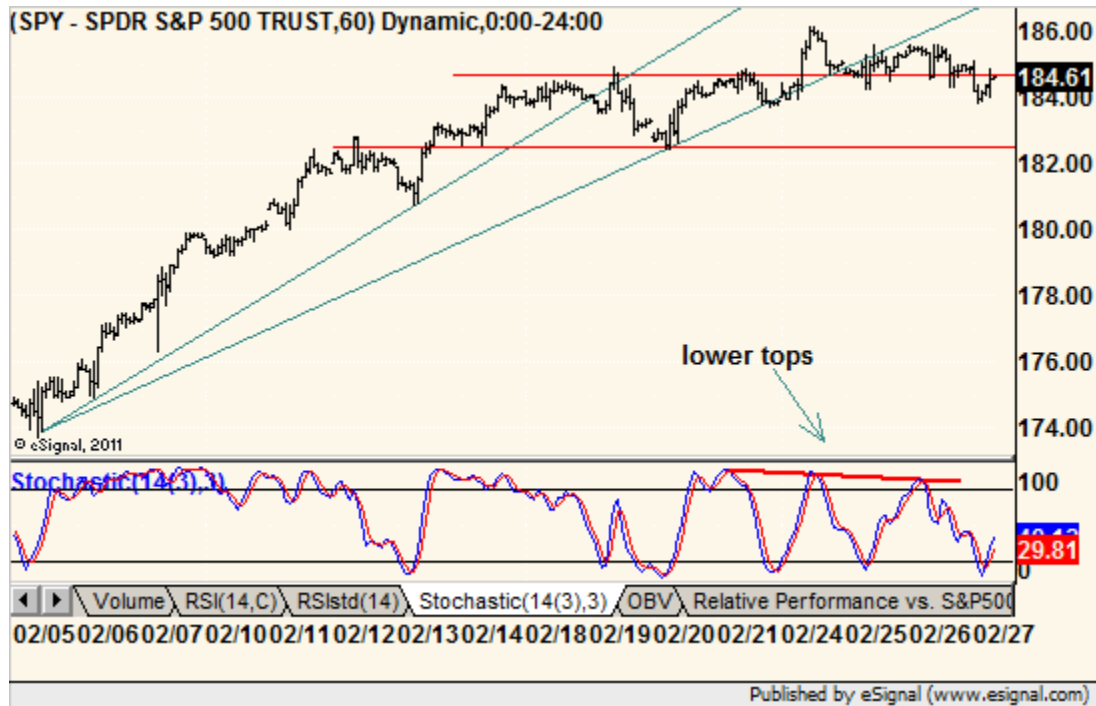


QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

February 27, 2014 – The market is going nowhere and not fast, as the old saw would say. Two days of tight ranges and low volumes leave the S&P 500 where it was at Monday's close and still trying to push through resistance.

