

QUICK TAKES PRO

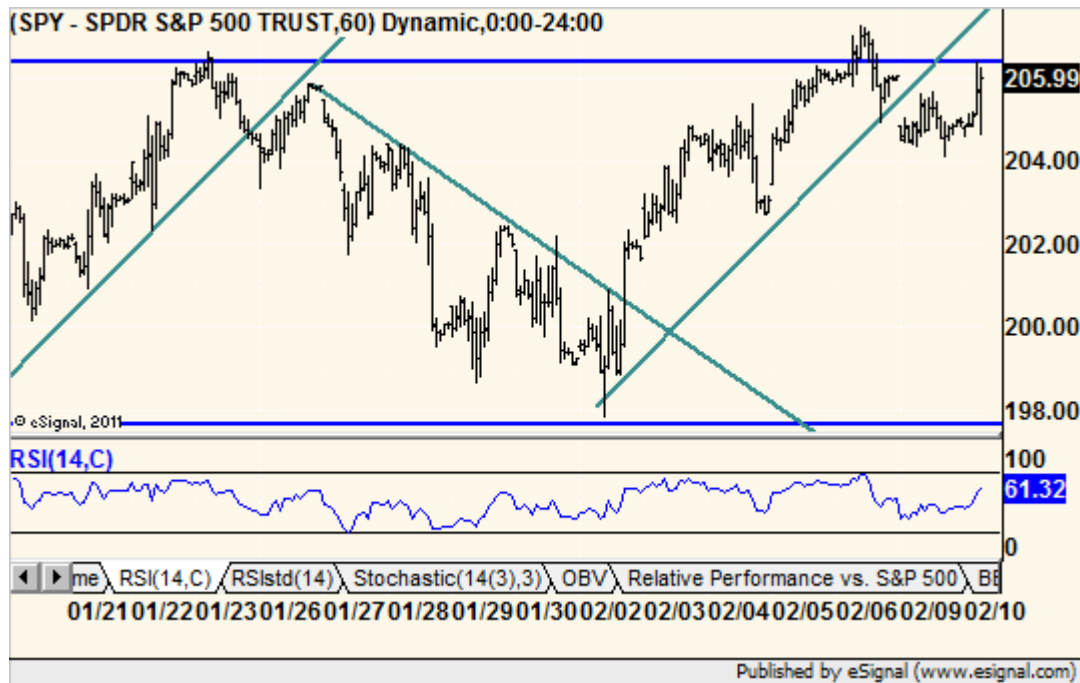
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

February 10, 2015 – They'll blame Greece again for yesterday's weakness but we see more of a technical pullback. We've been holding a view of "trading range with negative bias" but with persistently strong breadth we are going to change to "positive bias." That still leaves the market in a range but we are finding more long setups than short right now.

Not much different to report from yesterday:

- Bonds correcting.
- Gold still waiting for a breakout.
- Oil in recovery mode.
- Dollar soaring.
- And we'll toss in that except for yesterday, Europe is outperforming the US.

