

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

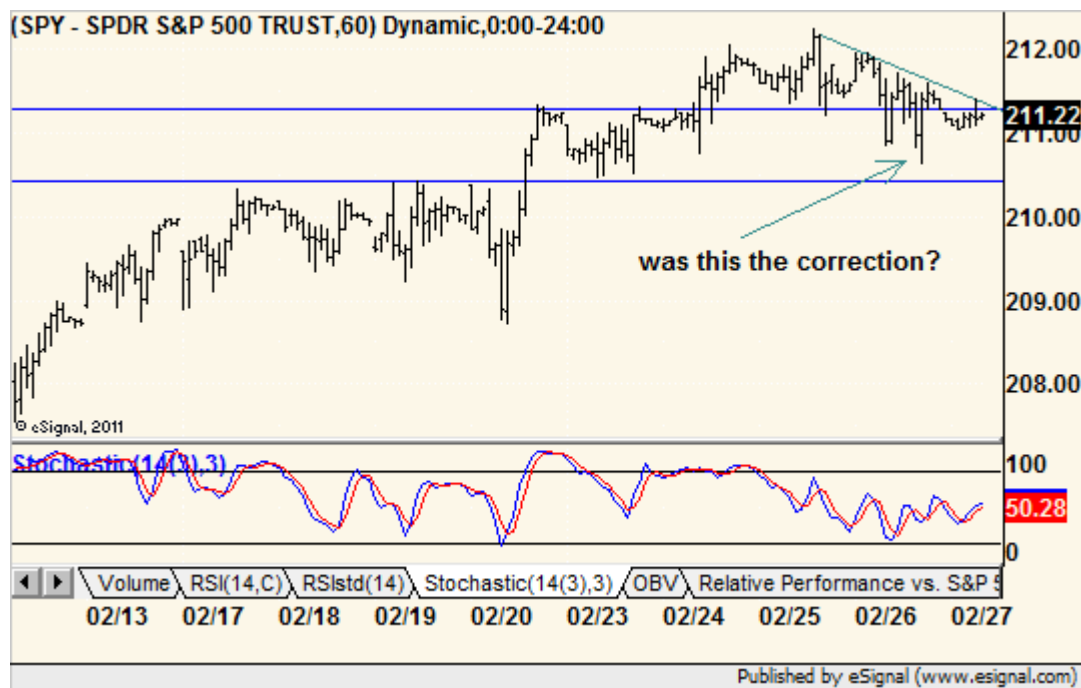
MICHAEL KAHN
RESEARCH LLC

February 27, 2015 – The headlines are really reaching today, proclaiming that the Nasdaq will close at an all-time monthly high today after a 15-year wait. While technically true, it will be a new monthly closing high, the real ship sailed last November but let's give them their fun.

Technically, the stock market is in the same place it was yesterday. And once again the market finished strong, even though it was mostly net red.

As for bonds, they were down and that dragged utilities and REITs down, too. The dollar was nicely higher but it is still in a sideways pattern seemingly waiting for its bull market trendline to catch up from below.

Oil took a hit yesterday but remains in the same pattern we highlighted last week. We think the bottom is in but check out the chart below.

