

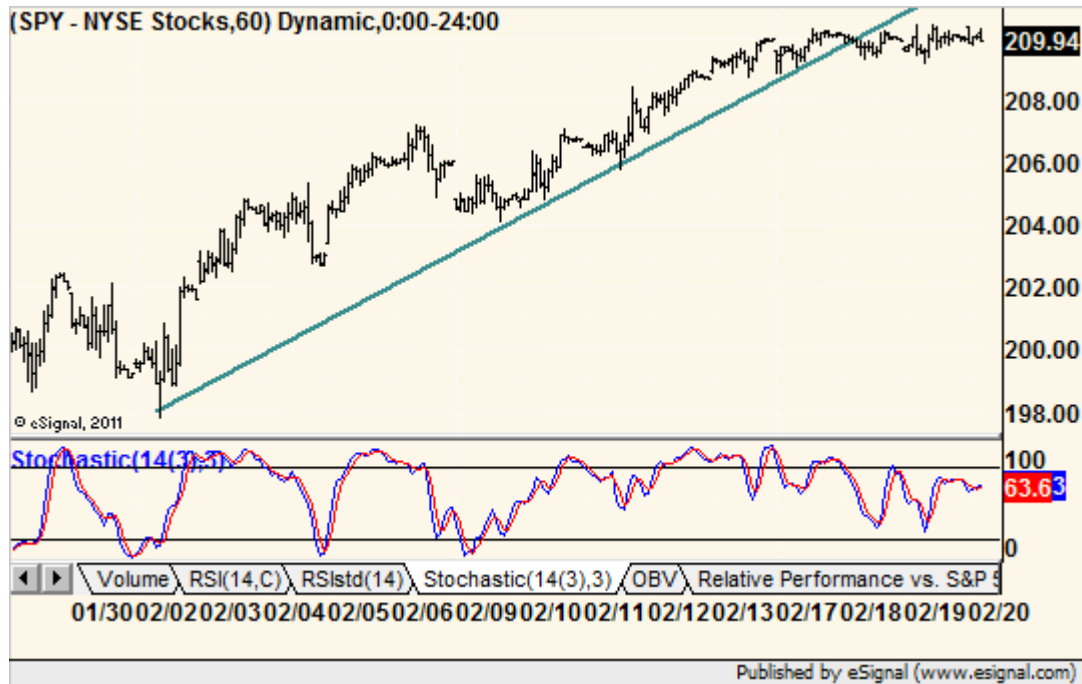
QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

February 20, 2015 – Trying to explain what sparked price movement in the stock market is getting exhausting. Fortunately, we do not have to do it as the charts speak for themselves. Just look at yesterday's hourly chart, which showed the rising trendline broken but the passage of time, not price movement. It means the market is stuck right now and can move higher - or lower just as easily.

Same for the dollar. Bonds and gold are still correcting. Oil is also on hold but with a much more bullish bent. I wrote that one up for Barron's Online last night.

