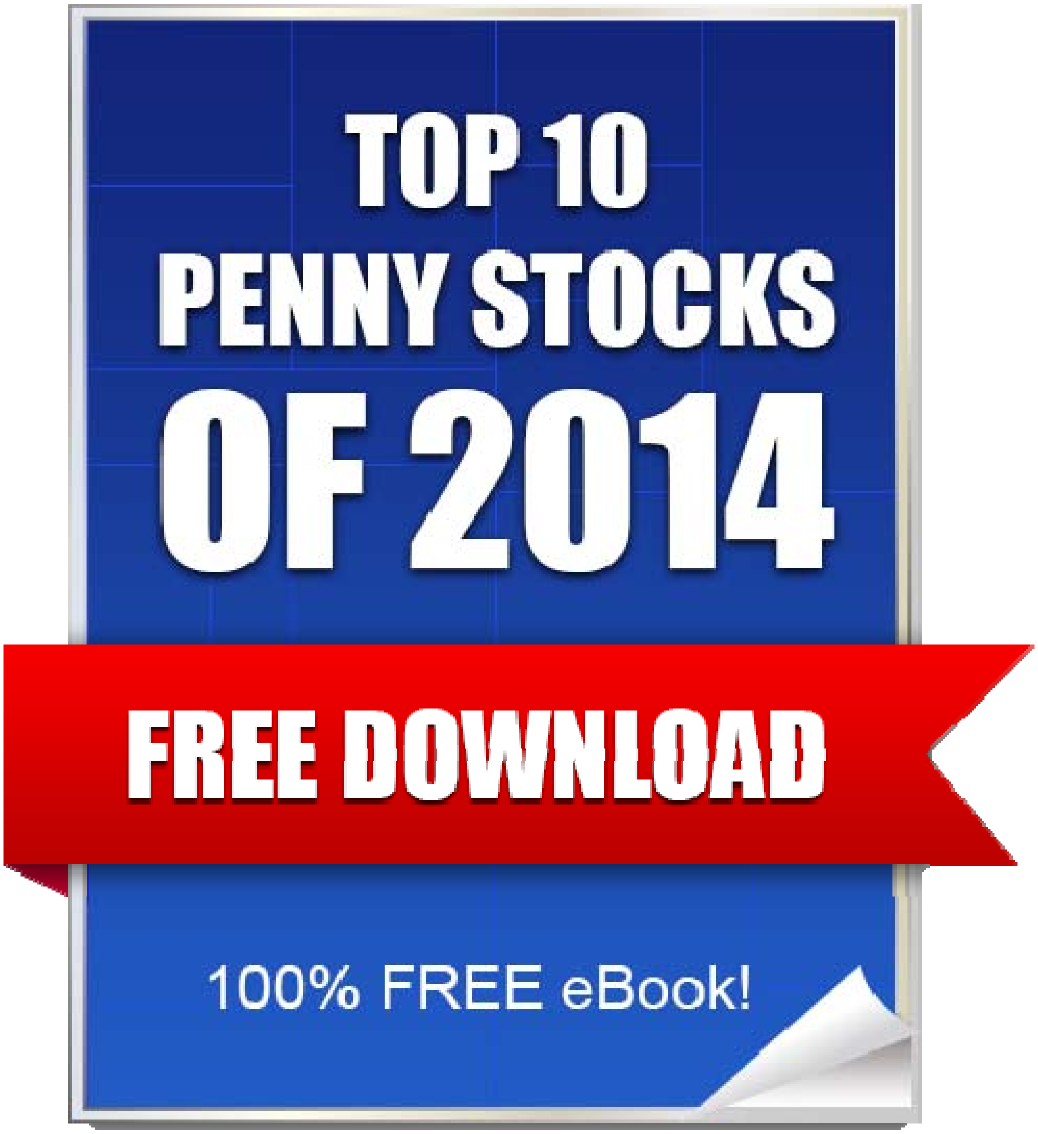

PENNY STOCK
PUBLISHING

Welcome To *Penny Stock Research*

We want to welcome you to the premier site on the web for timely penny stock research and analysis. We promise to work hard to bring you insightful market analysis and profitable penny stock investment ideas every week.

