

DEVELOP WATCHLISTS OF RELATIVELY-STRONG
STOCKS THAT MAY RALLY in NEXT UPLEG

RELATIVELY STRONG ENERGY STOCKS

Abraxas

Amerada Hess

Anadarko

BP

Burlington Resources

Smith Int'l

Vintage Petroleum

TRADES ONLY w/ TIGHT STOPS... Have moved a long way

Nuevo

Occidental

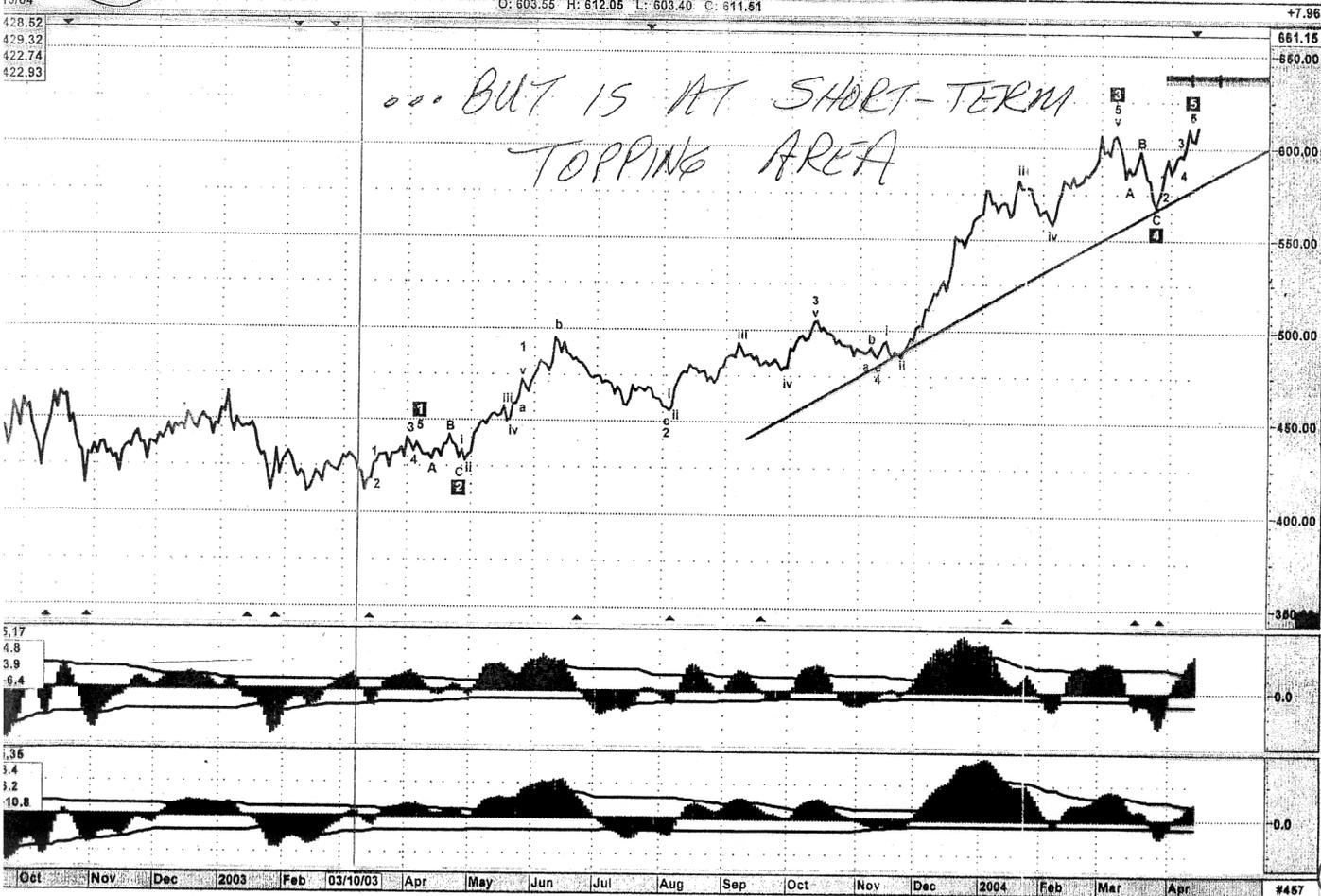
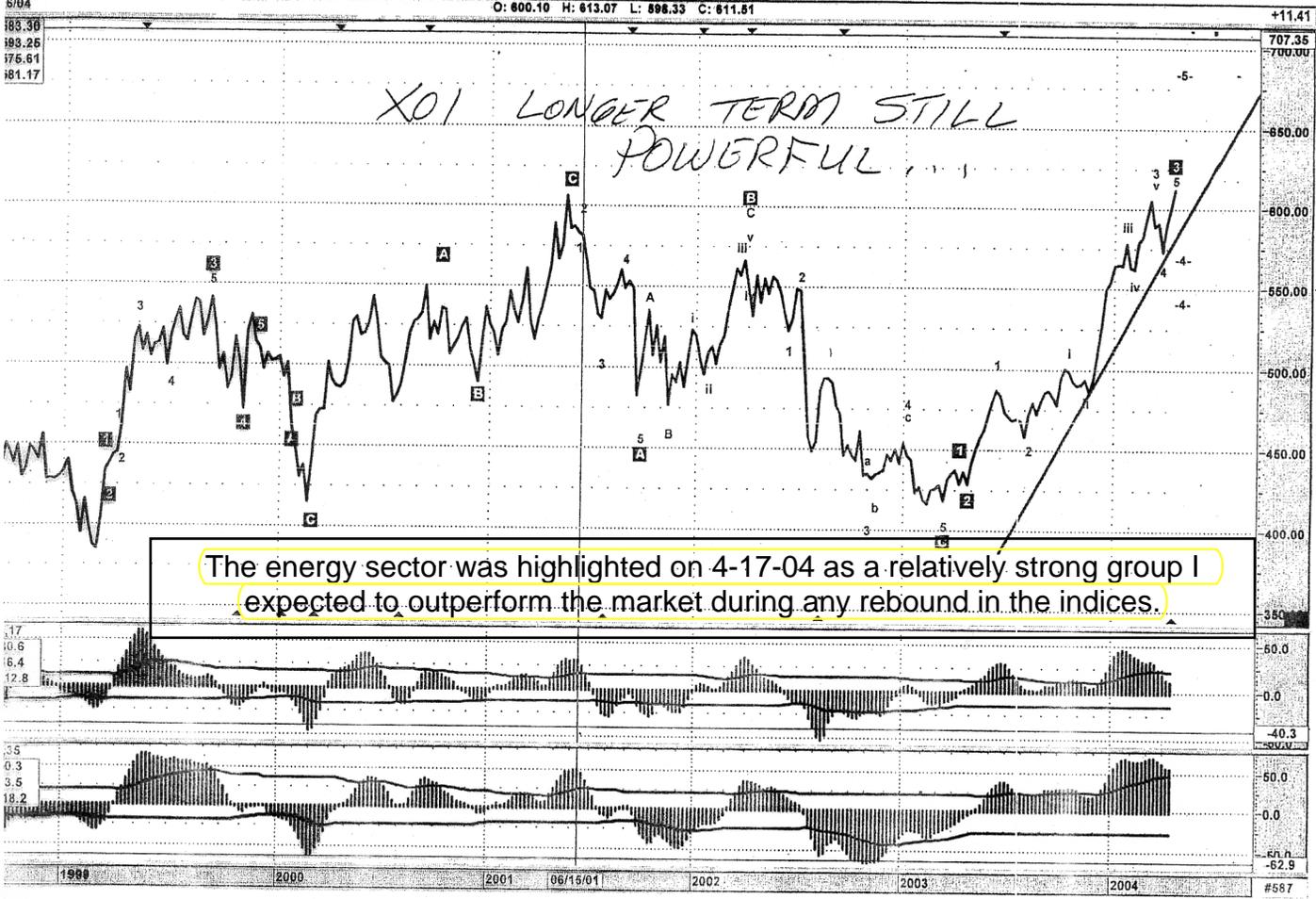
Sun Company

