor, from high quality blue chips to speculative home runs.

While past performance is never a guarantee of future results, we would note that the stocks chosen by the 75 advisors participating in last year's report outperformed the general market by nearly 80%.

Specifically, the 75 stocks and funds selected for our 2009 Top Picks report recorded an average year-to-date gain of 34%, versus a 19% gain by the broad market over the same period.

Gainer's Today tracks stock picks and ranks the accuracy of 120 investment research firms. As of 12/23/09, our 2009 Top Picks report was ranked #1 for the past year. Kudos to all the participating advisors.

The stocks and funds chosen for this report are the best ideas of the nation's top advisors at this current time. However, company fundamentals and market conditions change, and a stock that is considered a strong buy today can become a sell based on future events.

As always, we caution all investors to only use these ideas as a starting place for your own research and only buy stocks that meet you personal investing criteria, risk parameters, and investment time horizon.

To keep updated on the ongoing favorite stocks of the leading advisors, please visit us daily at thestockadvisors.com, a free website that brings you the very best investment ideas of the nation's very best financial experts. You can also sign up for our Daily Digest and have each day's new stock ideas sent directly to your email.

We wish you the best of success for your investing in 2010!

Steven Halpern
www.thestockadvisors.com

Stock Index - 80 Top Picks

Click on a title below to go directly to that article:

AECOM (ACM): Geoffrey Seiler's top stock for 2010

"Our top pick for 2010 is engineering and construction (E&C) firm AECOM Technology (NYSE:ACM)," says Geoffrey Seiler.

In his BullMarket.com the advisor explains, "AECOM, unlike some better-known E&C names, offers a relatively low-risk business model. It performs no construction work at all and thus has none of the lump-sum, fixed-rate contracts that other companies might sign.

"The Los Angeles-based company focuses on a broad range of services that includes planning, design, environmental impact studies, project management, logistics and other jobs in the facilities, transportation, environmental, and energy and power segments.

"Transportation is the company's largest end market, representing 28% of the business, followed by environmental at 25%, facilities work at 24%, and Management Support Services (MSS), which delivered 17% of its revenues in fiscal 2009.

"Energy and power is the company's smallest segment, representing about 6% of its total revenues, but the company does view it as a growth opportunity. It is particularly strong in hydroelectric projects.

"The MSS business is 100% dedicated to working directly for the U.S. government, but government spending of all types -- either from federal state and local governments and foreign governments -- accounts for 70% of the company's revenue. The remainder comes from the private sector.

"AECOM has been under some pressure toward the end of the year, despite initially rallying following a strong fiscal Q4 earnings report in November. The culprit was some weak reports from fellow E&C firms and the Dubai debt debacle.

"However, AECOM isn't subject to the same type of energy sector cancellations that some other E&C companies experienced, and its exposure to Dubai is negligible.

"Impressively, AECOM is one of the few E&C firms to grow its backlog sequentially last quarter. Total backlog stood at a record $9.5 billion on September 30th, a 10% increase year over year and a 3% increase quarter over quarter.

"Meanwhile, AECOM is well positioned to be a beneficiary of increased government stimulus spending in 2010, as well as the possible passage of a substantial highway bill late next year.

"AECOM guided for fiscal year 2010 EPS to be in the range of $1.90 to $2.00. The midpoint of this range reflects 15% growth in earnings per share. We think the guidance is relatively conservative.

"In summary, we like AECOM's position in the marketplace, its consistent growth, and sound low-risk strategy. With a pristine balance sheet, trading at under 14x the midpoint of conservative guidance, and an over 15% expected 5-year growth rate, AECOM is undervalued and our top pick for 2010."

AeroVironment (AVAV): Gregg Early's top stock for 2010

Technology expert Gregg Early looks to AeroVironment (NDSQ: AVAV) as his top pick for the coming year.

The editor of The New Tech Investor -- and the soon-to-be-launched 2020 Portfolio -- explains, "Although the firm's miltary aerospace business should be strong, it is the firm's new 'clean technology' and energy efficiency projects that should be the real growth kicker.

"AeroVironment started off 2009 strong but it was hit in the spring by the global economic collapse and the irrational fears of investors -- both individual and institutional -- about what the future held in store for this unique firm.

"But 2010 should be the perfect climate for this company to continue is comeback and head to new highs.

"AeroVironment was founded by the father of human powered flight, Dr. Paul MacCready (1925-2007), the inventor of the human powered Gossamer Condor and Gossamer Albatross (which was flown across the English Channel and resides in the Smithsonian Air and Space Museum).

"MacCredy also developed the first solar powered aircraft, the Gossamer Penguin and the Solar Challenger. He also co-developed the GM Sunraycer, one of the first solar powered land vehicles.

"His revolutionary developments in aerospace design were put to good use in AeroVironment's unmanned air systems (UASs) division. The company's hand launched and micro UASs are deployed extensively in Iraq and Afghanistan with special forces units and well loved by the troops who rely on them.

"While general defense spending is on a downtrend, C4ISR (command, control, computing, communications, intelligence, surveillance, reconnaissance) budgets are increasing briskly across all the armed services as well intelligence and homeland security sectors.

"This business has sustained AeroVironment in the past and will continue to generate more business in coming years. But it Efficient Energy division is the real growth kicker.

"The company pioneered electric vehicle (EV) charging stations and has a long and abiding relationship with many car manufacturers as well as government agencies.

"As EV filling stations begin to dot the US landscape--and that development is already growing briskly in the West -- AeroVironment will be a significant player.

"Also, because the stimulus plan had the unintended effect of holding up cleantech projects as everyone waited to see who would get government money, it made 2009 a tough year for cleantech.

"Now that the monies have been earmarked, projects will move ahead faster now that companies have better visibility on where the funding will be derived. AeroVironment is a buy up to 35."

Aflac (AFL): Dirk Van Dijk's top stock for 2010

"Aflac (NYSE: AFL) is best known in the U.S. for its 'duck ads,' but actually earns over 75% of its money from Japan," says Dirk Van Dijk.

In selecting the stock as his top pick for 2010, the strategist for Zacks.com, recalls "Aflac happens to be an old favorite of mine, a stock that I first recommended back in 1991." Here's his current update.

"In the U.S., its policies are sold through employers on a payroll deduction, as part of companies 'cafeteria plans'. They are pretty straight forward. If you get sick and can't work, or are in the hospital, it pays out a set mount directly to the insured.

"It is thus not at risk for rising health care costs (but is if more people get sick). The U.S. unit was under some pressure as payrolls shrank, but with some positive news on the employment front, that should turn around.

"In Japan, once people get AFL insurance they don't drop it (which is very important in the life and health insurance industry) with a persistency rate of 95%.

"The firm has a superb track record, but came under big pressure during the crash last year due to fears about its investment portfolio. I think those fears are being assuaged over time.

"It has already realized $1.7 billion (pre-tax) in investment losses. Some of those are not going to come back, like its holdings in Lehman Brothers and WAMU, but other parts of the holdings that were written down just might come back.

"Aflac did however write down $380 million as other than temporary losses in holdings of some Ford debt, and Ford has been doing much better of late, certainly much better that it looked back at the end of the first quarter when GM and Chrysler were going down for the count.

"The company has generated an ROE of 33.4% over the last 12 months, and its five year average ROE is 20.84% (it has leveraged up a bit, from having no debt to a still very manageable and conservative 22% debt to capital. As that happens AFL should return to its historic valuations.

"How much upside potential is that? A Lot. Over the last five years (which of course included the big sell off last year) AFL's P/E has averaged 15.4x.

"Based on 2009 earnings estimates it is going for 9.5x now, and 8.7X 2010 consensus estimates, and those estimates have been rising.

"AFL also has a habit of beating the estimates. It has done so the last three times out, and in 17 of the last 28 quarters, with only five disappointments.

"AFL currently yields 2.4%, which is nice. It has however, increased that dividend in each of the last 27 years, and over the last 15 years it has done so at a compound annual rate of 20.7%.

"AFL happens to be an old favorite of mine, a stock that I first recommended back in 1991, and was a core holding for most of my tenure at C.H. Dean. I know the management team well from those days, and they are amongst the best I know in the industry."

AgFeed Industries (FEED): Ian Wyatt's top pick for 2010

"With the worlds largest and a quickly growing population of 1.3 billion people, China has many mouths to feed," observes small cap specialist Ian Wyatt.

In his Small Cap Investor Pro, he explains, "One of my favorite China small cap stocks is AgFeed Industries Inc. (NASDAQ: FEED), a hog feed and breeding company.

"I've been bullish on China for several years, but my recent 3-week trip confirmed my bright outlook for this emerging market. The best news for investors is that just like the rapid growth Chinese economy, many China stocks are profitable and expanding, yet their shares are trading at very attractive valuations.

"AgFeed Industries sells products to distributors and large-scale pig farms. Pork is a big business in China, and the country is the largest consumer of pork in the world.

"In China it is estimated that nearly half of consumer spending goes towards food, and pork is an essential component of the Chinese diet and accounts for over 60% of total meat consumed. My first-hand experience is that pork is far and away the most popular meat in China.

"China discourages pork imports, so suppliers operating within the country need to meet almost all of the nation's pork demand. The country produced 625 million hogs in 2008, almost 50% of the total worldwide production and five-times the number produced in the U.S.

"The challenge for Chinese producers is that undersized backyard farms still account for over 70% of production, and the country has yet to industrialize the farming industry.

"However, the government is encouraging sustainable farming with the goal of increasing food production, and this is a mandate that should bode well for agricultural stocks.

"AgFeed Industries has made two strategic agreements this year that will boost production and expand margins.

"The company recently signed a joint venture with M2P2, a production and management consulting firm. This venture will modernize AgFeed Industries' production facilities and enhance total production capability.

"The company also formed a partnership with Hypor, a genetics development company which will increase the quality of the hogs.

"Both partnerships combined may boost total output by 30%, while improving the product quality. The end result for AgFeed will be a higher market price and contribute to margin expansion in 2010 and beyond.

"During the first nine months of this year, AgFeed Industries grew revenues by 20% to $117 million from $97.2 in the first nine months of last year.

"Margins have decreased this year as hog prices cannot keep up with the rise in feed price. As a result, profit margins declined to 15.8% from 27% in the first three quarters of fiscal 2009. Naturally, earnings have also come down from last year's record levels, with EPS of $0.18 versus $0.42 in the same period last year.

"But investors should view these results as a short-term bump in the road on a long-term growth opportunity. AgFeed shares have fallen 45% since their 52-week high back in June, a reflection of the poorer than expected financial results.

"This minor set back should not concern long-term investors in AgFeed. Despite the fall in hog prices earlier this year, the company was still able to bring in $1.9 million in operating cash flow. AgFeed is also sitting on over $36 million in cash, and has minimal debt obligations.

"I expect EPS of $0.31 for this year and $0.70 in 2010. Shares of AgFeed are currently trading 14.5-times my 2009 EPS estimate. And looking forward to 2010, shares are valued at just 6-times my earnings estimates.

"For a company with expanding sales and future upside from expanding profit margins, I see significant upside for AgFeed shares which I believe should trade at a P/E of 15.5-times 2010 EPS.

"My AgFeed share price target of $10.50 represents a 138% increase from the late December share price, and provides investors in this stock with lots of upside."

Altria (MO): Kelley Wright's top stock for 2010

"My definition of safe is to avoid cyclical companies that can be derailed by unexpected economic events or a sudden change in Fed policy," says dividend expert Kelley Wright.

In Investment Quality Trends, he suggests, "Additional requirements are a long history of increased earnings and dividends, broad institutional sponsorship, and ample outstanding shares for trading liquidity. One such company that fits that bill is Altria Group (NYSE: MO), my top pick for 2010.

"As attention turns toward 2010, the annual dilemma of 'what do I do now' moves front and center. With the Fed ostensibly sticking to its 'for an extended perio'" mantra, the conventional wisdom is that the recession is behind us and all will remain well as long as interest rates remain low and liquidity plentiful.

"While the recession may indeed be over, under the technical definition anyway, and it is investment suicide to try and fight the Fed, the ever-ubiquitous Wall of Worry is steep enough to approach the new investment year with caution. In that vein, my instincts and experience are to play it safe.

"My definition of safe is to avoid cyclical companies that can be derailed by unexpected economic events or a sudden change in Fed policy.

"Altria Group is a holding company whose operating companies include Philip Morris USA, U.S. Smokeless Tobacco Company, John Middleton and Ste. Michelle Wine Estates. The company's brand portfolio consists of successful and well-known brand names such as Marlboro, Copenhagen, and Skoal.

"Trailing twelve months earnings for MO are $1.53 per share, and, based on the recent price of $19.15 per share, the P/E is in the mid-12 range. The cash dividend of $1.36 per share provides an outstanding dividend-yield of 7.10%.

"With a payout ratio of about 88% ($1.36 of the $1.58 ttm earnings are paid out in dividends), some investors who have seen some dividends slashed or eliminated over the past year may balk at such a high dividend-yield.

"The key to a healthy dividend though is free cash flow and a high return-on-equity (ROE). Altria Group converts about 16% of its revenue into free cash and its ROE is well above average.

"The IQ Trends Profile of Value for Altria Group is dividend-yield extremes of 7.0% and 4.0% respectively. Accordingly, whenever the dividend-yield for Altria Group is within 10% of 7.0%, the stock represents good historic value and is appropriate to purchase.

"When the dividend-yield declines to 4.0% ($34 based on the current dividend), the stock has reached its historically repetitive area of overvalue and profits should be harvested."

Amdocs (NYSE: DOX): Melvin Pasternak's top stock for 2010

"Fundamentally, Amdocs (NYSE: DOX) has a bargain basement valuation based on its price to growth," says Melvin Pasternak, in selected the stock as his top pick for 2010.

In his Trade of the Week, he adds, "Technically, on a two year weekly chart the stock has broken out to the upside. Amdocs is the talk of the town -- and well it should be. Amdocs keeps phone companies and their customers talking to each other in more than 60 countries around the world.

"Its software helps telecom giants like AT&T Mobility and Sprint-Nextel with customer relationship management (CRM), billing, and sales.

"A couple of months ago, DOX broke out of a major downtrend line drawn from mid-2007 at the $40 dollar level. When combined with an uptrend line constructed from the 2009 bottom near $15, it can be seen that DOX has broken out of a large ascending triangle.

"The upleg of the ascending triangle is the uptrend line drawn from the January 2009 low. DOX is now in a strong uptrend, well above the 30-week moving average which is sloping steadily higher.

"Even during the recent consolidation the shares have stayed mainly above the 10 week moving average, another sign of technical strength. The consolidation has also relieved the stock's short-term overbought condition in RSI.

"According to the 'measuring principle,' DOX should have a minimum price target of $33 -- more than 20% above current trading levels. Often stocks in strong uptrends exceed their minimum targets.

"In 2009, DOX earned $1.57 a share. In 2010, the 15 analysts who follow the stock project eps. Of $2.20 a share, a 40% increase.

"The current trailing P/E of the stock is 17. The PEG ratio takes the Price Earnings Ratio and divides it by the earnings growth rate.

"If you calculate a one-year 'PEG' ratio, the shares are a great value--the PEG ratio is .425 (17/40). Anything below one typically represents good value and DOX is trading at less half that amount.

"Analysts who follow the stock have caught on. In December 4, Standpoint Research raised their price target from $30 to $34. A number of other analysts think DOX can trade back to the $40's by 2011. In the New Year, I believe DOX has a good chance to break above $28 resistance and move toward $34. My target is $33.95."

Amedysis (AMED): J. Royden Ward's top stock for 2010

J. Royden Ward is the editor of Cabot Benjamin Graham Value Letter, a newsletter that -- as its name suggests -- focuses on stocks that meet the criteria of legendary value investor Ben Graham.

For his top pick for 2010, he the advisor looks to Amedisys (NASDAQ: AMED), a provider of home health care and hospice services.

"Despite government efforts, health care costs continue to rise to unacceptable levels in the U.S. But there are alternatives that offer dependable care at substantially less cost to patients and to taxpayers, and I believe one option, home health care, will become an important alternative to lengthy hospital and nursing home stays.

"My top stock for 2010 is the largest company in the home health care sector whose impeccable reputation for delivering reliable care is providing the company with exciting new opportunities for exceptional growth.

"Amedisys is a leading provider of home health care and hospice services. The company typically provides skilled nurses or nurse assistants who coordinate health care with the patient's family and physician.

"The company operates more than 500 Medicare-certified home health agencies and 50 hospice agencies in 37 U.S. states and Puerto Rico.

"The company's home health care services provide assistance to patients recovering from illness, injury or surgery in their own homes. Additional services include maintaining and improving patients' quality of life through physical, speech or other therapy.

"For example, the company educates patients on how to avoid falls in the home, which are the leading causes of patients re-entering hospitals. Approximately 87% of Amedisys' home health care services are covered by Medicare.

"Amedisys also offers hospice home care services for terminally ill patients. Hospice services are designed to provide basic care and comfort to patients and support to family members.

"Compared to hospitals and nursing homes, Amedisys can save patients, families and the health care system huge amounts of money. Health care delivered in patients' homes is far less expensive than health services delivered in hospitals and nursing homes.

"The home health care industry is fragmented with 9,200 home health care agencies and 3,000 hospice agencies operating in the U.S. Amedisys is actively acquiring smaller home health care agencies that fit the company's acquisition plans, as well as opening their own new agencies at a rapid pace.

"The growth opportunities in the home health care industry are obvious. The growing numbers of elderly, and the need for less expensive health care including home health care, will likely create industry growth of 15 to 20% during the next several years and decades.

"Revenues climbed 39% and EPS soared 57% during the 12 months ended 9/30/09. Analysts are forecasting 14% sales growth and 11% EPS growth for the next 12 months, but we believe Amedisys will produce sales and earnings growth exceeding 20%.

"We base our growth projections on the company's aggressive acquisition program along with its ability to open new agencies efficiently and profitably. AMED shares are clearly undervalued at 8.3 times our EPS estimate for the next 12-month period."

American Superconductor (AMSC): Mike Cintolo's top stock for 2010

Michael Cintolo, editor of The Cabot Market Letter and Cabot Top Ten Report, looks to the alternative energy sector for his favorite investment idea for 2010.
The growth stock expert explains, "I consider this company to be the #1 wind power story in the market today." Here's his review.

"While alternative energy hasn't been a terrific sector for much of 2009, we're beginning to see some great strength in the group as investors discount accelerating growth in the quarters to come. And my favorite stock is sure to benefit from this trend, as it's the #1 wind power story in the market today.

"We're talking about American Superconductor which designs many different wind turbines and then licenses them to customers that want to get into the wind business; customers are obligated by contract to then buy AMSC's wind electrical systems- basically the brains of the wind system.
"Its biggest customer (by far) is Sinovel of China, which wasn't even in the wind industry a few years ago, but is set to become a top five turbine maker next year. And many other customers, including Hyundai Heavy Industries (which is going to have a big presence here in the U.S.) are set to ramp up production in 2010.

"Because of all that, revenues have leaped more than 80% in each the past two quarters, earning are ramping up quickly and management has stated it expects fiscal 2011 (ending next March) revenues to grow more than 33%, and earnings of "at least" $1.15 a share.
"Interestingly, because alternative energy stocks have been out of favor, AMSC hasn't done much in the second half of 2009. It spent two months building a launching pad, then broke out powerfully after an earnings report in August.

"But then it spent another four months building a new launching pad! Happily, AMSC has just broken out on the upside, which leads us to believe the buyers are finally ready to push the stock much higher as 2010 arrives."

American Superconductor (AMSC): Jim Oberweis' top stock for 2010

"Looking for a way to bet on a continued rebound in technology stocks, a rise in worldwide demand for energy, and China...all in one?" asks small cap growth stock expert Jim Oberweis, Jr.

