



Page 1	Market Commentary: S&P Poised to Attack
Page 6	Pivot Points
Page 8	The DayTrading Report: VLO, GSL and WFMI
Page 11	The Swing Report: FFIV, AU, NEM, Observations and Trailing Stops
Page 15	Notes and Guidelines

Market Commentary: S&P Poised to Attack

I said [yesterday](#) that the **S&P 500** was one big day away from clenching a breakout over 1220 and signaling a new swing high for the year. For a while, it looked like Wednesday would be that big day.

The S&P traded briefly and marginally in the red Wednesday morning, making a first-hour low before towering higher convincingly above 1220 to 1226.60. However, the level could not be held as the index tailed off once again, closing around the 1220 level at 1220.55.

The S&P has been oscillating around this 1220 magnet for five days. A week ago, the S&P closed at 1219.95. Last Friday, the S&P closed at 1220.15. On Monday, the S&P closed at 1222.80. On Tuesday, the S&P closed at 1218.60. And then, of course, on Wednesday, the S&P closed at 1220.65.

The magnetism of this level is undeniable. As I have shown in the past, the 1220 level represents a downtrend line from September as well as a Live Angle up from the August/September low. I suspect that the S&P will resolve to the upside and through 1220, turning up the Monthly Swing Chart on trade over the October high of 1233.35. The behavior at that point will give us additional information as to the market's agenda. But the momentum and internals are too compelling here to suggest that a monthly turn up, being so close, will not be snagged.

Additionally, the fact that the S&P has consolidated at 1220, below the 1233.35 monthly turn-up level, as opposed to having made a line-drive stab at 1233, indicates that the index is winding up, coiling for an attack to higher prices.

Of course, the year's high of 1245.86 is just above 1233, indicating a possible upside cascade when and if 1233 is recaptured.

(Continued on the next page)

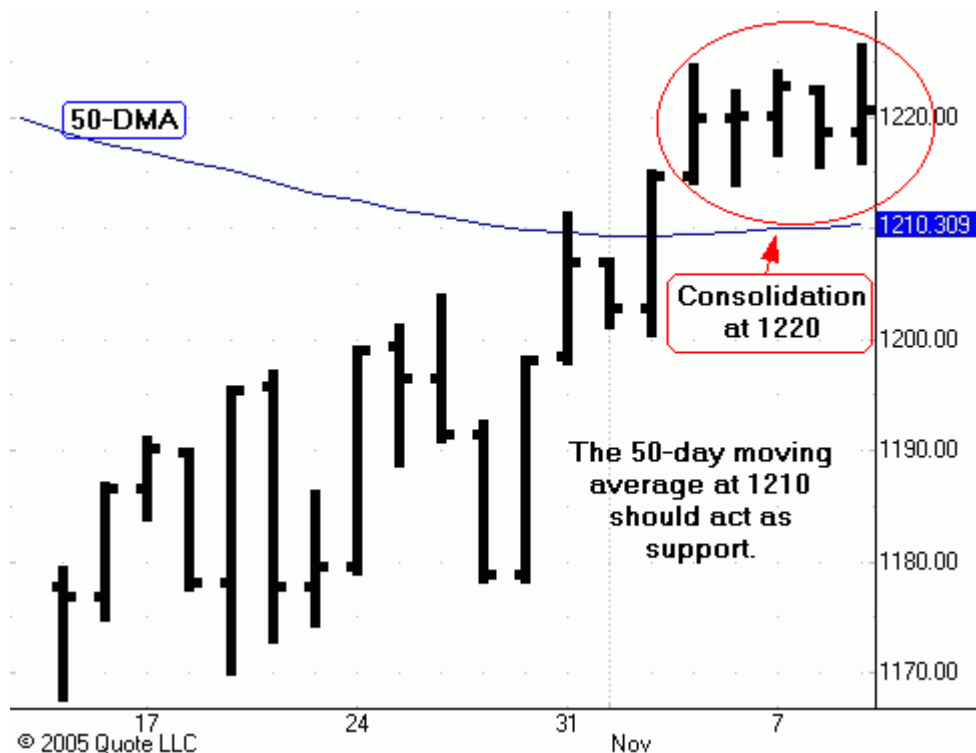
PLEASE SEE IMPORTANT LEGAL DISCLAIMER ON LAST PAGE

Last week, I pointed to the bullish 1-2-3 Swing to a Test pattern on **Newmont Mining** (NEM:NYSE). It appears that this setup has triggered on Wednesday's price action, with NEM advancing to its 50-day moving average and turning up its Weekly Swing Chart on increasing volume. Gold itself was up a solid \$5. The chart of the **streetTRACKS Gold Shares** (GLD:Amex) ETF, which is a proxy for gold itself, shows a similar pattern to NEM.

