

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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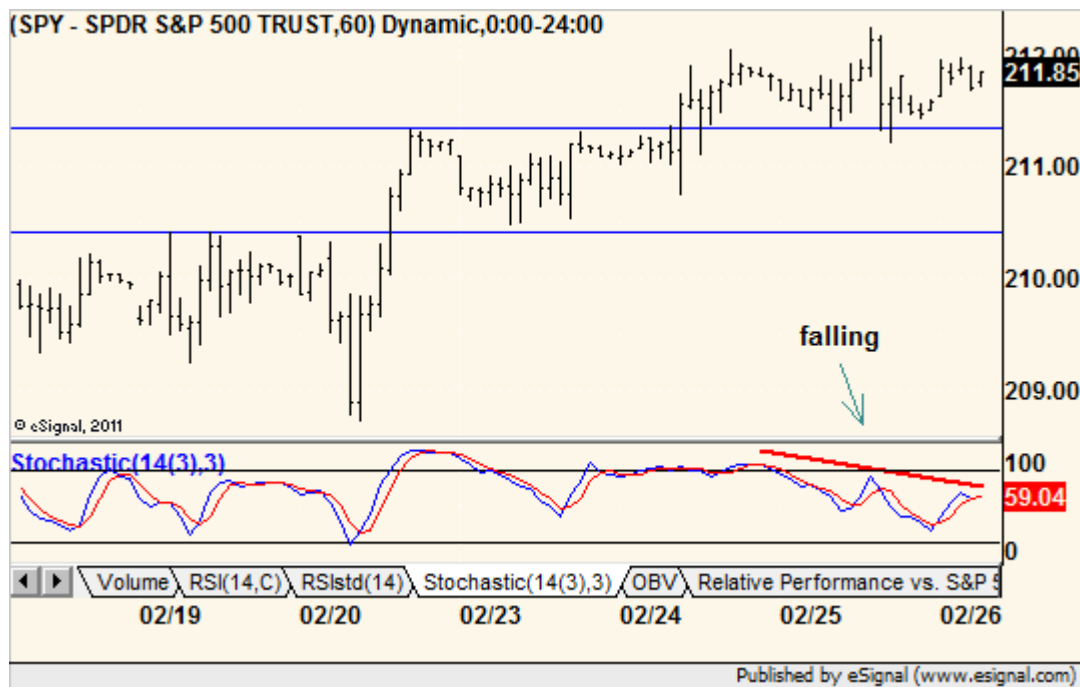
February 27, 2015 – Each day we try to put market action into context but with so much news from outside the market dominating things it becomes an exercise in fundamentals. That sends technical analysis off the rails as we try to figure out “why” instead of “what.” Why makes for good copy but not good trading.

We’ve moved from Greece and Ukraine back to the Fed. This morning’s economic news of stronger durable goods orders and higher wages validates the Fed’s desire not to raise rates sooner. But does that help us figure out what to buy or sell? Not when jobless claims are up, too.

We see breakouts in semiconductors and healthcare. Homebuilders are strong but mortgages are weak. The dollar is strong but gold is acting better. Basically, we see no real themes with this haphazard pairing of sectors and that leaves us with the trend. The pure, non-newsy, turn off the TV trend.