The money manager and editor of The Oberweis Report suggests, "Take a look at American Superconductor Corp. (NASDAQ: AMSC), my choice for the top idea for 2010.

"The bulk of their business today comes from the wind power industry, as AMSC designs wind turbines and sells turbine electrical systems that can be customized for each customer.

"AMSC is the leading provider of electrical components to the leading Chinese wind turbine manufacturers, with Sinovel being their largest customer and representing roughly 75% of their revenues.

"Sinovel is the leading player in the Chinese market and continues to successfully take market share from competing players. While Sinovel's growth is AMSC's gain and their relationship has only strengthened as of late, sales concentration remains a risk.

"AMSC continues to mitigate this exposure through deals with several new international wind power customers. Hyundai represents another important customer and has already announced orders both in the US and Korea.

"Customer Doosan in Korea has ambitions of becoming a top ten manufacturer as well. AMSC has several other attractive growth opportunities that should help to diversify their business.

"Within the power grid market, the company sells power systems to utilities to help them control power output from renewable sources. With expected growth in electricity usage over the next few decades utilities are planning now to prevent costly power outages.

"AMSC products increase the reliability and capacity of the grid, directly addressing the growing problem of grid voltage instability. The company's superconductor business represents another exciting growth opportunity.

"As renewable power stations continue to grow, so does the problem of collecting the energy they produce and efficiently transporting it to the place it is used.

"These stations are often erected in rural areas while the demand for their produced power is a good distance away, in more densely populated areas.

"The copper wire that is currently used suffers from an inability to span long distances efficiently, thus causing power line losses among other costly issues.

"AMSC is the leading manufacturer of proprietary high temperature superconductor (HTS) wire, which can carry roughly 150 times the electrical capacity of standard copper wire and will better handle the growing demand for energy usage worldwide.

"The company must win contracts here in order to achieve profitability within this business, but we expect rapid growth both here and abroad.

"The proof is in the pudding, of course. Amidst a weak economic backdrop, the company grew revenues by 85% in their latest reported quarter as they announced their third consecutive quarter of profitability.

"The future looks bright as well. After booking approximately $165 million of orders in their latest reported quarter, AMSC enjoys a backlog of orders valued at roughly $587 million.

"The stock should reward investors in 2010 as AMSC reports continued growth in the final two quarters of their current fiscal year (which ends in March), followed by a near doubling of earnings in the following year."

Annaly Mortgage (NLY): Jack Adamo's top stock for 2010

"Annaly Mortgage Management (NYSE: NLY) is our favorite investment idea for 2010," says Jack Adamo.

In his Insiders Plus newsletter, he explains, "The company buys only Ginnie Mae, Fannie Mae and Freddie Mac bonds, all of which now have explicit U.S. government guarantees.

"The company uses modest leverage -- about half what banks use -- to increase shareholder returns. With short-term rates likely to remain low for several years, Annaly's interest-rate spread will be wide and profitable. The company has never had a losing year.

"The market is still scared blind by anything that has the word "mortgage" attached to it; so, the shares, which would normally yield about 7%, now yield nearly 15%, and the dividend has been growing!

"That will not always be the case. Since it is a real estate investment trust, it must pay out 90% of its earnings each quarter, so it can't hold reserves, like corporations do. Hence, the dividend will vary quarter to quarter.

"But using the average payout over the nearly 12 years it has been public, it would yield 10%. Moreover, the shares are less than half as volatile as the market, having a Beta of .45.

"Annaly's management is among the most savvy I've ever seen. They have called the contours of their business, as well as the credit and stock markets with extraordinary accuracy since long before the credit bubble appeared obvious to others.

"And they exploited that knowledge to shareholders' advantage. As credit markets normalize, I believe more investors will seek the safe income Annaly offers, and the shares will rise even more than the 27% they've risen this year. We recommend purchase of the stock up to $19 a share."

AOL (AOL): Bernie Schaeffer's top stock for 2010

"AOL (NYSE: AOL), formerly America Online, is one of the most storied – and bloodied – names in the Internet sector," says Bernie Schaeffer.

Referring to skepticism surround its early December spin-off from Time Warner, the editor of Schaeffer's Research chooses AOL as his top pick for 2010, noting, "From a contrarian perspective, the current pessimism could have positive implications.

"AOL's merger with Time Warner in 2001 was hailed (by some) at the time as an innovative marriage of old and new media. But AOL's dial-up Internet access model was already under pressure by the time of the merger, and the AOL and Time Warner cultures never meshed.

"The merger is now regarded as one of the most disastrous in U.S. corporate history, losing more than $100 billion in market value. Steve Case, the deal's architect , resigned the chairmanship of the combined company two years later and left the board in 2005.

"Time Warner has been looking to rid itself of AOL ever since. So it was no surprise that Time Warner's spin-off of AOL in early December 2009 was met with a heaping armful of skepticism.

"We have seen multiple media outlets weigh in negatively on AOL, perhaps an indication of how Wall Street is currently viewing the stock. In fact, the shares were initiated at 'underperform' by a major brokerage house in December.

"Moreover, Zacks reports that the stock has earned one 'strong buy' rating, one 'hold,' and two 'strong sells.' Therefore, we view the upgrade potential on AOL favorably.

"But AOL, with a market cap of only $2.5 billion, argues that it remains a strong brand. Its 80-plus Web sites attract 100 million unique visitors each month. It still generates cash through its Internet access business.

AOL has a new management team led by former Google exec Tim Armstrong. Armstrong wants AOL to differentiate itself from competitors by creating original content. Yahoo, Google and others are largely aggregators of others' content ; AOL generates 80% of its own content.

"Although we emphasize that we are no in way comparing AOL to Google, the skepticism greeting the spin-off is eerily reminiscent of what we saw around Google just prior to its initial public offering in 2004. hen the shares of GOOG quickly outperformed their low expectations, the bears quickly jumped on the stock's bandwagon, pushing it even higher.

"OL's shares so far are bucking the widespread pessimism as they hover above short-term support at the 23 level. From a contrarian perspective, this pessimism could have positive implications if skeptics succumb to better price action."

AsiaInfo (ASIA): Hedge Fund Trader's top stock for 2010

"Asian stocks are also booming as China's growth remains strong," says Mark Skousen, who chooses AsiaInfo Holdings (NASDAQ: ASIA) as his top pick for the coming year.

In his specialty trading service, The Hedge Fund Trader, he explains, "The company is China's premier telecommunications software and information technology (IT) play.

"Last month, ASIA impressed investors with a 42% spike in year-over-year revenue growth in the third quarter. Net income rose $9.1 million and earnings per share jumped over 50% to 20 cents a share.

"CEO Steve Zhang stated, "Looking forward, we are confident we will finish 2009 on a strong note."

"The company offered fourth-quarter EPS guidance of between 28 cents and 29 cents a share. Still, the Beijing-based IT company is selling for 20 times next year's earnings, which is not excessive.

"And its PEG ratio (price-earnings ratio dividend by its 5-year expected growth rate) is only 0.86 (below 1 is considered very positive). Most importantly, it is debt free.

"And now AsiaInfo Holdings is suddenly bigger. It recently announced a deal to merger with Linkage Technologies, a smaller IT firm in China.

"Because Linkage is viewed as a competitor in the Chinese telecom industry, the market sees the merger as a strong positive for AsiaInfo, and the ASIA stock price moved up sharply yesterday. Linkage canceled its IPO upon the announcement.

"Terms of the deal call for Linkage holders to receive $60 million in cash and 26.8 million AsiaInfo shares. After the deal, Linkage holders would control 35.8% of the company, with AsiaInfo holders owning the other 62.%.

"The company will be renamed AsiaInfo-Linage. The deal is expected to close early next year. The combined company will have over 8,000 employees, including about 7,000 engineers."

Atlantic Power (ATP): Carla Pasternak's top stock for 2010

"Atlantic Power Corp. (Toronto: ATP.TO) sells power primarily to electric utilities in major U.S. markets under long-term contracts," notes income specialist Carla Pasternak.

The editor of High Yield Investing and High Yield International explains, "The firm has reorganized its share structure, has been listed on the Toronto exchange and expects a NYSE-listing shortly. The company owns and manages 14 power generating plants and an 85-mile electric transmission line in the US.

"When we first added Atlantic Power to our portfolio, the shares were organized as an income participating security, a stock/bond hybrid comprised of one-part stock, one-part note.

"On October 14th, Atlantic Power announced plans to abandon the IPS structure, convert completely to common shares, and seek a listing on the NYSE.

"The IPS units were converted to common shares on December 2nd, and now trade in Toronto. The company has applied for a listing to the NYSE and expects to be there in the first half of 2010.

"The conversion will simplify the structure and reporting of the securities and enable Atlantic to get a NYSE listing. According to management, about half of the IPS owners resided in the United States.

"The NYSE listing will make life easier for these shareholders in the form of increased liquidity and will enable the company to actively market the shares to U.S. individuals and institutions, which it has been prohibited from doing.

"In addition, the new listing should gain the stock a larger following and enable Atlantic to raise capital to fund future acquisitions. The best news for investors is that Atlantic Power's high yield should continue unabated.

"Monthly distributions for the IPS units had been comprised of a C$0.0383 common stock dividend and C$0.0529 interest on an 11% bond -- for a total of C$0.091 per month. The company has stated that it will continue to pay the same monthly dividend on the common shares.

"At current prices, the C$1.09 per year dividend translates to a solid 10% yield (C $1.09/ C$10.54). Also, since the new dividend will come entirely from the common shares (and not interest on a bond) dividends will increase on an after-tax basis for many investors. The entire payment will now qualify for the reduced 15% rate.

"Moreover, management stated in the third-quarter press release that cash on hand and projected future cash flows from existing contracts are sufficient to meet the current level of cash distributions into 2015 without any positive impact from potential acquisitions.

"This projection makes sense as Atlantic isn't highly exposed to changes in either the price of or the demand for power.

"About one-half of revenues are generated by payments for capacity, whereby the company earns fixed fees for just making power available regardless of how much is purchased or used.

"The rest of the revenue is almost entirely accounted for with fixed-rate contracts for services and contracts that stipulate that the effects of commodity price fluctuations will be passed on to the consumer.

"In the first nine months of 2009, operating cash flow decreased about -28% to $45 million versus a year ago, primarily because of one-time items -- including a planned outage at the Chambers facility in the second quarter. Distributable cash of $52 million for the first nine months of 2009 easily covered dividends of $18 million.

"The company did have a substantial long-term debt of $307 million compared to equity of $189 million at September 30th.

"However, the conversion to common shares will reduce leverage, and management has projected that debt as a percentage of total capitalization will go from 83% at the end of the second quarter of 2009 to 53% post-conversion as at mid-2010.

"Atlantic Power has recently announced that it plans to raise C$75 million with a new convertible debenture offering. The proceeds would be used to retire higher interest debt."

Becton, Dickinson (BDX): Jonas Elmerraji's top stock for 2010

"Healthcare sector giant Becton, Dickinson and Co. (NYSE: BDX) is our top investment pick for the coming year," says Jonas Elmerraji.

In his growth stock-focused advisory, the Rhino Stock Report, he assesses the prospects for the medical equipment firm.

"If anything's certain for 2010, it'll be that nothing's certain as far as stocks are concerned. With 2009 coming to a close amid a substantial rally that's pushed the valuations of major indexes like the S&P 500 and Dow more than 60% higher since mid-March lows, it's inevitable for investor anxiety to spill over into the New Year.

"But while getting defensive calms fears of a second tumble in stocks, it also precludes your portfolio from gains. That's why our favorite play for 2010 is Becton, Dickinson and Co.

"The company develops, manufactures, and distributes complex high-margin medical equipment, including oncology and pathological diagnostic devices, but the company's bread and butter is in basic surgical instruments like needles, syringes, and scalpels.

"That focus on medical necessities have given Becton a fairly soft cushion in spite of economic conditions that have been less kind to medical equipment makers who focus exclusively on high-tech, capital-intensive products.

"In fact, in the trailing four quarters, Becton has seen sales growth at a rate that's 3x that of the industry, while the S&P's average sales numbers actually slid backward. Thick margins helped deliver EPS of $4.93 in the year ending September 2009.

"And while scores of other S&P stocks rallied hard in 2009, Becton's year has been more modest – a 13.5% increase year to date. A look at Becton's financials suggests that the stock is trading in a reasonable range, particularly when compared against overbought competitors."

BCE (BCE): Vivian Lewis' top stock for 2010

Given her concerns about overall market valuaton, global expert Vivian Lewis is selecting her top pick from among stocks she calls "dividend payers and fallen angels".

In her Global Investing newsletter, she explains, "I consider BCE (NYSE: BCE), with its 6% yield, a great buy." Here's her review of the Canada-based telecom company.

"I'm worried about the speculative coloration of the rise in stock prices globally since the bottom in March 2009. I do not think the markets will continue rising as they have since then, in a straight line to the upper right-hand corner of the page.

"I expect a serious correction because the global economy is still mired in difficulty. There will be more bad news taking share prices down in the coming year.

"To find stocks with ballast for the sell-off I expect in 2010, I am focusing on dividend payers and fallen angels. Fallen angels have risen less sharply than companies without damaged reputations, and pay out more.

"A year after crash of BCE, the Canada telco supposed to have been taken private by Ontario Teachers Pension Plan and US partners, who pulled out, the former Bell Canada is a good buy.

"The deal collapsed in the financial crisis. BCE CEO George Cope valiantly then cut 2500 jobs; did a wireless deal with Telus and bought out the remaining half of Virgin Mobile Canada; bought electronics store chain The Source; and boosted BCE dividends.

"BCE stock has risen 30% this year in loonies (C$s) and nearly 50% in US dollars. (It trades as BCE both in Toronto and on the NYSE.) But it is still a third cheaper than the former deal price target. That reflects investors' bad memories. Most analysts rate it neutral despite their expecting it to rise to $29.50.

"Further hurting BCE was the decision on Dec. 11 by Canadian regulators to allow Globalive to offer cellular phone service throughout Canada, reversing an earlier bar on the company part-owned by Orascom of Egypt.

"While the 2009 Xmas telephone market will not see many offers from Globalive, next year there will be cellphone price cuts. This could hurt BCE's gross margins, which are at an astonishing 74%.

"However, other telcos without BCE's land-line and multiple cellular options will be hurt more. I consider the stock a great buy yielding 6% with a probability the dividend will be raised."

Blue Coat (BCSI): Leo Fasciocco's top stock for 2010

"My pick for 2010 is Blue Coat Systems (NASDAQ: BCSI), a company that provides web security," says Leo Fasciocco, a leading technical analyst known for his focus on stocks that are breaking out of basing patterns.

In his The Ticker Tape Digest, he explains, "We consider the stock an excellent intermediate-term play because of its strong profit outlook. Blue Coat, based in Sunnyvale, Ca., provides software and services for networking, with annual sales of $444 million.

"Its products enable its end user customers to secure their Internet gateways and remote computer systems by providing protection from malicious code, or malware and objectionable content.

""The company is benefiting from an expansion of its products. In 2008, BCSI acquired Packeteer, a provider of WAN traffic prioritization technologies. It most recently came out with an expansion of its Webpulse cloud service for Arabic web content.

"Looking out to fiscal 2011 ending in April, the Street projects a 44% jump in net to $1.30 cents a share from the 90 cents anticipated for fiscal 2010.

"The stock has been trending higher the past few months recovering from the bear market. The long-term chart for BCSI shows the stock with a cyclical tendency. It is now in the up trend part of its cycle. We see that as favorable for bulls at this time with the stock now trending higher.

"In our view, BCSI is an outstanding stock poised to breakout. It is holding in its base and poised to show massive earnings gains. We are targeting BCSI for a move to 36 after a breakout. A protective stop can be placed near 24 after a breakout."

BMC Software (BMC): Dow Theory's top stock for 2010

Dow Theory Forecasts is one of the most respected and venerable players in the financial newsletter community; the service has been published continuously for well over 5 decades.

Editor Richard Moroney looks to BMC Software (NYSE: BMC) as his top pick for 2010. He explains, "BMC develops products that run corporate data centers, which house critical computer systems.

"BMC's long-term contracts sustained stable profits during the downturn. Over the next 12 months, results should benefit as clients resume spending on technology. "Consensus estimates project per-share profits will advance 15% in fiscal 2010 ending March - and grow 14% annually over the next five years.

"Recent acquisitions have bolstered BMC's promising segment for automating data-center activities. Fortune 500 companies comprise more than 85% of BMC's client list, and such companies are unlikely to abandon cost-cutting initiatives once the environment improves.

"Reflecting this optimism and better-than-expected results for the September quarter, BMC in October raised profit guidance for fiscal 2010. With a trailing price/earnings ratio of 15, BMC trades at a discount to its three-year average P/E of 22 and five-year average of 27.

"If the P/E returned to the three-year average and BMC matched consensus profit estimates, the stock would trade at $58 next year.

"While that target seems a stretch, BMC seems fully capable of reaching $45 to $50. BMC is a Focus List Buy and a Long-Term Buy."

Brazil Small Cap (BRF): Nicholas Vardy's top ETF for 2010

"The global bull market is back in Brazil," says international investing expert Nicholas Vardy.

In The Global Bull Market Alert, he explains, "Global markets recovered in the beginning of November; at that time, we looked to one of the hottest markets on the planet, Brazil, through the Market Vectors Brazil Small-Cap ETF (NYSE: BRF). The ETF remains our top pick for 2010.

"Brazil, as its place on the cover of Economist magazine recently confirmed, was the flavor of the month in emerging markets. Brazil had recently won the right to host the Olympics in 2016, raising its profile much like the Beijing Olympics did for China. Investors were pouring in.

"Its currency, the real, gained 50% against the U.S. dollar since the prior December, with the economy firing on all cylinders, posting an 8%-10% growth in Q3. My forecast has been that, overall, Brazil's economy will grow by 5% in 2010.

"In December, the Inter-American Development Bank approved a $3-billion conditional credit line with Brazilian small and mid-sized businesses on Thursday. Around 75% of the new jobs created in Brazil this year were created by small and mid-sized businesses.

"With the market already up 76.9% in local currency terms at the time, betting on Brazil was clearly a momentum play. That's also why I recommended a small cap ETF, which had outperformed its large cap ETF counterpart this year.

"Looking ahead, Brazil's biggest enemy is likely to be its own hubris -- getting too cocky for its own good. But before it does, I'm betting the market has further to go. After all, it went up almost 6-fold in dollar terms during its last bull run starting in 2003.

"This is the reasoning behind my recommendation for Market Vectors Brazil Small-Cap ETF. For a potentially bigger upside, I recommended the April $45 call options. For full disclosure, this is a position that I hold on behalf of my clients at Global Guru Capital."

ChemTrade Logistics (CGIFF): Roger Conrad's top stock for 2010

Roger Conrad, editor of The Canadian Edge, is a leading specialist in the niche investment area of high-income Canada-based trusts.

For his top investment idea for the company year, he turns to chemical company, **ChemTrade Logistics** (TSX: CHE-U, OTC: CGIFF).

"ChemTrade Logistics is a major producer of specialty chemicals, particularly sulphuric acid. It's also a Canadian income trust yielding over 12% with most of its operations overseas. That adds up to a unique triple play for investors in 2010.

"First, is the high yield, paid monthly. Even with the market for specialty chemicals chronically weak in 2009, Chemtrade was able to generate cash flow to cover its distribution by a healthy margin.

":Second, cash flow is set to surge as demand from industry rebounds for sulphuric acid. Second half results already show improvement and that trend is set to continue into the new year.

"Third, Chemtrade management expects to pay the same level of distribution in 2011, when Canada's trust tax kicks in. If it succeeds, investors will receive a windfall capital gain, since a big cut is already priced in.

