

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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February 5, 2015 – News from the ECB on Greece snatched defeat from the jaws of victory yesterday for the stock market as most of it ended lower on the day. But not too much lower as strength this morning is keeping it knocking on the door of an upside breakout (see Index Charts of the Day for more). The Greece news sparked what seemed to be an overreaction.

What is troubling are other organic issues. We now see extreme reactions to earnings in both directions from **KORS**, **CMG** and **GMCR** on the downside to **S** and **DIS** on the upside and that suggests confusion, which markets do not like. We typically see one or the other so having both is a concern.

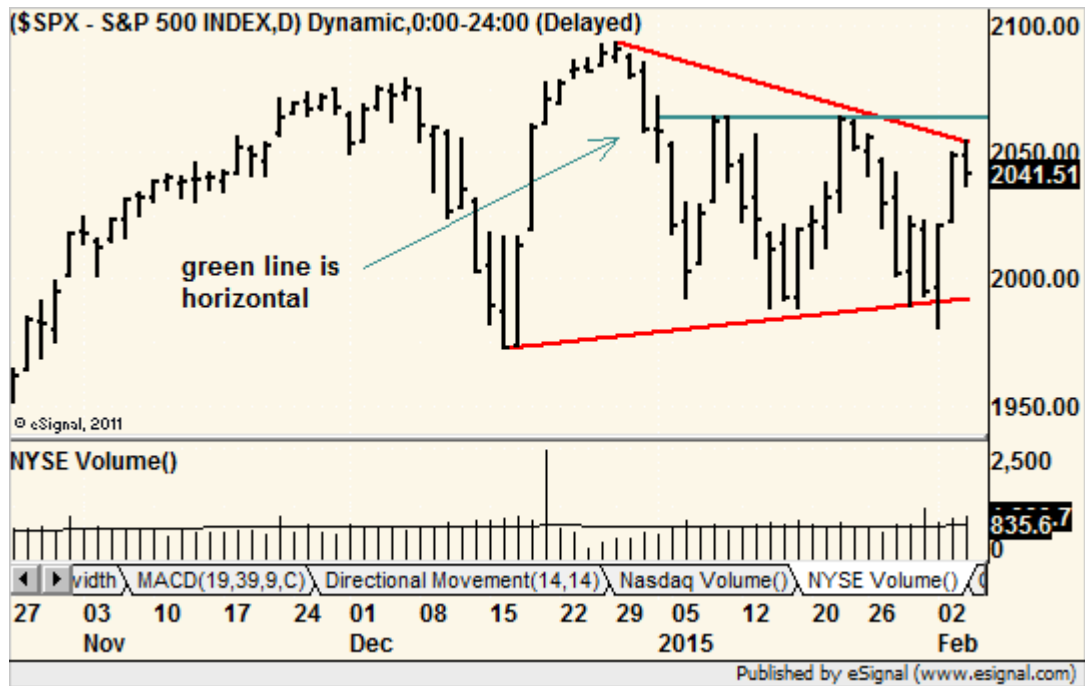
Still, we have to follow the tape, which is a whole lot better this week than last week.

And what was with oil yesterday? It gave up more than it gained on Tuesday's monster rally but fortunately it was still only a net 50% retracement of the four-day rally that preceded it. It's up nicely again this morning so we will take all this volatility and heavy volume recently as the sign of a market turn. Both of these indicators often precede price changes. We remain positive on oil stocks.