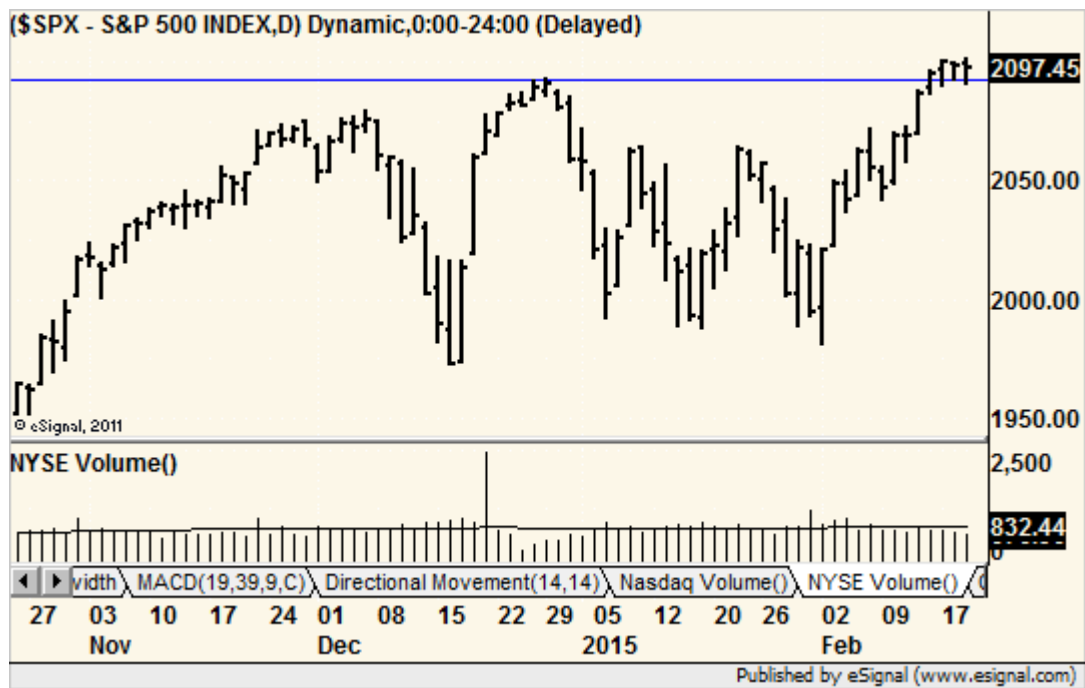


Today's hourly chart shows the continued sideways movement. Note that stochastics peaks have come down from overbought and now both peaks and troughs are rather neutral. The bullish leaning has dissipated but of course that is not exactly a call for a breakdown, either. It's just a holding pattern. And for kicks, put some Bollinger Bands on it to see a very narrow condition. We are looking for a rather sharp move from this range soon although direction is not indicated by the bands. Two-pager on Bollinger Bands, [click here](#).

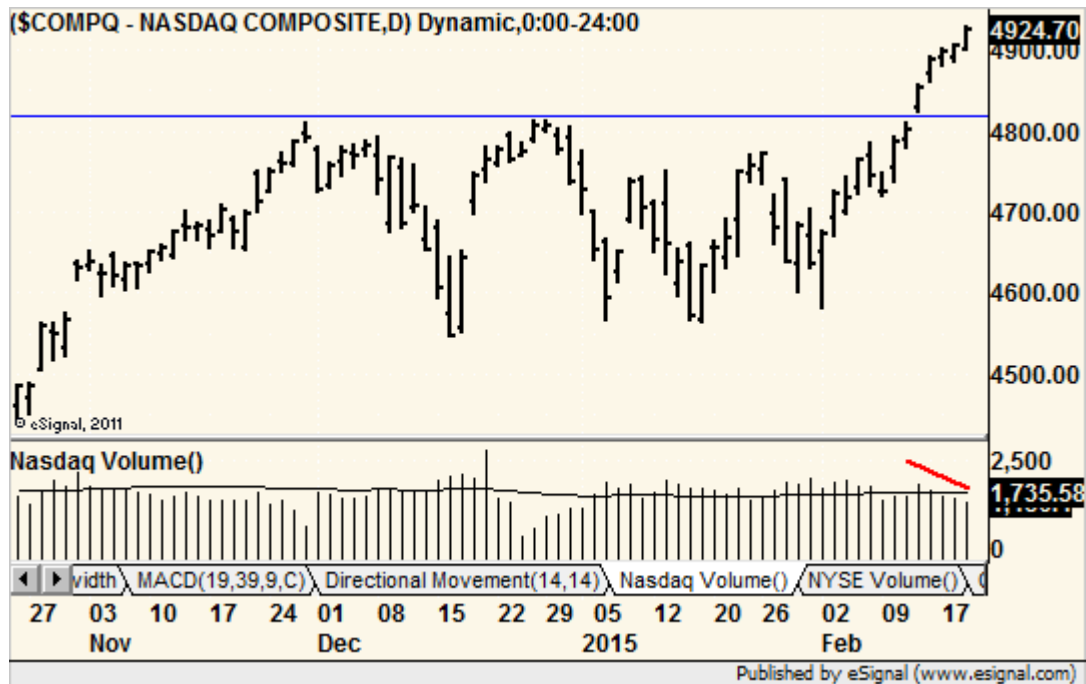
Once again we are in the unsatisfying position of not recommending many specific trades while we wait for the market to decide its next path. We are not selling our longs so you can infer a bullish bias.

One idea is to look for income, especially as interest rates backed up a tad as bonds fell. We are already back in utilities but beaten down "regular" stocks should be a good place to find a few candidates.

Index Charts of the Day



A newsletter writer's nightmare – nothing to say. No movement and nothing to do but wait.



