



Daily Stock Report for Tuesday Morning, June 15, 2010

Announcement: We are diligently working on the Trading Room where we will deliver real time stock ideas that are primarily for intraday scalps (at first). Imagine if you had a team of people looking for high probability set-ups where the odds are high you can make money either long or short, someone to comment on how they are acting, and occasionally show you a real time chart from our desktop. We will also have audio with some commentary available and occasionally we will review how a trade went that day. This is our goal to provide a variety training but most importantly, many stock ideas with symbols and name of company during the day. Most of these intraday scalps usually occur in the first 2 hours of the trading session. But with the high volatility in the market lately, many days are very good scalping. Go to this link to put your name on the waiting list for the Trading Room: <http://www.tradestocksamerica.com/trading-room.php>

US stocks were doing well most of Monday until Moody's downgraded the debt rating on Greece and this moved it to junk status (below BBB-). Surprisingly, stocks held up quite well but erased the 110 point gain on the Dow30 and ended down 20 points or 0.2% for the day. The Nasdaq ended even, the S&P 500 ended slightly down or -0.18% and the Russell 2000 ended up 0.5%.

As stated recently in this report, that we are likely to intermittently see more bad news coming out of Europe in the coming months from new and existing countries who have stated they may be in danger of defaulting on debt. It is likely more countries state that as soon as it is obvious that a bailout would help the countries in trouble.

It was somewhat like the TARP bailout package to companies who qualified and that was expanded to more categories as well besides just banks. This whole European development is likely to drag on our economy and financial markets but we **our profits can still be obtained through an emphasis on swing trading positions lasting for days to, as always, intraday trading (day trading or scalping).**

Oil stocks were mixed after Obama demanded that BP set up an escrow fund to deposit money for payment to victims of the oil spill.

We should see stocks have a pullback this week but likely not as low as the May 25th and June 8th low. If the 10,000 level holds on the Dow30 or 1065 on the S&P 500 and then we see a rebound with a higher high, that would be a bullish indication that stocks are in a recovery mode. But short term trading positions have highest odds of making money.

REPEAT from last report: We should be entering a phase in the market where low volume and lower volatility will prevail in the coming weeks as summer begins. We should still have some negative sentiment in the marketplace as we watch the President have less effect with his policies, ongoing reminders of European countries debt problems and we continue to watch live the oil leaking in the Gulf of Mexico.

Summary Opinion

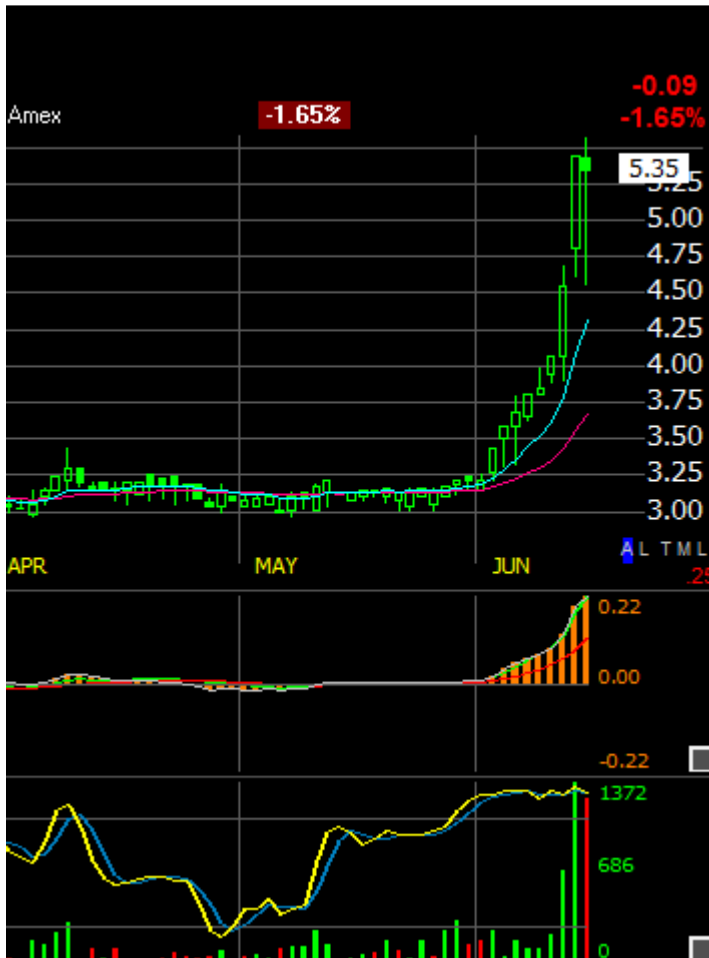
We have had a small rebound the last few days and have exceeded the 10,250 level briefly on Monday on the Dow30 and 1100 on the S&P 500. These important levels are likely going to be a "top in the market" or resistance and we should see some selling for a few days before any attempt at a higher uptrend.

