

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

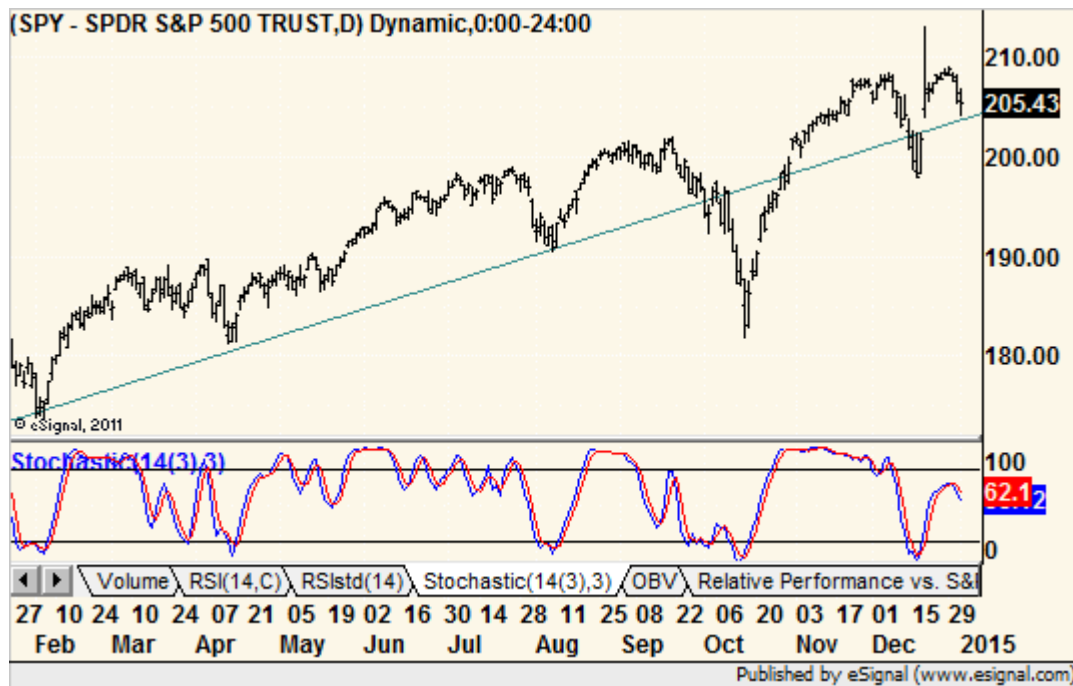
MICHAEL KAHN
RESEARCH LLC

January 5, 2015 – The new year begins (Friday did not count) and stocks are still a bit soft from last week. Oil continues to slide lower and the morning headline talks about how Greece leaving the EU would be bad. Again?

We stand by our outlook of bonds eventually falling but not yet, stocks holding firm for a while longer and a rebound in energy – again not right away. Check out this bit on the latter found in the news today:

“Simply put, reduced energy company earnings are more than offset by higher revenues and margins for many other areas of the market,” said Goldman analysts.

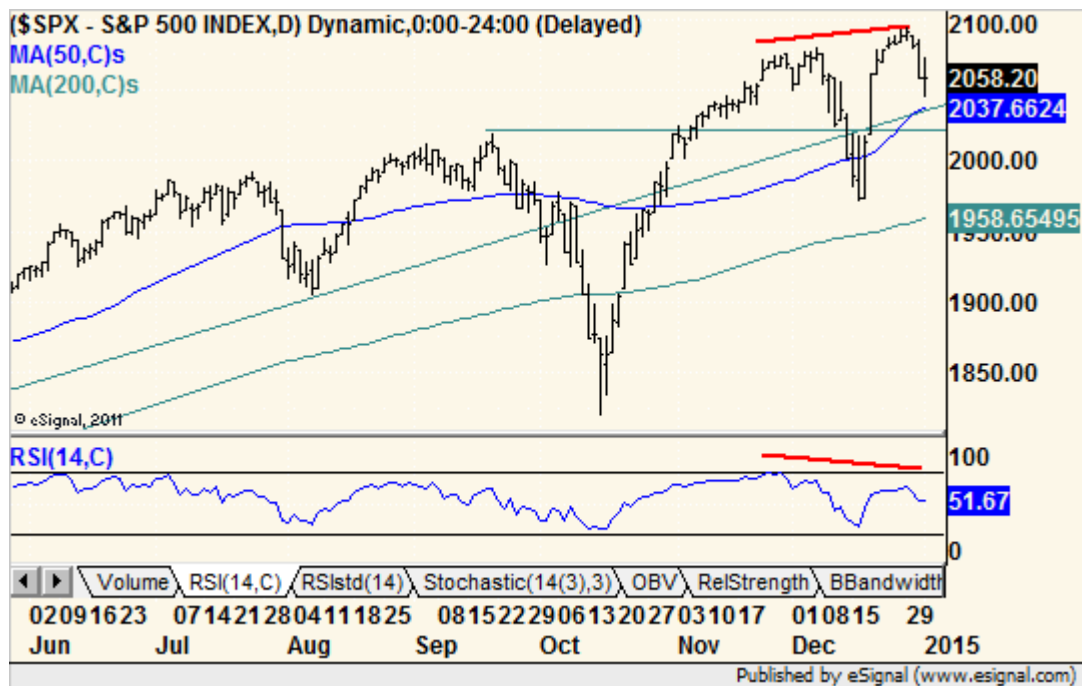
We like it when the fundie guys agree because they deflect the haters. If you have not done so, read Wednesday’s Barron’s Online for the full technical reasoning on our views. And if you don’t get Barron’s Online, let us know and we’ll forward the piece to you.



