

# Around The Horn Plan

## Tuesday, July 27, 2010



|                |                           |                    |         |
|----------------|---------------------------|--------------------|---------|
| Symbol         | ETH                       | Sector Symbol      | \$IXY.X |
| Description    | ETHAN ALLEN INTERIORS INC |                    |         |
| Pattern        | Line Drive                | HOUSEHOLD DURABLES |         |
| Position       | Long                      | Resistance 2       | 18.13   |
| Entry          | 17.45                     | Resistance 1       | 17.67   |
| Stop           | 17.09                     | Pivot              | 16.90   |
| Initial Target | 17.99                     | Support 1          | 16.44   |
| Ratio          | 1.50                      | Support 2          | 15.67   |
| 50% To Target  | 17.72                     |                    |         |

# Around The Horn Plan

## Tuesday, July 27, 2010



| Symbol         | PCH               | Sector Symbol | \$DJR.X |
|----------------|-------------------|---------------|---------|
| Description    | POTLATCH CORP NEW |               |         |
| Pattern        | Line Drive        | REIT          |         |
| Position       | Long              | Resistance 2  | 38.79   |
| Entry          | 38.08             | Resistance 1  | 38.30   |
| Stop           | 37.66             | Pivot         | 37.49   |
| Initial Target | 38.59             | Support 1     | 37.00   |
| Ratio          | 1.21              | Support 2     | 36.19   |
| 50% To Target  | 38.34             |               |         |

# Stocks To Watch

Tuesday, July 27, 2010



CHURCH & DWIGHT INC

|                     |                    |
|---------------------|--------------------|
| Symbol              | <b>CHD</b>         |
| Pattern             | Line Drive         |
| Position            | Long               |
| Entry               | 67.64              |
| Stop                | ?                  |
| Initial Target      | 68.18              |
| 50% To Target       | 67.91              |
| <b>Resistance 2</b> | <b>68.26</b>       |
| <b>Resistance 1</b> | <b>67.83</b>       |
| <b>Pivot</b>        | <b>67.10</b>       |
| <b>Support 1</b>    | <b>66.67</b>       |
| <b>Support 2</b>    | <b>65.94</b>       |
| Sector              | HOUSEHOLD PRODUCTS |
| Sector Symbol       | \$CMR.X            |



EATON CORP

|                     |              |
|---------------------|--------------|
| Symbol              | <b>ETN</b>   |
| Pattern             | Infield Fly  |
| Position            | Short        |
| Entry               | 76.36        |
| Stop                | ?            |
| Initial Target      | 75.84        |
| 50% To Target       | 76.10        |
| <b>Resistance 2</b> | <b>79.17</b> |
| <b>Resistance 1</b> | <b>78.29</b> |
| <b>Pivot</b>        | <b>77.38</b> |
| <b>Support 1</b>    | <b>76.50</b> |
| <b>Support 2</b>    | <b>75.59</b> |
| Sector              | MACHINERY    |
| Sector Symbol       | \$DJI        |



INTERNATIONAL GAME TECHNOLOGY

|                     |                  |
|---------------------|------------------|
| Symbol              | <b>IGT</b>       |
| Pattern             | Line Drive       |
| Position            | Long             |
| Entry               | 16.90            |
| Stop                | ?                |
| Initial Target      | 17.18            |
| 50% To Target       | 17.04            |
| <b>Resistance 2</b> | <b>17.17</b>     |
| <b>Resistance 1</b> | <b>16.95</b>     |
| <b>Pivot</b>        | <b>16.59</b>     |
| <b>Support 1</b>    | <b>16.37</b>     |
| <b>Support 2</b>    | <b>16.01</b>     |
| Sector              | CASINOS & GAMING |
| Sector Symbol       | \$IXY.X          |

© 2010 Peterson/Manz Trading, Inc. Past Results are not indicative of future returns. There is a high degree of risk in trading. Peterson/Manz Trading, Inc. assumes no responsibility for your trading results. Principals of Peterson/Manz Trading, Inc. may at times maintain, directly or indirectly, positions mentioned in this service.

# Stocks And Sectors On The Radar

Tuesday, July 27, 2010



AFFILIATED MANAGERS GROUP

|               |              |
|---------------|--------------|
| Symbol        | AMG          |
| Sector        | FINANCIALS   |
| Sector Symbol | \$BIX.X      |
| Pattern       | Line Drive   |
| Position      | Long         |
| Entry         | 69.77        |
| Target        | 70.14        |
| <b>R2</b>     | <b>71.90</b> |
| <b>R1</b>     | <b>70.51</b> |
| <b>Pivot</b>  | <b>68.28</b> |
| <b>S1</b>     | <b>66.89</b> |
| <b>S2</b>     | <b>64.66</b> |

