

WATCHLIST

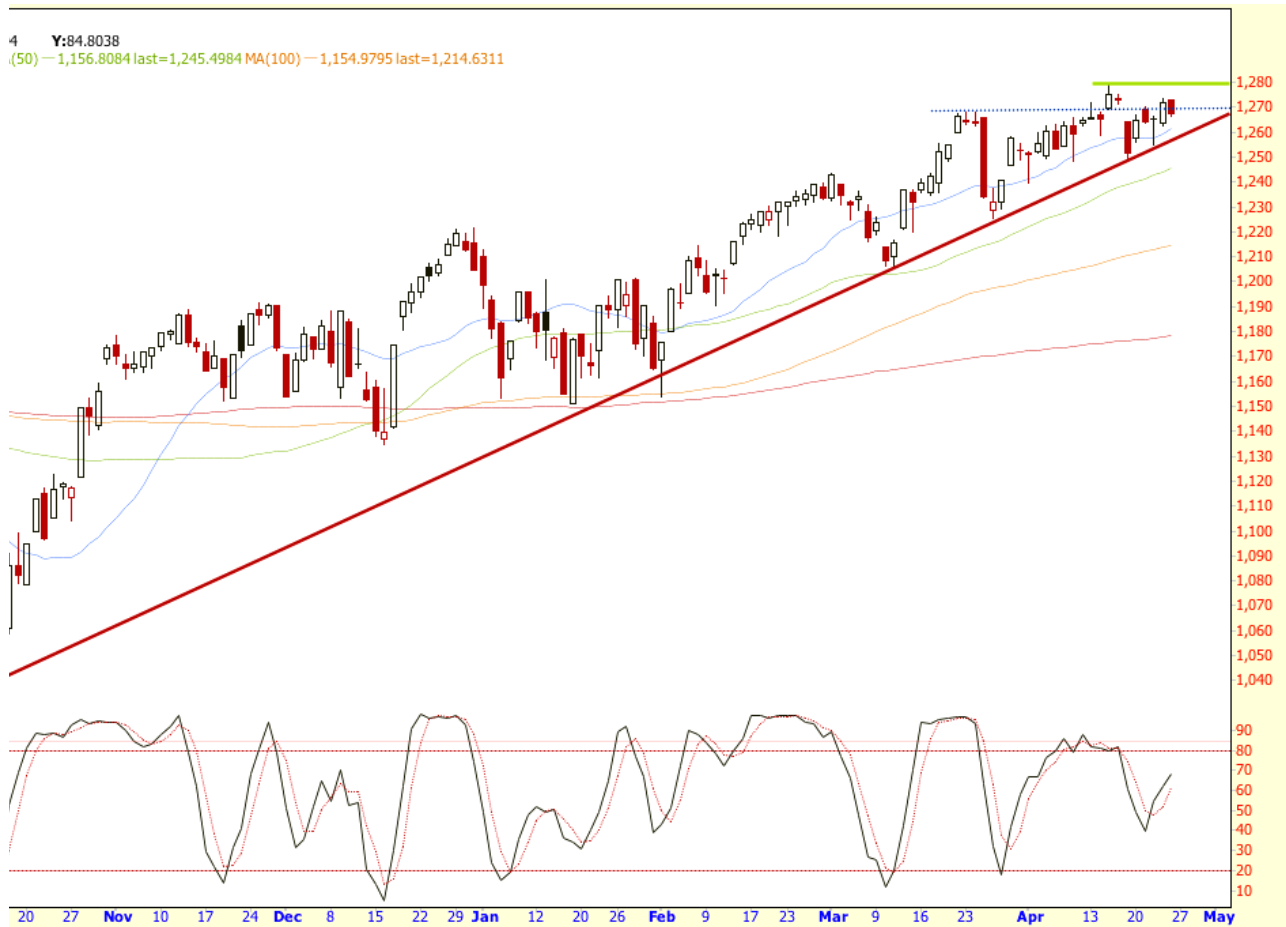
\$COMPQ - NASDAQ Composite (Daily Look)



The Nasdaq broke out to fresh 52-week highs once again on the backs of strong quarterly earnings. A pullback to 5,050 should be viewed as a dip opportunity as long as the speed of the market does not change. Also, keep an eye on the Russell 2000 for cues. If the Russell 2000 & S&P 500 fail to breakout this week, and diverge from the Nasdaq, it may signal “risk off”, and a pullback may be imminent. A move below 4950 in the NASDAQ will be enough for me to move my trading portfolio back to cash.

