



### NEWSLETTERS & RECOMMENDATIONS - December 4, 2009

Fellow Friends and Traders,

Are investors around the world awaking to the fact that borrowing USD to buy risk assets across the globe may not work anymore? This carry trade strategy has been a God sent to world traders in '09. Did this all change with the Friday's jobs numbers that showed a much greater uptick in economic growth? The FED has been on hold well into a worsening job outlook throughout 2010 and maybe even 2011. Interest rates rallied sharply higher last week. Fed funds futures are looking for rate increases starting mid-next year.

Early last week the USD was sitting at a 15 month low holding under the 50 DMA for the last 9 months. Suddenly, Friday morning both the USD and stock markets rallied strongly together. The reality must have set in shortly thereafter because investors rushed to sell risk assets and cover USD shorts. The USD rallied over 1.5% while the S&Ps fell about the same. The USD is now over its 50 DMA. Gold was down over \$70 at 1 point Friday but closed only down about \$50.

Yikes! Friday was some day. Remember bear market rallies are hard and fast. The USD can rally 3-5% before resuming a down trend. I'm guessing markets won't like the USD rally in the short term. However, if in fact the FED really starts to raise rates early next year and not much later as is now the plan, the dollar will resume its sharp rally as the carry trade starts to unwind. Anyway we look at this situation 2010 will be a much harder year to make the same returns investors did this year.

This shouldn't affect our E-mini/option trading style. Stock pickers should have a great 2010. Most investors confuse a bull market with brains. These investors will find 2010 will not be easy as '09 was.

Looking ahead good economic news may not be so good for stocks. The stronger the economy starts to look the sooner the FED may have to raise rates. We should let Mr. Market tell us what to do.

#### **Stock thoughts and ideas:**

HUN. I've started to sell puts on Huntsman (HUN) again. HUN had a blow out presentation last week at a Citibank Conference. It's a totally different company now with only 18% of the business coming from the U.S. I will look to do more analysis and get back to our paying subscribers with more specific trading strategies.

BTIM. Biotime announced Dr. West will ring the opening bell on NYSE Tuesday morning. BTIM is getting noticed more every day. There was more good news last week as the National Institute of Health or NIH approved over a 100 stem cell products for use. Even more, stem cells products should be approved shortly. BTIM has over a 180 separate patents. Stem cells have a real future that starts now. BTIM bounced nicely off its 200 DMA of \$3.18 and rallied to \$4.63

before pulling back. I love the stock under \$4.00 and the warrants under \$2.00. Go BTIM!

I strongly suggest you go to Yahoo Finance and visit both the HUN and BTIM message boards for in-depth commentary.

### **Last week in review:**

Over these last few weeks I have alerted you to the rather large resistance area in the 1114-20 area. I pointed out the 2 year downtrend line on the largest time frames and I spelled out the importance of "Triple Divergence" on the daily chart. This week we experienced that same Triple "D" on the 30" chart. We had 3 higher highs in price with 3 lower Oscillator highs and ending with "Leading Divergence". There were 2 possible put trades this week. The first, on Thursday, had the 515 weekly puts going from \$1.10 to \$4.50 then late Thursday, near the close, I tried to buy the weekly calls at \$1.00, my bid, but the low trade was \$1.05. The calls opened over \$4.00 Friday morning. What can I say but buy the rumor and sell the news.

There were 2 weekly puts setups could have been bought into Friday's opening at new yearly highs. The 520s ATM puts traded as low as \$1.60 while the OTM 515s traded as low as \$0.20. The ATM 520s hit \$9.00 while the OTM hit \$4.40. Later I alerted the Intraday Chart subscribers to a 510 Weekly call buy on the 2:00 PM chart near \$1.25. These calls were trading at \$1.80. Thirty minutes later they hit \$1.10. I bought them in the Chat Room with some long E-minis. The calls hit a hit of \$4.30 in less than 2 hours and closed at \$3.90. See Friday's charts - [30 Minute](#) and the [5 Minute](#) .

These option trades are available every week and you only have to be successful once a week to have a very profitable trading week with cheap expiring options.

Right now there's a 40 point S&P trading range. Unless there is news that's off the charts this range should be very profitable for us. If for any reason we break out up through and hold above 1120 I can see a final '09 high of about 1150. We may have a better idea after Asia opens tonight to note any follow on selling.

It's taken the good part of the year to get all our mailing list up-to-date and working. I will attempt in early Jan 2010 to get the option alert trades out to the paid subscriber list as I see them setup. Prospective students will see those recommendations at a later time.

Please stay in touch and keep those cards and letters coming.

Good trading,

Stan Moore

702.267.0396

Fellow Friends and Traders,

Are investors around the world awaking to the fact that borrowing USD to buy risk assets across the globe may not work anymore? This carry trade strategy has been a God sent to world traders in '09. Did this all change with the Friday's jobs numbers that showed a much greater

uptick in economic growth? The FED has been on hold well into a worsening job outlook throughout 2010 and maybe even 2011. Interest rates rallied sharply higher last week. Fed funds futures are looking for rate increases starting mid-next year.