Calendar (All Eastern times)

Tuesday, 830am, Import-Export Prices
Tuesday, 830am, Empire Manufacturing Survey, 20.0
Tuesday, 900am, Net long-term TIC Flows
 Wednesday, 830am, Housing Starts, 653K
 Wednesday, 830am, Building Permits, 631K
 Wednesday, 830am, PPI, -0.5%
 Wednesday, 915am, Capacity Utilization, 74.4%
 Wednesday, 915am, Industrial Production, 0.8%
 Wednesday, 1030am, Crude Inventories, -1.90M
 Thursday, 830am, Initial Claims, 453K
 Thursday, 830am, Continuing Claims, 4600K
 Thursday, 830am, CPI, -0.2%
 Thursday, 830am, Current Account Balance, -\$123,B
 Thursday, 1000am, Leading Indicators, 0.4%
 Thursday, 1000am, Philadelphia Fed, 18.8

Follow-up notes:

Looking for rebound in oil stocks these coming 2-3 weeks.
IFLG, InfoLogix spiked up today 88% after a rumor of this being a buyout possibility. You might have seen the intraday email sent to you this morning saying if you are long to strongly consider selling this long position. This continued to move up sharply throughout the day and looks like it will continue moving up Tuesday as it closed near the high today. This has a low float of about 1.2 million shares and can move sharply up and down, as you can see in the daily chart. This could go up as high as \$9 and likely would make a sharp correction. This may be a good short as long as it starts to head down first before opening the short position.



Focus chart:

HKN, Harken Energy didn't go up much before correcting sharply to a low of \$4.56 and rebounded. This is a very low volume and low float stock, which means it moves around a lot on low volume. It is still ideal if this moved up higher before considering any short position on this.

The way to handle this is to let it run up further and let it stop going up before shorting it. It is best to see this peak and go down before opening a short. This is the lowest risk strategy to handle these potentially high profit trades. This technique must be studied in the Wizard Training Course before attempting trading these and this is for the most aggressive and experienced investors/traders.

Scalp of the Day: (all eastern times)

RMBS, Rambus gave very good long scalp for a potential profit of 4.5% followed by an excellent short scalp.

APC, Anadarko Petroleum gave an excellent **short** scalp with a profit potential of 8.7%.

Both long and short scalps should be excellent this week with continued volatility but will shift toward more long scalps as the market may bottom and rebound upward.

These are the kind of trade ideas we will be giving in the Trading Room, which we is in beta testing right now. Put your email address and name on website page to be notified of actual launch date and info.

Swing Trade Ideas: (Usually hold time is **days**).

RURL, Rural Metro. Start monitoring this stock for a potential short position. Best to see these peak and start correcting before opening a small short position.

ARST, ArcSight did not make a higher high Monday which is an indication that it is weakening. **REPEAT from last report:** Look for a potential short entry point in the next 1-3 days, well above \$24.

Intermediate Trade Ideas: (weeks to months)

ESLT, Elbit Systems. Consider small long position.

EFII, Electronics for Imaging. Consider small long position.

WLP, Wellpoint. Consider very small long position.

REPEAT: Look for a little lower price before considering a very small long position, possibly below \$53.

Aggressive Investors-Traders (High risk, high reward)

HKN, Harken Energy has developed into a bullshort in the last 2 days especially **BUT NEEDS MORE TIME AND A HIGHER PRICE BEFORE SHORTING**. See notes under Focus Chart to left.

IFLG, Infologix. Monitor for potential short sale near \$9. Use very small short position; best to see these peak and turn over before opening short position. **SEE NOTES in Follow-up Notes above.**

