

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 2, 2015 – For the poor souls of the Northeast, March came in like a lion yesterday dumping more snow on the ice that was already there. The stock market, on the other hand, has tiptoed in like a llama. We'll leave it to you to decide if it is a black llama with blue stripes or a white llama with gold stripes.

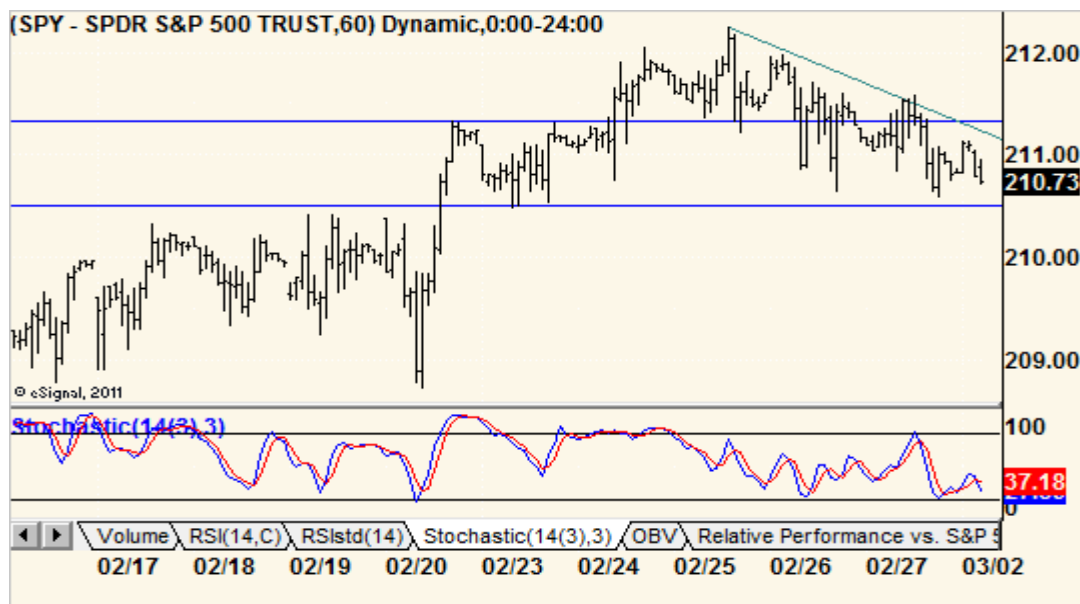
The dollar is flat as we open the new week and month. Gold, as we might expect, is also flat but oil is weak. We are not sure why the headlines made a deal out of Brent crude falling below \$62 when that is an unpenetrated resistance level. In fact, Brent looks more like heating oil and gasoline in a rising trend as West Texas crude is the one that has flattened out. Donning a fundamental chapeau, that could just mean a lot of supply in the US and not a slack in demand around the world. Did we mention that the Saudi stock market index is still in a rally from December?

Let's talk sentiment. The Nasdaq is a hair from the exalted 5000-level – which itself is meaningless on the charts but don't let facts get in the way of a good story. We see the index, based on technicals, targeting just above its all-time closing high in the 5061 area. Friday, news wires were rife with reports saying the index is 40-some-odd percent below its inflation adjusted high, now supposed to be above 7000.

Talk about wet blanket bears! And that is drastic contradiction to the bubble-callers who say the Nasdaq is too high already. Which sentiment is right? Actually, we view them both to be on the bullish side. The problem we have is that our projections for market strength made late last year run out before summer. And by then we may seem some different language by the Fed. Will that matter if the rest of the world is cranking up the liquidity machines again?

