

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

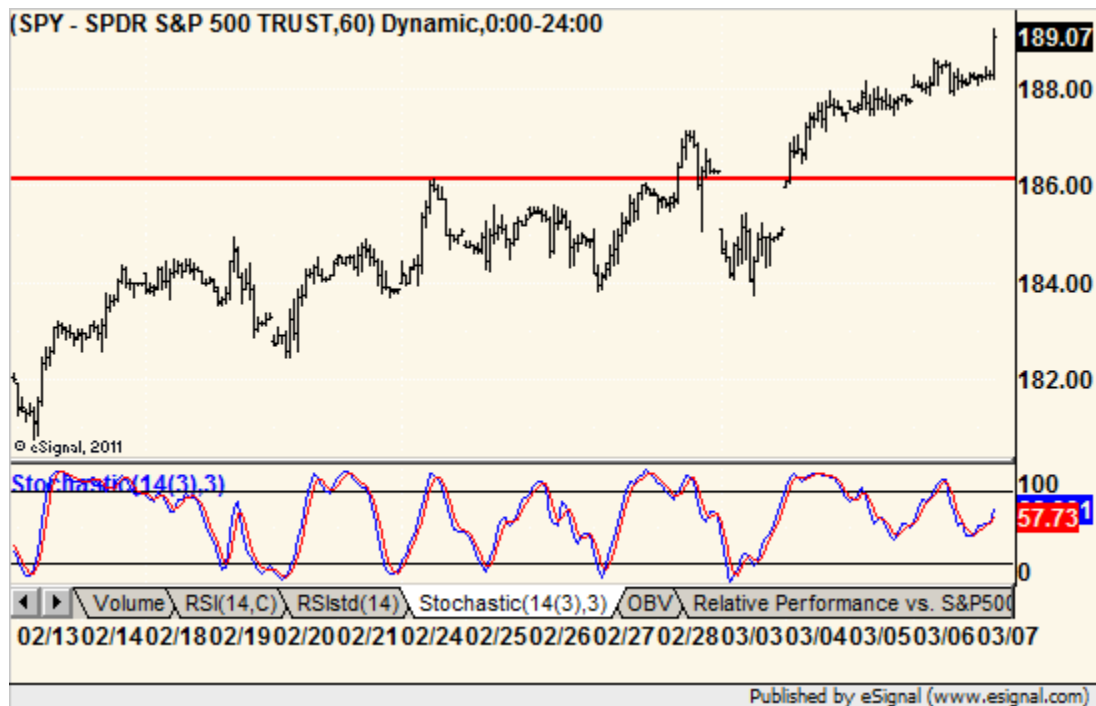
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RESEARCH LLC

March 7, 2014 – One of the least understood parts of technical analysis - time - is making itself known right now as the stock market reaches the five-year anniversary of the start of the current cyclical bull market. It's not that five years is so unusual but rather the number of days since the low itself.

Yesterday, I tweeted a colleague's comment that it was 1827 days from the October 2003 low to the October 2007 top. Count 1827 days from the March 2009 low and we get tomorrow - Saturday. In other words, the elapsed time for the past two cyclical bull markets (to date) is now equal.

Does that mean the market peaks later today after the initial jobs report rally? Maybe. But we don't trade on stuff like that. What we do is acknowledge that there is a force out there working for the bears. If and only if we get some evidence on the charts for a reversal or blow-off, then we can pack it in.

Does it matter that the CNN Fear-Greed meter swung back farther into the green section than it was before the Russian excursion into Ukraine? Well, yes. But that, too, is not reason enough to sell. Prepare? Yes. Sell? Not until there is price confirmation.



We cannot think about selling (unless you are a day trader) until the hourly chart breaks support as shown (186-ish). And we cannot really sell until the 20-day exponential average at roughly 184.50 is broken (not shown). Even that would not be enough to break the 50-day expo at 182.40. Or the Nov 2012 trendline at 178. One of these straws does not break the camel's back but maybe three or four will.