Whether you're looking for up-to-date market information, individual penny stocks to invest in, or warnings about penny stock scams... we've got you covered.

What's more, you can always count on our research to be 100% unbiased.

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There's absolutely no reason to go anywhere else for your penny stock research than *Penny Stock Research*!

Before we move on, I want to thank you for choosing to become a member of our site. We hope you find our content useful, informative, and easy-to-read. But most of all, we hope you make tons of money with our investment ideas.

Now, I'm sure your chomping at the bit to get going.

In this report we're going to bring you the **"Top 10 Penny Stocks for 2014!"** These are great ideas that might be perfect for your portfolio… and could produce huge returns for investors.

But that's not all.

You see making money is important, but even more important is protecting the money you've got! So in this report, we're also going to identify the **"Top 9 Penny Stocks to SELL Right Now!"**

So without further ado, let's dig in…

Penny Stock #1:

This Micro-Cap's Exploiting Several Profitable Niche Markets Within The $695 Billion US Aerospace & Defense Industry

The world is a dangerous place.

The US military remains embroiled in a protracted war in Afghanistan that is now entering its thirteenth year with no end in sight. The Middle East is a powder keg that could erupt in all out war at any moment.

Iran has accelerated its efforts to develop nuclear weapons with which it may threaten US interests and allies in the region. North Korea is also working tirelessly to develop the capability to strike the US with nukes.

And here at home, we face a growing threat from terrorists hell bent on attacking our way of life with chemical, biological, radiological, nuclear, and explosive weapons.

Yes, the world is a dangerous place.

And the only thing that stands between these threats to our way of life and our very existence is the US military.

That's why all the talk about cutting back on defense spending is just that... all talk.

Given the multitude and severity of the threats to our national security, the US has no choice but to continue spending more and more each year on defense.

This year, the US defense budget is the highest of any country on the planet at $613.9 billion. And according to new report from Strategic Defence Intelligence, US defense spending is expected to increase at a compound annual growth of 1.93% through 2018.

Whether you agree or disagree with this policy, one thing is certain... this is good news for one particular penny stock... **Arotech Corporation** (NASDAQ: ARTX).

Arotech is a defense and security products company based in Ann Arbor, Michigan. The company provides interactive simulation for military, law enforcement, and commercial markets as well as batteries and charging systems for the US military.

The Training and Simulation division is the larger of the company's two business segments, representing approximately 74% of total revenue.

It produces high-tech multi-media and interactive digital solutions for use-of-force training and driving training. This division is also a top developer of analytical models and simulations of tactical air and land warfare systems for all branches of the Defense Department.

Now, check this out...

This tiny company provides simulations for air combat and maneuver training ranges (such as Top Gun) and full task training devices like the F-18 Weapon Tactics Trainer. And it also supplies on-board software to support weapon launch decisions for the F-15, F-16, F-18, F-22, and Joint Strike Fighter aircraft.

Arotech clearly plays an important role in the preparation and performance of key elements within our armed forces.

But that's not all...

The company also boasts a Battery and Charging Systems division.

This division supplies lithium batteries, zinc-air batteries, and charging systems to the US military. However, the division's claim to fame is the incredibly innovative Solider Wearable Integrated Power Equipment System (SWIPES).

SWIPES utilizes a MOLLE vest and integrates force protection electronics and communications equipment with an advanced battery.

The SWIPES power hub contains batteries that continuously charge the secondary batteries inside two-way radios, GPS units, shot detection systems and other devices. As such, it enables extended mission times without the burden of power source swaps or charging. And it reduces battery weight soldiers carry by 30%.

This amazing product was recognized by the US Army Research, Development, and Engineering Command as one of the US Army's ten greatest inventions of 2010.

