

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 3, 2014 – It looks like Mr. Putin is humming "Back in the USSR," just a week after hosting the world-uniting Olympic Games. We can throw standard analysis, whether technical, fundamental or quantitative, out the window, or at least relegate it to the shelf for a while. Interestingly, the Russian ruble is at all time lows thanks to the situation in Ukraine.

The interesting thing is that Friday, the market was willing to "take 'em home over the weekend" as the stocks rallied in the final hour into the close. There was an intraday sell-off first, also on Ukraine worries, that was apparently deemed to be not so bad. What a different a weekend makes.

And speaking of currencies, the US dollar did get a boost overnight but certainly not enough to erase Friday's rather sizeable decline. But it is the Japanese yen getting the real buying interest today. That is good enough for us to call it a flight to safety in the currency markets.

And Treasury bonds are also getting a boost. We have the **TLT** ETF chart below again to show that as of the premarket, the bottoming pattern in that market is broken to the upside. Recall I wrote up bonds for Barron's Online a few weeks ago, ([Interest Rates May Tumble](#)), implying that the 10-year yield was going to dip back to 2.50%. It closed Friday at 2.66%.

The interesting part, although if you are familiar with the term "stagflation" because you have been around the block a few times like I have, is that commodities are on the move higher. Lower interest rates and higher commodities prices? Strange brew. But keep an eye on gold, which looks to break higher from a small bull flag pattern. Of course, oil is always of concern during times of conflict and it, too, seems to be breaking higher from its own bull flag.



The hourly fan lines pattern from a month ago is now completed and the gradual topping process, according to this indicator, is also completed. However, we are going to give support from the previous fan line (where price touched it) the benefit of the doubt as the line in the sand. We'll see it better on the daily chart that this will be an acceptable violation of support - the breakout above old highs - before we have to declare it to be a breakout failure. The key message today is not to panic over the news.

Index Charts of the Day



Here is the daily version of the **SPY** chart from the comments section to show where the support levels are in the bigger picture. The 182.60 level is still an acceptable violation of the breakout to new highs before we have to declare the breakout to be a failure - and a bearish signal.



Here is the S&P 500 itself to show support at a slightly lower level than we drew for the SPY above. Note that the 50-day average is still intact.

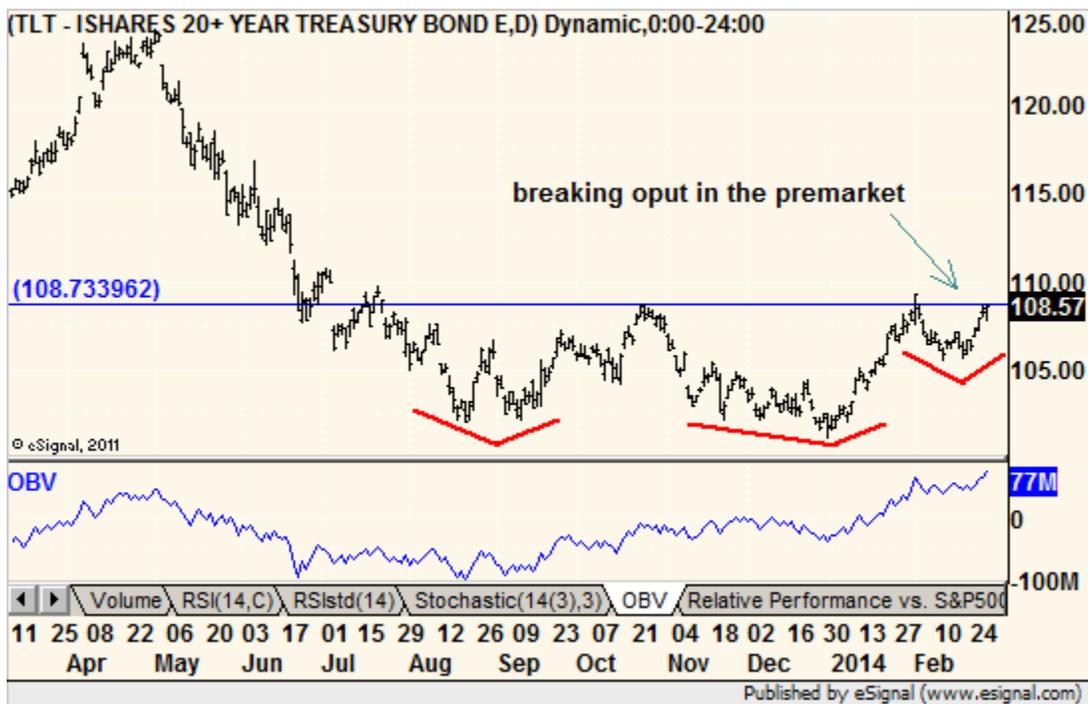
The Radar Screen

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.