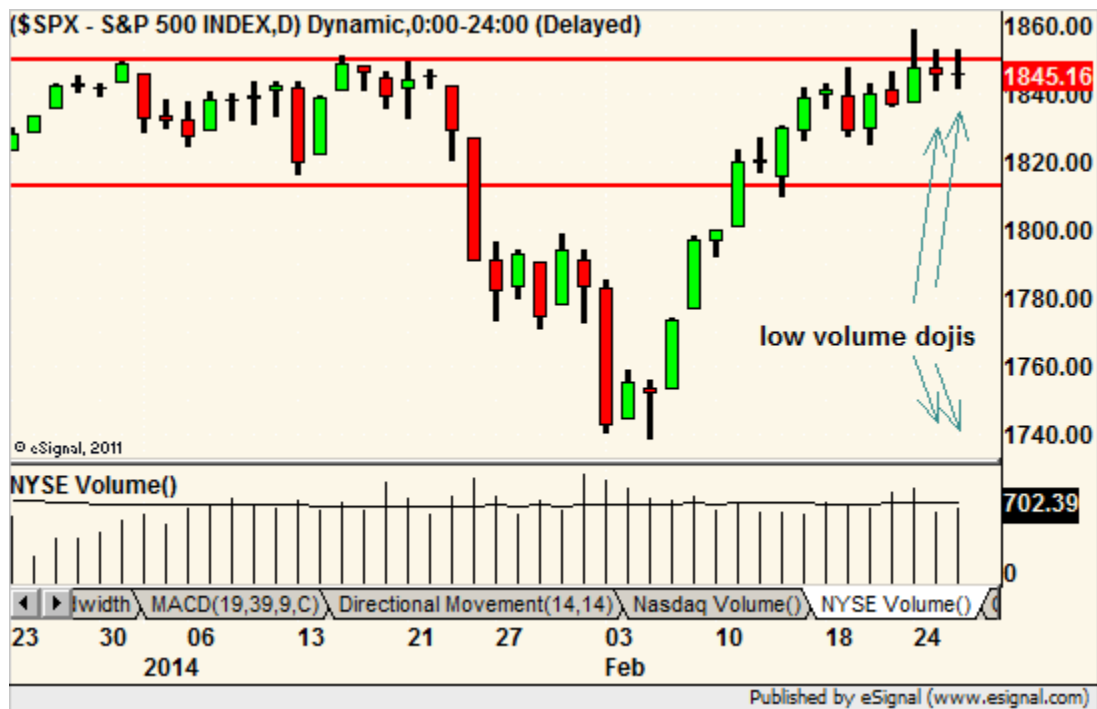


The hourly chart is flirting with support this morning but we'll give it some room before giving up the bull case in the short-term. Note lower stochastic tops, which is bearish in a trading range. But even so, this indicator is at a low already suggesting one more bump up is ahead. Granted, none of that is totally helpful in deciding what to do today, especially with Janet Yellen due to speak.

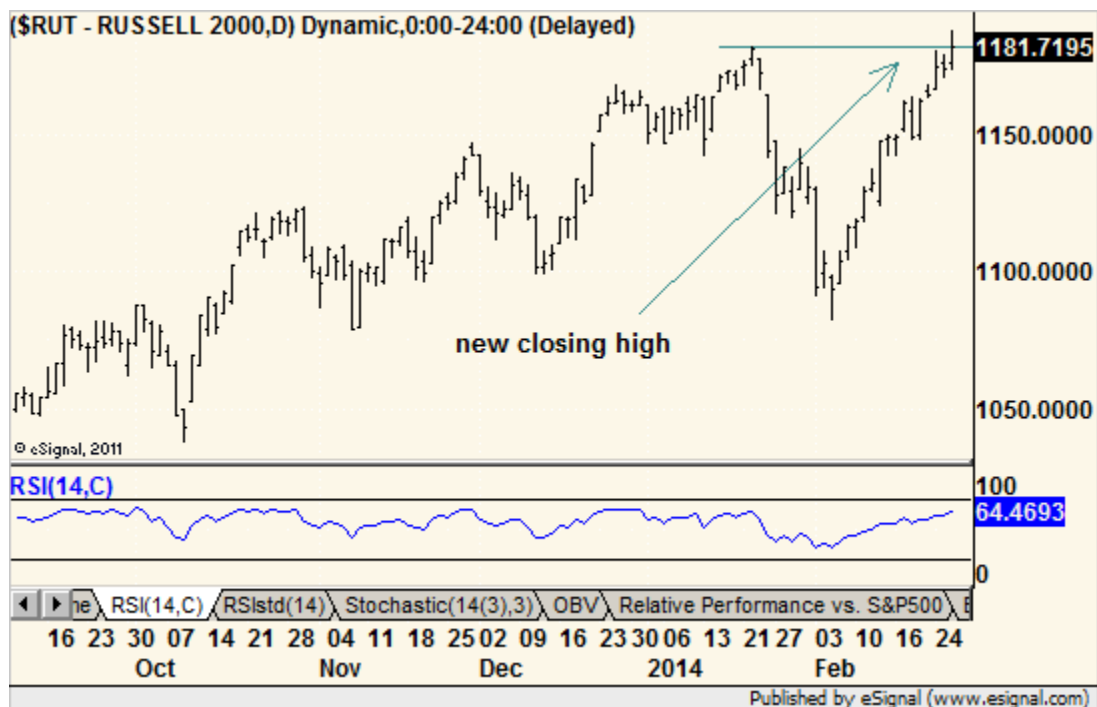
As you noticed, we've been talking about commodities a lot recently. We are going to run through some of the ETNs in the group to show you where things are moving and perhaps that can spark stock sector ideas. If anything, it gives you a read on inflation that the government is apparently ignoring.