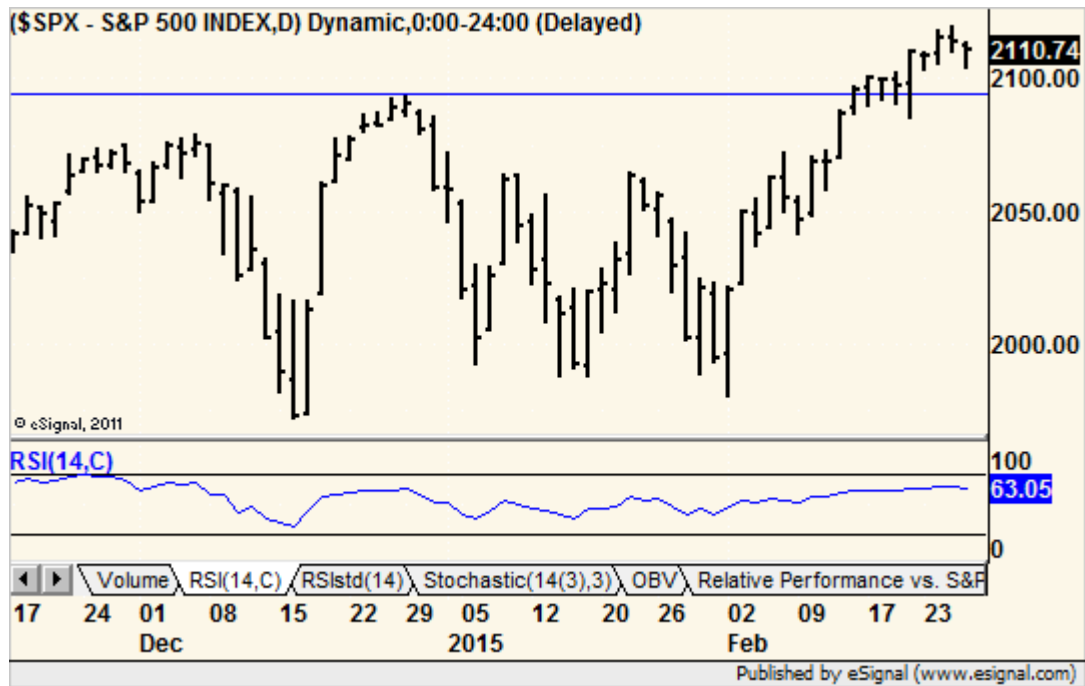


We looked for a dip to the lower line if the upper line was broken and it was close. Was that enough? Let's wait to see if the sloping line from the peak is broken to the upside.

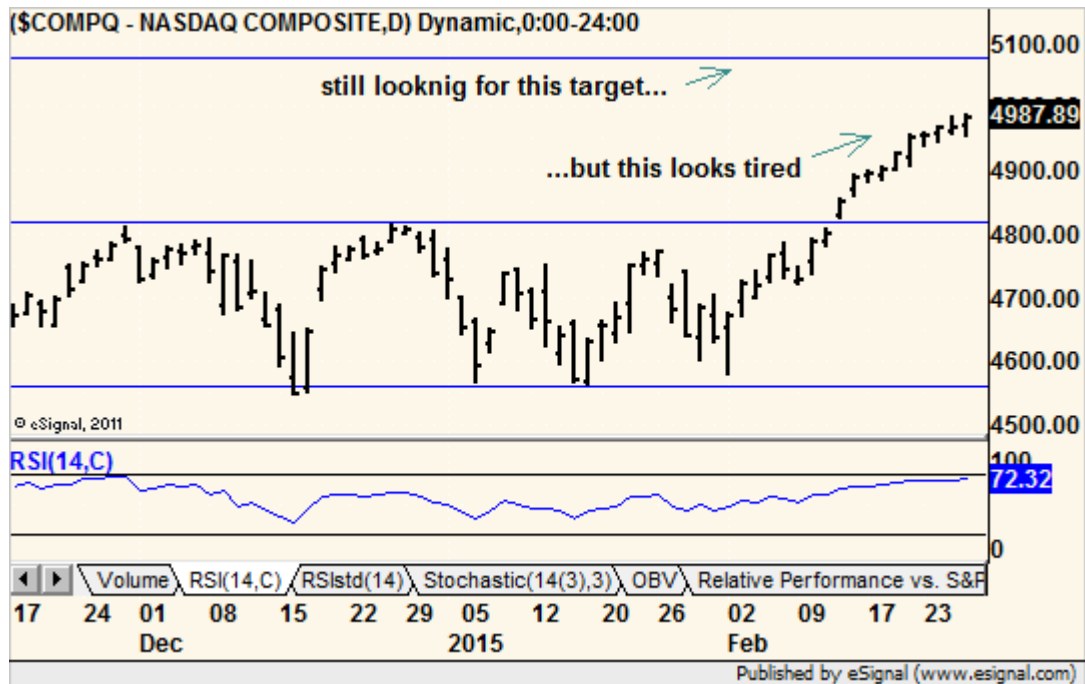
That's it. No reaction to the better-than-expected GDP report.