Note - We still do not see a lot of short setups and would not be surprised to see the market set its low for the day at the open. Therefore, no new stock picks and pans.

Bullish Implications		
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.		2/27
Commodities ETN DBC - This one holds agriculturals and already has a trend break. Buy flag break at 26.20. Caveat - we are already long CORN .	New	3/3
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.		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
Wal-Mart WMT - Everyone is down on this stock but at the same time retail is making a comeback. We're watching for a trendline breakout.	New	3/3
Sector Watch (observations that may spark ideas)		
Regional Bank ETF KRE - shook off breakdown and is back in the hunt		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 on the BTK index.		2/21
Retail - Making a comeback. ANF , AEO , ARO , URBN		2/26
Updates		
none -		

Market Highlights



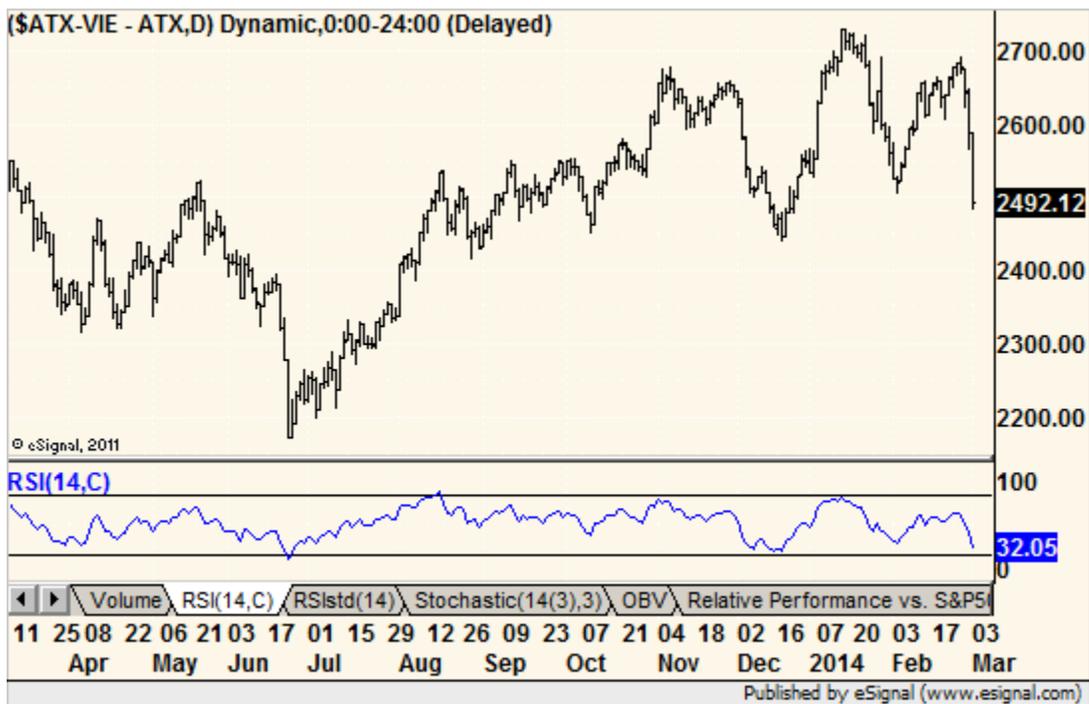
Long T-bond ETF - Same comments as Friday but now with a breakout pending. Repeated: Inverted head-and-shoulders or cup-with-handle. The difference between linen white and china white. Note money flowing in so our view that this will eventually break out still holds.



Russia ETF - Breakdown. The market thinks the Ukraine incursion is going to be bad for Russia.