And finally, we said retail was making a comeback but the walking dead (**JCP**, **BBY**, **SHLD**) are up huge in the premarket. **TGT** soared yesterday.

Index Charts of the Day



This market has gone nowhere over the past two days with doji candles of uncertainty and low volume.



The small cap Russell 2000 joined its bigger peers in new high ground. That is not a guarantee of further gains but it is better than not making new highs and adds to the bullish argument for the next few weeks.

The Radar Screen

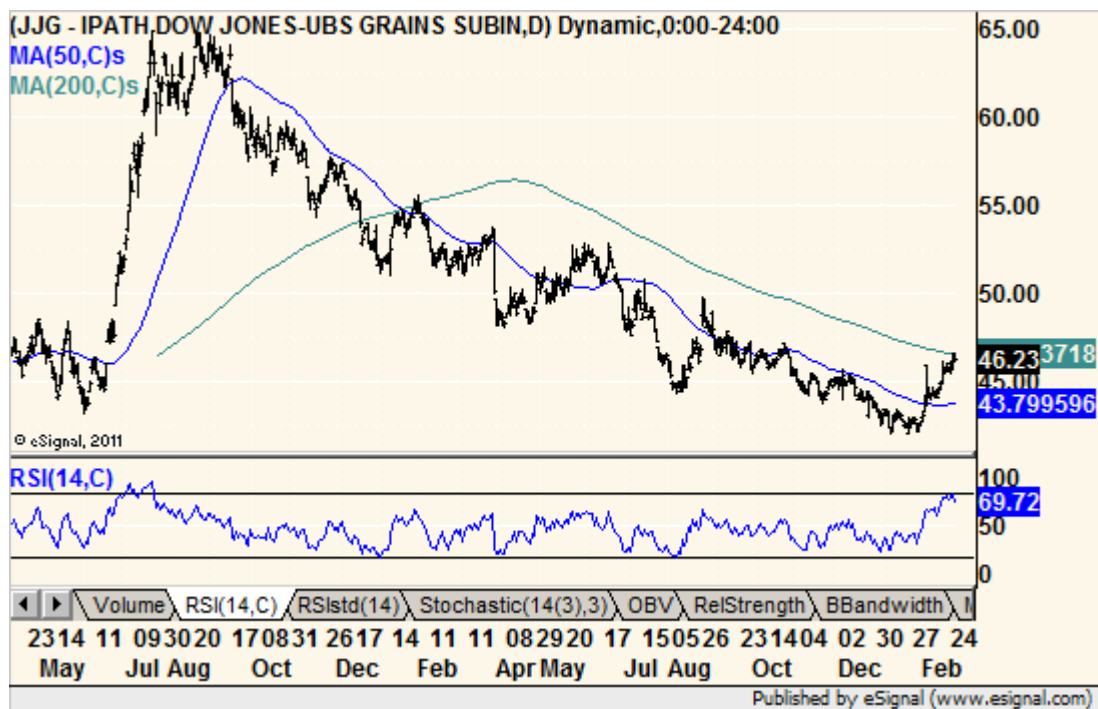
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Blackberry BBRY - Who would have thought it? But this chart looks pretty good. Flag breakout above the 200-day average with good volume. While we do see the inverted head-and-shoulders shape it is not at the end of a trend (it is the trend). But now take a look at the weekly chart - which looks to have a double bottom Dec 2013 and Sep 2012. Worth some spec money.	Triggered	2/26
Family Dollar Stores FDO - Here is a retail idea from a discounter. Just broke the trendline on big volume. Above the 50-day and now hitting the 200-day. RSI divergence, too.	New	2/27
DSW DSW - A shoe retailer with a possible double bottom. Resistance at the 50-day average but nice RSI divergence in place. Buy close over 39.60.	New	2/27
Bearish Implications		
FedEx FDX - We have not had much luck finding nice short setups and that makes us nervous. Here is one possibility with a bear flag-looking bounce reversing at the 50-day average. Sell 131.	New	2/27
Unknown Implications		
Rambus RMBS - This chip stock is in a nice pennant formation that has been in place long enough to flatten out its major moving averages. Buy 9.65, sell 8.65		2/21
Holding Tank - red shade leans bearish, green shade leans bullish		
Boeing BA - This looks to be the real breakdown, especially compared to its sector - defense (indices DFX, DFI).		2/24
GM - While Tesla soars, GM looks to be in a bearish wedge pattern at its 200-day moving average. We may sell the breakdown if the market sours.		2/25
AT&T T - Waiting for value to come to papa at 30.25.		2/25
Sector Watch (observations that may spark ideas)		
Regional Bank ETF KRE - shook off breakdown and is back in the hunt	Changed	2/13
Homebuilder ETF ITB - Still in a rising trend and bucking bad news		2/14
Biotech - One of the strongest groups but with possible RSI divergence. Trend seems accelerated now and that makes it vulnerable. Exhaustion gap hanging man possible on the BTK index.		2/21
Retail - Making a comeback. ANF, AEO, ARO, URBN		2/26
Updates		
none -		

