

MSW Index											
The MSW Index is a collection of stocks, a watch list per say, which will follow the best possible opportunities in the market. The MSW Index is not a buy and sell list and is only here to provide us with critical information in order to make actual buy and sell decisions. In 2007, the MSW Index is a watch list where 95% of all buy and sell ideas will launch. All buy and sell data will be provided on a separate spreadsheet titled the MSW Portfolio. I will debate about an entry if the volume does lift the stock back above the long term moving average.											
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Symbol	Current Price	Price on Last Screen	Gain/Loss since Last Screen	Support	Rating	Target Entry Area	Stop Loss Area	Target Gain	1st Weekly Screen	Price at 1st Screen	% Gain on MSW
Long Opportunities:											
ICON	\$19.44	\$20.76	-6.36%	\$17.50	Hold	200-d	N/A	N/A	1/6/2007	\$18.15	7.11%
	I said this last week and the prior week: "The trend is higher but I am waiting for a correction in this \$20 area or I will let it slip away if I can't catch it. I will not chase the stock in extended territory." Well, the stock gave back 6.36% this week and volume was less than the previous up-week so it was not distribution. I like this stock for a trend buy along the 200-d m.a. so it still needs room to drop further. No position at this time.										
NMX	\$120.81	\$129.30	-6.57%	\$115.00	Hold	\$115.00	\$105.80	\$140.00	1/6/2007	\$118.86	1.64%
	The 8% gain from last week is all but gone as the stock fell on volume much lower than the previous up-week which is a good sign. Anyone that missed a position last week can think about taking a position next week between the area of \$116 and \$120 with a similar risk/reward ratios as the MSW Portfolio.										
JSDA	\$13.27	\$12.49	6.24%	200-d	Hold	\$10.50	N/A	N/A	1/6/2007	\$11.73	13.13%
	Jones soda was up another 6.24% for a 13% gain on the MSW Index but I see two things that prevent me from entering a position. First, the stock is extended from both moving averages and secondly, the gap-up from December above \$11 concerns me. If the market goes bad, I can see this stock filling the gap. I wrote a case study about the stock on the blog yesterday and would be interested closer to the pivot point or near \$11.										
KNOT	\$29.37	\$29.61	-0.81%	\$21.00	Hold	200-d	N/A	N/A	1/6/2007	\$26.20	12.10%
	The Knot was down for the week on above average volume which gives it the largest weekly distribution in two years. As it did last summer, look for the stock to correct back down towards the 200-d m.a. as sellers seems to be gaining some strength near new high territory.										
COGO	\$17.17	\$18.96	-9.44%	50-d	Hold	N/A	N/A	N/A	1/6/2007	\$18.47	-7.04%
	A crazy week for Comtech as it was down below \$16 per share but managed to gain back 7% on Friday to close near the mid-point of the weekly trading range. The stock needs to breathe before moving higher into the \$20-range so a correction is welcomed and could create the ideal buying opportunity in the future. Be patient.										
MPW	\$15.77	\$14.90	5.84%	50-d	Hold	50-d	\$13.00	N/A	1/6/2007	\$15.00	5.13%
	A gap-up open on Friday as the stock gained almost 6% for the week and closed at a new all-time high. The stock looks good and I want to grab shares before any potential sustained run. However, I prefer to make the purchase closer to the 50-d m.a. I missed the opportunity a couple weeks back.										
SLW	\$9.70	\$9.82	-1.22%	\$8.00	Buy	\$8.00	\$7.00	\$12.00	1/6/2007	\$9.43	2.86%
	A couple things here: the direction of the line for the 200-d m.a. concerns me as it is starting to point downward. It is near the line which has been a buying opportunity in the past but the overall market was stronger. It went from \$6.80 to \$12.21 and then \$7.95 to \$12.07. Currently, the recent low was \$8.90 so a possible move to \$12 would give us a short term trade ratio of 2.8. A stop at \$8.89 would give us \$0.81 to play and a target of \$12 would give us a \$2.30 gain. This is a risk to reward ratio.										
FCFS	\$22.38	\$23.82	-6.05%	200-d	Hold	\$20.00	\$18.50	\$25.00	1/6/2007	\$23.65	-5.37%
	As I said last week: "A further decline to the long term (200-d) moving average will trigger my appeal for a position in the portfolio. \$22 is a critical area for recent support/resistance." The stock closed at \$22.38, just above the critical \$22 support area but it did touch a low of \$21.90 intra-week. Support in this area above the 200-d m.a. is appealing for a short term position.										
SMSI	\$13.77	\$14.90	-7.58%	200d	Buy	\$13.00	\$12.50	\$18.00	1/13/2007	\$14.90	-7.58%
	The stock dropped 7.58% for the week but volume was below average and it didn't make a new low. The near term support area is above \$12.50 with a tie to the 200-d m.a. Similar to SLW, this stock has a new risk ratio trade that could be developed using the past action from \$9.01 to \$19.01. Set a stop near \$12.50 with a target of \$17 and you have a risk/reward ratio of 2.5. Stop loss of 9.2% or \$12.50 with a target of \$17.										
MDR	\$48.48	\$46.76	3.68%	200-d	Buy	\$45.00	\$41.00	\$55.00	1/13/2007	\$46.76	3.68%
	I didn't make a buy this week but it would have been okay if anyone did grab shares in this area. The stock was up over 3% for the week and made most of the move on Friday on average volume. I am still looking to take a long term position in Mcdermott and will let you know when it happens (as long as it doesn't break down).										
ZUMZ	\$33.90	\$35.81	-5.33%	200d	Buy	\$32.00	\$28.00	\$40.00	1/13/2007	\$35.81	-5.33%
	Down for the week but that is actually good news because my ideal entry would be closer to the 200-d m.a. which currently sits near \$30. I don't have a great risk to reward setup so its tough to take a position from that angle at this time. The type of trade I am watching here is a pure CANSLIM trend buying trade.										
TWLL	\$17.35	\$17.06	1.70%	\$16.00	Buy	\$16.00	\$14.75	\$20.00	1/13/2007	\$17.06	1.70%
	A position was established in the MSW Portfolio as the stock was down from the spot of our fill but up almost 2% for the week. I am not sure if the target I set is realistic because the stock would need to make it into new high territory but it did so last time so I adjusted the target based on the previous advance to new highs (speculation on this trade is higher than others). Overall, I like the price and volume action and look forward to see where this one goes.										
OPTM	\$24.65	\$24.65	0.00%	\$22.50	Hold	\$26.00	\$21.90	\$35.00	1/20/2007	\$24.65	0.00%
	Added to the MSW Index as a stock I will be watching for a possible entry if it can move above \$26 and then go on to make a new 52-week high. It's a young IPO with a 200-d m.a. just beginning to form on the daily and weekly charts. With a 3-year sales rate of 77%, the company and stock has potential.										