50% To Target 69.96



LEAR CORP COM NEW

|               |                 |
|---------------|-----------------|
| Symbol        | LEA             |
| Sector        | AUTO COMPONENTS |
| Sector Symbol | \$IXY.X         |
| Pattern       | Infield Fly     |
| Position      | Short           |
| Entry         | 74.76           |
| Target        | 74.39           |
| <b>R2</b>     | <b>76.84</b>    |
| <b>R1</b>     | <b>76.15</b>    |
| <b>Pivot</b>  | <b>75.50</b>    |
| <b>S1</b>     | <b>74.81</b>    |
| <b>S2</b>     | <b>74.16</b>    |

50% To Target 74.58



# Stocks And Sectors On The Radar

Tuesday, July 27, 2010

Daily (Standard) (Left) PNR-PENTAIRINC Bar Volume MA20 MA50 MA200



PENTAIR INC

|               |              |
|---------------|--------------|
| Symbol        | PNR          |
| Sector        | MACHINERY    |
| Sector Symbol | \$DJI        |
| Pattern       | Infield Fly  |
| Position      | Short        |
| Entry         | 34.11        |
| Target        | 33.84        |
| <b>R2</b>     | <b>35.29</b> |
| <b>R1</b>     | <b>34.90</b> |
| <b>Pivot</b>  | <b>34.55</b> |
| <b>S1</b>     | <b>34.16</b> |
| <b>S2</b>     | <b>33.81</b> |

50% To Target 33.98

Daily (Standard) (Left) TTC-TORO CO Bar Volume MA20 MA50 MA200



TORO CO

|               |              |
|---------------|--------------|
| Symbol        | TTC          |
| Sector        | MACHINERY    |
| Sector Symbol | \$DJI        |
| Pattern       | Infield Fly  |
| Position      | Short        |
| Entry         | 53.99        |
| Target        | 53.70        |
| <b>R2</b>     | <b>55.15</b> |
| <b>R1</b>     | <b>54.88</b> |
| <b>Pivot</b>  | <b>54.48</b> |
| <b>S1</b>     | <b>54.21</b> |
| <b>S2</b>     | <b>53.81</b> |

50% To Target 53.85

© 2010 Peterson/Manz Trading, Inc. Past Results are not indicative of future returns. There is a high degree of risk in trading. Peterson/Manz Trading, Inc. assumes no responsibility for your trading results. Principals of Peterson/Manz Trading, Inc. may at times maintain, directly or indirectly, positions mentioned in this service.

Trade Date

27-Jul-10

**Tuesday**

**Around The Horn**

| Symbol | Setup      | Entry | Direction | Stop  | 50%   | Target | Sector Symbol |
|--------|------------|-------|-----------|-------|-------|--------|---------------|
| ETH    | Line Drive | 17.45 | Long      | 17.09 | 17.72 | 17.99  | \$IXY.X       |
| PCH    | Line Drive | 38.08 | Long      | 37.66 | 38.34 | 38.59  | \$DJR.X       |

**Stocks To Watch**

| Symbol | Setup       | Entry | Direction | Stop | 50%   | Target | Sector Symbol |
|--------|-------------|-------|-----------|------|-------|--------|---------------|
| CHD    | Line Drive  | 67.64 | Long      |      | 67.91 | 68.18  | \$CMR.X       |
| ETN    | Infield Fly | 76.36 | Short     |      | 76.10 | 75.84  | \$DJI         |
| IGT    | Line Drive  | 16.90 | Long      |      | 17.04 | 17.18  | \$IXY.X       |

**Stocks And Sectors On The Radar**

| Symbol | Setup       | Entry | Direction | Stop  | 50%   | Target | Sector Symbol |
|--------|-------------|-------|-----------|-------|-------|--------|---------------|
| AMG    | Line Drive  | 69.77 | Long      | SCALP | 69.96 | 70.14  | \$BIX.X       |
| LEA    | Infield Fly | 74.76 | Short     | SCALP | 74.58 | 74.39  | \$IXY.X       |
| PNR    | Infield Fly | 34.11 | Short     | SCALP | 33.98 | 33.84  | \$DJI         |
| TTC    | Infield Fly | 53.99 | Short     | SCALP | 53.85 | 53.70  | \$DJI         |

## Around the Horn: The Rule Book

Just as the Around the Horn trading plan developed for our personal use, these rules also evolved to maximize our own trading profits, minimize risk and still allow the trades room to breathe. When we compute the monthly results, we use these rules to calculate the plan's efficacy. Individual trade results may exceed or fall short of the monthly results (for example, more or less favorable fills or missing a trade), but these rules allow comparison of results over time and a measure for one's own trading performance using pre-established criteria. While these guidelines will always have an exception to the rule (e.g. stopping out of a trade that later becomes profitable) over time, they serve us well more often than not.

### Entries:

1. The entry price (or entry tick within the allowable slippage or gap) has to **print on the NYSE**. That is, a stock that ticks the entry price on the NAS on or before the open does not count as a legitimate entry as the tick must originate on NYSE;
2. For **Gaps** and **allowable slippage**, profit target is the key. Your entry slippage should not be more than 25% of the total amount you expect to make and for planned trades should never be more than 20 cents total. Thus, if your profit target is a 40 cent gain, then allow for 10 cents of slippage. If the profit target is over a dollar, then 20 cents of slippage is reasonable. If you enter a trade beyond this level, then mentally shift gears and treat the trade as an intraday play or scalp trade, not as a planned trade;
3. **No new entries** after 12:20 PST/3:20 EST (40 minutes to close).

