

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

February 9 2015 – It's a rather nasty start to the work week in the NY area as black ice is everywhere. That could keep traders away so beware sharp moves on low volume. Boston, you have our sympathies for yet another Monday snow storm measured in feet.

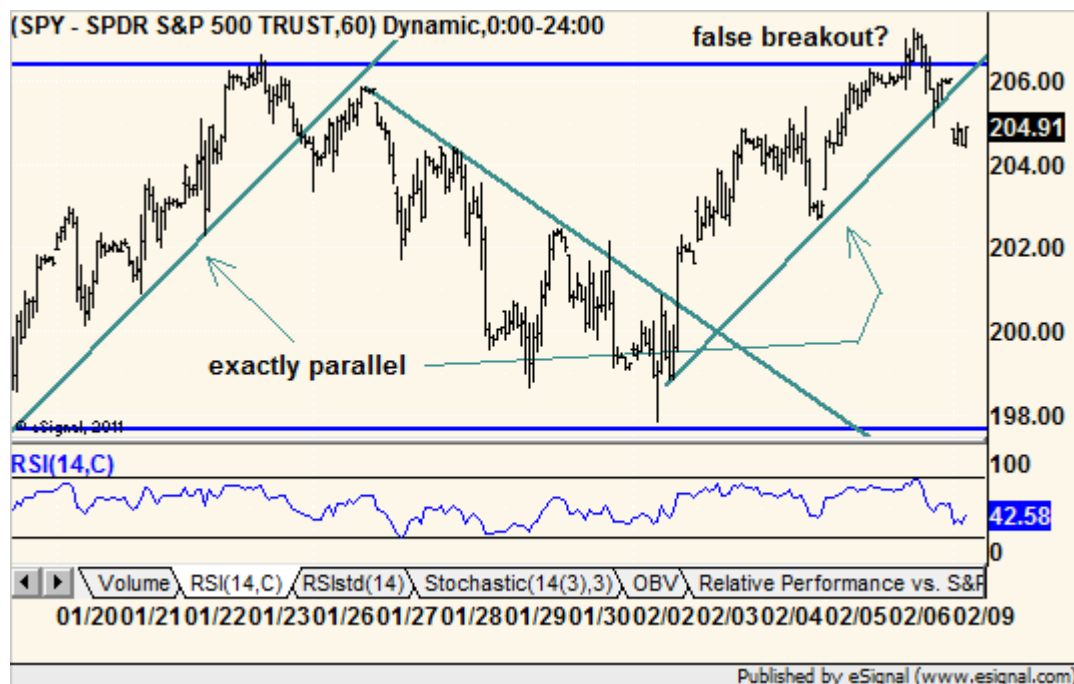
Friday's trading started out nicely as a continuation of Thursday's upside breakout on renewed fears in Greece on a ratings downgrade. The strong jobs report was initially cheered but later in the day when things settled in the market realized it was an excuse for the Fed to raise rates sooner. Thus spoke a Fed official.

Actually, utilities and REITs fell from the get-go as the real interest rate sensitive canaries so we are not going to blame Greece despite the market recaps saying we should.

It looks as if the breakout will fail with this morning's renewed selling, this time blamed on Chinese economic growth. How about this? The market is still in a trading range and now it is time for a cycle lower within it.

The dollar soared Friday on jobs and may be on the verge of breaking its bull flag to the upside. That killed gold as the **GLD** ETF fell back below its breakout level. It is still an acceptable violation of the breakout but gold needs to get going right away or the pattern fails.