Bottom line – the market is a bit tired but still in a rising trend.

Index Charts of the Day



Not much change. Still would like to see a refreshing dip to test the breakout.



Breakouts from patterns usually pause at the halfway point to the target. The Nasdaq has yet to do so.

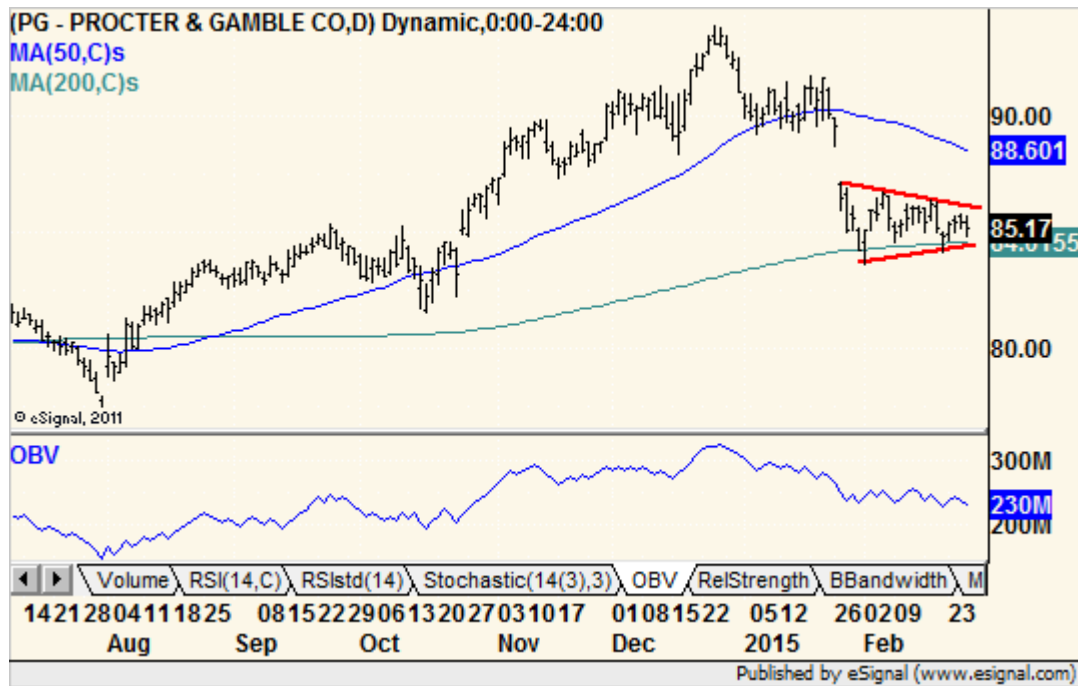
The Radar Screen

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.