Remember that the important level on NEM is \$47, which is 180 degrees up from this year's low of \$35. Moreover, trade above \$46 on NEM will trigger a mini Angular Rule of Four Breakout. Such price action should catapult NEM over \$47. Follow-through from here on GLD and NEM would indicate a new leg up after a typical six- to seven-week consolidation.

Conclusion: On any pullback in the S&P, good support can be found at 1210, which coincides with the 50-day moving average on the S&P and, as you will recall, is 90 degrees down from this year's high. I believe that the recent move over 1210 signifies that the S&P will retrace the complete decline from 1245, and then some. Moreover, trade over Wednesday's "tail" would be bullish, as many traders will be tempted to fade Wednesday's "tail."

S&P 500 -- Daily



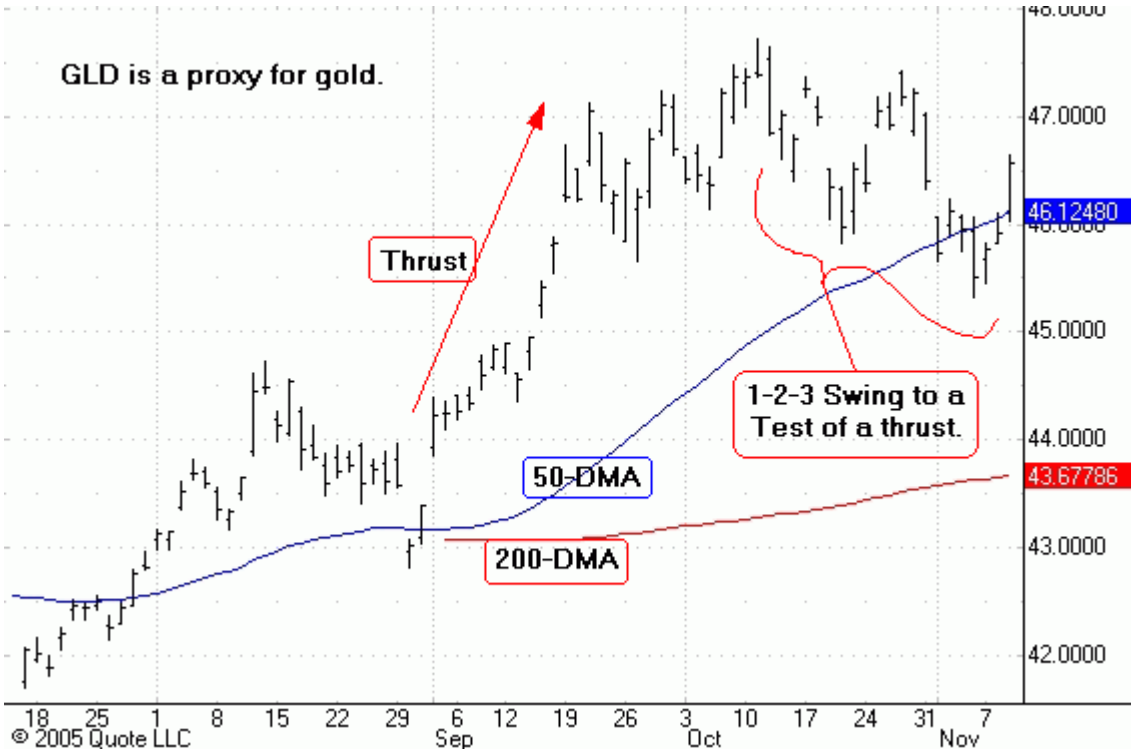
(Continued on the next page)