No question about it, Arotech has carved out several lucrative niche markets within the massive US defense industry.

It should come as no surprise then that Arotech is growing rapidly.

In fact, revenues have increased nearly five-fold over the past decade and are closing in on $100 million. After ten years of losses, the company now sports a profit over the past twelve months. And management just upped their revenue guidance for the full year.

We believe Arotech is perfectly positioned to continue landing lucrative defense contracts from all branches of the US military. And as the company's revenue and earnings increase, its stock price will move significantly higher.

Penny Stock #2:

Another Tiny Company Profiting From The Aerospace & Defense Industry

Now, if you liked that idea, here's another company for you to check out…

Micronet Enertec Technologies, Inc. (MICT)

Micronet builds and develops computer systems for rugged applications in the Mobile Resource Management (MRM) market and for the defense and aerospace markets as well.

Their products are in high demand for many different military applications. In November the CEO David Lucatz announced a strong and growing backlog for the Aerospace and Defense industry segment.

They'd just received a $4 million order for a "mission-critical building block of a leading missile defense system". Best of all, the company is expecting even more orders like this in the next few quarters.

So a quick look at the numbers shows some exciting moves…

Their revenues are growing by leaps and bounds… 111% in the most recent quarter!

Gross profit margins skyrocketed to 45% up from 18%... and you know what that means… better gross margins means costs are falling and the money heading towards the bottom line is jumping.

It's a perfect stock to keep your eye on… we could see it be an easy double in the next few months as strong company results push the company value higher. There's a small volume of stock on the market, so choose your entry point carefully.

Penny Stock #3:

Skyrocketing Global Demand For Optical Components Bodes Well For This Penny Stock

The market for components used in optical networks is just beginning a multi-year growth cycle.

According to global analyst firm Ovum, this market is expected to grow 8% annually to a new high of $10.5 billion by 2018. The firm says data centers and enterprise networks will drive the cycle thanks to strong demand for 10G, 40G, and 100G components to support server, switch, and storage connectivity.

And the management team for our next penny stock recommendation wholeheartedly agrees.

The company is none other than **Lightpath Technologies** (NASDAQ: LPTH).

LightPath makes optical components like molded glass aspheric optics, isolators assemblies, proprietary high-performance fiber optic- collimators, and GRADIUM glass lenses. These products are incorporated into a wide variety of applications by customers in the defense, medical device, laser-aided industrial tools, automotive, and telecom industries.

Like Ovum, Lightpath's leaders say demand for the company's primary product, precision molded optic lenses, is expected to grow nicely over the next several years. They point to four major trends that are driving the cycle - cloud computing, video distribution via digital technology, wireless broadband, and machine-to-machine connection.

Let's take a closer look at each of these trends individually...

The ongoing transition to cloud computing is causing a major shift in enterprise technology. Companies are spending more on software-as-a-service (SAAS) and infrastructure-as-a-service (IAAS) capital investments. However, the delivery of applications and technology using SAAS or IAAS requires larger and faster network bandwidth.

In addition, the explosion of mobile devices, especially smartphones and tablets, is also requiring a major expansion of network bandwidth. Users are downloading and transferring larger amounts of data via their mobile devices every day. And by 2016, the number of mobile devices will exceed the global population at an estimated 1.4 devices per person.

Individuals are also streaming more video on their mobile devices or through their smart TVs. This type of video distribution, which is estimated to account for 70% of all network traffic by 2016, is also creating huge demand for larger and faster bandwidth.

Finally, demand for machine-to-machine connection technology is rising thanks to the widespread proliferation of mobile devices. This technology allows wireless and wired systems to communicate with other devices of the same type. And networking of this kind requires an ever increasing amount of bandwidth.

No question about it, each of the trends mentioned above are combining to drive massive, worldwide demand for more bandwidth, and thus, the growth of optical communication networks.

As such, Lightpath expects a multi-year growth cycle for its optical network component products.