World Fuel Svcs

This is the actual stock watchlist page presented at the AAll meeting 4-17-04. I indicated that an additional list of stocks AND sectors would be presented at the AAll Chicago Chapter meeting on 5-20-04

(From AAll REGIONAL 4-17-04
USE RELATIVE STRENGTH!)

H40
~~AAI~~
~~AAI~~



~~4438~~
H41

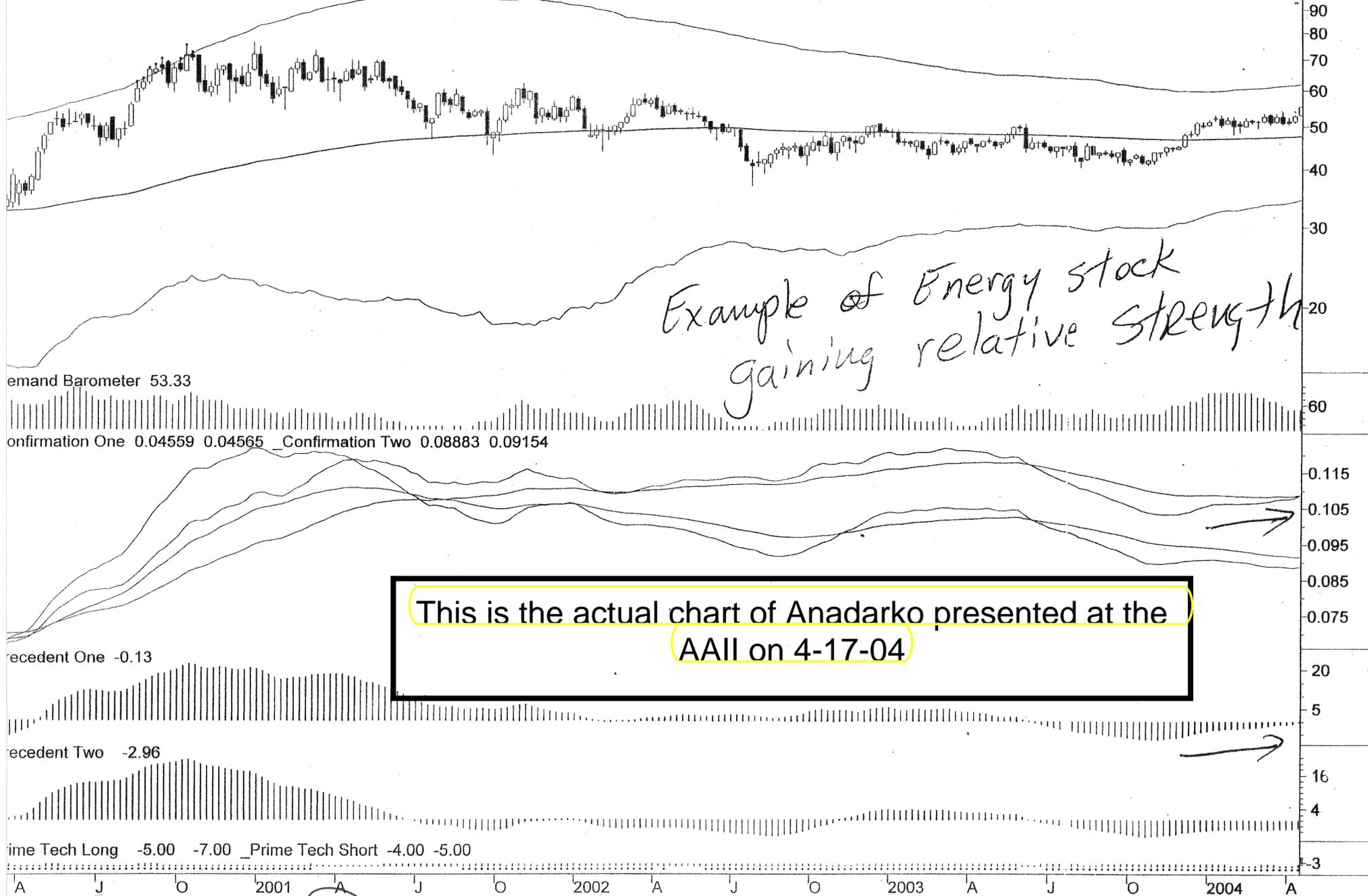
2

3/03/2000

(APC) ANADARKO PETRO

04/16/2004

ANADARKO PETRO-Weekly 04/16/2004 C=55.380 +2.600 O=52.990 H=55.620 L=52.990 V=67161 Mov Avg-Exponential 47.626 _Target Zone 61.918



Demand Barometer 53.33

Confirmation One 0.04559 0.04565 _Confirmation Two 0.08883 0.09154

Precedent One -0.13

Precedent Two -2.96

Prime Tech Long -5.00 -7.00 _Prime Tech Short -4.00 -5.00

Handwritten scribbles and initials:
 (scribble) (scribble) H42

SECTOR STOCKS TO WATCH

Note: These are strictly "trading candidates" in any sustained stock market rally.
NOT "buy and hold" investment candidates.