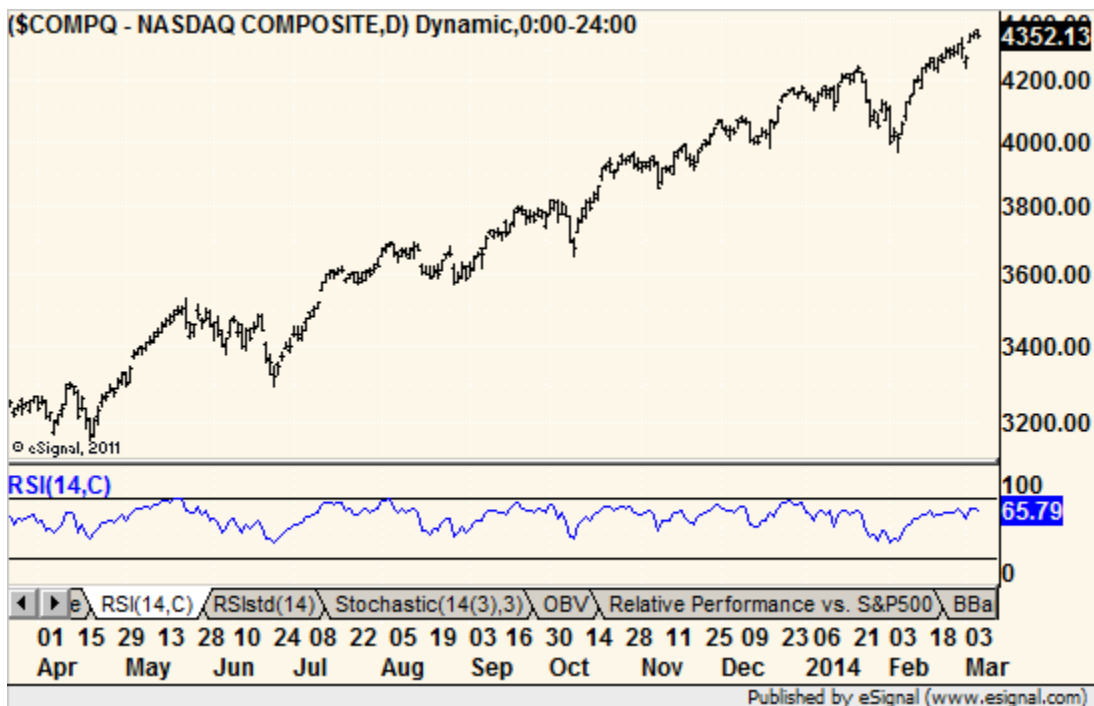
The dollar took a hit yesterday and into this morning and it took out support (chart below). Oil scored a bullish reversal at support, which was also a successful test of the breakout in **USO** (chart below). Bonds were not as lucky as they fell again to back further away from a potential breakout (yes, chart below).

No stock picks or pans today. We are starting to look for sell candidates, however.

Index Charts of the Day



Here is the S&P 500 with the same markings we discussed above for the SPY. As you can see, nothing is broken yet.



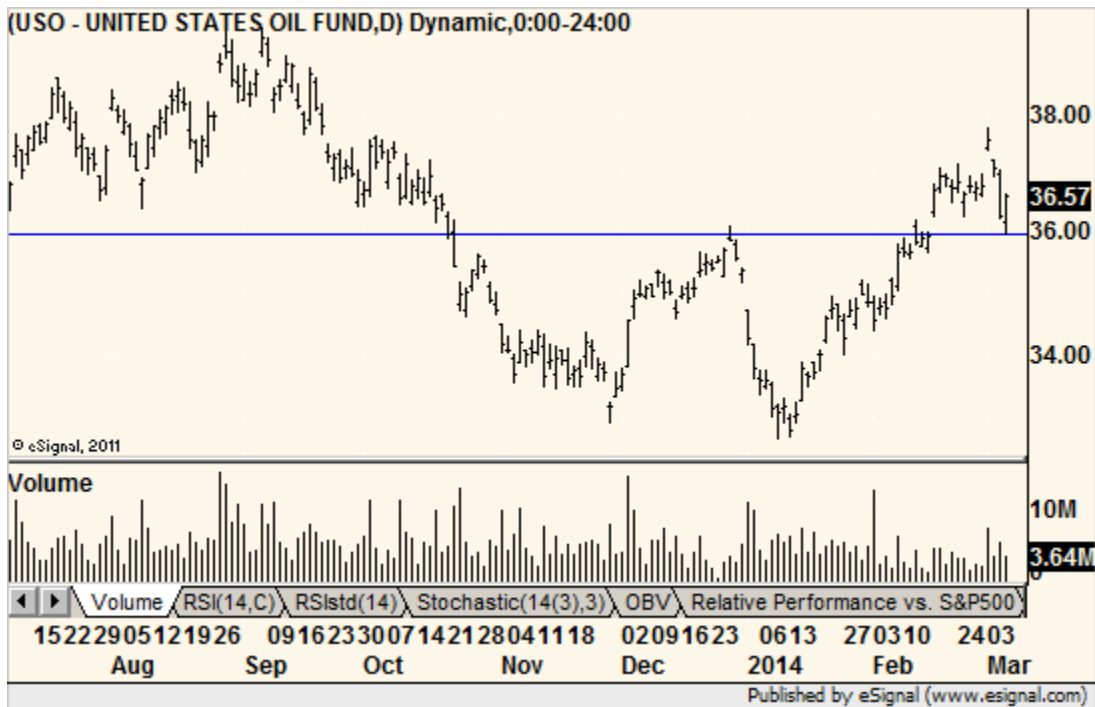
Nothing is broken on the Nasdaq and we are leaving the markings up to you. The only thing we can argue about is the lower high in RSI but it is not confirmed (that happens when price dips)

