

# QUICK TAKES PRO

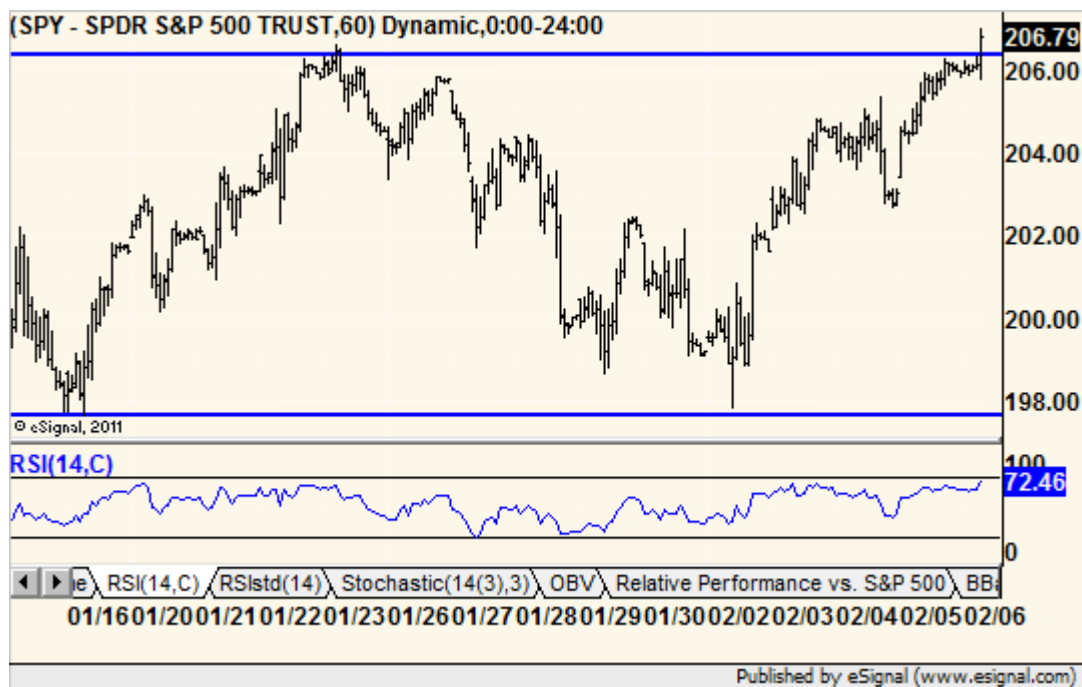
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

**February 6, 2015** – It was oil and (most) earnings that boosted stocks Thursday. Technically, we now have an upside breakout in place and we've got more long stock ideas than we've had in quite a while. Financials are coming back. Energy is our favorite with gold behind it. And even with a rising dollar, it is a risk-on type of market.

Bonds already broke a steep trendline to the downside and the jobs report pushed them lower this morning. It is indeed correction time but keep the time frame – short-term – in mind.