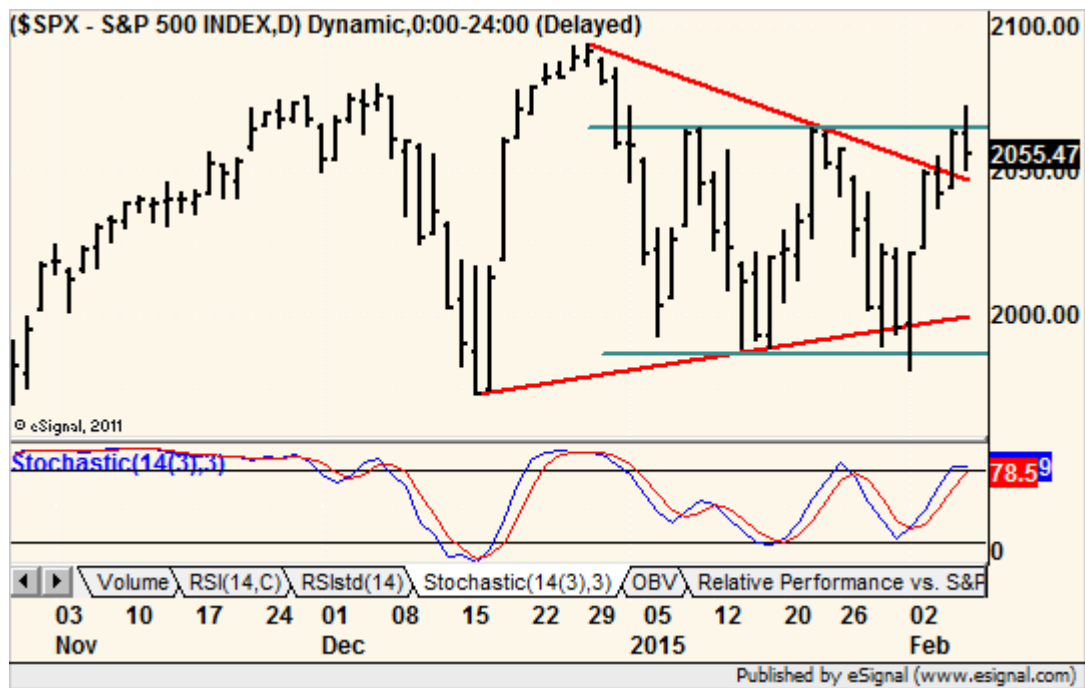
And oil remains in rebound mode as gasoline at the pump climbed again over the weekend. It is amazing how people now complain gas went up to 2.25 or whatever from 1.90. Think back two months and 2.25 would have been awesome. We still like the sector.



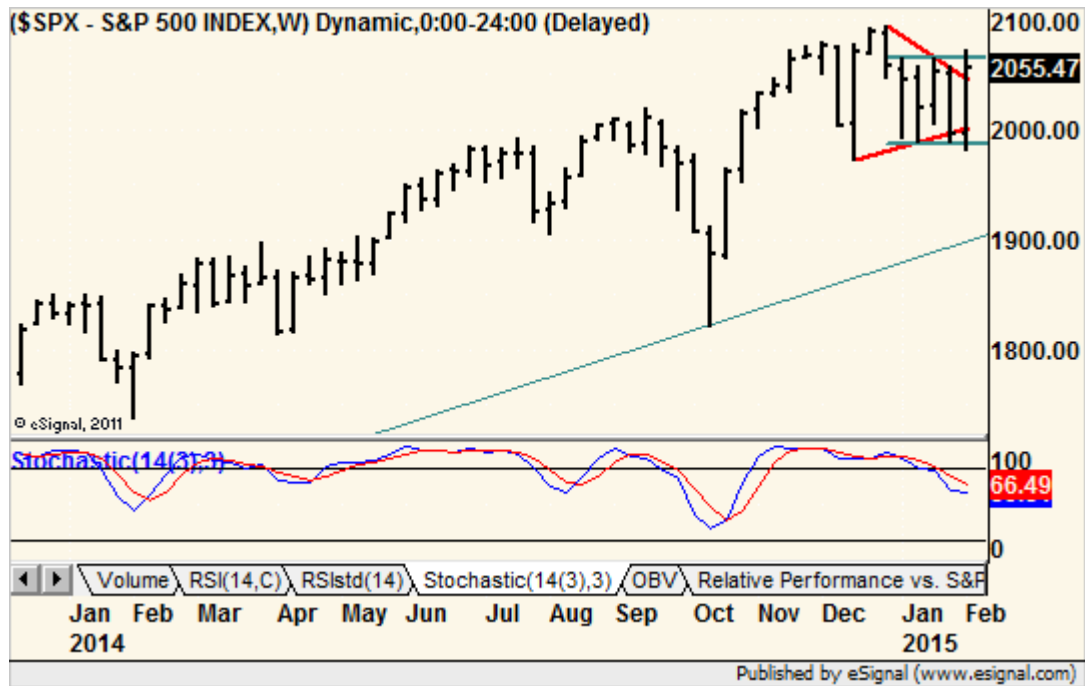
The hourly chart once again shows a trend break as well as the breakout failure. We'd say this is big enough to be a failure although anything goes on a Monday.