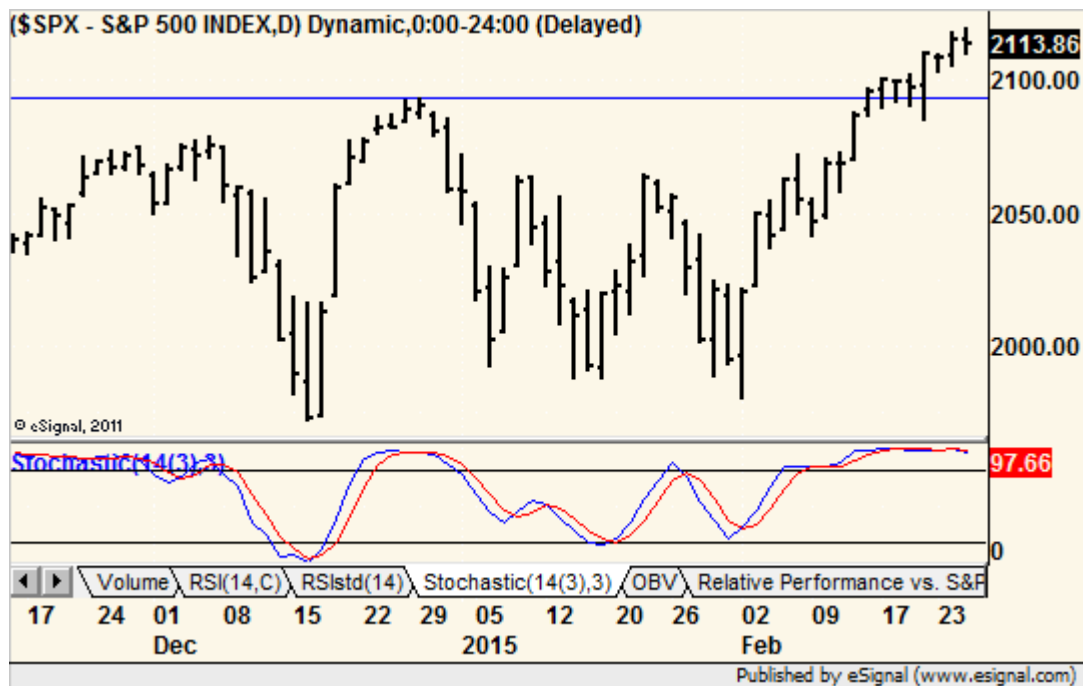
Our views are summed up in the hourly chart below and the daily index chart below that. We see a rising stock market in need of a slight rest. Seasonals are with it. Breadth is good. And headlines of major corrections (20%) and crashes (50%) are not uncommon – sentiment not frothy.

True, some surveys of sentiment are getting up there but overall we don’t see the reason to flee.