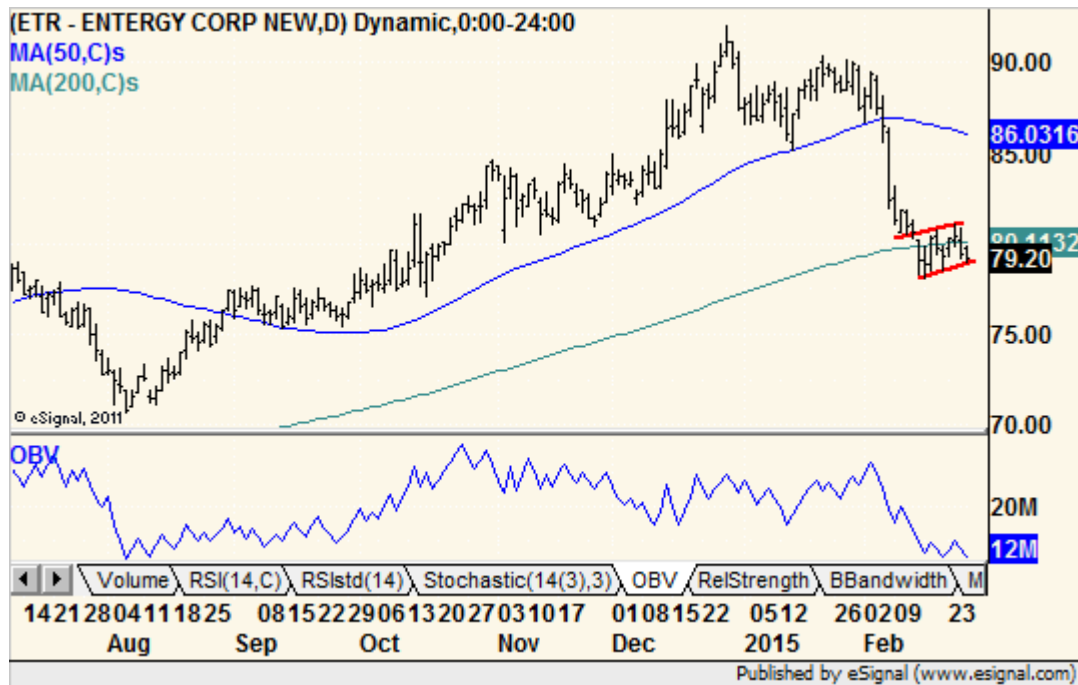
Bullish Implications		
Travelers TRV – An insurance stock with a nice bullish setup following a false breakdown. We do wish volume was better. Buy close over 108.30.		2/15
SM Energy SM – We did not set out to look for more energy stocks but of the dozens of charts we checked this explorer/producer is the only one with a compelling setup. Buy close over 50.40. Gained 14% so we did not buy. However, it came back to our trigger so we are going to buy now.	Changed	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. <u>Going the wrong way so we may remove this soon.</u>		2/23
American Eagle Outfitters AEO – This clothing retailer was left for dead. It traded at 22 in 2012 so its 50% rally from last summer must be put into context. Now holding its own just under resistance with strong on-balance volume. Nice dividend but be aware of high trailing p/e of 97. Buy close over 15.00.	New	2/27
Bearish Implications		
none –		
Unknown Implications		
Procter & Gamble PG – Triangle pattern sitting on 200-day average. On-balance volume is flat to slightly lower. Buy 86.50, sell 84.50	New	2/27
Entergy – A New Orleans-based utility with flag pattern sitting on 200-day avg and falling on-balance volume. Clearly this leans negative with the caveat that the sector as a whole seems to have finished a correction. Buy 81.25, sell 79.00.	New	2/27
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.		
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. <u>Consecutive hanging man candles.</u>		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. <u>But it may come down to test the move where we can buy.</u>		
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.		2/26
Coal – Yes, coal, once again teasing with signs of life. BTU, ACI		2/26