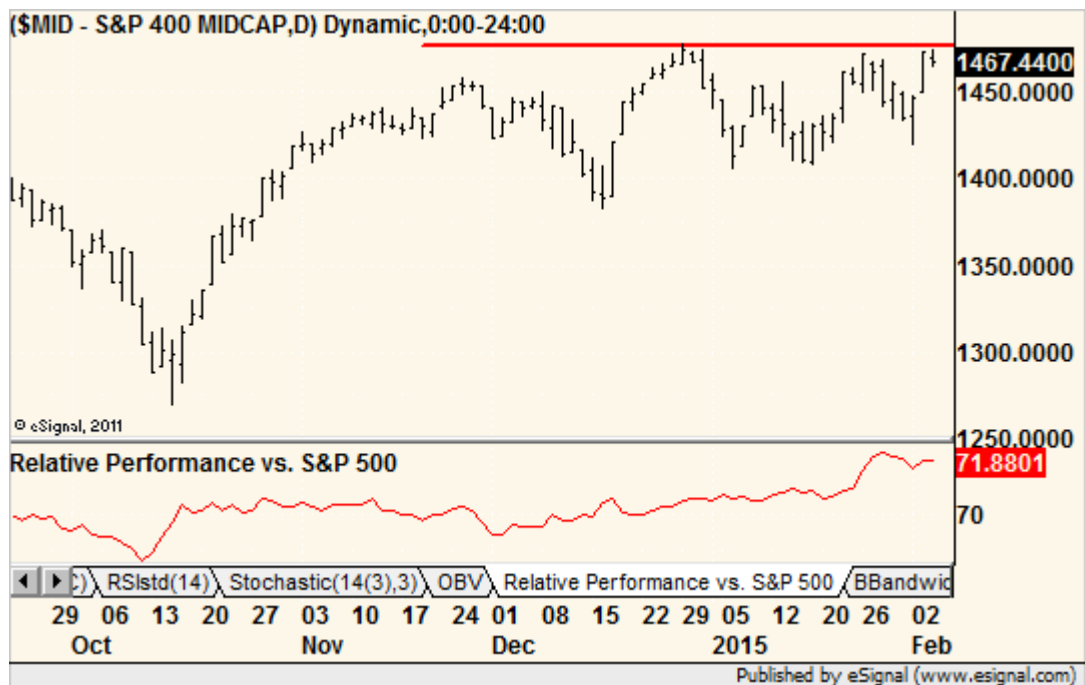


The hourly chart still shows a rising trend with yesterday's late dip just a correction. With that said, the rather manic nature of the activity does not give us a whole lot of confidence in any trend right now. Let's see what happens before making new commitments.