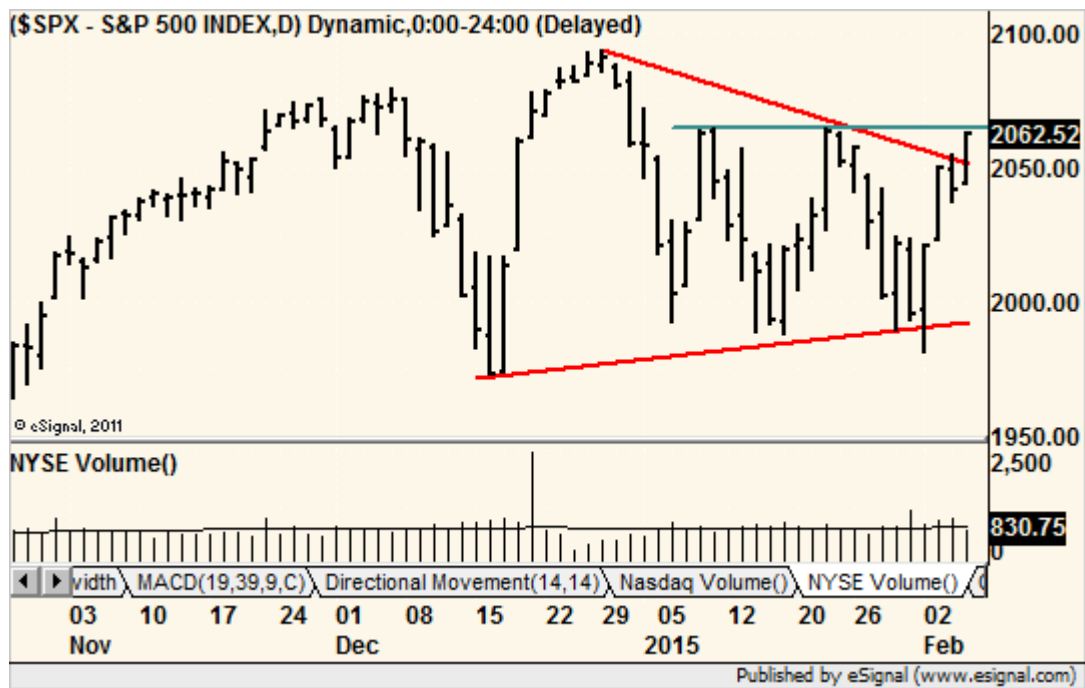
It is interesting that copper, aluminum, steel, chemicals and coal led the way yesterday. They are still in downtrends so don't get too excited. Also, they tell us about the economy, not the market.



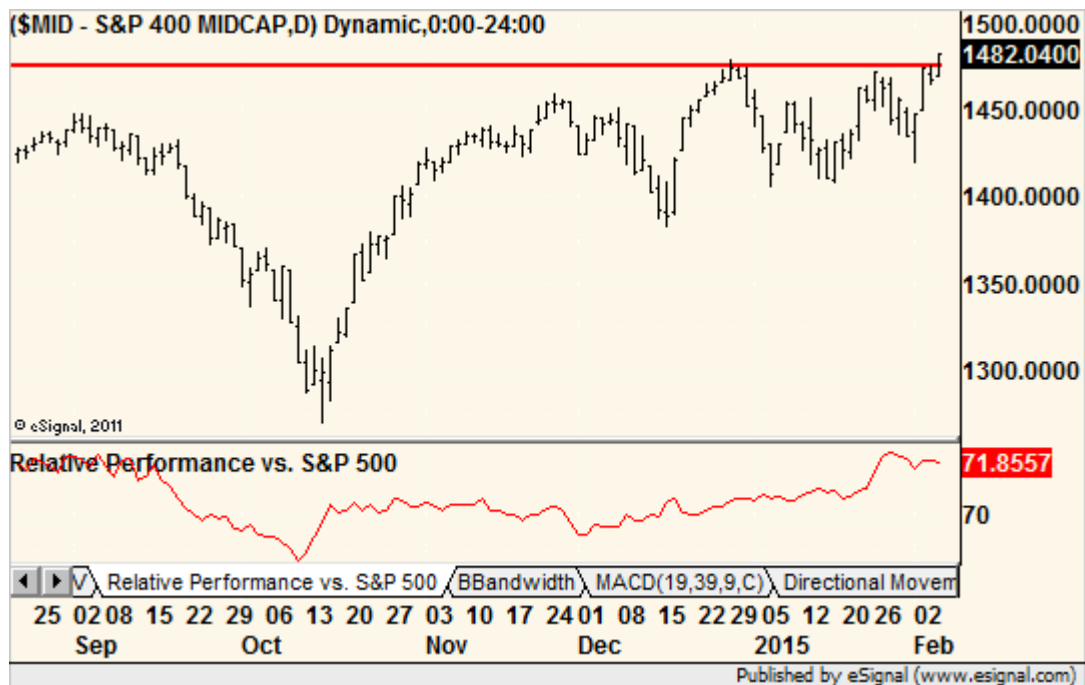
The jobs report sparked the breakout on the hourly chart. Let's see if it holds.

That's it for the comments. We've said all that needs to be said and we promised long ago not to pad this missive with filler.

