

>: How to Find the "Easy Money" in the Stock Market

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It's going to be short and sweet this week. What with the 4th of July, running *Point & Profit*, managing my hedge fund, being a husband and a father of three, life has suddenly gotten very hectic. That was about the roughest May/June period I've seen in *along* time. It's never fun to see your stocks get savaged like that, especially your highly leveraged trades. May and June just plain STUNK, but it was a great time to be buying stocks on the cheap.

One of the hardest things to do as an investor is to train yourself to go against the herd. To buy when others are selling and to sell when others are buying. We're not machines, we're people; and like all people we are run to a greater or lesser degree by our emotions.

A large part of investment success comes from having a strategy to deal with our own emotions. Hiding under the desk and avoiding our account statements is one strategy, but not a very effective one.

Paradoxically, the safest time to buy stocks is when things look the bleakest, and the most dangerous time to buy stocks is when things look the most rosy.

The boom/bust cycles of the stock market are as old as the hills, and yet why do we continue to sell at the bottom and buy at the top? Human nature is why, and if you are to have any hope of beating the market averages, you must find a strategy to fight against your own nature.

If you are terrified to buy, then that is probably the best "gut check" that you can have that now is the time to buy. If the decision to buy is an easy "no brainer" one for you, then that is probably a very good indicator that you should think twice.

You may be feeling scared right now of reentering the market. I don't blame you. This last correction was stunning in its ferocity and speed. I was shocked at how fast we came down. Typically, a move like that happens over a good four-month period, but this was four weeks!

So I can absolutely understand your reticence to get back in here. But I've got to tell you, if you wait until you feel comfortable, the cream will be off the market.

Right now, there is easy money to be made, fear in the market is still high, the majority of the media are Doubting Thomases, and the general public wants little to do with stocks.

In as short as three weeks, you will see sentiment change as the market starts to march higher. You'll feel more *comfortable* about getting in, you'll feel more *secure* about the market's prospects, and you'll be

Those emotions are illusions, and they will lead you to financial ruin. Because at that point you will be buying at the statistically most dangerous time to own stocks. You'll be buying when the market sentiment has changed to the positive. The biggest money is always made by buying *before* the market sentiment gets positive, not after.

It's been a rough month and a half for us oil and oil service believers out there, especially in the OSX. But there is a light at the end of the tunnel, and it isn't an oncoming train!

Oil & Oil Service stocks are breaking back out from very oversold levels.

Assuming that Chairman Bernanke can stay out of the spotlight for the next few weeks, and Iran continues to act irrationally, then at the very least, we will have a very tradable rally in oil. And if we're a little lucky, there is a very good shot that we can break to new highs on all the oil indexes.

We may see a short-term pullback in the OSX here, or a moon shot right back to the old highs. It's tough to tell. But any pullback in the OSX will be short-term in nature, and the OSX should be aggressively bought if it takes a dip to the 198-204 area.

My general view on the market right now is bullish, very bullish. Stocks should be bought here. Barring any external crazy event, all of my indicators are pointing to a very nice rally. That means that short term weakness should be bought into, not sold into.

It's time to go long!

?Let the Game Come to You.?



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