



Page 1	Market Commentary: Shooting Star ?
Page 6	The DayTrading Report: INTL IDPH TBL AVY BBY PLNR and Observations
Page 13	The Swing Report: PPD DE AFCO, Observations and Trailing Stops
Page 17	Notes and Guidelines

Market Commentary: Shooting Star?

*Seen a shooting star tonight
And I thought of you.
You were trying to break into another world
A world I never knew.
I always kind of wondered
If you ever made it through.
Seen a shooting star tonight
And I thought of you.*

*Seen a shooting star tonight
And I thought of me.
If I was still the same
If I ever became what you wanted me to be
Did I miss the mark or
Over-step the line
That only you could see?
Seen a shooting star tonight
And I thought of me.*

*Listen to the engine, listen to the bell
As the last fire truck from hell
Goes rolling by, all good people are praying,
It's the last temptation
The last account
The last time you might hear the sermon on the mount,
The last radio is playing.*

*Seen a shooting star tonight
Slip Away.
Tomorrow will be another day.
Guess it's too late to say the things to you
That you needed to hear me say.
Seen a shooting star tonight*

Slip away.

-Dylan

First of all, a note: Today's column will be the last column this week. The next commentary will be written after Friday's close and posted on Monday, Dec. 2.

As I mentioned last week, a study of the U.S. financial markets shows that many advances and declines play out over six to seven weeks. Seven squared weeks plus an additional "three-week pie slice" equals the year. Seven is also the most mentioned number in the Bible, as well as an important number in the work of W.D. Gann. Last week was the seventh week of rally in the popular indices.

Three-hundred and sixty degrees of the orb of our head contains seven orifices. Two eyes, two ears, two nostrils and a mouth where everything goes down. Of course, it looks like the only thing that will be going down this week is turkey.

Since our Nov. 18 turning point, the leading index, the **Nasdaq 100** (NDX), has exploded 10%. Because the NDX has shown tremendous right translation -- when the market moves up it moves up more, and when the market moves down, it moves down less -- and because the NDX has satisfied a date with destiny in tagging and closing above its important 200-day moving average on Monday, I thought it would be important to take a look at this shooting star today.

Although a daily chart of the NDX shows that it has come a long way, baby, a weekly chart reveals something that looks more like a firetruck from hell. The bells are ringing all right, the airwaves may be picking up sounds from 2000 men, but this channel is on a decidedly different station than the one from 2000. Be that as it may, our forecast for the best rally since the top in 2000 continues to play out as the NDX has not missed its mark and has overstepped its 200-day moving average finally.

Whether or not this is a harbinger of a break into another world of a bull market, --and whether the cow will jump over the moon, or whether this is just a shooting star -- remains to be seen. But like a glimpse of a girl caught out of the corner of our eye, the imagination many times exceeds the reality. In the markets, like in life, timing is everything and reality is shared perception.

Sometimes the market just likes to flirt with us and taunt us into a position. But if you insist on knowing the outcome before taking a chance, you will not make any progress. It is called risk. The status quo is always comfortable, but without risk there is no gain. There is no need to marry our opinions or our current positions. They may well slip away. Tomorrow will be another trading day. But I thought I saw something radiant and vivid as if real... a shooting star tonight.

One man's ceiling is another man's floor. On Monday, the S&P started out strong, testing Friday's high near 937 before reversing to kiss and test prior support at our 924 pivot. The number 924 held,

and when the S&P reversed the long bar down on the 10-minute chart at 929, it gained traction, rallying into the low of the high bar at 935-936.

I never cease to be amazed at the Wheel of Time and Price. It's amazing how it can work on many indices at the same time. The NDX found low on Oct. 8 at 795. A look at the [Square of Nine Chart](#) shows that 795 is on the same diagonal and opposition Oct. 8. The NDX squared out at 795 on Oct. 8 -- time and price met. Note how the NDX exploded through 1037 on Nov. 14 prior to the first pullback into Nov. 11 at 973. Note how 973 is also on the same vector and conjunct Oct. 8.

Also note how 973 is one cycle plus 180 degrees up from the 795 low. In other words, 973 is one full cycle of 360 degrees plus another 180 degrees up from that 795 low. Note how 1101-1102 is one cycle up from 973. Moreover, at its 200-day moving average, the NDX is now 900 degrees up from low, a natural place to look for resistance. The behavior here will be important into Nov. 27-30. Next resistance if we don't find a short-term high this week is 1169.

Nasdaq 100 Index Daily



All the near-term -- the 10-, 20- and 50-day moving averages -- are rising as the NDX closes over its declining 200-day MA on Monday. Is the first pullback low on Nov. 11 (A), a midpoint in price for this leg of the advance? Such symmetry would "project" to 1247 NDX.

Nasdaq 100 Index Weekly



Will the NDX give an Angular Rule of 4 Breakout over its 40 week moving average?