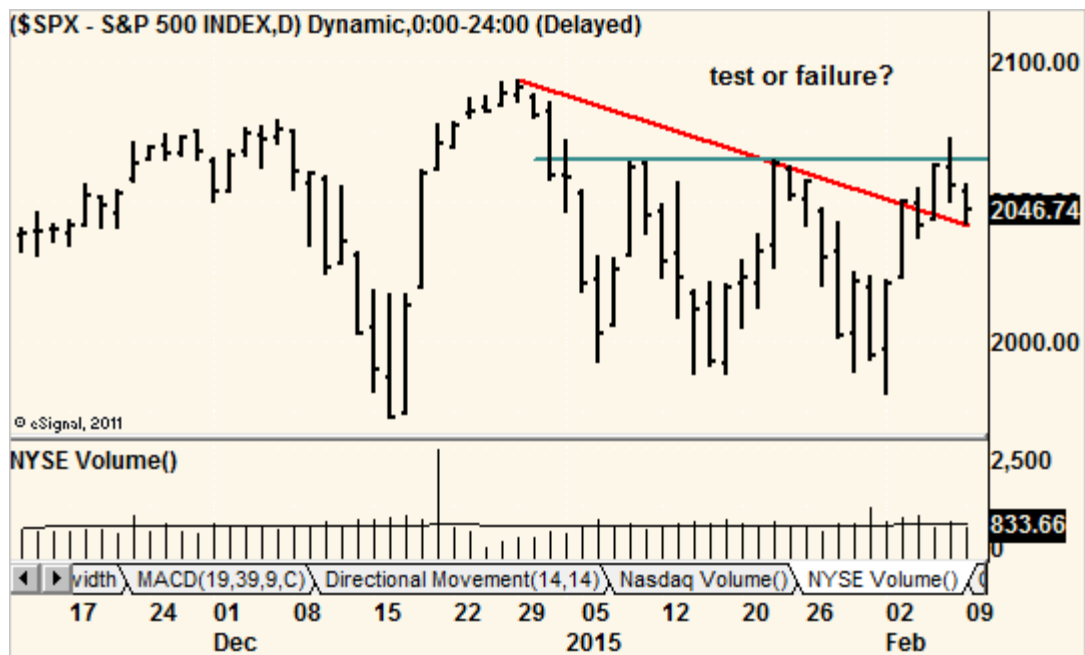


The hourly chart is testing resistance this morning after yesterday's breakdown. No clear path at this time.

Check out the utilities chart below for an idea of where to get back in. These stocks offer big dividends and it would be nice to buy them on sale.

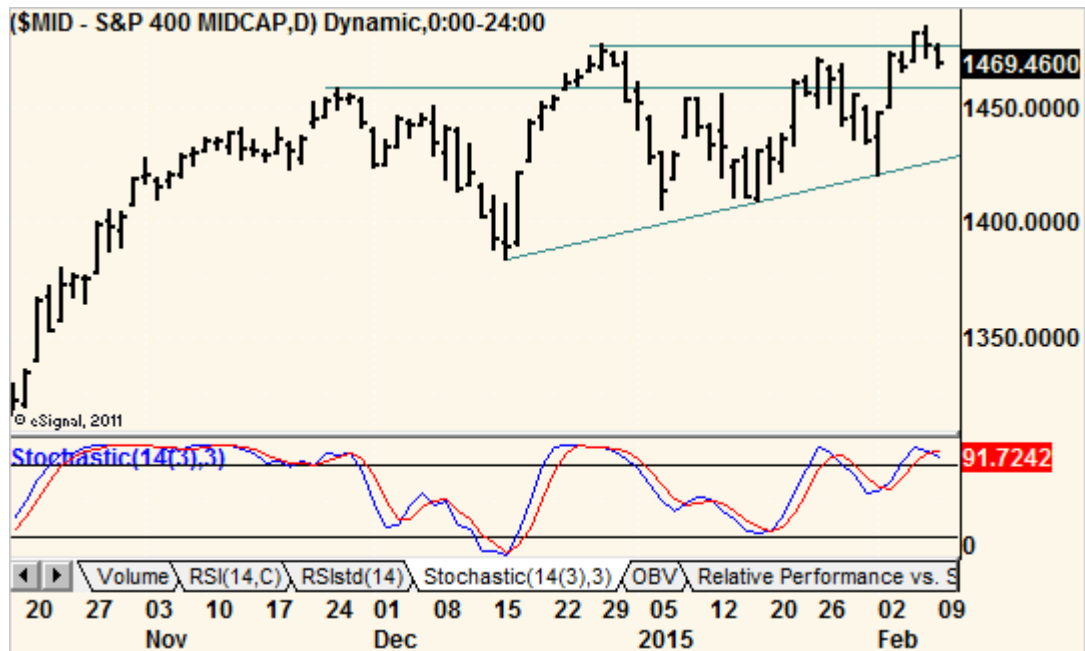
That's it. Short and uneventful just like yesterday's "killer ice storm" was in NY. Sorry Boston.

