






**Fallond Stock Picks Inc**  
www.fallondpicks.com

	 CASH	 STOCKS	MARKET HEALTH
SUGGESTED CAPITAL ALLOTMENT PER 100 UNITS TO EACH CATEGORY	<b>20</b>	<b>80</b>	
Market trading upwards or sideways. Internals overbought. Caution advised. <i>Sell.</i>	CASH: 80		
Market trending upwards. Internals overbought. Rally has 1-3 months left to run	CASH: 60		
Market trending down. Internals oversold. Decline has 1-3 months left to run	CASH: 40		
Market trending down or sideways. Internals oversold. Rally imminent. <i>Buy</i>	CASH: 20		

<b>Oct 31<sup>st</sup></b> <b>LONG</b>	USE 8% STOP			
	QQQQ	SPY	DIA	ULPIX
LISTED PRICE	<b>32.89</b>	<b>96.83</b>	<b>93.50</b>	<b>27.72</b>
JAN 10/ DEC 10/ JAN 10 (CALLS)	<b>6.23</b> (\$32.00)	<b>19.80</b> (\$95.00)	<b>13.60</b> (\$95.00)	<b>n/a</b>
PRIOR TRADE: <i>LONG</i> ETF / Option	<b>44.02 to 32.89</b> <b>4.84 to 0.03</b>	<b>133.86 to 96.83</b> <b>17.25 to 2.41</b>	<b>122.70 to 93.50</b> <b>9.80 to 0.02</b>	<b>n/a</b>

Trade rules: Buy on a 5-day EMA crossover of all three secondary tech indicators; NASDAQ Summation index, percentage NASDAQ stocks over 50-day MA, and NASDAQ Composite Bullish percent index; but following conditions also needed: number of NASDAQ stocks over their 50-day MA is below 30% the Bullish Percent index is below 45, and the NASDAQ Summation index is below -600. Sell on the reverse; a cross below the 5-day EMA of all three secondary indicators; also when the number of NASDAQ stocks over their 50-day MA is above 50%; the Bullish percent index is above 50; and the NASDAQ Summation index is above 0. Use 8% stop loss. Buy Ask. Sell Bid.

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### Short term commentary from Fallondpicks.com

Annotated charts available via Stockcharts.com Public List Page: "FALLONDPICKS.COM"  
<http://stockcharts.com/def/servlet/Favorites.CServlet?obj=ID446477> (Please Vote! for my list)

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A more lively reaction to the election results saw two to three days of gains undone by one. Volume was light so the drops to the 20-day MA in the NASDAQ and NASDAQ 100 are likely to worsen before getting better. In my latest blog post I talked about the possibility of a head-and-shoulder pattern in the markets which would mean drops to the early October lows (the low prior to new low in the latter part of the month). I also talked how extended the S&P had become relative to its 20-day MA - another reason Wednesday's drop (and the degree of loss) was not unexpected. The Russell 2000 was another index to fall to its 20-day MA and I would look to 468 as a support low (still a good 50 points away from Wednesday's close).

The sharp declines did little to change the technical picture but on the anticipation of further losses these might develop into something different. Nasdaq breadth indicators [\$NASI, \$NAA50R and \$BPCOMPQ] had not updated at the time of writing but given their prior bullish momentum they probably added another couple of points.

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#### Recent stop and target price hits

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None

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#### ETF Trades

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QQQQ		SPY		IWM		DIA	
60-min	Daily	60-min	Daily	60-min	Daily	60-min	Daily
							
<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>	<b>OPEN</b>
<b>\$33.15</b>	<b>\$32.36</b>	<b>\$98.89</b>	<b>\$95.08</b>	<b>\$53.56</b>	<b>\$53.48</b>	<b>\$94.49</b>	<b>\$92.04</b>
<b>STOP</b>	<b>STOP</b>	<b>STOP</b>	<b>STOP</b>	<b>STOP</b>	<b>STOP</b>	<b>STOP</b>	<b>STOP</b>
<b>\$34.11</b>	<b>\$27.87</b>	<b>\$100.91</b>	<b>\$83.59</b>	<b>\$55.31</b>	<b>\$43.99</b>	<b>\$96.61</b>	<b>\$78.79</b>

## Stock Scan Summary

Yellow marks potential stocks to watch. Green highlighted stocks mark the best stocks on the list. I provide the full list as another market sentiment indicator; in cases of an overbought market it is not uncommon to see 50+ stocks on this list; in an oversold market it can generate as few as 3 stocks.

5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80

Symbol	Name	Open	High	Low	Close	Volume
PRVT	Private Media Group, Inc.	1.54	1.7	1.42	1.7	1403256



The first pick, MDVN, trades around its 20-day and 200-day MAs after falling from a high of \$34.40. This consolidation is supported by a weak MACD trigger 'buy' on a weakening bearish trend [-DI > +DI; ADX > 20 but falling]. Stochastics are oversold and on-balance-volume is lurking just shy of an accumulation 'buy' trigger. There isn't much support to lean on from the weekly or point-n-figure chart. It will likely take a move to \$21 to trigger a point-n-figure buy. If it does get there the first target will be declining resistance from September highs. Earnings are already out of the bag.

