



January 22, 2009 Thursday Evening

The stock market is having high volatility with unexpected swings after earnings reports from companies that usually exceed expectations have disappointed today. **MSFT** was the latest catalyst for the sell-off today. The expected further buying in financial stocks only occurred with **JPM** and **GS** today so those should do quite well on positive market days that should come this next week or so. (The target price on **JPM** has been moved up to \$25). Video Link will follow

Many of these stocks on the list below are marked to sell on rebound. We have to look at the possibility of the market falling off a cliff if further selling occurs, in which most of these stocks would trigger sell signals. Those stocks like **FCX**, **DE**, **XME**, **HOTT**, **IYF** are vulnerable. Note **JPM** is likely to have an up day tomorrow even if the stock market is neutral to slightly positive. We are still looking to sell **JPM** tomorrow and considerable risk is with this group holding long over the weekend.

The selling that was expected on the banking stocks came 2 days early but many of them like **BAC**, **C**, **WFC** (and others not on our list) **have a good chance of rebounding even in spite of today's down day in this sector.**

Note that the ag-chemical stocks had a good day in the midst of selling. **POT**, Potash was most noticeable on its \$4 move up on a negative environment. Watch and wait on this one but it could be a signal of an uptrend starting.

Nobody has talked about the idea that Obama might be causing more concern in the financial markets without specific strategies on the stimulus plan. It isn't that he has outright scared the markets but the expectation that this history making President would instill more confidence hasn't happened yet. It feels like the market will react with one wrong move or statement with quick reacting selling.

**Oil** had a slight correction today as expected but nothing to get worried about.

**Intermediate Trade Positions:** **ICE**, Intercontinental Exchange. Decent entry at this price point now; this idea assumes November 21, 2008 low of \$49.72 holds as support line. Current price is \$53.13.

**HNT**, Healthnet is on a nice uptrend and had higher highs today in a down market. This should continue as any rebound in the market will lift this stock even more.

**PRU**, **MET**, **HIG** short sale ideas were washed out today. Delete these ideas.

**Swing Trades:** New ideas: No new ideas before weekend.

**Day Traders/Intraday stock ideas:** **BAC**, Bank of America had excellent volatility with a 21% profit potential on a short intraday trade followed by a 12% long swing. It isn't likely we see a short trade like that but a shallower drop with a potential for a nice pop on the long side. Other financial stocks like **WFC** might follow a similar pattern. **FSLR** had a nice drop and pop with an \$8 profit or 6%, watch for this tomorrow. Watch **ICE**, Intercontinental Exchange for an intraday trade. This had an 8% profit potential LONG on the pop and drop pattern.

**FSLR**, First Solar had excellent scalp today from \$135.50 to \$141.80 at the close for a 4.6% potential profit. **RIMM** had a 2.5% potential. AAPL is going to be a dangerous stock to scalp tomorrow—it could go either way after moving up about \$8 aftermarket today on earnings report. **AMZN**, Amazon.com had an excellent scalp from \$48.40 to \$50.60 for a 4% potential profit on a long trade.

**NOTES:** The stock market is going to have high volatility so **intraday trades have been working very well for several days** and are likely to continue whereas swing and intermediate trades have worked well for 6 weeks until recently. Protect yourself from further sharp selling and even though a rebound has a higher chance of occurring than deep selling, many news events could cause more deep selling.