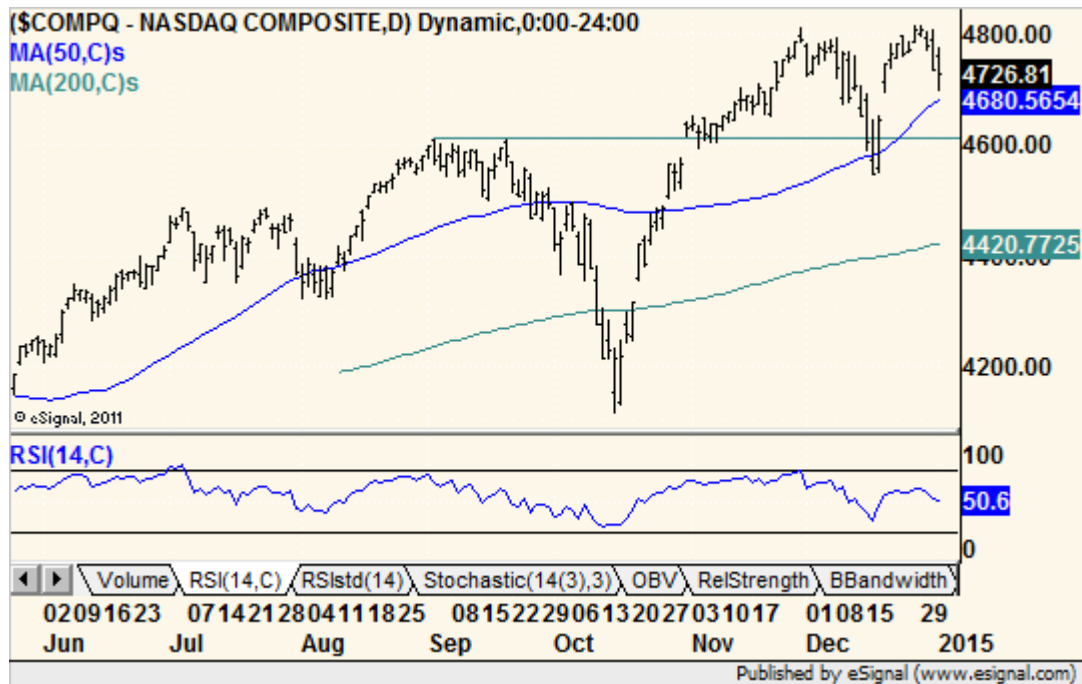
Here is the hourly chart and while we have to take last week’s action with a grain of salt we do see a bearish momentum condition. The trendline is the old Nov 2012 line and it may provide a little support once again. So might the gap seen from two weeks ago.

Basically, we see plenty of reasons not to be worried. Or should we say, not too worried.