So we are back to the trading range outlook with a negative bias.

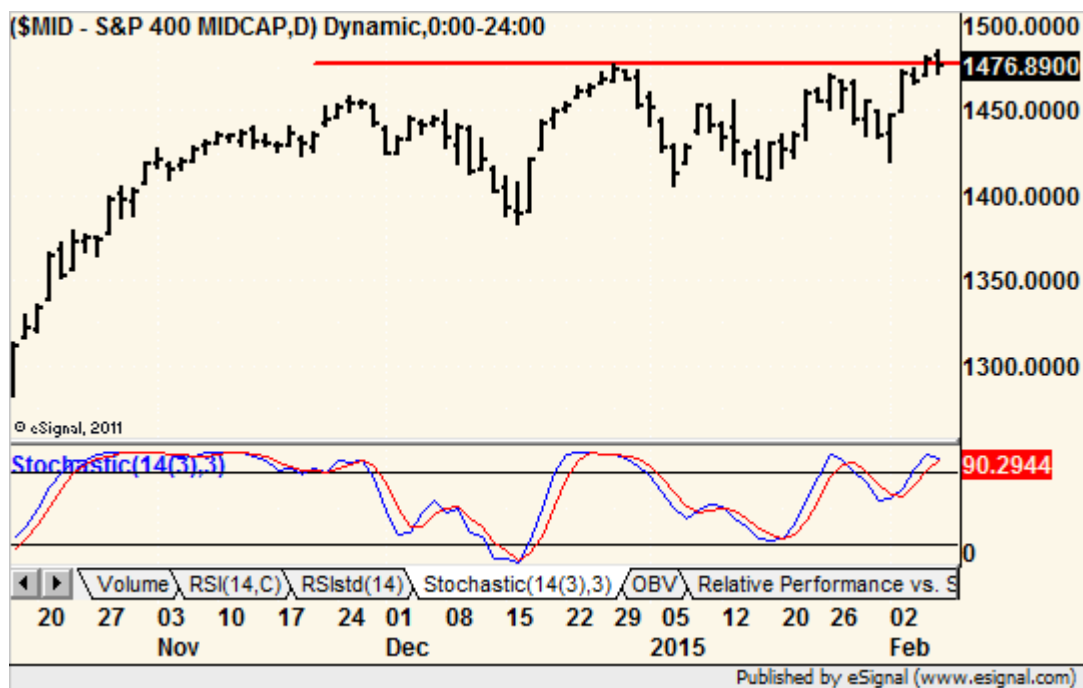
Index Charts of the Day



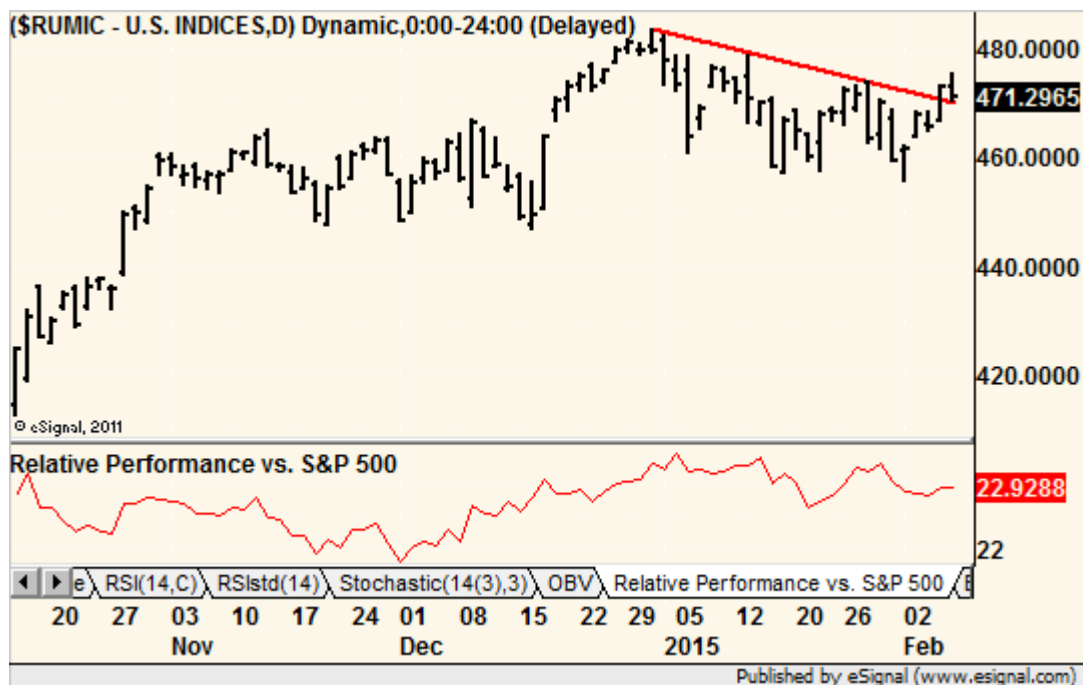
Green or red? We thought red before the open Friday but now it's green. See next chart...