"At a recent conference call, CEO Mark Davis stated 'the effect of the new tax would not be significant' since 'Chemtrade receives a large portion of its earnings from non-Canadian sources.

"Accordingly, in 2011 we believe that the new SIFT tax will apply to less than one-third of the Fund's income, resulting in an effective tax rate of less than 10 percent.' Buy ChemTrade up to $11."

China Adv. Construction: (CADC): Keith Fitz-Gerald's top stock for 2010

"China is spending $200 billion over the next few years to upgrade its rail system; and those new projects will be literally laying on a bed of cement,' says Asia expert Keith Fitz-Gerald.

The editor of The New China Trader adds, "This could lead to enormous growth potential for any cement company that Beijing involves in the process -- such as China Advanced Construction Systems (NASDAQ: CADC).

"CADC produces and supplies specialized ready mixed concrete for use in all kinds of infrastructure projects including railways, roads, airports, bridges, tunnels, and dams.

The company has already benefitted from over 9 new railway contracts from Beijing this year alone, totaling over $19.7 million.

"That may not sound like much, but realize that CADC is a small cap stock ($49.28 million market cap) so $19.7 million of new railway orders represents 39.9% of the company's total market cap. That means we could see CADC's earnings explode in 2010.

"In fact, if Beijing continues to pile money into railways, CADC could truly undergo some transformational events that lead to a double or more in 2010 – and more in the next few years.

"Meanwhile, China's massive $586 stimulus package has rocketed the Chinese economy back on track – and the result can be seen across the board from government sponsored infrastructure projects to consumer spending.

"By the end of 2009, the China is expected to have used 1.54 billion tons of cement on transportation infrastructure and logistics and warehousing projects, according to the country's top economic planning agency.

"In the transportation, logistics, and warehousing sectors alone, China is expected to have increased 2009 cement demand by 27% from the previous year, according to Guo Wenlong, a researcher with the Institute of Integrated Transportation, affiliated with the National Development and Reform Commission.

"China is literally building what amounts to an entire new country's worth of infrastructure and commercial projects.

"Economists are forecasting that China will use 40% of the entire global supply of cement in 2010. That basically makes China the world's largest construction site – something I see every time I am there.

"While concrete isn't sexy or glamorous, the industry's growth is far from boring. China's concrete market has maintained an average growth rate of 25% over last ten years.

"That adds up to a 931% compounded growth over the last 10 years. Compared to most investments, that sounds pretty glamorous to me.

As for its rail expansion, China plans on laying more track in the next five years than the rest of the world combined. That makes China's current railway plans the largest railway expansion in the last 100 years.

"The buttresses on which China's railway projects will be built are forecasted to require as much as 117 million tons of concrete alone – and that doesn't even begin to account for cement demand tied to China's other infrastructure projects.

"Basically all of China's growth, whether it's railways, roads, bridges, power-plants, dams, or commercial and residential real estate projects sit on a foundation of cement – and that means dynamic small-cap companies like CADC have plenty of room to grow and enormous profit potential moving into 2010 and beyond."

China Digital TV (STV): Glenn Cutler's top stock for 2010

"My top pick for 2010 is China Digital TV Holding Co Ltd. (NYSE: STV), the #1 provider of conditional access (CA) systems in China's digital TV market," says Glenn Cutler.

In his Winner Forum and Special Situations Reports, he explains, "I consider this a conservative idea to play the China market through an established company that dominates its business sector.

"China Digital TV Holding is based in Beijing, China and was founded in 2004. They are in a strong position to leverage their current 50% market share in China. Of 375 million TV households across China, 168 million are cable subscribers with an additional 10 million added each year.

"With only 54 million smart cards shipped industry wide, there is ample opportunity for growth, market share expansion and royalties and revenue sharing with cable operators. They have over 225 customers, with roughly 30 of them providing over 1 million subscribers each.

"Currently, their CA systems consist of smart cards (90% of revenue) and head-end software for television network operators, as well as terminal-end software for set-top box manufacturers.

"They enable digital television network operators to control the distribution of content and value-added services to their subscribers and block unauthorized access to their networks.

"The company also licenses its set-top box design to set-top box manufacturers and sells advanced digital television application software, such as electronic program guides and subscriber management systems to digital television network operators.

"There are several reasons why the stock price has been trading near its annual lows. Recent revenues have been under pressure and earnings have been soft due to the postponement of digital migration projects as cable operators wait for greater clarity with respect to industry consolidation and subscription fee adjustments in certain regions.

"The company has faced pricing pressures and they've reduced selling prices at times as a tradeoff for gaining new customers in less populated areas.

"These factors have led to downgrades by some analysts. Earnings for FY2009 are expected to be .42/share down from .72/share in FY2008. Expectations are low as earnings projections for FY2010 are estimated to be flat at .42/share.

"China Digital has a solid financial structure with $225 million in cash ($3.87/share) which was reduced by distribution of a $1 per share special cash dividend in Feb/ 2009. The balance sheet is solid with zero debt. They maintain a strong market position for continuing growth.

"The company intends as a policy to consider special dividends every two years. The current market cap is $348 million. Trailing 12-month profit margins are 54%.

"Book value is $4.25 a share. The P/E Ratio is 11. There are currently 58 million shares outstanding. The shares are trading close to their 52-week low, within a yearly range of $5.60 (low) to $11.80 (high). Return on equity is 12%.

"With expectations low, there is potential for upside surprise if digital migration projects start to accelerate. With shares trading at about $2 above their cash position, downside risk is partially mitigated. The company could use cash on hand to acquire productive assets should attractive opportunities arise to compliment their product offerings or consolidate their industry sector.

"As a conservative way to play expected growth in China, this company offers an excellent low-risk technology angle for a 2010 stock portfolio. A good upside target range over 12-months would be $8-$10."

China Mobile (CHL): John Reese's top 2010 stock

Validea is an intriguing advisory that bases its stock selections on the known investment criteria of legendary stock market investors.

John Reese explains, "China Mobile Ltd. (NYSE: CHL) is one of the rare stocks to get approval from three of tour Guru Strategy computer models; it earns top marks from my Warren Buffett-, Peter Lynch-, and James O'Shaughnessy-based models.

"With the Western world still working its way through the aftermath of the credit crisis, a number of top strategists are looking eastward for growth in 2010.

"Byron Biggs, Anthony Bolton, Jim Rogers -- these are just some of the market gurus who have been keying in on China, where one of the world's greatest exporting nations is now poised for some major domestic growth as well.

"I also see a lot of opportunities in China, and Hong Kong-based China Mobile may be the greatest. The country's largest mobile phone network, it topped the 500-million-subscriber mark in the third quarter.

"The Buffett approach looks for firms with lengthy histories of earnings growth and conservative financing, and China Mobile delivers.

"It has upped earnings per share in each year of the past decade (and is on track to do so again in 2009), and its debt of $1.45 billion is less than a tenth of its annual earnings ($16.6 billion).

"The company also has averaged a 23.1% return on equity over the past ten years, a sign of both the strong management and durable competitive advantage Buffett is known to look for.

"The Lynch model, meanwhile, considers China Mobile a 'fast-grower' -- Lynch's favorite type of investment -- because of its 24.4% long-term EPS growth rate. (I use an average of the three-, four-, and five-year EPS growth figures to determine a long-term rate.)

" Lynch is famous for using the P/E/Growth ratio to identify growth stocks selling on the cheap, and the model I base on his writings considers P/E/Gs below 1.0 acceptable, and those below 0.5 the best case.

"When we divide China Mobile's 11.3 P/E ratio by its growth rate, we get a P/E/G of just 0.46, a great sign. Lynch also liked conservatively financed firms, and China Mobile's tiny 2.3% debt/equity ratio easily passes muster with my Lynch-based strategy.

"Finally, the model I base on James O'Shaughnessy's value stock approach targets large firms with strong cash flows and high yields.

"China Mobile's $185 billion market cap, $6.97 in cash flow per share (vs. the market average of just $0.49), and 3.8% dividend yield are all good enough to earn this model's approval. *Disclosure: I'm long CHL and own the stock in the portfolios offered by my advisory firm, Validea Capital Management*."

China Tel (CHTL): Toby Smith's top stock for 2010

Growth stock specialist Toby Smith turns to a speculative micro-cap stock for his top pick for 2010: ChinaTel Group, Inc. (Other OTC: CHTL).

With the added disclosue that he personally own shares in CHTL, along with his clients at ChangeWave Research, the advisor looks to the firm's potential role in a new joint venture in the China telecom space.

"Our bullishness is based on a pending China Tel and Chinacomm joint venture as a 'basic telephone service' (BTS) licensed carrier in China. The other BTS carriers are all large companies with $10 billion+ market caps, such as China Mobile, China Netcom and China Unicom. Today's market cap for China Tel is $130 million.

"The Chinacomm/ChinaTel joint venture owns 37,000 kilometers of fiber-optic network and 3.5Ghz spectrum for wireless broadband in 29 of the biggest China cities. That infrastructure alone has a book value of over $1 billion.

"ChinaTel has suffered a great credibility problem on the Street due to a set of failed capital raising deals that failed to close.

"But the delays in their closing equity financing over the last 18 months has turned out to be a blessing in disguise, as the potential valuation for the China Wi-Max network has at least doubled since the previous failed deal.

"We have advised clients to be positioned in China Tel now, ahead of what we consider to be imminent PIPE (private investment in public equity) deal, which CHTL announced in their latest SEC 8K. The size of the PIPE will undoubtedly be larger and at higher value than the failed $3.14 per share Olotoa deal.

"CHTL's announcements in the last few weeks on $500M+ of new private network business alone from the People's Republic of China ministries adds $1 a share (or more) to the $3.20 book value that Olotoa was paying for 49% of CHTL.

"In addition, CHTL just closed stock-only consulting contracts with their key employees on Dec 1. Nobody takes a stock deal in lieu of cash unless they know a lot about the near future of the PIPE transaction.

"Based on our analysis, the PIPE deal offers disclosed in Oct 8K are from Asian telco/ high tech firms itching to capitalize on the China Internet miracle - -they are the only market other than India with less than 40% wirless/fixed broadband penetration.

"We believe ChangeWave Research is the only independent research firm following China Tel Group; we rate the stock a 'strong buy' with a $5 a share target for 2010 and a $9-$10 target for 2011."

Continental Minterals (KMKCF): Tom Bishop's top stock for 2010

"Continental Minerals (Other OTC: KMKCF), my top pick for 2010, holds high-grade copper and gold deposits that are located in Tibet/China," notes Tom Bishop

In his BI Research, an advisory focused on small cap, high growth stocks, he adds, "I also believe the company is a juicy takeover target.

"The company has proven up 220 million tons of measured and indicated reserves in its high grade-porphyry copper-gold Xietongmen deposit grading 0.43% copper and 3.9 grams of gold per ton. This translates into 2 billion pounds of copper and 4.3 million ounces of gold.

"A feasibility study has been completed and the project has received all 16 sub-approvals and is now in for final approval.

"In addition the company's Newtongmen deposit, a couple thousand feet away and drilled off more recently, sports another 2.8 billion tons of copper and 2.3 million ounces of gold and 11 million ounces of silver.

"I think signs are abundant that Continental is a takeover target, hopefully in the $3 range:

"For one, the Hunter Dickinson Group, under whose wing the company was formed and nurtured has a long history of buying up unseasoned prospects, financing them, proving them up and then selling them to a major mining company.

"Second, no project makes more sense to go this route given it's far away in China than this project.

"As an example, we note that a few months ago, the same day Pepsi Bottling company rejected PepsiCo's takeover offer and concurrently announced a shareholder rights plan to protect itself in the event of a takeover.

"That takeover has since happened at a better price. Continental coincidentally announced a similar plan. That's what first made the light bulb come on here.

"Then a new party suddenly entered the picture when a Chinese mining company, Zinjin, suddenly purchased 21 million shares and was given a seat on the board. Then I even read that this company had stated that it intended to acquire Continental.

"Also China's shopping trip for resources all around the globe is well documented and none makes more sense than one owned by a Canadian company right within China's borders.

"Finally the CEO of Continental was redeployed to be the CEO of the latest company birthed by the Hunter Dickinson Group (Heatherdale Resources, also worth a look)... hmmm, odd timing. They say they don't ring a bell, but I sure hear something."

Dataram (DRAM): Kevin Kennedy's top stock for 2010

Kevin Kennedy specializes in micro and small cap "momentum" stocks that, technically, have broken to the upside and then pulled back in price.

In his The Coolcat Report, he looks to Dataram (NASDAQ: DRAM) as his top speculative idea for the coming year.

"Dataram is a small company with growing revenues and a market cap of less than $30 million. Founded in 1967, Dataram manufactures computer memory, storage and software products.

"Its products and services deliver IT infrastructure optimization, dramatically increase application performance and deliver substantial cost savings.

"Dataram solutions are deployed in 70 Fortune 100 companies and in mission-critical government and defense applications around the world.

"Second-quarter revenues reported in late November were $10.7 million, up 51% from the $7.1 million reported in the same quarter in the prior year. The company lost $1.6 million, or $0.18 per share.

"Demand and memory pricing is improving, and the company's recently acquired Micro Memory Bank business unit is boosting sales and new products.

"The company also has high hopes for its recently introduced storage area network (SAN) optimization solution called XcelaSAN, which is expected to be available in early 2010. Sales of that product and lower expected R&D expenses going forward should push the company towards profitability.

"The company's stock broke out of nine-week base on big volume Nov. 20, but has fallen back from above $5 to the low $3 range. It looks well priced at these levels."

DB Agriculture (DAG): Doug Fabian's favorite fund for 2010

"The 2010 global recovery brings opportunity in agriculture commodities," says fund expert Doug Faban, who turns to the "soft ag" sector for his top investment idea for the coming year.

In his The ETF Trader, the advisor looks to a leveraged exchange-traded note -- the DB Agriculture Double Long ETN (NYSE: DAG). Here's his review.

"Growing economies generally create greater discretionary spending for many of the world's populations.

"When there's more money to go around, many families will elect to spend that additional hard-earned cash on obtaining better food. This is a common first step for creating a better lifestyle.

"This trend, especially in emerging and frontier economies, along with falling production, will mean higher food prices around the world.

"According to recent reports, farmers around the world have not planted enough grains due to the high cost of fertilizer. This will curtail the overall yield of their crops in 2010.

"In addition, the soft commodities have not experienced the same recovery that we have seen in energy and basic materials in 2009. Therefore, we think there is a big opportunity for profits by investing in the soft commodities in 2010.

"Here's how to play that trend. Buy the double long leveraged exchange trade note DAG. Previously, we've had great success with the double long oil ETF in 2009, capturing great gains from the recovery in oil. I see a similar opportunity in DAG.

"This is a leveraged play, so realize that there is a higher degree of risk. Double long funds move twice their underlying index. DAG is invested 25% in corn, wheat, sugar and soybeans.

"We would also mention that Powershares DB Agriculture (NYSE: DBA) is the unleveraged equivalent to DAG for those who want less risk. If the index of soft commodities goes up 20% DAG will advance 40%. Soft commodities are a good bet in 2010 ."

Diamond Foods (DMND): Sy Harding's top stock for 2010

"Diamond Foods (NASDAQ: DMND), a player in nuts and pop corn, is our top pick for 2010," says Sy Harding.
In his The Long & Short Stock Advisor, he explains, "The company seems to have had no problems with the recession or slow economy.

"The firm processes and markets culinary, snack, and in-shell walnuts, pine nuts, pecans, peanuts, macadamia nuts, hazel nuts, cashews, Brazil nuts, and almonds. It sells snack packages under its Diamond, Emerald, and Pop Secret brand names.

"The company seems to have had no problems with the recession or slow economy. Its sales and earnings remain on a fast growth track.

"In fact, it may well be that the slow economy and high unemployment are a plus for this company, with more people eating at home, watching home movies - and eating snacks.

"The company's growth is also supported by the growing interest in healthy eating, which includes recommendations from the healthcare industry to include nuts in our daily menus, and to snack on nuts rather than unhealthy fatty-food items.

"In any event, the trend of Diamond's top and bottom lines are impressive, with gains each of the last four years, in spite of the recession. Value Line estimates earnings in 2010 will be rise another 24% over 2009's earnings.

"Always positioning for continued growth, the company is working on expanding its distribution network of grocery stores, food processing companies, restaurants, bakeries, and food service companies in over 100 countries. Foreign sales currently account for only 20% of total sales.

"Diamond also continues to introduce add new products to its snack lines, like Cocoa Roasted Almonds, and Sea Salt Cashews, which were added recently.

"At the current price the shares are selling at 18 times estimated 2010 earnings, a relatively low P/E ratio for what appears to be a solid, if small, growth company. Our upside target is $41. We suggest a 'mental' protective stop at $25.80."

Dollar Tree (DLTR): Michael Vodicka's top stock for 2010

"Discount retailers are in high fashion right now, and 2010 could be a good time to capitalize on the macro-level trend toward value-driven consumption as consumers battle too much debt and a weak labor market," says Michael Vodicka.

To benefit from this trend, the momentum stock strategist for Zacks.com looks to Dollar Tree (NASDAQ: DLTR) as his top pick for the coming year.

"2009 was a year of surprises. Stocks ended up logging a monumental rally that kicked off in March, most of the major domestic banks have freed themselves from TARP restrictions and the housing market has shown signs of stability.

"But in spite of all these incredible gains, consumers are still struggling with too much debt and high unemployment. This is the ideal consumer environment for an extreme discounter like Dollar Tree.

"Dollar Tree isn't a new name, the company's been around since 1986, has a market cap of $4.26 billion and operates more than 3,600 stores in 48 states.

"It carries a wide range of consumer and household products like paper towels, cleaning goods and beauty supplies, all for less than $1.

"The company's strategic advantage was on full display in 2009, beating the consensus estimate in each quarter by an average of 11%. Its Q4 results from late November, heading into the holiday season included sales growth of 12% from last year.

"The top line growth goes well with gross and operational margin expansion, both on the upswing due to lower commodity costs and process evaluation.

"Dollar Tree bought back 3.5 million shares in 2009, with $300 million remaining from a $500 million Board approval. The company has been committed to taking advantage of the value-driven consumer environment, opening 94 new stores this year and expanding or relocating another 74.

"But in spite of these moves, Dollar Tree balance sheet still looks strong, with cash and equivalents totaling $342 million against a debt load of $267.5 million, with just $17.6 million current.

"Looking forward, analysts are optimistic about the company's prospects in 2010, targeting full-year earnings of $3.84 per share. With shares trading at $48, this stock has a forward P/E of just 12.5, a nice discount to the overall market."

Electronics Arts (ERTS): Karim Rahemtulla's top stock for 2010

"I've been tracking the companies I feel are best positioned to sustain the market's upward momentum into next year," says Karim Rahemtulla.

The options expert with Investment U suggests, "One such company is Electronic Arts (NASDAQ:ERTS) – a major player in the video game industry. ERTS is one of the largest creators and sellers of multi-platform content in the industry and it finally offered some guidance for the year ahead.

"Expectations for earnings for 2010 are 87 cents per share with revenues of $4.26 billion. EA came out and said that revenues should fall between 4.2 and $4.4 billion with earnings ranging from $0.70 to $1.

"That type of wide range never sits well with Wall Street, which likes much narrower ranges and more specific guidance.

"There are three reasons to buy EA now:

"First, share prices do not usually wait for numbers to come through before they move higher. They move higher in anticipation of better earnings ahead. This should happen after the company reports numbers for the first and second quarter of next year.

Second, if this economy and market are really recovering, one of the prime beneficiaries will be a company like EA, which is solidly in the consumer discretionary space.

