

Dan FITZPATRICK

Last Close: \$61.87

Whole Foods Market
(WFMI:Nasdaq)

52-Week Range:
\$48.00 - \$79.90

Heading to the Dugout

- Whole Foods, an all-star in 2005, peaked in December.
- Now the stock is rolling over, making a lower high and heading to a lower low.
- Also, updates on BioCryst, McKesson, TIM Participacoes and United Surgical Partners.

The Short Advisor Portfolio and Watch List

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

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Heading to the Dugout

Whole Foods Market (WFMI:Nasdaq) was one of 2005's all-stars, advancing almost 70% for the year. But the stock peaked in December and has been

slowly rolling over. The current price action presents a setup for a short sale. Let's look at the chart.

(Continued on the next page)

Whole Foods Market (WFMI:Nasdaq) -- Weekly



This weekly chart shows how WFMI recently failed in its latest advance, falling well short of a new high. Wednesday's close at around \$62 is close to the lowest weekly close in March – the most recent low. So WFMI is right on the precipice now – any further decline will likely trigger an acceleration of the downtrend as shareholders start anxiously protecting their profits.

Significantly, the pattern shown above is a textbook head-and-shoulders formation. The left shoulder was formed last summer, the head was formed in December, and the right shoulder has just been formed over the past few weeks. With the neckline currently at around \$62, this bearish pattern is very close to being complete.

The entry will be at \$62.50, with a buy-stop at \$66. The target on this trade is \$50, which is derived from the head-and-shoulders pattern: Measure the distance from the neckline to the top of the head (around \$13); then subtract that same distance from the neckline – an approximate “measured move” of \$13.

Open Positions

BioCryst (BCRX:Nasdaq): This short position is up about 50 cents, and the company reports earnings today. As most folks know, I rarely hold a stock over earnings. If you are still short this stock, I'd suggest keeping the buy-stop at the current level of \$18.25. The price target on this one is \$13. Depending on the market's reaction to earnings, either the price target or the stop will be hit shortly.

McKesson (MCK:NYSE): This short is working quite well. The stock is selling off hard, and the company does not report earnings until May 4. The stop should be lowered to \$49.

United Surgical Partners (USPI:Nasdaq) reports earnings today after the close. This position shows just a slight profit, so there is not much use holding this short over earnings. I would close this short on the open today rather than gamble.

Closed Position

TIM Participacoes (TSU:NYSE ADR) hit the adjusted stop of \$36.75 on April 21, so this position has been closed out.

The Short Advisor Portfolio						
Company	Entry Date	Cost Basis	Stop-Loss	Targets*	Most Recent Price	% Gain/Loss
BioCryst BCRX	4/6/2006	\$16.85	\$18.25	\$13	\$ 16.33	3.09%
Dot Hill Systems HILL	4/24/2006	\$6	\$6.75	\$5.25	\$ 6.20	-3.33%
McDonald's MCD	4/3/2006	\$34.75	\$36	\$33.50	\$ 34.11	1.84%
McKesson MCK	4/20/2006	\$49.90	\$49	\$45	\$ 48.08	3.65%
RadioShack RSH	3/27/2006	\$19.10	\$19.50	A move under \$10	\$ 16.78	12.15%
Southern Co. SO	03/16/2006	\$34	\$34.00	\$31.15 (1) \$27.45 (2)	\$ 31.65	6.91%
United Surgical Partners USPI	02/23/2006	\$36.45	\$36.10	\$32 (1) ** \$26 (2)	\$ 35.02	3.92%

* (1) Indicates initial profit target; (2) Indicates final profit target. ** This position will be closed at today's open.

The Short Advisor Watch List

(There are no stocks currently on the Watch List.)

The Short Advisor Performance

Average Return Open Positions	4.03%	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	-0.55%	
Total Average Return	-0.43%	

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.

He graduated from the McGeorge School of Law. Fitzpatrick invites your feedback, comments and suggestions [via email](#).

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. Just [send him an email](#).

Contact Info

- ▶ **Customer Service:**
Please email
members@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

Legal Information

Please note that short-selling is a risky strategy and is not suitable for all investors. Selling short involves selling stock you have borrowed from your broker (typically on margin) with the intent of purchasing it at a lower price and taking the profit. However, you may be forced to buy the stock if its price goes up, resulting in losses greater than the amount you invested. You should make sure you are able to fully assess and afford the inherent risks.

Dan Fitzpatrick and Chris Schumacher are outside contributors to TheStreet.com's *RealMoney*. TheStreet.com is a publisher and has registered as an investment adviser with the U.S. Securities and Exchange Commission.

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