Just a reminder on where the long-term trendline is.



The midcaps are still leading and have not really dipped below the line yet. That should change at the open but unless today is a rout this chart is still positive.



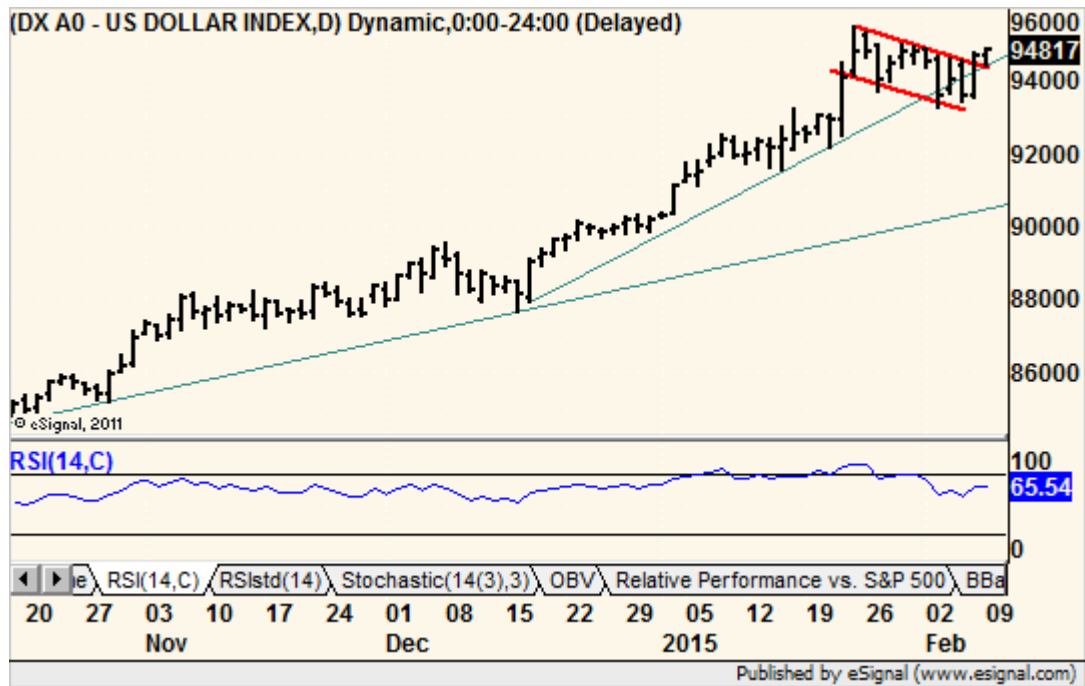
Microcaps are not leading but the chart is not bad.

