

Energy update Mar 25/2006

A note to new subscribers and a reminder to existing subscribers: we trade the signals and not the analysis.

Traders simply buy when we have a buy signal, and exit on a TLB (trend line break); but keep a core trading position until the cycle has topped according to the BPOX.

Personally, for risk management purposes, I would not risk more than 3% on any signals, therefore, sometimes I may miss a swing or two, and sometimes I save myself from getting whipsawed. It is up to you whether you wish to use my 3% rule.

Investors who are investing for long term gains simply stay with the trend on the monthly chart, and new money can buy at each cycle bottom according to the BPOX. Investors do not cash out until support has been violated on the monthly charts.

Personally, I'm both an investor and a trader. My retirement portfolio is for the longer term (investor), and my trading portfolio is for the shorter term (trader). It is up to you how you wish to differentiate investing from trading. I am not an investment advisor; therefore, I cannot provide individual advice. My signals and analysis are for educational purposes, and not an investment advice to buy or sell equities. Please donate a portion of your profits to a legitimate charity.

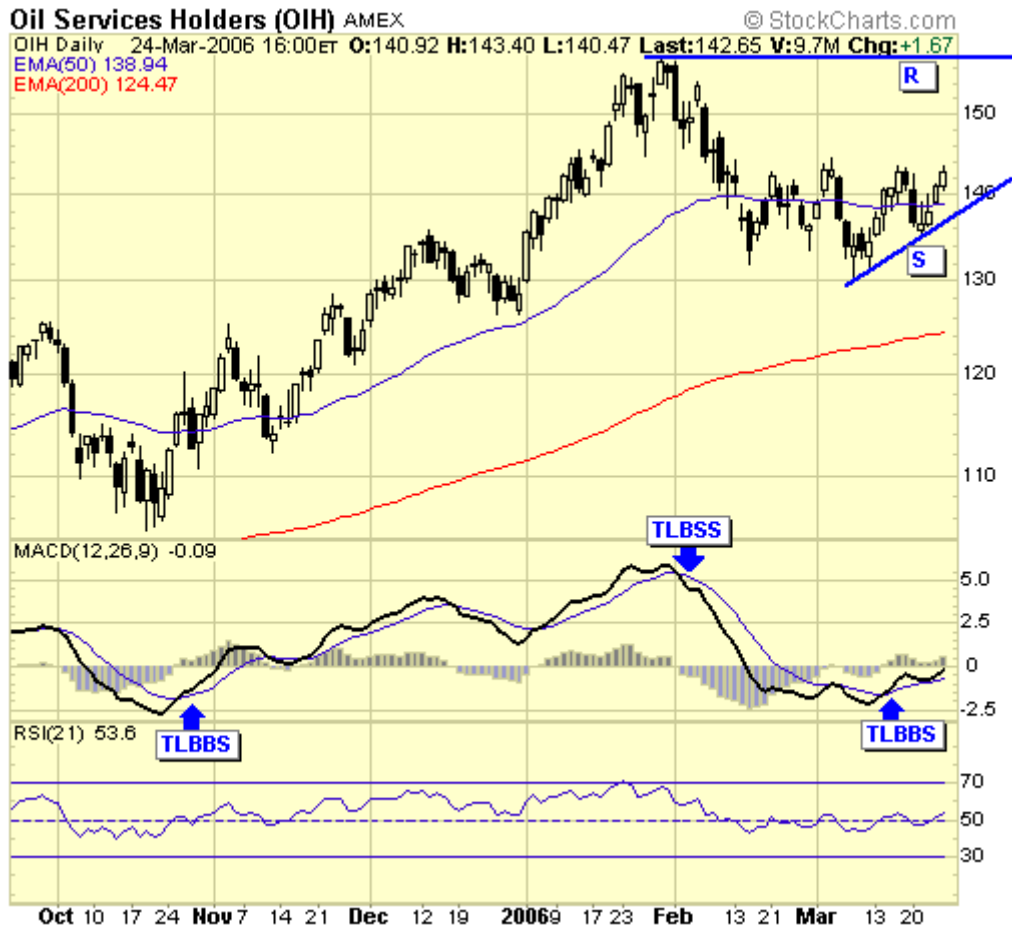
Wishing you peace and profits.....