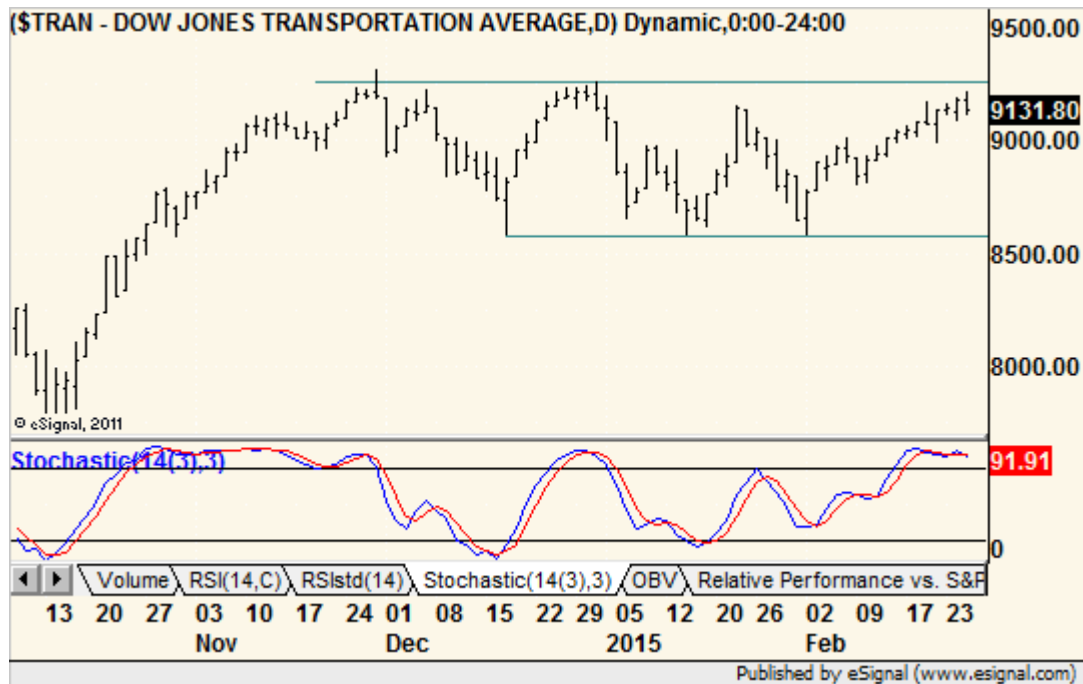


In the hourly chart we can see the support levels from various February trading ranges. However, we can also see a new set of falling stochastics highs and lows and that suggests the market is preparing for a dip. If the daily charts have any say, then it will be to the lower line seen here. That is the breakout level from last Friday and a bounce off it would also be a test of that breakout.

Index Charts of the Day



Still looks good but a dip to test the breakout would be extra nice.



The transports are still in the range. If and when they break out watch for all the Dow Theory confirmation calls. But before that happens, this is resistance that could be a speedbump (start of a pause).

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		
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
SM Energy SM – We did not set out to look for more energy stocks but of the dozens of charts we checked this explorer/producer is the only one with a compelling setup. Buy close over 50.40. Gained 14% so we are not in. This is one that should not have been "on close."	Not Triggered	2/20
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. Cup-with-handle		2/5
Boston Properties BXP – This is an office REIT and it also touched the 50-day average. We like on-balance volume was flat during the decline instead of falling to show demand. Buy close above 141.		2/23
Amag Pharma AMAG – A biotech stocks with a trailing P/E of 7.3. No dividends but this chart shows a recapture of the 50-day average and a bull flag-like pause. Buy the next breakout above 44.50 on close.	Triggered	2/25
KLA Tencor KLAC – Chip equipment maker looking to play catch-up to its sector. Up nicely yesterday but still below the 50-day average. Note on-balance volume did not fall as prices did in Dec-Jan. 3% dividend yield. Let's see if we can buy a small dip to 66.00.	Triggered	2/25
Amgen AMGN – From my Monday column. This combines healthcare with a 2% dividend yield. We'll try to buy a dip to 156.50 but it does look good right here.	Triggered	2/25
Xilinx XLNX – Another semiconductor. This one has the low-level breakout mirroring the market's high level breakout. Looks ready to play catch-up. 2.7% yield. Looks like it will open soft so we are in.	Triggered	2/25
Bearish Implications		
none –		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Archer Daniels Midland ADM – Some sort of sideways pattern healing the stock after a big fall in December.		
Lumber Liquidators LL – Looks to be coming out of a post-crash base. Bullish golden cross pending. Timing is interesting because the trend is now up but we are late to the party. Prefer a dip. Not that much!	Removed	2/24
Tempur Sealy TPX – This mattress maker always seems to disappoint on earnings and then recover. A sloppy resistance level drawn at 57 (looks better on daily close charts). Watching for a bit.		2/24
Supernus Pharma SUPN – A drug stock with a coiling pattern. On-balance volume is slightly positive and MarketWatch likes the fundies. Looks like it went without us.		

Continued on next page...

Sector Watch (observations that may spark ideas)		
Retail XRT – market performer		2/6
Technology XLK – leading the market		2/12
Homebuilding ITB – leading the market and now a new breakout		2/12
Financials XLF – lagging the market		2/12
REITs IYR – Bull flag at 50-day avge. We like KIM, BXP . Very bad Tuesday.		2/23
Semiconductors – SOX broke out		2/25
Social Media ETF SOCL – Trend break and now in a pause. Rising on-balance volume and 200-day average just above.	New	2/26
Coal – Yes, coal, once again teasing with signs of life. BTU, ACI	New	2/26
Updates		
none –		

