



NEWSLETTERS & RECOMMENDATIONS - June 1, 2010

Dear Friends and Fellow Traders,

Due to the Memorial Day weekend my 50% off offer has been extended through Wednesday, June 3.

For many traders the market's fall has been a disaster but for NET traders it doesn't get any better. We've had an 800 point DOW range 2 weeks ago and another 500 points this week. In fact, this May 2010 was the worst monthly performance for the indexes, I believe since 1962.

Volatility is what trading is all about. Volatility is what separates the men from the boys. *Anyone can manage money when the markets going up.*

Remember one of my favorite saying:

Don't confuse a bull market with brains

Most traders/investors don't have a clue as to what's happening with world markets today or any other time for that matter.

China drops over 22% in months while our market rallies 10% only to fall 15% in a matter of weeks. It's all inter-connected. Greece was seen by the bulls as noise, a \$30 B fix when in fact, it was a sign of things that may occur in most western countries during the next 3-5 years.

What's next as the market struggles to put in some sort of bottom? Right now the market has priced in all the bad news to date and will much better or worse news to move the market out of this wide trading range between the Feb'10 lows and the 200DMA on the high side.

All news will be suspect for the next few months while traders learn if we are headed into a dreaded "W" recession because of the Euro situation or if the market moves sluggishly higher growth. I smell more trading range!

Spanish debt will be key to watch going forward. Meanwhile the credit markets are reeling a bit as US debt demands are starting to crowd out corporate paper. Junk spreads are as wide as I've seen in some time.

Trading Review

Fitch gave us a few great trading prospects with its downgrade of Spain's debt during the Friday afternoon hours. 2:00 PM saw the market retesting the multi-day lows. Traders were able to buy the 495W calls for a little as \$0.60. By 3:30 PM the calls hit \$3.10 as the S&Ps retested the day's highs. The rally back setup another great NET trade an EOD reversal. The

495W puts hit \$0.20. **Thirty minutes later the same puts were trading at \$2.60!** This is the 3rd 10X+ trade in 3 weeks and all 3 took about 30 minutes. This is really nice work if you can get it. See

[NET Weekly Money Chart 2010-05-29](#)

, Friday "C" chart.

My latest Get Rich Slowly Recommendations got off to a great start Tuesday with an Alert Email

I recommended 1) buying Huntsman (HUN) stock which was trading under \$8.40 (and hit a low of \$8.17), 2) selling HUN \$15 strike calls of Jan 2012 LEAPs over \$.75 into strength and 3) selling the \$12.50 LEAP puts for over \$5.00. I fully expect Huntsman to be sold sometime in 2012 for more than \$20.00. The LEAP puts should expire worthless allowing the NET trader to pocket the \$5.00 premium and do a roll-up and over with the calls into the \$20 strike and with just a little luck.

With this strategy we've created a possible \$10 LTCG (Long Term Capital Gain). Along the way we collect 7 \$0.10 dividends plus \$5.00 in put premiums. Yes, near the lows HUN yielded almost 5%. All the time we put up little or no money to do this trade if you hold other marginable securities in your account. Furthermore last Friday, the Peter Huntsman Foundation bought over 1 million shares at \$9.35. Later Friday HUN traded as high as \$10.20. HUN puts traded down over a point. **A whopping \$3.00 profit was nearly possible in 3 days with an \$8.00 stock. Wow!**

In the same Alert Email *I also recommended* a major turn-around story, Yahoo (YHOO) which has a new highly-successful management team is now in place. Additionally, YHOO has valuable non-core assets worth north of \$8.00 per share that may be monetized plus \$2.00 a share in cash. I believe YHOO can trade between \$20-23 sometime in 2012. I recommended that NET traders 1) sell the Jan 2012 LEAP \$25 strike puts for \$10.50 and 2) sell the LEAP \$20 strike calls for about \$1.75-2.00 and 3) buy the stock near \$15. NET traders will own the stock under \$13.00 versus a low of almost \$14.00. If I am correct you should be able to buy back the depreciated puts between \$3-5.00 and sell the stock over \$22.00 all the time putting up no money to do the trade. Also see HUN example above.

While some of these trading strategies may be advanced for some of you, supporting data can be readily found on the internet and in NET trading materials. NET Alert Email/Intraday Chart subscribers should be taking these high-profitable, low-risk, moderate-term trades and learning the strategies. You should be learning and enhancing your trading skills along the way. That is what you pay your Alert Email fees for after all. Use the Alert Emails to profit and learn.

Keep those cards and letters coming. I read every one. **Remember, my 50% off offer ends this Wednesday. Any NET service, any product, 50% through June 3 EOD. No whining. You've been give adequate notice.**

Good trading,

Stan Moore
702.267.0396