

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

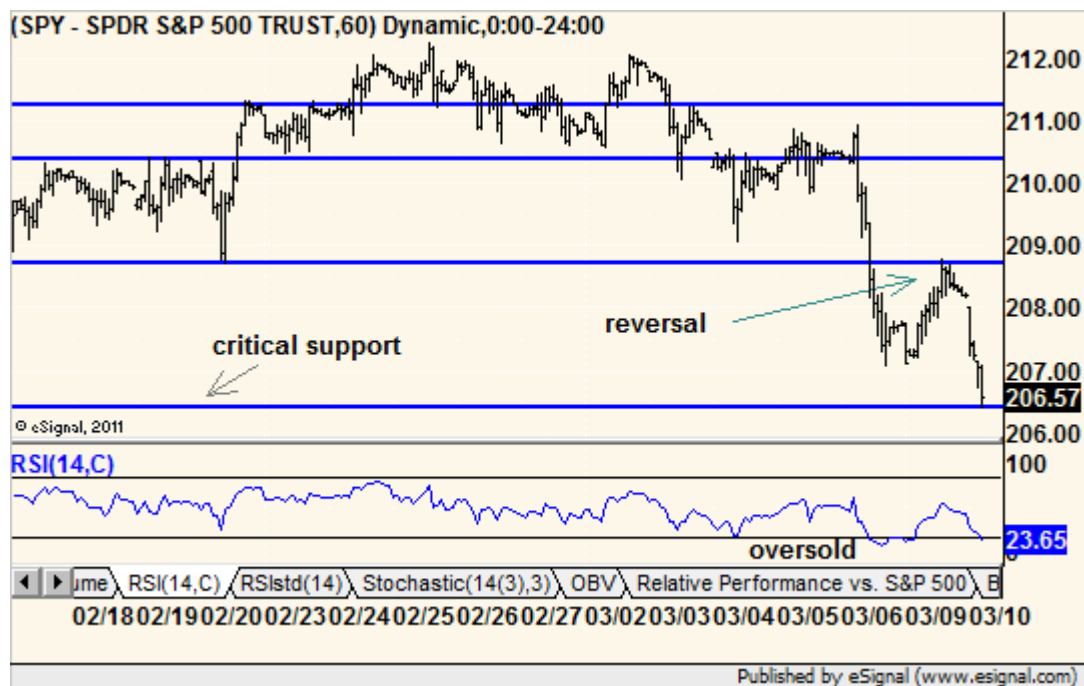
**March 10, 2015** – The Fed taketh and the market giveth right back. We cannot say the intensity of Monday's advance equaled that of Friday's decline but it was a nice showing. Too bad it did not last overnight. The dollar's march higher continued and stocks gave it all back.

More on yesterday: While volume on the price gain came close to equaling Friday's volume on the loss, breadth was another story. More than 2 grand fell on the NYSE Friday to 177 gainers Monday. New 52-week highs were stuck in the low 60s both days but new lows went from the low 60s to 95. More new lows Monday than new highs and the market is still only five days away from an all-time high.

We may need to rethink things – unless the market recovers from the overnight selling right away. With that said, we still have plenty of stock setups on the long side and few on the short.

Gold managed to rally Monday even as the dollar went up. Today is another day and gold gave up more than it gained yesterday leaving gold bugs in the **DUST** (pun intended). This market is going to have to get way oversold before it will look interesting again because right now the path of least resistance is down.

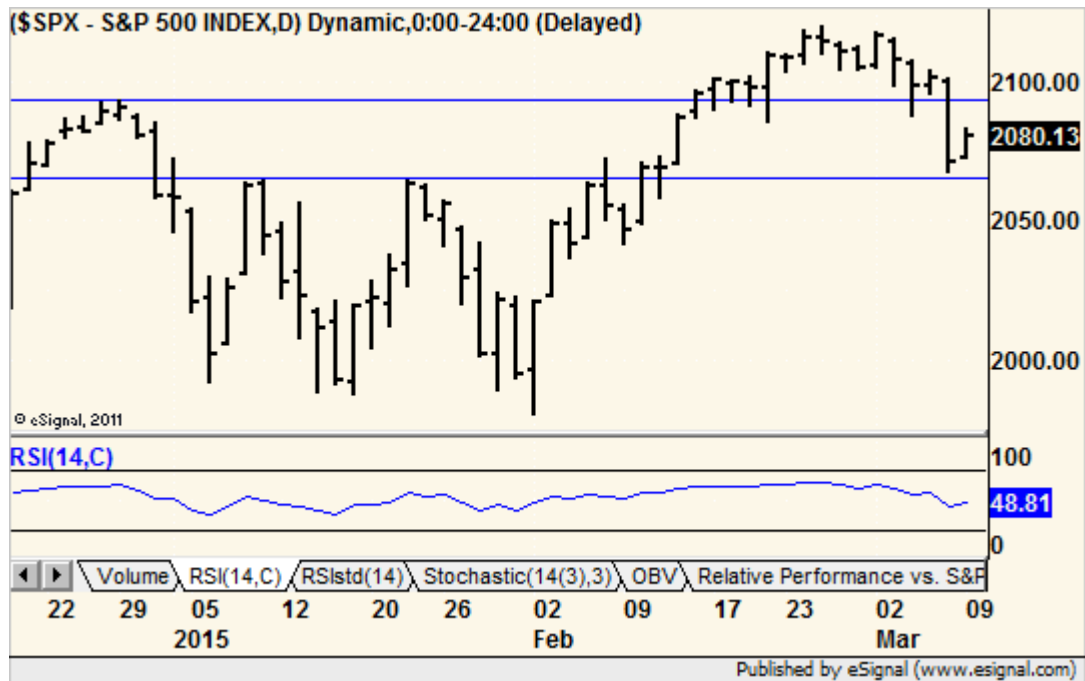
In sectors, coal was its usual weak self. Gaming and aluminum broke technical patterns to the downside. On the upside, certain biotech/pharma stocks are holding up quite well (we have **AMAG** and **SUPN**). And check out today's lesson with **RIGL**. We also think semiconductors have potential.