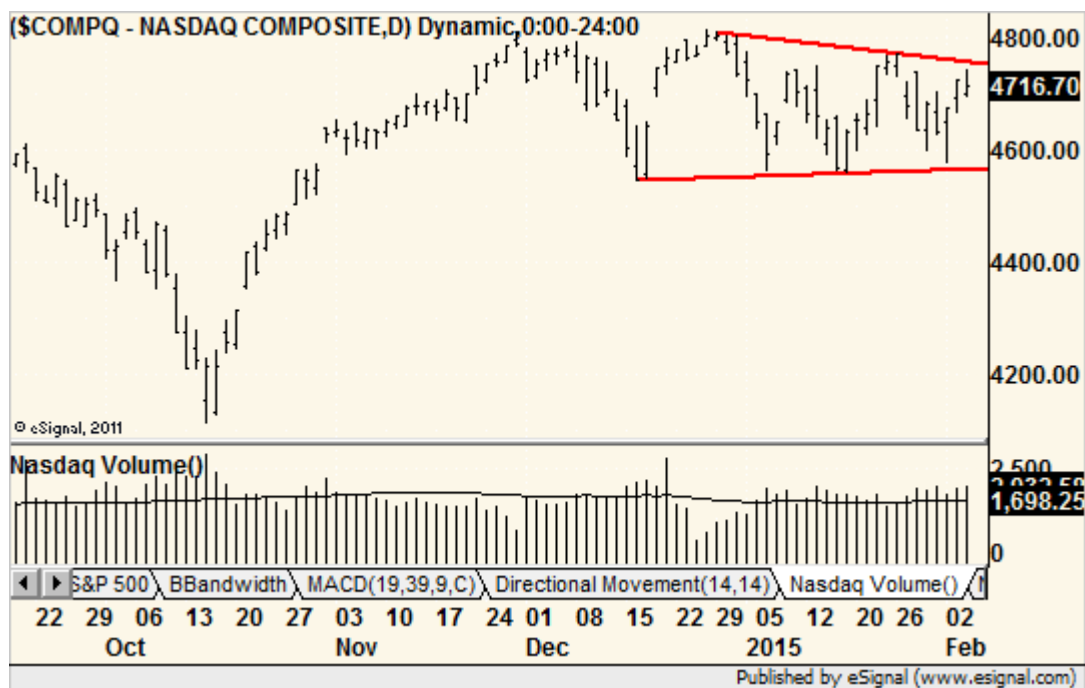
Index Charts of the Day



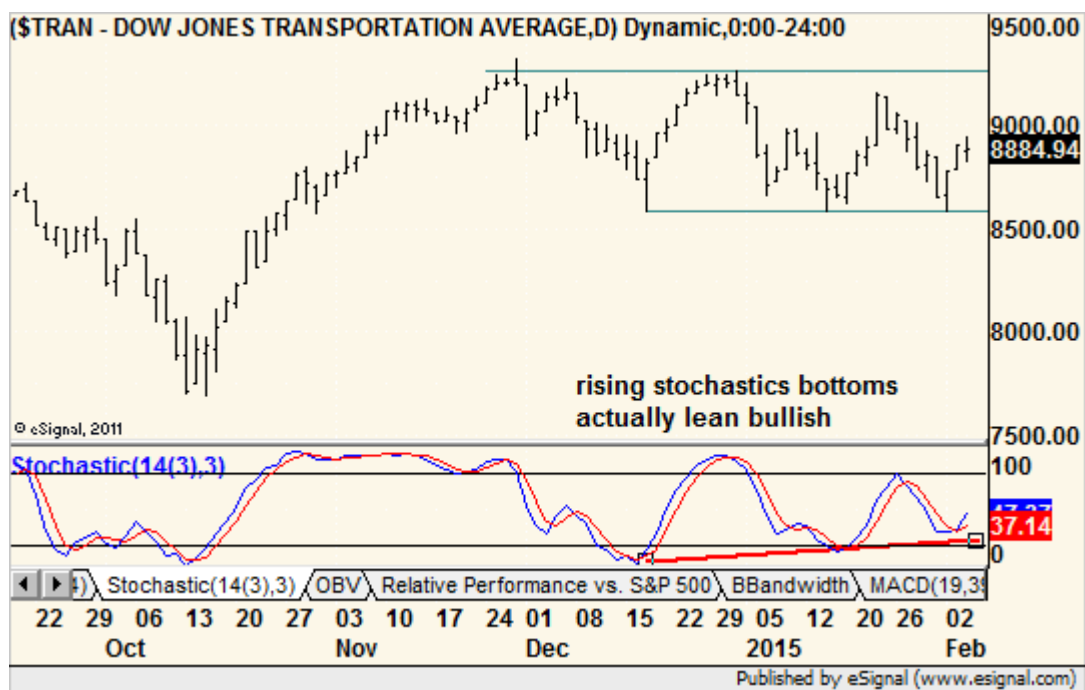
Do we watch the red triangle line or the green line that matches the **SPY** hourly chart above? We lean towards the red.



Again, here is your leader - the midcaps. Waiting for the breakout.



Nasdaq in a triangle (pennant).



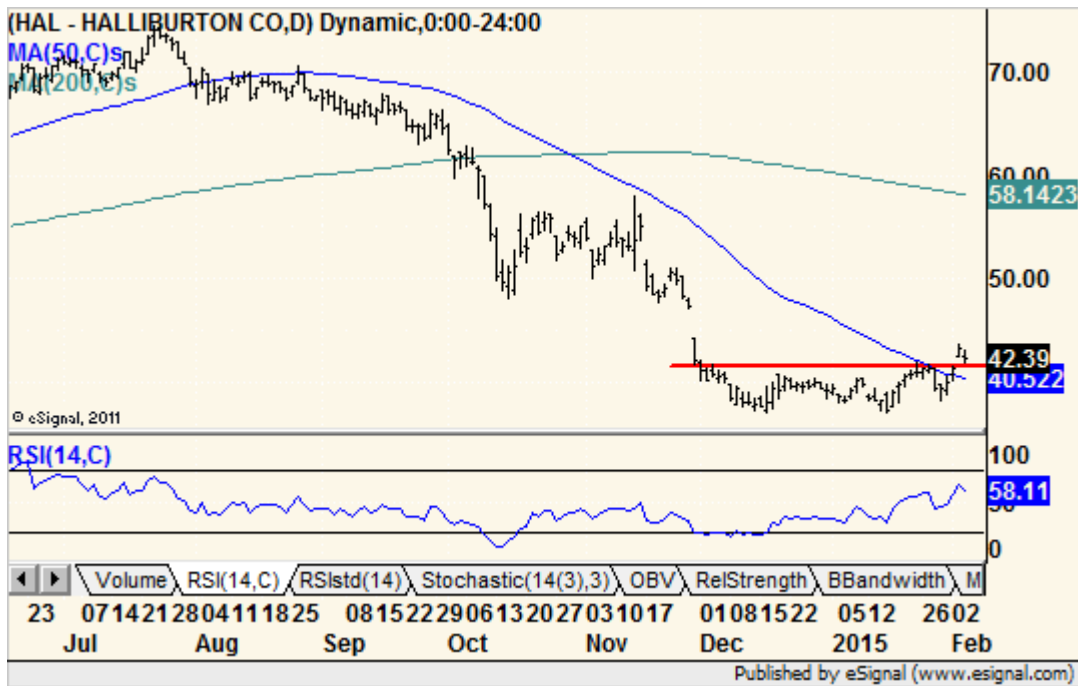
Transports still in a range, too.