Market Highlights



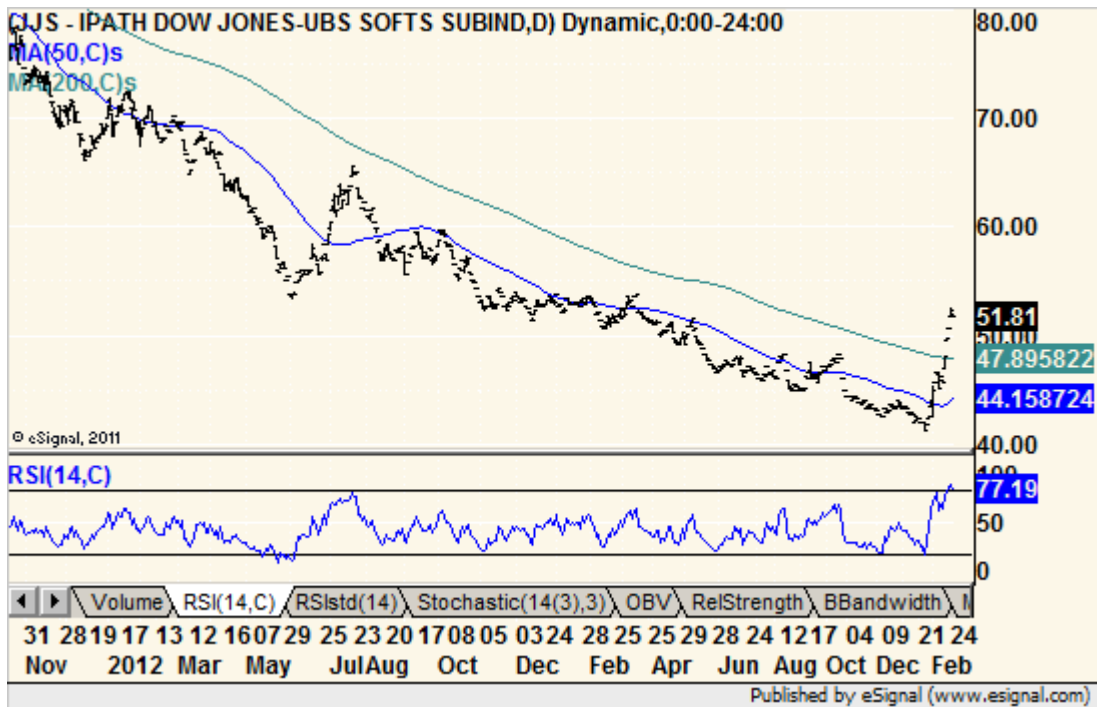
Greenhaven Continuous Commodity fund - This is the closest thing we can find on eSignal to the actual CRB index, which is no longer calculated by the exchanges. As you can see, it has a breakout in several levels. Currently short-term overbought but this is a big change from last year.