Index Charts of the Day

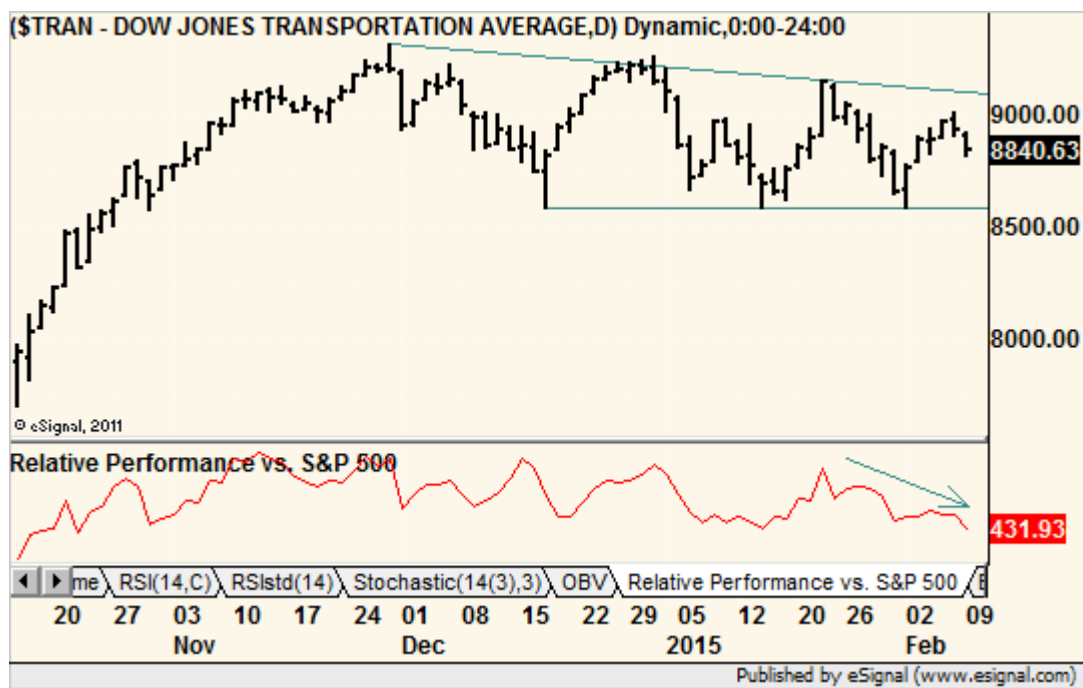


It does seem that we change our immediate short-term view every day but this index is now at a crossroads. Is this a test of the breakout or one day away from a breakout failure? And even if it rallies it still has to get through the green line before it looks really safe.

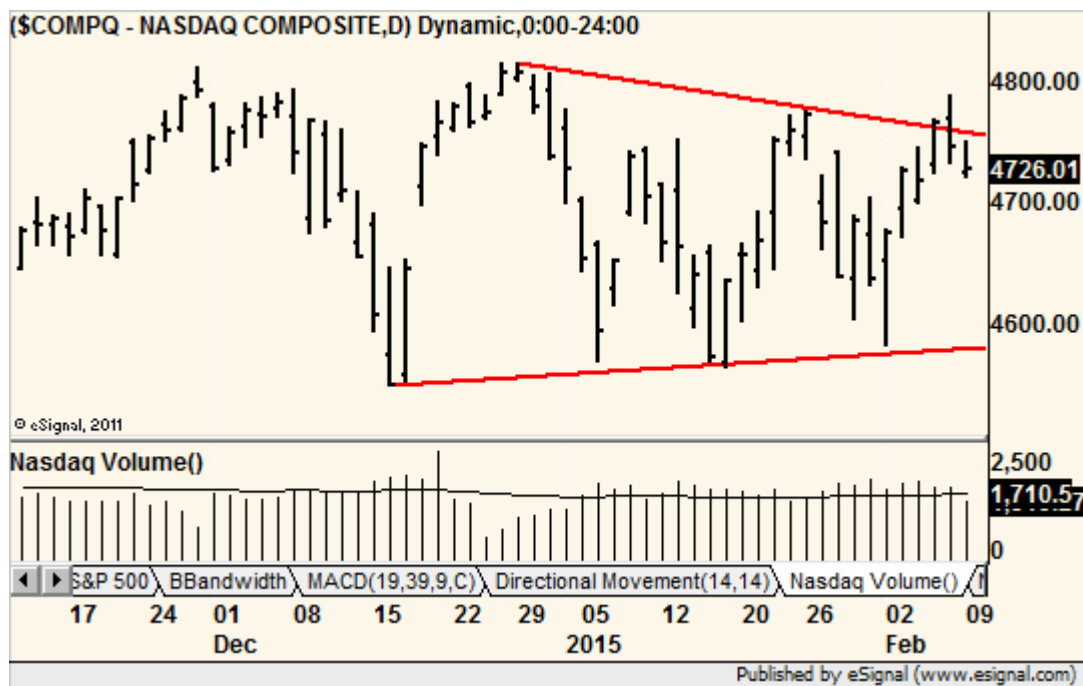
For investors, there are reasons to think the market will be higher next month, with or without a dip this month. Breadth is solid, bonds are correcting and seasonals kick back in next month. February is a weak month within the strong winter period.