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		
Gold ETF GLD – Breakout now tested. Buy resumption of the trend at 123.00 .	Changed	2/3
Italy ETF EWI - We prefer to analyze home markets as the charts are better but we will operate in the US via ETFs. Italy has a trend break, 200-day average break, a pause and then another breakout. We will take advantage of today's dip and buy the ETF at the open.	Triggered	2/4
HR Block HRB – Here is another fuzzy setup due to the rising resistance line. We like the pause at the line and rising on-balance volume. Wednesday saw a doji, which we don't like but it is bid higher this morning. Still, in a strong market we will go for it.	Changed	2/4
Halliburton HAL – Oils services are not the strongest energy stocks but this one seems to be coming out of a small base. It's already above its 50-day average. Worth a shot.	New	2/5
Barrick Gold ABX – This was a free chart of the day Tuesday but we'll make it official now. Buy breakout with a close over 13.25.	New	2/5
Bearish Implications		
Hilton HLT – Breakout failure for this hotel. Note falling on-balance volume. We'll sell a bounce to resistance to 26.75	Triggered	2/2
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Mondelez MDLZ – Kraft spinoff and Oreo cookie maker now sitting on critical support. Worth a short as we can argue it broke down Wednesday. We'll wait for a small bounce possibly to 36.75. <u>May have missed this trigger.</u>		1/29
Green Mountain Keurig GMCR – Our timidity to wait for a bigger bounce meant we did not short it ahead of its <u>gigantic decline</u> . This is our White Whale of the month	Removed	1/29
Marriott MAR – Volume and momentum indicators are flat for this hotel so we wait for the break one way or the other.		2/2
Coach COH – This luxury retailer is getting a lot of chatter and it does have a base in progress, albeit with a sloppy “handle” over the past month. Note the relative performance chart is close to a breakout, too. Hard to quantify it but we'll watch for signs to buy.		2/4
Sector Watch (observations that may spark ideas)		
Tobacco index –TOB still in rising trend		1/5
Banks –Down trend even with this week's gains		1/12
Healthcare ETF XLV – Now holding in a range but falling on-balance volume		1/15
Updates		
none –		