The Radar Screen

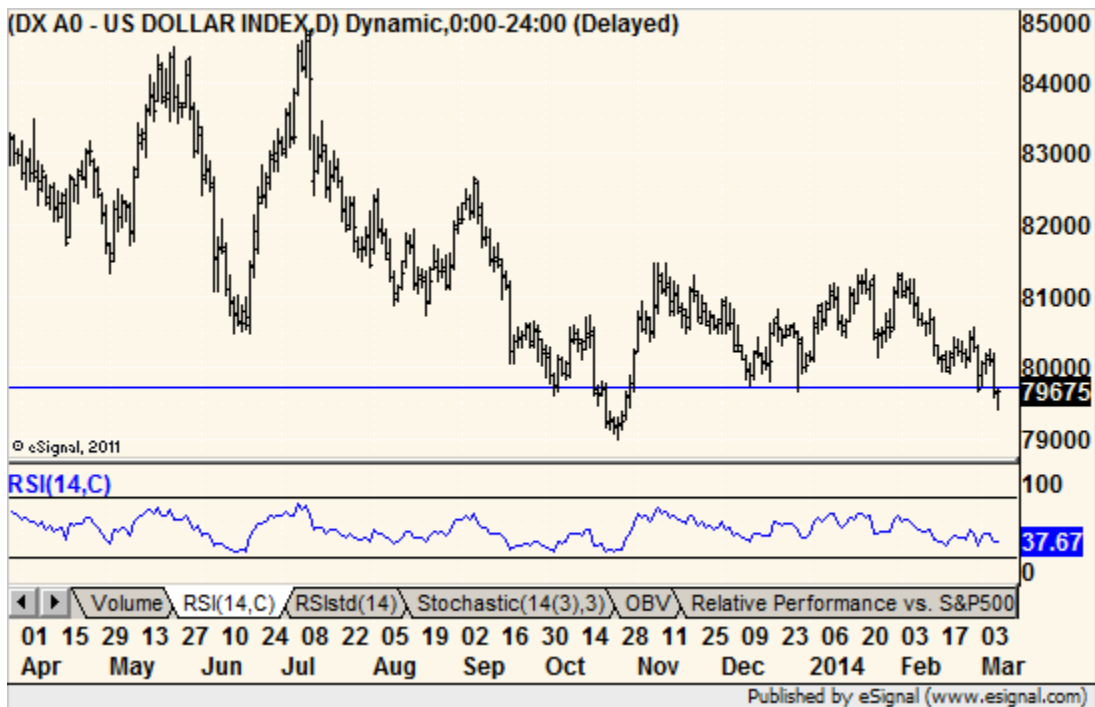
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
DSW DSW - A shoe retailer with a possible double bottom. Resistance at the 50-day average but nice RSI divergence in place. Buy intraday over 39.60.	Triggered	2/27
Turquoise Hill Resources TRQ - This is a minerals miner with some coal and precious metals properties. It has a trend break and move above the 50-day average and is now at an important resistance. On-balance volume is soaring and the subscriber reports heavy options activity. The only problem is the 200-day average but getting there will still yield a 15% gain. We like it over 4.00.	Triggered	3/6
Potash Corp POT - A fertilizer stock with a big breakout. Had a huge gain Wednesday but it does not look done to us. Buying a dip would be nice but it may not happen. MOS looks exactly the same but with a smaller percentage rally yesterday so let's choose that one.	Triggered	3/6
Knightsbridge Tankers VLCCF - This is a weekly view to put yesterday's rather sizeable move into perspective. It is another stock that looks good but one in which we'd love a pullback. That may not happen and since the whole sector seems to be improving we will take this one now.	Triggered	3/6
Bearish Implications		
Juniper Networks JNPR - Just as we looked for stocks that resisted Monday's sell-off, now we look for stocks that did not participate in Tuesday's rally. Juniper is now at support in a double top pattern with RSI divergence. Sell a close under 26.20.		3/5
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
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.		3/3
Lennar LEN - This home builder is at strong resistance but has been there for several days already. Which way it goes may be the tell for the entire homie sector.		3/5
Incyte INCY - This is a member of the hot biotech index and we have it here just to watch at this time. A bearish RSI divergence is all we have on it so no selling yet! However, if it breaks then we will have to look at the entire sector to see if its time is over.		3/5
Sector Watch (observations that may spark ideas)		
Retail - Making a comeback. ANF, AEO, ARO, URBN		2/26
Defense - Very strong (except BA)		
Biotech - Possible RSI divergence now.		3/7
Updates		
Bank of NY Mellon BK - Nice upside follow through.		

