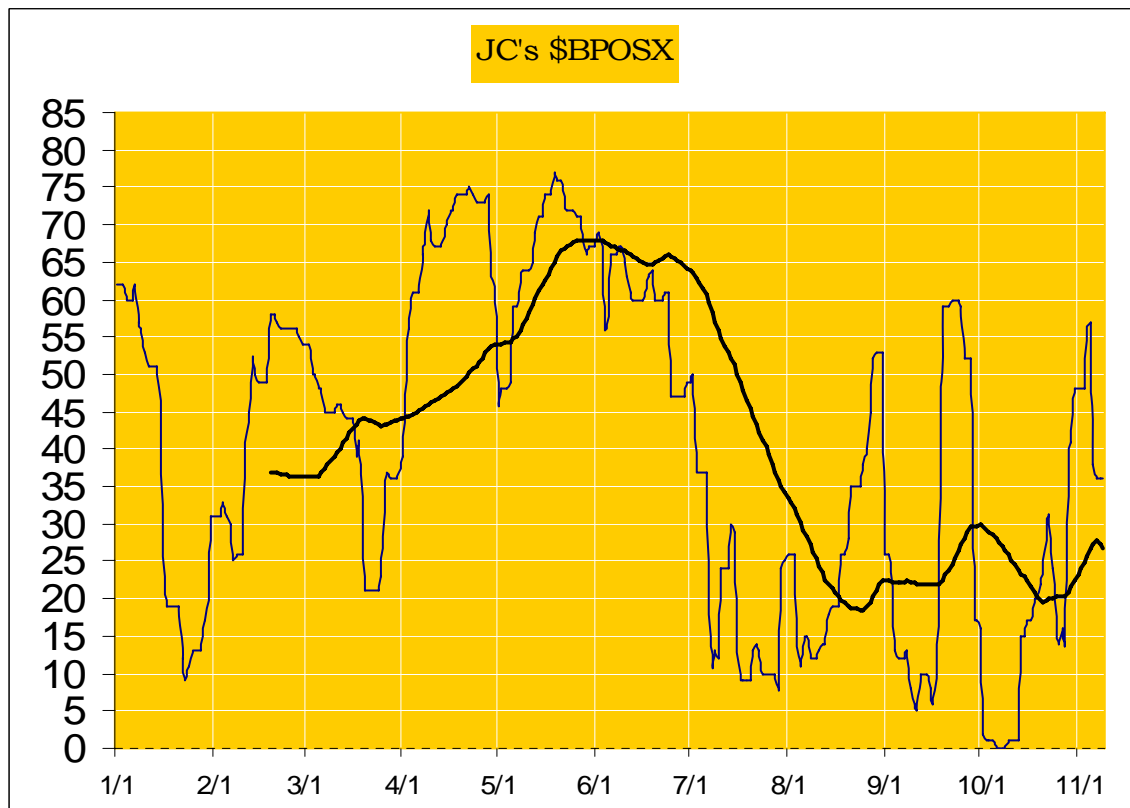


JACK CHAN'S SIMPLY PROFITS

Energy update 11/08/2008

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



BPOSX – cycle is up but BP turned down sharply this week after reaching levels of previous tops.

Signals and set ups



Energy sector is on a monthly sell signal.

Energy sector is in a major correction.

Note: this is the first time in five years that prices have traded below the monthly 50ema support, indicating that either this is a full correction to correct the entire bull market since 1998, or we have entered a bear market.

Investors

In a bull market, investors should focus on the buy signals and set ups occurring near the EMAs on the daily charts, to buy or accumulate any of the ETFs.

In a bear market or during a major correction, investors should focus on the sell signals and set ups occurring near the EMAs on the daily charts, to buy or accumulate any of the “inversed” ETFs.

Traders

Aggressive traders simply buy and sell upon bullish or bearish buy/sell signals on the daily charts.

Conservative traders may want to wait until there are set ups, when stops and allocations are provided.



OIH – TLBBS.