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
<b>HWAY</b> , Healthways	LONG-INT	Sold \$11.50, 1-7-09; <b>still uptrend</b>		11.04	14-15
<b>K</b> , Kellogg	LONG-INT	Sold 45.09, 1-6-09; <b>still strong;</b>	1-14-09	43.33	47
<b>IBM</b> , Int'l Bus. Mach	LONG-INT	<b>Consider selling?</b>	1-8-09	86.14	92
<b>LLL</b> , Level 3	LONG-INT	<b>Strong uptrend pattern; looking good!</b>	1-13-09	77.92	
<b>USO</b> , US Oil Fund	LONG-INT	<b>Oil trying to bottom; hold</b>	1-8-09	32.00	50-55
<b>COP</b> , Conoco Phillip	LONG-INT	Sold 56.53, 1-6-09; <b>Trying to bottom</b>	1-8-09	53	58-59
<b>BP</b> , British Petrol.	LONG-INT	Weakest major oil stock; <b>Hold</b>	1-8-09	48.33	<b>45</b>
<b>FXI</b> , Xinhua 25 ETF	LONG-SWI	<b>Mishandled Chinese sector! Hold</b>	1-15-09	25.25	29
<b>PTR</b> , PetroChina	LONG-INT	<b>Totally mishandled this trade! Hold</b>	1-15-09	78	<b>88</b>
<b>HOTT</b> , Hot Apparel	LONG-INT	<b>SELL</b>	1-8-09	8.71	
<b>AGU</b> , Agrium	LONG-SWI	SLD 38.42, 1-6-09; <b>stronger today</b>	1-5-09	36.91	
<b>MOS</b> , Mosaic	LONG-INT	<b>Ag chemical group strong today; hold</b>	1-9-09	40.37	
<b>MDR</b> , McDermott,	LONG-INT	<b>Sold at open, \$10.41. DELETE</b>	1-15-09	10.15	
<b>FCX</b> , Freeport Mc	LONG-SWI	<b>Sell on rebound.</b>	1-14-09	24	
<b>DE</b> , John Deere	LONG-INT	<b>SELL.</b>	1-12-09	45.19	
<b>XME</b> , Metal/Mn ETF	LONG-INT	<b>Selling next couple of days</b>	1-13-09	26.14	
<b>MO</b> , Altria Group	LONG-INT	Sold @ 17; 8.3% div, watch	1-13-09	16.02	
<b>GS</b> , Goldman Sachs	LONG-SWI	<b>Went up against grain today; hold</b>	1-14-09	75.88	
<b>PXJ</b> , Oil Services ETF	LONG-INT	<b>Look for gradual rebound</b>	1-15-09	10.50	
<b>C</b> , Citibank	LONG-SWI	<b>Should move up</b>	1-16-09	3.60	5.50
<b>RMBS</b> , Rambus	LONG-SWI	<b>Trying to bottom</b>	1-16-09	9.00	11+

<b>BNI</b> , Burlington Nrth	LONG-SWI	More up days ahead; hold	1-16-09	64	71-74
<b>WFC</b> , Wells Fargo	LONG-INT	<b>Should move up gradually</b>	1-16-09	17.50	20
<b>BAC</b> , Bank of Amer	LONG-SWI	<b>Should rebound; hold; stop set at \$5.1</b>	1-16-09	7.40	10
<b>RIMM</b> , Research Mot	LONG-INT	<b>In strong uptrend; hold</b>	1-16-09	50.38	56
<b>JPM</b> , JP Morgan	LONG-SWI	<b>Strong today against tide; hold</b>	1-20-09	18.03	<b>24</b>
<b>IYF</b> , Financial ETF	LONG-INT	<b>Hold for rebound if still long</b>	1-21-09	32.40	38-39
<b>USB</b> , US Bancorp	LONG-SWI	<b>Stopped \$14.75; try buying next 2 days</b>	1-21-09	12.50	18

**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  
[www.TradeStocksAmerica.com](http://www.TradeStocksAmerica.com)

Contents: stock trading, trading strategies, stock picks, stock market education, stock market investing course and educational stock trading videos.

Mitch King is the founder of **TradeStocksAmerica.com**. All material presented herein is believed to be reliable but we cannot attest to its accuracy. All material represents the opinions of Mitch King. Investment recommendations may change without notice and readers are urged to check with their investment counselors before making any investment decisions. Opinions expressed in these reports may change without prior notice. Mitch King and/or the staff at **TradeStocksAmerica.com** may or may not have investments in any stocks cited above before or after this newsletter is prepared. Opinions expressed in these reports may change without prior notice.

Disclaimer - Stock investing or stock trading has large potential rewards, but also large potential risk. There is risk of loss as well as the opportunity for gain when buying or selling stocks, bonds, option contracts or engaging in any strategy listed in the Daily Stock Report, The Wizard Training Course, The Trading Room and our seminar or workshops. You must be aware of the risks and be willing to accept the risks when investing or trading in any financial markets. Don't trade with money you can't afford to lose. This website is neither a solicitation nor an offer to Buy/Sell stocks. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this website. The past performance of any trading system or methodology is not necessarily indicative of future results.