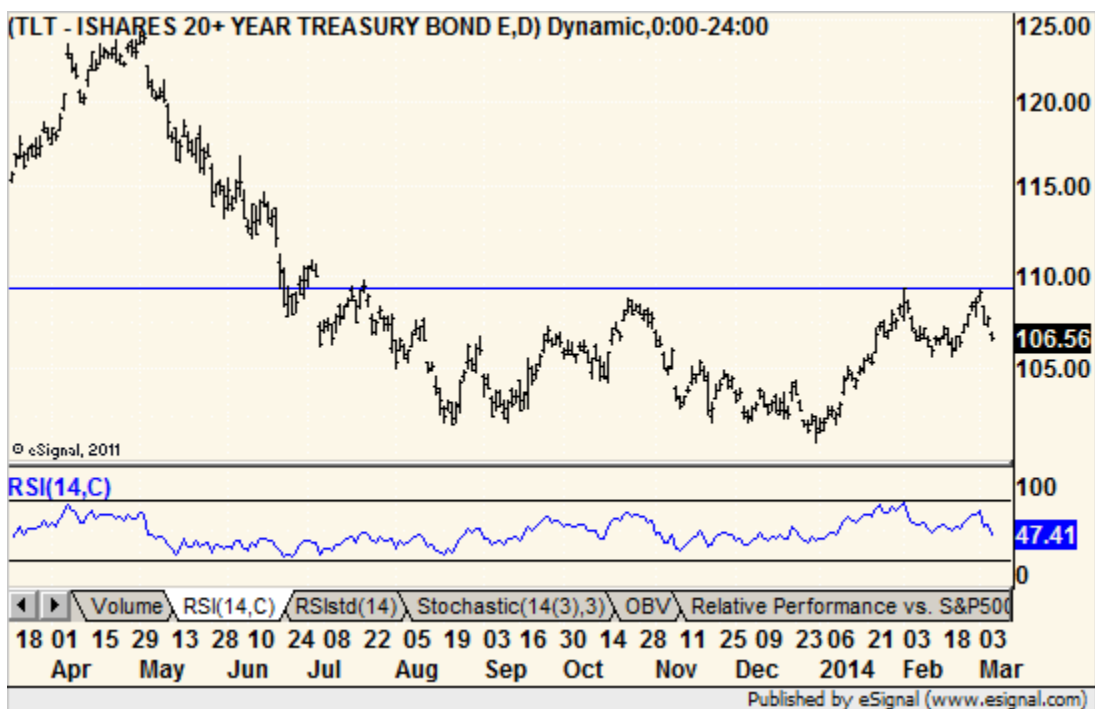
Market Highlights



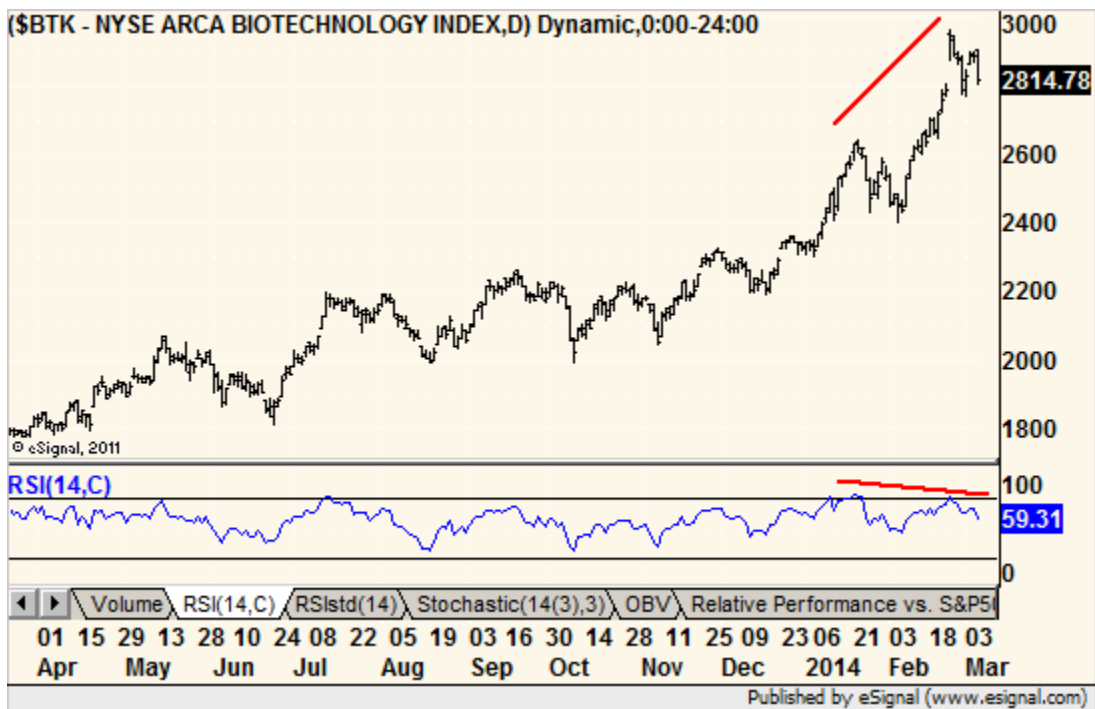
Oil ETF - Bull reversal off support.



US Dollar Index - Support break but a post-jobs report rebound.



Long T-bond ETF - Fading from resistance. This one needs to turn higher now or we'll have to rethink it. Post-jobs it went south.



Biotech index - Rather poor action yesterday and now a bearish RSI divergence. This might be a place to harvest some profits now as the leader finally runs out of gas.

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	11.21	13.3%	10.70	9.89	12/6	90
	GDX	MARKET VECTORS GOLD MINERS ETF	26.79	20.9%	25.25	22.15	1/13	52
	JTP	NUVEEN QUALITY PFD INCOME FD	8.14	4.0%	7.80	7.83	1/23	42
	CORN	TEUCRIUM CORN FUND	34.12	8.1%	32.50	31.57	2/6	28