Market Highlights

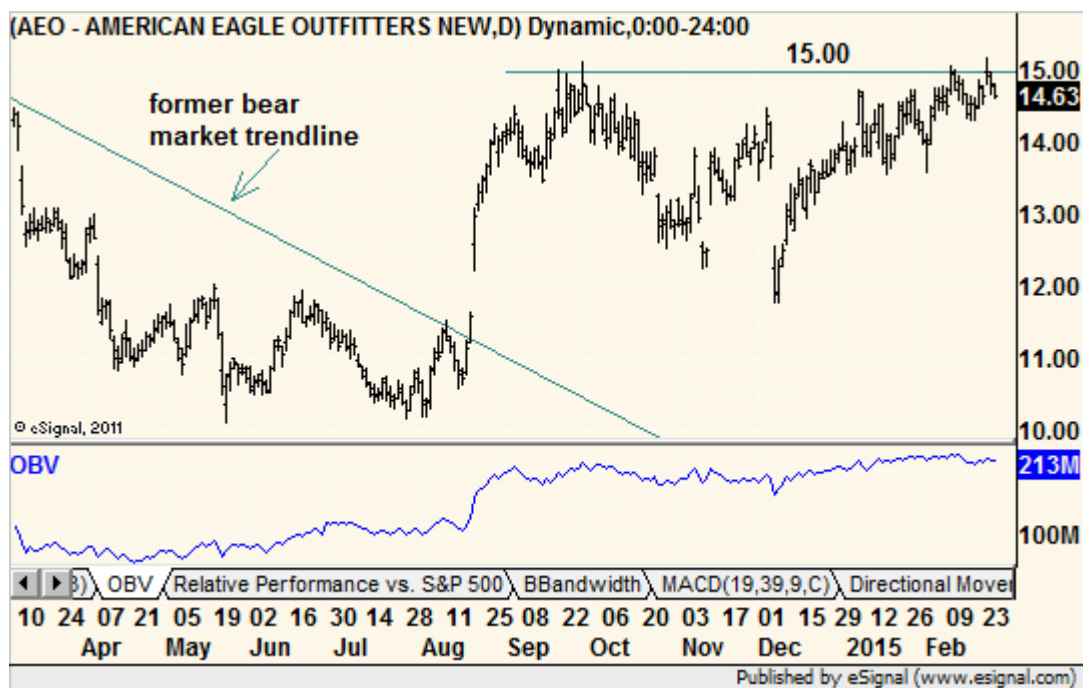
The following two stocks have pause patterns sitting on 200-day averages. They can break either way.



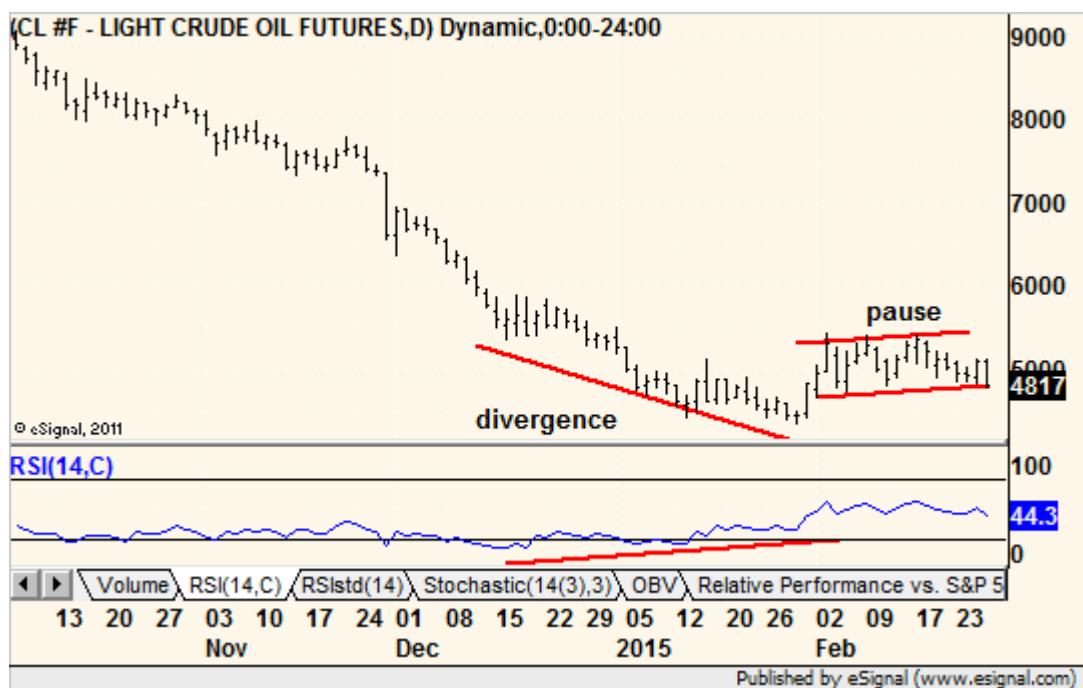
Procter & Gamble – On-balance volume is flat to slightly lower. Buy 86.50, sell 84.50