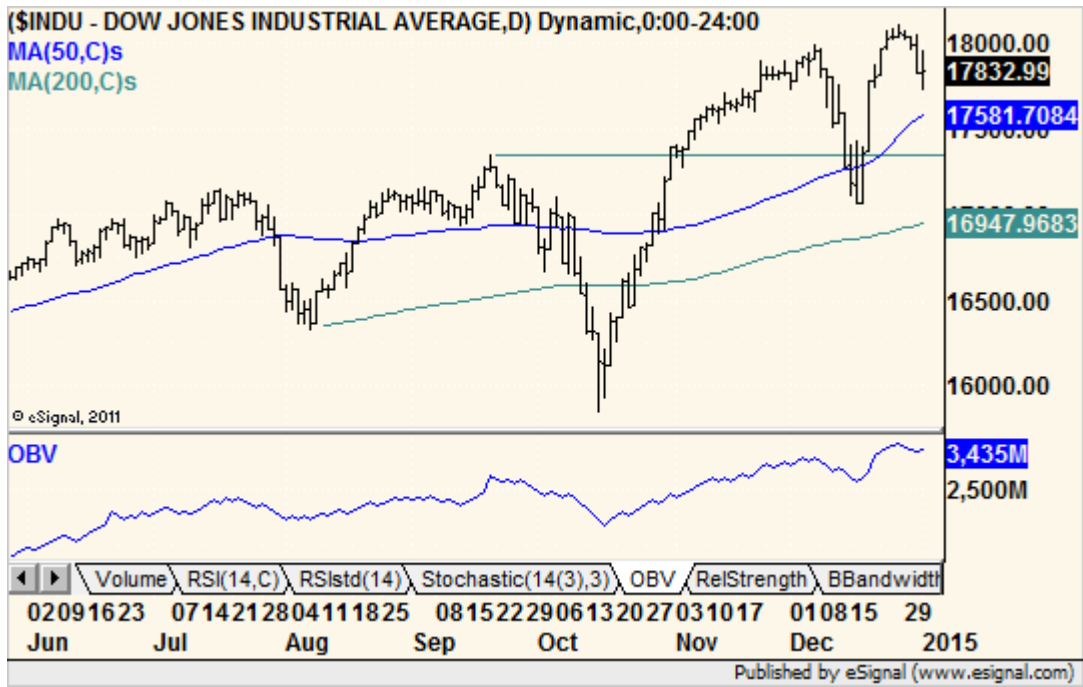
Index Charts of the Day



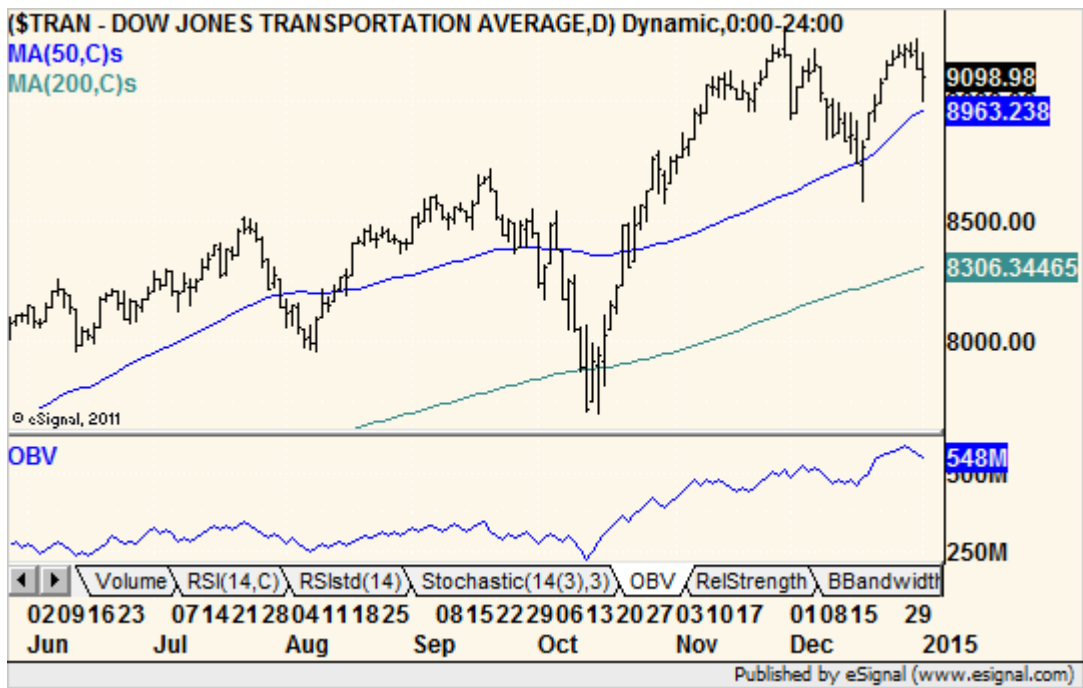
The new year starts with a bearish RSI divergence but support from the Sept high and 50-day average.



Confirmed by the Nasdaq although the divergence is not quite as strong.



The Dow shows rising on-balance volume albeit during a big volume lull.