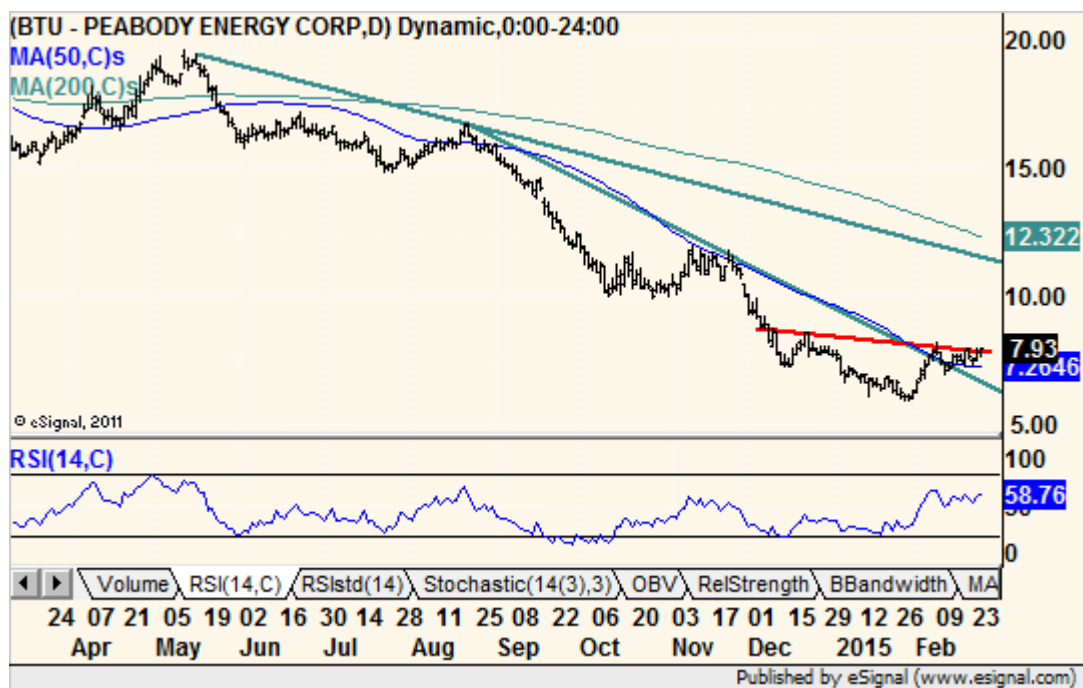
Market Highlights



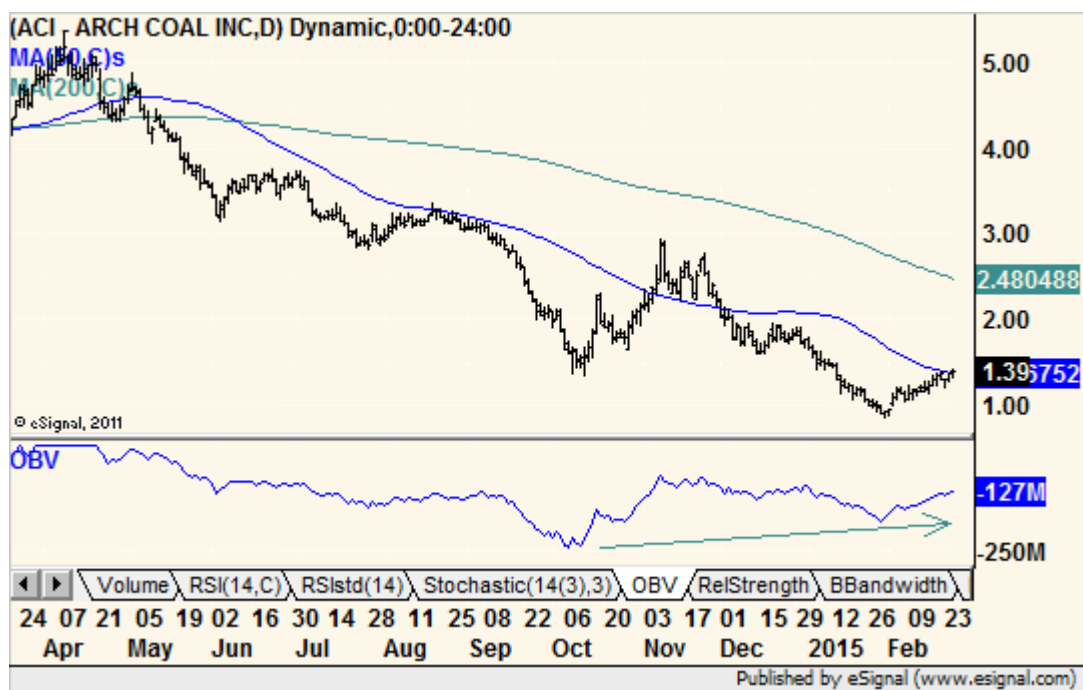
Social Media ETF – Trend break and now in a pause. Rising on-balance volume and 200-day average just above. **ANGI** jumped last week. **TWTR** two weeks before. **LNKD**, too. **GRPN** and **FB** in strong ranges.



