

QUICK TAKES PRO

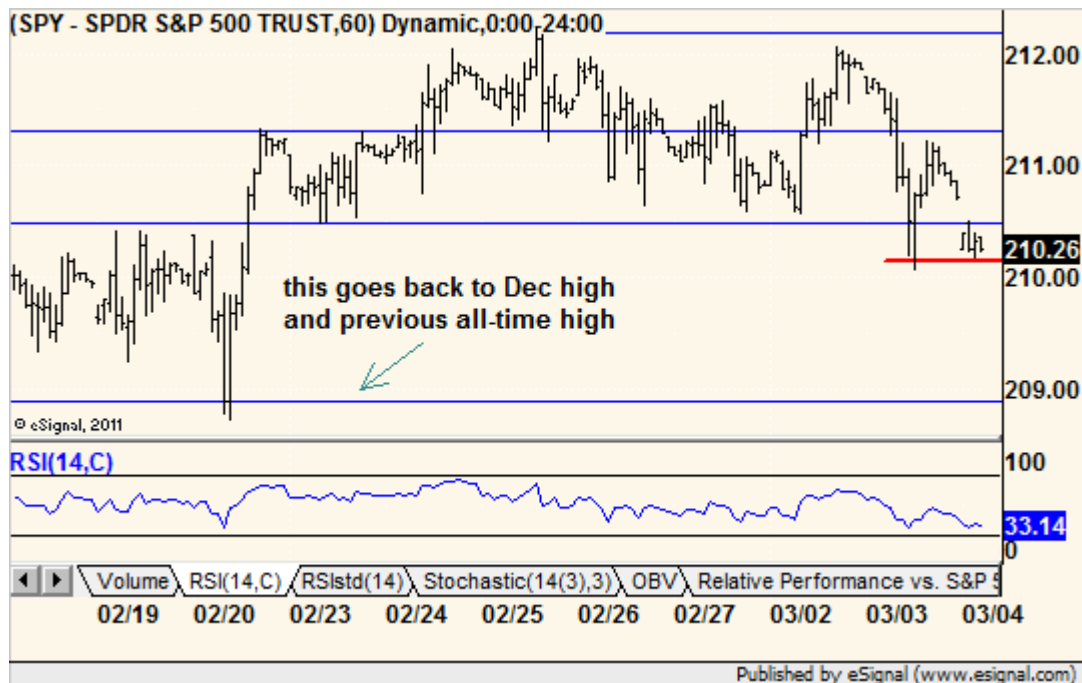
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

March 4, 2015 – Stocks pulled back from the Nasdaq high (as in "I'm high, dude") and it does look as if the current pause is still in effect. The hourly chart below paints a better picture with morning lows being a critical hold in the short-term. If broken, then the daily chart gets its correction of a whopping 1% on the S&P 500.

In other words, no need to get nervous just yet.