BUY	STOP	RISK	TARGET	SUPPORT	RESISTANCE	RISK:REWARD	YIELD
18.45	15.99	13.33%	33.79	17.20	22.00	6.2	.





The second pick, PRK, has yet to establish a market direction and may break its 200-day MA to drop down to rising support connecting July-October lows (hence the stop outside of this range). Technicals are weakly bullish (although stochastics are awkwardly placed in neutral territory) which reflects the uncertainty in the marketplace. As with the previous pick, earnings were recently priced into the stock. The stock sports a respectable yield (if sustainable). I am looking for a test of resistance but it could make a measured move target of \$135.

BUY	STOP	RISK	TARGET	SUPPORT	RESISTANCE	RISK:REWARD	YIELD
66.90	57.99	13.32%	84.09	57.50	75.00	1.9	5.1







The third pick is DUG, is the Ultrashort Oil Services ETF so moves in the instrument will be volatile. The fund has fallen back into the clutches of its 200-day MA support, providing a long side opportunity. Stochastics are oversold and on-balance-volume only recently turned negative from a steady accumulation trend. Trend strength is weak [ADX < 20] but the MACD is looking ugly and will take a little longer to shape a more positive position. The weekly chart shows its first test of the 40-week MA while the point-n-figure chart has not illustrated any potential upside yet.

BUY	STOP	RISK	TARGET	SUPPORT	RESISTANCE	RISK:REWARD	YIELD
37.30	33.59	9.95%	74.29	31.36	74.40	10.0	1.5



	<div style="display: flex; justify-content: space-between;"> <span>RISK</span>  <span>RETURN</span> </div>				<div style="display: flex; justify-content: space-between;"> <span>RISK</span>  <span>RETURN</span> </div>			
	9%		20%		7%		20%	
	FREE PICKS				MEMBER PICKS			
Month	Profit	Losing	% win	Net % return/trade	Profit	Losing	% win	Net % return/trade
Jan-05	19	35	35	3.57	13	41	24	3.48
Feb-05	10	49	17	(2.72)	14	40	26	3.24
Mar-05	13	43	23	(1.04)	10	47	18	(1.49)
Apr-05	17	30	36	2.64	11	49	18	(0.48)
May-05	19	10	66	16.63	16	14	53	4.71
Jun-05	29	31	48	3.96	16	41	28	1.29
Jul-05	20	30	40	0.71	16	35	31	1.32
Aug-05	21	39	35	0.46	17	46	27	0.06
Sep-05	12	42	22	(1.51)	12	47	20	(0.62)
Oct-05	17	22	44	1.81	15	33	31	2.25
Nov-05	26	26	50	11.86	31	20	61	9.90
Dec-05	25	29	46	5.29	26	25	51	6.24
Jan-06	23	24	49	6.34	16	29	36	2.15
Feb-06	20	32	38	(1.64)	22	32	41	1.25
Mar-06	17	31	35	(0.78)	20	36	36	0.10
Apr-06	12	38	24	(1.64)	7	44	14	(2.24)
May-06	8	29	22	(2.81)	8	54	13	(3.54)
Jun-06	7	19	27	(4.39)	8	37	18	(3.46)
Jul-06	16	26	38	1.76	17	32	35	1.27
Aug-06	21	19	53	5.59	16	26	38	2.91
Sep-06	25	22	53	4.45	21	33	39	1.20
Oct-06	25	27	48	3.32	25	27	48	4.28
Nov-06	11	17	39	2.23	17	22	44	3.47
Dec-06	3	19	14	(3.76)	16	29	33	(0.53)
Jan-07	14	15	48	3.82	21	34	38	4.26
Feb-07	6	18	25	0.10	20	24	45	3.47
Mar-07	9	8	53	4.14	20	29	41	4.44
Apr-07	14	20	41	0.32	13	20	39	6.83
May-07	7	17	29	(2.23)	14	27	34	5.39
Jun-07	12	25	32	2.20	12	25	32	(0.24)
Jul-07	4	19	17	(5.12)	5	27	16	(1.25)
Aug-07	7	6	54	8.51	12	17	41	13.89
Sep-07	5	3	60	14.05	14	17	45	3.72
Oct-07	4	17	19	(2.07)	7	37	16	(2.12)
Nov-07	0	2	0	(9.61)	1	5	16	0.38
Dec-07	2	4	34	5.85	0	21	0	(6.91)
Jan-08	0	2	0	(6.52)	3	21	13	(6.00)
Feb-08	2	3	40	(2.94)	4	29	12	(3.25)
Mar-08	1	4	20	(1.88)	8	18	31	3.11
Apr-08	4	3	57	4.33	11	16	41	1.96
May-08	1	3	25	(4.69)	5	12	29	(3.95)
Jun-08	0	6	0	(8.75)	5	22	19	(3.58)
Jul-08	4	3	57	13.40	0	13	0	(7.57)
Aug-08	0	7	0	(8.57)	0	13	0	(6.51)
Sep-08	0	3	0	(9.32)	0	8	0	(10.27)
Oct-08	0	0	0	0.00	0	3	0	(7.09)

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