Note: The all-time high, during the NASDAQ bubble in 2000, is just overhead, sitting at 5132. This should be one tough area to crack. We have more earnings to deal with this week, so a cautious tone is warranted

\$RUT - Russell 2000 (Daily Look)



The Russell failed to make new 52-week highs this past week. However, the S&P 500 tagged new all-time highs, but failed to close above the previous high of 2119— be on the lookout for a failed move this week. In order for the bulls to remain confident here, we need to see the Russell and the S&P push and close above new highs. If the speed changes this week, it could be enough of a spark to signal a change in sentiment as well as trend. This will be an important week as we head into the, “Sell in May and go away” adage.

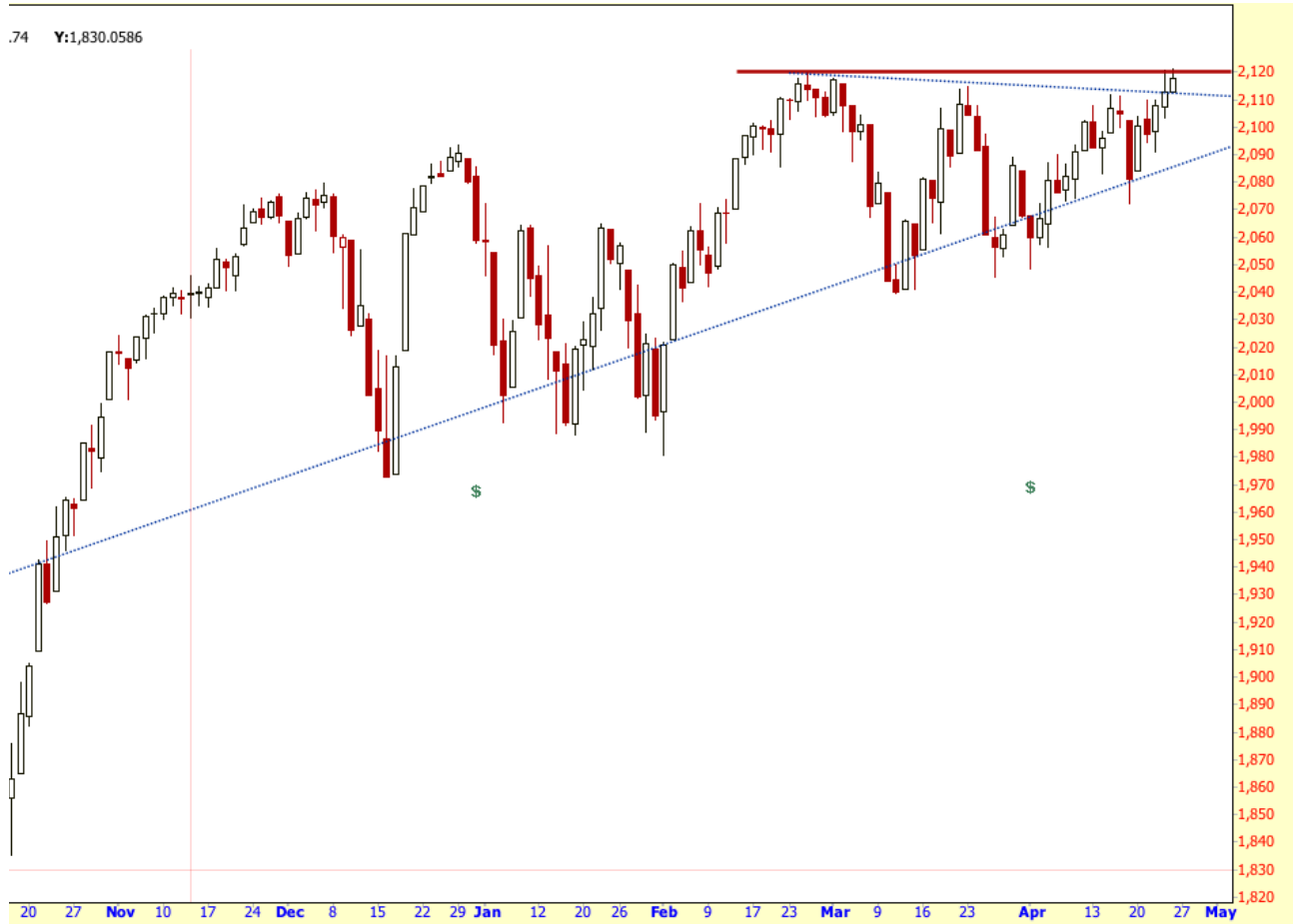
“From Failed moves come fast moves”