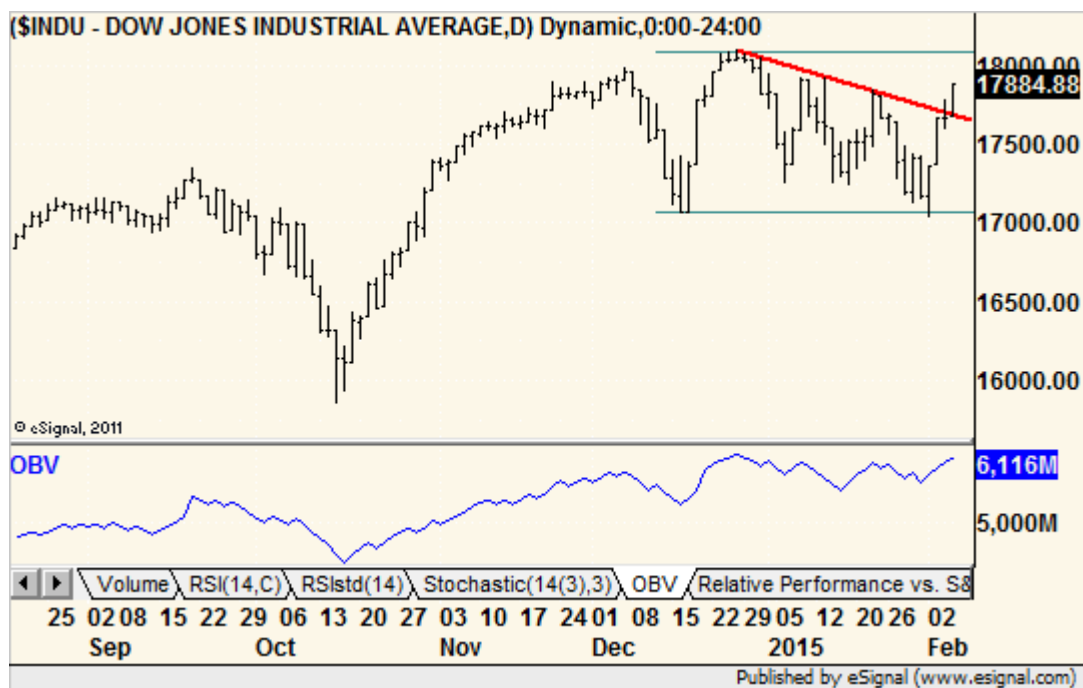
## Index Charts of the Day



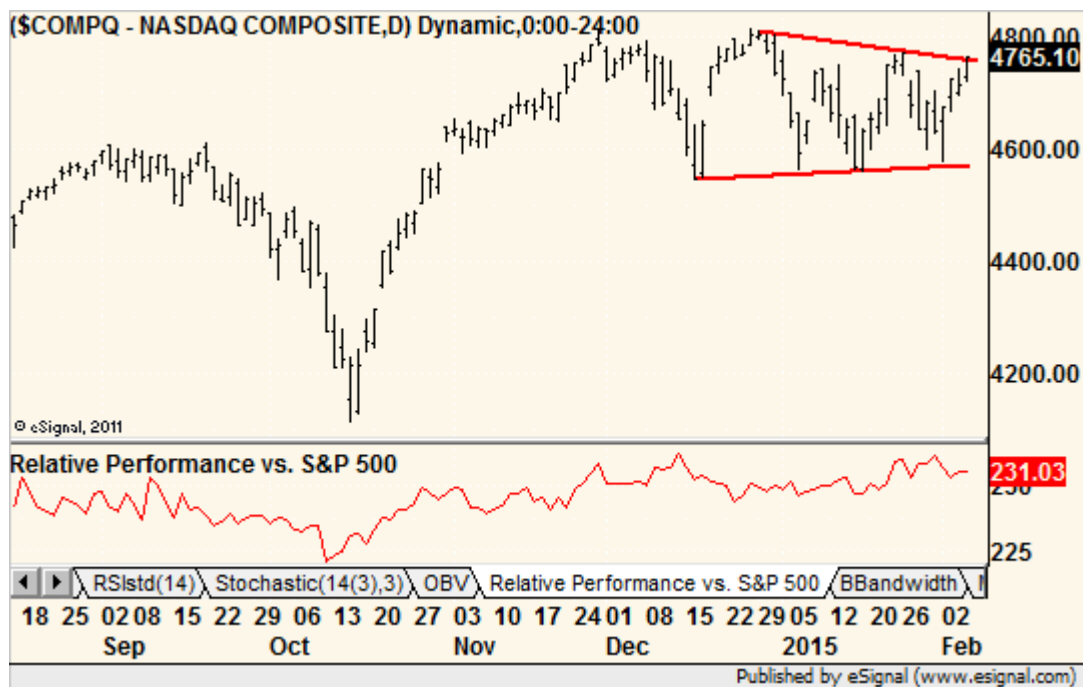
It sure looks like a breakout but with volume that low and resistance already in play it was shaky – that is until this morning’s jobs report. It looks as if the S&P 500 wants to hit a new high.