S&P 500 -- Daily



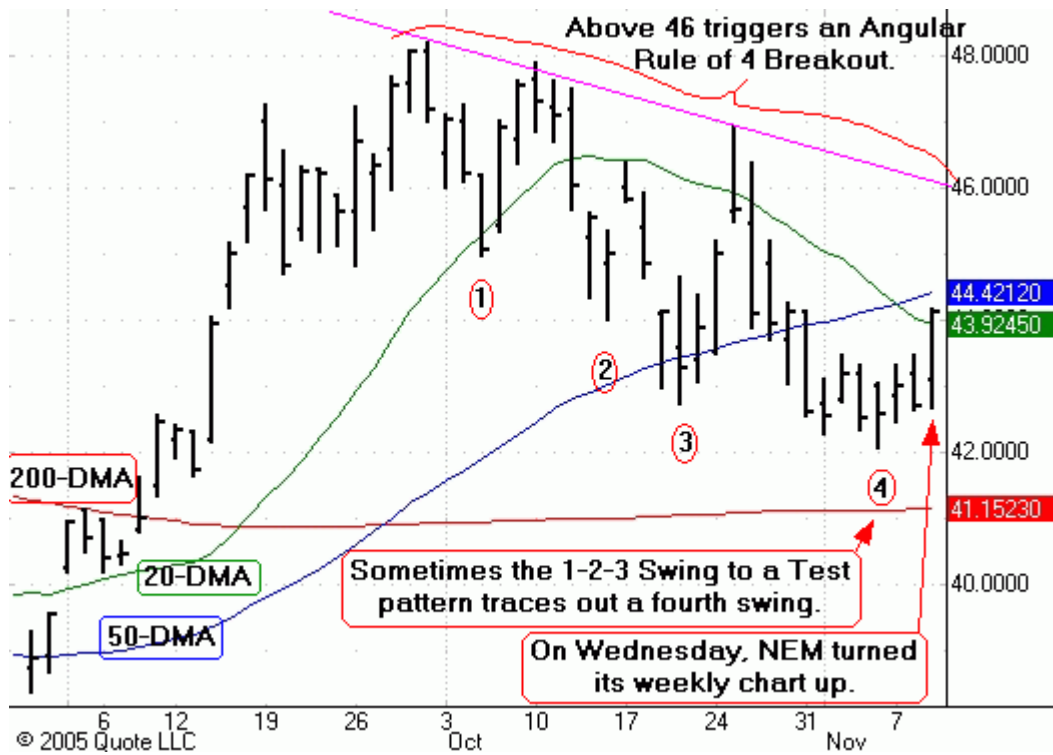
(Continued on the next page)

streetTRACKS Gold Shares (GLD:Amex) -- Daily



(Continued on the next page)