Stock List	Type	Notes	Open Price	Close Price
SBUX, Starbucks	LONG-INT	Monitor for buy entry point.		
GOOG, Google	LONG-INT	Going through bottoming process.	480	
CMG, Chipotle Mex	LONG-INT	All-time high today (Monday).	109.20	
SNDK, Sandisk	LONG-INT	Higher high Monday.	38.95	
AAPL, Apple Cmptr	LONG-INT	Monitor for potential long position, under \$240?		
WFMI, Whole Foods	LONG-INT	Next price point to watch for is \$41.50 to reach & hold.	38.75	
HTWR, Heartware	LONG-INT	Acting very strong.	57.07	
NFLX, Netflix	LONG-INT	All-time high again Monday; one of strongest stocks.	94	
TIVO, Tivo.	Aggressive	Monitor, acting bad so far.		
XOM, Exxon Mobil	LONG-INT	Oil stocks should start moving up.	59.80	
WLP, Wellpoint	LONG-INT	Should start moving up.	52.50	
XTO, XTO	LONG-INT	Made higher high, looking for rebound in oil stocks	41.98	
BR, Broadridge	LONG-INT	Starting to move up.	19.48	
BCSI, Blue Coat Sys	LONG-SWI	Looking at \$22 as an important support level.	22.48	
NBL, Noble Energy	LONG-INT	Oil stocks starting to gain strength	62.43	
HUM, Humana	LONG-INT	Starting to move up, healthcare should move up.	47.20	
PBR, Petrobras	LONG-INT	Reversal on oil stocks Monday; early sell signal!	37.95	
AMGN, Amgen	LONG-SWI	Resistance level at \$56	53.62	
BIDU, Baidu	LONG-INT	Small long position	71.40	
MA, Mastercard	LONG-INT	Small long position	204.3	
MYE, Myers	LONG-SWI	Small long position.	8.48	
IDRA, Idera Pharma	LONG-SWI	Small long position.	4.00	
EFII, Elecgronics	LONG-INT	Small long position.	10.12	
ESLT, Elbit Systems	LONG-INT	Very small long position.	51.10	

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.** **Current positions are highlighted in yellow.** **Green colored lines are next probable positions to consider.** **Red, take action or watch closely,** no color usually were stocks just finished trading or are watching. **Realize that opinions about stock ideas can be changed at a moment's notice during any trading day without any warning!**

IMPORTANT: The notes in this stock list is how I have been writing notes to myself about stocks for 16 years. They are general guidelines as to how I am approaching a particular stock and conditions may change during the next trading day that may cause a change in opinion before the next evening report is written.

Remember not to get too heavy in one sector and gradually move in because it is unrealistic to think we get the exact bottom. We want to gradually move into this sector and eventually build full size long positions in them that may be swing trades lasting for days or intermediate trades lasting weeks.

If you spend too much money too quickly, you will run out of ammunition, then get emotionally stressed when stocks are going against you. If you get too leveraged you may be forced to sell at a loss because you are racking up losses at twice as fast if you are margined 2 to 1 and then miss the big move up we are looking for in oil and gas stocks.

Advice: Don't get leveraged in any one position long or short. Spread your money out between a variety of stocks and the higher amount of money you are working with, the smaller percentage of money you can afford to trade in one stock position. The main reasons why people fail to make money in stocks consistently (according to Mitch King):

1. They are too emotional, controlled by greed and fear.
2. Not using a high probability technique to buy and sell (or no technique at all!)
3. Position size is too big in one stock relative to total account value (which is related to #1 above). Not patient or willing to spend enough time to learn a good trading technique.
4. Expectations are unrealistic to make large amounts of money in a short time period and at the same time violating #1, 2, 3 or 4 above.

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 and swing 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.

Stop losses: Many people ask about stop losses on intraday trading and my response is that the stops should be wider because they are stops "just in case" a disaster news event hits the stock. When you follow the technical indicators as I show you on the intraday scalping tutorials, rarely will a stop loss be hit. The indicators can be used with uncanny accuracy as a forecasting tool so don't set your stop losses on the intraday scalping too tight.

Anyone setting tight stops while scalping will consistently lose money on scalping because stocks move around a lot even though they follow the technical indicators.

Stop losses on swing and intermediate term trades can be set anywhere from 5-7-10% and trailing stop losses are best.

Progress Report: We have had numerous requests for the real-time the Trading Room and this is being developed. The delivery of information and quality of ideas will be very unique—there won't be anything like this!

More thoughts: Keep steady, calm, decisive, aggressive. Have no fear and no greed. Keep looking at what to be doing next in a calm manner. Don't focus on the past or beat yourself up what you did or didn't do or what you should have done. Just keep playing the next shot, which in this business your next shot could be just sitting on the sideline.

If you have been uncomfortable shorting stocks, which most people are, try to learn this technique, it will be a useful tool in the coming years.

When several stocks from the same sector are listed, like from the housing industry or steel 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).

Also note that we are in what Martin Pring, PhD explains in his book *The All-Season Investor*, the business cycles and which one is good for various financial investments. He would describe that we are in Stage II of the business cycle which is positive for bonds and stocks but negative for commodities. Sometime in 2010, we probably approach Stage 3 business cycle with rising inflation and interest rates, which are usually bad for stocks and bonds.

A couple of technical analysis books you should consider:

Technical Analysis Explained, Martin Pring.

Technical Analysis from A to Z, Achelis

Technical Analysis for the Financial Markets, John Murphy.

Put the odds in your favor and have a great day!

Mitch King

www.TradeStocksAmerica.com

Contents: online stock trading, trading strategies, stock picks, stock market education, stock market investing course, educational stock trading videos, stock trading newsletter, stock market newsletter,

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