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 122.50.		2/3
Barrick Gold ABX – This was a free chart of the day Tuesday but we'll make it official now. Buy breakout with a move over 13.25 (removing "on close")		2/5
Pacific Sunwear PSUN – 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.		2/6
Wal-Mart WMT – We saw a trend break 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.		2/6
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Marriott MAR – Volume and momentum indicators are flat for this hotel so we wait for the break one way or the other. <u>Looks to be heading south but we're not selling yet</u>		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 –still in rising trend		1/5
Banks – See below. Conditions changing		1/12
Healthcare ETF XLV – Now holding in a range but falling on-balance volume		1/15
Retail – On the verge of a breakout.		2/6
Updates		
none -		

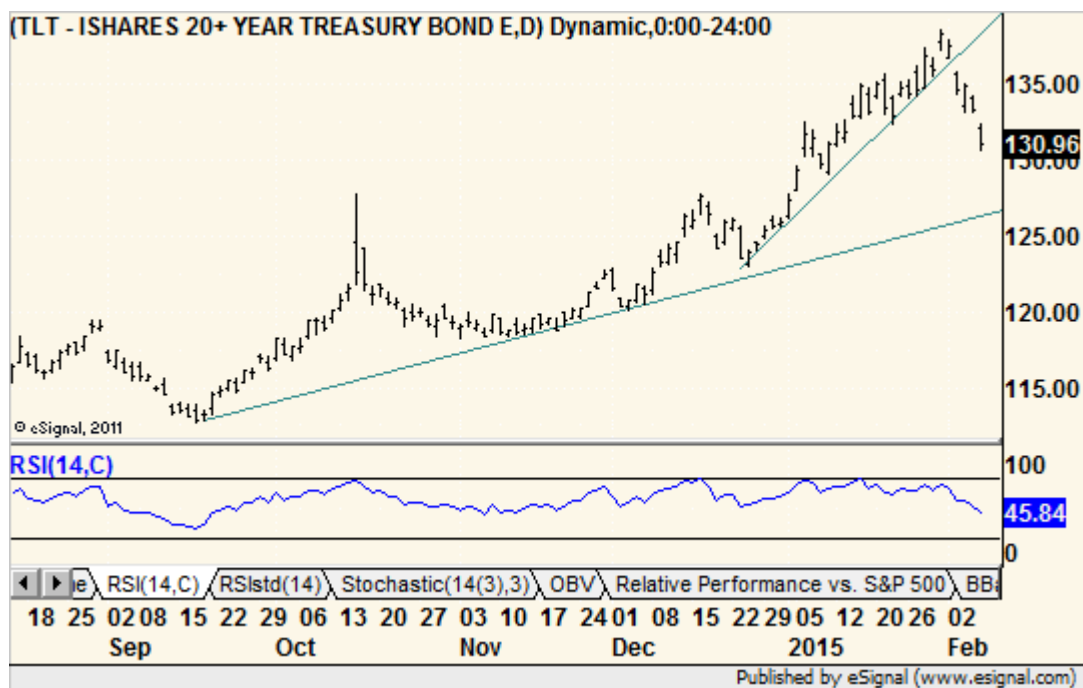
Market Highlights



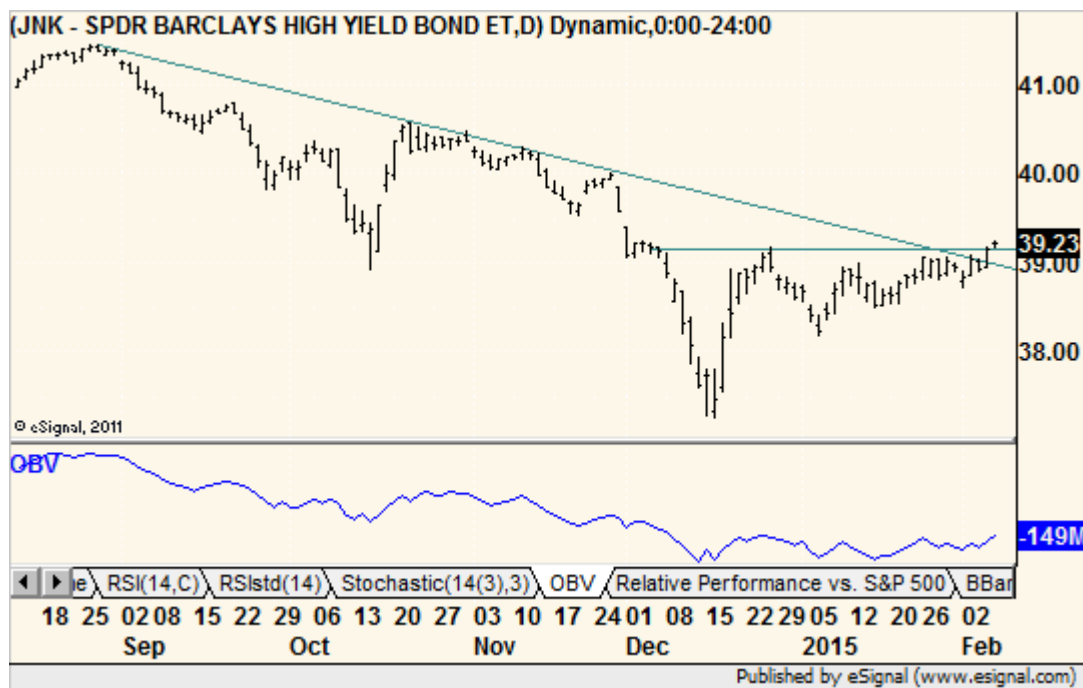
US dollar index – Tentative breakout.



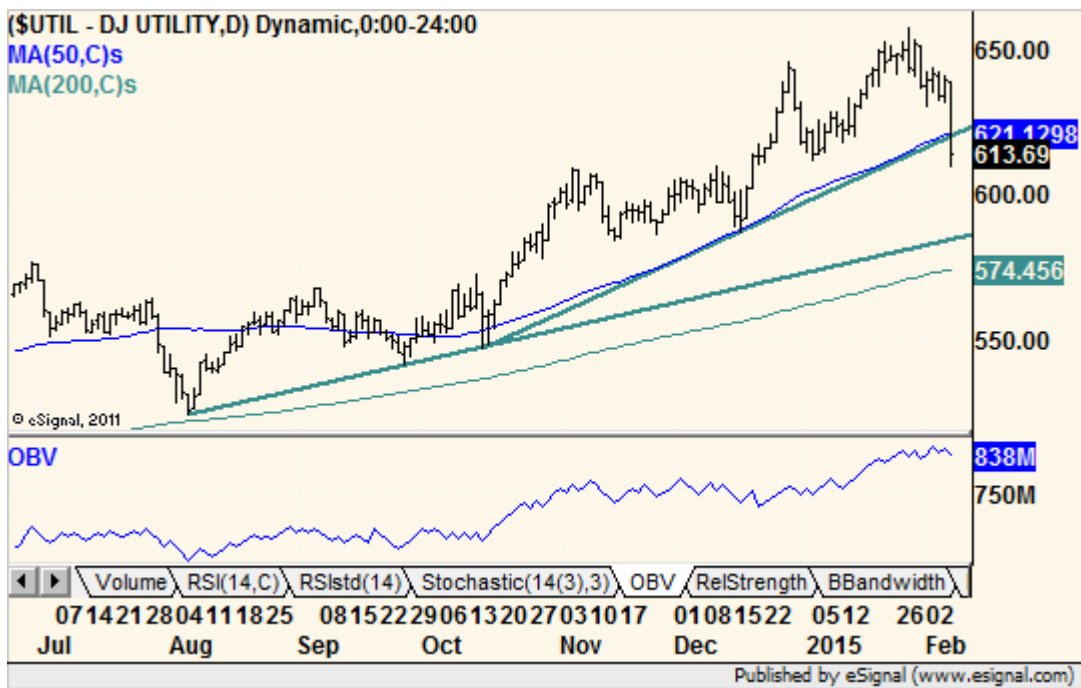
Gold ETF – So far, just an acceptable test of the inverted H/S breakout. However, it does not have much more room for error.