"Third, EA has been the subject of many takeover rumors, specifically by the likes of Microsoft. Currently the shares are trading at $16.50 per share, down from highs of more than $50 just over a year ago. It is flush with cash, very little debt and a dominant market position.

"While a takeover would be the least likely outcome, there still is that chance and in the current climate of mergers and acquisitions, I wouldn't be surprised to see a bid made for EA.

"While shares themselves look to be a good buy, I prefer to play this one using the Electronic Arts January 2012 $20 LEAPs."

Eldorado Gold (EGO): Martin Hutchinson's top stock for 2010

"While my primary focus is on the international financial markets, it's the glint of gold that has caught my eye for 2010," says Martin Hutchison.

The contributing editor to both Money Map Report and Money Morning, explains, "Gold – or mining companies like Eldorado Gold (NYSE: EGO) – an especially compelling investment for 2010.

"There hasn't really been a commodity bubble like the current one since the late 1970s. It will end, as these things always do – but only when the world's central banks decisively tighten monetary policy and turn off the spigots flooding the system with cash.

"That's unlikely to happen until consumer inflation has shown itself rising sharply. In relative terms, gold's price is still far below its all-time highs – the 1980 top at $875 per ounce is equivalent to $2,400 today, roughly double the current price.

"Supply is also becoming an ever-larger factor – the total global supply of new gold in 2009 was valued at under $90 billion, with another $35 billion or so available from recycling.

"That first number is unlikely to change as mining output has been declining by about 1% per annum in volume terms, in spite of the recent surge in gold's price.

"This means that if the big boys – such as the hedge funds (global assets of $1.9 trillion) or China (official reserves of $2.3 trillion) – get involved, demand is likely to quickly exceed supply by a huge margin.

"Even though all the gold ever mined is still with us, it has a value of only about $5 trillion – a lot of money, but not huge in light of global investment flows.

"So, if the money really pours into gold, the price could again take off. After all, $2,400 an ounce is still some distance away, and there's a lot more speculative capital around today than there was in 1980.

"There's no money tightening in the works currently. The Fed has kept monetary policy extremely loose for a year now, and has said it has no intention of raising rates in the near term.

"The European Central Bank, the Bank of Japan and the Bank of England have also indicated they do not intend to tighten, while China's M2 money supply has risen by 29% in the past year.

"Given all this money supply sloshing around, it's not surprising that gold prices have zoomed upwards – and will continue doing so as long as the Fed and its central bank brothers maintain a loose-money policy.

Rather than gold itself, I'd recommend gold mining shares – first choice, Eldorado Gold – for two reasons:

1. • First, there's the leverage. A gold mining company with extraction costs of $600 per ounce doubles its profits when gold goes from $900 to $1200.

2. • Second, commodity speculation pushes up share valuations, so chances are you'll make even more money. After all, the earnings growth rate becomes pretty spectacular, which can make a very simple company look like a Google!

"As a bonus, Eldorado is not just in gold, it's in Chinese gold – both internally and through a takeover it recently executed.

"That means it benefits not only from any rise in gold prices, but directly from increases in Chinese wealth. Chinese investors, when they buy gold, will naturally turn first to domestic output.

"Eldorado plans to double current production by 2013 (even without its recent acquisition) – no decline here. What's more, it's reasonably valued – actually quite cheap – considering its earnings potential.

"The company was founded in 1992, and has come a long way in a relatively short time, building to a recent market capitalization of $5.15 billion.

"It owns the Kisladeg gold mine in Turkey, which produced 58,000 ounces of gold in the third quarter of 2009, and the Tanjanishan gold mine in western China, which produced 31,000 ounces.

"In addition, its Efemcukuru project, with projected reserves of 1.7 million ounces of gold in Turkey, is expected to begin production in the fourth quarter of 2010.

"Eldorado also has gold-development projects in Greece and Brazil and an iron-ore project in Brazil. Its current gold reserves, proved and probable, total 7.6 million ounces.

"In September 2009, Eldorado made an agreed-share-exchange offer for Sino Gold, the largest international gold mine in China. The offer values Sino Gold at approximately $2.2 billion and will give Sino shareholders approximately 25% of the combined group.

"Sino has two operating mines in China – Jinfeng, the country's second-largest mine with production of 151,000 ounces, and the White Mountain Gold Mine, which began production in January 2009. The Eastern Dragon project in Heilongjiang province will become Sino's third mine.

"The combined companies will have gold reserves of 12.7 million ounces, with annual production expected to reach 850,000 ounces in 2011. In the third quarter, Eldorado earned $30.2 million, or 8 cents a share – up from 5 cents a share in the third quarter of 2008.

"That's at an average gold price received of $957 per ounce, compared with a total production cost, including overhead, of $430 per ounce. Based on third-quarter earnings, EGO has a P/E ratio of about 35 times – steep, but not excessive given the growth potential.

"That should become obvious in the year-end figures, which will show the rise in gold prices we saw in recent months dropping straight to Eldorado's bottom line.

"Just estimating, if the gold price for the fourth quarter averages $1,100 an ounce, that will send an extra $150 per ounce or so in profits to shareholders, adding about 35% to EPS and reducing the P/E correspondingly.

"Yes, labor and energy costs could rise a bit, but not much – Eldorado's costs were only $402 per ounce in the third quarter of 2008, when oil was at $147 a barrel.

"Bottom line: Increasing gold production – check. Contained costs – check. In the middle of the world's fast-growing Chinese gold market – check. Decent balance sheet and profitability – check. What's not to like?"

Emerson Radio (MSN): Bill Matthews' top stock for 2010

"Emerson Radio (NYSE: MSN) is an atttractive, low-priced stock," says Bill Matthews, a specialist in lower-priced issues.

The advisor, who has been publishing The Cheap Investor for nearly 3 decades, suggests, "The stock has the potential for significant appreciation in 2010."

"In this market, we wanted to recommend a quality low priced stock that is relatively safe, has good increasing revenues and outstanding earnings. We are also looking for a stock that is selling at an attractive low price, and has the potential for significant growth and stock appreciation in 2010. Emerson Radio fits these criteria.

"Emerson Radio is a household name. Together with its subsidiaries, it engages in designing, marketing, selling, and licensing various consumer appliance, electronic and house ware products.

"It products are sold in the United States and internationally. Emerson Radio Corp. markets its products under the Emerson and HH Scott brands.

"The company distributes its products primarily through mass merchandisers, discount retailers, toy retailers, and distributors and specialty catalogers in the United States.

"Emerson has an excellent balance sheet with $29 million or $1.06 per share in cash, a book value of $2.25 per share and less than $6 million in debt. Insiders own 65% of the 27 million total shares outstanding and 22 institutions own 17% of the float.

"Emerson has excellent financials for the six-month period ended September 30. Revenues are $107 million up from $97 million a year ago. Net income is $4.3 million or $0.16 a share up from a loss of ($242,000) or (.01) a share verses a year ago.

"If you look at Emerson's stock chart between June 2002 and June 2003, you'll see that the price soared from $1.50 to $7.50 because of excellent revenue and earnings increases. We believe, that if Emerson continues its earnings growth, the price could skyrocket again."

Equinix (EQIX): Stephen Quickel's top stock for 2010

"Equinix (NASDAQ: EQIX), the global data center operator, is one of the most tempting growth stock opportunities on the 2010 horizon," says Stephen Quickel.

The editor of US Investment Report explains, "Big banks, market data providers, telecoms and other technology-driven clients use the firm's data center platforms to reduce their own capital expenditures and operating costs.

"The Silicon Valley-based company, barely ten years from startup, has moved quickly to open 45 data full-service centers serving clients in 18 key regions of the U.S., Europe and Asia-Pacific areas.
"These centers provide data management services to global enterprises of all sorts, including content and financial companies and network service providers,.

"With demand rising rapidly, Equinix, has been able to lift revenues from $118 million in 2003 to $705 million in 2008, and to an estimated $880 million in recessionary 2009. Analysts project $1.17 billion in 2010—a two-year rise of 67%.

"As for earnings, the rapidly expanding company showed deficits for its first eight years, but reduced them in all but one year. Now firmly in the black and established as a sector leader, its gains could be large over the next few years.

"Rapid expansion of its IBX centers (short for International Business Exchanges) has required considerable debt. The latest available debt/equity ratio is an elevated 1.27.

"But capital spending is leveling off, and Smith and his managers have kept of tight rein on operating costs.

"Earnings have risen 26 quarters in a row. After tax margins are reportedly at a four-year high. Third quarter 2009 earnings jumped 213% year-over-year, beating analyst estimates by 57%.

"Zacks reports consensus five-year earnings growth projection of 18.4% a year going forward. First Call shows earnings up 26% in 2010 and more than 40% in 2011.

"Those eye-catching numbers have not gone unnoticed. EQIX is not cheap by conventional measures. At 105 in late December (up from 40 in March), it traded at 51 times FC's 2010 earnings projection and 34 times its 2011 estimate.

"But the stock has impressive support. Among 26 brokers—a large following for a young $4-billion market cap stock—15 rated it a Strong Buy in December, 3 a Buy and 8 a Hold, with no Sells.

"Goldman Sachs, altogether, owns 12.5% of the outstanding shares, with Wellington Management and Shumway Capital Partners each holding 8%-plus. Wells Fargo, Barclays, Morgan Stanley and Vanguard also have large positions.

"Of course, the Big Boys bought in at lower levels and have added shares along the way—and will doubtless continue to do so.

"With its high debt and P/E, it's not the kind of play-it-safe stock that attracted investors in late 2009. But as we head into 2010, few mid-caps have emerged with more fascinating near- and long-term growth possibilities."

EZchip (EZCH): Paul McWillams' top stock for 2010

"EZchip Semiconductor (NASDAQ: EZCH), a fabless semiconductor company that specializes in network processors," is my top pick for the coming year," says technology sector guru Paul McWilliams.

In his Next Inning newsletter, designed for sophisticated tech investors, he suggests, "I think the upside potential here in 2010 and beyond is significant.

"Its initial market target has been what's termed as CESR (Carrier Network Switching and Routing). EZCH has since expanded its focus to include products that are broadly grouped into what's called the 'Access' market.

"Between organic demand growth in the CESR market and EZCH's expansion into the Access markets, it is estimated the company will be addressing a total available market potential of about $1.5B by 2012.
"That implies substantial upside revenue potential for a company that will report somewhat less than $40M in revenue for calendar 2009.

"In 2010, EZCH will be shipping NP2 and NP3 / NP3C network processors in volume to its CESR customer base. In addition to this, we'll also see the initial revenue generated from its next generation CESR solution, the NP4 and its debut Access product, the NPAx.

"Notable production ramps for the NPA and NP4, which sells for roughly twice the price of a NP3, will begin in 2011. Revenue from its NP2 will likely peak in late 2010 or 2011 as Juniper winds down its demand and replaces the NP2 with an internally designed ASIC.

"However, I believe this will be much more than offset with the ramp of the NP3 and NP3C, the latter of which is designed into various platforms at Cisco including its new ASR series edge router.

"I believe EZCH's lack of participation in the 2009 tech rally is attributable to two factors. The first is what I think will prove to be a misunderstanding as to when its business at Juniper will peak and the sharpness of the decline following the peak.

"In my view, this peak won't happen until late in 2010 at the earliest and by then it will be much more than offset by growing business at Cisco; not to mention design wins at other leading networking companies that will ramp in 2010 and beyond.

"The second factor has been the selling of shares by some of EZCH's early venture capitalists (VC's). Due to the fact EZCH initiated a secondary offering to liquidate these VC shares in one fell swoop as well as complete the purchase of its affiliated EZchip Technologies operating unit, this selling pressure will soon be eliminated. In my view, with this gone and EZCH poised to post impressive growth in 2010."

Fidelity Select Health Care (FSPHX): Jim Lowell's top fund for 2010

Jim Lowell is a long-standing expert on mutual funds, which a noted specialty regarding the Fidelity family of funds.

In his The Fidelity Investor, he looks to Fidelity Select Health Care (FSPHX) as his top investment idea for 2010. He suggests, "Investors looking for a one-stop healthcare shop should pick this option.

"Diversification is a good Rx for risk and return. Manager, Eddie Yoon invests in the gamut of healthcare options: pharmaceuticals, biotechnology, medical equipment and systems, and HMOs.

"The trumped up political crisis that has engendered a rush to 'cure' our healthcare system has done little to dent the fundamental reasons (from earnings growth, demographics, and innovation) for keeping a core holding in healthcare now.

"As with all the sub-sector health-related Select funds except Select Medical Delivery, there's a stealthy emerging market dose here, too; foreign stocks make up 13% of the holdings.

"In addition, it should be pointed out that even the companies that aren't listed as foreign stocks derive increasingly greater amounts of revenue form the burgeoning global marketplace, and from emerging market consumers who are not only upgrading their lifestyle, but their healthcare as well.
"Yoon's top ten holdings are Covidien, Pfizer, Medco Health Solutions, Allergan, Merck, Express Scripts, Baxter Intl, Amgen, Illumina, and Bard."

Ford Motor (F): Mark Skousen's top stock for 2010

"Ford Motor Co. (NYSE: F) is in the driver's seat when it comes to innovation, cutting costs, and building global demand," says Mark Skousen.

In his Forecasts & Strategies, which this month is celebrating its 30th anniversary, he cautions, "I've decided to recommend Ford as the best turnaround speculation for 2010. Bear in mind that this is highly speculative, and not recommended for conservative investors.

"Ford shocked Wall Street and Washington two months ago in reporting its first positive cash-flow quarter in more than two years. Of course, it played some accounting games to do it, but the overall direction is up.

"Ford made its first billion by successfully increasing domestic sales for the first time in nearly five years, and boosting market share against its chief rivals, Government Motors (GM) and Crying Chrysler.

"Meanwhile, the #2 auto maker predicted it would turn solidly profitable by 2011 as a result of its cost cutting measures and renegotiations with the unions.

"Ford is the only major US auto maker not begging for a government bailout last year. This isn't the first time Ford has broken away from the government trough. In the early 1980s, Ford executives opposed the call for import quotas on Japanese cars and took on their competitors by raising quality standards.

"I've been a long-time buyer of Ford cars, including two Mustangs, an Explorer truck, and a Lincoln Town Car. I have enjoyed relatively maintenance free service for years.

"Maybe my experience is exceptional, but most car rating services, such as Consumer Reports, rank Ford ahead of its domestic competitors. The company is innovative. The hot-selling Ford Taurus just won Kelly Blue Book's '2010 Best Redesigned Vehicle.'

"Its engineers have developed the first robot (named RUTH) to scientifically test the feel and appearance of switches and surfaces in their automobiles. And Ford's Quick Lane Tire and Auto Centers are expanding rapidly across the country.

"Ford isn't out of the woods yet. It still carries an incredible (gulp) $103 billion in debt (it blundered by borrowing billions to buy back its stock at much higher prices) and has been forced to restructure its debt again. Unions are refusing to cut back any further their generous medical and pension benefits.

"CEO Alan R. Mulally, a turnaround executive from Boeing, deserves high marks for Ford's latest success. If anyone can make an elephant dance, he can.

"The stock price has already tripled in price in 2009, but it is still way below its previous high of $40 a share in the late 1990s, so it has lots of room to grow. It's selling at 20 times next year's earnings, and has over $32 billion in cash.

"We're adding Ford Motor Co. to our growth stock portfolio, with the caveats that the stock does not pay a dividend and is considered high risk. As such, it may not be for everybody."

FPL (FPL): Vita Nelson's top stock for 2010

Vita Nelson is well-known as a leading expert on dividend reinvestment plans.

With the caveat that she always recommends portfolio diversification, the editor of The MoneyPaper looks to utility stock FPL (NYSE: FPL) as a top selection for 2010.

"We make a point of recommending that people don't pin their hopes on just one stock (which might underachieve in the short-run).

"Nevertheless, as a top pick for the comin year, I like FPL Group is the parent of Florida Power & Light, a utility that engages in the generation, transmission, and distribution of electricity to 4.5 million customers in a 27,650 square mile area of eastern and southern Florida.

"Its NextEra Energy Resources subsidiary is a non-regulated power generator that produces electricity from nuclear, natural gas, solar, and wind generation.

"It owns 48 wind farms in 15 states producing 4,100 megawatts and could double that output within the next four years.

"The company is expected to earn about $4.15 per share this year and $4.57 in 2010, compared with $3.84 in 2008.

"The dividend has been increased for 15 consecutive years and the annual payout now stands at $1.90 per share, for a yield of about 3.4%."

Gafisa (GFA): Paul Goodwin's top stock for 2010

"My pick for the top stock of 2010 is Gafisa (NYSE: GFA), a Brazilian homebuilder and developer," says emerging markets specialist Paul Goodwin.

In his Cabot China & Emerging Markets Report, he explains, "This is an experienced growth company in a country with an excellent economic engine." Here's the advisor's review.

"Gafisa has been growing fast and has a huge future. Brazil doesn't get much publicity in an investing world focused on China, but its economy is also growing at a sustainable 5% a year and it's a lot less dependent on exports than China.
"Gafisa has completed nearly 1,000 projects and the company is active in 21 of Brazil's 26 states as it moves outside its traditional markets of Rio de Janeiro and Sao Paulo.

"Brazilian interest rates have been coming down and the middle class is growing—up 24% in just the last four years—which will boost demand for housing.

"Gafisa reported a 358% surge in earnings in Q3 on a 128% jump in revenue and the backlog of developments on the board is strong.

"As for the stock, GFA has made a strong recovery from its late-2008 lows, but the stock's P/E ratio of 21 is still quite reasonable for a strong growth issue.

"The stock has been trading sideways since August 2009, perambulating in a range with a core of support at 30. It looks like an excellent base for a new rally, and 2010 should see the breakout.

"This is an experienced growth company in a country with an excellent economic engine and the stock pays a small dividend—that's an attractive package!"

General Mills (GIS): Chuck Carlson's top stock for 2010

"General Mills (NYSE: GIS) looks especially tasty for total returns in 2010," says Chuck Carlson, a leading expert on dividend reinvestment plans -- a low cost strategy for loong-term investors to accumulate shares of a particular stock directly from the company.

On his The DRIP Investor, he explains, "There is a transition taking place in the stock market toward high-quality, dividend-paying stocks. General Mills plays into this trend very nicely.
"Profits for the leading food company should show nice gains in 2010, which should provide support to the stock price. Also, the stock offers certain defensive characteristics should the market become more tumultuous.

"Its stable of strong brand names, focus on costs, and overseas growth opportunities should drive profits higher in the near and long term. I like the stock for all seasons.

"General Mills owns some of the strongest brands on your grocer's shelves, including Green Giant vegetables, Old El Paso Mexican food, Häagen-Dazs ice cream, Yoplait yogurt, and Cheerios and Wheaties cereals.

"Finally, General Mills has pricing power that could be very useful should inflationary fears increase among investors. The stock's yield of 2.7% is an added bonus. I look for the stock to outperform the overall market in 2010.

"I think the stock will continue to put up decent gains should the market rally continue. And I would expect the 'defensive' qualities of the stock to fuel above-average price resiliency should the overall market turn down.

"Investors should note that General Mills offers a direct-purchase plan whereby any investor may buy the first share and every share directly from the company. The minimum initial investment is $250. For information on the direct-purchase plan call (800) 670-4763."

Global Crossing (GLBC): George Putnam's top stock for 2010

"Global Crossing (NASDAQ: GLBC) was started in 1997 to build a worldwide fiber optic cable network; revenues grew very slowly, and the company was forced to file for Chapter 11 in January 2002," explains turnaround specialist George Putnam.

Now, however, the editor of The Turnaround Letter suggests, "The potential of that network is finally beginning to be fulfilled.

"Global Crosssing raised billions of dollars of capital, mostly debt, and used the money to lay thousands of miles of fiber optic cable spanning the globe.