MR	\$24.12	\$24.12	0.00%	\$22.00	Buy	200-d	\$21.60	\$30.00	1/20/2007	\$24.12	0.00%	The young stock is added after appearing on several screens from Friday. The EPS and RS rating cleared it for each screen and the support at the 200-d m.a. also made it a solid candidate for a trend buy. This stock is a candidate for a potential MSW Portfolio buy in the near future.
NYX	\$99.96	\$99.96	0.00%	50-d	Hold	50-d	\$89.79	\$130.00	1/20/2007	\$99.96	0.00%	NYSE Group enters the MSW Index as another sister stock of ICE, BOT, CME, ISE and NMX. The stock is currently holding support near the 50-d m.a. and represents a solid short term buying opportunity. The stock did have distribution last week but we can only buy and sell using rules and systems. My system shows a buy so I will look for an entry this week.
Remaining MSW Index Stocks from 2006												
LRCX	\$47.28	\$54.54	-13.31%	\$47.50	Hold	\$47.50	\$44.00	\$55.00	9/30/2006	\$45.33	4.30%	The stock fell hard on Thursday after an announcement of slower shipments in the coming year. It did hold support at the 200-d m.a. and is currently sitting just below our crucial support level of \$47.50. LRCX has been a strong stock and the gap-down near \$52 may want to fill so it looks to be an attractive short term gap-play for all speculators.
BLKB	\$23.24	\$25.00	-7.04%	\$22.00	Hold	\$23.00	N/A	N/A	8/5/2006	\$20.19	15.11%	You all know why I call analysts talking heads and this stock gave us a real-time example of what these fools do for a living. The stock was downgraded by Merrill Lynch on Wednesday and then upgraded on Thursday by Jefferies & Co. WHATEVER is what I say. The stock took a hit but held the 200-d m.a. after reaching an intra-week low of \$20.30. It will stay on this index until it closes below the 200-d m.a. because it has been a great stock since October 2005.
LVS	\$104.49	\$103.74	0.72%	\$70.00	Hold	N/A	N/A	N/A	4/1/2006	\$56.66	84.42%	A wild week for Las Vegas Sands as the stock was up and down with large moves, something I haven't seen since owning shares. That action does concern me as the stock reversed from weekly highs the past two weeks. The stock is a hold with a red flag to watch out for further sell signals to capture profits.
ICE	\$126.91	\$134.73	-5.80%	200-d	hold	N/A	N/A	N/A	9/23/2006	\$73.69	72.22%	Down almost 6% on above average volume but the volume did manage to stay lower than the previous up-week so distribution did not occur. The stock is extended from any ideal entry area so it will remain a hold with thoughts of protecting the large gains from the fall of 2006.
EZPW	\$13.56	\$16.12	-15.88%	\$14.50	Hold	N/A	\$14.00	N/A	6/24/2006	\$11.50	17.91%	This was the largest drop with distribution since April 2005 when the stock corrected more than 30%. This is the first real test of the 200-d m.a. since the great run started back in late 2005/early 2006. It will stay on the index until we figure out what will happen in the coming week(s). It will be removed if it violates and closes below the 200-d m.a. on heavier volume. All positions should have been stopped out by protective stops as the position was up over 40% since last summer.
ISE	\$45.52	\$48.50	-6.14%	200-d	Hold	200-d	\$40.00	\$55.00	8/19/2006	\$43.28	5.18%	The gains from last week diminished as ISE continues to be the laggard in this industry group but somehow continues to maintain support above the 200-d m.a. A close below \$45 will trigger a double bottom breakdown on the point and figure chart with the same chart suggesting a price objective of \$36. I don't agree but I also can't ignore the red flag.
JLL	\$95.46	\$94.54	0.97%	200-d	Hold	\$95.10	\$86.00	N/A	9/9/2006	\$82.90	15.15%	The stock triggered the entry area but reversed hard on Wednesday so I didn't initiate a position. The fact that the overall market environment took a step back is the real reason I didn't place a position late in the week. I don't know if this stock can make a real move without the support of the industry and market as a whole.
NEU	\$54.62	\$58.53	-6.68%	200-d	Hold	200-d	\$50.00	\$68.00	7/29/2006	\$48.84	11.83%	The same story as last week: The stock is still a candidate for a buy but I am not pulling the trigger just yet. Based on historical charts, corrections and sideways patterns along the 200-d m.a. can take weeks or months to develop. Therefore, I am going to monitor the situation and look for a catalyst to boost the share price above the 200-d m.a.

This is NOT a buy list; please buy at your own risk!