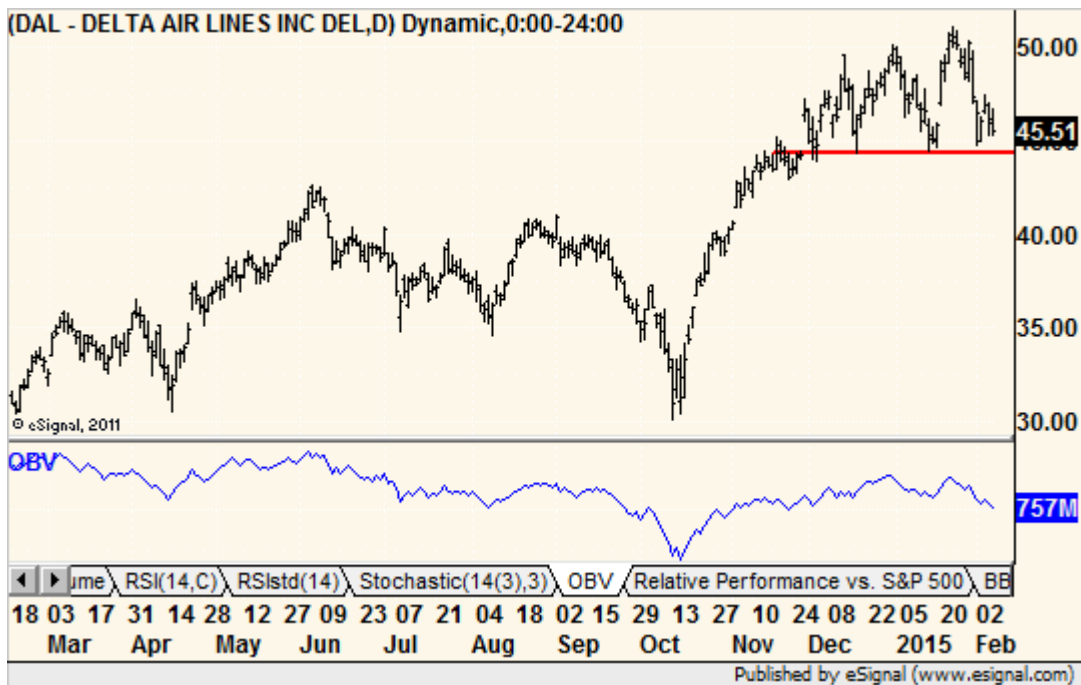
Bonds ETF – Bouncing this morning but still in a correction.