In fact, the company anticipates this increase in demand will begin phasing in over the next three quarters. And because it will be high-volume, low-cost products benefiting from stronger demand, management sees a greater than 15% increase in annualized revenues going forward.

Now here's the really exciting part of the story...

After nine straight years of losses, LightPath turned a profit in its most recent fiscal year (ending June 2013). The company reported a profit of $0.02 per share compared to a loss of $0.09 in the prior fiscal year.

This marks a major turning point for LightPath.

As you might imagine, LightPath shares have suffered while the company has tried to achieve profitability. In fact, LPTH has fallen from a high of $6.65 in March 2007 to its current price around $1.40 per share.

However, with the company having turned the corner on profitability and a new multi-year growth cycle just beginning, we think LPTH is poised for huge gains over the years ahead. If the stock can climb its way back to the pre-financial crisis highs, investors who buy in today stand to reap a profit of 375% or more.

Penny Stock #4:

The Next Big Thing In The Oil & Gas Equipment Industry!

The oil and gas equipment industry is enjoying a global growth boom. According to market analyst Lucintel, the industry is expected to increase by a compound annual growth rate of 8.7% over the next five years (including 2013).

At that rate, industry revenues are expected to hit $217.9 billion in 2017.

The market's growing thanks to the ongoing expansion of drilling activity in shale gas formations and an increase in pipeline construction. As such, North America is expected to continue dominating this market over the forecast period.

That's great news for our next penny stock pick... **Profire Energy** (OTCBB: PFIE).

This fascinating company supplies oilfield combustion management technologies and related products to oil and natural gas producers. These products and services assist in the safe and efficient transportation, refinement, and production of oil and natural gas.

The company's main product is its proprietary burner management systems.

Oilfield vessels of all kinds require sources of heat to perform their various functions. This heat is typically provided by a burner flame inside the vessel.

The burner flame is integral to the proper function of oilfield vessels. You see, these vessels use the flame's heat to help separate, store, transport, and purify oil and gas.

What's more, the viscosity of the oil and gas is critical to a number of oilfield processes. And this viscosity is directly affected by the heat provided by the burner flame inside the vessel.

Profire's products help monitor and manage this burner flame, reducing the need for employee interaction with the burner. This results in greater operational efficiencies, increased safety, and improved compliance for the oil or gas producer.

The company's systems are widely used in Western Canada, and they've been well received in US markets. In fact, the company's customer list reads like a who's who of the oil and gas industry. Companies like Chesapeake, Exxon Mobil, Shell, Conoco Phillips, and Devon Energy, just to name a few all use Profire's burner management systems.

And the company is just getting started...

Management estimates there are currently 1.3 million wells in North America alone. And there are approximately 45,000 to 50,000 new wells being drilled just this year.

Here's the thing... the overwhelming majority of these wells do not yet use sophisticated burner management technology. In other words, there is a massive untapped market just waiting for Profire to step in and dominate.

No question about it, the sky's the limit for this $100 million company.

In fact, Profire is already making huge strides financially speaking.

Over the past year, sales have increased by 95% and earnings per share have skyrocketed 300%. And in the most recent quarter (ending in June 2013), the company reported record quarterly revenue and net income.

Best of all, it's not too late to get in on the action.

The stock has just started to make a meaningful move to the upside. And given the huge market opportunity and the company's innovative technology, PFIE is poised for much higher prices ahead.

Penny Stock #5 and #6:

More Ways To Play The Booming Demand for Oil & Gas!

Now if you like the idea of profits from the oil & gas industry, here are two more great ideas for you…

Gastar Exploration, Inc. (GST)

If you've followed the booming trends of oil and natural gas, you've no doubt heard the term Marcellus Shale tossed about. It's a huge reservoir of shale rock below the Appalachian region.

Towns throughout West Virginia and Pennsylvania are seeing oil and gas men flow in. These areas contains high densities of natural gas, and recent developments in drilling and extraction are proving this area to be very valuable.

