

January 29, 2009 Thursday Evening

The stock market is back in the mode of reacting to one economic news event to the next and today was new housing starts that were lower than expected just after an encouraging existing home sales a few days ago.

The indices Dow30, Nasdaq Composite and S&P-500 should make its way back up in a gradual way late next week. Most stocks on the list have been sold. I am not interested in riding down the financials down after such nice profits so the remaining banks have been sold today near the close.

We are in a lull for a couple of days before we go back into many stocks long. We have a "rest day" tomorrow in the stock market on Friday January 30, 2009. Stocks are in transition from a harvest to a point where it is high probability again and we are in between.

Oil could take a period of weeks before it completes a bottoming process. We are looking for \$35 to be a support level.

Intermediate Trade Positions: New ideas: Our list of banking stocks, WFC, BAC, USB, C, JPM, and GS should be watched for potential LONG intermediate positions sometime next week.

<u>Swing Trades</u>: JPM, JP Morgan. Excellent short swing trade idea. Target profit another 10-12% drop from here. A lot of the potential profit occurred today on the 8% drop. Setting \$1.50 trailing stop loss.

Day Traders/Intraday stock ideas: Intraday trading is just excellent both short and long. Continue to watch ICE, BLK, CME, POT, MON, MOS, AMZN, FSLR, BIDU, WFC, JPM and any high volume, high volatility stocks. AMZN had a big jump after market today on a positive earnings surprise. The stock rose from \$50.40 to \$57 aftermarket. This probably won't give us a good intraday trade signal tomorrow after the earnings surprise.

Intraday trading techniques have been doing very well and are likely to continue in addition to swing and intermediate trades. Be disciplined with your position size and try to control any strong feelings of greed and fear.

Note that there is a new SEC Chairwoman that could bring back the zero uptick rule on short selling. This may decrease the volatility that we have been seeing since they introduced this idea sometime in the Spring of 2008.

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	Туре	Notes	Purchase Date	Open Price	Target Price
HWAY, Healthways	LONG- INT	Still in uptrend even after today's -5.3%		11.04	14-15

K , Kellog	LONG-INT	Sold 45.65 on 1–29–09;	1-14-09	43.33	47
IBM , Int'l Bus. Mach	LONG-INT	Sold 90.55 1-27-09; bad sell	1-8-09	86.14	92
LLL, Level 3	LONG-INT	Stopped \$78.98 1-29-09	1-13-09	77.92	52
USO, US Oil Fund	LONG-INT	Close to support; should bottom here	1-8-09	32.00	50-55
COP , Conoco Phillip	LONG-INT	Hold	1-8-09	53	58-59
BP , British Petrol.	LONG-INT	Sold \$42.63; DELETE, hate this stock!			45
FXI, Xinhua 25 ETF	LONG-SWI	Should move up slowly; hold	1-15-09	25.25	29
PTR, PetroChina	LONG-INT	Another dog; mishandled from the start	1-15-09	78	88
, AGU, Agrium	LONG-SWI	Sold \$34 1-27-09			
MOS, Mosaic	LONG-INT	Sold \$37 1-27-09	1-9-09	40.37	
FCX, Freeport Mc	LONG-SWI	Sold 24 1-27-09	1-14-09	24	
MO, Altria Group	LONG-INT	Let this drop for a while; watch, 8.3% div	1-13-09	16.02	
GS , Goldman Sachs	LONG-SWI	Sold 77.75 1–26–09;look for higher high	1-14-09	75.88	82
PXJ , Oil Services ETF	LONG-INT	Sold \$11.97 1–26–09; nice move today	1-15-09	10.50	
C, Citibank	LONG-SWI	Sold \$3.99 1-29-09; weakest bank	1-16-09	3.60	5.50
RMBS, Rambus	LONG-SWI	Sold 1–26–09 at \$9; Watch & wait	1-16-09	9.00	11+
BNI, Burlington Nrth	LONG-SWI	Riding this out; hold	1-16-09	64	74
WFC, Wells Fargo	LONG-INT	Sold \$20.40 on 1–29–09.	1-16-09	17.50	20
BAC, Bank of Amer	LONG-SWI	Sold \$7.07, 1–29–09.	1-16-09	7.40	10
RIMM , Research Mot	LONG-INT	Sold @ \$51 1-27-09; Bad sell	1-16-09	50.38	56
JPM, JP Morgan	LONG-SWI	\$26.75+ should have been your sell	1-20-09	18.03	
IYF, Financial ETF	LONG-INT	\$36.75 should have been your sell today	1-21-09	32.40	38-39
USB , US Bancorp	LONG-SWI	Sold \$15.29, 1-29-09.	1-27-09	13	
HNT, Healthnet	LONG-INT	Still in uptrend but watch closely	1-23-09	14.20	
ICE, Intercont Exch	LONG-INT	Riding it out; hold	1-23-09	51	68-69
POT, Potash	LONG-SWI	Sold 77.72 1-27-09.	1-23-09	73.25	
USG , US Gypsum	LONG-INT	Still in downtrend; wait and watch			
TSO, Tesoro	LONG-INT	Still in steep uptrend; hold	1-27-09	16.05	
GERN, Geron	BULLSHORT	Dangerous if goes above \$8.50; hold	1-26-09	8.25	5.50
AAPL, Apple Cmptr	SHORT-SWI	Monitor this closely; \$2.50 trailing stop	1-29-09	93.09	85
AMLN, Amylin Phar	SHORT-INT	Watch and Wait			
WCG, WellCare	LONG-INT	Let it come down more before buying			
SGR, Shaw Group	LONG-INT	½ position; Look for higher high for	1-29-09	29.01	

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.

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