Newmont Mining (NEM:NYSE) -- Daily



Pivot Points

S&P 500 -- 10-Minute



S&P 500 -- 60-Minute



THE DAYTRADING REPORT

Chart 1

**Valero Energy
(VLO:NYSE)
Short**

**Entry: 99.30
Stop: 100.30
Pattern: 180**

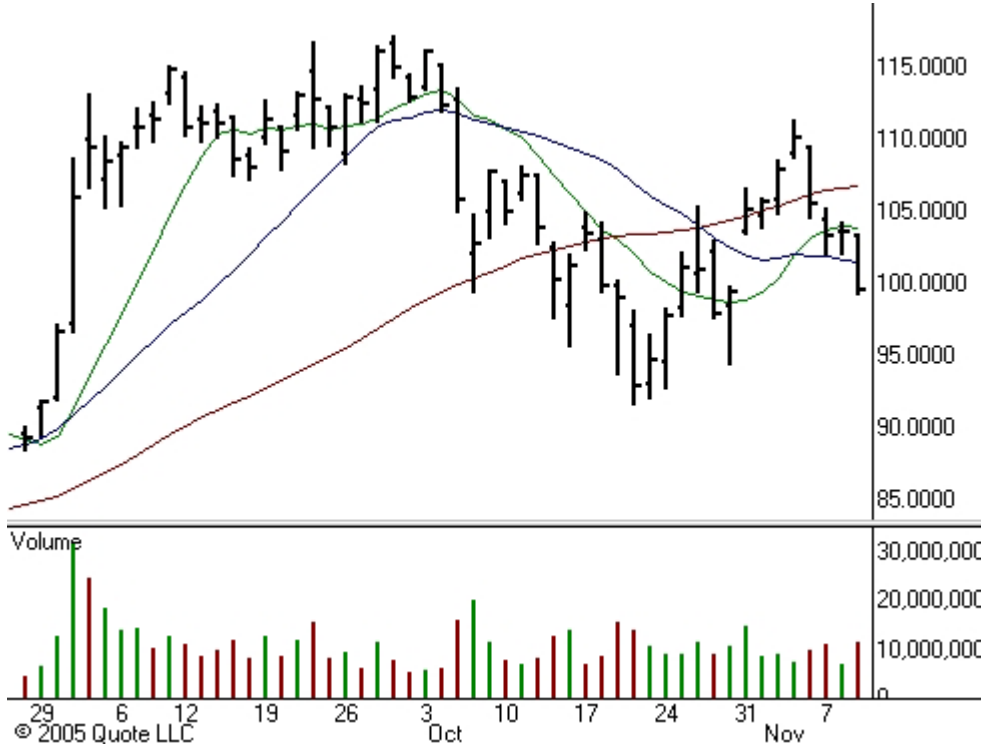


Chart 2

**Global Signal ▲
(GSL:NYSE)
Long**

**Entry: 43.45 officially, but use an Opening Range
Breakout (ORB)**
Stop: 1 point from entry
Pattern: Signal Day +1

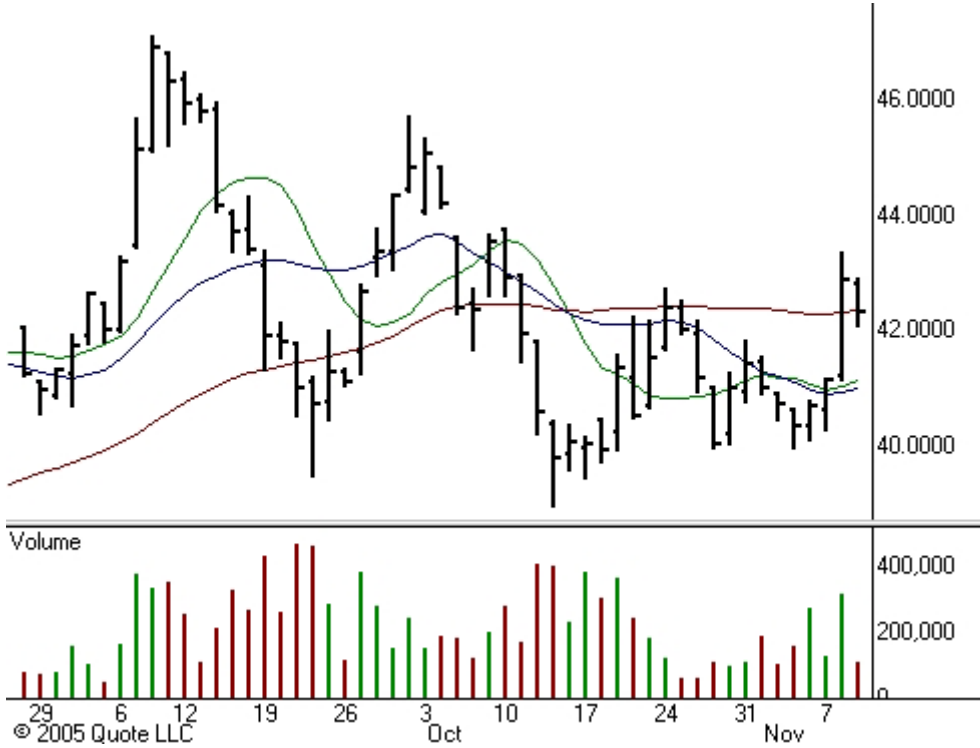
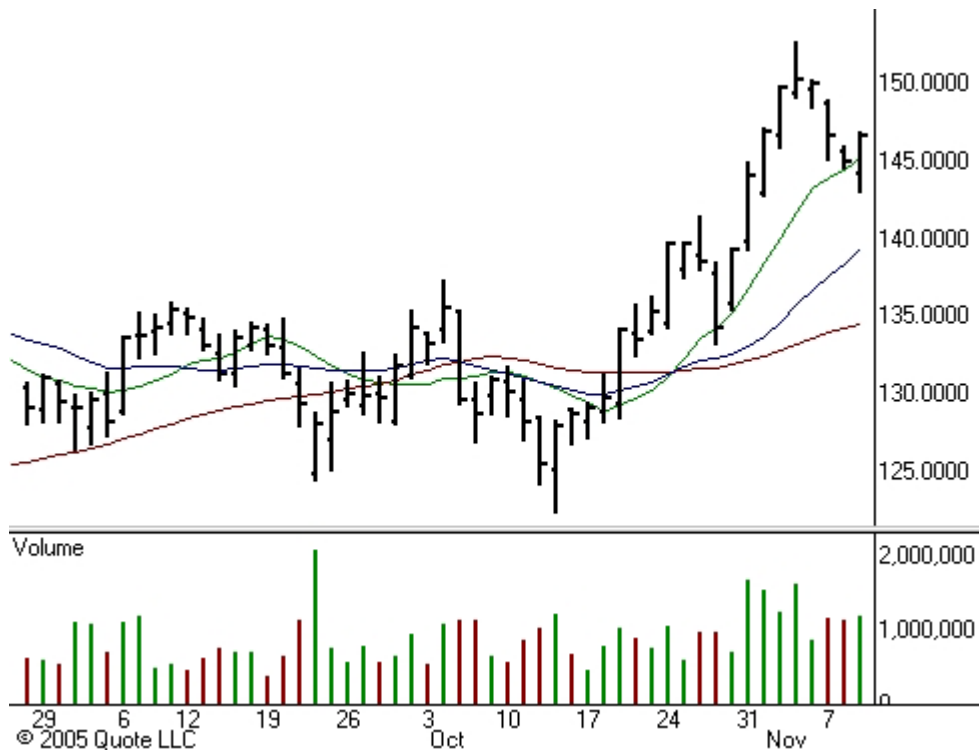