— OLD TRADER SAYING

Note: The Russell 2000 is currently breaking out on the weekly chart, but failed to make new 52-week highs along with the NASDAQ. Keep an eye out for a divergence.

Below Wednesday’s low, at 1255, will be enough for me to start moving to cash— as a multi-month trend breaks to the downside.

\$SPX - S&P 500 (Daily Look)



Bulls need to see a push higher in the S&P 500, taking the index above 2,120. Should the bears press weakness early on in the week, it could be enough to change the speed of the market—since the \$SPX failed to stay above new all-time highs.

There’s not much of an edge here as our overall market algorithm is right in the middle of the oversold/overbought range. Things could go either way from here.

We have some big names reporting earnings this week which could also sway sentiment. This will be an important week for the overall market as we head into the month of May.

Top Ranked Industries Heading into the week:

Industry	Sector	% Chg	Tech	Fund	Hybrid	P/E
Copper	Basic Materials	3.76	3.51	4.09	3.76	10.73
Foreign Utilities	Utilities	1.21	3.19	4.22	3.63	16.26
Home Health Care	Healthcare	1.55	3.27	3.87	3.53	30.53
Appliances	Consumer Goods	0.70	3.13	4.01	3.51	23.70
Regional Airlines	Services	1.59	2.75	4.42	3.47	17.75
Surety & Title Insurance	Financial	0.51	2.87	4.14	3.42	12.29
Telecom Services - Foreign	Technology	0.95	3.14	3.65	3.36	19.04
Oil & Gas Refining & Marketing	Basic Materials	0.58	2.88	3.98	3.35	10.03
Major Airlines	Services	1.29	2.81	4.05	3.34	40.95
Foreign Money Center Banks	Financial	0.40	3.06	3.64	3.31	15.03
Water Utilities	Utilities	1.16	2.97	3.76	3.30	20.86
Home Furnishing Stores	Services	0.29	2.81	3.91	3.28	24.05
Steel & Iron	Basic Materials	1.07	2.73	3.99	3.27	18.70
Discount, Variety Stores	Services	0.48	2.98	3.63	3.26	28.78
Health Care Plans	Healthcare	0.17	2.64	4.08	3.26	24.67
Apparel Stores	Services	0.17	2.71	3.94	3.24	22.38
Diversified Utilities	Utilities	0.83	2.89	3.68	3.23	17.77
Foreign Regional Banks	Financial	0.30	2.66	3.97	3.23	11.21

Friday's Leading Industries:

Industry	Sector	% Chg	Tech	Fund	Hybrid	P/E
Copper	Basic Materials	3.76	3.51	4.09	3.76	10.73
Regional Airlines	Services	1.59	2.75	4.42	3.47	17.75
Home Health Care	Healthcare	1.55	3.27	3.87	3.53	30.53
Residential Construction	Industrial Goods	1.34	1.94	3.71	2.70	16.57
Major Airlines	Services	1.29	2.81	4.05	3.34	40.95
Foreign Utilities	Utilities	1.21	3.19	4.22	3.63	16.26
Water Utilities	Utilities	1.16	2.97	3.76	3.30	20.86
Steel & Iron	Basic Materials	1.07	2.73	3.99	3.27	18.70

Trade Ideas For The Week:

As copper ends the week as one of the strongest industries, \$FCX comes to mind. The stock landed in the top 100 screen this week, in our overall algorithm ranking, and is threatening to trade above some important technical levels. The volume profile above is thin and can get fast above last week's high of 21.27—that is your trigger.