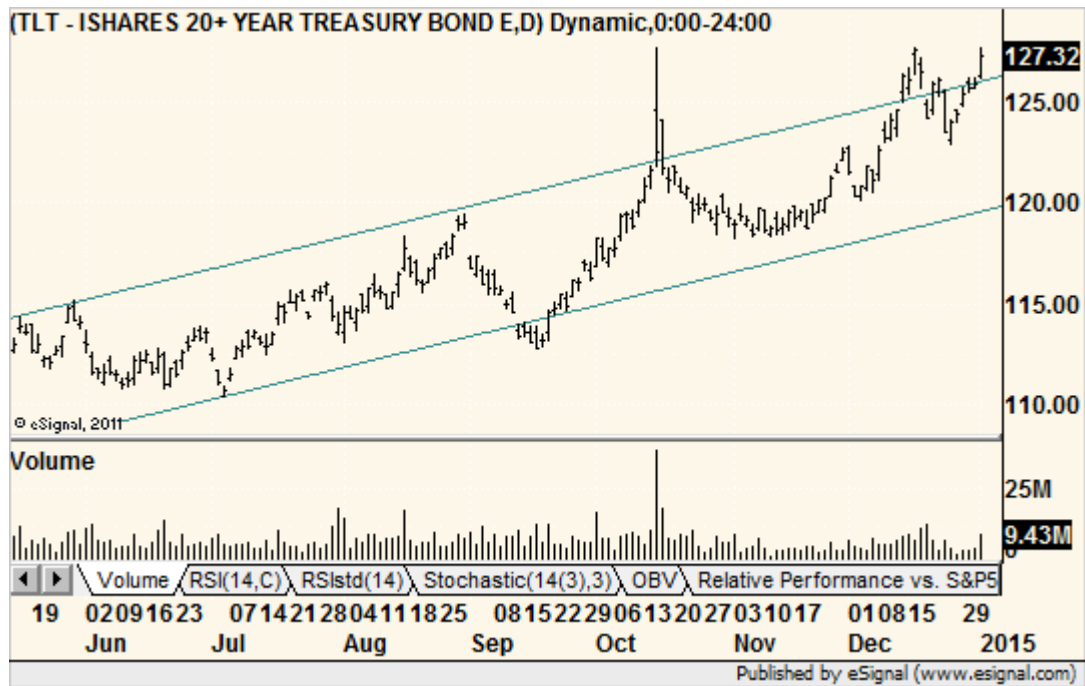
Ditto Transports.

The Radar Screen

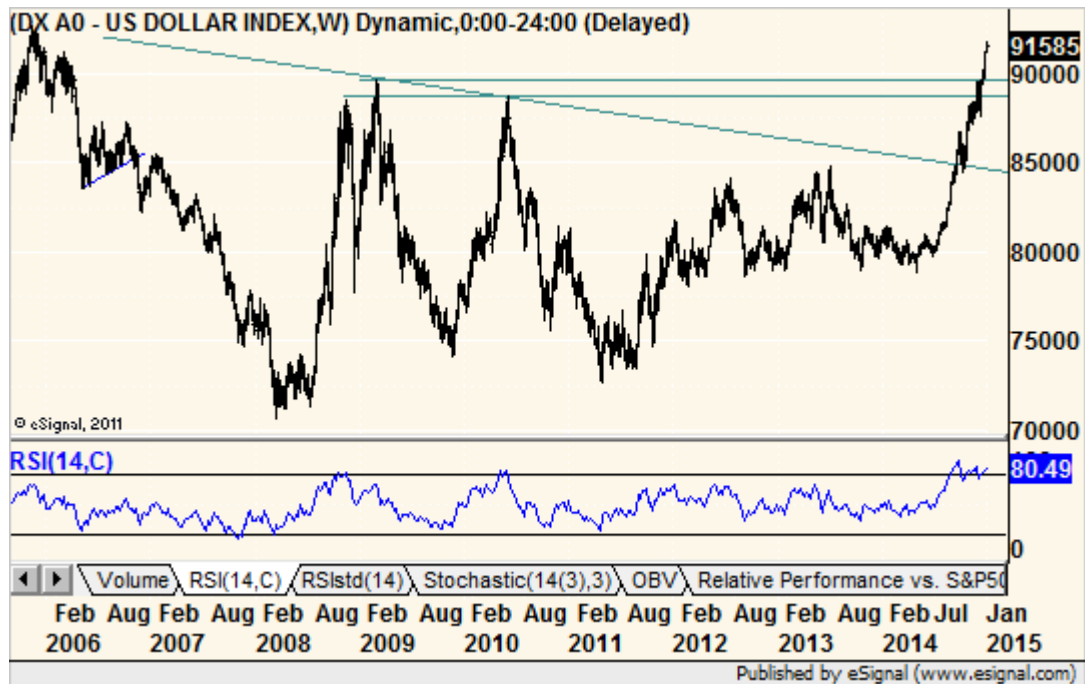
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances in the Radar Screen or the last major update. We do not take "buy/sell on close" triggers or "at the open" triggers if the stock moves more than 4-5%. See <http://quicktakespro.com/radar.html> for all Radar Screen rules and terms.

