



June 17, 2009 – Wednesday Evening

The market had little change but many stocks look ready to start rebounding back up from here so **tomorrow looks like a high probability buying entry point for stocks** that have been trading very strongly in an uptrend these past months. At this point we are looking for swing trades of 8-12% and some of them can turn into intermediate terms that last weeks.

Look how many stocks are highlighted in green below, which is quite unusual to have so many. But the odds are good so now is the time to start gradually buying and don't get greedy and build big positions relative to the account size you are working with. If we are off by a day or two, you won't get badly hurt but tomorrow looks like a high probability day to start gradually buying long.

It is always a challenging time to buy when you might have fear but you need to ignore your emotions and learn what the technical indicators are saying. By the time you wait for "emotional confirmation" that it is time to buy, the market has already made most of its move.

REPEAT from Tuesday Night Report:

We didn't get the bounce that I was looking for but the market is not likely to go into a freefall spiral downward. The buyers should start stepping in with the computer buy programs starting first followed by the slower and less experienced retail investors (not you of course). Then you should be looking for a period of 7-10 days of the best stocks trying to establish a bottom to then move upward.

It is very possible to see a 1-2 rally in which the nimble and shorter term traders sell into and then re-purchase lower on another pullback. The bigger profits usually come by waiting until a bottom is made and then higher highs are made. It is the next couple days that are likely to give us the best prices to buy long for a swing or perhaps an intermediate term for some stocks.

The Oil index closed at \$70.85. Oil stocks are moving in tandem with the market, which historically, is unusual but this parallel pattern has been going on for most of a year now. For the moment, most of the technical indicators are pointing steadily up with a sustainable pattern. It looks like T. Boone Pickens forecast is going to be right for oil to hit \$75 by year end.

Oil stocks to monitor: **FTO, ATPG, NBR, RIG, PBR, PTR, BP, EPE.**

Intermediate Trade Positions: **FCX, Freeport McMoran is an excellent trade** to start buying now. It may last a week but more likely will be longer. This could be nicely used in call options long but don't use expiration for June, they expire this Friday so go July or August and be on the long side or a buyer in call options or a seller of put options.

Swing Trades: **PBR, Petrobras, a Brazilian oil and gas drilling/exploration firm is an excellent opportunity for a quick profit in a matter of days.** A call option on this should be considered, a 40 strike price 2-3 months out. The stock should give us a 10% profit in the next week or so and tomorrow looks like the right day to start buying small positions.

Day Traders/Intraday stock ideas: We should get EXCELLENT slight drop and big POP tomorrow so trade on the long side only. We should get big profits tomorrow with many stocks.

Keep scanning a lot of stocks in the first two hours of the day to look for the first drop and pop of a stock. **You want high volume, high volatility in stocks to make intraday scalps.** Profits can vary from 1-3 % normally, and lately 3-4, sometimes 5% on some days.

Look at these high volatility stocks for tomorrow: COG, XTO, FTO, RIG, NBR, MDR, MON, MOS, PTR

Continue scalping in most recent high volatile stocks with high volume. Look for both long and short ideas with **CME, CMG, PCX, MDR, FSLR, ICE, BLK, CME, BIDU, AMZN, IPI, POT, MON, ATPG, MDR, COG, MEE, ASH, FXI, MOS, COG, EOG, XTO, AAPL**, or any **high volume**, high volatility stocks. **FTO, XTO, NBR, RIG, PBR, and EPE** are just a few of many oil/gas stocks and should be monitored for scalp ideas.

Repeat: Many people have asked me 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 small stops while scalping will consistently lose money on scalping because stocks move around a lot even though they follow the technical indicators.

Progress Report: We have had numerous requests for the real-time the Trading Room and we will be more aggressive with the programming of this software. Our first programming attempt last summer was abandoned and more capable programmers are on the task now. We will keep you posted but our estimate is mid June if all goes well. The delivery of information and quality of ideas will be very unique—there won't be anything like this!

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 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).

Ticker Symbol	Type	Notes	Target Open Price	Target Close Price
AAPL, Apple Cmptr	LONG-SWI	Start buying very small positions gradually.		
CMG, Chipotle	SHORT-INT	Still breaking down, no trade idea here though.		
GS, Goldman Sachs	LONG-INT	Mishandled this trade; hold.	142	
ICE, Intercontinental	LONG-SWI	Looking for entry point, might be a swing long next time.		
NGS, Natural Gas	LONG-INT	Nice bounce after \$13.25 low, maybe gets to \$15?	13.50	
FCX, Freeport McM	LONG-SWI	Excellent swing trade long, good option on Aug 50 calls		
BIDU, Baidu	LONG-INT	Will be one of the stronger stocks to rebound on swing		
MON, Monsanto	LONG-SWI	Ag-chemical stocks took big hit today, no idea here.		
JOYG, Joy Global	LONG-INT	Excellent swing trade long, good option on OCT 35 calls		

EPE, Enterprise Oil	LONG-SWI	Look for swing trade long next day or two.		
TLT, 20 Yr Treasury	LONG-INT	Should have general uptrend next few months, hold	92.50	
GROW, US Global	SHORT-SWI	No trade idea here, watch.		
DYY, 2X Commodity	LONG-INT	Turning over, should bounce soon, commodity ETF 2X		
AFFX, Affymetrix	LONG-INT	Let it drop more before buying long on swing, try \$5.50?		
SWIR, Sierra Wire	LONG-SWI	Look for buy entry point next 1-2 days, buy gradually		
MRVL, Marvel Techn	LONG-INT	Small long position today; try buying some tomorrow.	11.50	
TC, Thompson Crk	LONG-INT	Will rebound nicely with market, look for \$10 ?	9.75	
COG, Cabot Oil Gas	LONG-SWI	Excellent swing trade long tomorrow, bottom was today	31.60	
FTO, Frontier Oil	LONG-SWI	Still holding even through 7% stop, mishandled.	14.90	
GMXR, GMX Res	SHORT-SWI	Still breaking down today, hold if short.		
FXI, Xinhua 25	LONG-INT	Should bounce, hold /consider gradual buying long now	38.30	
PTR, PetroChina	LONG-SWI	Excellent swing trade long idea, call options good, buy		
X, US Steel	LONG-SWI	Start buying small long position tomorrow		
AKS, AK Steel	LONG-INT	More downside risk here		
SCHN, Schnitzer St	LONG-INT	Hold long position	59	
RIG, TransOcean	LONG-INT	Mishandled this trade, holding for higher high ?	84.35	
MDR, McDermott	LONG-SWI	Excellent buy point here	\$22	
RS, Reliance Steel	LONG-INT	Another steel stock, don't get overweighted, buy small		
MRVL, Marvel	LONG-INT	Start buying small long positions now.		
GOOG, Google	LONG-INT	Buy very small long position gradually next 2 days		
PBR, PetroBras	LONG-INT	Should bounce next 2 days, worth small long position		
PTR, PetroCHina	LONG-INT	Good entry point now, buy small long positions.		

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.**

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.

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.

Have a great day tomorrow!

Mitch King

www.TradeStocksAmerica.com

Contents: online 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.