"The initial strategy seems to have been 'if you build it, they will come'. Global Crossing built the network, but as the telecom bubble burst around 2000, nobody came.

"Global Crossing emerged from Chapter 11 in December 2003. Once again the market showed enthusiasm for the story. The new stock went as high as 36 shortly after it began trading. When it later dropped in price, several high-profile investors accumulated sizable positions.

"Unfortunately, there was still considerable overcapacity in worldwide networks, and Global Crossing's results continued to lag expectations. The stock hit a low of 5 earlier this year before beginning to recover.

"The network is still built – it connects 690 cities in 60 countries around the world – and it appears that the revenues are finally beginning to come.

"Over the last three fiscal years revenues grew from $1.87 billion in 2006 to $2.26 billion in 2007 to $2.59 billion in 2008 and were at $1.88 billion for the first three quarters of 2009.

" It appears that the tremendous growth in data, voice and video traffic is finally beginning to fill up some of the capacity in worldwide networks. The company has also developed a successful marketing strategy focusing on mid-sized to large companies with far flung operations.

"Since much of the cost of the business is fixed (and incurred years ago when the cables were first laid), a large part of any increase in revenues will drop straight to the Global Crossing bottom line.

"In addition, Global Crossing has been able to cut its overhead over the last few years, further increasing operating profits.

"Because the company is still depreciating many of its assets for book purposes, it may continue to show net losses for a while. However, it is now generating free cash flow for the first time in its history.

"Even though Global Crossing reduced its leverage significantly through the Chapter 11 filing, there is still a fair amount of debt on the balance sheet. But it has no significant debt maturities for several years, and if current trends continue, it should have no trouble refinancing that debt.

"We think Global Crossing's current stock price gives you the opportunity to buy into a very valuable communications network at a tiny fraction of its original cost and at a time when the potential of that network is finally beginning to be fulfilled."

Goldcorp (GG): Curtis Hesler's top stock for 2010

Curtis Hesler had successfully forcast the recent pullback in gold and the upmove in the US dollar. However, he believes these moves are temporary.

In his The Professional Timing Service, he suggests, "It is time to focus on upcoming buying opportunities in precious metals." Here, he looks at Goldcorp (NYSE: GG) as his top pick for 2010.

"On December 8, my U.S. dollar timing model kicked in with a buy signal. I had been writing about the likelihood of a rally in the dollar for several weeks, and that signal was the key indicator I had been waiting for. The signal indicated the dollar was going to rally.

"There is a defensive aspect to this as well as an offensive play. I have been a gold bull and dollar bear since late 1999, but the long term secular trend has been interrupted from time to time.

"This was one of those times when stops needed to be put in place to protect gold profits and new opportunities evaluated. We raised cash by taking profits in many of our gold positions, and we have parked that money in cash for the time being.

"However, that is all water under the bridge at this point. It is time to look for the next opportunity to put this cash back to work.

"Although you will be hearing about a new bull move in the dollar, the dollar rally is temporary. Gold and the mining shares will come off as a consequence, but only in the short term. It is time to focus on upcoming buying opportunities in precious metals.

"There are a lot of mining operations to choose from, but there is one company that must be at the core of your precious metals investment – Goldcorp.

"Goldcorp is simply the best gold miner on the planet. They are one of the world's largest gold mining companies with the strongest growth profile among all of the big producers. They are also the lowest cost and fastest growing senior gold producer in North America.

"The time is now to focus on acquiring gold as the emotional folks that bought at the recent highs become discouraged and sell their positions. I always give my readers simple specifics in this regard. Buy Goldcorp at $34.50 or better."

Hard Asset Producers (HAP): ETF Authority's top fund for 2010

"Whenever inflation heats up, there's no better place to park your cash than in tangible commodities," says Nathan Slaughter.
In his The ETF Authority, he noes "Our favorite play on this sector is Market Vectors Hard Asset Producers (NYSE: HAP), an ETF whose 300-stock portfolio provides one-stop shopping for six distinct commodity sub-sectors.

"History has shown conclusively that there is one asset class that thrives above all others under these hostile conditions: commodities. A depreciating dollar is a sure-fire recipe for rising commodity prices. And when inflation is on the rampage, investors always like the reassurance of owning hard assets.

" Instead of watching prices for things like steel and gasoline rise all around you, why not convert your dollars into these commodities directly and enjoy the ride?

"Even if the Fed does manage to keep inflation in check, we believe that good old supply-and-demand fundamentals favor rising prices anyway.

"With the global economy getting back on track and emerging powers like China swallowing mountains of raw materials, the short-circuited commodities rally will have juice once again.

"Investors have a dizzying array of options here, but our favorite is Market Vectors Hard Assets. The fund is invested in six commodity sub-sectors.with top billing going to the energy sector, where integrated oil & gas giants, offshore drillers and equipment/service providers soak up about 40% of the fund's assets.

"Elsewhere, shareholders will have a large stake in agricultural firms, ample exposure to gold and silver producers, along with aluminum, nickel, iron ore and other critical industrial metals. Rounding out the portfolio are holdings linked to coal, steel, uranium and even forest products.

"Whether it's to protect purchasing power against the ominous threat of currency debasement or a simple bet on stronger economic expansion, both point to a continued run-up in commodity prices -- and the shares of producers that bring us these goods."

IMAX (IMAX): Dennis Slothower's top stock for 2010

For his top pick for 2010, Dennis Slothower turns to the "big screen" and highlights a company that could benefit from the recently release film, *Avatar*.

The editor of Stealth Stocks says, "IMAX Corporation (NASDAQ: IMAX) is one of the world's leading entertainment technology companies, specializing in motion picture technologies and large-format film presentations." Here's the reasoning behind his buy recommendation.

"The company's principal business consists of large-format digital and film-based theater systems. The sale or lease of such systems to, or contribution of such systems under, revenue-sharing arrangements with its customers and the conversion of two-dimensional (2-D) and three-dimensional (3-D) Hollywood feature films for exhibition on such systems around the world.

"IMAX's theater systems are based on proprietary and patented technology. Its customers that purchase, lease or otherwise acquire their theater systems are theater exhibitors that operate commercial theaters, museums, science centers or destination entertainment sites.

"The company generally does not own IMAX theaters but instead licenses the use of its trademarks along with the sale, lease or contribution of its equipment.

"In 2002, IMAX introduced a technology that can digitally convert live-action 35mm films to its large format at a modest incremental cost while meeting the company's high standards of image and sound quality.

"In 2003, the company introduced IMAX MPX, a theater system designed specifically for use by commercial multiplex operators.

"The IMAX MPX system, which is highly automated, was designed to reduce the capital and operating costs required to run an IMAX theater, all without sacrificing image and sound quality.

"*Avatar*, a movie made in 3-D, was just released this Christrmas. Critics are saying that it could be the next *The Lord of the Rings*, only it uses a new kind of 3-D technology that is expected to revolutionize the movie industry, much as did sound and color did in the last century.

"High expectations are pushing theater chains around the world to invest in this new digital 3-D system. If *Avatar* is, in fact, a big hit, we're sure to see many more 3-D action films and many more 3-D theaters, which should increase IMAX's earnings sustainably.

"According to my numbers, IMAX should be selling in the low teens over the next three to five years. It is currently trading around $10, so IMAX has large upside potential. Place a sell stop at 25% below your entry price. As the stock rises, continue to raise your stop so that you are trailing the Friday close by 25%."

ImmunoGen (IMGN): John McCamant's top stock for 2010

"Out top stock pick for 2010 is ImmunoGen (NASDAQ: IMGN)," says biotech specialist John McCamant.

In his The Medical Technology Stock Letter, he explains, "The company's potent cancer-cell killing antibodies were developed for targeted delivery to tumor cells.

"Specifically, IMGN's TAP technology uses antibodies to deliver one of the company's proprietary cancer-cell killing agents specifically to tumors. These agents are 1,000 – 10,000-fold more potent than standard chemotherapeutics and are designed to be attached to antibodies using one of the Company's engineered linkers

"IMGN's lead drug candidate is T-DM1 which is Genentech's Herceptin with the addition of IMGN's powerful TAP technology.

"The company recently delivered positive Phase 2b data for TDM-1 in breast cancer patients that have failed all previous treatments. This positive data should allow the drug candidate to be filed for FDA approval in the first half of 2010.

"Adding to our enthusiasm is that Roche is also starting a single agent T-DM1 trial in adjuvant mBC, the biggest and most lucrative breast cancer market.

"This exceeds the expectations for most of Wall Street as they only expect sales for late-stage breast cancer, a much smaller market. We believe that Roche's ultimate goal is to gain approval of T-DM1 for all lines of HER2+ mBC, similar to Herceptin.

"In addition to T-DM1, five other compounds that make use of ImmunoGen's TAP technology are in clinical testing.

"In addition to the company's product pipeline, compounds utilizing the TAP technology are in clinical testing through IMGN's collaborations with Genentech (a wholly owned member of the Roche Group), sanofi-aventis, Biogen Idec and Biotest.

"IMGN's powerful platform technology is in itself a significant asset. In the past few years, there have been numerous premium buy-outs of companies that also have monoclonal antibody platforms.

"These buyouts have been sparked by the huge growth of anticancer antibodies such as Avastin, Rituxan, and Herceptin, all multi-billion dollar drugs.

"We believe there is a strong chance that someone steps up and buys IMGN at a premium in 2010 as they have what we believe to be the most attractive antibody platform available.

" T-DM1 is the cornerstone of IMGN's value and is likely be approved by the end of next year.Additionally, the market for T-DM1 appears larger than expected and the most recent data represents a major transformative and de-risking event for IMGN.

"IMGN is poised to create significant shareholder value in 2010 which will either drive the stock price higher or result in a premium buyout."

iShares Germany (EWG): ETF Investor's top fund for 2010

"iShares MSCI Germany (NYSE: EWG) has bounced back in 2009 from an especially rotten 2008," says exchange-traded fund specialist Mark Salzinger.

In his The ETF Investor's Report, he explains, "We think Germany's major export-oriented stocks are poised to perform well again in 2010, despite concerns about domestic spending.

"In 2009, iShares Germany gained 18.1% for the year through mid-December—after bounding up 78% from the March market lows. We think Germany's major export-oriented stocks are poised to perform well again in 2010, despite concerns about domestic spending.

"Besides, none of EWG's top 10 holdings (excluding utilities) generate more than 47% of their revenues in Germany. These companies are global leaders in their respective industries and should benefit from renewed worldwide economic growth.

"Many of these companies, like top holdings Siemens, Daimler and SAP, are especially attractive since their major products are in significant demand in rapidly growing emerging-markets countries—and none of them earn more than 20% of their revenue from Germany.

"Despite strong performance in 2009, EWG still has an attractive valuation. Its average price/book value (P/B) is about 1.9. This is considerably lower than that of iShares S&P Europe 350 (3.0 P/B) and iShares MSCI EAFE (2.7).

"EWG's portfolio holds about 50 stocks. Six sectors account for no more than 19% and no less than 11% of the portfolio (EWG does not have any energy exposure).

"Financials lead the way with about 19%, but the ETF also includes significant exposure to attractively valued industrials, consumer-discretionary and healthcare sectors."

iShares Silver (SLV): Gene Arensberg top ETF for 2010

"2010 will be the year that silver shines," says metals and mining specialist Gene Arensberg.
In his Got Gold Report, a specialty service from The Gold Newsletter, he says, "We believe that the metal-backed exchange traded fund iShares Silver Trust (NYSE: SLV) is a safe and convenient way for most investors to gain exposure to the silver market.

"When the general public becomes fully involved in gold, silver shines brightly ... for a time. At least it did so in the last public rush into gold which peaked about 30 years ago.

"SLV tracks the spot price of silver, less accumulated fees capped at 0.5% per annum. Since the exchange traded fund's inception in April, 2006, the trust has accumulated over 300 million ounces of silver.

"That is about 9,500 metric tonnes of bar silver held in ultra-secure soccer field sized vaults by a custodian in London. In December, 2009, the SLV silver stash was worth about $5.3 billion.

“Silver fell out of popularity until just recently, but we see that changing now. For more than 20 years, from 1980 to about 2003, investors all over the globe were conditioned by a weak silver price and not much joy of ownership.

"'Who cares?' sums up the public attitude before this bull market for silver began in 2003. Even now that attitude prevails among the same investing establishment that has grudgingly accepted gold as an investment class.

“During that long bear market for silver, government dishoarding of excess silver metal, metal left over from when governments actually had silver in their coinage, acted as a cap to the price.

"That excess supply from official sources is all gone now, but the effects of the artificial over-supply are only just now retreating.

“Silver stayed so low-priced for so long it made the second most popular precious metal difficult to mine profitably. Because of that, annual production of silver has not kept pace with increasing industry and investment demand.

"A factoid that some will find difficult to believe is that because prices for actual physical silver metal have been so cheap for so long, and because global industry consumes more silver each year than miners are able to produce, there is actually considerably less silver metal in existence than there is gold.

“Gold recently rose to new all-time nominal highs above $1,200 the ounce, but its sister precious metal has lagged so far. In fact it hasn't even gotten to half of where it did in the last bull market peak in January, 1980.

"Silver reached about $50 an ounce briefly then, but so far this cycle has yet to beat its May 2008 $21.44 pinnacle. That is with gold having bested its 1980 high of $850 by more than $350 an ounce. As such, we believe that silver has some serious catching up to do.

"“What is so enticing about the silver story is that it currently takes about 64 ounces of silver to buy an ounce of gold. That is called the gold:silver ratio. During the bull market for precious metals thirty years ago the ratio fell to about 16:1 or 16 ounces of silver to one ounce of gold.

"If gold simply stood still at $1,100 an ounce and the ratio were to fall to 1980 levels, silver would climb to about $69 an ounce. That suggests achievable upside for silver and SLV of nearly 4X from today.

“But wait, there’s more. Consider that compared to period of the last bull rush for precious metals the world has about 50% more people in it. Governments have inflated their fiat currencies since then by a factor of 10.

"World inventories of actual physical silver metal for investment have actually fallen to less than half of the amount that was available in 1980.

"Recently the government of China re-legalized the ownership of precious metals for its 1.3 billion people and is actually encouraging its citizens to accumulate them.

"The number of people of affluence and means in the developing countries like Brazil, Russia, China and India has increased exponentially in the last thirty years.

“So, we see the currently unloved silver market as ripe for an investment renaissance of epic proportions. Think about it.

"Today versus 1980 we have globally 50% more people who will be using 1,000% more dollars, yen, euro, pounds sterling, yuan, etc., to chase less than half as much silver metal in a world where anyone can buy a silver ETF with just a mouse click from their study, even in their underwear.

“Isn’t that a potent recipe for silver? We think 2010 could very well be the year that a global popular rush, a veritable tsunami of liquidity into silver gets underway in earnest as more and more people discover just how little of it remains above ground for investment. Our favorite way to participate is SLV.”

Jinpan Int'l (JST): Tracey Ryniec's top pick for 2010

"Jinpan International Limited (NYSE: JST), a manufacturer of transformers, is the top pick for 2010 from Tracey Ryniec.
The value stock strategist for Zacks.com explains, "The company is positioned to benefit from the trillions of dollars of government stimulus around the world, as much of it is going into infrastructure.

"China has been an investing hotspot for several years. Even the great recession of 2008 and 2009 did little to slow down investor interest as the Chinese government injected massive stimulus into its economy which has propelled growth.

"In 2009, the Shanghai Composite Index surged over 70%, far outperforming the stock markets of the United States and most of Europe.

"Questions abound about whether China is too hot to handle and is a bubble waiting to burst. But I believe investors should look at each company individually, whether it is in China or not.

"While macroeconomic and political issues shouldn't be ignored, some companies will be better suited to ride out any rough patches. One of those companies is Jinpan International, one of only two UL certified cast resin transformer manufacturers in the world.

"While it has its headquarters and manufacturing facilities in China and generates a majority of its business in China, Jinpan is actually an American company held by a British Virgin Islands holding company. It is also not a newbie on the Chinese stage. Jinpan has been in business since 1993.

"The company manufactures medium voltage transformers (10-25 kV.) That doesn't sound too glamorous, but the transformers are used in large infrastructure projects like factories and real estate developments as well as in municipal transportation projects like airports and subway systems.

"Jinpan is positioned to benefit from the trillions of dollars of government stimulus around the world, as much of it is going into infrastructure. International sales have been growing. In the third quarter, sales outside of China rose 40% to $8.1 million and accounted for 18.5% of net sales, up from 13% a year ago.

"International customers were ordering cast resin transformers for wind power applications, along with the more traditional orders for use in airports, subways, and data centers.

"Orders for wind applications were 18% of net sales in the third quarter. The company's recently opened Shanghai manufacturing facility now handles the growing wind energy products business.

"In October 2009, Jinpan expanded in the U.S. opening a New Jersey office and warehouse. Clearly, international sales are key to Jinpan's growth in 2010 and beyond.

"Despite a big jump in the stock in 2009 (what didn't rally in 2009?), Jinpan has attractive valuations. The company is trading at about 13 times forward earnings. It has a low PEG ratio of just 0.64. Analysts polled by Zacks project earnings growth of 42% in 2009 and, so far, just 3.19% in 2010.

"But the company has had two big earnings surprises in the second and third quarters of 2009 so there is reason to think that growth will be much hotter than current projections. Analysts are bullish on the long term outlook, expecting earnings growth to average 20% over the next 5 years.

"Jinpan has an excellent 1-year return on equity of 24.75%. The company also shows its support to shareholders by paying a dividend, unusual for a Chinese-based company, which is yielding about 0.50%."

Keegan Resources (KGN): Brien Lundin's top stock for 2010

"Gold will be the primary beneficiary of the massive bailout and stimulus plans enacted by not only the United States, but every industrialized nation across the globe," forecasts Brien Lundin.

The mining stock specialist and editor of The Gold Newsletter looks to a small gold exploration and development company as his top pick for 2010: Keegan Resources (ASE: KGN).

"Because of the deflationary influences of higher productivity, moribund economic growth and cheap labor in developing nations, we won't see the kind of price inflation that characterized the 1970s.

"But we will see galloping monetary inflation — or much more currency in circulation — and the result will be higher prices for assets such as commodities and equities.

"So if gold is going to lead the pack, what's the best gold investment? In my opinion, smaller gold exploration and development companies will offer valuable leverage to gold, and one of the best is Keegan Resources.

"Keegan controls the Esaase gold project, a major mine-in-the-making located in the investor-friendly nation of Ghana, in west Africa.

"The company has made quick work of the project, going from field exploration to drilling to resource definition and pre-feasibility studies in a span of just three years.

"Now, Keegan finds itself sitting on top of a near-surface, open-pittable deposit that contains 3.47 million ounces of gold according to the most recent resource estimate.

"As impressive as that total is, it has the potential to grow significantly larger. The outlined resource remains open both along trend and at depth, and it lies within a country that hosts some of the world's largest gold deposits.

"Whether Keegan can unearth a resource of similar size at Esaase remains to be seen, but most analysts feel the next resource estimate will show the total gold holdings to have increased to at least five million ounces.

"And with the company tying up new ground along trend, there's literally no telling how large this find could grow.

"Frankly, I don't expect Keegan to develop Esaase into a mine — that job will likely devolve to the major mining company that buys Esaase, or Keegan itself.

"The company's management team knows this as well, and they are guaranteeing the best price by advancing steadily toward production.

"Keegan was among the highest of the high flyers during gold's fall rally. Although the share price has therefore come back fairly hard during the subsequent correction, the closing of a recent financing essentially opened a door to potential take-out offers for the company.

"While I know of no indications that any offers are forthcoming, there is the possibility that a bid, or a bidding war, could emerge at any time. In light of this, and considering the dip in its share price, Keegan is one of my top gold stock recommendations."