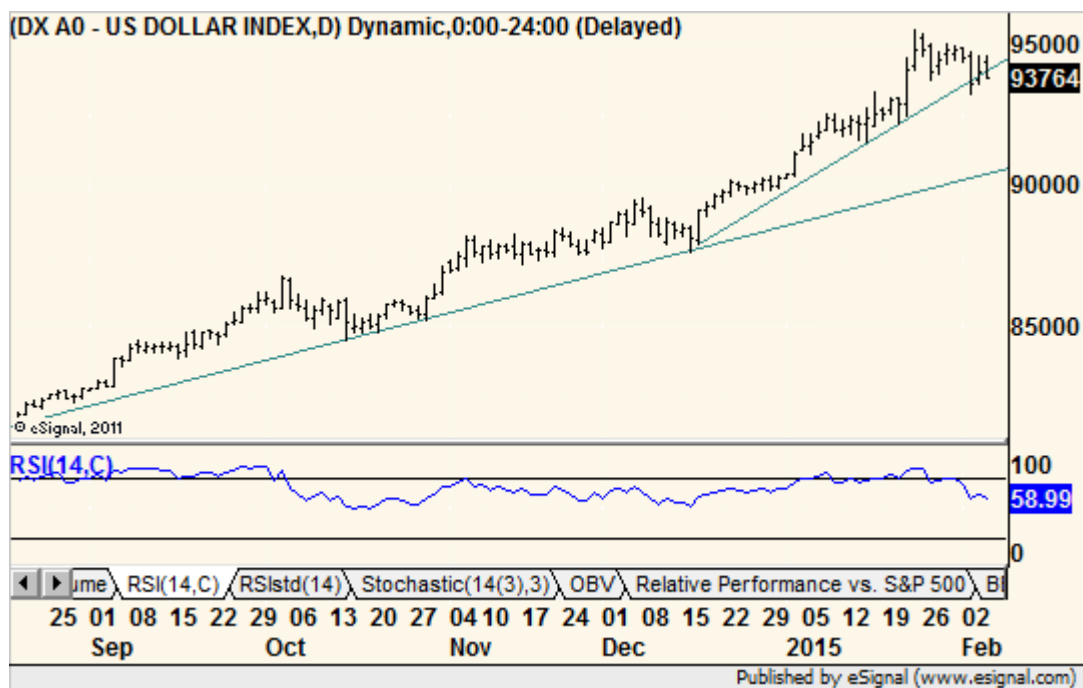
Market Highlights



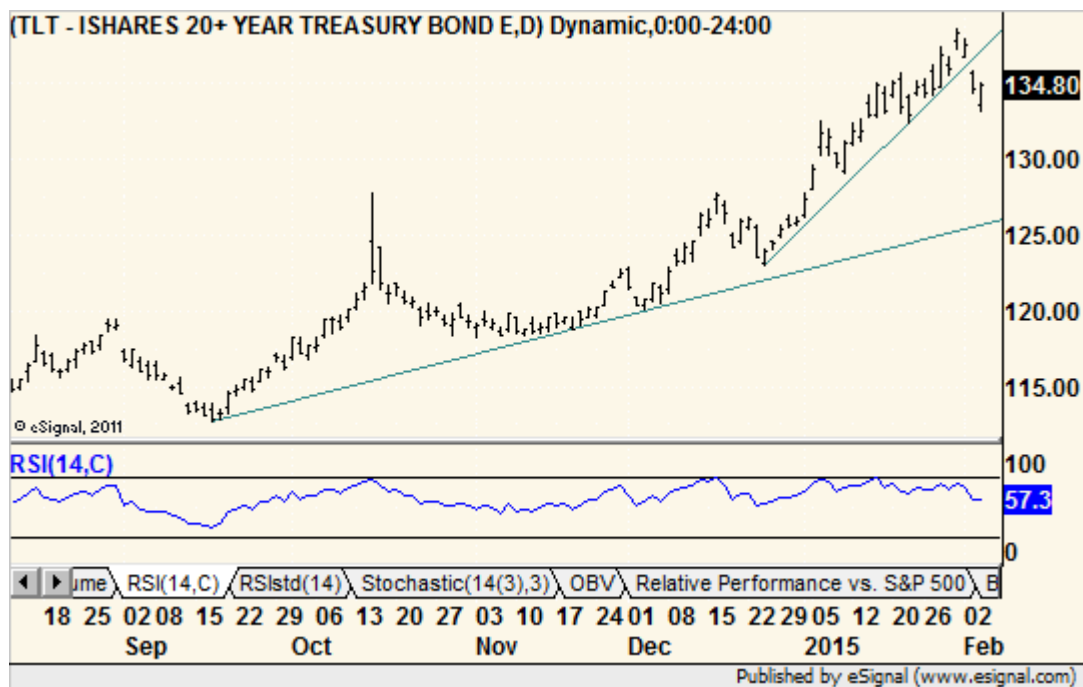
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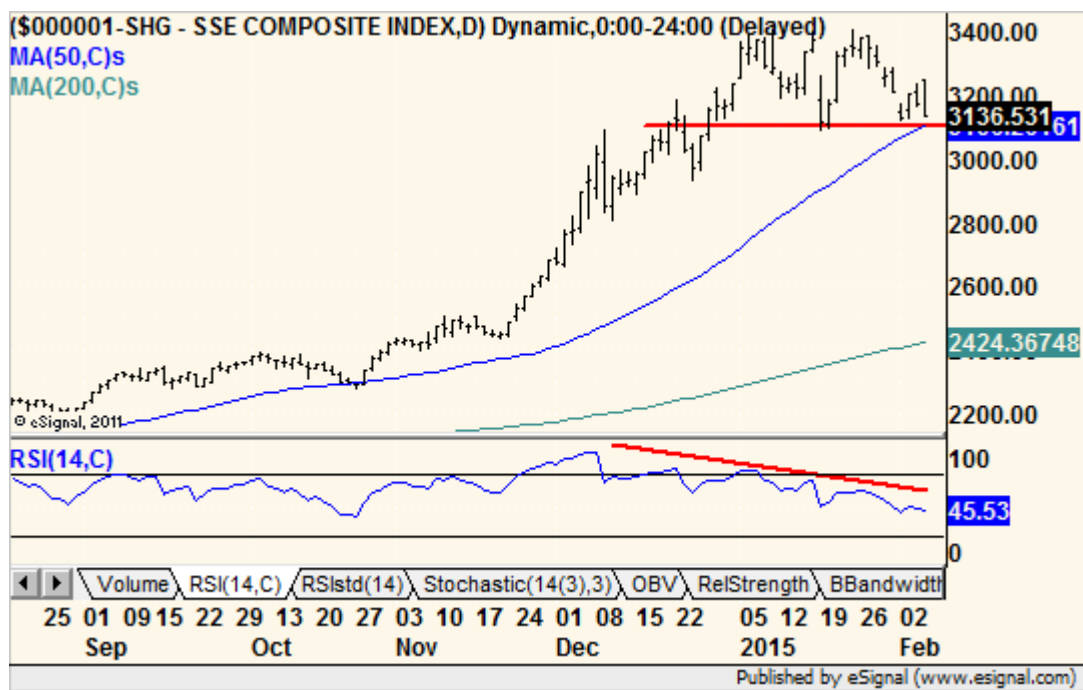
Barrick Gold – This was a free chart of the day Tuesday but we’ll make it official now. Buy breakout with a close over 13.25.