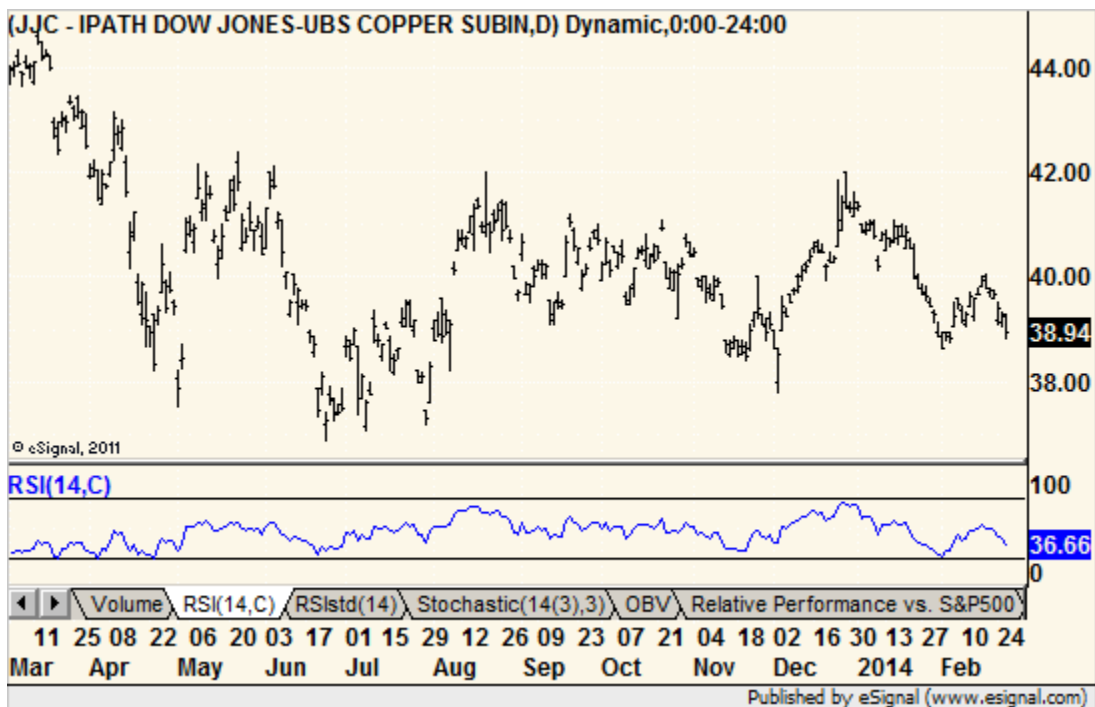
Grains ETN - We are already long **CORN** but soy and oats are also on the move. You can buy this ETN but it is very, very thinly traded and we would look elsewhere for exposure.



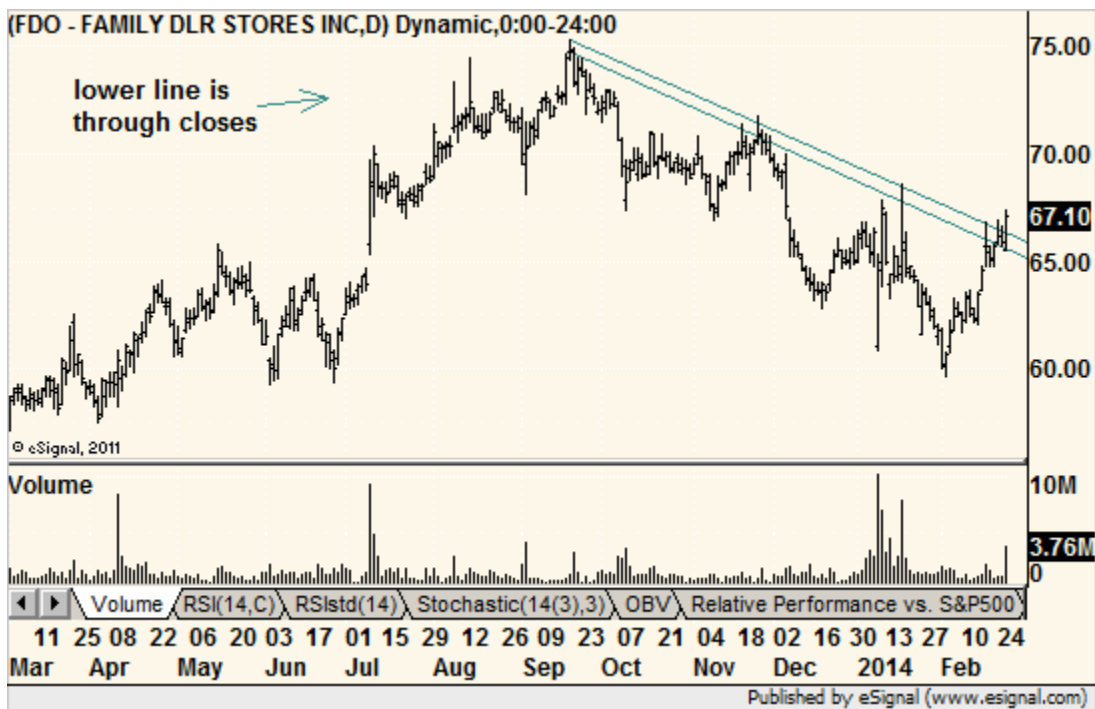
Livestock ETN - We looked at this one a few days ago and it is even higher now than it was then. Also short-term overbought but this trend is clear. Wasn't there a bacon shortage a while ago?