Kinder Morgan (KMP): Daily Paycheck's top pick for 2010

For her top pick for 2010, income specialist Amy Calistri looks to Kinder Morgan Energy Partners L.P. (NYSE: KMP).

The editor of The Daily Paycheck explains, "I always look for the gift that keeps on giving; that's how I view this master limited partnership, which produces a steady stream of income each and every quarter.

"Kinder Morgan Energy Partners is one of the largest owners and operators of energy-product pipelines and storage facilities in the United States.

"Formed in 1992, KMP is structured as a publicly-traded master limited partnership (MLP). MLPs are an important asset class for income investors because they are legally required to distribute most of their taxable income and cash flow to shareholders (known as 'unitholders').

"KMP's extensive pipeline systems carry products such as gasoline and heating oil from the Gulf Coast to the East and West Coasts.

"KMP also owns and operates a network of carbon-dioxide (CO_2) pipelines, which are used in a process known as enhanced oil recovery. These pipes carry CO_2 to old oil fields where it is injected into the fields to increase productivity. These enhanced recovery techniques become more popular as oil prices rise.

"And KMP is continuing to grow its pipeline revenues through expansion. This past November , the Rockies Express Pipeline became fully operational.

"KMP owns a 50% stake in the 1,679-mile project, which carries natural gas from the Rocky Mountains to the Pennsylvania/Ohio border.

"Although KMP is an energy-related company, its revenues are relatively insensitive to energy prices. The partnership earns fees based on the amount -- not the price -- of gas, oil or refined products it processes and transports.

"Many of its interstate pipelines charge rates that are regulated by the Federal Energy Regulatory Commission. These regulated rates are set to allow Kinder Morgan a steady, reliable return on invested capital.

"Further, the partnership has already locked in guaranteed capacity from a few shippers on its pipes. KMP appears to be on track to not only deliver, but also continue to grow, its distributions.

"And when it comes to distributions, KMP has a stellar track record, having made quarterly payments like clockwork since October 1992.

"KMP also has a very consistent record of dividend growth, boosting distributions nearly every year since its inception. The partnership has increased its distributions at an annualized rate of +7.5% in the last five years alone.

"KMP currently pays a quarterly dividend of $1.05 per unit, equivalent to $4.20 per year for a yield of approximately 7% at current prices. It should be noted that MLPs are best held in taxable accounts as most of their distributions are classified as 'return of capital'."

Legend International (LGDI): Mark Leibovit's top stock for 2010

Mark Leibovit uses a proprietary technical trading system known as volume reversal analyst; over time his buy and sell signals for the market has led to one of the top rankings among market timers -- including being ranked timer of the year in 2006 by *Timer Digest*.

He also uses this system to highlight trades among individual stocks -- such as his top pick for 2010: Legend International Holdings (Other OTC: LGDI). Here's the latest from his VRTrader.

"Legend International Holdings, Inc. engages in the exploration and development of mineral properties. It principally focuses on the development of its phosphate deposits located in the Mt. Isa district, along the margin of the Georgina Basin of Queensland, Australia.

"The company also owns interests in diamond and base metal projects located in Northern Territory. Its exploration licenses cover 40,525 acres in Queensland and 4.7 million acres in the Northern Territory, Australia.

"Legend International Holdings has a strategic alliance agreement with Wengfu Group Co. Ltd. The company was formerly known as Sundew International, Inc. and changed its name to Legend International Holdings, Inc. in March 2003. Legend International Holdings was founded in 2001 and is based in Melbourne, Australia.

"Our technical target for the shares is a move to $2.25-$2.50."

Level 3 Communications (LVLT): Gene Inger's top stock for 2010

"Our bias has again shifted temporarily to the bearish side, which makes me cautious about picking stocks in early 2010," says Gene Inger. With that caveat in mind, the editor of The Inger Letter looks to the Level 3 Communications (NASDAQ: LVLT), s speculative, low-priced issue.

"We owned this stock years ago and when Level 3 bought Broadwing we got stock and cash; thus solid profits years ago or zero-cost basis on Level 3 shares.

"After pundits hyped it (at triple current prices) the stock has dropped to an area of attractiveness. One caution: from sub-$1 levels during our forecast market panic a year ago, the shares have doubled; thus it's not impossible that 'capital gains taking' could suppress the stock somewhat early-on in the new year.

"Thus our buy-zone will be particularly wide; such as between 90 cents and $1.30 or so. One may elect to pay more and scale-in; though we'd prefer to buy in on pullbacks.

"Meanwhile, we note that their ability to service their debt should not be an issue presently; so we are interested to see what they do over the next year or two; not past 2012.

"Our original interest in Broadwing -- now absorbed by Level 3 -- was the all-digital-optical as well as transcontinental (now to Europe as well) fiber system.

"This system has no latency as still is common with satellite and many other systems (including most fiber networks).

"On top of that mobile carriers are increasingly looking to 'backhaul alternatives' to meet their increasing bandwidth needs, which should increasingly result in offloading to fiber backhaul systems.

"The low latency is a reason why most sports and news networks are using Level 3 (two-way conversation reveals latency, whereas one-way conventional transmission doesn't) for their HDTV broadcasts, and we believe that will increase in importance as 3D arrives eventually.

"Additional pluses in the fullness of time include bandwidth requirements in the Cloud Computing area; digitized medical record keeping; military uses (they have certain key Federal accounts) and certainly the growth of telecommunications in-lieu of physical travel.

"In the sense that reduced physical, and increased optical transport, is efficient; that's actually a bit of a 'green' story as well."

Longtop Financial (LFT): Timothy Lutt's top stock for 2010

"Longtop Financial Technologies (NYSE: LFT), our top pick for for 2010, was the first Chinese software company to list on the NYSE when its ADRs began trading in October 2007, and we're impressed by the progress made since then," says Timothly Lutts.

The editor of Cabot Stock of the Month Report explains, "Financial services industries are booming in China, and Longtop is a great way to benefit. We've long maintained that watching China's growth in recent decades has been like watching a video of American history ... but played at fast-forward speed.

"The transition from farming to industrial production was accomplished in one generation (in part by following the U.S. roadmap) and now the country is entering into the software era.

"Longtop Financial Technologies was founded in 1996 as a financial systems integration company, but made the transition to software and solutions in 2001.

"Today it's the #1 developer of banking software in China and the #2 developer of software for the insurance industry. And now it's breaking into the securities industry; Longtop announced its first contract there in November.

"Longtop's main customers are banks; they accounted for 82% of revenue in the latest quarter. And its biggest bank customers (no surprise) are the 'Big Four' banks of China. These are the Industrial and Commercial Bank of China, the Bank of China, the China Construction Bank, and the Agricultural Bank of China.

"These four banks together hold more than 65% of domestic market share. For Longtop, three of them (it's working to get business from the fourth) accounted for 48% of revenues in the latest quarter.

"In China, of course, the banks are healthy -- none have gone bankrupt, or been bailed out by the government. And none are expected to. Yes, business has slowed a little, but the future is still expected to bring great growth. And as the banks grow, Longtop will, too.

"In addition to banks, Longtop serves the insurance industry and the financial departments of major non-financial companies, and there's no reason those won't grow, as well. But banks are the company's bread and butter and will be for the foreseeable future.

"Furthermore, Longtop, which spends 5.8% of revenue on R&D, has new projects starting frequently. Recent announcements include projects on anti-money laundering, e-banking, financial testing solutions, financial risk management and data warehousing.

"And then there are acquisitions. Longtop completed the acquisition of Sysnet in second quarter, and it's currently working on an acquisition that would be its biggest yet.

"Technically, Longtop's stock chart is encouraging. After coming public in October 2007 at 18, it peaked at 35 and then drifted slowly down over the next year (with the market), bottoming at 10 1/2 in November 2008. By late February, it had recovered to 15, and that's when the big move of 2009 began that took the stock to a high of 38.

"Currently, it's digesting that advance; it may pull back as far as 32, where we now find the 50-day moving average. And if it does I recommend that you treat the pullback as a buying opportunity.

"While the American banking industry struggles, the Chinese banking and financial services industries are booming, and Longtop is a great way to benefit from that boom."

MannKind (MNKD): Nate Pile's top stock for 2010

"My top stock pick for 2010 is MannKind Corp. (NASDAQ: MNKD), which is developing a a novel formulation of inhalable insulin called Afresa," notes Nate Pile.

In his Nate's Notes newsleter, he explains, "I would emphasize that while the stock must be considered speculative until the FDA delivers a ruling in mid-January of next year, I believe the clinical data that has been submitted by the company is likely to warrant approval.

"Inhalable insulin has admittedly been a losing proposition for other companies that have attempted to play the game over the years.

"However, I believe that MannKind's unique approach to the situation will not only help the company win approval for its drug, it will also allow the company to experience a surprisingly strong rollout of the product if/when it is finally approved.

"In addition to developing a drug that has a far more favorable clinical profile that the last inhalable insulin product to be approved (Exubera, in 2006), MannKind has also leveraged its engineering expertise to develop a vastly superior mechanical device for delivering the powdered insulin to a patient's lungs.

"The stock took a hit a few months ago when it was announced that the company would not be signing up a marketing partner for Afresa prior to the drug's approval.

"However, it has been my contention all along that it was most likely Alfred Mann (already a billionaire a couple of times over thanks to past successes with start-up companies) who walked away from any potential deals, not the other way around.

"And given how the stock has responded following the dip, it appears that the rest of Wall Street may be coming to its senses around the issue as well.

"Assuming the drug gets approved, it would not surprise me at all to see a marketing deal announced shortly thereafter, most likely on much better terms than the company would have received had it signed an agreement pre-approval.

"Along with this lead product, MannKind is also working on next generation products for not only diabetes, but for other metabolic disorders as well.

"In addition, the company is also doing a lot of work in the oncology arena, and as time goes by, we believe the company has the potential to grow significantly as it leverages its expertise in all three areas it is doing work.

"With the caveat that the stock is likely to tumble sharply if the FDA denies approval of Afresa next month (and thus needs to be considered 'speculative' by all who by it ahead of the ruling), I believe MannKind currently represents one of the best risk-reward ratios among all the stocks I follow. MNKD is considered a strong buy under $9 and a buy under $12."

Matthews Asia Dividend (MAPIX): Mark Salzinger's top fund for 2010

"Though most investors do not associate Pacific-Rim investments with high dividend yields, Matthews Asia Dividend (MAPIX) could change their perception," says Mark Salzinger.

In his No-Load Fund Investor, he looks to this fund, which he notes recently offered a dividend yield of approximately 4%.

"The fund recently offered a dividend yield of approximately 4%. Managers Jesper Madsen and Andrew Foster seek to fill this fund with dividend-paying stocks of companies.

"The managers select stocks throughout the Asia-Pacific region, including Japan, China/Hong Kong, Taiwan and recently at least eight other Asian countries. Though dividends did not protect investors in American stocks from the carnage in 2008, they appear to have reduced losses for investors in Asian equities.

"Matthews Asia Dividend (formerly known as Matthews Asia Pacific Equity Income) fell only 26% in 2008, vs. 42.2% on average for the funds in Morningstar's Diversified Pacific Stock category. So far in 2009 (through Dec. 14), Matthews Asia Dividend has gained a whopping 48.1%, vs. 31.1% for its peers.

"That means the fund did about 16 percentage points better than average in a down year, and has done about 17 percentage points better in the bull market so far in 2009!

"The Matthews funds specialize in attempting to form portfolios of 'indexes of the future' in Asian markets. In other words, they seek exposure to publicly traded companies in sufficient quantities to represent a picture of Asian economies as they are likely to develop over time, not as some index developer imagined them to be several years ago.

"So, compared to existing indexes of Asian stock markets, the Matthews funds tend to devote more of their assets to consumer stocks and midsize and small-cap companies, and less to big exporters and other famous companies.

"Matthews Asia Dividend is available directly from Matthews Funds (800-789-2742; matthewsfunds.com) as well as no-load at various fund supermarkets."

Medifast (MED): Mike Turner's top pick for 2010

"My number one stock pick to start 2010 is Medifast Inc. (NYSE: MED), a weight and disease management company," says Mike Turner.

The editor of Mastering the Markets explains, "The stock has skyrocketed from the $5 area to over $30 in just the last nine months." Despite the gains, the advisor remains bullish on the stock's prospects.

"My proprietary analysis software rates this stock as a fundamental 'Strong Buy,' with an overall score of 145 out of 200 -- one of the highest rated stocks in my database.

"With regard to Medifast's fundamentals, I like the following:

1 • The quarter-over-year-ago-quarter revenue growth rate of 45%. This is nearly twice the peer group average for MED.
2 • Quarter-over-year-ago-Quarter Earnings Growth Rate of 14%, which is above the average of its peer group.
3 • Its 5-year average annual sales growth is nearly 33%, almost 3 times the average of its peer group.
4 • Its 5-year average annual net income is over 18%, compared with 14.41% for its peer group.
5 • I consider any return on equity (ROE) of more than 15% as excellent. MED's ROE is over 23%, more than twice its peer-group average.

"From a technical analysis perspective, my program gives Medifast a score of 75 out of a maximum of 100. This places MED in the top 10% of the stocks I watch, and very near the top of that group. Specifically, I like the following:

1 • The price trend for shares of MED has been moving higher for better than nine months. This trend is well above my system's trend-line and well above MED's 200-day moving average. This is indicative of a strong technical trend that shows no signs of abatement.
2 • Institutional ownership is at 30% -- a large-enough chunk to convince me that the big traders believe this stock is heading higher.
3 • The average share price of all the stocks in Medifast's Industry (Medical Equipment and Supplies) and sector (Healthcare) is moving higher. This is an indication that more money is likely moving in than moving out, helping to put upward pressure on MED.

"Disclosure: Mike Turner owns shares of MED either personally or via his managed account portfolio."

Mindray (MR): Alan Newman's top stock for 2010

"Mindray Medical International Limited (NYSE: MR), a China-based medical devices firm, is our top investment idea for the coming year," says Alan Newman.

In his CrossCurrents newsletter, he notes, "The company is headquartered in Shenzhen, China and is one of many Chinese companies now specializing in the development, manufacture and marketing of medical devices worldwide.

"Its products range from patient monitoring units to in vitro diagnostics for bodily fluids, analyzers for same, ultrasound systems and digital radiography systems.

"The company has been around less than 20 years. It has operations in North America, Europe, China, and other Asian countries. Growth has been excellent. Revenues increased 57.5% in 2007 and 79% in 2008. In the same span, net income rose 74.9% and 34% respectively.

"The forward P/E is estimated to be 23.8. An $0.18 dividend was paid in March 2008 and a $0.20 dividend was paid in March 2009.

"Like most companies, the shares were crushed in the autumn swoon of 2008 that gripped world markets, but bottomed in late November 2008 and remained on a steady incline until mid-August 2009, rising roughly two-and-a-half fold.

"The shares have since consolidated quite well, trading in a narrow range while our charts suggest accumulation by smart money.

"We believe the stock is a buy at current levels and would not at all be surprised to see the October 2007 peak of $45.19 challenged and exceeded in 2010."

Monsanto (MON): Street Smart's top stock for 2010

"Monsanto (NYSE: MON) is my top investment idea for 2010," says Sy Harding, an advisor well-known for his seasonal timing strategies.

In his Street Smart Report, he observes, "Monsanto is the world's leading provider of biotech-advanced seeds and agricultural products for growers; seeds for corn, soybeans, cotton, fruit, and vegetables, which are produced by its genomics division.

"Monsanto experiences high grower demand for such seeds, which are genetically engineered to provide increased crop yields, increased quality, insect and disease resistance, and drought tolerance.

"The company recently introduced two new products, SmartStax for corn, and Roundup Ready-2-Yield soybeans, which are potential drivers for significant growth going forward.

"The company said it expects to plant 8 to 10 million acres of Roundup Ready-2-Yield soybeans in 2010, along with a more than 4 million acre launch of SmartStax seed corn, both significantly higher than earlier projections for the new products.

"The company has also introduced two versions of a lower cost genetic corn seed, VT Double Pro, and VT Triple Pro.

"The goal of those products is to let growers test the advantages of farming with genetically engineered seeds without having to move all the way to the higher-priced SmartStax seeds.

"The lower price products were introduced in anticipation that the growers will be so impressed with their extra yield, quality, and profits that they will move up to SmartStax the following year.

"he company invests roughly 10% of revenues back into research and development of new products, and has also demonstrated an ability to make meaningful acquisitions, which in recent years have included DeKalb, Asgrow, and DeltaPine, which add to its technology and product base, while at the same time eliminating some competitors.

"The company has received import approval for its Roundup Ready-to-Yield soybeans in China, which potentially will result in demand from growers in South America, who export large quantities of soybeans to China.

"The risks include that consumers are not completely sold on genetically altered foods, and growers will only grow from biotech-advanced seeds that percentage of their crops that they know they can sell. And of course Monsanto's sales are influenced seasonally by weather and commodity grain prices.

"We believe higher prices lie ahead for MON. Our upside target is $100 a share. We suggest a trailing 'mental' protective stop at $69.40."

National Cinemedia (NCMI) Nathan Slaughter's top stock for 2010

"Moviegoers represent a captive audience that can't change the channel or block a pop-up ad," observes value investor Nathan Slaughter.

In his Half-Priced Stocks, he suggests, "We expect more companies than ever before to spend ad dollars on theater ads, leading to a banner year for National CineMedia (NASDAQ: NCMI)."

"Coping with last year's painful recession was tough. To compensate for the lack of cash coming in, virtually every company went into cost-cutting mode.

"Unfortunately, the axe fell hard on advertising budgets. These deep cutbacks have helped many firms remain above water, but they are only a temporary solution. We've reached a point where businesses in every industry will soon be forced to aggressively reach out to new customers, or risk falling behind the competition.

"But advertisers will be smart and demand the most bang for the buck, which plays right into National CineMedia's hands. Because theatre advertising is far more effective than other mediums, National CineMedia commands premium rates and is attracting new clients.

"If you've been to the movies lately, chances are you were one of the 700,000 people to see the firm's exclusive 'First Look' content while waiting for the show to start.

"National CineMedia dominates the cinema advertising market, having locked up 30-year agreements with leading exhibitors like Cinemark and Regal Entertainment.

"TV and magazine ads are little more than a distraction, but the theatre is a whole different ballgame. Studies have shown that 73% of theatre visitors can recall the commercials they saw, versus a mediocre television retention rate of 13%.

"Not surprisingly, advertisers are willing to pay extra to get their message out through this medium. Theatre ad rates run 1.3 times those of primetime TV broadcasts -- are premiums are even higher in more mature markets like Europe.

"In-theatre advertising is still in its infancy. With annual revenues of just $500 million, it only accounts for a two-tenths of 1% drop in an overall $280 billion advertising bucket.

"But that is changing rapidly. The industry has been expanding at an impressive +24% annual clip. And with media spending shifting towards digital platforms, National

Cinemedia has been adding names like Lexus, Visa, E*Trade and Carnival Cruise Lines to its growing client roster.

"Keep in mind, theatre partners pay for their own digital projection equipment, so ongoing expenditures are minimal and sales growth should scale nicely to the bottom line."

Nabi Biopharmaceuticals (NABI): Dave Dyer's top stock for 2010

"Nabi Biopharmaceuticals (NASDAQ: NABI) is a small $250 million market cap company has a unique product with obvious benefits for a giant market," says growth stock specialist Dave Dyer.

In his Dave Dyer's Newsletter, he explains "The company has developed a vaccine against nicotine. Smoking is the world's largest preventable cause of death, but current treatments are ineffective because it is so easy to relapse.

"Nicotine is addictive and that next cigarette will provide a dose of it no matter what program or treatment you have been on. Failure rates for treatment can be as high as 95%. And, the existing competitors are ineffective.