Bullish Implications		
none -		
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Freeport McMoran FCX – May have already bottomed but we need to see a breakout from current one-week pause.		12/15
JDS Uniphase JDSU - Networker with possible breakout. Watching just a little while longer.		12/18
Manitowac MTW - This commercial vehicle maker supposedly getting Carl Icahn interest. We see a textbook double bottom in progress with confirming RSI divergence and 50-day average break. Now testing breakout and may have come back to us.		12/29
3D Systems DDD - Time to watch 3-D printing stocks again with big RSI divergence. XONE too.		12/29
Panera Bread PNRA – Breakout now being tested.		12/29
Sector Watch (observations that may spark ideas)		
Aerospace/Defense Sector index DFX, DFI – breakdown negated but this is still looking shaky with RSI divergence.		12/15
Networking Index NWX - A breakout and test. Looking good.		12/18
Silver miners SIL - still watching possible double bottom		12/19
Gaming - Still waiting for confirmation of the weekly hammer candle		12/22
Canada EWC - Got official confirmation of the weekly reversal bar but volume fell all last week (nothing unusual). Still that is not a positive.		12/22
Silver Miners SIL - Not bad for now with an RSI divergence.		1/5
Utilities ETF XLU – Consider buying the dip to the 50-day average. Nioce rising on-balance volume.		1/5
Real Estate ETF – Look what sector is leading. Something is fishy here as defensive sectors are supposed to be lagging again but clearly some are not.		1/5
Tobacco index –good support coming up for this defensive sector. Big dividends to be had, too. Keeping an eye on it.		1/5
Updates		
none -		