	FCX	FREEMPORT-MCMORAN COPPER GOLD	33.83	7.9%	32.00	31.36	2/6	28
	LXP	LEXINGTON REALTY TRUST	11.56	6.3%	11.20	10.88	2/12	22
	SLV	ISHARES SILVER TRUST	20.66	4.7%	20.00	19.74	2/13	21
	NOV	NATIONAL OILWELL VARCO INC	78.23	2.2%	74.00	76.52	2/18	16
	FSLR	FIRST SOLAR INC	58.24	-0.4%	55.00	58.50	2/25	9
	LTM	LIFE TIME FITNESS INC	48.04	4.2%	46.00	46.09	2/25	9
	BBRY	BLACKBERRY LTD	10.04	-6.0%	9.75	10.68	2/26	8
	FDO	FAMILY DLR STORES INC	64.00	-4.7%		67.16	2/27	6
	DBC	POWERSHARES DB COMMODITY ETF	26.41	-0.5%	25.50	26.53	3/3	3
	GSK	GLAXOSMITHKLINE PLC	55.85	-0.8%	54.00	56.30	3/4	2
	DSW	DSW INC	39.62	0.1%	38.00	39.60	3/6	0
	TRQ	TURQUOISE HILL RES LTD	4.14	3.5%	3.90	4.00	3/6	0
	MOS	MOSAIC CO NEW	50.00	-0.2%	48.00	50.11	3/6	0
	VLCCF	KNIGHTSBRIDGE TANKERS LTD	11.16	-2.5%	10.40	11.45	3/6	0
<u>Short</u>	none							