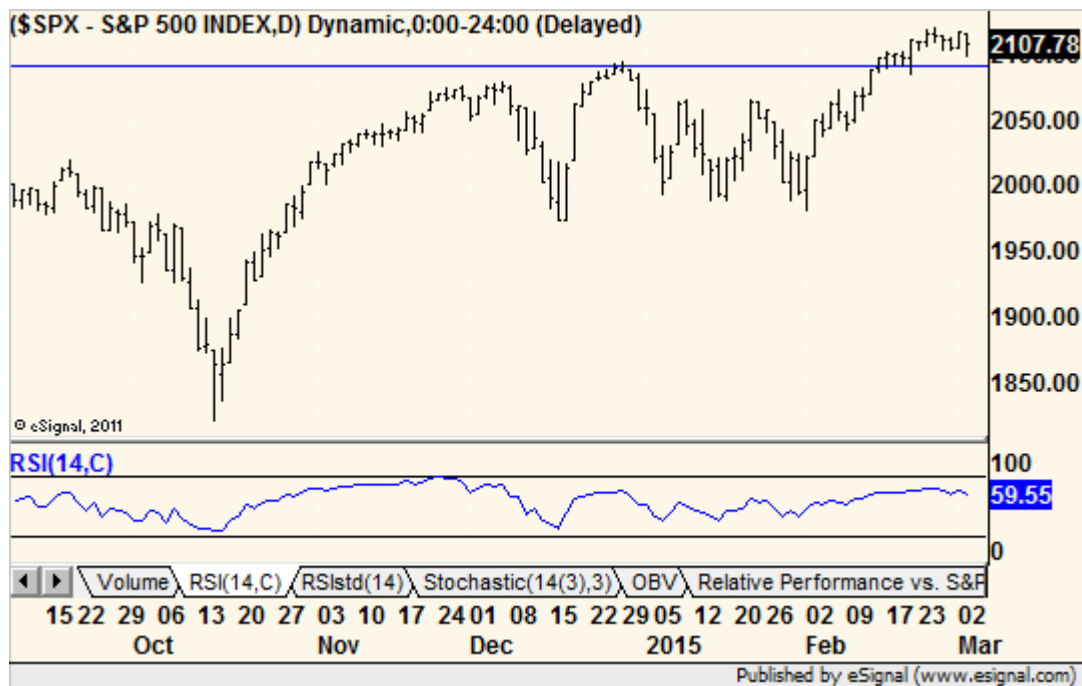
The rest of the markets seem fairly quiet right now with bonds threatening a breakdown. If you are so inclined, check out the Coffee ETF (**JO**) which looks as if it had a selling climax (chart below).



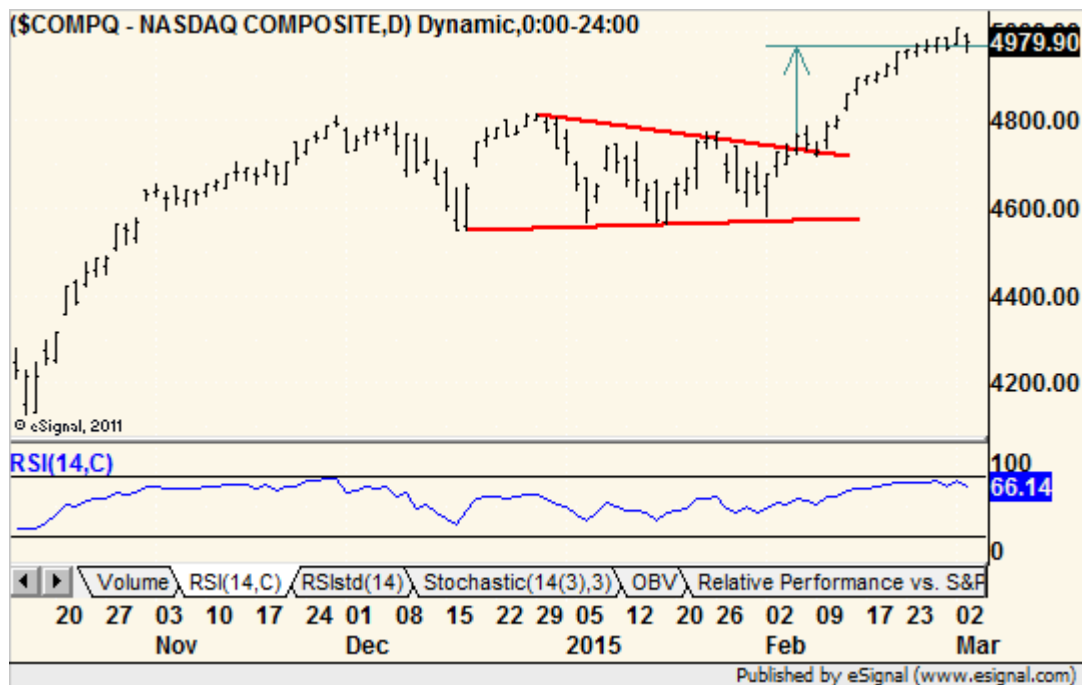
The correction continued with a dip right down to support as suggested. A bounce to resistance and then a new round of selling overnight to break support. The red line – 210-14 as drawn – is the difference between rebounding and heading to major support at the December high – which is what we've wanted for the past week. That should be a good place to get back in the buying mood but of course we have to see how it gets there.