Softs ETN - Coffee and sugar are recent rocket ships higher. Cocoa has been trending up since last summer. Better stock up on those mocha lattes now (yes, milk futures are also rising).



Copper ETN - There is an industrial metals ETN but it trades next to nothing and the copper ETN here looks mostly the same. Here, we see a flat market. Same for lumber (copper and lumber go into homes).



Family Dollar Stores - Here is a retail idea from a discounter. Just broke the trendline on big volume. Above the 50-day and now hitting the 200-day (not shown). RSI divergence, too. (not shown).



DSW - A shoe retailer with a possible double bottom. Resistance at the 50-day average but nice RSI divergence in place. Buy close over 39.60.



FedEx - We have not had much luck finding nice short setups and that makes us nervous. Here is one possibility with a bear flag-looking bounce reversing at the 50-day average. Sell 131.

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>	NLY	ANNALY CAP MGMT INC	11.16	12.8%	10.50	9.89	12/6	82
	GDX	MARKET VECTORS GOLD MINERS ETF	26.05	17.6%	25.25	22.15	1/13	44
	JTP	NUVEEN QUALITY PFD INCOME FD	7.98	1.9%	7.70	7.83	1/23	34
	CORN	TEUCRIUM CORN FUND	31.98	1.3%	31.00	31.57	2/6	20
	FCX	FREEPORT-MCMORAN COPPER GOLD	33.41	6.5%	32.00	31.36	2/6	20
	LXP	LEXINGTON REALTY TRUST	11.24	3.3%	10.50	10.88	2/12	14
	SLV	ISHARES SILVER TRUST	20.42	3.4%	20.00	19.74	2/13	13
	NOV	NATIONAL OILWELL VARCO INC	74.34	-2.8%	73.50	76.52	2/18	8
	FSLR	FIRST SOLAR INC	52.74	-9.8%	49.00	58.50	2/25	1
	LTM	LIFE TIME FITNESS INC	47.25	2.5%	43.50	46.09	2/25	1
	BBRY	BLACKBERRY LTD	10.33	-3.3%	9.75	10.68	2/26	0
<u>Short</u>	XLP	CONSUMER STAPLES SELECT SECTOR S	41.87	-1.7%	42.50	41.15	2/11	15

Notes: New long in **BBRY** with spec money.

Nice breakout in **NLY**.

Disclosure - We changed the stop for **FSLR** before publication yesterday - or so we thought - due to lower trading in the premarket. Apparently, we published the pre-fixed version and therefore from the subscriber's point of view we are stopped out at a huge loss. However, we will follow the trade for those who did not "sell low." Both will go in our trade record with explanation.

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

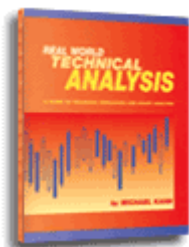
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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