Early last week the USD was sitting at a 15 month low holding under the 50 DMA for the last 9 months. Suddenly, Friday morning both the USD and stock markets rallied strongly together. The reality must have set in shortly thereafter because investors rushed to sell risk assets and cover USD shorts. The USD rallied over 1.5% while the S&Ps fell about the same. The USD is now over its 50 DMA. Gold was down over \$70 at 1 point Friday but closed only down about \$50.

Yikes! Friday was some day. Remember bear market rallies are hard and fast. The USD can rally 3-5% before resuming a down trend. I'm guessing markets won't like the USD rally in the short term. However, if in fact the FED really starts to raise rates early next year and not much later as is now the plan, the dollar will resume its sharp rally as the carry trade starts to unwind. Anyway we look at this situation 2010 will be a much harder year to make the same returns investors did this year.

This shouldn't affect our E-mini/option trading style. Stock pickers should have a great 2010. Most investors confuse a bull market with brains. These investors will find 2010 will not be easy as '09 was.

Looking ahead good economic news may not be so good for stocks. The stronger the economy starts to look the sooner the FED may have to raise rates. We should let Mr. Market tell us what to do.

Stock thoughts and ideas:

HUN. I've started to sell puts on Huntsman (HUN) again. HUN had a blow out presentation last week at a Citibank Conference. It's a totally different company now with only 18% of the business coming from the U.S. I will look to do more analysis and get back to our paying subscribers with more specific trading strategies.

BTIM. Biotime announced Dr. West will ring the opening bell on NYSE Tuesday morning. BTIM is getting noticed more every day. There was more good news last week as the National Institute of Health or NIH approved over a 100 stem cell products for use. Even more, stem cells products should be approved shortly. BTIM has over a 180 separate patents. Stem cells have a real future that starts now. BTIM bounced nicely off its 200 DMA of \$3.18 and rallied to \$4.63 before pulling back. I love the stock under \$4.00 and the warrants under \$2.00. Go BTIM!

I strongly suggest you go to Yahoo Finance and visit both the HUN and BTIM message boards for in-depth commentary.

Last week in review:

Over these last few weeks I have alerted you to the rather large resistance area in the 1114-20 area. I pointed out the 2 year downtrend line on the largest time frames and I spelled out the importance of "Triple Divergence" on the daily chart. This week we experienced that same

Triple "D" on the 30" chart. We had 3 higher highs in price with 3 lower Oscillator highs and ending with "Leading Divergence". There were 2 possible put trades this week. The first, on Thursday, had the 515 weekly puts going from \$1.10 to \$4.50 then late Thursday, near the close, I tried to buy the weekly calls at \$1.00, my bid, but the low trade was \$1.05. The calls opened over \$4.00 Friday morning. What can I say but buy the rumor and sell the news.

There were 2 weekly puts setups could have been bought into Friday's opening at new yearly highs. The 520s ATM puts traded as low as \$1.60 while the OTM 515s traded as low as \$0.20. The ATM 520s hit \$9.00 while the OTM hit \$4.40. Later I alerted the Intraday Chart subscribers to a 510 Weekly call buy on the 2:00 PM chart near \$1.25. These calls were trading at \$1.80. Thirty minutes later they hit \$1.10. I bought them in the Chat Room with some long E-minis. The calls hit a hit of \$4.30 in less than 2 hours and closed at \$3.90. See Friday's charts - 30 Minute and the 5 Minute.

These option trades are available every week and you only have to be successful once a week to have a very profitable trading week with cheap expiring options.

Right now there's a 40 point S&P trading range. Unless there is news that's off the charts this range should be very profitable for us. If for any reason we break out up through and hold above 1120 I can see a final '09 high of about 1150. We may have a better idea after Asia opens tonight to note any follow on selling.

It's taken the good part of the year to get all our mailing list up-to-date and working. I will attempt in early Jan 2010 to get the option alert trades out to the paid subscriber list as I see them setup. Prospective students will see those recommendations at a later time.

Please stay in touch and keep those cards and letters coming.

Good trading,

Stan Moore

702.267.0396

Stock and option trading is high risk and you can lose a great deal of money, maybe all, in the process. You agree and understand the risks involved and have made your own assessment of your personal risk tolerances. You agree to not hold NewEraTrader.com and/or anyone affiliated with this site liable for any losses that may result from the information provided. By submitting your membership form, you agree and fully understand that this site and its contents are not meant and were not developed to be viewed as trading advice or recommendations. You agree by viewing the contents of this site that you do so at your own discretion and that you will not hold accountable anyone affiliated with NewEraTrader.com for any losses or interpretations you may have. Past performance is no guarantee of future results.