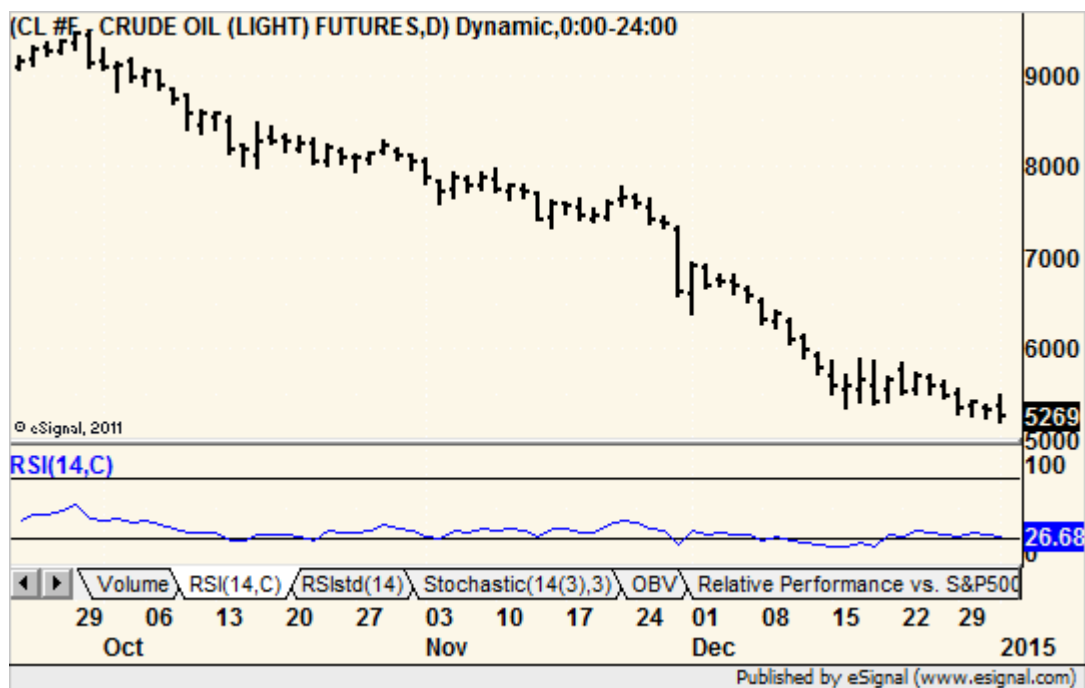
Market Highlights



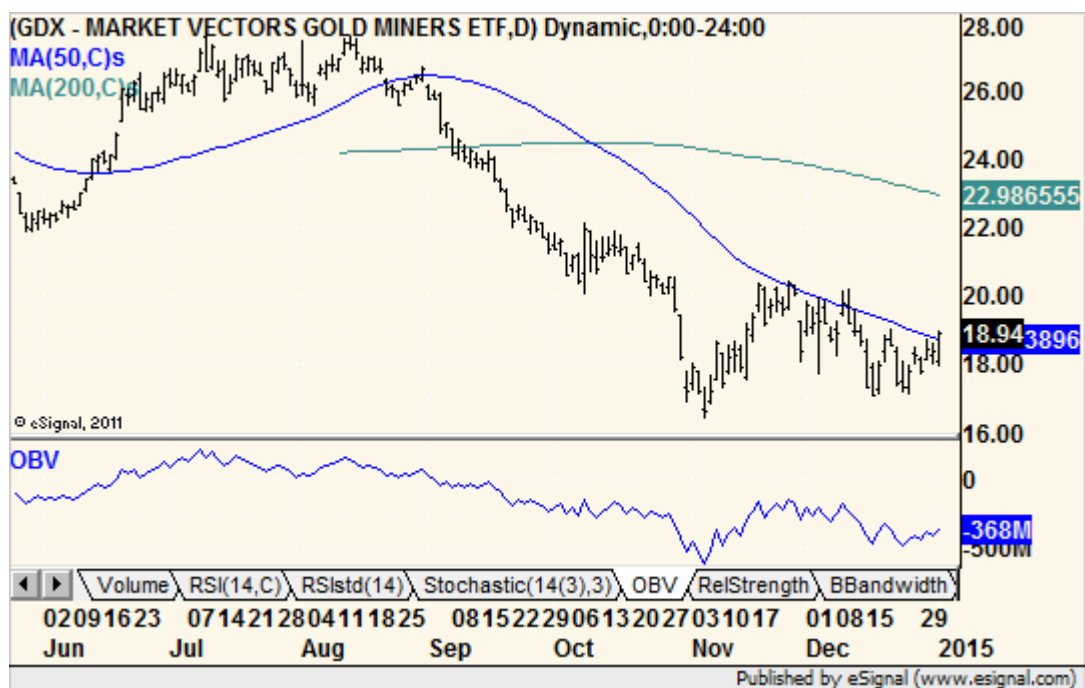
Long T-bond ETF – Back up to levels seen at the bottom of the stock market panic.



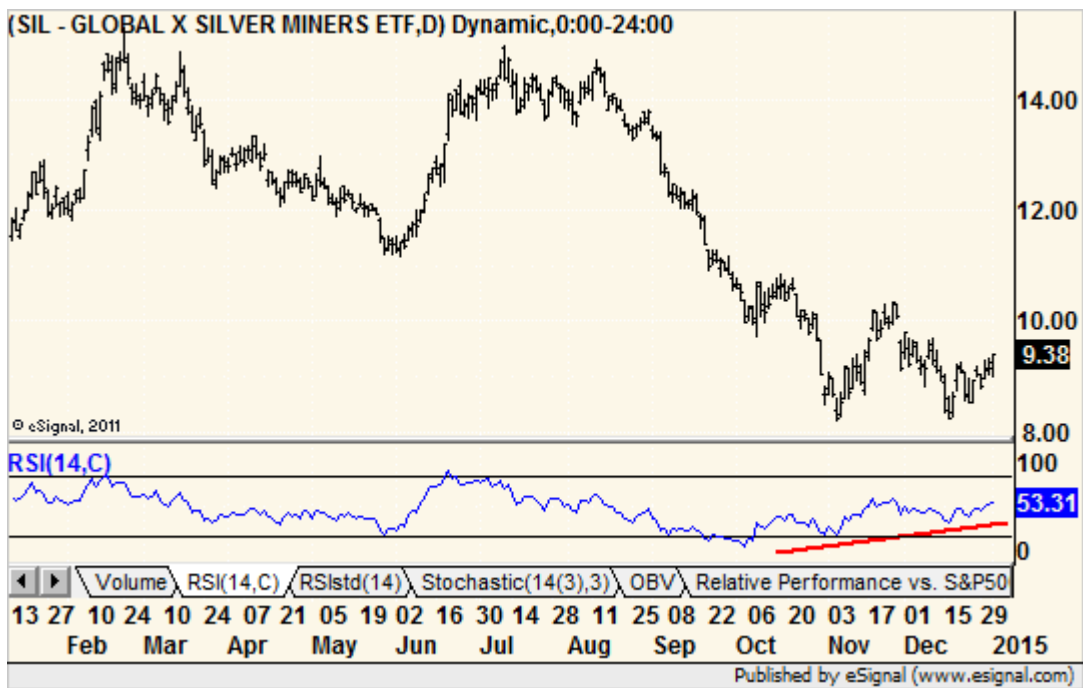
Dollar Index – Soaring through resistance but overbought. Hard to buy here as a dip would be better. Draghi jawboning still pushing euro lower.