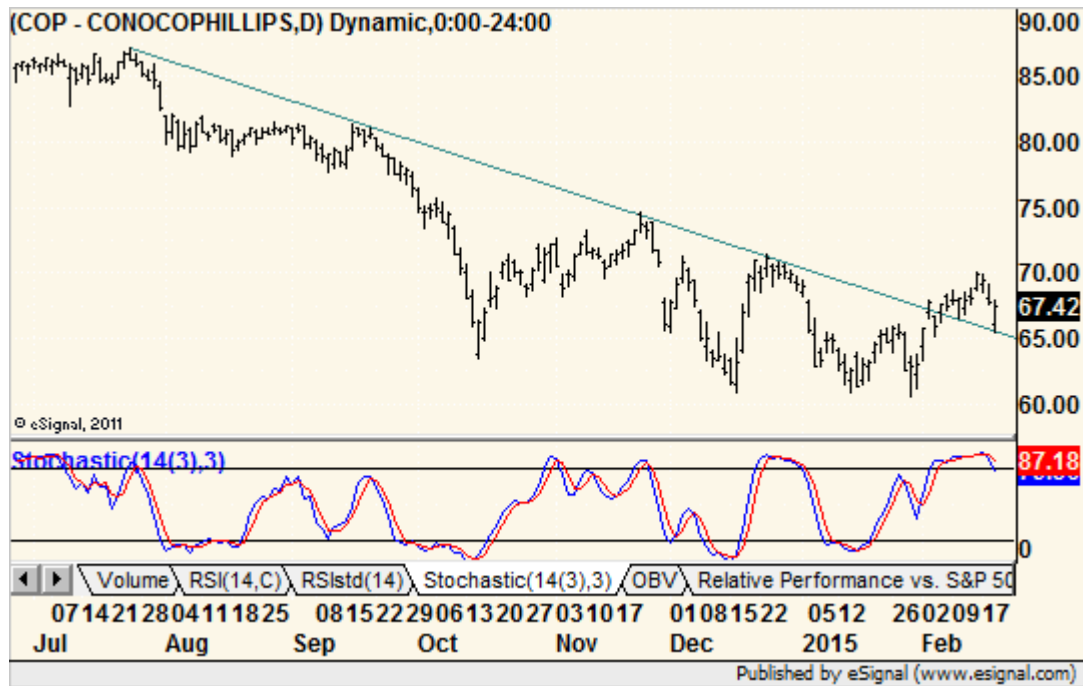
Nazzie going up on falling volume. Red sky at dawn.

The Radar Screen

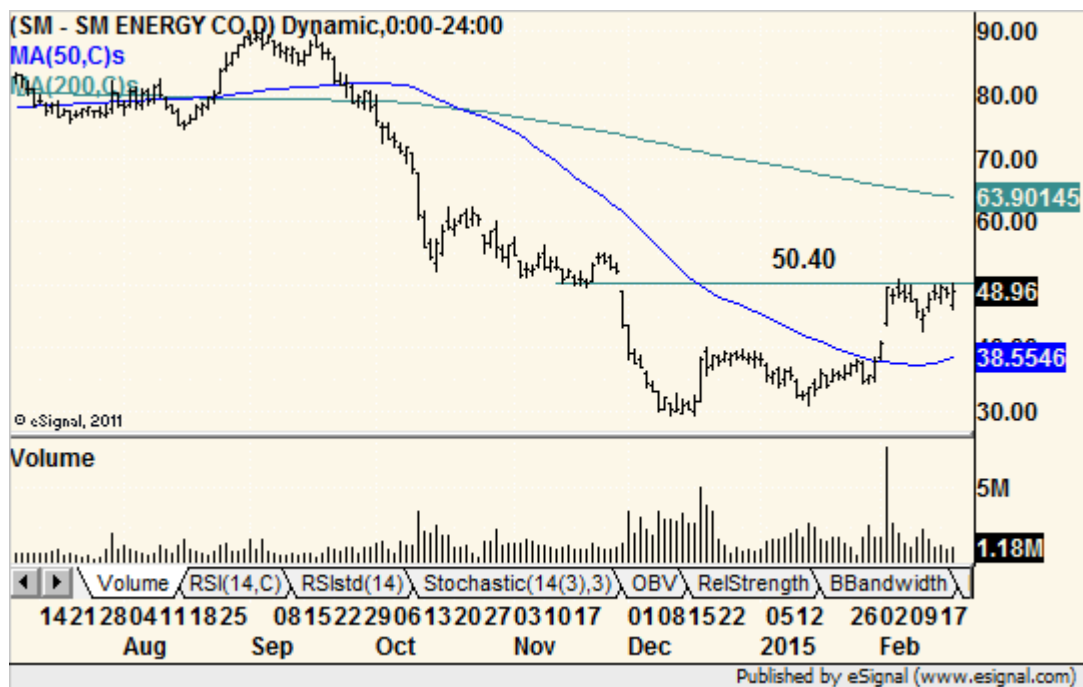
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Wal-Mart WMT – More proof that it is a good idea to wait for triggers. No harm done as it gapped down.	Removed	2/6
Travelers TRV – An insurance stock with a nice bullish setup following a false breakdown. We do wish volume was better. Buy close over 108.30.		2/15
Healthcare ETF XLV – Now holding in a range. On-balance volume starting to curl higher. Price now challenging resistance so we switch to buy alert with a close over 71.35.	Triggered	1/15
3M MMM – From Tuesday’s free chart of the day. Still looking for a breakout above 168 on close. Note on-balance volume curling higher.		1/18
SM Energy SM – We did not set out to look for more energy stocks but of the dozens of charts we checked today this explorer/producer is the only one with a compelling setup. Buy close over 50.40	New	2/20
Bearish Implications		
none –		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Mylan Labs MYL – The ship has sailed. If you bought a few days ago, good!	Removed	2/17
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. <u>Hmmm. This may have to go back in the Bullish section.</u>		2/5
Sector Watch (observations that may spark ideas)		
Retail XRT – On the verge of a breakout. Breakout		2/6
Technology XLK – bull flag breakout		2/12
Homebuilding ITB – back in bull mode		2/12
Financials XLF – Broke through resistance. But waning relative to market		2/12
Updates		
none –		