The Midcaps make a new all-time high on the breakout. **This is your leader**



The Dow did telegraph the move with flat, not falling, on-balance volume. Here comes 18K but that is not exactly a bold call.



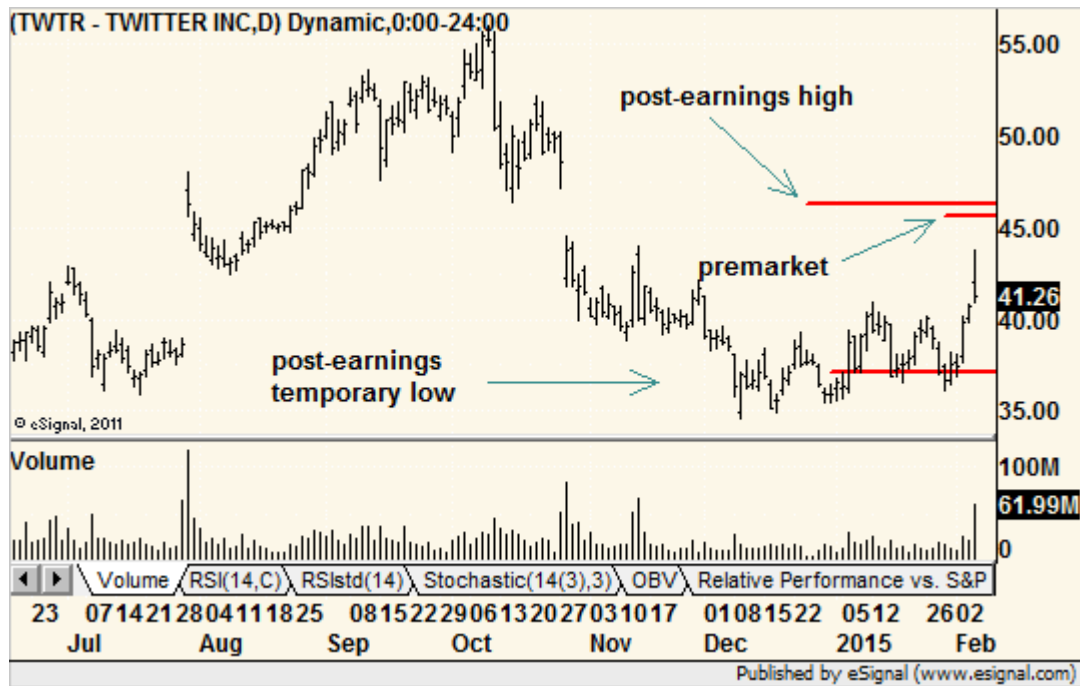
Nazzie is not leading, likely due to its cap-weighting. We think it is a mid-cap market.