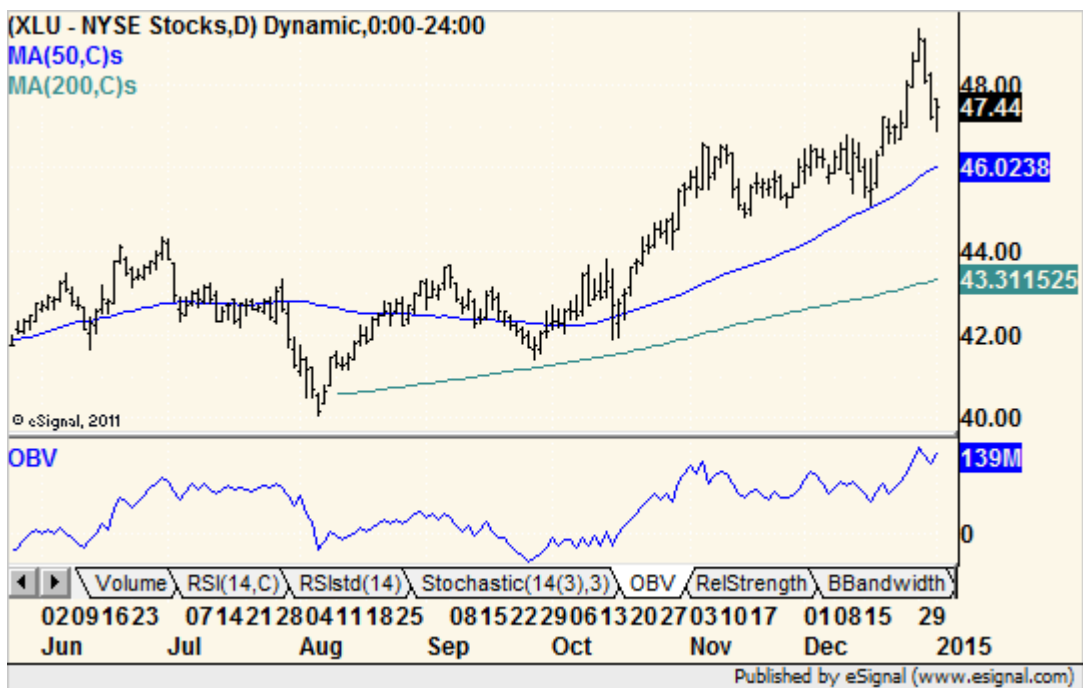
Crude Oil – New low this morning and possible triangle breakdown. We still think this is part of the eventual puking in this market where everyone gives up. It may not spike down but sentiment is really bearish. Don't forget, a strong dollar today hurts commodities.



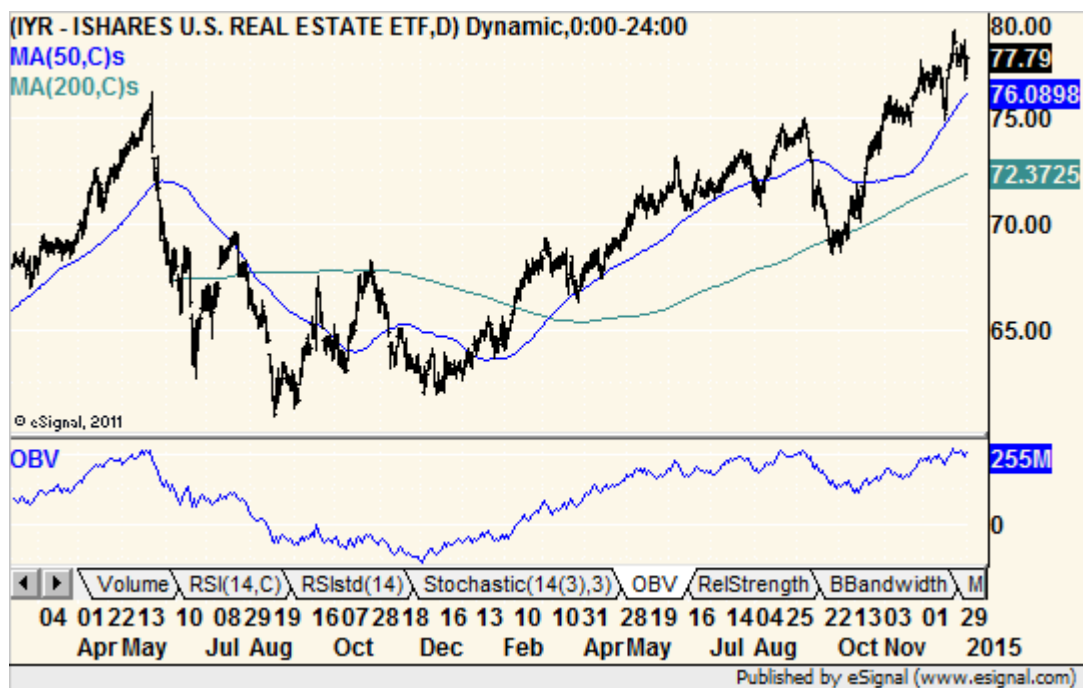
Gold Miners ETF – Looks bottomy to us. Now above the 50-day average yet again and higher in the premarket. Considering the strong dollar, this is bullish.



