



*From the desk of Robert Christy*

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***From the Trading Turret***  
***January 20, 2006***

**Current Field Position**

**1. Offense (Capital Appreciation) OR Defense (Capital Preservation)**

NYSE Bullish Percent: Offense  
Optionable Stocks Bullish Percent: Offense  
OTC Bullish Percent: Offense  
Overall Posture: Offense – with some pretty tight stops

**2. Sector Bell Curve:** Average Sector Bullish Percent is 59.40%

**3. Favored Sectors:** Software, Semis, Telephone, Biomed, Bus Products and Gaming.

**4. Strategy:** We are currently on Offense and are using plays from our offensive playbook. I'm looking at a number of names right now to buy on pullbacks – I'll keep you posted on the price action.

**This week's comment ...**

I hate January. It's by far the worst of the months. I think what bothers me the most are the forecasts. Why bother. Most are wrong, some are really wrong and nobody pays the piper for being wrong. Plus – how can you predict the unpredictable?

My daughter just says I'm in a bad mood. Well I am – so here's this week's diatribe.

1. My prostate problem – I may as well put this one first. Let's just say I have a problem and it's a major inconvenience. I would pay a King's Ransom for a good night's sleep. I mean 8 hours of unconsciousness. The doctor is juggling the medicines so that I won't get sick(er) and won't pass out. Most of the medicine used to treat prostate problems lowers your blood pressure. Let's just say I have woozy and light-headed down pat. I'm researching every drug company right now because being 50 isn't what it's cracked up to be.
2. Banks. I really hate banks. Right now **Wachovia** is in my cross hairs because they've lost my second direct deposit in 1 year and they inadvertently closed Ashley's account. I finally found a person who took the time to find out the problem – but it only took me 3 branches in Roswell. **Fifth Third** – I'll just say this – If you're a customer or a shareholder you get what you deserve. This is a

- short sale – so if you want to front run me, go ahead. In the next 3 days, I'm going to short a huge block of this stuff. I'll put my reasons for doing so on the blog (<http://tradingadvisor.blogspot.com>). The only bank I do like is **PNC**. I may buy it back to hedge the Fifth Third.
3. **The yield curve inverted this week.** Short term rates are higher than Long term rates. This is not a good sign and should be the lead story on every newscast. It's a classic sign of a pending recession.
  4. **IRAN.** There are some folks in Washington that have no trouble blowing this country off the face of the planet. Let me see if I have this chain reaction right – blow up oil fields – wreak havoc in oil market – wreak havoc in derivatives – crush emerging market debt – tick off Russia – really tick off China. \$100 oil looks to be the least worry in my mind.
  5. The Financial Times reports that **IRAQ is going to sell bonds - \$2.7 Billion** to be exact. Who in there right mind would ever think of buying these things? Uncle Sam that's who.
  6. Our federal debt is now over \$8 trillion and the money supply is rising at 20% plus. At least there's a new season of American Idol to worry about.
  7. As for the managed accounts, **we're still short Tetra and GM.** The President of Toyota said last week that our Federal Government will need to bail out the company. That ought to help sales!
  8. On the long side, I haven't added anything yet this year. I have upped the stops so any decline whatsoever will cause them to get tripped. **The Katie Couric effect** worked like a charm. If you're not familiar with it, whenever the stock market news makes the Today show, it's time to cut and run. After she breathlessly reported that the Dow had broken the important psychological barrier of 11,000 – she opined is it now time to buy stocks? Don't even get me started.
  9. On an Admin note, I'm trying to FIX the Penson error on the statements. Our address is PO Box 625 Alpharetta GA 30009. Please don't send anything to my home address. How that address found its way onto the statement I'll never know. Also – the phone number for the office is 404-906-5443. They also have the phone number wrong as well.
  10. Recaps are done and I'll be sending them out with notes starting this weekend. I'm sending as many as I can electronically in pdf format. If I don't have an email address, I'll send out the hard copy via snail mail.
  11. I'm still working on the website ([www.christyinvestments.com](http://www.christyinvestments.com)) to make it more educational. If you have a browser other than Mozilla or MSN, let me know what you think. Also, if there is any information that you would like to see – just let me know. I think I've added about 30 pages or so of content.

That's pretty much it for the diatribe. Have a great week!!

Happy trades,

Bob

*Robert Christy is a professional stock trader, money manager and author. Mr. Christy is also the President CEO of Christy Investment Group, Ltd., a registered investment advisory firm. At the*

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