### Stop Protocol:

Once you enter a trade at the stated entry price or within the acceptable 10 cent slip level there are several criteria we use to protect ourselves from losses, as well as protect profits, while still allowing some room for volatility. During the trading day, I like to think of these as hurdles, moving from one to the next as the trade progresses.

**Hurdle 1:** After entering the trade at the stated entry price, watch to see if the trade goes 10 cents in your favor FROM THE STATED ENTRY PRICE, NOT YOUR FILL PRICE. If it does not go 10 cents in the trade's favor from the entry price before it goes 10 cents against the trade, exit the trade 10 cents against your trade and watch for another entry opportunity.

**Issues:** This strategy has protected us against what I call getting "tagged-in" only to head straight to the stop-loss. To execute this strategy, a trader needs to be comfortable paying the extra commissions if the trade comes back to your entry. Also, another entry here does not count as a "second" entry. If you are uncomfortable with this strategy, don't use it and use the stop level as your exit.

**Hurdle 2:** Once the trade is in your favor 10 cents beyond the entry price, keep the stop loss at the stated stop loss until the trade hits the 50% to Target level.

**Hurdle 3:** At the 50% to Target level, move the Stop Loss from the stated stop loss to a breakeven level at the STATED ENTRY PRICE, NOT YOUR FILL PRICE.

**Hurdle 4:** Once the trade ticks within 10 cents to the stated Initial Profit Target, move the stop to a Profit Stop at the 50% to Initial Profit Target level.

**Hurdle 5:** Once the trade hits the Initial Profit Target, determine if the trade is zooming past your price (in other words, it would be a struggle to exit the trade at that price as it is trading so strongly in your favor it has already surpassed the Initial Profit Target before you can get your order in). If this happy situation is occurring, stay in and trail with a profit stop, initially at the Profit Target.

If the trade is not this strong (as occurs much more often), exit the trade at the Initial Profit Target. Some traders choose to exit only half or some other percentage at this level and then trail a profit stop initially at the 50% to Target level, then later the Initial Profit Target, then by some other method as the trade gets progressively further from this level (reversal of two closes, violation of the 8 period simple moving average, support/resistance, etc.).

Note: These are the rules we use to calculate the monthly performance. As trader's you may find some other variation useful. For instance, for the 10 cent "tagged in" rule when a trade has not gone more than 10 cents in your favor before reversing, some traders prefer not to exit at 10 cents against you in favor of a wider exit at a 50% to stop loss level, giving the stock a little more room to breathe. Another example some traders employ is to take a percentage of profits at the 50% to Target level, another percentage at the initial profit target, and the final if it travels further, with protective stops for each of these levels as the trade progresses.

It is important to understand how we are trading and the rules we are using. It is also important that trading rules suit your psychology. If you have questions or thoughts please don't hesitate to contact me at: [Julie@TraderInsight.com](mailto:Julie@TraderInsight.com)

---

**IMPORTANT DISCLAIMER AND LEGAL NOTICE PLEASE READ CAREFULLY**

This information is confidential and is intended only for the authorized Subscriber. If you have received this document and are not a paying or trial subscriber to Adrian Manz's Intraday Trading Plan, then please call us at (310) 593-4629 immediately.

Adrian F. Manz, is a principal of Peterson/Manz Trading, Inc. and a financial markets trader, author, lecturer and regular contributor and commentator to TraderInsight.com's free and subscription content web site. Peterson/Manz Trading, Inc., its principals and affiliates may at times maintain long or short positions in securities or derivatives of the securities mentioned in the Intraday Trading Plan, and may or may not at times take positions inconsistent with those presented in the Intraday Trading Plan. In the event that a position is held in a security or derivative at the time the Intraday Trading Plan is posted, disclosure of such position shall be made as an addendum to the Intraday Trading Plan.

The Intraday Trading Plan is to be used solely as an educational tool only and should not be construed to contain investment advice. None of the information in the Intraday trading plan constitutes a recommendation to the subscriber by Dr. Manz to buy or sell a security, the information is merely indicative of Dr. Manz's own trading plan in his own trading account for the stated trading date.

As investment advice needs to be tailored to a particular investor's specific needs, none of the information contained in the Intraday Trading Plan should be construed to be investment advice. The ideas presented are tailored only to the trading needs of Dr. Manz. Individuals wishing to tailor a plan to their own needs should seek the advice of a registered investment advisor.

©2009 Peterson/Manz Trading, Inc. Past Results are not indicative of future returns. There is a high degree of risk in trading. Peterson/Manz Trading, Inc. assumes no responsibility for your trading results. Principals of Peterson/Manz Trading, Inc. may at times maintain directly or indirectly, positions in securities or derivatives mentioned in this service.

---