S&P 500 10-Minute



- A) 935 Neck from last week.
- B) Test of 924 prior swing high
- C) Test of Friday's high.
- D) Short term support at 929

THE DAYTRADING REPORT

Chart 1

Inter-Tel Incorporated
(INTL:Nasdaq)
Long

Entry: 25.50
Stop: 24.50
Pattern: Soup Nazi +1



Chart 2

**IDEC Pharmaceuticals
(IDPH:Nasdaq)
Short**

Entry: Only on a move back toward 37.40
Stop: 1 point above entry
Pattern: * Expansion Pivot



Chart 3

**Timberland ▲
(TBL:NYSE)
Long**

**Entry: 37.10
Stop: 36.10
Pattern: 180**



Chart 4

**Avery Dennison
(AVY:NYSE)
Long**

**Entry: 65.60
Stop: 64.60
Pattern: * Boomer**



Chart 5

**Best Buy
(BBY:NYSE)
Long**

**Entry: 26.00
Stop: 25.00
Pattern: 180**



Chart 6

**Planar Systems
(PLNR:Nasdaq)
Long**

**Entry: 20.55
Stop: 19.55
Pattern: Expansion Breakout**



OBSERVATIONS

-- Because the next issue of The Trading Reports won't be until next week, the following are some runaway stocks that are worth keeping on your radar:
NWRE, SFNT, PECS, OVTI, REGN, VRST, ISSX, VIP

THE SWING REPORT

Chart 1

**Pre-Paid Legal
(PPD:NYSE)
Long**

**Entry: 25.45
Stop: 23.85
Initial Target: 27.05**

Pattern: Signal Day +1



Chart 2

**Deere Co
(DE:NYSE)
Long**

**Entry: 50.65
Stop: 49.15
Initial Target: 52.15**

Pattern: Extended-Level Boomer / 180

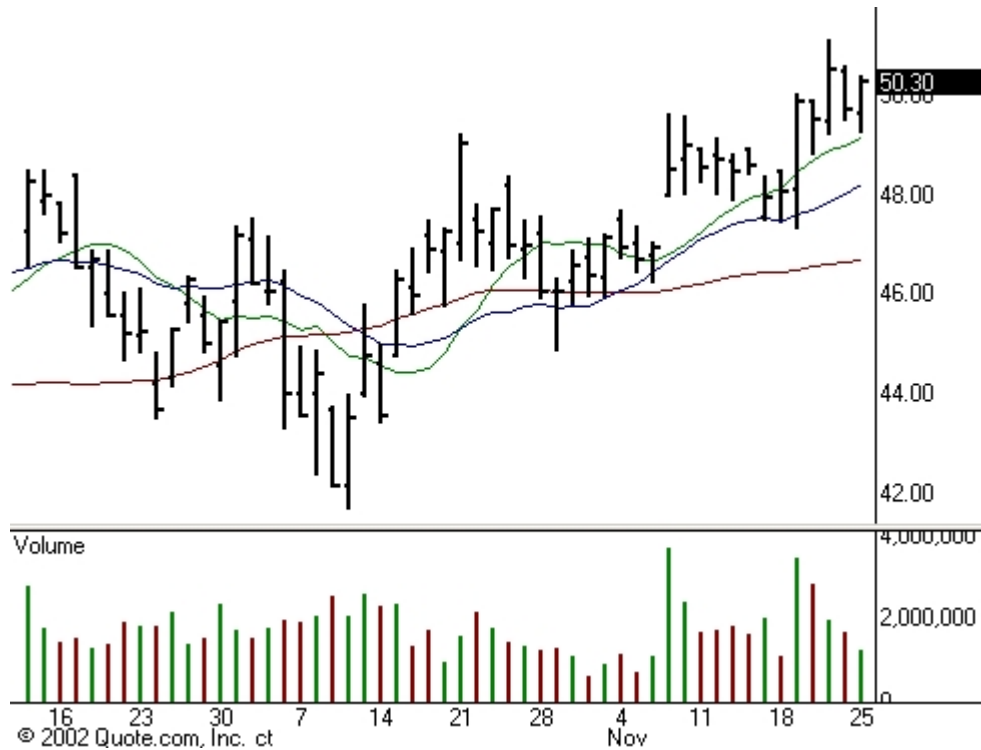


Chart 3

**Applied Films ▲
(AFCO:NYSE)
Short**

Entry: 19.40
Stop: 17.40
Initial Target: 21.40

Pattern: Grenade

Comments: AFCO looks interesting with its large volume gap up out of a consolidation.