We will use last week's low to manage risk, 19.55, which was the low on the day of the quarterly report. The volume profile suggest a target to \$26-27. This gives us a risk/reward ratio of -1.73/+5.22, +3x risk (3R).



JJC - Copper ETN - Watch for a Breakout in Prices



As airlines gain momentum once again, \$VA is worth watching here. This recent IPO hit a high of \$45 just a few short months ago, but has been in a downtrend ever since. The stock was facing pressure from a planned secondary offering, however news came out on Friday that stockholders have decided to withdraw the stock-sale plan. If you missed the trigger on Friday, look for an early dip to buy. Watch for a trade in the airlines, should oil prices pullback this week.



Conversely, should oil breakout in prices this week, which continues to be a possibility given the thin structure overhead, I will be keeping a close eye on a few cheap oil plays this week.



Other charts of interest this week include, **Bullish Bias:**



Other trade ideas, Bearish bias:

If the bears show up this week, and the market does indeed pullback, I continue to like the idea of shorting biotech via the leveraged inverse ETF, symbol \$BIS. I will be using the Biotech ETF, symbol \$IBB, to manage the trade. Should the \$IBB trade below \$362, I will look to add to my position in \$BIS. Should the stock press above last week's high of 368.25, the trade idea is off the table.

And, if volatility picks up and the speed changes to the downside, there's always the hail mary trade, \$TVIX.

Upcoming Earnings: *(Earnings dates are subject to change, please check date for accuracy)*

Monday: AAPL, CUDA, CYOU

Tuesday: AKS, AKAM, BWLD, CLF, COH, F, GPRO, NOV, PEIX, PNRA, TWTR, SLCA, X, UPS, VLO

Wednesday: BIDU, GRMN, GD, GLUU, HES, LVL, LOCK, MA, SAVE, YELP

Thursday: BG, CWEI, COP, CROX, ESV, EXPE, FSLR, GILD, HBT, MVIS, MOS, SPWR, VA, V

Friday: CVX, CVS, ZUES, VFC

Economic Calendar:

Apr 28	9:00 AM	Case-Shiller 20-city Index	Feb	-	4.5%	4.7%	4.6%
Apr 28	10:00 AM	Consumer Confidence	Apr	-	101.0	102.2	101.3
Apr 29	7:00 AM	MBA Mortgage Index	04/25	-	NA	NA	2.3%
Apr 29	8:30 AM	GDP-Adv.	Q1	-	0.4%	1.1%	2.2%
Apr 29	8:30 AM	Chain Deflator-Adv.	Q1	-	0.5%	0.5%	0.1%
Apr 29	10:00 AM	Pending Home Sales	Mar	-	1.0%	1.6%	3.1%
Apr 29	10:30 AM	Crude Inventories	04/25	-	NA	NA	5.315M
Apr 29	2:00 PM	FOMC Rate Decision	Apr	-	0.25%	0.25%	0.25%
Apr 30	8:30 AM	Initial Claims	04/25	-	290K	290K	295K
Apr 30	8:30 AM	Continuing Claims	04/18	-	2325K	2318K	2325K
Apr 30	8:30 AM	Personal Income	Mar	-	0.1%	0.2%	0.4%
Apr 30	8:30 AM	Personal Spending	Mar	-	0.4%	0.5%	0.1%
Apr 30	8:30 AM	PCE Prices - Core	Mar	-	0.2%	0.2%	0.1%
Apr 30	8:30 AM	Employment Cost Index	Q1	-	0.6%	0.6%	0.6%
Apr 30	9:45 AM	Chicago PMI	Apr	-	50.0	50.0	46.3
Apr 30	10:30 AM	Natural Gas Inventories	04/25	-	NA	NA	90 bcf
May 1	10:00 AM	ISM Index	Apr	-	51.0	52.0	51.5
May 1	10:00 AM	Construction Spending	Mar	-	-0.5%	0.4%	-0.1%
May 1	10:00 AM	Michigan Sentiment - Final	Apr	-	95.9	96.0	95.9
May 1	5:00 PM	Auto Sales	Apr	-	NA	NA	5.4M