US dollar index – Nice consolidation to the short-term trendline. We’ll have to revise it to capture recent lows but the point is that it now has to decide to resume the rally or head down to the longer-term line.



Long T-bone ETF – Looks like it is already on its way to a shallower trendline.



China – Looks to be poised for the breakdown after the bearish engulfing action Thursday.

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>	NOC	NORTHROP GRUMMAN CORP	161.84	11.6%	156.00	145.05	1/7	28
	LO	LORILLARD INC	66.15	2.6%	64.00	64.46	1/13	22
	CAT	CATERPILLAR INC DEL	81.95	2.8%	80.00	79.74	1/27	8
	TOT	TOTAL S A	54.07	1.5%	52.50	53.25	2/2	2
	EWI	ISHARES MSCI ITALY CAPPED ETF	13.99	-1.2%	13.50	14.16	2/2	2
<u>Short</u>	HIG	HARTFORD FINL SVCS GROUP INC	39.75	0.1%	40.50	39.79	1/14	21
	V	VISA INC	264.89	-3.5%		250.99	1/27	8
	CSCO	CISCO SYS INC	26.69	0.7%	27.75	26.88	1/30	5
	BRK.B	BERKSHIRE HATHAWAY INC DEL	147.53	-1.3%	150.00	145.57	1/30	5
	HLT	HILTON WORLDWIDE HLDGS INC	26.33	1.6%	27.50	26.75	1/30	5

Notes: Stopped out of short in **V**, which reversed days ago.

New long in **EWI**, which dipped at the open (good) but fell as Greece news hit Europe. Rebounding today.

New short in **HLT** as it bounced to our trigger.

Missed selling **GMCR** as it did not bounce to our trigger before collapsing after hours on earnings. %#@\$

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

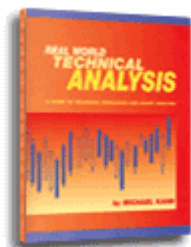
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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