Notes: Stopped out of long in **FDO** (actually, it was stopped on an intraday low Wednesday). This one just did not work - nothing fancy about it.

New longs in **DSW** (breakout), **TRQ** (breakout), **MOS** (jumping on previous breakout) and **VLCCF** (also getting in after a previous breakout).

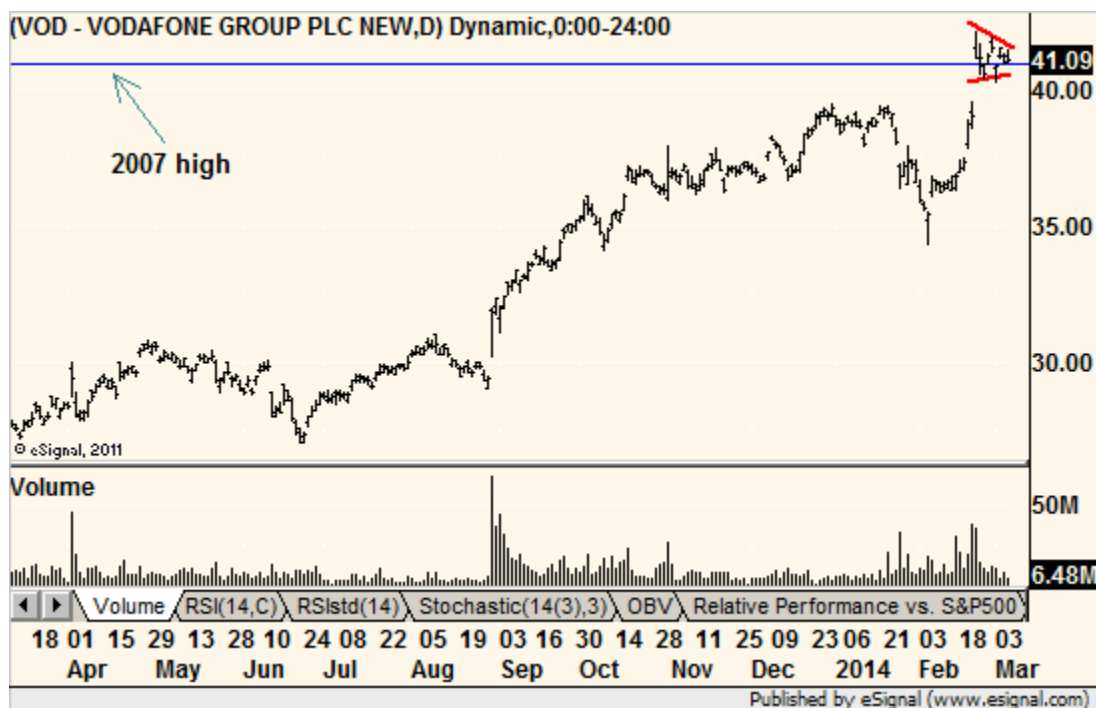
Watching a possible evening star formation in **LXP**.

Comment - We are far too long for our liking here. New long setups seem to be "too easy" to find and shorts "too hard." That makes u very nervous.

FSLR trade was stopped out but we are following the unofficial position that wasn't

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.



Vodafone - This one is pausing at resistance from its 2007 high. That is not enough reason to sell and it is in the midst of what looks to be a high tight flag. That leans bullish. Watch to see which way it breaks from the pattern. A gap down now would leave an island reversal (bearish). Don't be hasty in either direction.

Other Information

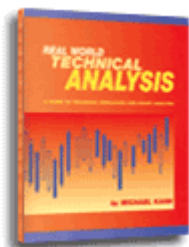
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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