Chart 3

**Whole Foods Market
(WFMI:Nasdaq)
Long**

**Entry: 147.00
Stop: 146.00
Pattern: 180**

Comments: Heads up as this one is very volatile and is for aggressive traders only.



THE SWING REPORT

Chart 1

F5 Networks
(FFIV:Nasdaq)
Long

Entry: 54.00
Stop: 52.00
Initial Target: 56.00 (trade toward)

Pattern: Cooper 1-2-3 Pullback +1 / 180

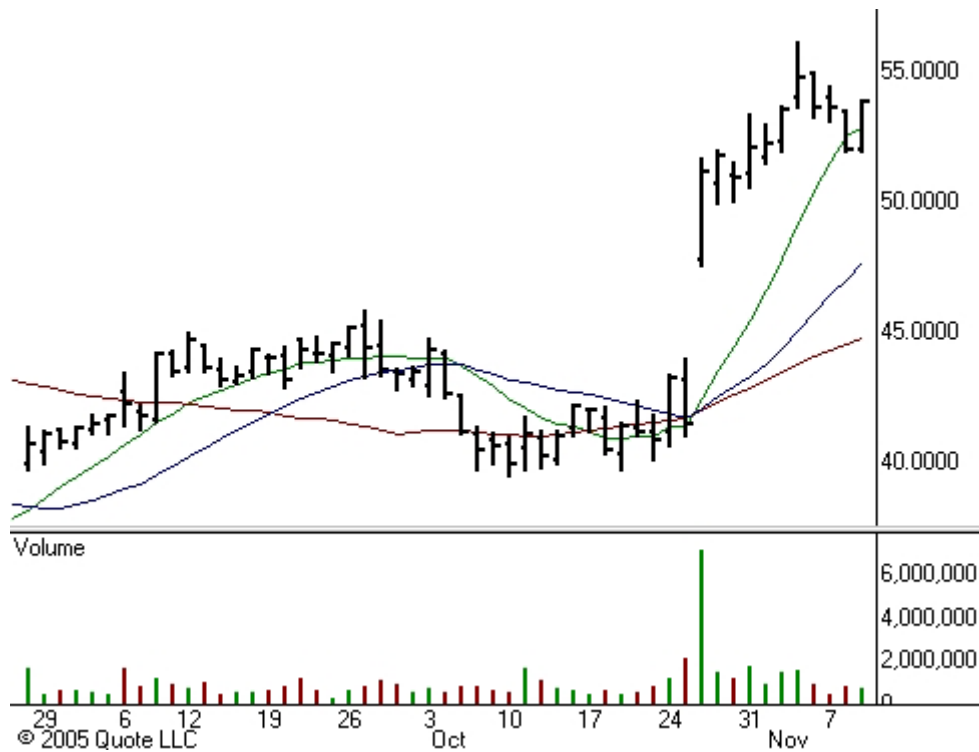


Chart 2

**AngloGold Ashanti
(AU:NYSE)
Long**

**Entry: 41.00
Stop: 39.15
Initial Target: 42.85 (trade toward)**

Pattern: Expansion Pivot / 180

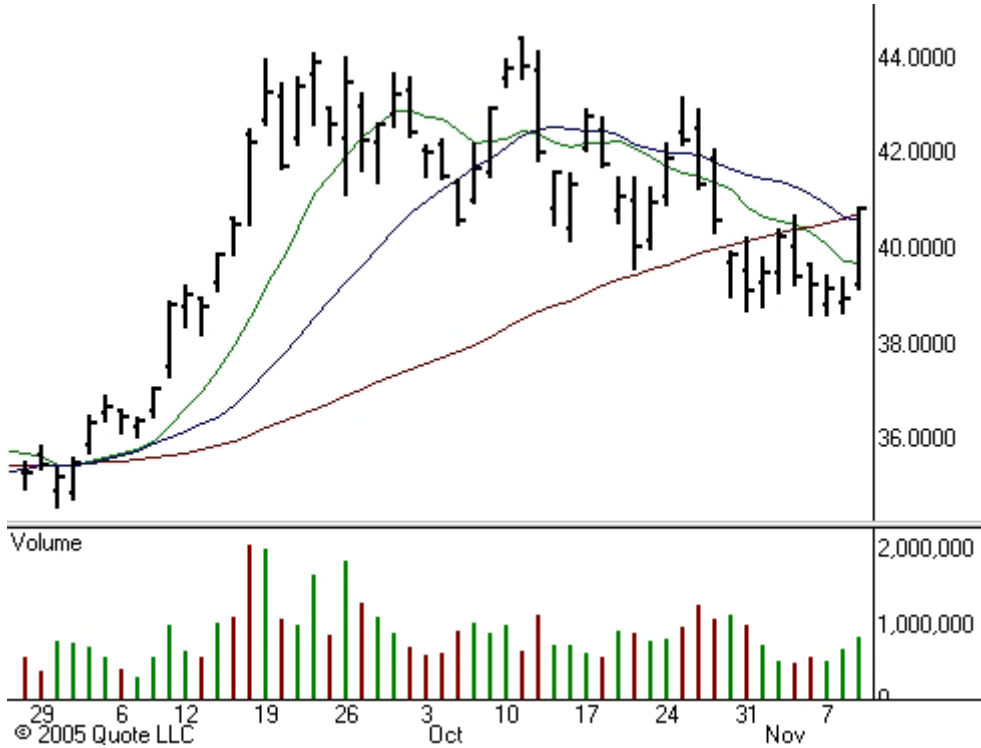
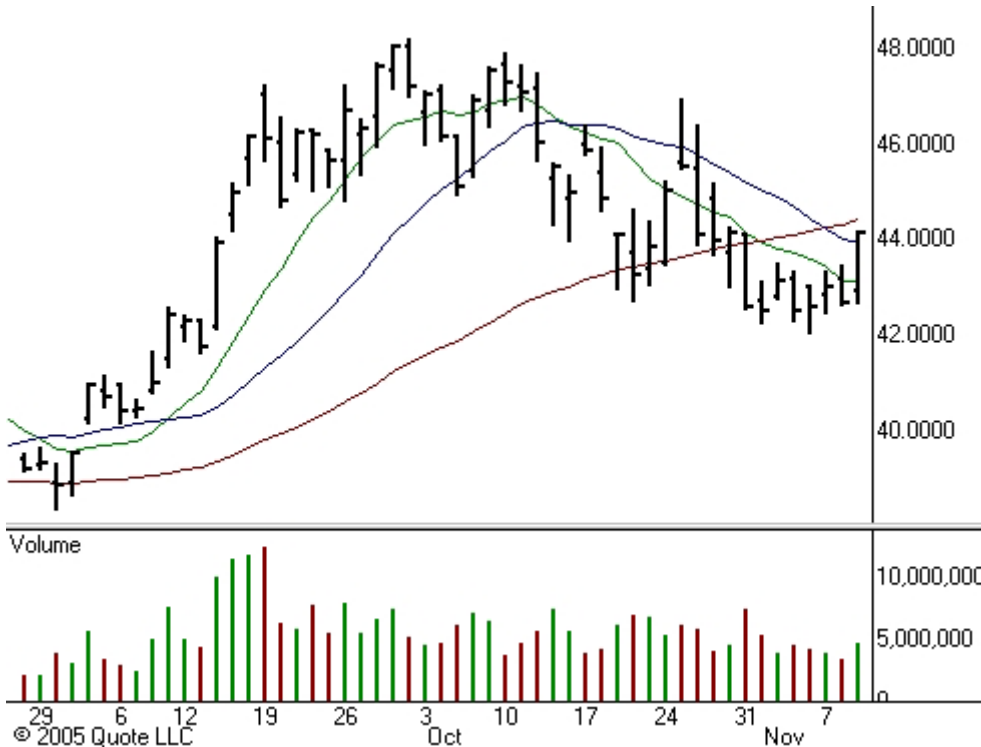