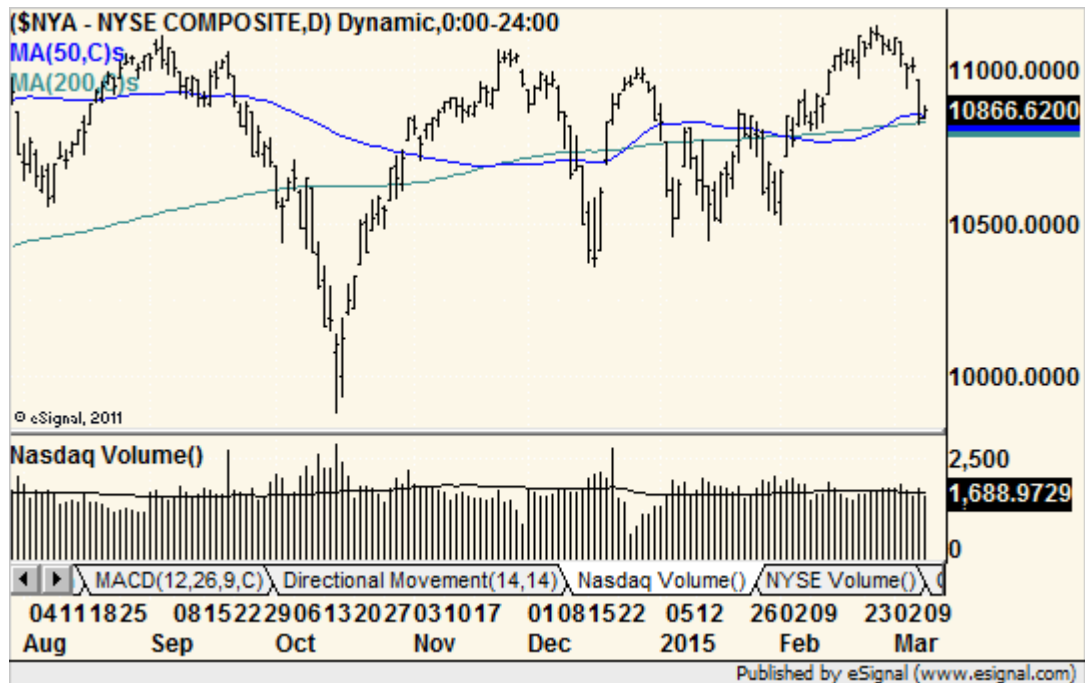
We are still looking at revising our opinions but the fact that it is taking this long suggests the basic bullish premise has not been broken. Shaken, for sure, but not broken.

Let's close with bonds. U.S. treasuries are bouncing off Friday's jobs report thrashing. And the German 7-year note has dipped to negative yield. No wonder money is flocking to the U.S. to buy assets here.

## Index Charts of the Day



A decent bounce in the S&P 500. But see next...



