

Chris SCHUMACHER

Last Close: \$17.50

Huntsman (HUN:NYSE)

52-Week Range:
\$15.62 - \$23.69

Bears Looking for a Bull's Eye

- Huntsman has shown two exhaustion points this year, on both sides of the market.
- A break of gap-down support would offer a downtrend confirmation signal.
- Also, updates on Laclede, Lee Enterprises 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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Bears Looking for a Bull's Eye

This week's short idea, **Huntsman (HUN)**, has displayed two points of exhaustion, on both sides of the market, in 2006.

In January and February, Huntsman's share price spiked higher, from \$19.50 to \$23.70. This spike exhausted the buy-side volume and created an immediate price failure back to the \$20 level. After that spike higher, price moved lower in a stable downtrend until August.

Then in August, the stock price finally found support, which allowed the bulls to carry the price back to \$18.80.

After this push higher, distribution pressure became stronger, creating another resistance level at \$18.80. The break below \$18 in October then forced a gap-down move.

(Continued on the next page)

Huntsman (HUN) -- Daily



Gap-down price movements normally offer a reversal off of support. But this is not the case for Huntsman as a base is forming under \$18. Distribution pressure in this base should force a retest of the gap-down support at \$16.72. A break of this support would then offer a downtrend confirmation signal.

The entry for this setup will be at \$18.25 with a stop at \$19.10, which would offer 80 cents in risk. The first profit target is \$17.45, and the second profit target will be \$15.90, at the August lows.

If the price moves under \$16.70 without first offering an entry, this setup is no longer valid.

Updates

Laclede Group (LG) hit the stop at \$36.30 last week, so this trade is no longer open.

Lee Enterprises (LEE) set up last week with an entry at \$28.90. The stop is at \$30.30, offering \$1.40 in risk. The first profit target is \$27.50, and the final profit target will be between \$23.30 and \$23.

NovaGold (NG) remains open with an entry at \$15.90. The stop is at \$18.10, which offers \$2.20 in risk. The first profit target is \$13.70, with a final profit target at the gap-fill level of \$12.25.

The Short Advisor Portfolio						
Company	Entry Date	Cost Basis	Stop-Loss	Targets*	Most Recent Price	% Gain/Loss
Lee Enterprises LEE	11/08/2006	\$28.90	\$30.30	\$27.50 (1) \$23.30 - \$23 (2)	\$ 28.24	2.28%
Motorola MOT	10/19/2006	\$23.25	\$22.75	\$20	\$ 21.17	8.95%
NovaGold NG	10/24/2006	\$15.90	\$18.10	\$13.70 (1) \$12.25 (2)	\$ 16.33	-2.70%

* (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	2.84%	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	-0.34%	
Total Average Return	-0.31%	

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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