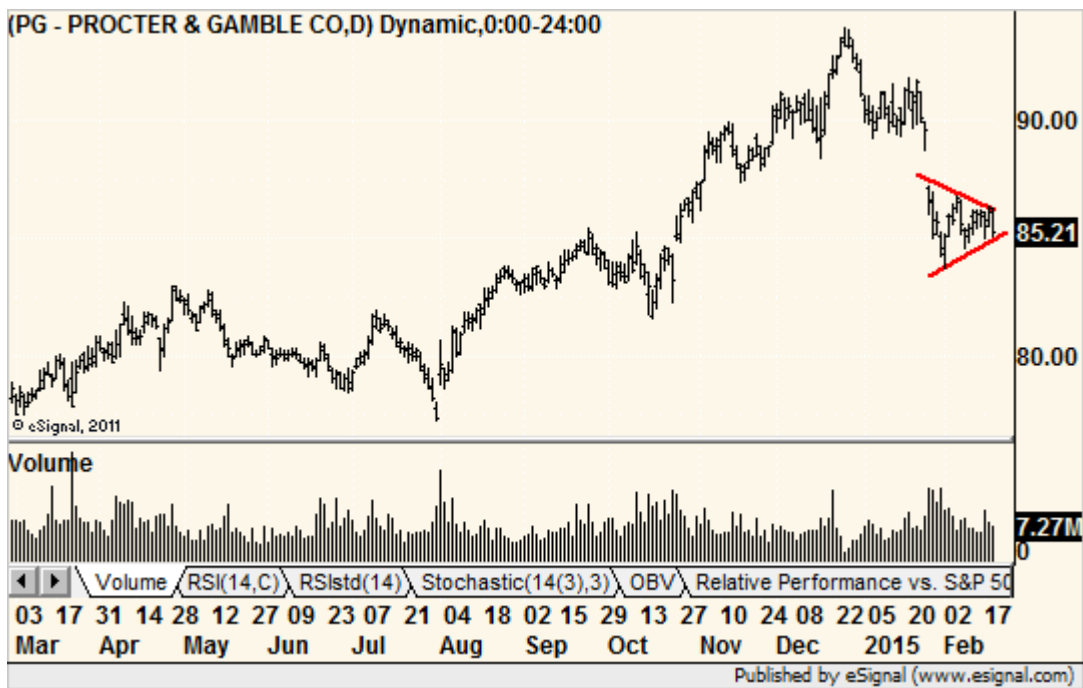
Market Highlights



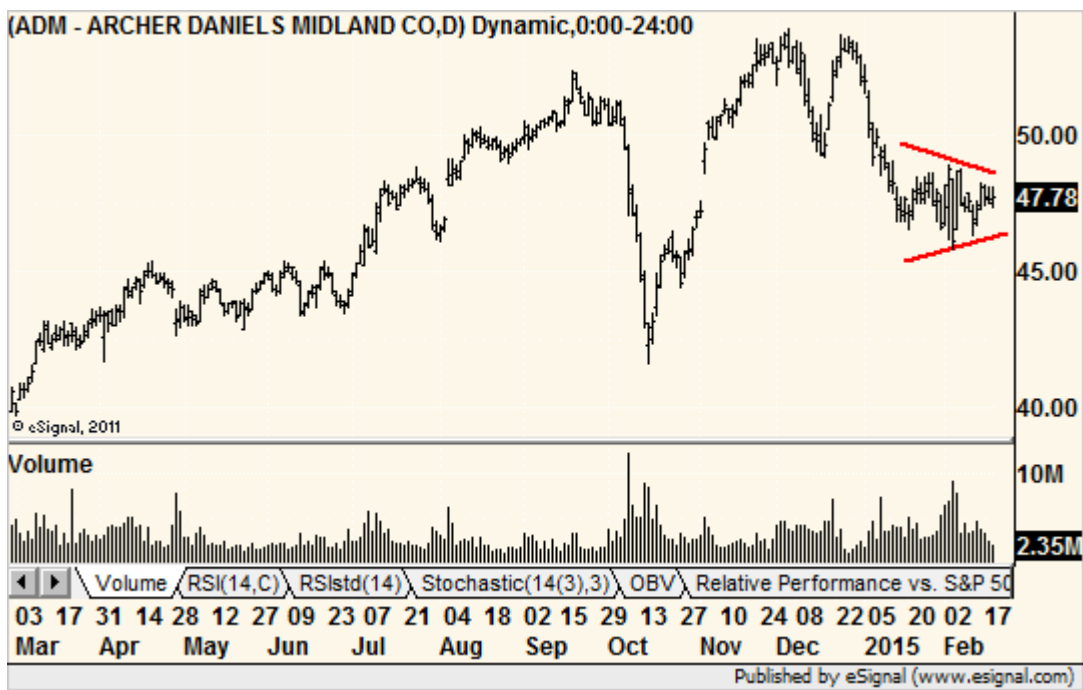
Conoco Phillips – We were long this stock but got shaken out thanks to a stop that might have been too tight. . We also saw a nice juxtaposition of headlines on Barrons.com with my bullish energy story and one saying not to buy big oil; **COP** in particular. The trendline break is still intact and yesterday’s recovery was nothing if not impressive. **We still like COP** and we still like energy.



SM Energy – We did not set out to look for more energy stocks but of the dozens of charts we checked today this explorer/producer is the only one with a compelling setup. Buy close over 50.40



Procter & Gamble – What’s going on here? Tight triangle waiting for a break one way or the other.



Archer Daniels Midland – Ditto.

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	170.13	17.3%	165.00	145.05	1/7	43
	LO	LORILLARD INC	67.85	5.3%	66.00	64.46	1/13	37
	CAT	CATERPILLAR INC DEL	83.30	4.5%	82.00	79.74	1/27	23
	TOT	TOTAL S A	52.27	-1.8%		53.25	2/2	17
	EWI	ISHARES MSCI ITALY CAPPED ETF	14.68	3.7%	14.25	14.16	2/2	17