Waiting for Jobs Friday, once again.

Index Charts of the Day



The line here corresponds to the **SPY** hourly chart's lower support line. It would be a 1% correction for the S&P 500 itself.



We've gone back to the triangle pattern as an alternative analysis. A measured target for that pattern has already been hit so it would be a good time for a correction.

The Radar Screen

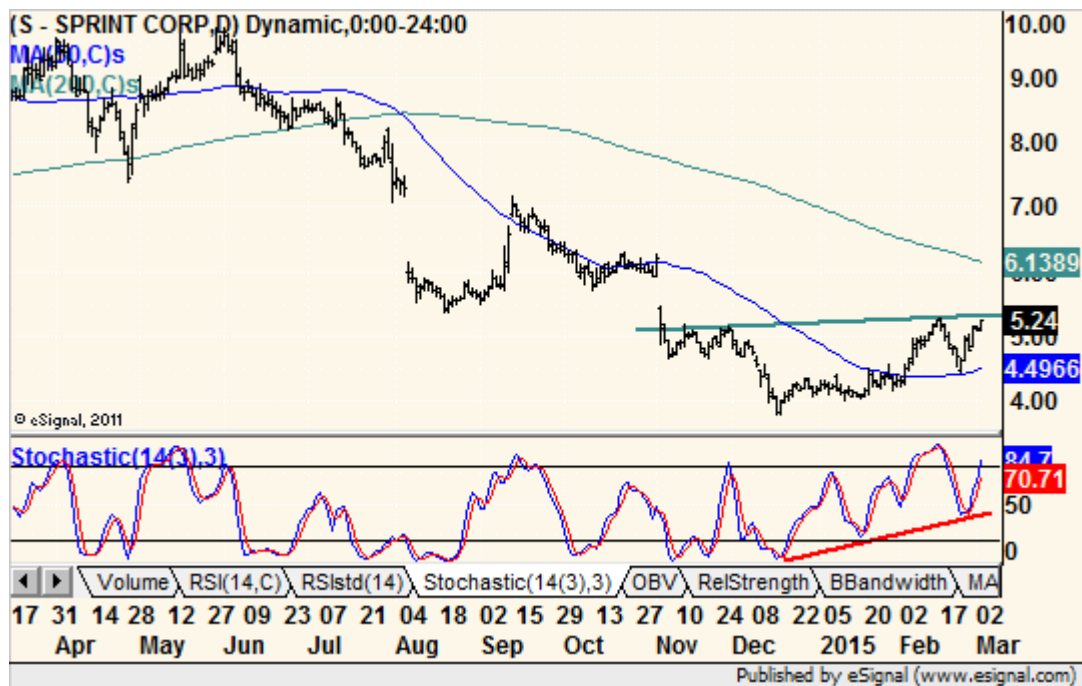
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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
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 140.		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
Applied Materials AMAT – Chip equipment maker on the verge in a hot sector. Buy close over resistance at 25.65. <u>Nasty Tuesday but setup still intact</u>		3/3
Wal-Mart WMT – The minimum wage news did nothing for the stock but with peers TGT and COST doing well, the failure here to get to the lower channel line is bullish. So is stochastics, which is bottoming above oversold levels as it would in a rising stock. Wait for the break. Buy close over 85.	New	3/4
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		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. OBV leaning lower. Death cross pending	Changed	
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. <u>Still not sure what pattern is forming.</u>		
Kroger KR – Don't fight the trend but this grocer sports some bearish warnings in RSI and Bollinger Bands. <u>Clearly broken now so we have to wait to sell a bounce.</u>		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.		3/2
Sprint S – Looking good over inverted H/S neckline at 5.3. Note rising stochastics lows.	New	3/4