Still an arguable breakout for the midcaps.



Transports lagging. Probably another bit of evidence for an oil rebound. Truckers really falling.



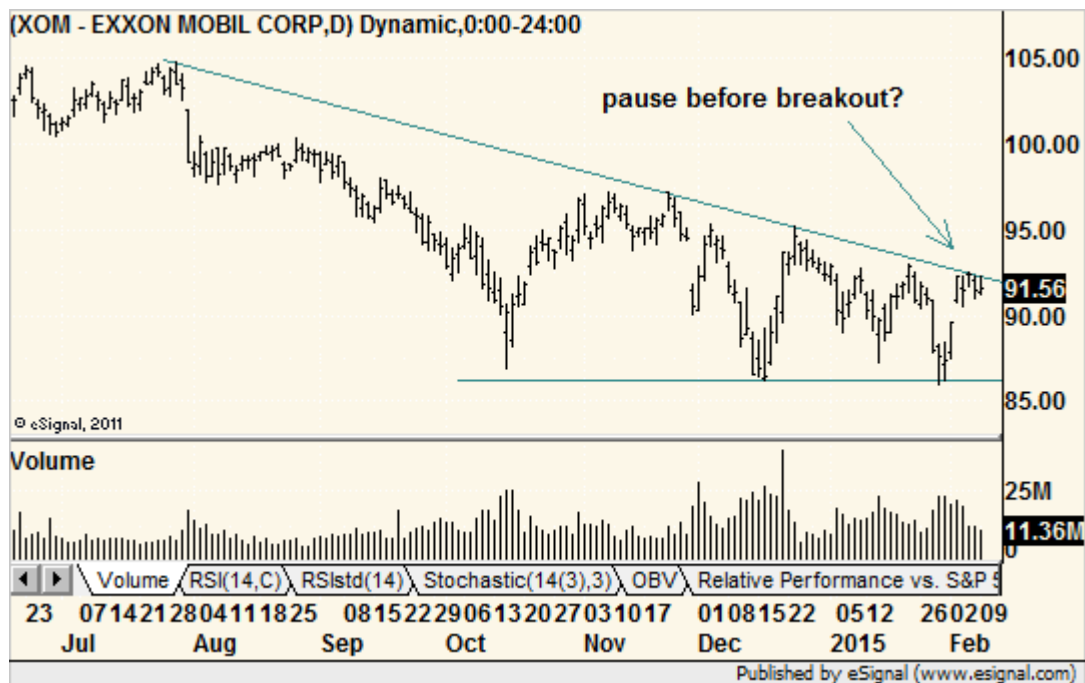
Nasdaq still range bound. Low volume yesterday on the decline.