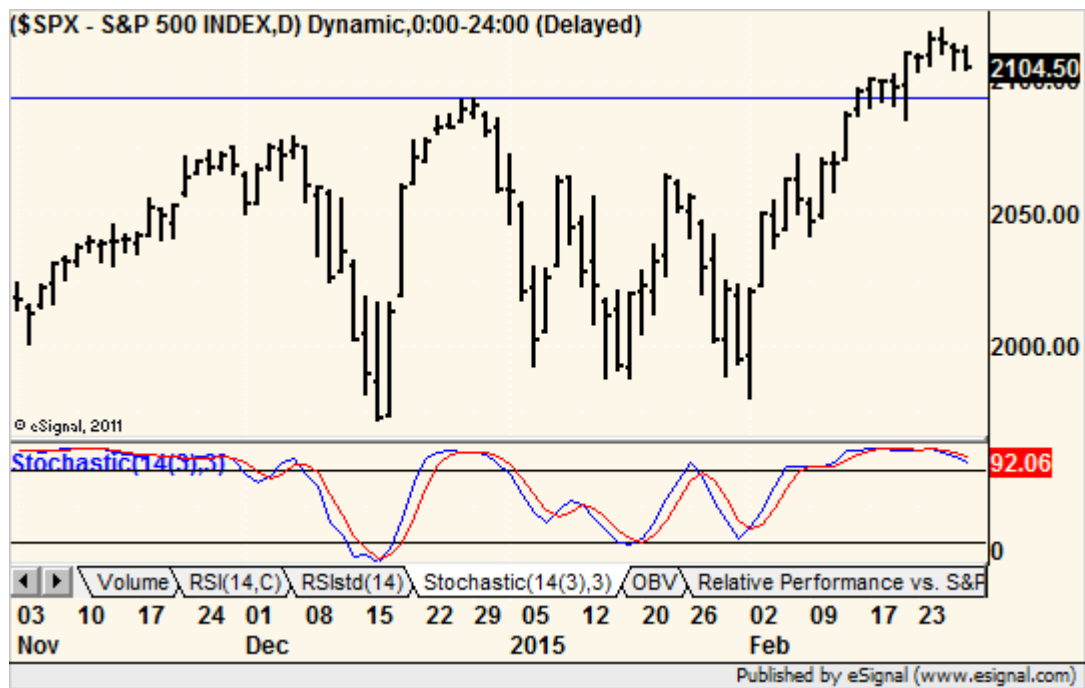
Finally, there are seasonals. The annual cycle (sell in May) may just kick in at the time the Fed changes its tone. Then we have the decennial cycle as a year ending in "5" is usually good. And so is the third year of a Presidential term.

The moral of the story for us in the here and now is to give the bulls the benefit of the doubt, realizing that this bull market was steep, uninterrupted for the most part and it now old.

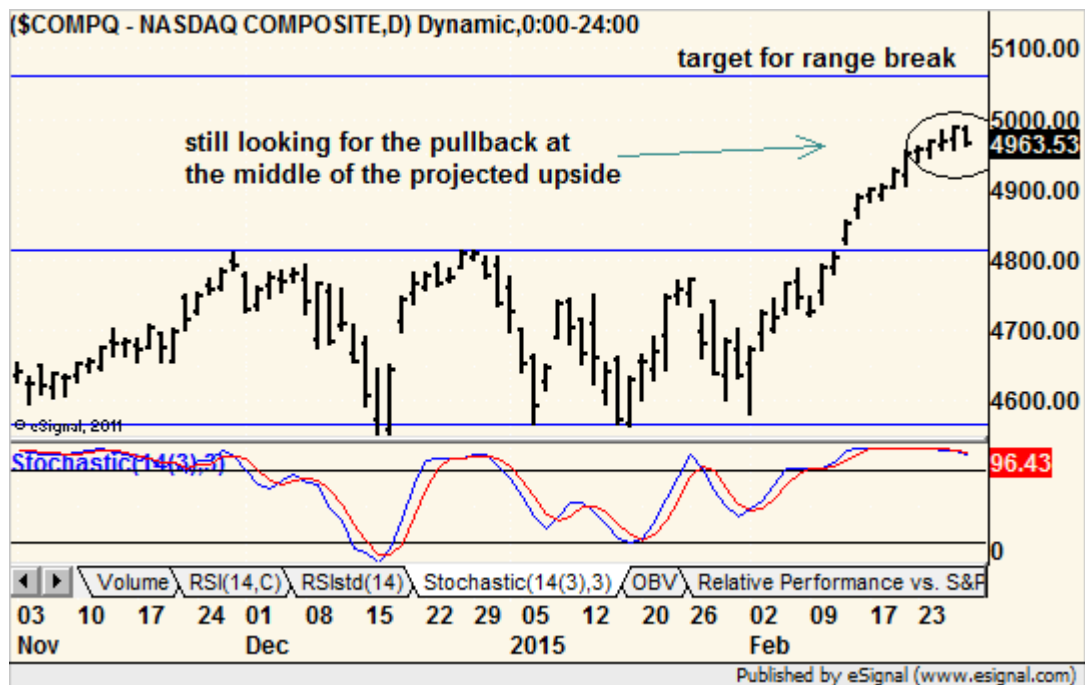


The hourly chart shows the **SPY** between support and the trendline. Waiting and seeing.