## The Radar Screen

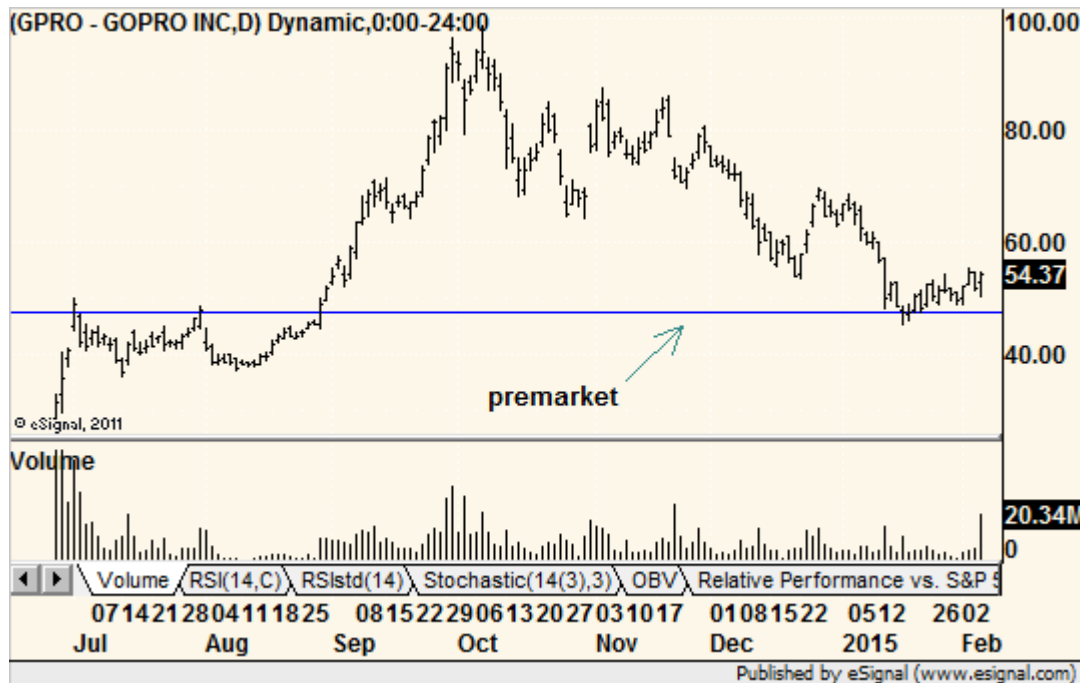
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>Gold ETF GLD</b> – Breakout now tested. Buy resumption of the trend at <b>122.50</b> .	<b>Changed</b>	2/3
<b>HR Block HRB</b> – 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.	<b>Triggered</b>	2/4
<b>Halliburton HAL</b> – 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.	<b>Triggered</b>	2/5
<b>Barrick Gold ABX</b> – This was a free chart of the day Tuesday but we'll make it official now. Buy breakout with a <b>move</b> over 13.25 (removing "on close")	<b>Changed</b>	2/5
<b>Pacific Sunwear PSUN</b> – Who does not like a comeback story? This stock is in a nice pennant formation with rising on-balance volume. If retail breaks out this one should offer a nice return. Buy 2.95.	<b>New</b>	2/6
<b>Wal-Mart WMT</b> – We saw a trend break and test on the downside but it reversed to the upside Monday and now threatens an upside break. On-balance volume not only stayed flat but is close to a new high already. Buy the breakout with a close over 87.50.	<b>New</b>	2/6
<b>Bearish Implications</b>		
<b>none</b> -		
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Mondelez MDLZ</b> – Kraft spinoff and Oreo cookie maker now sitting on critical support. Setup <u>getting fuzzy and too far away</u>	<b>Removed</b>	1/29
<b>Marriott MAR</b> – Volume and momentum indicators are flat for this hotel so we wait for the break one way or the other.		2/2
<b>Coach COH</b> – 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
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Tobacco index –TOB</b> still in rising trend		1/5
<b>Banks</b> – See below. Conditions changing	<b>Changed</b>	1/12
<b>Healthcare ETF XLV</b> – Now holding in a range but falling on-balance volume		1/15
<b>Retail</b> – On the verge of a breakout.	<b>New</b>	2/6
<b>Updates</b>		
<b>China</b> – Double top breakdown		