Initial stops on any trades should be set at 15% of entry price or less.

Note: overall shortage of attractive trade setups in otherwise "relatively attractive" industry groups may be an indication of more "stock weakness than meets the eye" and/or that in any rally, the participation will be narrower as indices reach new highs but the advance/decline line fails to confirm.

	<u>Primary</u>	<u>2nd Group</u>
<u>HEALTH CARE</u>		Allergan J & J Lilly Medtronic Polymedica
<u>LEISURE</u>	Aztar Dover Downs Gillette Hilton Marriott Steiner Leisure Yahoo	
<u>ENERGY</u>	Anadarko	Amerada Hess BP Royal Dutch Varco Vintage Petroleum
<u>COMPUTERS</u>		Analog Devices Akamai Corning Intel

(From AAII MONTHLY 5-20-04,
Sector + Stockpicks)

1443

28

ELECTRONICS

Altera
Maxim

BUS. SERVICES

Ceridian
Omnicom

CYCLICALS

Boeing
Lockheed

BIOTECH

Anika

Bio Cryst
Beckmen Coulter
Connetics
Embrex
Gilead
Immunomedics
Lab Corp
Merck
Vaxgen

IND EQUIP.

Boeing

Nacco

These are the actual stock and sector watchlist pages
presented at the Chicago AAll on 5-20-04