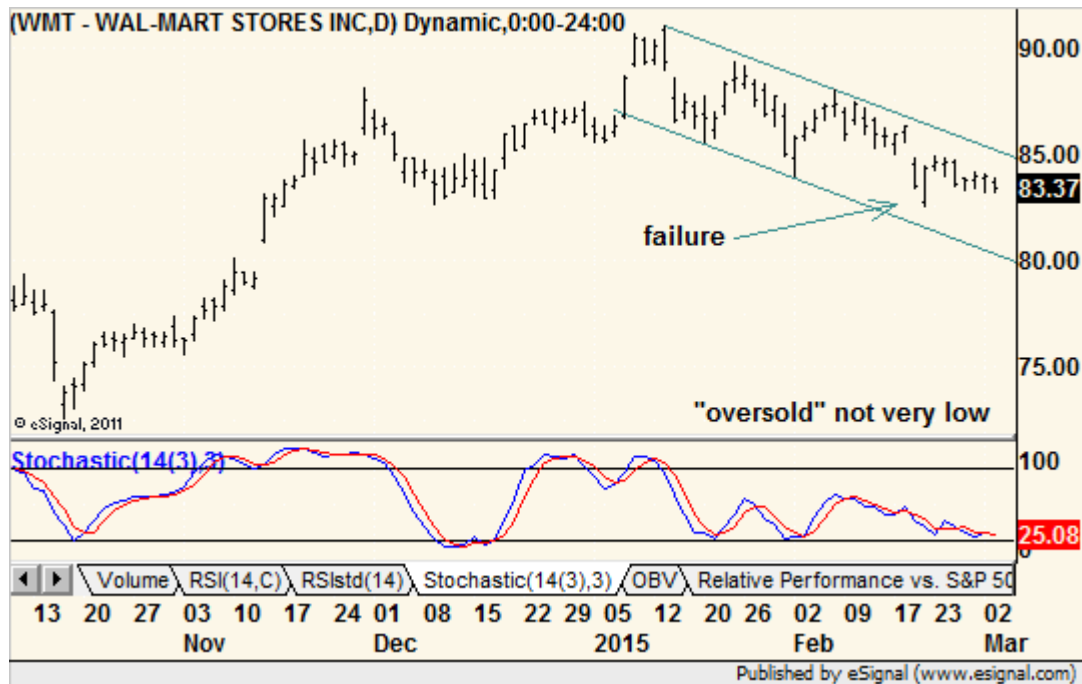
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Sector Watch (observations that may spark ideas)		
Retail XRT – market performer <u>but apparel retailers starting to set up</u>	Changed	2/6
Technology XLK – leading the market		2/12
Homebuilding ITB – leading the market and now a new breakout. Long-term pattern very bullish.		2/12
Financials XLF – lagging the market. WFC holding up nicely		2/12
REITs IYR – The flag morphed into a channel and it is now below the 50-day. Not excited about it anymore but it still bears watching for a breakout.	Changed	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, ACl. Once again, the tease leads to sorrow. Moving on with no harm done.	Removed	2/26
Updates		
none –		