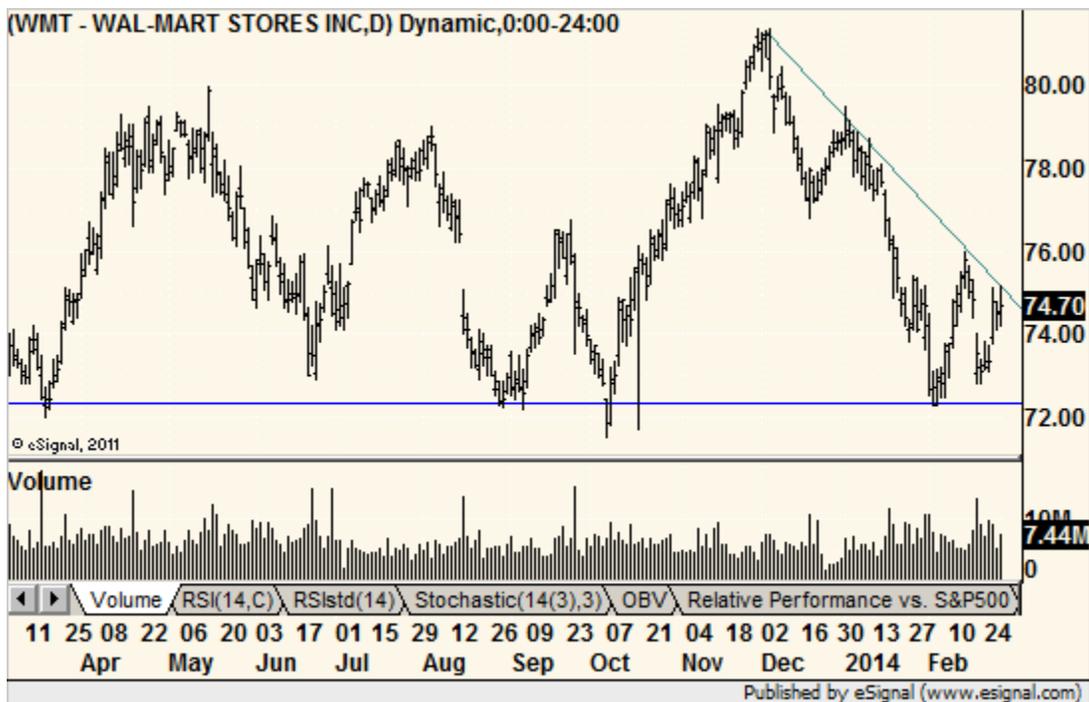


Russia RTS Index - The real Russian index has a clear breakdown today.



Austria ATX Index - We don't have a Ukraine index but Austria clearly is not happy. We show this to illustrate the region as a whole is suffering and that in turn is not good for Europe. The French CAC index has a potential breakout failure today. [Seen on Twitter](#) - Bank exposure to Ukraine...Austria, France & Italy most.

Bottom line - As long as this conflict lasts, markets will be weaker and "risk off" stronger.



Wal-Mart - Everyone is down on this stock but at the same time retail is making a comeback. We're watching for a trendline breakout. (Holding Tank).



Commodities ETN - This one holds agriculturals and already has a trend break. Buy flag break at 26.20. Caveat - we are already long CORN.

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	11.18	13.0%	10.70	9.89	12/6	86
	GDX	MARKET VECTORS GOLD MINERS ETF	25.88	16.8%	25.25	22.15	1/13	48
	JTP	NUVEEN QUALITY PFD INCOME FD	8.07	3.1%	7.70	7.83	1/23	38
	CORN	TEUCRIUM CORN FUND	32.48	2.9%	31.00	31.57	2/6	24
	FCX	FREEPORT-MCMORAN COPPER GOLD	32.62	4.0%	32.00	31.36	2/6	24
	LXP	LEXINGTON REALTY TRUST	11.41	4.9%	10.75	10.88	2/12	18
	SLV	ISHARES SILVER TRUST	20.35	3.1%	20.00	19.74	2/13	17
	NOV	NATIONAL OILWELL VARCO INC	77.04	0.7%	73.50	76.52	2/18	12
	FSLR	FIRST SOLAR INC	57.07	-2.4%	54.00	58.50	2/25	5
	LTM	LIFE TIME FITNESS INC	47.20	2.4%	45.00	46.09	2/25	5
	BBRY	BLACKBERRY LTD	10.00	-6.4%	9.75	10.68	2/26	4
	FDO	FAMILY DLR STORES INC	65.50	-2.5%	64.00	67.16	2/27	3
<u>Short</u>	XLP	CONSUMER STAPLES SELECT SECTOR S	42.35	-2.8%	42.50	41.15	2/11	19

Notes: Tweaked the stop in **LTM**.

Again, we were officially stopped out of **FSLR** but are still tracking it here since our intent was to lower the stop before the gap down and some subscribers may still be in it.

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

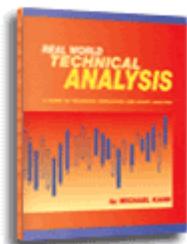
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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