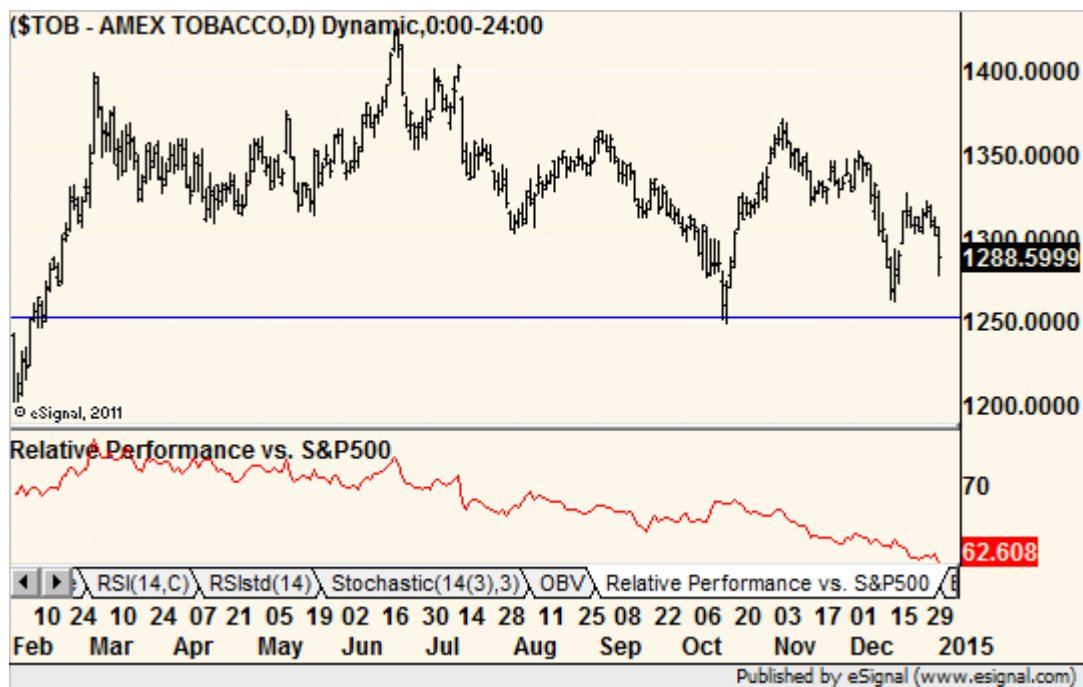
Silver Miners - Not bad for now with an RSI divergence.



Utilities ETF – Consider buying the dip to the 50-day average. Nice rising on-balance volume.



Real Estate ETF – Look what sector is leading. Something is fishy here as defensive sectors are supposed to be lagging again but clearly some are not.



Tobacco index – This chart shows good support coming up for this defensive sector. Big dividends to be had, too. Keeping an eye on it.

Advice Tracker

This is a list of stocks that have triggered buys or sells and not a recommended portfolio. We will track them with suggested strategies but specific stops and position closes are up to the subscriber. Symbols in **red** mean that the position was stopped out. Stops in **red** were changed. Any position that moves in the desired direction and then reverses by 5% from the extreme that day is an automatic stop out. This is to compensate for the inability of this once per day newsletter to alert subscribers to the reversal.

	<u>Symbol</u>	<u>Name</u>	<u>Last</u>	<u>P/L</u>	<u>Stop</u>	<u>Price in</u>	<u>Date in</u>	<u>#Days</u>
<u>Long</u>	NDLS	NOODLES & CO	26.13	13.6%	25.25	23.00	11/21	44
	CIEN	CIENA CORP	19.54	3.2%	19.00	18.94	11/21	44
	COH	COACH INC	37.31	-1.2%	35.75	37.75	12/29	6
<u>Short</u>	TIVO	TIVO INC	11.72	10.1%	12.30	12.90	11/10	55

Notes: **COH** finished Friday poorly but is still testing breakout.

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

Other Information

About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently on financial television including PBS' Nightly Business Report.



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