

**Dan FITZPATRICK**

Last Close: \$34.05

Precision Drilling  
(PDS:NYSE)

**52-Week Range:**  
\$25.77 - \$51.72

**Drilling for Bears**

- Precision Drilling's multiyear uptrend is beginning to break down.
- Low volume reveals the absence of any significant buying interest in the stock.
- Plus, updates on Hansen Natural, Talisman Energy and TradeStation.

**The Short Advisor Portfolio and Watch List**

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

**Dan FITZPATRICK**

Last Close: \$34.05

Precision Drilling  
(PDS:NYSE)

**52-Week Range:**  
\$25.77 - \$51.72

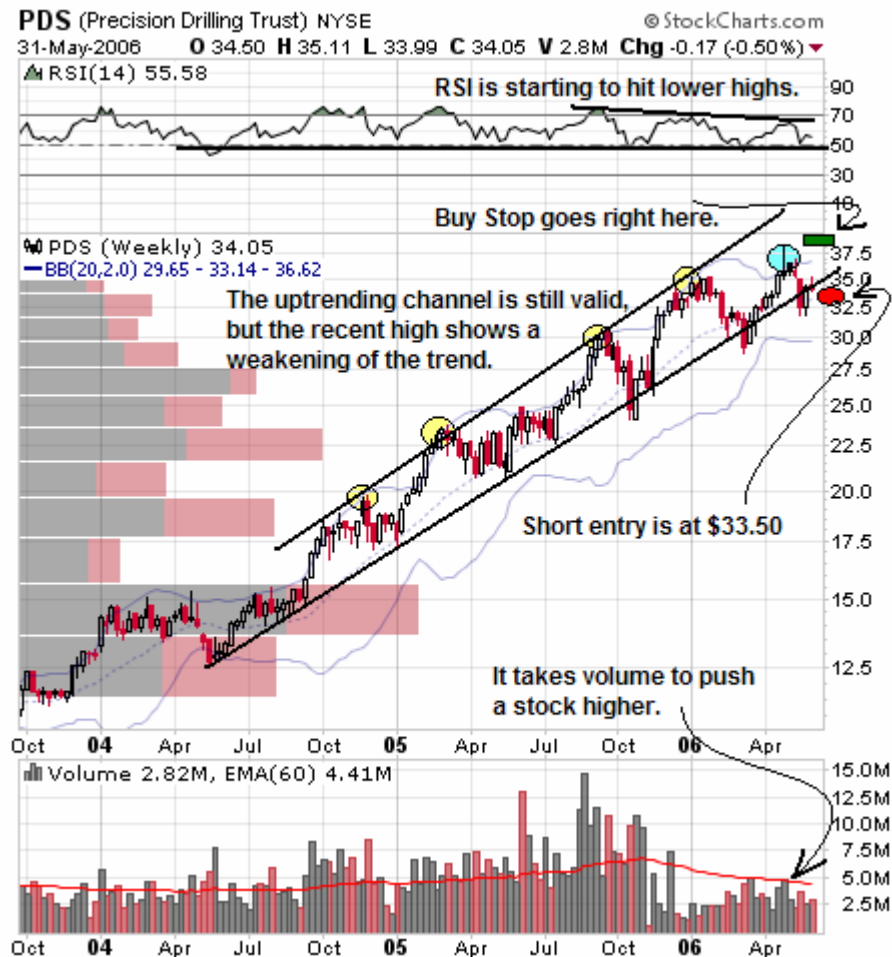
## Drilling for Bears

The market is starting to resemble that rising tide that's supposed to lift all boats. I don't like prognosticating, but I don't believe the oversold bounce that we're starting to see will amount to anything more than that -- an oversold bounce. **Precision Drilling (PDS:NYSE)**

has been on a multiyear uptrend within a well-defined channel. However, that channel is starting to break down. Let's take a look at the chart.

*(Continued on the next page)*

### Precision Drilling (PDS:NYSE) -- Weekly



Notice how the last four highs defined the upper boundary of the channel. However, this latest advance fell far short of resistance. That's indicative of weakening buying pressure. Also, you can see how much lower the volume has been over the past five months or so. After such a prolonged uptrend, it really takes an increase in buying attention to sustain the uptrend. The low volume reveals the absence of any significant buying interest.

I'd look for the stock to make yet another lower high and begin moving lower. A prudent short entry will be around \$33.50 -- just below yesterday's low of \$34.

The stop should be up around \$38, as the stock could advance that far before making a higher high. That's a pretty wide stop, so you may want to scale into this position. The downside target is \$25.

#### **Open Positions**

**Hansen Natural** (HANS:Nasdaq): Last week's short idea Hansen was opened at \$173.26, in accordance

with my suggestion to buy at the open if it was below \$180. That was a pretty ugly fill, but I'll live with it.

The current stop is \$190, and that stays put. Hansen has been looking stronger over the last few days. In fact, if this one gets stopped out, you might consider trading it on the long side -- as long as you adhere to rigid stops. Hansen is pretty volatile, and the last several weeks of high-volume action sure seem like a top.

#### **Closed Positions**

**Talisman Energy** (TLM:NYSE): This stock has become quite volatile, hitting the buy-stop of \$56.70 before the trade really got under way. I'd suggest watching this one for a week or so. If the current advance fails at or below \$20, I'd look for the stock to roll over again.

**TradeStation** (TRAD:Nasdaq): This position hit the adjusted stop of \$13.70 and is now closed out.

The Short Advisor Portfolio						
Company	Entry Date	Cost Basis	Stop-Loss	Targets*	Most Recent Price	% Gain/Loss
<b>Hansen Natural HANS</b>	5/25/2006	\$173.26	\$190	\$140	\$ 184.87	-6.70%
<b>RadioShack RSH</b>	3/27/2006	\$19.10	\$19	A move under \$10	\$ 16.82	11.94%

\* (1) Indicates initial profit target; (2) Indicates final profit target.

### The Short Advisor Watch List

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

### The Short Advisor Performance

Average Return Open Positions	2.62%	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	-0.13%	
Total Average Return	-0.11%	

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). Schumacher 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](mailto: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.

*TheStreet.com's Short Advisor* contains the authors' own opinions, and none of the information contained therein constitutes a recommendation by TheStreet.com or any of the contributors that any particular security, portfolio of securities, transaction, or investment 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. Past results are not necessarily indicative of future performance. Mr. Fitzpatrick and Mr. Schumacher are restricted from transacting for their own benefit in securities discussed in *TheStreet.com's Short Advisor*. However, certain of TheStreet.com's affiliates and employees may, from time to time, have long and short positions in, or buy or sell the securities, or derivatives thereof, of companies mentioned in *TheStreet.com's Short Advisor* and may take positions inconsistent with the views expressed.