So how do you play the booming growth of the Marcellus Shale?

Take a look at small companies in the oil and gas exploration business that have holdings there. One of the ones I've been watching is Gastar. They lease some 94,000 acres in these areas and their first horizontal wells went in during the first quarter of 2011. And they're constantly developing new areas.

Over two-thirds of their current production comes from the Marcellus Shale. And the company is constantly developing more well sites. As production grows and demand for natural gas and oil grows too, the price of this stock is certain to blossom.

How strong is the company?

Well in the last available quarterly report they announced daily production jumped 56% and they're constantly increasing production. Income from operations is positive for the last quarter… and while they posted a small loss, I wouldn't expect that to last long.

This is an exciting play, smack dab in one of the hottest Oil & Gas areas to come along in the last 20 years. They have prime acreage, and wells in all the right places.

As oil prices boom, and demand builds, I have no doubt this stock will jump right along with the rest of the industry… if everything falls in line, we could see this stock triple in price… or more!

But that's not the only exciting play out there…

Equal Energy Ltd. (EQU)

Equal Energy is another exciting play in Oil and Gas, but you've probably never heard of it. Don't be surprised, they operate in a very tight niche…

Very tight, but very profitable.

What's the niche?

This company focuses on the Hunton formation in Oklahoma. It's not as big or well known as the Marcellous Shale, and it has its own challenges, but if done right it's a big opportunity.

So why is Hunton such an appealing area?

Simple. It's been ignored by the big guys in the oil and gas industry. You see, hydrocarbons from this region are mixed with high levels of water… and water isn't good.

So the big and small oil & gas producers ignored this section of drilling. But the management team at Equal Energy knew it would be a big opportunity. Over the decades new drilling techniques and production methods have enabled hydrocarbons to be extracted, efficiently separated from the water and sold for a profit.

Suddenly an area no-one wanted to drill in is proving to be a gold mine.

The company is snapping up drilling rights in the area and slowly growing the business. Their de-watering techniques are producing mountains of saleable oil and gas.

As they continue to drill new wells in this area, we're bound to see hydrocarbon production jump… and that will be great news for the stock. Best of all, the company has paid a dividend, and if that continues you're looking at cash on cash returns for your investment.

Stocks like these rarely double overnight, but don't be surprised if you wake up 2 or 3 years from now and find a total return of 150% or better.

Penny Stock #7 & #8:

The Real Way To Profits In The Real Estate Industry!

Sometimes investing in a great company is driven by their management, and sometimes it can be driven by just being in the right industry. It's the famous saying "A rising tide lifts all boats!"

For example, who can look around today and not see what's going on in real estate.

The 2007 recession hit everyone hard. But in the Real Estate Industry, the impact was devastating… they didn't suffer a recession, they were crushed by a depression.

Building starts came to a standstill.

Construction companies slowed… then stopped work… then laid-off employees… then folded.

Real estate brokers fled the industry

Mortgage brokers watched easy money disappear, and soon their jobs were doing the same. Even banks felt the impact… remember Countrywide, and Wachovia… and dozens of smaller lenders… gone, gone, and gone.

But, what I see now is nothing short of a 180% turnaround from just a few years ago.

Housing prices are up… just look at the S&P Case-Shiller Home Price index. It tracks the price of residential real estate by focusing on the change in value of 20 different metropolitan regions. The index is up some 20% from the lows set back in 2012

But that's not all…

Building activity is booming… just look at all the construction. People can once again finance their home purchases – banks are now lending and the criteria is loosening. Real Estate agents are on the prowl, and investors are throwing money around like the end of days.

Are we 100% fixed?

Not by a long shot.

We're still in the early stages of recovery. And that's great news for these two penny stocks… all of whom will benefit from the surging activity in Real Estate.

Take a look at **Standard Pacific Corp. (SPF).**

This company has been buying land and building homes since 1965. Currently the company builds homes in a few select areas, major metropolitan areas in Arizona, California, Colorado, Florida, North Carolina, South Carolina, and Texas.