Investors

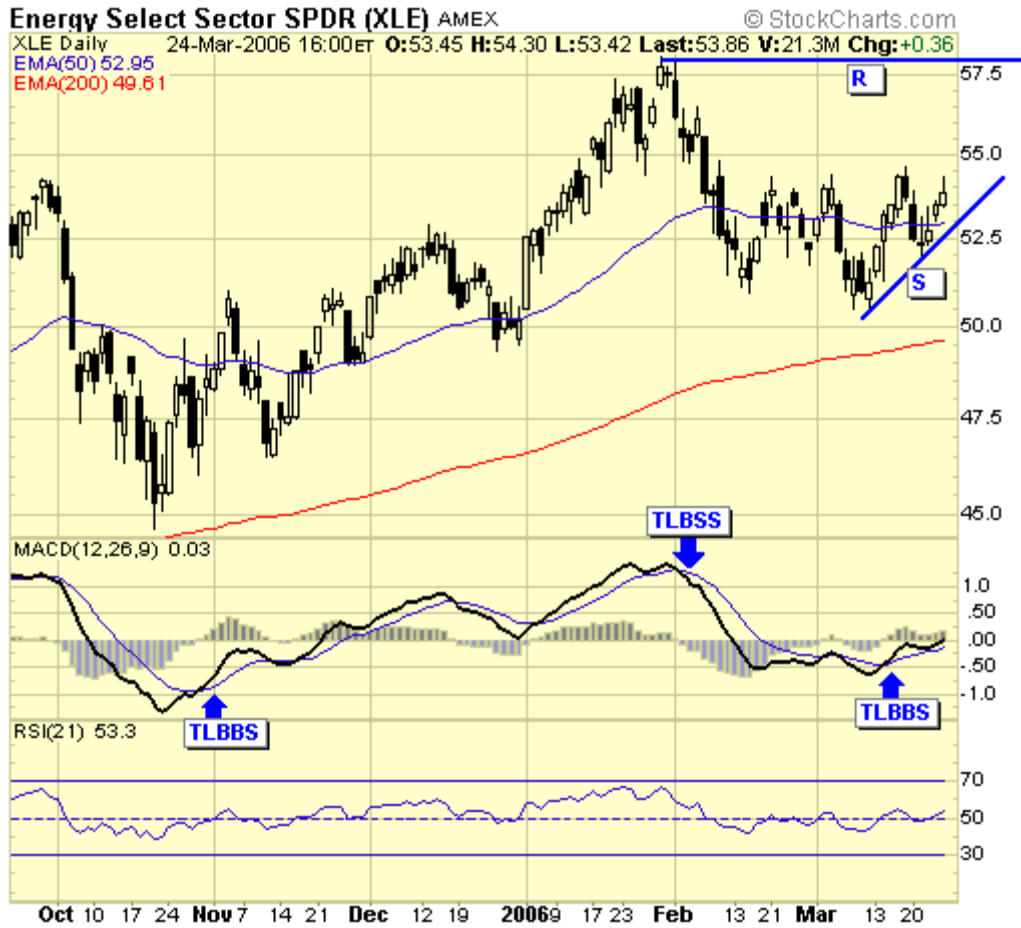


Investors remain invested. New money bought this week, use trader's stops for protection for now.