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 120.00	Changed	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		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
Delta Airlines DAL – Looks like the party is over in this sector. Needs a support break to sell. 44.50 (This was in Market Highlights yesterday but was overlooked in this section)	Triggered	2/9
Exxon Mobil XOM – Big oil is on the cusp of a breakout. This one has a nice pause at its July trendline so buy with a close over 92.50. 3% div yield	New	2/10
Vietnam ETF VNM – Just for a little diversity. A bullish RSI divergence after a long decline and now a pause at the trendline and 50-day average. Buy close over 19.20	New	2/10
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. Looks to be heading south but we're not selling yet		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
Utilities ETF XLU – The breakdown is clear. The 200-day average should meet support at the red line in a week or two at 45 and that would be a good place to <u>think about</u> buying some bargains.	New	2/10
Sector Watch (observations that may spark ideas)		
Tobacco –still in rising trend		1/5
Healthcare ETF XLV – Now holding in a range but falling on-balance volume. Looking at possible sell under 68.50. Chart below	Changed	1/15
Retail – On the verge of a breakout.		2/6
Updates		
none –		

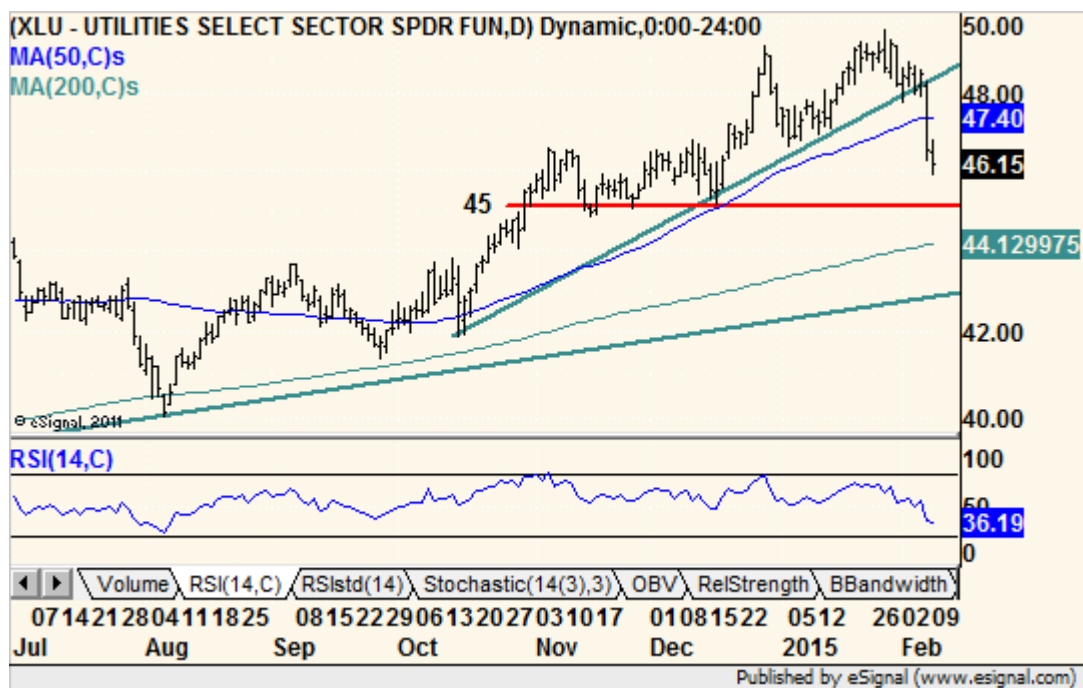
Market Highlights



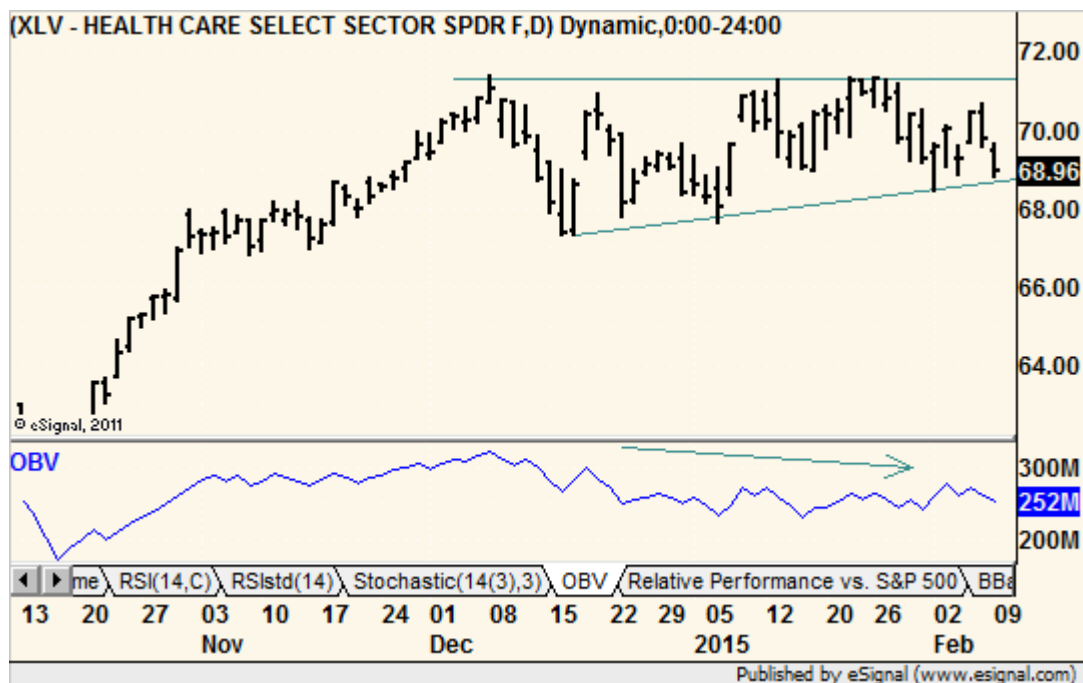
Exxon Mobil – Big oil is on the cusp of a breakout. This one has a nice pause at its July trendline so buy with a close over 92.50. 3% div yield