Bought at 103.05 and stopped out promptly at 92.65 for a 10% loss.
 No harm done as allocation was zero. A quick paper trade.



XLE – TLBBS but still no set up.



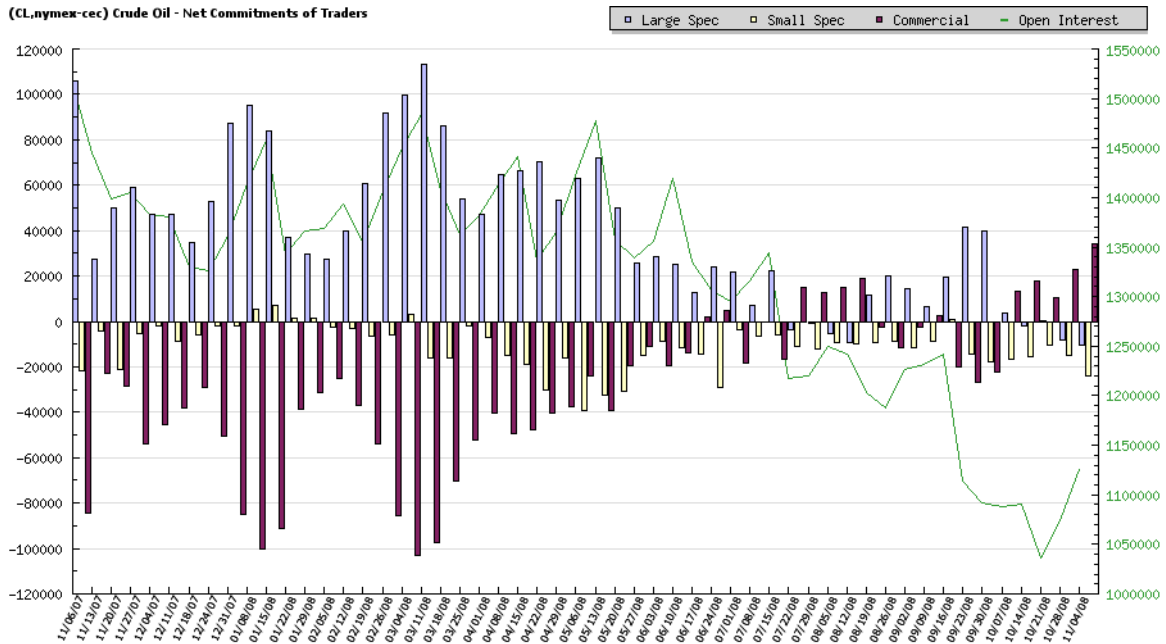
XEG.TO – TLBBS.

Bought at 16.33 and stopped out at 15.18 for a 7% loss.

Again, allocation was zero.

Analysis

(CL.nymex-ccc) Crude Oil - Net Commitments of Traders



--- Large Speculators ---				----- Commercial -----				-- Small Speculators --			Open	
#	Long	Short	Bullish	#	Long	Short	Bullish	Long	Short	Bullish	Intrest	
10/07/08	296	165,772	162,082	51%	170	582,858	569,694	51%	46,001	62,855	42%	1,087,569
10/14/08	288	164,118	166,017	50%	160	587,458	569,899	51%	51,929	67,589	43%	1,090,251
10/21/08	280	174,773	174,290	50%	163	573,958	563,736	50%	43,016	53,721	44%	1,035,697
10/28/08	300	185,108	193,514	49%	162	582,536	559,399	51%	42,890	57,621	43%	1,073,159
11/04/08	298	191,433	201,976	49%	166	589,839	555,550	51%	42,323	66,069	39%	1,125,366

charts compiled by software North LLC

OI turned up this week but large specs continue to be net short.

Summary

We had two set ups in the energy ETFs this week, but risks were unacceptable and therefore, allocation was zero. These two paper trades were promptly stopped out for a quick and significant loss (7 & 10%), which serves to remind us that, during times when markets are extremely volatile, being in cash is a position too.

End of update

