

Chris SCHUMACHER

Last Close: \$10.13

Sirva (SIR:NYSE)

52-Week Range:
\$6.34 -- \$24.65

Sirva's Struggle Is Not Over Yet

- Sirva's year got off to a rough start with a steep gap-down drop.
- Since then the stock has not been able to mount a sustained move upward.
- Also, updates on Computer Associates, Tootsie Roll Industries, Engelhard and NiSource.

The Short Advisor Portfolio

The Short Advisor Portfolio and Watch List are on page 4 of today's issue.

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Sirva's (SIR:NYSE) stock has had a very difficult year, beginning with the break of its 2004 support at the \$18 level. The break led to a sharp decline and eventual gap down that created a steep drop in price below \$8. Then a feeble reversal could barely regain the \$10 level before seeing new lows. Finally, in April the stock price found a better support pivot and created a stable uptrend back to the \$10 level.

But resistance at \$10 pushed the price back to the \$8 level at the end of June in a retest of the former resistance from May. When \$8 held as support on

the retest, price pushed through the \$10 resistance level to create an uptrend continuation signal. However, this final push above \$10 has not brought in much volume, which would suggest the uptrend is not sustainable.

When you combine this lack of volume as price rose with a base formation that is getting extended, it appears distribution pressure is trying to push the price back to at least test the \$8 level.

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Sirva (SIR:NYSE) -- Daily



With an uptrend off the April \$6 lows running into resistance around \$11 in late July, the extended base formation suggests that the \$11 level is too much for buyers right now and a test of \$8 should be the next move. So in this case, the longer the base formation, the lower the probability that the current uptrend can continue.

Therefore, the entry strategy will be to see a break of \$9.80 to validate that this base is losing its support level at \$10. Once an entry at \$9.80 is obtained, the stop price will be placed at \$11.10. With a price target of \$8, this gives \$1.80 of reward for \$1.30 of risk, which equals a 1.4-to-1 reward/risk ratio setup.

If the stock price moves above \$10.75 without offering an entry at \$9.80, then this setup is no longer valid. If the stock price breaks \$9.80 and offers the entry, a test of \$11.10 will cause a stop loss.

Updates:

Computer Associates (CA:NYSE) is still open. The stop for this trade setup is \$29.50, and the profit target is in

the range of \$22 to \$22.50. This will offer \$3.70 to \$4.20 in potential return.

On Friday, **Tootsie Roll Industries** (TR:NYSE) broke above the stop level of \$32.20. So this trade has cost a stop loss and is no longer open.

Engelhard (EC:NYSE) has set up with an entry at \$27.75. The stop is at \$29, offering \$1.25 in risk, and the first profit target is \$26.50. The second profit target should be placed at \$24.

NiSource (NI:NYSE) set up last Thursday. The entry strategy was for a move into \$24.40 resistance with a stop at \$25.20, which offers 80 cents in risk. The profit target off of resistance at \$24.40 will be a move into \$23.40 to \$23.60 for a 1-to-1 or better reward/risk ratio.

If \$24.40 is offered as an entry and the stop then hits the \$25.20 level, this setup will be invalid and the loss should be taken.

The Short Advisor Portfolio

Company	Entry Date	Cost Basis	Most Recent Price	% Gain/Loss
Able Energy ABLE	08/11/2005	\$ 13.50	\$ 13.40	0.74%
Barr Laboratories BRL	07/14/2005	\$ 48.00	\$ 45.63	4.94%
Computer Associates CA	08/26/2005	\$ 26.20	\$ 26.84	-2.44%
Engelhard EC	08/23/2005	\$ 27.75	\$ 28.30	-1.98%
Freddie Mac FRE	09/01/2005	\$ 59.10	\$ 57.76	2.27%
NiSource NI	09/01/2005	\$ 24.40	\$ 24.26	0.57%
Trimble Navigation TRMB	08/01/2005	\$ 38.50	\$ 36.72	4.62%

The Short Advisor Watch List

(There are no stocks currently on the watch list.)

The Short Advisor Performance

Average Return Open Positions	1.25%	Performance results listed here reflect values of stocks as of the close of the most recently completed trading day but do NOT take into account dividends paid, interest earned or commissions. Results are updated overnight and posted prior to the market open the following business day. The Total Average Return figures reflect changes since inception on March 12, 2003.
Average Return Closed Positions	-0.54%	
Total Average Return	-0.48%	

To see the full Short Advisor portfolio, including closed positions, visit
<http://www.thestreet.com/k/sr/portfolio.html>.

Contributors

Dan Fitzpatrick

Dan Fitzpatrick is an independent trader in stocks and options, with experience as co-manager of a hedge fund. Fitzpatrick has taught seminars on technical analysis, options trading and asset protection strategies for traders and business owners, and is a member of the Market Technicians Association. Fitzpatrick graduated from the McGeorge School of Law. He invites your feedback, comments and suggestions [via email](#).

Steven Smith

Before joining TheStreet.com as a full-time writer, Smith spent two years as the senior finance writer at Ziff-Davis Media's *The Net Economy* publication. Before Ziff, Steve spent three years writing for Individual Investor.com. He wrote extensively on options, technical analysis and a variety of trading strategies. Smith was a seaholding member of the Chicago Board of Trade (CBOT) and The Chicago Board Options Exchange (CBOE) from May 1989 to August 1995. During that six-year period, he traded multiple markets for his own personal account and acted as an executing broker for third-party accounts. Smith welcomes [your email](#) questions and comments.

Chris Schumacher

Schumacher serves as a managing partner of GST Capital Group. He is a financial trader, speaker, writer and author of *Techniques of Tape Reading* (2003, McGraw Hill). He has delivered seminars throughout the U.S., is a featured speaker at trading expos and a guest contributor to CNBC's "Bullseye" program.

He is a graduate of The Ohio State University and has served as a guest lecturer at The Ohio State University's Fisher College of Business as well as the Center for Entrepreneurship. While Schumacher cannot offer specific investment or trading advice, he invites your feedback -- [send him an email](#).

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