"NABI has developed a vaccine against nicotine that makes it impossible for the nicotine molecules to reach the nicotine receptors in the brain; you can still smoke if you want but you won't get any pleasure from it and you can't get addicted to it.

"The vaccine produces an antibody that attaches to the nicotine molecule and makes it so large that it can't pass through the blood/brain barrier to reach the nicotine receptors.

"The vaccine is given in a shot that is effective for one year and there don't seem to be any negative side effects. It is harder to relapse because the addictive power is blocked for a year.

"Most of the analysis and testing has been done on using this product to help people stop smoking, but I think the far larger opportunity is to use it to prevent smoking in the first place.

"Who would not want their kids to have this vaccine? They would take it once a year like flu shot. Also, since smoking causes so much medical expense, I can easily imagine the insurance companies providing large discounts to people who take the vaccine.

"The product is currently in Phase III clinical trials and NABI has cut a $500 million marketing deal with Glaxo SmithKline that depends on final FDA approval and other milestones.

"There is always a chance that it will not pass, but I'm willing to take that risk. And, the existing competitors are ineffective."

Noble (NE): Charles Mizrahi's top stock for 2010

Value investor Charles Mizrahi looks to Noble Corporation (NYSE: NE) as his top investment idea for the coming year.

In his Hidden Values Alert, the advisor offers his bullish assessment for the company, a Cayman Islands-based company involved in offshore drilling contracting for the oil and gas industry.

"Noble Corp. has a fleet of 63 mobile offshore drilling units located worldwide. Its fleet consists of 13 semisubmersibles, four dynamically positioned drillships, 43 jackups and three submersibles. The fleet count includes five units under construction.

"Some 87% of its fleet is deployed in areas outside of the United States, principally in the Middle East, India, Mexico, the North Sea, Brazil, and West Africa.

"The company generated more than $1.6 billion in free cash flow over the past twelve months. NE has a $9.6 billion backlog that goes all the way out to 2016. It employs very little leverage and returned a hefty 29% return on equity.

"Overall, Noble is a well-run business, and a price of $42 or lower per share represents a very good value.

"If Noble Corp. can grow its earnings at only 5% per annum and maintain a price to earnings multiple of 9, then the stock will handsomely reward investors during the next five years."

Oceaneering International (OII): Brandon Clay's top stock for 2010

"Oil recently suffered a pullback, but we think it's temporary," says Brandon Clay, who turns to the oil sector for his top pick for 2010.

The editor of Invest with an Edge suggests, "One stock that should pull out of congestion when energy moves again in 2010 is Oceaneering International (NYSE: OII), a company involved in deepwater drilling services.

"The Texas-based oil and gas services company gets most of its revenue by providing goods and services to companies that are drilling for oil and gas offshore. One of their specialties is deepwater remotely-operated vehicles (ROVs), or 'robots' in layman's terms.

"Oceaneering has turned a profit every year since 1999, including a record $3.65 a share in 2008. Analysts are forecasting a drop to $3.38 a share for 2009, but they also expect a nice rebound to $3.51 a share in 2010.

"The shares still appear inexpensive at just 16 times forward earnings. The firm's balance sheet is in good shape with just $140 million in debt and nearly $96 million in free cash.

"Oceaneering fills a unique niche in its industry. They help oil and gas explorers drill in deep water locations hundreds of miles offshore. Its services are expensive, but producers like Chevron and ExxonMobil have little choice if they want to replace their reserves.

"OII is in a market sweet spot. For an indirect play on rebounding crude prices, go with oil services performer Oceaneering International."

Otelco (OTT): Neil George's top stock for 2010

"Why try to guess what the S&P, gold, the dollar or anything else might do in 2010 when you can invest sure and simple in a proven utility company that pays you to own it?" asks Neil George.

In his Stocks that Pay You, he looks to Otelco (NYSE: OTT), an Alabama-based phone company, as his top investment idea for 2010.

"Why make a bet that can go bust when you can sit back and own a very simple company that year after year keeps sending nice fat checks your way every quarter.

"Otelco's headquarters are just like they should be - simple and austere. No fancy facades and no fancy executive suites and board rooms. In fact, there isn't even a garage for the executive limos - as there aren't any limos - just company trucks.

"The company operates the core of utilities that include telephone lines, wireless services, broadband internet, cable and other television services to homes and businesses in very select rural markets in Alabama, Maine, Massachusetts, Missouri and West Virginia.

"The core of the company has been in its original markets since the early part of the last century and has a very reliable, steady - if not completely sticky customer base that keeps its services, expands its services and most importantly keeps paying for its services year after year.

"While its peers focus more on dealmaking, Otelco keeps its focus on generating more cash from its base businesses resulting in average annual revenue growth running at an average 20%+ rate. And from keeping management and other costs down; its operating margin is equally impressive at a fat 27%.

"And it's ready to deal with anything that the markets or the economy might throw at it with ample cash and reserves as its quick and current ratios are running at a very flush and ample 2.1 and 3.1 times.

"All of this comes as the company came to public market years ago with its prime focus on the shareholder. It structured its shares as a combination of half common stock and half corporate bond.

"The deal is that as a shareholder you get the surety and security of being a bond holder as well as the growth of being a common stock investor in one security.

"The dividend is amply covered and is paid every quarter at 42 cents being made up of the interest on the bond and from earnings from the common. That works out to a current 12% yield on your money.

"This is how over the past five years alone even with plenty of market gyrations - investors have averaged over a 66% return while those betting on the S&P 500 barely scraped up a return of just over 2%."

Peabody Energy (BTU): Hannah Choe's top 2010 stock

"Peabody Energy (NYSE: BTU), the world's largest coal producer, is my top pick for the coming year," says Hannah Choe.

The contributing analyst with Personal Finance explains, "Demand for coal, particularly from the Pacific Rim, China and India, is rebounding as the global economy recovers.

"The company reported better-than-expected third quarter earnings, primarily because of a lower costs associated with US operations, increased volumes of metallurgical coal, and strong trading results.

"Net income and revenue were down 71% and 12%, respectively, hurt mainly by lower US demand. But despite a difficult economic environment, Peabody expanded US margins and shipped record volumes of coal in the third quarter.

"Although demand from Japan and South Korea hasn't bounced back as strongly as it has in the early stages of prior recoveries, China has more than made up for this shortfall, emerging as a top coal importer.

"In the first nine months of 2009, Chinese imports of thermal and coking coal rose 167% and 400%, respectively. And India will rely heavily on coal imports over the next five to six years to feed its rising domestic consumption of electricity.

"Peabody CEO Greg Boyce anticipates that China will grow by 8% and India will grow by 6% in 2009, with even more impressive rates in 2010.

"As a result, management projects markets for metallurgical and thermal coal to have a 7.5% compound annual growth rate in the next five-plus years as demand for steel and coal-fueled electricity rise.

"As of mid-October, Peabody committed 3.3 million tons of coal for China deliveries in 2009, more than 1.7 million tons coming from its Australian operations. This demand from Asia should push Australia's coal sales to 21 million to 23 million tons this year.

"Peabody's US sales declined, in part due to recession pressures; cooler weather and rising use of natural gas also crimped results. This combination of trends has led management to adjust 2010 product projects 15 million tons below 2008 levels.

"Although US numbers are weak, third quarter sales from Peabody's Australia operations climbed 30 percent from the second quarter, driven by surging demand in China and India.

"The Australia unit projects sales of growth of 15% for 2010 over 2009 levels; Peabody actually plans to double exports from Australia over the next five years.

"As part of its shift in focus to Asia, Peabody established a trading hub in Singapore and a new business center in Indonesia during the third quarter. Based on emerging Asia's rapid turnaround, Peabody forecasts higher prices for thermal and coking coal in 2010.

"Green energy is gaining popularity but coal remains king-half of the electricity generated in the US comes from it, and emerging markets want it, too. Global coal use is still expected to grow by 55% by 2025, and Peabody Energy is well positioned to profit."

PepsiCo (PEP): Jim Stack's top stock for 2010

"PepsiCo (NYSE: PEP), my top pick for 2010, remains underrated by the market," says Jim Stack.
The money manager and editor of InvesTech Market Analyst suggests, "All too often, it's viewed as a stodgy soft drink company, fully reliant on its namesake soda line. That's a misconception." Here, the sets the record straight.

"In reality, PepsiCo owns some of the most sought after brands in the world, including Gatorade, Tropicana, Frito-Lay, and Doritos. It does business in more than 200 countries worldwide, including key emerging market economies like China and India.

"Perhaps most important of all, it's a growth company with analysts expecting long-term future earnings growth of 10-12% per year.

"In recent months, PepsiCo has taken another major step forward with the pending acquisition of its two primary bottlers – Pepsi Bottling Group and PepsiAmericas.

"The acquisition provides the potential to eliminate an estimated $500 million to $1 billion in redundant costs. If those cost savings are transferred directly to the bottom line, shareholders could see a significant increase in net income of 10% to 20%.

"Of perhaps even greater benefit, the purchase brings 80% of North American beverage distribution 'in-house.' This move will bring management one step closer to its final customers – injecting a level of flexibility into operations not often seen with a company of PepsiCo's size.

"The acquisition further ties together the Pepsi story – a well run company with market leading growth positions and an attractive valuation.

"The executive suite neatly combines the beverage 'megabrands' such as Pepsi, Gatorade, Tropicana, and Mountain Dew with the world's largest snack food company, Frito-Lay.

"Management then leverages these brands into international growth markets such as Latin America and Asia where sales volume increased more than 20% in 2008, and despite the most challenging world economy in decades, has seen high single-digit growth so far in 2009.

" On top of all this, Pepsi is currently trading at valuation levels not seen in 15 years. And although it's a growth company, Pepsi still offers the dividend yield (3.0%) of a stalwart.

"Bottom line, Pepsi remains underrated by the market in general, and the bottler acquisition only enhances the company's outlook."

Perfect World (PWRD): Alex Kolb's top stock for 2010

"Perfect World Company Ltd. (NASDAQ: PWRD), an online game developer and operator, is my top investment idea for 2010," says Alex Kolb.
The growth & income analyst for Zacks.com explains, "Chinese stocks have been on fire lately and Perfect World Co., Ltd. is no exception. And the company's fundamentals point to even stronger momentum in 2010.

"The company develops online games based on its game engines and game development platforms. Perfect World's games include massively multiplayer online role playing games ('MMORPGs') such as *Perfect World*, *Legend of Martial Arts*, *Perfect World II*, *Battle of the Immortals* and *Fantasy Zhu Xian* to name a few.

"Perfect World says that a substantial portion of the revenues are generated in China. However, its games have been licensed to leading game operators in a number of countries and regions in Asia, Europe and South America.

"The company also generates revenues from game operation in North America and plans to continue to explore new and innovative business models.

"Competitors like Shanda are also performing extremely well, an indicator that online role playing games are very popular and should continue attracting more players in 2010.

"PWRD shares have soared by more than 120% so far in 2009, surpassing the major averages by more than 100%. Despite the significant surge, the stock is attractively price with a forward P/E of 14.

"Perfect World's fundamentals point to even stronger momentum in 2010. Analysts polled by Zacks currently have 2010 earnings pegged at $3.66 per share. The forecast is up from $3.45 over the past 2 months and compares favorably to the current 2009 Zacks Consensus estimate of $2.90.

"If history is any indication, earnings will exceed forecasts. Since 2007, Perfect World has consistently topped earnings expectations. Earnings surpassed estimates by an average of 31% over the past 4 consecutive quarters.

"The company is expected to see 33% earnings growth over the next 3 – 5 years, well above the industry's expectation of 18% growth. Other strong industry comparisons include Perfect World's return on equity (ROE) of 55.5%, versus the industry average of 2.5%.

"The company boasts a net profit margin of 47%, while the industry average is in the negative. It is also worth noting that Perfect World sports a solid balance sheet, showing no debt.

"The company saw robust results in the third quarter. Earnings per share of 81 cents came in 8% ahead of the Zacks Consensus Estimate. Total revenues jumped 13% year-over-year.

"Management mentioned that third-quarter results exceeded the company's expectations, adding that Perfect World continues to strengthen its competitive advantages in the industry by strategically crafting a highly diversified portfolio of truly differentiated games.

"Recently, the company introduced a new 3D fantasy MMORPG, *Forsaken World*. Management explained that this game breaks new ground in terms of overall planning, programming and graphical designs."

PMC Sierra (PMCS): Marcie Wilmot's top stock for 2010

"PMC Sierra (NASDAQ: PMCS), my top pick for 2010, was a high-flying star during the telecom boom of 1999-2000, but crashed as the bubble of demand burst in 2001," notes Marcie Wilmot.

The contributing editor to Next Inning, a tech-savvy newsletter, suggests, "While it was rough sailing for PMCS after this crash, the company re-cast its business and operating models and is now successfully focusing on high-growth markets where it could leverage its core differentiation.

"The net result has been very impressive revenue growth and strategic penetration into markets such as FTTx, Wireless back-haul, Networking, Storage and High-end Printing.

"While PMCS fell 6% short of reporting a post-crash revenue record for calendar Q3, it set a new post-crash non-GAAP operating profit margin record at 27.3%. This tells us that during the last year PMCS has taken steps to notably improve the leverage provided by its operating model.

"I believe it also supports my contention that PMCS is well poised to continue topping the earnings consensus of the covering analysts as it has during each of the last three quarters.

"In looking to 2010, I believe we'll continue to see strong growth from the market sectors noted above with very notable upsides generated by both PMCS' RISC processor business with Hewlett-Packard (high-end printers) as well as from its storage business where it sells products to virtually all the major tier one players.

"Based on this view, even in my most conservative model, this leads me to believe PMCS will report non-GAAP earnings in 2010 of $0.60, slightly above the current $0.57 consensus and aligned with the highest estimate provided by the 10 analysts covering the stock.

"In my estimation, when coupled with the net cash value listed on PMCS' balance sheet of $0.94 per fully diluted share, this justifies a current fair value price in the range of $10.62 to $11.42.

"While that is only a modest upside from its current price in the mid-$8 range, a year from now when we're looking at what I believe will be a notably higher estimate for

PMCS forward earnings in 2011, I think PMCS will merit a fair value price that is somewhere in the mid-teens."

Powershares US Dollar Bullish (UUP): Alex Green's top ETF for 2010

"When extreme valuations are accompanied by unbridled optimism or abject pessimism, it virtually always marks a turning point – and an opportunity; and this is no exception," says Alex Green, referring to the US dollar.

Here, the senior investment advisor to The Oxford Club and InvestmentU looks to PowerShares DB US Dollar Index Bullish ETF (NYSE: UUP) as a favorite idea for the coming year.

"We all know the dollar is in the cellar right now and also know why it is expected to continue right through the basement floor:

1) Massive budget and trade deficits

2) Ultra-low interest rates. (Zero on the short end.)

3) $59 trillion in unfunded liabilities for Social Security, Medicare and Medicaid.

4) Bernanke conjuring extra trillions out of thin air to buy Treasuries and mortgage-back securities and patch various holes in the U.S. economy.

"There is no reason to believe any of these problems will vanish in the months ahead. Yet the dollar will soar in 2010. Why? Two reasons:

"First, all of the problems mentioned above are already well recognized and priced into the greenback. Second, dollar psychology is overwhelmingly bearish.

"Just as 10 years ago investors couldn't imagine internet stocks doing anything but soaring higher and five years ago they couldn't imagine real estate doing anything but barreling down the same one-way street, record lows for the dollar are coinciding with enormous confidence that the dollar has nowhere to go but down.

"Commentators seem to forget that all currency values are contingent. You can't just look at fundamentals here. You have to look at them abroad, too. And there isn't much out there right now that's terribly positive.

"In the third quarter, for example, the 16-nation euro-zone grew at a 1.5% annual rate. The U.S economy, by comparison, grew at 3.5%.

"European consumers and most business sectors are still feeling the pain from the deepest recession since the 1930s. The continent is likely to be the weakest region for global expansion next year, according to Julian Callow, chief European economist at Barclays Capital in London.

"The U.K. is no bastion of strength, either. Europe's biggest economy outside the euro zone is still in recession due to overly indebted British households and tight credit. British GDP contracted at an annualized 1.6% in the third quarter.

"How about Japan? It has its own problems. At 172% of gross domestic product, Japan's government debt is by far the largest among rich nations.

"The ratio is expected to reach 200% next year – and hit 300% within a decade. Rising social security costs and the weak economy are the primary culprits.

"The new government there is trying to prevent a double-dip recession by spending even more. But with government debt soaring to records, talk of new stimulus measures is already pushing up long-term rates and threatening to curtail the impact of fresh spending.

"Recognize that Europe and Japan are hardly experiencing heady economic growth and great fiscal probity. Most are bogged down economically and running fiscal deficits as bad as ours.

"And, personally, when the whole world is in this big a mess, I'll take the greenback over the euro, the pound or the yen. My bet is in 2010 so will most world currency investors.

"Virtually no one is expecting it, but the dollar is likely to climb 20% against the euro and the pound next year and 15% against the yen.

"Given that, shares of the PowerShares DB US Dollar Index Bullish ETF will appreciate in price, accordingly.

"Hedging is fine, of course, too. But if you have too much exposure to foreign-currency denominated bonds, CDs or bank accounts, rein it in."

Proshares UltraShort Gold (GLL): ETF Trader's top fund for 2010

While many have jumped on the gold bandwagon, Jim Lowell is taking the opposite approach, selected a bearish gold fund as a top pick for the coming year.

The editor of The ETF Trader looks to Proshares Ultra Short Gold (NYSE: GLL); should gold bullion decline in value, this 2X leveraged fund would be expected to rise twice as much.

"In 2009, India, China and Russia's big banks continued to buy gold, perhaps as an alternative currency. According to Bloomberg, if investors are dumb when it comes to buying gold, governments tend to be dumber.

"The last time we saw countries buying gold on a similar scale was in 1980 when gold peaked at $850 an ounce – a price that took 28 years to materialize again.

"After a year where most markets swatted the greenback as if it were a salt marsh fly, using a gold plated fly swatter on the assumption that the yellow metal could salve all trials and tribulations, I think 2010 finds a headwind for gold bugs and a tailwind for our dollar.

"I'd buy the ProShares Ultra Short Gold, which delivers twice (200%) the inverse (opposite) of the daily performance of gold bullion."

Proshares UltraShort Russell (TWM): Ken Kam's top 2010 ETF

Given his view that market risk is rising, Ken Kam has chosen at top pick for 2010 that is not necessarily selected in the hope of gains; rather, he chooses a "short" position for its role in hedging one's portfolio.

The Marketocracy analyst looks to the ProShares UltraShort Russell 2000 ETF (NYSE: TWM), which seeks twice the inverse performance of the

Russell 2000 index. For example, if the Russell 2000 index falls by 1%, this ETF would expect to rise 2%.

"Systemic risk is rising and has become the big concern for investors - overwhelming most other factors."In the past, systematic risk was generally ignored because there was little we could do and the emphasis was placed on diversifying away other kinds of risks.

"Now that we have seen that systematic risk can result in the whole market losing half its value, we can't afford to ignore it anymore.

"All investors, including passive investors, are going to need to actively manage their portfolio for systematic risk - specifically that means managing their exposure to the market and their sector allocations. We are facing systemic risks from which diversification will not offer much downside protection.

"There are going to be times when you don’t want your equity portfolio to be 100% invested in the market, and there are sectors whose prospects have worsened as a result of the financial crisis.

"Investors need to make an effort to find the sectors that will benefit the most from the government’s efforts to stem the crisis.

"Investors should put a small portion of their portfolios in the ProShares UltraShort Russell 2000 ETF to provide some protection from another devastating systemic crash.