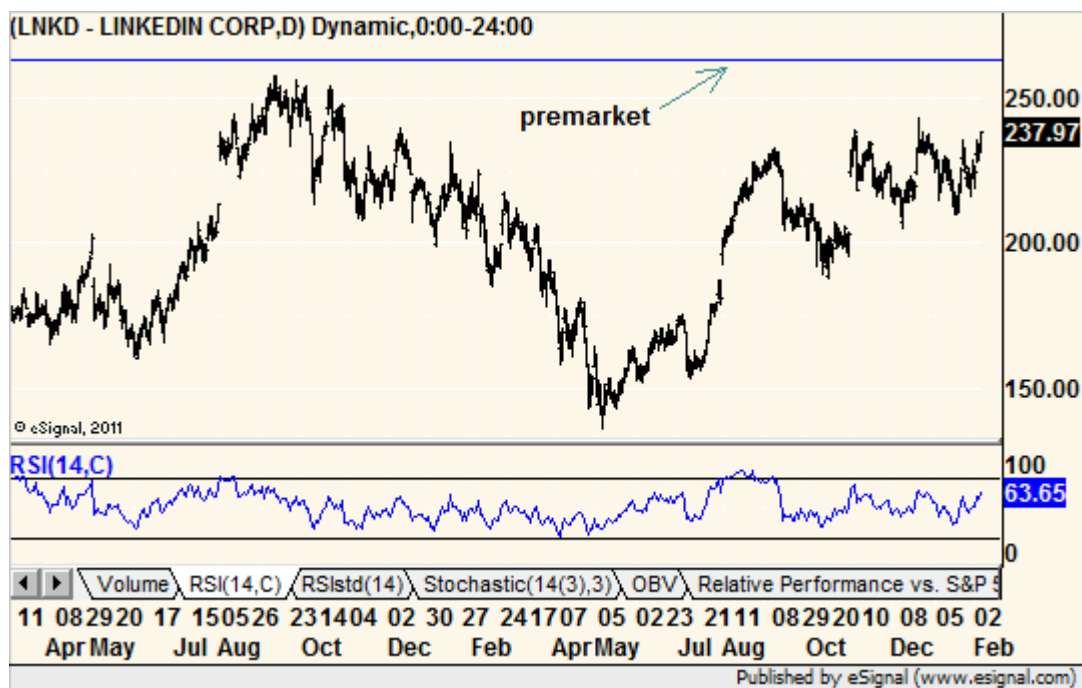
## Market Highlights



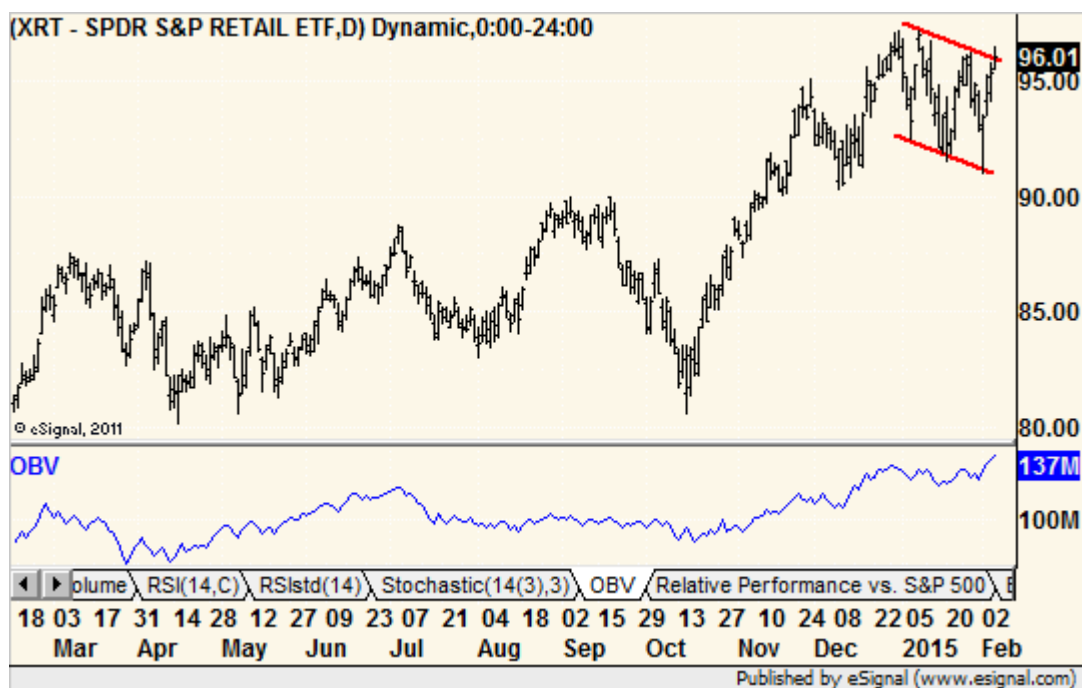
**Twitter** – Not touching this manic stock. And if we owned it we might take advantage of the pop to sell. After all, it is already at resistance from the October gap.