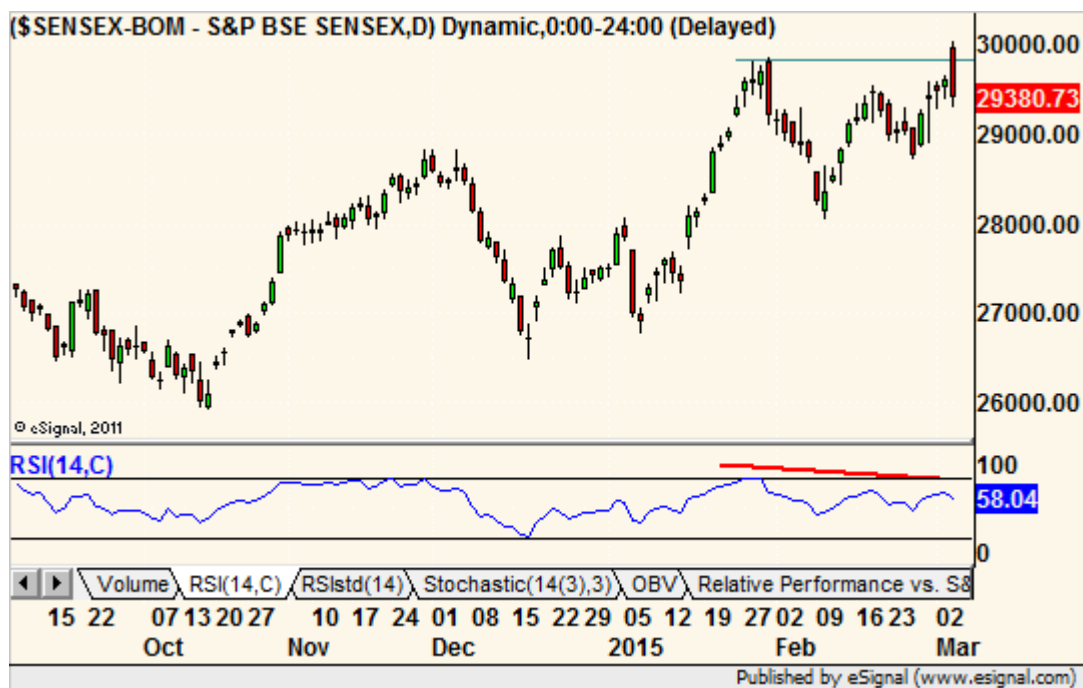
Market Highlights



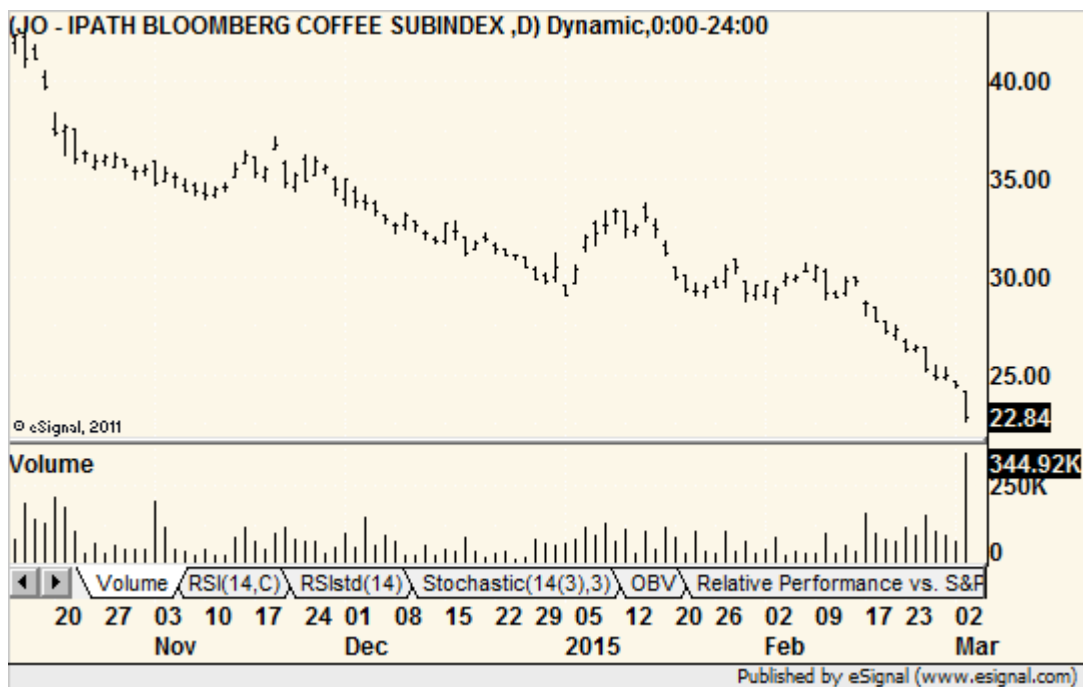
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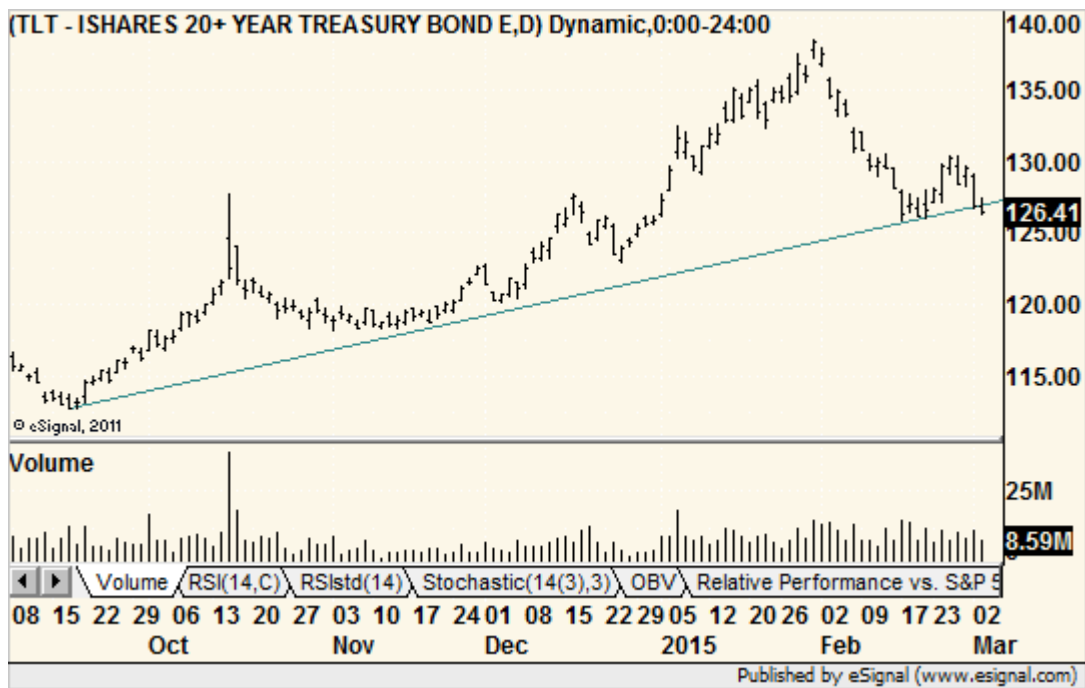
Wal-Mart – The minimum wage news did nothing for the stock but with peers **TGT** and **COST** doing well, the failure here to get to the lower channel line is bullish. So is stochastic, which is bottoming above oversold levels as it would in a rising stock. Wait for the break. Buy close over 85.