Index Charts of the Day



Considering that the market stalled, stochastics is staying rather high and that is actually bullish. We'd still like to see a dip to test the breakout.



Also looking for a pullback here but not all the way back to the top of the former trading range.

The Radar Screen

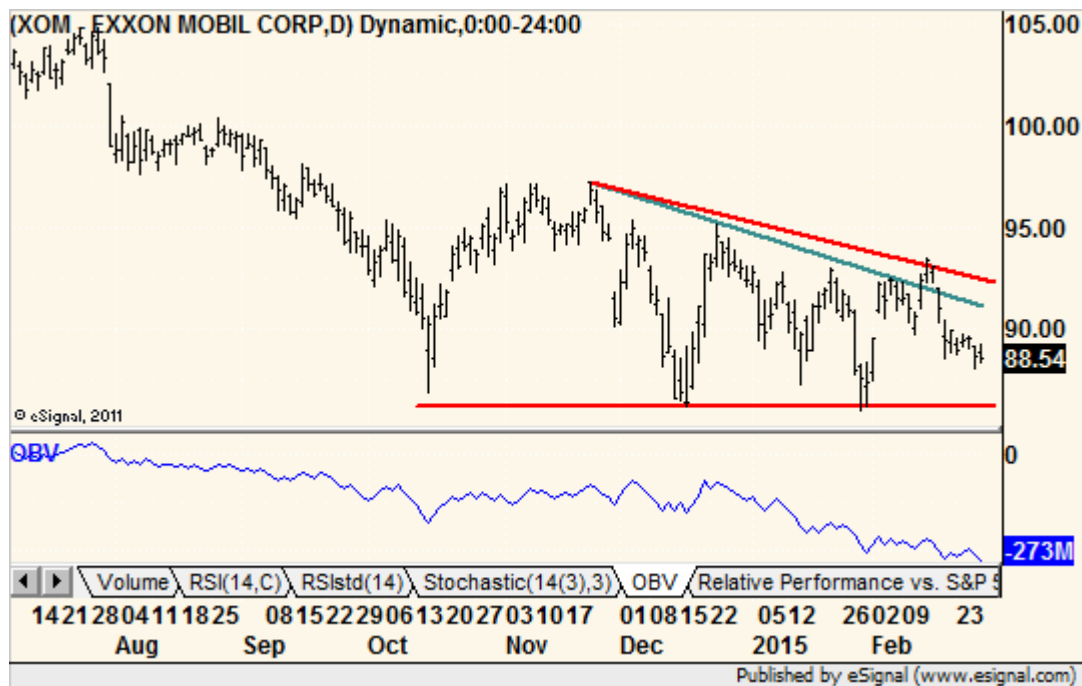
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.	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. <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.		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 ETR – 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. Consecutive hanging man candles.		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. But it may come down to test the move where we can buy.		
Kroger KR – Don't fight the trend but this grocer sports some bearish warnings in RSI and Bollinger Bands. Waiting for a clearer sell signal.	New	3/2
Verizon VZ – Looking like it wants to break out from trendline. Already above its major averages. Still, peer T is not quite as nice and that makes this less compelling.	New	3/2

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. Long-term pattern very bullish.		2/12
Financials XLF – lagging the market		2/12
REITs IYR – Bull flag at 50-day avge. We like KIM, BXP . <u>The pattern is now very long and may no longer be valid. Still watching.</u>		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
Updates		
none –		

