



January 19, 2009 Monday Evening

The stock market is trying to rebound from Thursday's bottom we should have one with a slow and rocky move up. The futures are down, the Asia markets are down and volume should be light with the \$150 million inauguration tomorrow.

Earnings are coming out heavy the next two weeks and more bad news is likely to be issued on earnings forecasts that will likely be lowered by companies.

The ag-chemical stocks **MOS, MON, AGU** and **POT** did continue to move up Friday as expected and should continue up higher.

The usual big move in small cap stocks hasn't taken hold yet. Continue to watch for this group to start moving, especially with biotech stocks. When speculation starts, small caps will benefit.

It is too early to tell if oil prices are going to bounce from here on short term horizon but should move up on an intermediate term.

Intermediate Trade Positions:

RIMM, Research in Motion continues to move up as **AAPL** moves down on the Steve Jobs' health issue. This is likely to continue trend for some weeks. Now that the public is distrustful about Jobs health statements and change in status, **AAPL** is likely to drift lower while **RIMM** benefits as their competitor's hold is dwindling.

Note **PALM** is moving up sharply on negative **AAPL** news and positive **PALM** news on analysts upgrade on product announcement. This is not a stock idea, only an observation.

Swing Trades: New ideas: **WFC, BAC, C, JPM** are money center banks that are excellent stocks to with at least a swing trade if not an intermediate trade (longer than 7 days to 6 months). If you can get a better price with more drop would be nice but not necessary to make money from here.

Day Traders/Intraday stock ideas: **RIMM** and **FSLR** were excellent scalps long using a 5 minute chart. Continue monitoring **AMZN** and **AAPL**.

NOTES: This is not a good time to do much shorting, not even during intraday trades. When the market presents a good time to short don't be intimidating selling short when a good sell signal arises. Start with extra small positions until you learn how to read the charts and build your confidence.

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
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HWAY, Healthways	LONG-INT	Sold \$11.50, 1-7-09; Still hold	12-29-08	11.04	14-15
VRX, Valeant Pharm	LONG-INT	Stopped 1-15-09 \$21.6; DELETE	12-29-08	22	?
K, Kellog	LONG-INT	Sold 45.09, 1-6-09; big move Friday,	1-14-09	43.33	47
IBM, Int'l Bus. Mach	LONG-INT	Sold 87.70, 1-6-09; hold	1-8-09	86.14	92
LLL, Level 3	LONG-INT	Starting new leg up	1-13-09	77.92	
USO, US Oil Fund	LONG-INT	Sold 38.36, 1-6-09; No worries	1-8-09	32.00	50-55
COP, Conoco Phillip	LONG-INT	Sold 56.53, 1-6-09; moving up.	1-8-09	53	58-59
BP, British Petrol.	LONG-INT	Sold 48.89, 1-6-09; moving up	1-8-09	48.33	51
FXI, Xinhua 25 ETF	LONG-SWI	Bottomed 1-14-09	1-15-09	25.25	29
PTR, PetroChina	LONG-INT	Weak but still hold.	1-15-09	78	92-93
DHI, D.R. Horton	SHORT-SWI	Watch	1-7-09	7.84	
TOL, Toll Brothers	SHORT-INT	Watch	1-7-09	21.86	
KBH, KB Homes	SHORT-INT	Watch	1-7-09	14.90	
PHM, Pulte Homes	SHORT-INT	Watch	1-7-09	12.42	
LEN, Lennar	SHORT-INT	Watch	1-7-09	10.86	
HOTT, Hot Apparel	LONG-INT	Good recovery; strong move up	1-8-09	8.71	
AGU, Agrium	LONG-SWI	Sold 38.42, 1-6-09; Looking good	1-5-09	36.91	
FRPT, Force Protect	LONG-INT	Strong so far; DELETE	1-5-09	6.40	
AFFX, Affymetrix	LONG-INT	Still hold;	1-6-09	3.18	4.50
MDR, McDermott,	LONG-INT	hold	1-15-09		
FCX, Freeport Mc	LONG-SWI	Looking better	1-14-09	24	
MOS, Mosaic	LONG-INT	Acting better	1-9-09	40.37	
DE, John Deere	LONG-INT	Hold; don't buy more.	1-12-09	45.19	
XME, Metal/MngETF	LONG-INT	Hold	1-13-09	26.14	
BNI, Burlington	LONG-SWI	Rough ride up, \$60 stop	1-16-09	64	
XTO, XTO Energy	LONG-INT	Danger; consider selling	1-13-09	35.79	43-44
APC, Anadarko Petr	LONG-INT	Danger; consider selling	1-13-09	39.55	47-48
MO, Altria Group	LONG-INT	Strong move up. 8.3% dividend	1-13-09	16.02	
SRS, Short Real Est	LONG-INT	Sold at \$74 on rebound early; watch	1-14-09	65.32	80-85
GS, Goldman Sachs	LONG-SWI	Still looks anemic; hold.	1-14-09	75.88	
PXJ, Oil Services ETF	LONG-INT	Hold	1-15-09	10.50	
C, Citibank	LONG-SWI	Low priced, high reward, high risk	1-16-09	3.60	6
RMBS, Rambus	LONG-SWI	\$7.75 low Thurs, \$9.91 Fri; higher risk	1-16-09	9.00	11+
BNI, Burlington Nrth	LONG-SWI	Rough ride up, \$60 stop	1-16-09	64	71-74
WFC, Wells Fargo	LONG-INT	Oversold; hold for weeks?	1-16-09	17.50	23+
RIMM, Research Mot	LONG-INT	Should move up as AAPL goes down	1-16-09	50.38	56

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. **Intermediate trades are really important to have trailing stop losses set.**

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.

Mitch King

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