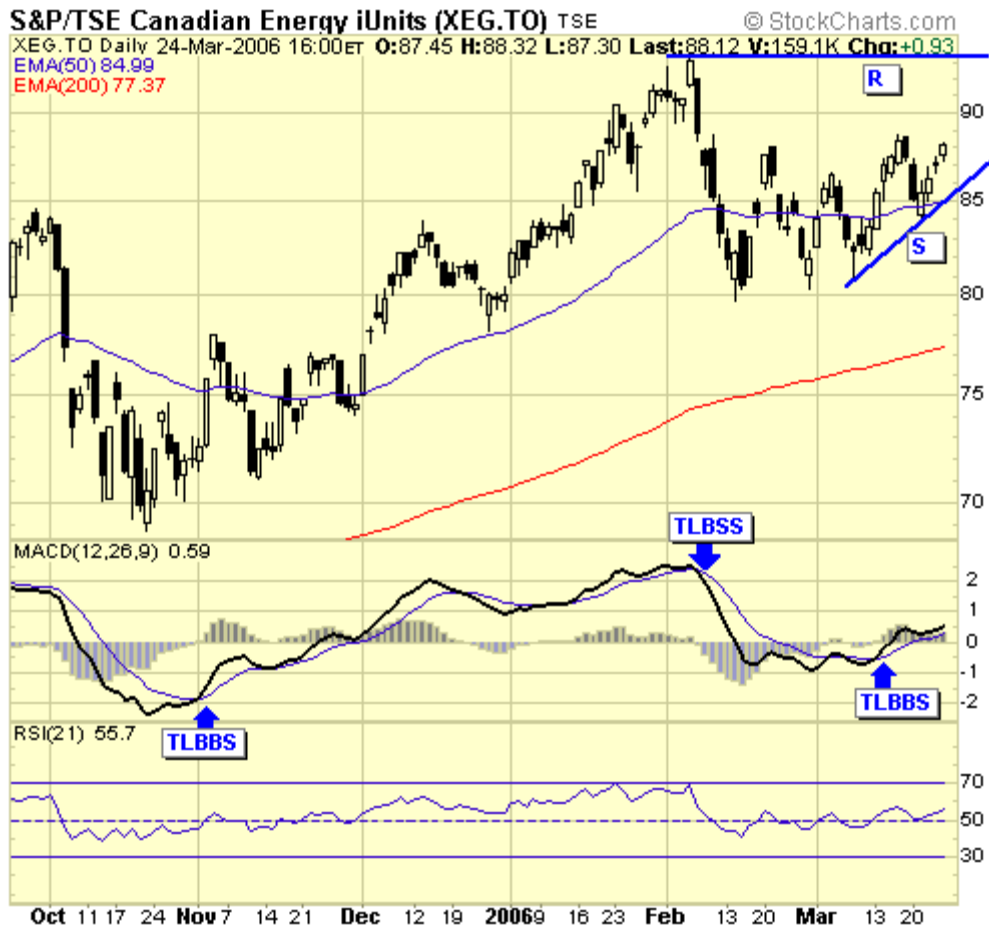
Traders



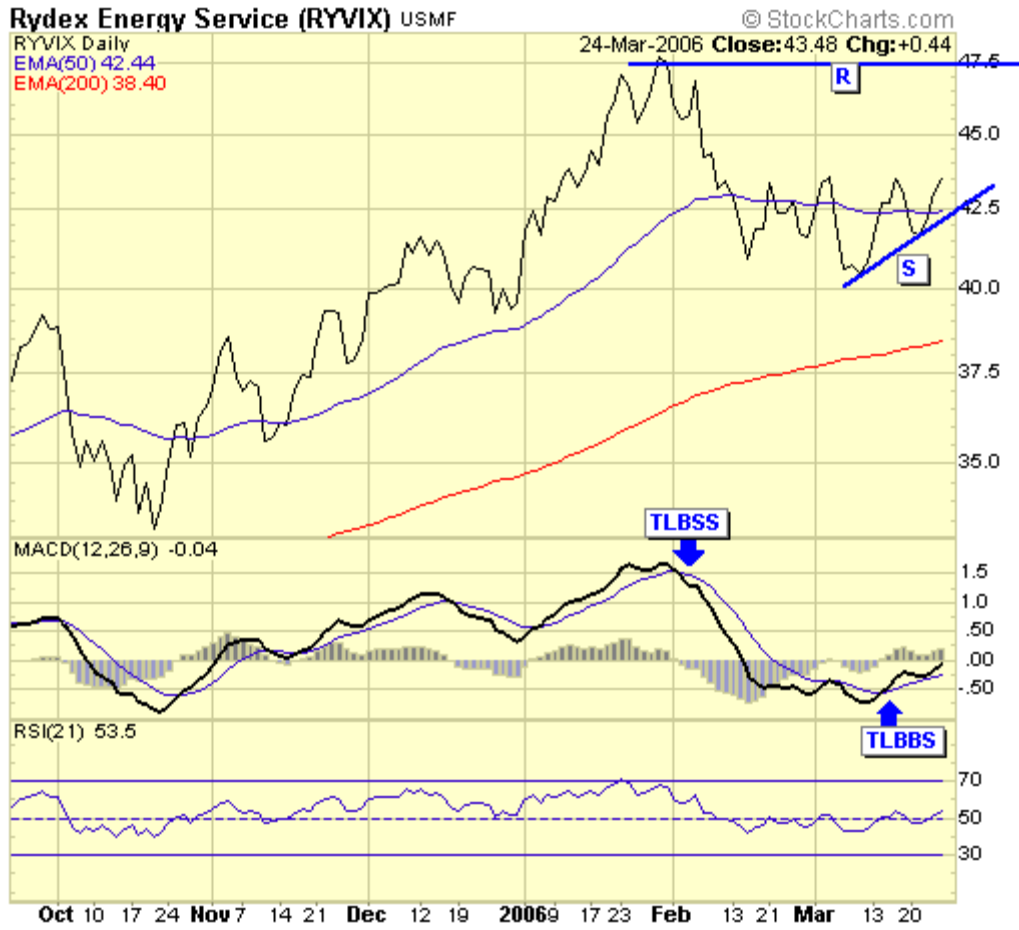
OIH – on TLBBS. We got the favorable set up this week and we are now long at \$140.98. Exit on a TLB of S, currently at \$137 and rising.