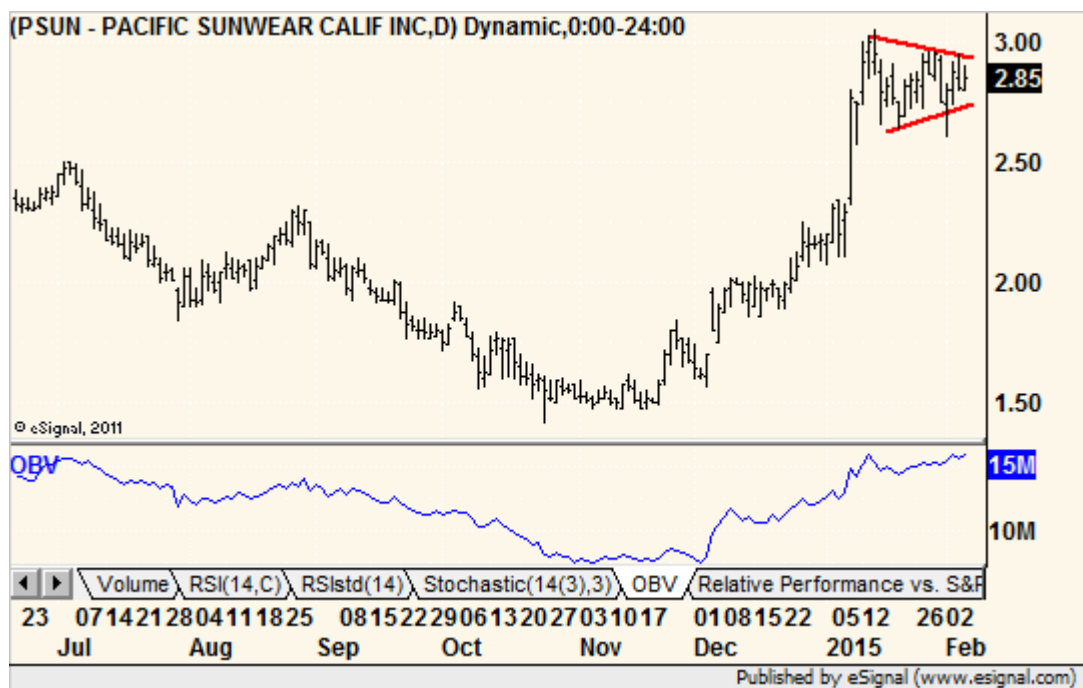
**GoPro** – It stopped 12% on earnings but is trading at a nice support. Speculative but not dead.



