



January 11, 2009 Sunday Evening

The stock market reacted negatively the monthly Labor Report that was released at 5:30am Pacific time Friday morning. It is likely that investors continue selling over the negative report and other articles saying how lousy the economy is, if Obama's stimulus plan will work or get approved. My best guess is the market should have relatively mild selling and then resume an upward trend to higher highs with many stocks we have outlined in the table below. Asia markets are down, especially Hong Kong, -2.83% at the moment.

The negative jobs report won't totally negate this forecast unless new and different news appears that causes more fear to resurface.

We are starting to see more speculation on the long side so the environment will be good the next 4-6 months of good trading both on the long and short side, although long is the higher odds direction to be for a while.

Oil prices went down further on Friday, and this gave an even better price to buy long **USO**, United States Oil Fund etf. **This is an excellent opportunity at this price.** This could easily rebound and move upward for days and this should be a hold for possibly a couple of weeks. Repeat: **This is the one position that we all should have in the coming months.**

Intermediate Trade Positions: New ideas: No new ideas, wait until Monday's trading for new ideas. A little more selling ahead with many stocks.

Review: **PTR**, PetroChina, the daily chart on China's largest oil company is really looking good to go sideways and then eventually move up to slightly higher highs than what we've seen.

RMBS, Rambus dropped 46% at one point on Friday on news that a judge ruled against them on a legal case with MU, Micron. RMBS spends much of its budget on legal battles against other competitors who stole their technology so this stock lives and dies on legal outcomes because that affects their royalty income, which is almost all of their income. This is just a review FYI even though I deleted it from the list. If RMBS continues to drop hard on Monday, this could be an intraday trade LONG if it goes down enough, maybe well under \$10 tomorrow.

Swing Trades: New ideas:

Note that **BNI** and **USO** are very good entry points long. These are likely to be intermediate term trades from here but at least a good LONG-SWING trade.

Day Traders/Intraday stock ideas: **FSLR, RIMM, AMZN, AAPL**, possibly **RMBS** if it goes down substantially more, watch the 3 and 5 min intraday charts tomorrow.

NOTES: This is not a good time to do much shorting, not even during intraday trades.

When I list several stocks from the same sector, like the housing industry for example, don't short all of them unless you are well diversified and it represents a small percentage of your total stock account (in that same account).

REPEAT: Keep an eye out for biotechs; they are building momentum and often do well in January.

Ticker Symbol	Type	Notes	Purchase Date	Open Price	Target Price
HWAY , Healthways	LONG-INT	Sold at open \$11.50, 1-7-09; Nice move	12-29-08	11.04	14-15
VRX , Valeant Pharm	LONG-INT	Sold 22.80, 1-6-09; should move up	12-29-08	22	?
K , Kellog	LONG-INT	Sold 45.09, 1-6-09; 2 more down days?	12-29-08	42.39	47
IBM , Int'l Bus. Mach	LONG-INT	Sold 87.70, 1-6-09; Should move up.	1-8-09	86.14	92
UTX , United	LONG-INT	Sold 54.60, 1-6-09. Should move up	12-29-08	50.92	55
LLL , Level 3	LONG-INT	We missed this, sorry about that.	Wait next time		
USO , US Oil Fund	LONG-INT	Sold 38.36, 1-6-09; BEST IDEA!	1-8-09	32.00	50-55
XOM , Exxon Mobile	LONG-INT	Sold 82.14, 1-6-09; watch & wait	12-29-08	78.28	87-88
CVX , Chevron	LONG-INT	Sold 77.56, 1-6-09; watch & wait	12-29-08	71.25	85
COP , Conoco Phillip	LONG-INT	Sold 56.53, 1-6-09; Bought today	1-8-09	53	58-59
BP , British Petrol.	LONG-INT	Sold 48.89, 1-6-09; Bought today	1-8-09	48.33	51
RMBS , Rambus	SHORT-INT	Ironic this drops 45% Friday on bad news	DELETE		
FXI , Xinhua 25 ETF	LONG-INT	Sold @ \$31.69, 1-6-09. Danger if lower	1-2-09	30	40
PTR , PetroChina	LONG-INT	Hold; too late to sell now; good buy now	1-2-09	92.84	102+
PLD , Prologis	SHORT-INT	Fast MA leveling, could drop.	Wait & Watch		
DHI , D.R. Horton	SHORT-SWI	Covered at open, 7.28, 1-8-09. Watch	1-7-09	7.84	
TOL , Toll Brothers	SHORT-INT	Covered at open, 20.20, 1-8-09. Watch	1-7-09	21.86	
KBH , KB Homes	SHORT-INT	Covered at open, 14.06, 1-8-09, watch	1-7-09	14.90	
PHM , Pulte Homes	SHORT-INT	Covered at open, 11.52, 1-8-09. Watch	1-7-09	12.42	
LEN , Lennar	SHORT-INT	Covered at open, 11, 1-8-9, Watch	1-7-09	10.86	
CNO , Consec	LONG-INT	Stopped 4.25, 1-9-09. Wait & watch	12-31-08	4.15	5-6
HOTT , Hot Apparel	LONG-INT	Bot today on big drop and pop; hold	1-8-09	8.71	
AGU , Agrium	LONG-SWI	Sold 38.42, 1-6-09; watch POT, MOS	1-5-09	36.91	
FRPT , Force Protect	LONG-INT	Strong so far; hold position.	1-5-09	6.40	
AFFX , Affymetrix	LONG-INT	Getting stronger; hold.	1-6-09	3.18	4.50
MDR , McDermott,	LONG-INT	Still strong.	Wait & watch		
FCX , Freeport Mc	LONG-INT	3-4 more days before buying	Wait & watch		
COG , Cabot Oil	Short-SWI	Covered at \$27, 1-8-09.	1-7-09	29	
GDP , Goodrich Oil	Short-SWI	Covered at \$31, 1-8-09.	1-7-09	32.73	
SCHN , Schnitzer Stl	LONG-INT	Bought opening drop.	1-8-09	36.02	
MOS , Mosaic	LONG-INT	Looking good; worth small position long	1-9-09	40.37	
CAT , Caterpillar	LONG-INT	Good entry point; extra small position	1-9-2009	82.35	
DE , John Deere	LONG-INT	Worth buying a little long 1-12-09	1-12-09	45.19	

XME , Metal/MngETF	LONG-INT	A little more downside left.			
BNI , Burlington	LONG-SWI	GOOD Hi probability swing trade here	1-12-09		
BG , Bunge	LONG-INT	Worth small long position here.	1-12-09		

SWI (SWING): 2-7 days **INT:** Intermediate term position 8 days to several months. **Open Price:** price paid on opening long position or price sold on short position. **Bold notes on table above represent changes from previous day.**

Thoughts: Best odds only, be decisive, aggressive, mentally flexible, stay in position size, don't overtrade and wait a little longer to buy and wait a little longer to sell. You will find that will make you more money on your trades. Trade what you see, not what you hope for.

Don't trade unless the setup is there for you, then use the charts to tell you when the odds are heavily in your favor. Don't force anything to work for you, let the setups develop and then take advantage of that. Be patient. Stay in position sizes without letting any intraday trade represent no more than 10-15% of your total account value. As you build your account, your position size percentage should get smaller and smaller to lower your risk.

Have a great day and I'll talk to you tomorrow.

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