OBSERVATIONS AND TRAILING STOPS

- Tuesday is day two in **Immucor** (BLUD:Nasdaq) (long). We are long from 22.60. Maintain the stop at 21.60. Continue to look to sell one-half at 24.10.
- Tuesday is day three in **Weyerhaeuser** (WY:NYSE) (long). We are long from 50.10. Raise your stop to 49.10 and continue to look to sell one-half at 52.10.
- Tuesday is day four in **Maytag** (MYG:NYSE) (long). We are long from 27.95. Raise the stop to 29.00 and look to sell your remaining shares on any move toward 30.00.
- Tuesday is day five in **Eli Lilly and Co.** (LLY:NYSE) (long). We are up 5.50 on our second piece. Raise the stop to 67.45 and look to sell the balance of your shares on any move toward 70.00 or by the end of the session.
- On Monday you should have covered your second piece of **Fti Consulting** (FCN:NYSE) (short) near 36.50 to lock in nearly 2.00 on the second piece.
- Since the next report won't go out until this weekend, trail up your stops accordingly on profitable positions and look to exit entire positions on the fifth day if not stopped out.

Notes and Guidelines

DayTrading Report:

Trades marked ▲ indicate stocks that are considered small-cap, trading 500K shares or less. As you know, thin stocks are generally more volatile and trade with a wider spread.

Trades marked * indicate patterns that don't conform to the original rules of the pattern but are defined as "in the spirit of" their namesakes.

The 1-Point Gap Rule: Any stock recommendation that opens 1 or more points above the listed entry price (for longs) or 1 or more points below the listed entry price (for shorts) should be ignored for the day. Please note that history suggests that entering a stock on a gap open increases your potential for a loss.

Reminders: A signal is not valid unless the stock trades at or above the listed entry price for longs and at or below the listed entry price for shorts. ***If a position moves 1 point in your favor in this choppy environment, it is a good idea to sell half the position and move your stop on the remaining position to break even.***

Charts: The green line is a simple 10-day moving average, the blue line is a simple 20-day moving average, and the red line is a simple 50-day moving average.

The Swing Report:

Trades marked ▲ indicate stocks that are considered small-cap, trading 500K shares or less. As you know, thin stocks are generally more volatile and trade with a wider spread.

Trades marked * indicate patterns that don't conform to the original rules of the pattern but are defined as "in the spirit of" their namesakes.

The 2-Point Gap Rule: Any stock recommendation that opens 2 or more points above the listed entry price (for longs) or 2 or more points below the listed entry price (for shorts) should be ignored for the day. Please note that history suggests that entering a stock on a gap open increases your potential for a loss.

Initial Target: Target price at which you should look to sell/cover half your position.

Reminders: A signal is not valid unless the stock trades at or above the listed entry price for longs and at or below the listed entry price for shorts. ***If a position moves 2 points or more in your favor in this choppy environment, it is a good idea to sell half the position and move your stop on the remaining position to break even.***

Charts: The green line is a simple 10-day moving average, the blue line is a simple 20-day moving average, and the red line is a simple 50-day moving average.

Money-Flow Timing Model:

If you are interested in information regarding the model, please visit:

<http://www.mutualmoneyflow.com>.

Contact Info

▶ **Customer Service:**

Please email tradingreports@thestreet.com, or call 1-800-562-9571 Mon.– Fri. 8 a.m. to 6 p.m. ET

▶ **Reader Feedback and Questions:**

Please email Jeff directly at jeff.cooper@thestreet.com. Again please direct all account related inquiries to customer service.

Legal Information

This information is confidential and is intended only for the authorized Subscriber. Please notify us if you have received this document in error by telephoning 1-800-562-9571.

Jeff Cooper, writer of *The Trading Reports*, is a financial markets author and trader, and a regular contributor to *RealMoney*, the premium subscription site of TheStreet.com.

At the time of publication, Mr. Cooper will not, directly or indirectly, have a position in any security that he discusses in *The Trading Reports*. HOWEVER, MR.COOPER MAY ENTER ORDERS TO PURCHASE OR SELL SECURITIES MENTIONED IN *The Trading Reports* AFTER 10:30 a.m. ET. ON THE TRADING DAY FOLLOWING THE DATE ON WHICH THE SECURITY IS MENTIONED IN *The Trading Reports*. IF YOU ENTER ORDERS TO BUY OR SELL SECURITIES AFTER 10:30 a.m. ET., IT IS POSSIBLE THAT MR. COOPER MAY HAVE PURCHASED OR SOLD THE SECURITY AT A PRICE MORE ADVANTAGEOUS THAN THE PRICE YOU WILL OBTAIN.

Mr. Cooper is not registered as a securities broker-dealer or an investment adviser either with the U.S. Securities and Exchange Commission or with any state securities regulatory authority. *The Trading Reports* contains Mr. Cooper's own opinions and is provided for informational purposes only. You should not rely solely upon *The Trading Reports* for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified securities professional, before you make any investment. None of the information contained herein constitutes, or is intended to constitute a recommendation by Jeff Cooper or TheStreet.com, Inc. of any particular security or trading strategy or a determination by Jeff Cooper or TheStreet.com, Inc. that any security or trading strategy is suitable for any specific person. To the extent any of the information contained herein may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person.