They were crushed by the Real Estate Market Drop.

So why this company… and why now?

I took a look at their Q3 2013 financial results and this is what I discovered…

1) Income up 220% to $70 million
2) New order Value up by 38%, and
3) Backlog value up 93%

I could do a bunch of analysis and point out all the great financial details, but those three numbers tell it all… they are taking in more orders, their backlog is building, and their profitability is skyrocketing!

If you're going to jump into a stock, this is the one to consider… If this stock continues to perform, it could reach back to the $40 levels last seen in 2005… that's more than 400% higher than where it is today!

Another company to consider is **Builders FirstSource, Inc. (BLDR)**

BLDR has a very un-sexy business. They supply builders with building products… things like floor trusses, roof trusses, wall panels, stairs and the like.

While you and I don't think about roofing trusses on a daily basis, people in construction do. And as the homebuilding boom continues, this is once company certain to benefit.

We're already seeing the rebound.

Last quarter sales increased 38% to over $400 million, gross margins are up more than 3% and net income turned positive! So the company is selling more product, making more money from each sale, and turning a profit.

As housing demand improves, so will demand for their products.

The stock's under $7 a share right now… where's a fair value? Well, in the short term, $14 to $18 isn't unlikely… and a few years from now, you might see this stock back in the low $20s! That's a potential jump in value of 228% or more!

Penny Stock #9 & #10:

Look Overseas For Big Profits As The China Dragon Awakens!

The Great China Dragon is awakening again. China drifted off to sleep as the global recession limited demand for their cheap products… but now with the world economies rebounding, gains are to be had if you're investing in this part of the world.

The best part of investing in China is the huge growth the country is seeing… Hundreds of millions of people are moving from a low income lifestyle to the middle class. And that means they now have something they've never had before – disposable income.

Money they can spend on anything they want!

And with millions of people suddenly itching to spend their hard earned cash, it means that a lot of Chinese based companies are poised to profit.

Take for instance these next two companies:

Pingtan Marine Enterprise Ltd.

Pingtan's business is simple. They own a fleet of 106 fishing vessels. I wish their business was more complicated but it's not. They go fishing, and sell what they catch in China.

Their fleet is rapidly growing, and last quarter they generated over $20 million in revenues, and over $5 million in net income.

The company has about 80 million shares outstanding. With a stock price of only $3.75 the whole value of the company is about $300 million. And right now they're making about $5 million a quarter… The recent acquisition of even more fishing vessels has the potential to dramatically increase profitability… by as much as 20% per quarter in my estimate!

So you might be asking why the stock is trading so cheaply… especially with the bright future?

You see, the company decided to cut away some dead weight. They had a dredging operation they decided to sell, and when you look at the accounting, the books are confusing.

There's discontinued operations numbers everywhere, and it's hard to see what the company's really worth. And to me it's an undiscovered opportunity!

Once the books get cleaned up from the asset sale, and people start seeing how much money they make from fishing, the stock is going to return to normal investment levels which could be 2 or 3 times higher than where it's at today.

Another company profiting in China is…

Lihua International, Inc. (LIWA)

If you thought the last company was undervalued, you're in for a surprise here… a surprise that's going to slap a smile on your face. But before we get to that, let's take a quick look at the company.

Lihua is another one of those simple companies that does things well. They make and sell copper replacement products. Things like copper anodes, copper wire, copper rods, and copper-clad aluminum wire.

Who buys stuff like this?

Other industrial companies, and builders (especially in the case of the wire products). The company also does its own copper recycling and just expanded to a brand new 30 acre plant.

So what's the deal with the numbers?

Glad you asked, over the last 9 months the company has sold $683 million worth of copper products. Their net income was just a hair under $50 million. Now this is where the valuation numbers get crazy…

Lihua has about 30 million shares outstanding… and they made about $50 million, that's about $1.43 per share… just assume they average the same sales and profits and their yearend numbers get silly… they should do about $1.90 in profits…

So what would you pay for that $1.90 in profits… 20 times? 15 times, 10 times?