Vietnam ETF – Just for a little diversity. A bullish RSI divergence after a long decline and now a pause at the trendline and 50-day average. Buy close over 19.20



Utilities ETF – The breakdown is clear. The 200-day average should meet support at the red line in a week or two at 45 and that would be a good place to think about buying some bargains.



Healthcare ETF – Here is the triangle we are watching. On-balance volume is weak although the ETF is bouncing this morning. Biotech is the culprit as the **IBB** ETF on-balance volume fell off a cliff last week.

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	162.97	12.4%	156.00	145.05	1/7	33
	LO	LORILLARD INC	66.00	2.4%	64.00	64.46	1/13	27
	CAT	CATERPILLAR INC DEL	84.67	6.2%	80.00	79.74	1/27	13
	TOT	TOTAL S A	53.95	1.3%	52.50	53.25	2/2	7
	EWI	ISHARES MSCI ITALY CAPPED ETF	13.69	-3.3%	13.50	14.16	2/2	7
	HRB	BLOCK H & R INC	35.00	0.3%	34.00	34.91	2/5	4
	HAL	HALLIBURTON CO	43.51	1.3%	41.25	42.97	2/5	4
<u>Short</u>	CSCO	CISCO SYS INC	27.12	-0.9%	27.75	26.88	1/30	10
	HLT	HILTON WORLDWIDE HLDGS INC	26.49	1.0%	27.50	26.75	1/30	10
	DAL	DELTA AIR LINES INC DEL	44.45	0.1%	48.00	44.50	2/9	0

Notes: New short added in **DAL**. If you missed it you will have another chance as it looks firmer this morning on weaker oil

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 Derrick: The Greece news is really not a factor here other than possibly through currencies. But the dollar was already in a bull market vs. the euro so again, not much effect. The spillover fear into southern Europe is possible but our trade in the Italy ETF is still not bad.

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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