

**Chris SCHUMACHER** Last Close: \$28.19

Lee Enterprises  
(LEE:NYSE)

**52-Week Range:**  
\$22.98 - \$41.02

**Good News for the Bears**

- Lee has been in a downtrend through most of 2006 with the 200-period moving average acting as hidden resistance.
- Distribution pressure may create another opportunity for a profit with a short trade.
- Also, updates on Laclede and NovaGold.

**The Short Advisor Portfolio**

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

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## Good News for the Bears

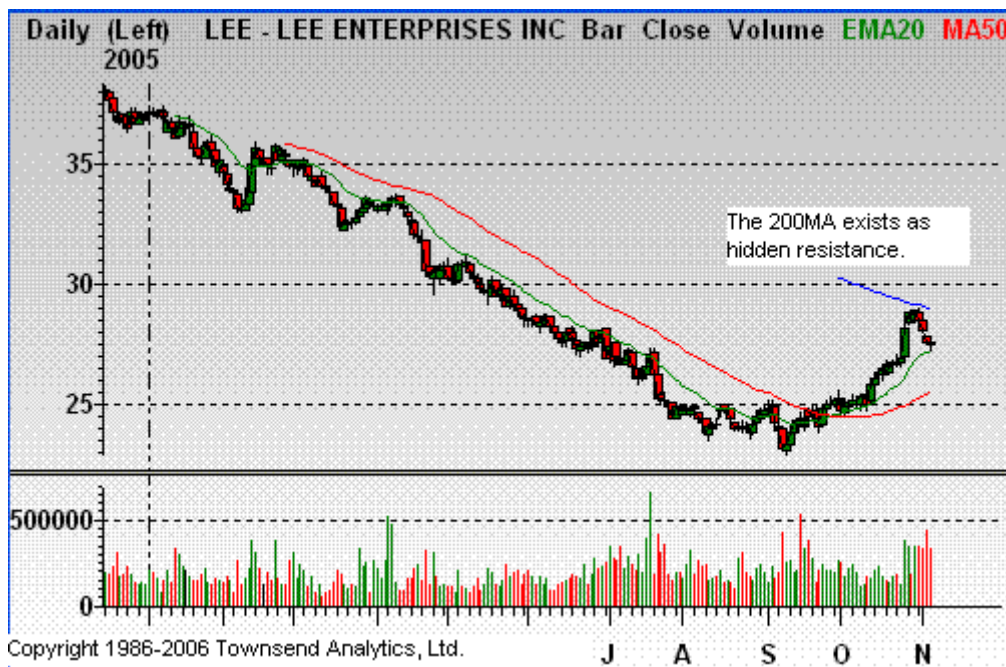
**Lee Enterprises** (LEE) showed a steady downtrend from the end of 2004 to September 2006. Price finally found support under \$25 a share in September, which led to a reversal that moved the stock price back to the 200-period moving average (the blue line on the chart below).

This hidden resistance, however, created distribution pressure, and the stock price pulled

back to the 20-period moving average (the green line on the chart). This was followed by a small sell-side exhaustion move at the 20-period moving average last week, which should create some buy-side pressure this week.

*(Continued on the next page)*

**Lee Enterprises (LEE) -- Daily**



Given Lee's strong stable downtrend throughout most of 2006 and failure to break the 200-period moving average, distribution pressure should create another opportunity for a profit with a short trade.

If the 20-period moving average can hold as support, the buy-side pressure should help to move the price back up to the 200-period moving average and offer an entry for short exposure at that level. Then if the 200-period moving average again holds as resistance, price should move back down toward the 2006 lows around \$23 in a retest to confirm that this area is, indeed, short-term support for the stock price.

So the entry strategy for this trade setup will be for a move to \$28.90. The stop will be placed at \$30.30, offering \$1.40 in risk. The first profit target will be at

\$27.50, and the final profit target will be between \$23.30 and \$23.

If the price of the stock closes under \$26.50 without first offering an entry, this trade setup is no longer valid.

#### **Updates**

**Laclede Group (LG)** set up last week with an entry at \$35.25. The stop should be placed at \$36.30, which offers \$1.05 in risk. The first profit target of \$34.20 was almost hit Thursday, but the low tick was \$34.39. The second profit target is at \$33.15.

**NovaGold (NG)** set up last week with an entry at \$15.90. The stop is at \$18.10, offering \$2.20 in risk. The first profit target is at \$13.70, and the final profit target will be the gap-fill level of \$12.25.

The Short Advisor Portfolio						
Company	Entry Date	Cost Basis	Stop-Loss	Targets*	Most Recent Price	% Gain/Loss
Joy Global JOYG	11/02/2006	\$36.97	\$40.95	\$12.50	\$ 39.10	-5.76%
Laclede LG	11/01/2006	\$35.25	\$36.30	\$34.20 (1) \$33.15 (2)	\$ 35.43	-0.51%
Motorola MOT	10/19/2006	\$23.25	\$24.05	\$21	\$ 22.83	1.81%
NovaGold NG	10/24/2006	\$15.90	\$18.10	\$13.70 (1) \$12.25 (2)	\$ 15.70	1.26%

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

### The Short Advisor Watch List

Company	Author	Date Published	Current Price	Entry Price	Stop-Loss	Target
Marvell Technology (MRVL)	Fitzpatrick	10/26/2006	\$18.69	\$16.35	\$18.05	\$12.50

### The Short Advisor Performance

Average Return Open Positions	-0.80%	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	-0.28%	
Total Average Return	-0.28%	

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](#).

### **Chris Schumacher**

Schumacher serves as 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 -- [send him an email](#).

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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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