Based on the current price of $5.77 you'll pay just over 3 times for those fat earnings… you realize what that means… if the business stays stable for just three years, the company will earn more money that the entire company is worth.

This is a huge opportunity you don't want to miss out on… and one I might be picking up in my personal account too.

So there you have it… 10 of the best stock ideas as of right now. But let's not stop there… you know what to look at and potentially buy, who should you avoid?

The Top 9 Penny Stocks To Avoid In 2014 And Beyond…

We've just told you about the three penny stocks that we believe are the best picks for huge gains. Each one was handpicked for quality and growth potential after going through our rigorous research and due diligence process.

And any one of them by itself could generate life-changing returns for you.

But here at *Penny Stock Research* we strive to go above and beyond the call of duty. As such, we're going to highlight 9 penny stocks to avoid like the plague in 2014.

This section is offered as an added bonus to show you just how much we truly value your membership. We know all too well that a key to success in penny stock investing is to avoid the massive losses a lousy penny stock can generate.

One thing that we do regularly at *Penny Stock Research* is draw your attention to penny stocks that are being promoted by nefarious penny stock promoters. We've found over the years that these stocks carry a high risk of being the subject of pump and dump scams.

What's a pump and dump scam?

These scams are designed to entice unsuspecting investors to buy into penny stocks of companies that have little to no real business operations, shaky financials, or other problems. The goal is to artificially pump up the share price so that the company insiders and major shareholders can unload their shares at a tidy profit.

However, when these shareholders begin dumping their shares, the penny stock's price typically plunges.

There usually just aren't enough buyers to absorb the massive amount of shares being sold at one time. And as a result, those unsuspecting buyers who were hoodwinked by the promotion campaign tend to lose their shirts on these trades.

With that in mind, we're going to alert you to 9 penny stocks that are now the subject of penny stock promotion campaigns or have been in the recent past. You'd do well to steer clear of these stocks at all costs. And if you own any of these stocks, we suggest you dump them immediately and limit your losses.

Here are the 9 penny stocks to avoid for 2014 and beyond...

1. **Pacific Clean Water Technologies** (OTCQB: PCWT)
2. **Solar Thin Films** (OTCPINK: SLTZ)
3. **Nouveau Holdings** (OTCPINK: NHLI)
4. **mLight Tech** (OTCQB: MLGT)
5. **On The Move Systems** (OTCQB: OMVS)
6. **Exlites Holdings** (OTCPINK: EXHI)
7. **Blueforest** (OTCQB: BLUF)
8. **Globaltech Holdings** (OTCPINK: GLBH)
9. **Bayside Corporation** (OTCPINK: BYSD)

By the way, I've written extensively about each and every one of the penny stocks on this list. For the full story about these companies and the promotion campaigns behind them, check out the Pump and Dump Alerts section of the Archives on the *Penny Stock Research* website.

A Final Word

We hope you enjoyed our write-ups on the three penny stocks we feel are the best of the bunch for 2014. Each one is a high quality penny stock with terrific products and sound management. And best of all, each stock we've recommended has huge upside potential.

To say I'm excited to watch their progress would be an understatement!

What's more, we hope we've helped you avoid taking significant losses (or at least cut them short) by sharing our list of nine heavily promoted penny stocks. Unfortunately, there are many more of these nasty penny stocks out there just waiting to part the unsuspecting investor from their hard-earned money.

The good news is... you can stay one step ahead of the promoters by reading our weekly Pump and Dump Alert article published every Friday.

Thanks again for becoming a member of *Penny Stock Research*, the premier site on the web for timely penny stock research and analysis. We're glad to have you as a member of our growing penny stock investment community. And we wish you great success in your penny stock trading.

Profitably yours,

The Penny Stock Research Team

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