Entergy – A New Orleans-based utility with a flag pattern and falling on-balance volume. Clearly this leans negative with the caveat that the sector as a whole seems to have finished a correction. Buy 81.25, sell 79.00.



American Eagle Outfitters – This clothing retailer was left for dead with its teen and 20s focused peers. It traded at 22 in 2012 so its 50% rally from last summer must be put into context. Now holding its own just under resistance with strong on-balance volume. Nice dividend but be aware of high trailing p/e of 97. Buy close over 15.00.



Crude Oil – Admittedly, the pause pattern is getting to be a bit long and ragged but we still see it. The divergence following the bear run tells us that the worst is over although the fact that the market staled this long suggests it is not quite ready for a big rally right away. However, we do see higher prices later this year and, partially thanks to refinery strikes, heating oil and gasoline are in still rising.

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	166.31	14.7%	165.00	145.05	1/7	50
	LO	LORILLARD INC	68.48	6.2%	67.00	64.46	1/13	44
	CAT	CATERPILLAR INC DEL	83.80	5.1%	82.00	79.74	1/27	30
	EWI	ISHARES MSCI ITALY CAPPED ETF	14.80	4.5%	14.25	14.16	2/2	24
	HRB	BLOCK H & R INC	34.50	-1.2%	34.50	34.91	2/5	21
	HAL	HALLIBURTON CO	42.70	-0.6%	42.50	42.97	2/5	21
	VNM	MARKET VECTORS VIETNAM ETF	19.67	2.4%	19.00	19.21	2/11	15
	MAR	MARRIOTT INTL INC NEW	83.22	7.9%	79.00	77.13	2/11	15
	GOOGL	GOOGLE INC	559.29	2.4%	535.00	546.01	2/12	14
	XLE	ENERGY SELECT SECT SPDR FUND	79.37	-2.2%	78.50	81.13	2/13	13
	XLU	UTILITIES SELECT SECTOR SPDR	45.28	0.6%	44.25	45.03	2/17	9
	SO	SOUTHERN CO	45.76	0.2%	45.00	45.69	2/17	9
	XLV	HEALTH CARE SELECT SECT SPDR	72.59	1.6%	71.00	71.43	2/19	7
	MMM	3M CO	169.61	0.9%	161.00	168.12	2/20	6
	KIM	KIMCO RLTY CORP	26.17	-3.4%	26.00	27.09	2/24	2
	VAL	VALSPAR CORP	86.32	-3.8%	85.00	89.75	2/24	2
	AMAG	AMAG PHARMACEUTICALS INC	49.46	9.7%	47.50	45.07	2/25	1
	KLAC	KLA-TENCOR CORP	65.51	-0.7%	63.50	66.00	2/25	1
	AMGN	AMGEN INC	158.97	1.6%	153.00	156.50	2/25	1
	XLNX	XILINX INC	41.83	-0.9%	40.50	42.21	2/25	1
<u>Short</u>	none							

Notes: Stopped out of HRB for a small loss. This one never really got going and we were going to cut and run soon anyway.

NOC and **LO** are down and we may just let them ride until they get stopped. We were thinking of cashing out anyway. With the latter, we captured the nice dividend as it went ex-dividend earlier this week.

Tweaked stop on **GOOGL**.

And raised stop a lot on **AMAG** after a super performance Thursday.

Other Information

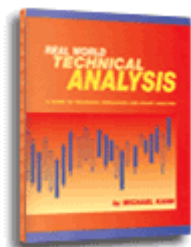
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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