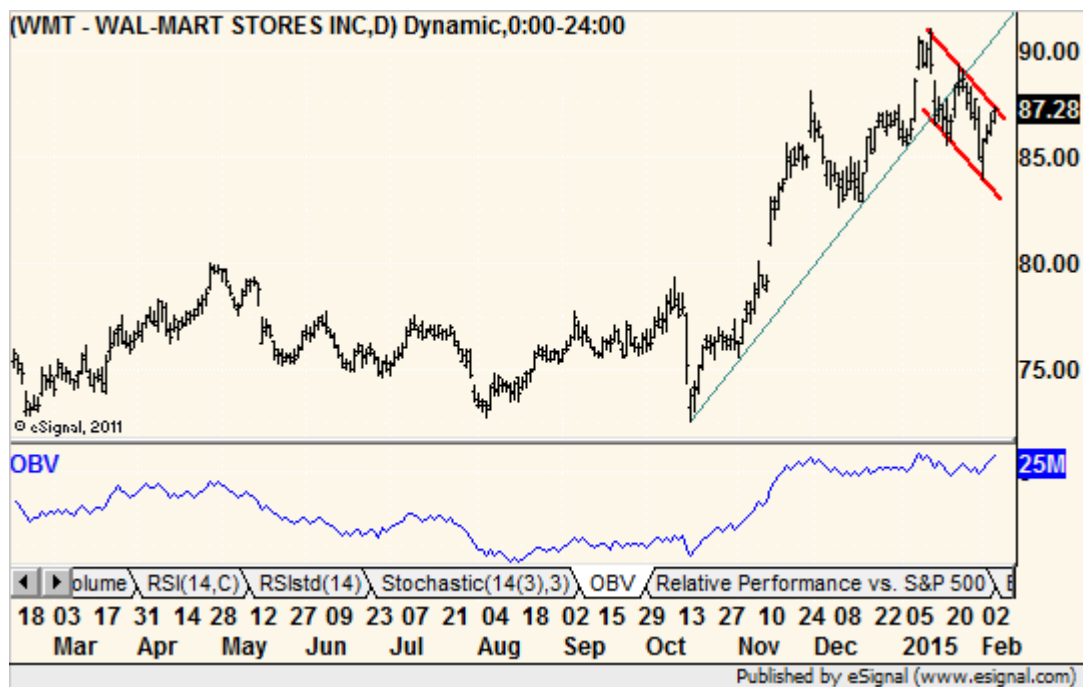
**LinkedIn** – Jumped to an all-time high after earnings. Take the gift.



**Retail ETF** – Arguable breakout from a flag. Note new high in on-balance volume already. Two-pager on on-balance volume, [click here](#) (new subscribers, it's included in the service).



**Pacific Sunwear** – Who does not like a comeback story? This stock is in a nice pennant formation with rising on-balance volume. If retail breaks out this one should offer a nice return. Buy 2.95.



**Wal-Mart** – We saw a trend break and test on the downside but it reversed to the upside Monday and now threatens an upside break. On-balance volume not only stayed flat but is close to a new high already. Buy the breakout with a close over 87.50.

## 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>	<b>NOC</b>	NORTHROP GRUMMAN CORP	163.03	12.4%	156.00	145.05	1/7	29
	<b>LO</b>	LORILLARD INC	66.52	3.2%	64.00	64.46	1/13	23
	<b>CAT</b>	CATERPILLAR INC DEL	83.57	4.8%	80.00	79.74	1/27	9
	<b>TOT</b>	TOTAL S A	54.81	2.9%	52.50	53.25	2/2	3
	<b>EWI</b>	ISHARES MSCI ITALY CAPPED ETF	14.19	0.2%	13.50	14.16	2/2	3
	<b>HRB</b>	BLOCK H & R INC	35.64	2.1%	34.00	34.91	2/5	0
	<b>HAL</b>	HALLIBURTON CO	43.35	0.9%	41.25	42.97	2/5	0
<u>Short</u>	<b>HIG</b>	HARTFORD FINL SVCS GROUP INC	40.01	-0.5%	40.50	39.79	1/14	22
	<b>CSCO</b>	CISCO SYS INC	27.26	-1.4%	27.75	26.88	1/30	6
	<b>BRK.B</b>	BERKSHIRE HATHAWAY INC DEL	149.67	-2.7%	150.00	145.57	1/30	6
	<b>HLT</b>	HILTON WORLDWIDE HLDGS INC	26.87	-0.4%	27.50	26.75	1/30	6

**Notes:** Two new longs at the open yesterday - **HRB** and **HAL**.

We'd cover the short in **CSCO** but the stop is only pennies away. All other shorts look to be in trouble but not enough to cover right away. The market has broken out to the upside although it could use a rest.

## Subscriber Corner

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

Note to Kathy – The four horsemen are the key sectors we watch to get a read on things. They are the financials (sometimes narrowed to banks), tech (sometimes narrowed to semiconductors), retail and homebuilding.

ETFs as follows:

**XLF** (sometimes **BKX** index)

**XLK** (sometimes **SOX** index)

**XRT**

**ITB**



## 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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