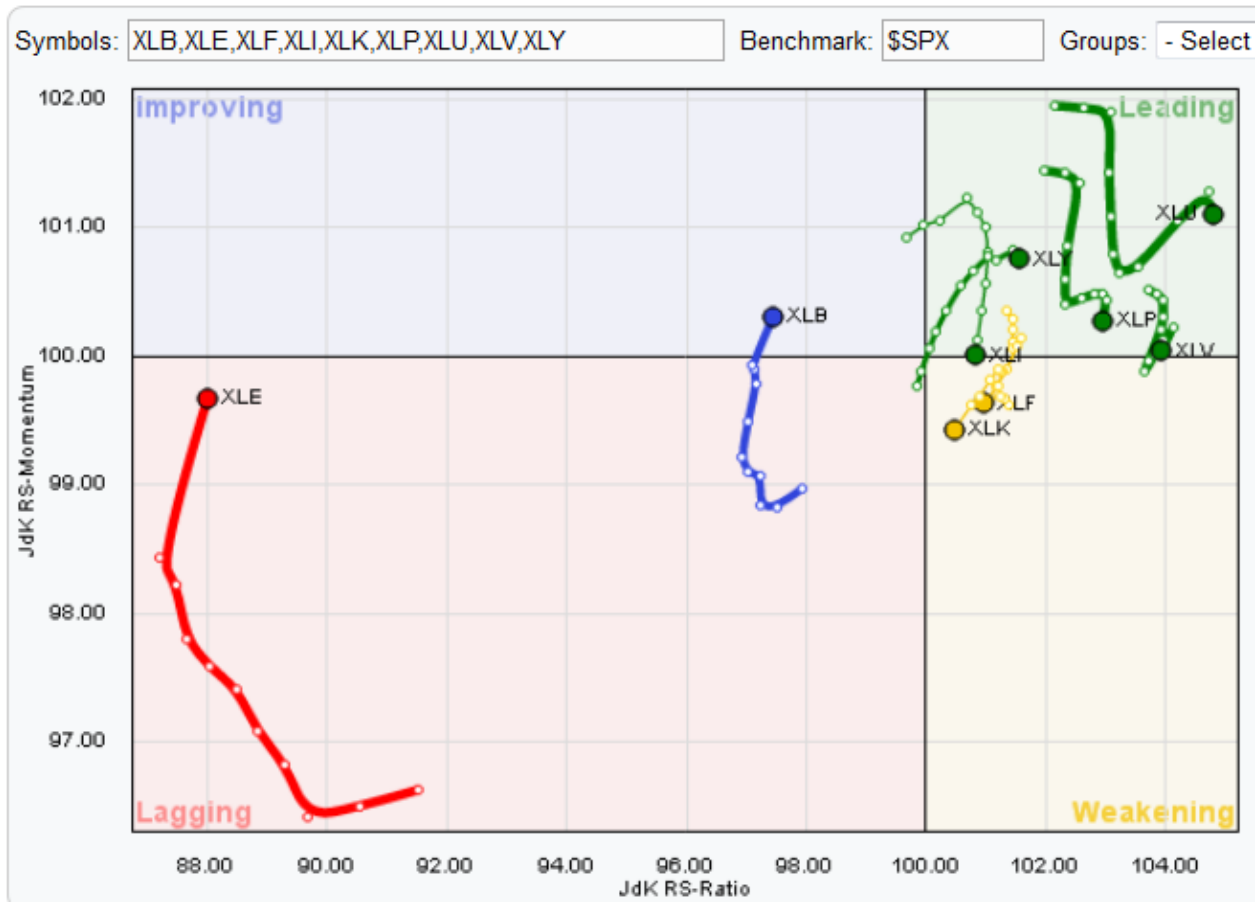
Junk bond ETF – Still supporting stocks with this small breakout. Flat on-balance volume makes it shaky but still real



Dow Utilities – The chart looks like Treasury bonds but on-balance volume is still quite good. Perhaps a good time to look for cheap utility stocks to buy, or at least buy soon.



Delta Airlines – Looks like the party is over in this sector. Needs a support break to sell. 44.50 as drawn



Relative Ratio Graph – From Stockcharts.com. This shows the natural resource stuff gaining favor and tech, finance and industrials losing 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>	NOC	NORTHROP GRUMMAN CORP	162.24	11.9%	156.00	145.05	1/7	32
	LO	LORILLARD INC	66.03	2.4%	64.00	64.46	1/13	26
	CAT	CATERPILLAR INC DEL	83.21	4.4%	80.00	79.74	1/27	12
	TOT	TOTAL S A	53.67	0.8%	52.50	53.25	2/2	6
	EWI	ISHARES MSCI ITALY CAPPED ETF	13.85	-2.2%	13.50	14.16	2/2	6
	HRB	BLOCK H & R INC	35.38	1.3%	34.00	34.91	2/5	3
	HAL	HALLIBURTON CO	43.36	0.9%	41.25	42.97	2/5	3
<u>Short</u>	HIG	HARTFORD FINL SVCS GROUP INC	40.50	-1.8%		39.79	1/14	25
	CSCO	CISCO SYS INC	27.24	-1.3%	27.75	26.88	1/30	9
	BRK.B	BERKSHIRE HATHAWAY INC DEL	150.00	-3.0%		145.57	1/30	9
	HLT	HILTON WORLDWIDE HLDGS INC	26.36	1.5%	27.50	26.75	1/30	9

Notes: We feel a little screwed as two shorts jumped up to stop out in the morning before the market fell.

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.



24/7 Website archive – <http://www.quicktakespro.com/archive> (password needed)

Customer Support - <http://www.quicktakespro.com/support.html>

Recommended reading - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

Refer a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we'll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>



<http://www.talkmarkets.com/contributor/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2015