Apple – There are still two full days left to trade but this shows a possible bearish candle formation in the weekly view. Note RSI divergence.



Peabody Energy – Once again the heartbreak sector – coal – is showing signs of life.



Arch Coal – A broker downgraded it last week. Where were they the whole way down? But check out the bullish on-balance volume divergence. We think it has bottom although that is not exactly a buy signal.

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	168.65	16.3%	165.00	145.05	1/7	49
	LO	LORILLARD INC	69.45	7.7%	67.00	64.46	1/13	43
	CAT	CATERPILLAR INC DEL	85.15	6.8%	82.00	79.74	1/27	29
	EWI	ISHARES MSCI ITALY CAPPED ETF	14.87	5.0%	14.25	14.16	2/2	23
	HRB	BLOCK H & R INC	34.80	-0.3%	34.50	34.91	2/5	20
	HAL	HALLIBURTON CO	43.68	1.7%	42.50	42.97	2/5	20
	VNM	MARKET VECTORS VIETNAM ETF	19.62	2.1%	19.00	19.21	2/11	14
	MAR	MARRIOTT INTL INC NEW	82.36	6.8%	79.00	77.13	2/11	14
	GOOGL	GOOGLE INC	547.33	0.2%	530.00	546.01	2/12	13
	XLE	ENERGY SELECT SECTOR SPDR	80.87	-0.3%	78.50	81.13	2/13	12
	XLU	UTILITIES SELECT SECTOR SPDR	45.58	1.2%	44.25	45.03	2/17	8
	SO	SOUTHERN CO	45.92	0.5%	45.00	45.69	2/17	8
	XLV	HEALTH CARE SELECT SECT SPDR	72.39	1.3%	71.00	71.43	2/19	6
	MMM	3M CO	168.89	0.5%	161.00	168.12	2/20	5
	KIM	KIMCO RLTY CORP	26.45	-2.4%	26.00	27.09	2/24	1
	VAL	VALSPAR CORP	86.83	-3.3%	85.00	89.75	2/24	1
	AMAG	AMAG PHARMACEUTICALS INC	45.07	0.0%	42.75	45.07	2/25	0
	KLAC	KLA-TENCOR CORP	65.88	-0.2%	63.50	66.00	2/25	0
	AMGN	AMGEN INC	158.08	1.0%	153.00	156.50	2/25	0
	XLNX	XILINX INC	42.05	-0.4%	40.50	42.21	2/25	0
<u>Short</u>	none							

Notes: Four new longs. One closed above its trigger, two dipped to our trigger and one was bought at the open.

One stock zoomed though our trigger, which stinks because we wanted to buy **SM** on the breakout but at the close. Up 14% ^%\$%#@%

Also starting to look at **NOC** and **LO** for profit taking.

Again, this is a list that tracks what we've said and not a recommended portfolio. There is no need to buy them all!

Other Information

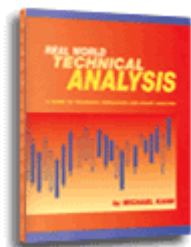
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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