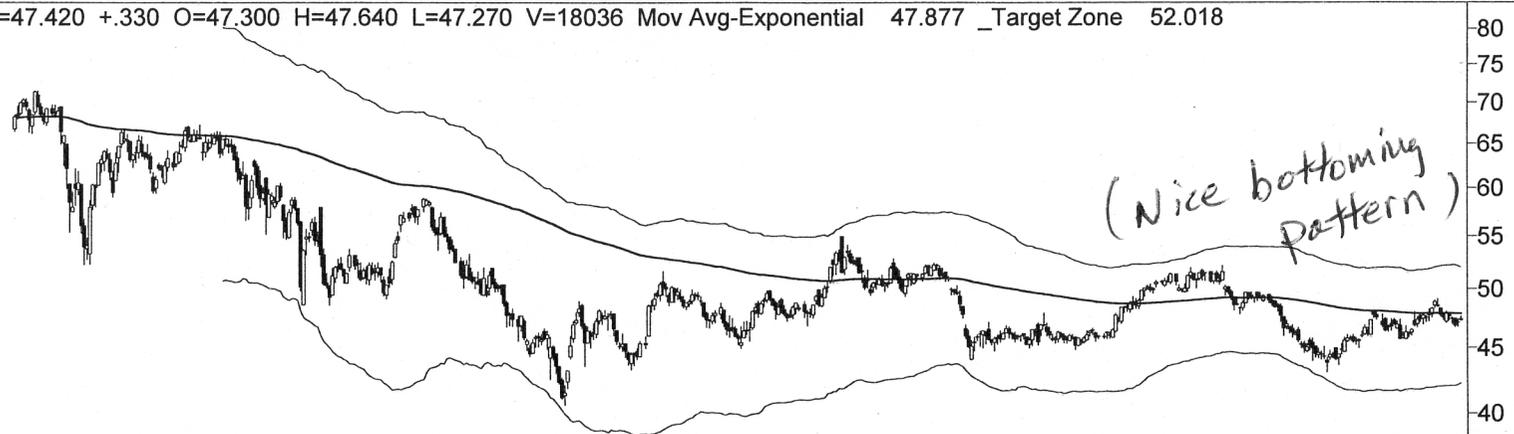
H44
30

10/26/2001

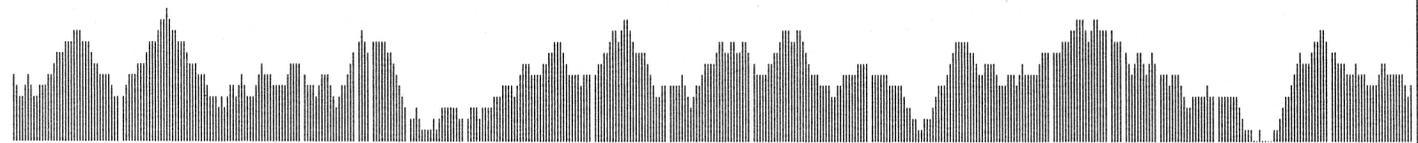
(LMT) LOCKHEED MARTIN

05/20/2004

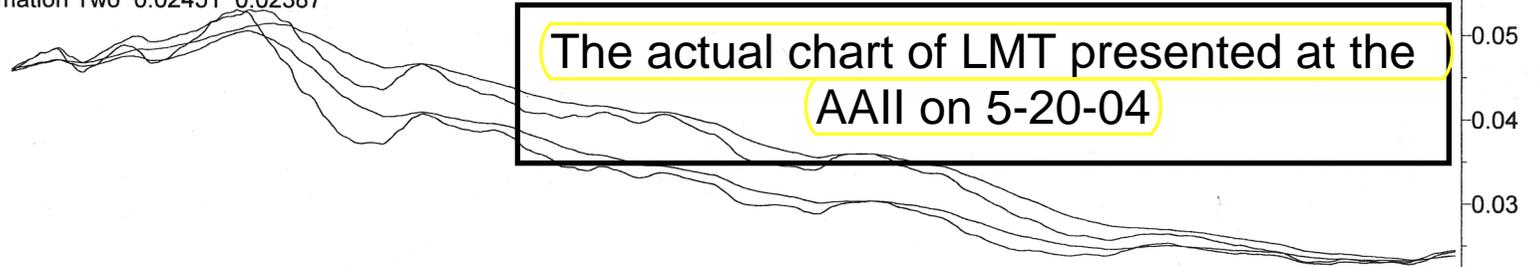
LOCKHEED MARTIN-Daily 05/19/2004 C=47.420 +.330 O=47.300 H=47.640 L=47.270 V=18036 Mov Avg-Exponential 47.877 _Target Zone 52.018



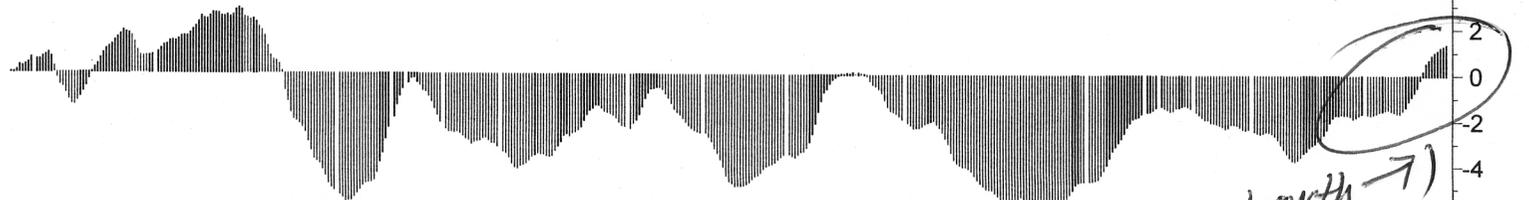
Demand Barometer 40.00



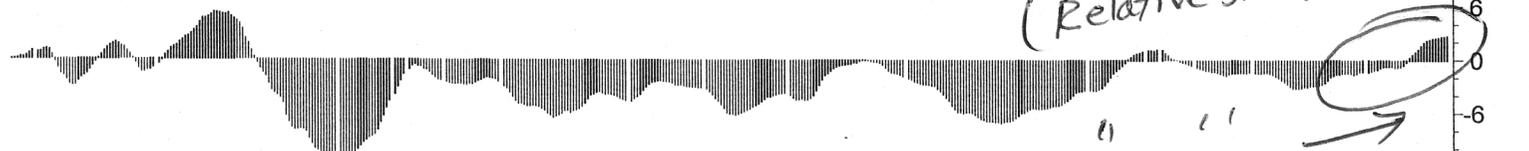
Confirmation One 0.8798 0.8682 _Confirmation Two 0.02451 0.02387



Precedent One 1.33



Precedent Two 2.70



Prime Tech Long -4.00 -5.00 -7.00 _Prime Tech Short -4.00 -5.00

Handwritten circled signature and 'H45' written vertically.

