

**Dan FITZPATRICK**

Last Close: \$16.49

Marvell Technology  
(MRVL:Nasdaq)

**52-Week Range:**  
\$15.91 - \$36.84

**Sitting Out the Party**

- Marvell's shares have been left behind in the recent market rally.
- The stock is now close to breaking another support level.
- Plus, updates on MEMC Electronic Materials and Motorola.

**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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## Sitting Out the Party

**Marvell Technology** (MRVL) is in the semiconductor industry group, and manufactures integrated circuits, or chips. The semiconductor stocks have been under quite a bit of pressure -- excluding **Intel** (INTC) -- and that selling pressure doesn't look as if it's ready to let

up. While the rest of the market has been in rally mode, the chips have been left behind.

Let's look at the weekly chart of Marvell.

*(Continued on the next page)*

### Marvell Technology (MRVL) -- Weekly



Notice how the latest rally just barely tagged the middle Bollinger Band? The stock has now fallen back to test the July low of around \$16.70.

The stock closed just a bit below that level Wednesday, at \$16.49, and the short entry will be at \$16.35 – just below yesterday's low. The target price is at \$12.50, with a stop at \$18.05 – about 10% higher than the entry level.

Note that Marvell's earnings are scheduled to be announced in a few weeks, on Nov. 16, so you will want to close out this position prior to that date.

#### **Open Positions**

**MEMC Electronic Materials (WFR):** The entry price was \$33.91, but since then the stock has run up

about \$3 to \$37. In addition, earnings are due to be announced after the bell today. While I believe that MEMC is likely to miss earnings estimates, resulting in a selloff, it's very poor discipline to hold an unprofitable short over earnings because of the risk that an acceptable loss will quickly turn into an unacceptable loss. So I will close out this model portfolio position by setting a stop at Wednesday's close of \$37.01. The trade should be closed if the stop is hit during the day.

If the stock does not trade that high today, then this short position should still be closed out on today's close.

**Motorola (MOT):** This trade is now near break-even, just 25 cents above the entry price of \$23.25. The current stop is at \$24.60, where I will leave it.

The Short Advisor Portfolio						
Company	Entry Date	Cost Basis	Stop-Loss	Targets	Most Recent Price	% Gain/Loss
<b>Motorola MOT</b>	10/19/2006	\$23.25	\$24.60	\$21	\$ 23.56	-1.33%
<b>NovaGold NG</b>	10/24/2006	\$15.90	\$18.10	\$13.70 (1) \$12.25 (2)	\$ 15.75	0.94%
<b>MEMC Electronic Materials WFR</b>	10/05/2006	\$33.91	\$40.10	\$20	\$ 37.01	-9.14%

### The Short Advisor Watch List

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

### The Short Advisor Performance

Average Return Open Positions	-3.34%	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	-0.23%	
Total Average Return	-0.26%	

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

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### 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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