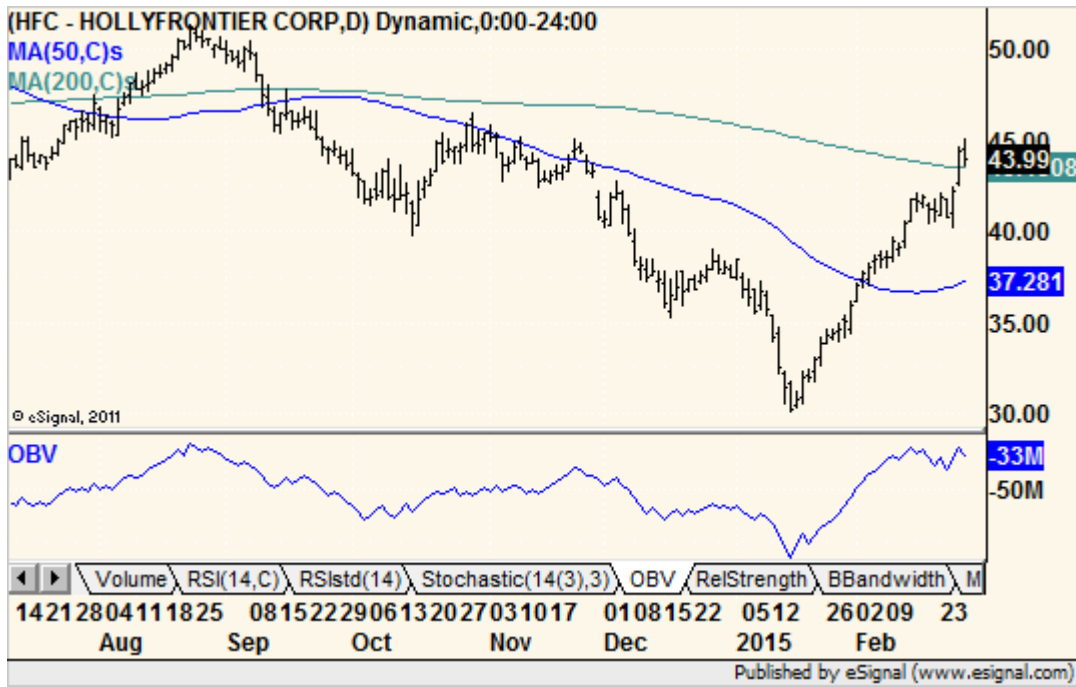
Market Highlights



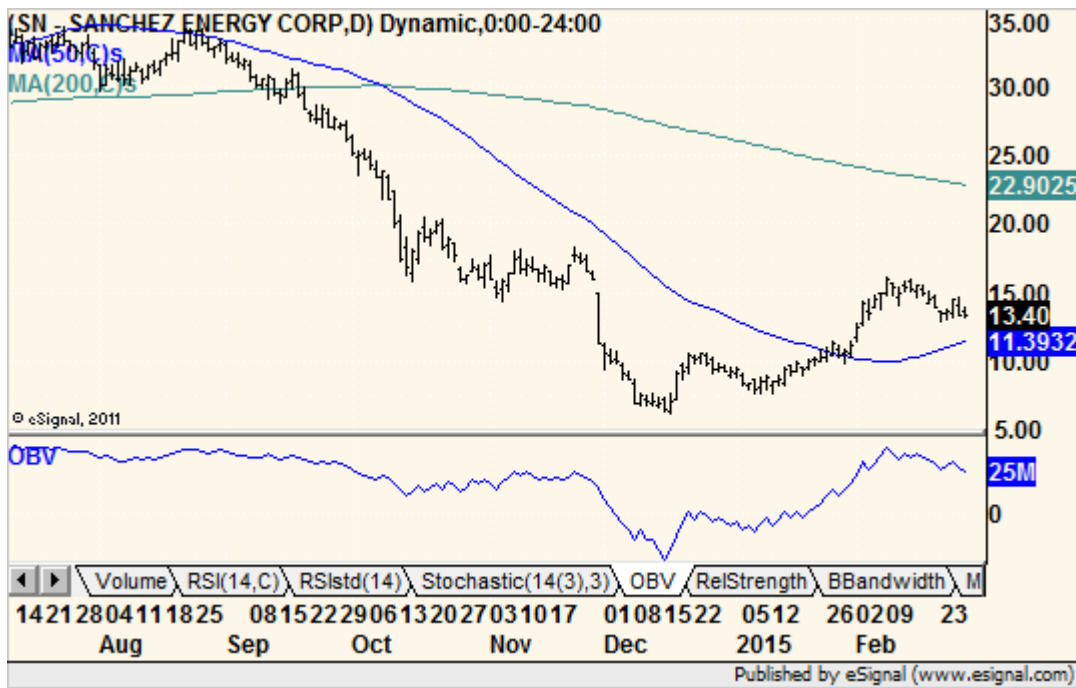
ExxonMobil – We have to admit that big oil does not look as good as it did a month ago when this one in particular broke out. That has failed and on-balance volume is probing new lows. See next chart...