2002 Apr Jul Oct 2003 Apr Jul Oct 2004 Apr

10/26/2001

(ANIK) ANIKA THERAPEUT

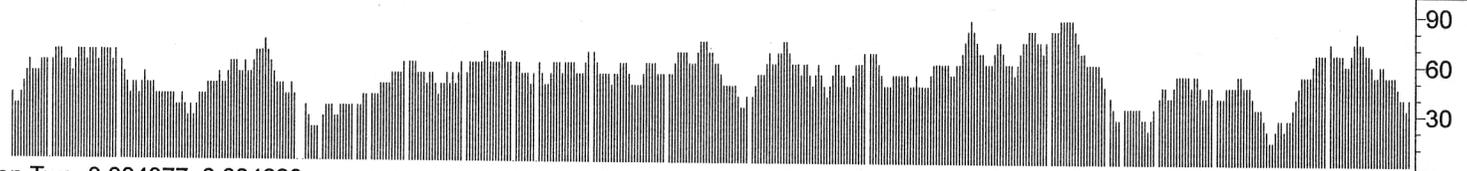
05/20/2004

ANIK THERAPEUT-Daily 05/19/2004 C=10.580 +1.370 O=9.290 H=10.580 L=9.290 V=3198 Mov Avg-Exponential 7.965 _Target Zone 12.473 5.745

The actual chart of ANIK presented at AAll on 5-20-04. This stock would go on to rally over 40% by mid July!



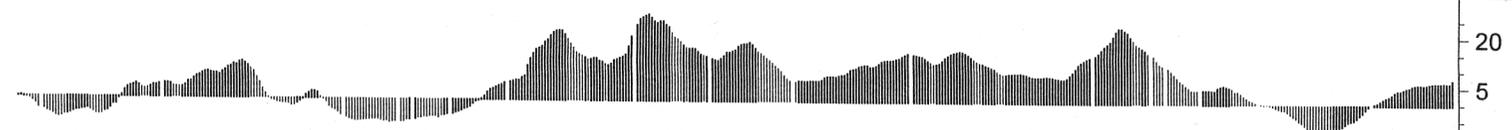
_Demand Barometer 40.00



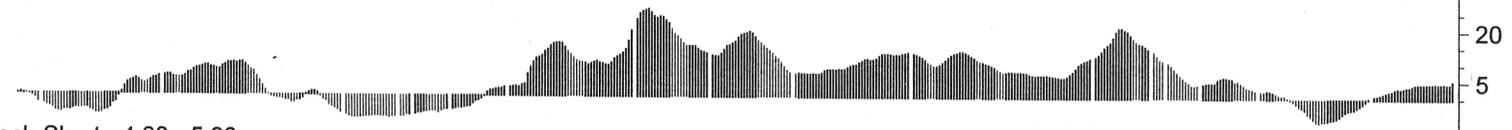
_Confirmation One 0.1967 0.1829 _Confirmation Two 0.004877 0.004629



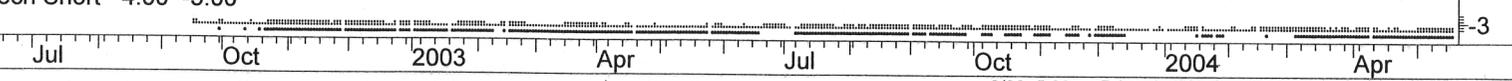
_Precedent One 7.55



_Precedent Two 5.35



_Prime Tech Long -5.00 -7.00 _Prime Tech Short -4.00 -5.00



Handwritten circled 'H' and 'M' with arrows pointing to the chart.

(* in retrospect, an incredible bullish pattern!)

STOCK PERFORMANCE REVIEW
REGIONAL AAI MEETING, 4-17-04

		<u>CLOSE</u> <u>4/19/04</u>	<u>CLOSE</u> <u>8/3/04</u>	<u>%</u> <u>CHANGE</u>
APC	ANADARKO PETE.	55.74	60.03	7.7%
AHC	AMERADA HESS	66.72	83.60	25.3%
ABP	ABRAXAS			-20.0%
BP	BRITISH PETE.	53.93	56.75	5.2%
BR	BURLINGTON RSC.	34.22	38.50	12.5%
SII	SMITH INTL	54.50	57.61	5.7%
VPI	VINTAGE PETE.	15.36	16.62	8.2%
OXY	OCCIDENTAL	49.00	49.97	2.0%
SUN	SUN CO.	62.79	68.14	8.5%
INT	WORLD FUEL	42.10	37.84	-10.1%
	AVERAGE ABOVE:			4.5%
				<i>vs.</i>
SPX		1135.82	1099.69	-3.2%
OTC		2020.43	1859.42	-8.0%
RUT		586.95	543.63	-7.4%

(NOTE: While it's nice to beat the market with positive returns, these meager results from relatively strong stocks are a further sign of internal market weakness as of 8-3-04 !!)