	HRB	BLOCK H & R INC	35.00	0.3%	34.50	34.91	2/5	14
	HAL	HALLIBURTON CO	44.24	3.0%	42.50	42.97	2/5	14
	PSUN	PACIFIC SUNWEAR CALIF INC	2.87	-2.7%	2.80	2.95	2/10	9
	VNM	MARKET VECTORS VIETNAM ETF	19.49	1.5%	19.00	19.21	2/11	8
	MAR	MARRIOTT INTL INC NEW	83.10	7.7%	79.00	77.13	2/11	8
	GOOGL	GOOGLE INC	546.45	0.1%	530.00	546.01	2/12	7
	XOM	EXXON MOBIL CORP	89.64	-3.3%		92.70	2/13	6
	XLE	ENERGY SELECT SECTOR SPDR	80.93	-0.2%	78.50	81.13	2/13	6
	COP	CONOCOPHILLIPS	67.00	-2.7%		68.83	2/13	6
	XLU	UTILITIES SELECT SECTOR SPDR	45.68	1.4%	44.25	45.03	2/17	2
	SO	SOUTHERN CO	46.19	1.1%	45.00	45.69	2/17	2
	XLV	HEALTH CARE SECTOR SPDR	71.43	56.3%	71.43	45.69	2/19	0
<u>Short</u>	DAL	DELTA AIR LINES INC DEL	45.92	-3.1%	47.00	44.50	2/9	10

Notes: We were whipsawed out of our big oil positions and while we would buy them back immediately that would not be in the spirit of using stops. We'll chalk it up to having stops that were too tight. If you did not stop out then good. Keep them.

Elsewhere, stops tweaked on **NOC** and **MAR**.

New long in **XLV** triggered at the close.

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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