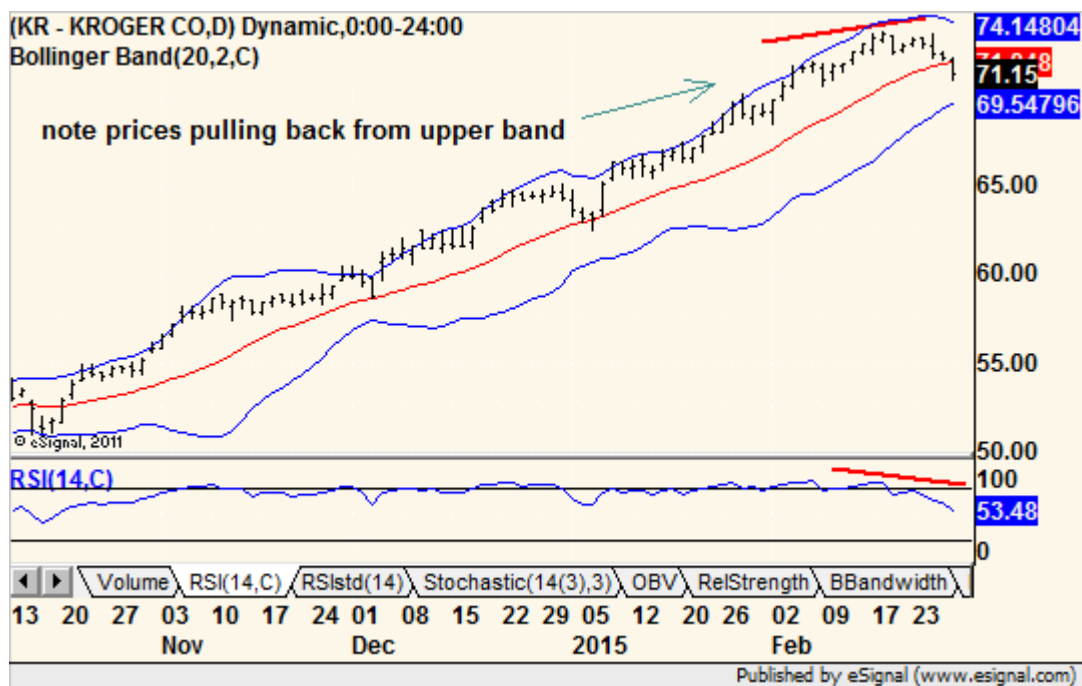
Energy ETF – As bog oil flounders, the energy sector ETF still looks OK above its trendline and 50-day average with rising on-balance volume. See next chart...



Holly Frontier – Refiners are very strong.