Performance of the stock watchlist presented 4-17-04. Assuming entry at the close on Monday 4-19-04 and our typical stop loss of 20% or tighter.

Note that in an otherwise downtrending stock market, only two of the 10 picks failed to gain in price and the average outperformed the SPX by 7.7%, the OTC by 12.5% and the RU2000 by 11.9% !

H47

SECTOR and SECTOR STOCK REVIEW: AAll on 5-20-04

		<u>CLOSE</u> <u>5/21/04</u>	<u>CLOSE</u> <u>7/13/04</u>	<u>%</u> <u>CHANGE</u>	
AGN	ALLERGAN	86.51	76.75	-11.3%	
JNJ	JOHNSON n JOHNSON	54.94	55.38	0.8%	
LLY	LILLY	71.98	68.43	-4.9%	
MDT	MEDTRONIC	47.66	49.08	3.0%	
PLMD	POLYMEDICA	28.30	30.01	6.0%	-1.3%
AZR	AZTAR	24.33	26.79	10.1%	
DDE	DOVER DOWNS	10.75	10.70	-0.5%	
G	GILLETTE	41.60	42.60	2.4%	
HLT	HILTON	17.15	18.78	9.5%	
HMT	HOST MARRIOTT	11.87	12.53	5.6%	
MAR	MARRIOTT	48.56	49.85	2.7%	
STNR	STEINER	19.17	23.60	23.1%	7.6%
ADI	ANALOG DEV	48.08	42.72	-11.1%	
AKAM	AKAMAI	13.60	14.85	9.2%	
GLW	CORNING	11.90	12.05	1.3%	
INTC	INTEL	27.55	26.14	-5.1%	
ALTR	ALTERA	21.50	19.82	-7.8%	
CEN	CERIDIAN	21.14	20.80	-1.6%	
OMC	OMNICOM	79.05	69.35	-12.3%	
MXIM	MAXIM	47.38	47.97	1.2%	-3.3%
APC	ANADARKO	53.28	59.33	11.4%	(AAll Regional on 4-17)
AHC	AMERADA HESS	69.76	80.68	15.7%	
RD	ROYAL DUTCH	48.34	51.78	7.1%	
VRC	VARCO	19.23	23.47	22.0%	
VPI	VINTAGE PETE	14.07	16.98	20.7%	15.4%
ANIK	ANIKA	10.76	15.37	42.8%	
BCRX	BIOCRYST	9.26	6.08	-20.0%	7.41
BEC	BECKMAN	59.13	59.97	1.4%	
LH	LAB CORP AMERICA	39.93	38.35	-4.0%	
CNCT	CONNETICS	20.31	23.00	13.2%	
EMBX	EMBEX	12.16	14.11	16.0%	
GILD	GILEAD	63.33	65.70	3.7%	
IMMU	IMMUNOMEDICS	5.42	4.48	-17.3%	
MRK	MERCK	46.59	45.55	-2.2%	
VXGNe	VAXGEN	14.24	13.81	-3.0%	3.1%
BA	BOEING	43.40	50.26	15.8%	
LMT	LOCKHEED	46.86	54.52	16.3%	
NC	NACCO	85.95	93.96	9.3%	13.8%

The top-performing energy sector and APC, AHC, & VPI in particular were also presented on 4-17-04

AVERAGE ABOVE:

4.5%

vs.

SPX	1093.56	1115.14	2.0%
NDX	1408.17	1428.68	1.5%
RUT	545.81	562.69	3.1%

H 48 

Performance of the stock and sector picks presented 5-20-04. Of the 6 sectors, 4 beat the S&P 500 and Nasdaq 100. The average stock outperformed the SP by 2.5%, the ND100 by 2.6% and the RU2000 by 1.4%