"One of the financial crisis' biggest lasting impact has been the collapse of credit for small companies like those in the Russell 2000. The prospects for smaller companies are also more tightly linked to the health of U.S. Economy.

"A contracting (or slow growing) U.S. economy combined with continued lack of bank financing create strong headwinds for the companies in the Russell 2000 even if the overall market does well.

"However, if there is another crisis, small companies will fall hard, just like last time, and this ETF is designed to rise by 2x the drop in the Russell 2000."

Servotronics (SVT): Tom Vass' top stock for 2010

"Servotronics (NYSE: SVT) as our top investment idea for the coming year," says Tom Vass.

In his The Technology Stock Advisor, he explains, "The stock meets our proprietary criteria for both its technical innovation as well as our value approach to stock selection.

"Servotronics engages in designing, manufacturing, and marketing advanced technology products in the United States and internationally.

"Its Advanced Technology Group markets various servo-control components, which convert an electrical current into a mechanical force or movement and other related products.

"The company's Consumer Products Group sells various cutlery products, including kitchen knives, such as steak, carving, bread, butcher, and paring knives for household use, as well as for use in restaurants and institutions.

"Our selection of Servotronics is based upon our patented methodology for investigating technology stock. We developed a theory of technological innovation using Leontief's theory about input output economics that helps us predict technological investment opportunities.

"Our theory helps us conduct our first screening of the universe of stocks in order for us to narrow the selection to companies that are in nine high technology industrial clusters.

"Next, we apply rigorous standards to those stocks based upon a value approach to investing that shares many elements in common with the Graham and Dodd approach to investment selection.

"We first added the stock to our portfolio last April. but note that Servotronics continues to meet all the selection criteria needed for our strategy. We continue to recommend purchase under $9 per share."

SmartHeat (HEAT): Brendan Coffey's top pick for 2010

Brendan Coffey is the editor of The Cabot Green Investor, a newsletter focused on companies involved in varous aspects of the broad environmental technologies sector.
For his top pick for 2010 Here, he looks to SmartHeat (NASDAQ: HEAT), a maker of plate-heat exchange systems and heat meters.

"Like in seemingly every other business, China promises to be a massive market for the products SmartHeat provides: plate-heat exchange systems and heat meters.

"These are relatively simple products that are only just starting to be required in China. Using SmartHeat PHE systems can slash coal usage by up to two-thirds in wildly inefficient Chinese buildings, oil refineries and chemical factories, where legacy shell and tube technology dominates.

"The market for PHEs in China will rise 20% to $3.2 billion in 2010, while the submarket for smaller, customized PHE units in which SmartHeat has a highly profitable specialty should grow triple-digits to nearly $1 billion.

"Plenty of growth should come in future years too: China generates 70% of its electricity from coal, and the government is keen to be more energy efficient to ween itself from imported oil and improve its notorious urban air quality.

"There are plenty of competitors in PHEs, but SmartHeat has two advantages: It is Chinese and has production costs around 15% cheaper than imports at comparable quality.

"Sales through the first three quarters of fiscal 2009 were up 92% to $56.5 million, while net income surged 96% to 51 cents a share over the same period. Both should nearly double again in 2010.

"Management are industry veterans who are confident enough in the company they signed an agreement not to sell any of their shares until January 2012.

"The stock only began trading on the Nasdaq Global Market in March so the company’s story is still unheard by many investors. That will change quickly."

SPDR Small Cap Emerging (EWX): Ron Rowland's top fund for 2010

For his top fund selection for 2010, fund specialist Ron Rowland turns to the SPDR S&P Emerging Markets Small Cap (NYSE: EWX).

In his All Star Investor, he suggests, "This is the easiest way to gain access to the small cap stocks of all the emerging markets, as it includes stocks from more than 20 countries countries.

"SPDR S&P Emerging Markets Small Cap excludes stocks with a market caps exceeding $2 billion (US) -- the ones that dominate traditional cap-weighted emerging market ETFs.

"Historically, the growth of emerging market economies has been predominately export driven -- the large cap companies that produce and export products to the U.S., Europe, Japan, and other consuming nations.

"There are also a few large cap companies (banks, utilities, and construction) within each emerging market nation that help provide the infrastructure needed.

"The major change now underway is the growth of the middle class within each of these countries. The people of the emerging market nations are becoming more prosperous and are becoming significant consumers themselves.

"In addition to economic growth via exports, many of these nations are now experiencing rapid internal growth. The large cap and export oriented companies will still do well, but the real opportunity is in the small cap segment of emerging markets.

"These small cap companies are undervalued compared to their large cap brethren and are better positioned to benefit from the internal growth of each nation."

Standard Chartered (SCBFF): Yiannis Mostrous' top 2010 pick

Yiannis Mostrous is a leading expert on Asian Stocks. For his top pick last year, advisor chose Standard Chartered (London: STAN, OTC: SCBFF) as his top pick.

The stock has risen 110% since his original recommend -- and remains his top pick for 2010 as well. Here's the latest from his The Silk Road Investor.

"Standard Charter is an international bank focused on consumer and corporate banking and treasury activities.

"Though based in London, the bank gives exposure to emerging markets in Asia, the Middle East and Africa. Asia makes up 59% of the firm’s profits with Hong King as its biggest single concentration of customers.

"The economies in Asia are rebounding faster than those in the west, increasing competitor activity amongst international and local banks.

"The banks strategy is to continue to develop its consumer banking franchises while maximizing profitability in its historically strong wholesale operations.

"For the January-November period, the firm reached record income and pretax profit highs, driven by growth in the corporate banking business.

"Standard Chartered has a relatively low loan-to-deposit ratio of 75%, giving the bank the luxury of relying less on borrowed funds and more on its increasingly strong, less costly deposits for expansion.

"Valuations are attractive; share price per trailing earnings is 14.3, trading at 1.5 times tangible book value. The firm maintains a strong balance sheet and a healthy liquidity position."

T. Rowe Price New Asia (PRASX): Walter Frank's top fund for 2010

"My top investment idea for 2010 is T. Rowe Price New Asia (PRASX)," says long-standing fund expert Walter Frank.

In his The MoneyLetter, which has been published for over 30 years, he explains, "What attracts us to the fund is the weight it gives to both China and India." Here's his review.

"It may seem a strange pick considering that the fund is up almost 100% for 2009. Normally, after such a run, we would not pick the fund as a favorite for next year. In addition the entire range of emerging market stocks are now among the favored by surveyed managers for 2010.

"That too should serve as a warning to stay away from the group. Having duly warned you we are nevertheless sticking with our recommendation.

"What attracts us to the fund is the weight it gives to both China and India. Each is about 30% of the fund. We like that mix.

"In fact, what attracted us to the fund in the first place is that it gave reasonable weight to India. We see most Asian funds as underweighting India. We would be wary of a pure India fund and right now we are not keen on a pure China fund. It is the blend that we like.

"Even though the emerging market funds have been Wall Street favorites this year we think their run is by no means over. The emerging markets are being valued at about the same level as are developed markets.

"Considering their potential growth rate, they are actually selling at a more than trivial discount of what they would sell for were they a developed market. We do not believe the discount makes much sense any more.

"Today's emerging markets are no longer the crap- shoots of the past. As this is being recognized,we look for higher normal valuations (price/earnings ratios) than in the past.

"There was a manager change for the fund in April, as the former manager retired. So far the fund has not lost a beat.

"We would not expect it to, considering the strong bench T. Rowe Price brings to Asian investment. We are still recommending the fund despite its meteoric gains in '09."

Universal Insurance (UVE): Neil Macneale's top stock for 2010

"Universal Insurance Holdings (NYSE: UVE) is my stock pick for 2010," says Neil Macneale, editor of the In his 2-for-1 advisory.

Incidentally, Neil's top stock pick in last year's report -- Teck Resources (NYSE: TCK) -- soared nearly 600%. Here's his review of last year's pick as well as his new favorite for the coming year.

"Teck Resources has had a great run but it's nearing the time to cash out. According to our monthly buy and sell routine -- which is a laddered portfolio approach -- the TCK position in our 2 for 1 portfolio will be sold in April.

"According to our monthly buy and sell routine -- which is a laddered portfolio approach -- . However, no one who bought at the beginning of 2009 could be faulted for taking their profits at any time.

"TCK now has a P/E of 32 and its balance sheet is way out of whack. A resumption of dividend payments seems unlikely in the next few years. TCK is selling at its 52 week high and, as hard as it is to face up to the facts, it's time to let it go.

"Even if its has a little upside momentum remaining, as my Grandfather used to say, 'You always need to leave a little on the table for the next guy, otherwise who would want to buy?'

"Universal is a small insurance company based in Fort Lauderdale, Florida, specializing in homeowner's insurance. The company has a strong balance sheet with over $7.00 in cash per share on the books with earnings at close to a dollar a share.

"The current profit margin stands at just under 20% and the dividend yield is a whopping 13.8%. 47% of outstanding shares are held by insiders.

"Granted, investing in a homeowner's insurance company in hurricane country should be considered on the risky side, but UVE has a good record with its premium/loss ratio so far.

"In return for the risk taken on, insurance companies get to use OPM (other people's money) for investments during the periods between claims losses. Universal has done exceptionally well in that regard during the economic downturn.

"It cannot be assumed that the good record on investments in 2009 will be repeated, but the management of Universal seems to be playing a hot hand at the moment and it's not unreasonable to imagine this might continue through 2010."

Verenium (VRNM): Andy Obermueller's top stock for 2010

"The Energy Security Act of 2007 has received little investor attention; however, it contains provisions that are likely to lead to significant returns for investors," suggests Andy Obermueller.

In his Government-Driven Investing, he notes, "The law codifies the federal production targets for biofuel, which we believe presents a real opportunity for Vernenium (NASDAQ: VRNM).

"'Biofuel' has, for decades, been code for 'corn-based ethanol.' But this law also contains provisions for a new, advanced biofuel derived from cellulose, an organic compound found in all plant matter.

"Instead of using corn -- which uses valuable farmland and can drive up the price of a staple food -- cellulose can be derived from any plant, wheat or rice straw, corn stalks, scrap wood or even grass.

"The law calls for hundreds of millions of gallons of cellulose ethanol. There’s just one problem: Very little of cellulosic ethanol is being produced. By 2022, however, the nation will need, by virtue of federal law, 16 billion gallons.

"All problems, of course, are really opportunities in disguise. Especially for one company: Verenium. This is a biotech company that has mastered the enzymes required to unlock the energy in cellulose.

"It has built two demonstration-scale plants, one in Jennings, La., and another in Japan, and has announced it will build the nation’s first commercial-scale ethanol plant.

"It has two partners in this endeavor: Petroleum giant BP and the U.S. federal government, which has begun its due diligence on a federal loan guarantee for the project.

"The demand for cellulosic ethanol will rise many-fold in coming years, and Verenium, the leader in this field, will likely see similar gains as it puts this ground-breaking technology to work in the new plant and licenses the technology to hundreds of others.

"The loan guarantee for the plant will likely be a significant catalyst for these shares, and the continued demand for cellulosic ethanol will fill its coffers -- and reward shareholders -- for years to come."

Virginia Mines (VGQ): Adrian Day's top stock for 2010

"Virginia Mines (Toronto: VGQ) remains my favorite gold exploration company," says resource expert Adrian Day.
In choosing the stock as his top pick for 2010, the editor of The Global Analyst explains, "The company has a successful track record, top management and a super-strong balance.

"Virginia Mines has a successful track record, having discovered and subsequently sold to Goldcorp, the rich Eleonore deposit in northern Quebec. This discovery saw the stock go from the $2 range to the mid-teens. Following the sale (which saw a spin out to shareholders), the stock is in the low $5s, ready to try again.

"Exploration by its nature is very high risk, with very long odds of discovery. Most companies finance their exploration by continual equity offerings, which mean dilution for shareholders even if they are successful.

"Virginia has a different way: it is a prospect generating, looking for prospects, often by staking the ground, doing some exploration, and then looking for a joint venture partner.

"The partner spends the high-risk exploration dollars in return for a majority ownership in the property. This results in a low-risk business model.

"Even though the company gives up most of the property, it holds on to its balance sheet and by doing this over and over, can build a portfolio of properties in which it owns minority interests with someone else spending the money.

"As Virginia has grown and built a strong bank account (it has has $44 million on its balance sheet), it is now in a position to do a little more exploration than in the past. This enables it to sift through its projects, and by advancing them more, obtain better deal terms.

"Virginia has build a broad portfolio of projects, all in mining-friendly Quebec, in a range of metals and minerals, but emphasizing gold.

"Right now, it has six properties ready to drill over the winter season, all in the prospective but under-explored James Bay area. Some of these are very close to the Eleonore discovery, on ground not included in the sale to Goldcorp.

"Virginia is spending the money on four of these properties, with two being funded by partners. Some have brand new targets being drilled, others following up on previous drilling.

"While exploration remains long odds, Virginia has as good a shot as any, and at minimum, we expect the next six months or so to generate a lot of news on these properties that should see the stock buoyant.

"Any positive exploration results will see it move much higher. In the meantime, you can buy a fine company at less than NAV. Just the value of the royalty it retained on Eleonore and its cash in the bank are worth more than the entire market cap. All the exploration comes free.

"So you can buy a great company at below NAV. Despite the move up in the stock price in recent months, this is an excellent time to buy, ahead of this aggressive drilling campaign. We expect 2010 to be very good for Virginia and its shareholders."

Virtual Radiologic (VRAD): Richard Moroney's top stock for 2010

In Upside newsletter, quantitative analyst Richard Moroney uses a proprietary system called Quadrix, a screening model that assesses stocks based on nearly 100 fundamental and technical variables.

Virtual Radiologic (NASDAQ: VRAD) earns the Quadrix systems 'best buy rating' and is the advisor's favorite investment pick for the coming year.

"Virtual Radiologic offers on-call diagnostic imaging services, a unique niche that eases the workload of health-care facilities during peak hours, weekends, and holidays.

"It also addresses the shortage of radiologists amid increasing demand for digital imaging services. Virtual Radiologic's staff of certified radiologists read X-rays, CT scans, and MRIs for hospitals, clinics, and imaging centers.

"Sales have advanced 16% this year. Volumes at existing facilities rose 4% in the September quarter, while total images read jumped 23%.

"Virtual Radiologic has maintained high retention rates, though competition has resulted in price declines. For the December quarter, the two-analyst consensus projects 7% higher per-share earnings on 4% sales growth.

"With solid operating momentum and bright growth prospects, Virtual Radiologic seems reasonably valued at 16 times expected 2010 earnings. The stock is a Best Buy."

Vivo Participacoes: Bill Wilton's top stock for 2010

"Vivo Participações (NYSE: VIV), a Brazilian telecommunication company that provides cellular services, is my top investment pick for 2010," says Bill Wilton.
The growth stock strategist for Zacks.com, explains, "Analysts continue to raise full-year estimates for the company." Here's his bullish review.

"The company operates through a number of subsidiaries and is headquartered in Sao Paulo, Brazil. In November, VIVO reported third-quarter results that included over 2,000 more customers, up 16% year-over-year. Overall the company's market share is now just under 30%.

"Service revenues increased 4% since last year to R$3.8 billion. Higher revenues translated to a 154% increase in net profits, to R$636 million.

"There is not a regular flow of quarterly estimates for the company, but VIVO has received several upward revisions for full-year 2009 and 2010.

"Forecasts for this year are up 19 cents over the past 2 months, to $1.14. Next year's Zacks Consensus Estimate is now $2.11, up from $1.59, an 85% growth rate.

"VIVO is trading at attractive valuations, especially given the popularity of emerging markets. The forward P/E is about 17 times earnings with a PEG ratio of just over 0.5. Its price-to-sales ratio is above 1.3 times."

Vodafone (VOD): Amy Calistri's top stock for 2010

"Even in these difficult economic times, people are upgrading their cell phones," says Amy Calistri, who selects Vodafone (NYSE: VOD) as her top pick for 2010.

The editor of Stock of the Month, adds, "Smartphone sales have been robust throughout the recession, as people want to access the latest technologies and features.

"Every one of those latest generation cell phones taps into a wireless service provider. And as essential as we consider it here in the U.S., cell phone service means everything to emerging and developing countries where landline infrastructure barely exists.

"Africa is actually the fastest growing wireless market in the world. With little landline infrastructure and an average population that is still some distance from computer ownership, cell phones have become Africa's link to the world.

"So where can you find a company that has the loyalty of the stable U.S. wireless market but also has inroads into the fast-growing African subscriber base?

""Vodafone is the largest wireless communications company in the world, with operations in Europe, the U.S., the Middle East, Africa, and Asia Pacific. Its owns a 45% stake in the largest U.S. wireless communications operator, Verizon Wireless.

"Along with its stable Verizon U.S. subscriber base, VOD also owns an interest in the growing base of African subscribers. Vodafone has a 65% stake in South Africa's Vodacom. Vodacom currently has 41.6 million subscribers, but that is expected to grow.

""I especially like dividend-paying stocks in challenging markets. After all, capital gains can ebb and flow, but cash in hand is yours to keep forever.

"Vodafone's dividend yield is approximately 6% at current prices. While other companies are throwing their dividends under the bus, VOD management seems committed to keep the income flowing.

"Vodafone has instituted a 'progressive' dividend policy that boosts the dividend based on rising free cash flows, even if earnings fall.

"And of course because the dividends are first determined in British pounds and then converted to U.S. dollars, a continuation of the U.S. dollar's declining value will boost the payout to U.S. investors."

Weatherford International (WFT): Elliott Gue's top stock for 2010

Energy sector expert Elliott Gue turns to Weatherford International (NYSE: WFT) as his top pick for the coming year.

In his The Energy Strategist, he explains, "As with most oil services firms, Weatherford's North American business has been hit hard and the stock now trades at a deeply discounted valuation.

"Weatherford is perhaps best known as an expert provider of services related to mature oilfields. Traditionally, Weatherford has had a strong presence in North America, which has been a proving ground for all sorts of technologies that squeeze oil from older fields.

"An example is underbalanced drilling, a technique that prevents damage to mature fields. Weatherford's genius in recent years has been to take homegrown North American technologies and sell them internationally.

"The firm has gradually lessened its exposure to North America and forged into international markets where profit margins are higher and profitability cycles less severe.

"It also wins points for expanding its business in Russia, a key market for both oil and natural gas production. Specifically, Weatherford purchased the oil services business of TNK-BP, BP's joint venture in Russia.

"Weatherford's stock has significantly underperformed the rest of the oil services industry since October, primarily due to concerns about Weatherford's Chicontepec contract in Mexico.

"Chicontepec is a heavy oilfield that is the centerpiece of Petroleos Mexicanos' (PEMEX) strategy to stabilize and grow oil production.

"The problem PEMEX faces is that production from its largest field, the offshore Cantarell oilfield, has fallen off rapidly in recent years to the point that Mexico's oil exports have tumbled.

"Accordingly, PEMEX has decided to reexamine its development plans for Chicontepec and has cut investment in the field 22%. Because Weatherford is a big player in Chicontepec, its stock has fallen.

"Although PEMEX's recent announcements caught the market by surprise and are bad news for companies with significant exposure to Mexico, the selloff that's hit Weatherford's shares is overdone.

"Mexican oil production is falling fast; the country will have no choice but to bump up spending on Chicontepec.

"Finally, Weatherford is trading at less than 17 times 2010 earnings estimates. This compares favorably to Schlumberger's stock, which trades at 22.5 times 2010 earnings estimates. Shares of Halliburton and Baker Hughes (NYSE: BHI) trade at 21 times 2010 earnings.

"Weatherford's deeply discounted valuation more than prices in all the bad news surrounding Mexico and Chicontepec. Take advantage of the recent decline to buy Weatherford International under 26."