XLE – on TLBBS. Long at \$53.50, exit on a TLB of S.

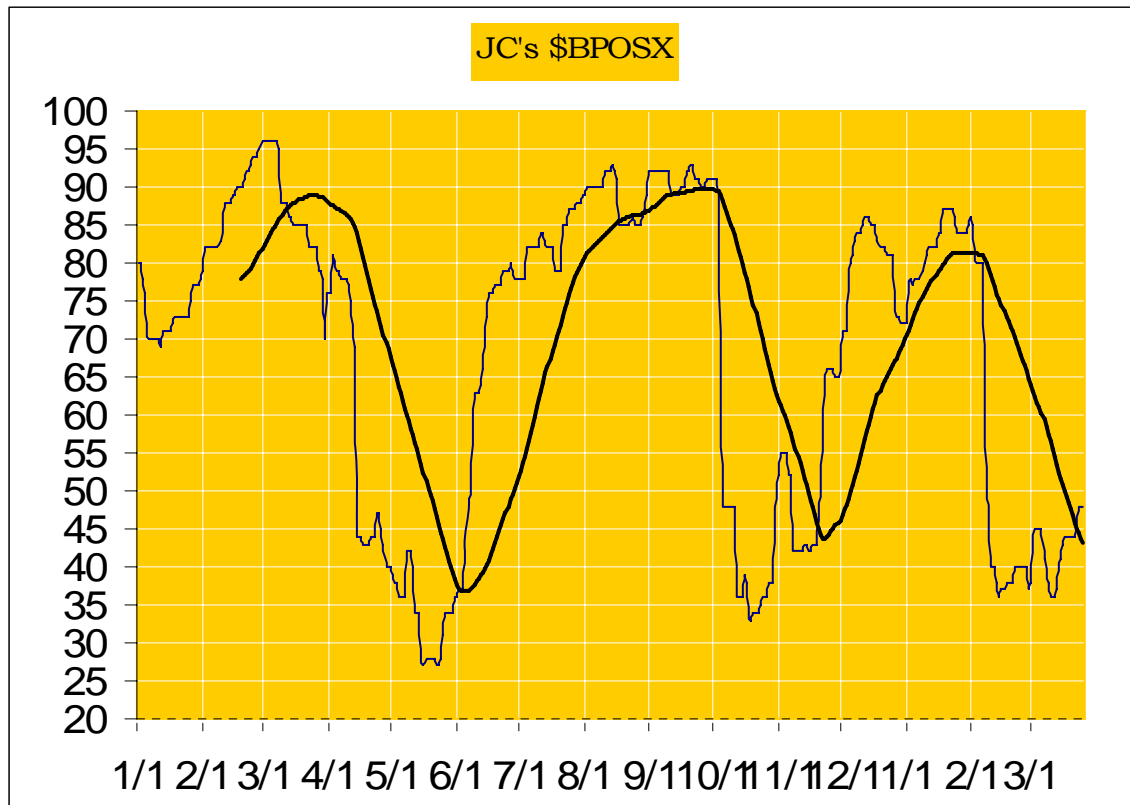


XEG.TO – on TLBBS. Long at \$87.19, exit on a TLB of S.



RYVIX – on TLBBS. Long at \$43.04, exit on a TLB of S.

Analysis



BPOSX – cycle has bottomed, and is now up, confirming the buy signal.

Summary

From last week.....

I'm keeping it simple this week, with no other analysis. With cycle near bottom, lets focus on price action, and see if we will have a low risk entry into this sector.

I'll keep it the same this week.

We've got the cycle bottom, we've bought, risk is manageable, now let the market do its work and we'll go fishing.

End of report