Chart 3

**Newmont Mining
(NEM:NYSE)
Long**

Entry: 44.25
Stop: 42.25
Initial Target: 46.25 (trade toward)

Pattern: *Expansion Pivot / 180



OBSERVATIONS AND TRAILING STOPS

-- Thursday is day two in **St. Jude Medical** (STJ:NYSE) (long). We are long from 50.00. Maintain the stop at 49.00 and the initial target on trade toward 51.90. As of Wednesday's close, we are down 60 cents.

-- Thursday is day two in **Websense** (WBSN:Nasdaq) (long). We are long from 58.90. Maintain the stop at 56.90 and the initial target on trade toward 60.90. As of Wednesday's close, we are up 12 cents.

-- **SanDisk** (SNDK:Nasdaq) (long) did not trigger.

-- On Wednesday in **Fisher Scientific** (FSH:NYSE) (short), we were stopped out at the open on a gap up at 63.00 for a 5.55 loss.

-- On Wednesday in **Navteq** (NVT:NYSE) (long), we were stopped out at 41.55 for a loss of 2.10.

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.

Contact Info

▶ **Customer Service:**

Please email tradingreports@thestreet.com, or call 1-866-321-TSCM (8726) Mon.– Fri. 8 a.m. to 6 p.m. ET; or outside the U.S. and in Canada, call 1-212-321-5200

▶ **Reader Feedback and Questions:**

Please [send an email](#) directly to Jeff. 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 1-866-321-TSCM (8726).

Jeff Cooper, writer of *The Trading Reports*, is a principal at Mutual MoneyFlow Management, a money management firm (“MMM”), and a financial markets author and trader who contributes regularly to TheStreet.com’s *RealMoney* premium subscription web site. MMM, a registered investment adviser, and its affiliates may, from time to time, have long or short positions in, buy or sell the securities or derivatives thereof, of companies mentioned in *The Trading Reports*, and may take positions inconsistent with the views expressed by Mr. Cooper in *The Trading Reports*. In the event that, at the time of publication, MMM has a position in a security mentioned in *The Trading Reports*, appropriate disclosure will be made.

Mr. Cooper will be restricted from transacting for his own benefit in securities discussed in *The Trading Reports*. Specifically, at the time of publication of *The Trading Reports*, Mr. Cooper may not hold for his own account any security that he discusses in that issue. However, Mr. Cooper may enter orders to purchase or sell securities mentioned in *The Trading Reports* after 10:30 a.m. on the trading day that begins after the publication of the issue of *The Trading Reports* in which the security is mentioned. IF YOU ENTER ORDERS TO BUY OR SELL SECURITIES AFTER 10:30 A.M., IT IS POSSIBLE THAT MR. COOPER MAY HAVE PURCHASED OR SOLD THE SECURITY AT A PRICE MORE ADVANTAGEOUS THAN THE PRICE YOU WILL OBTAIN.

The Trading Reports contains Mr. Cooper’s own opinions, and none of the information contained therein constitutes a recommendation by Mr. Cooper or TheStreet.com that any particular security, portfolio of securities, transaction or investment or trading strategy is suitable for any specific person. You further understand that Mr. Cooper will not advise you personally concerning the nature, potential, value or suitability of any particular security, portfolio of securities, transaction, investment strategy or other matter. 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.