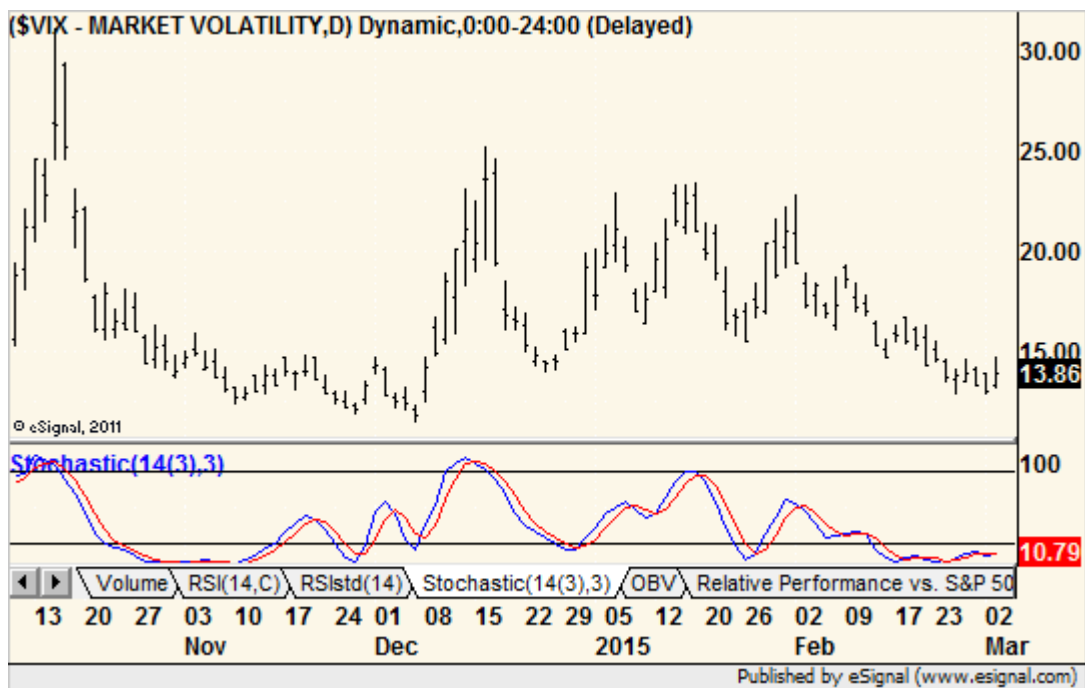
India Sensex Index – An unexpected rate cut sent the market soaring but it did not hold. That left a giant bearish engulfing candle at resistance with an RSI divergence. **INP** and **EPI** ETFs should follow with declines.



Coffee ETN – A giant dump on huge volume after a long decline is a climactic event. Likely marks the end of the bear but not necessarily a new bull just yet.



Long T-bond ETF - Failure to lift off the first time is bearish but wait for a true break.



VIX – The volatility index is closing in on the Dec low, which was a price high. Stochastics on this index seems to suggest it is time for the **VIX** to rise a little.

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	165.00	13.8%		145.05	1/7	55
	LO	LORILLARD INC	68.86	6.8%	67.00	64.46	1/13	49
	CAT	CATERPILLAR INC DEL	82.84	3.9%	82.00	79.74	1/27	35
	EWI	ISHARES MSCI ITALY CAPPED ETF	14.72	4.0%	14.25	14.16	2/2	29
	HAL	HALLIBURTON CO	43.11	0.3%	42.50	42.97	2/5	26
	VNM	MARKET VECTORS VIETNAM ETF	19.26	0.3%	19.00	19.21	2/11	20
	MAR	MARRIOTT INTL INC NEW	83.91	8.8%	81.00	77.13	2/11	20
	GOOGL	GOOGLE INC	578.80	6.0%	550.00	546.01	2/12	19
	XLV	HEALTH CARE SECTOR SPDR	72.23	1.1%	71.00	71.43	2/19	12
	MMM	3M CO	168.27	0.1%	165.00	168.12	2/20	11
	KIM	KIMCO RLTY CORP	26.35	-2.7%	26.00	27.09	2/24	7
	VAL	VALSPAR CORP	87.26	-2.8%	85.00	89.75	2/24	7
	AMAG	AMAG PHARMACEUTICALS INC	49.16	9.1%	47.50	45.07	2/25	6
	KLAC	KLA-TENCOR CORP	63.90	-3.2%	63.50	66.00	2/25	6
	AMGN	AMGEN INC	158.56	1.3%	153.00	156.50	2/25	6
	XLNX	XILINX INC	41.61	-1.4%	40.50	42.21	2/25	6
	SM	SM ENERGY CO	47.67	-6.2%	46.00	50.83	2/27	4
<u>Short</u>	ETR	ENTERGY CORP NEW	77.48	2.0%	80.00	79.00	3/2	1

Notes: Finally stopped out of **NOC** but with a nice profit.

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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