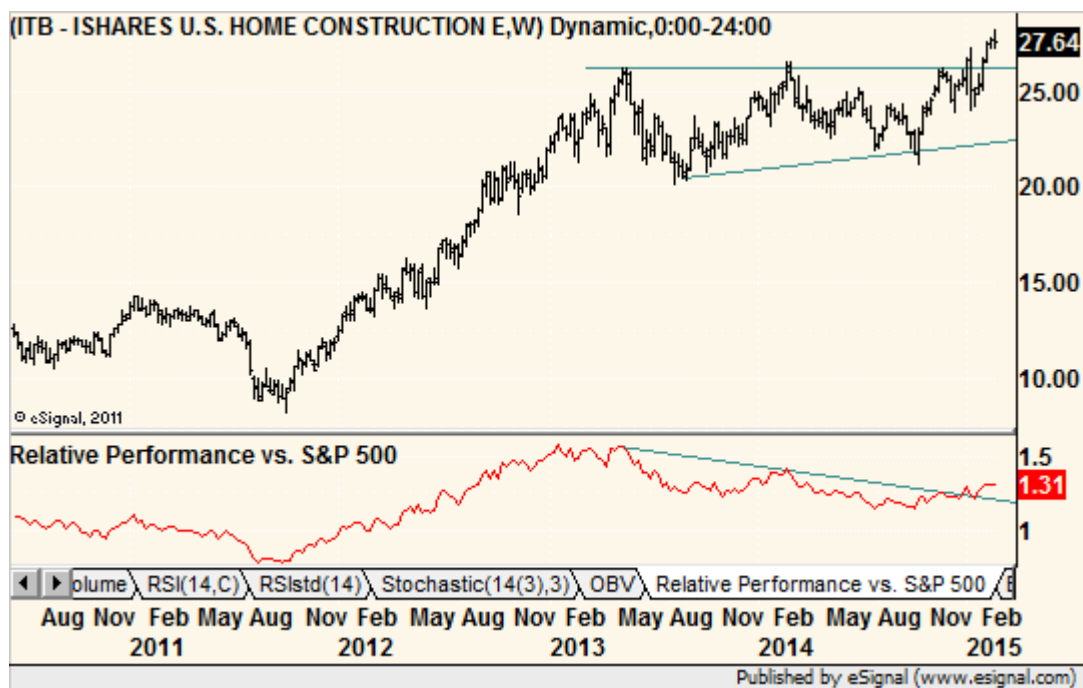
Sanchez Energy – Even shale oil is still alive.



Kroger – Don't fight the trend but this grocer sports some bearish warnings in RSI and Bollinger Bands. Waiting for a clearer sell signal.



Verizon – Looking like it wants to break out from trendline. Already above its major averages. Still, peer T is not quite as nice and that makes this less compelling.



Homebuilder ETF – Already broken out long-term albeit with a little agita in January (right after I wrote it up for Barron’s Online).

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	165.71	14.2%	165.00	145.05	1/7	53
	LO	LORILLARD INC	68.42	6.1%	67.00	64.46	1/13	47
	CAT	CATERPILLAR INC DEL	82.90	4.0%	82.00	79.74	1/27	33
	EWI	ISHARES MSCI ITALY CAPPED ETF	14.88	5.1%	14.25	14.16	2/2	27
	HAL	HALLIBURTON CO	42.94	-0.1%	42.50	42.97	2/5	24
	VNM	MARKET VECTORS VIETNAM ETF	19.63	2.2%	19.00	19.21	2/11	18
	MAR	MARRIOTT INTL INC NEW	83.10	7.7%	79.00	77.13	2/11	18
	GOOGL	GOOGLE INC	562.63	3.0%	535.00	546.01	2/12	17
	XLE	ENERGY SELECT SECTOR SPDR	79.02	-2.6%	78.50	81.13	2/13	16
	XLU	UTILITIES SELECT SECTOR SPDR	45.23	0.4%	44.25	45.03	2/17	12
	SO	SOUTHERN CO	45.79	0.2%	45.00	45.69	2/17	12
	XLV	HEALTH CARE SELECT SCTR SPDR	72.24	1.1%	71.00	71.43	2/19	10
	MMM	3M CO	168.65	0.3%	161.00	168.12	2/20	9
	KIM	KIMCO RLTY CORP	26.28	-3.0%	26.00	27.09	2/24	5
	VAL	VALSPAR CORP	86.65	-3.5%	85.00	89.75	2/24	5
	AMAG	AMAG PHARMACEUTICALS INC	49.23	9.2%	47.50	45.07	2/25	4
	KLAC	KLA-TENCOR CORP	64.96	-1.6%	63.50	66.00	2/25	4
	AMGN	AMGEN INC	157.72	0.8%	153.00	156.50	2/25	4
	XLNX	XILINX INC	42.37	0.4%	40.50	42.21	2/25	4
	SM	SM ENERGY CO	48.52	-4.5%	46.00	50.83	2/27	2
<u>Short</u>	none							

Notes: New long in **SM** at the open Friday as it came down to our original buy trigger. Unfortunately, it fell most of the day.

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

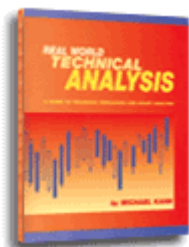
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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