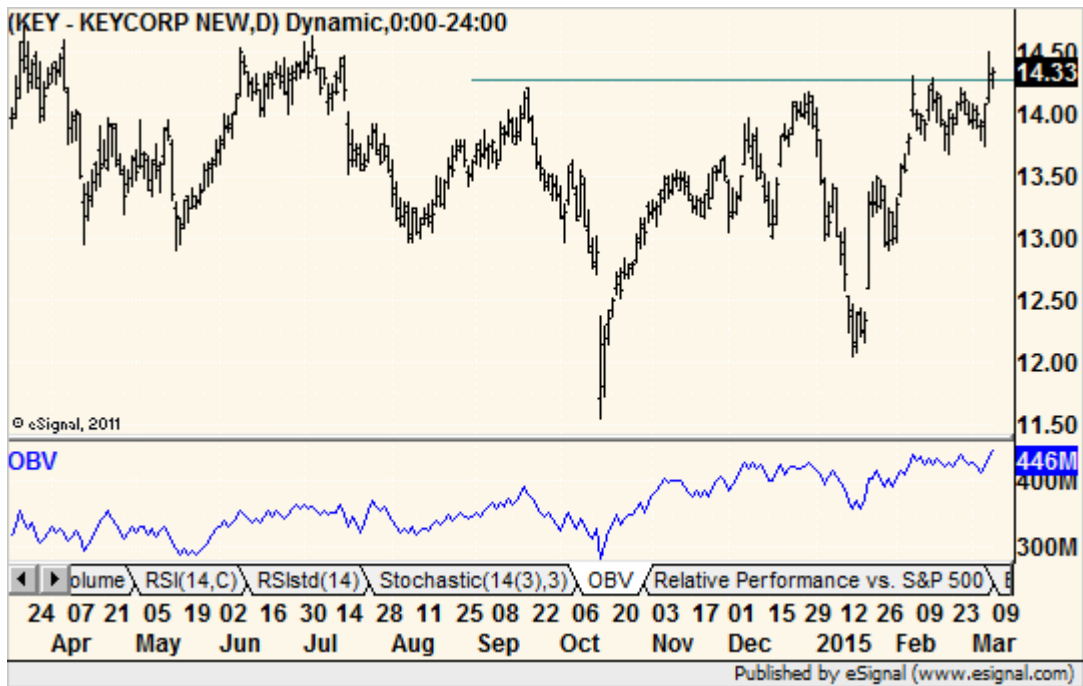
While the main indices had nice bounces, the NYSE composite did not. It is sitting on its major averages and volume was below average Monday. Looks like a crossroads and if it breaks down it will confirm a failure of last month's breakout. The "average" stock did not do so well and that is borne out in breadth statistics.

## The Radar Screen

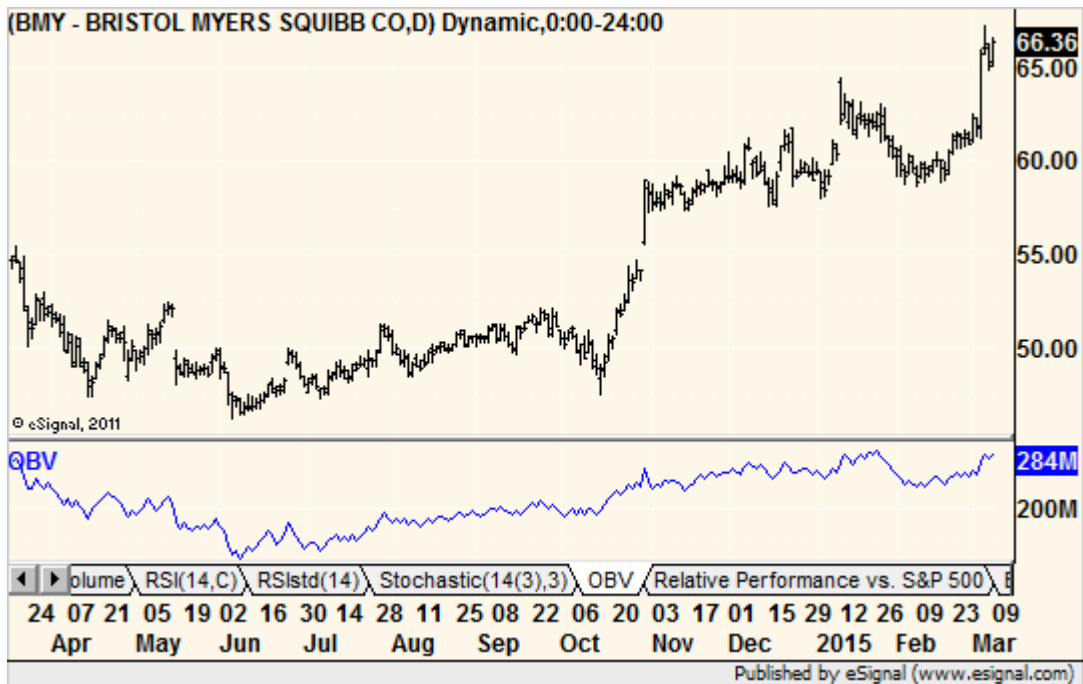
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>Applied Materials AMAT</b> – Chip equipment maker on the verge in a hot sector. Buy close over resistance at 25.65. Very far from setup but it may develop into something else.		3/3
<b>Wal-Mart WMT</b> – The minimum wage news did nothing for the stock but with peers <b>TGT</b> and <b>COST</b> 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 <b>85.00</b> .	<b>Changed</b>	3/4
<b>McDonald's MCD</b> - Perhaps a test of the horizontal resistance breakout? Nice dividend, too. Looks good right here, even with a market open lower.	<b>Moved</b>	3/9
<b>Best Buy</b> – Holding at resistance with still-climbing on-balance volume. Buy above 39.95. Given the presumed market's down open, if it gets there we probably do not have to wait for the close.	<b>New</b>	3/10
<b>General Motors GM</b> – Bull flag or sagging rectangle. Given the market, this shows relative strength and on-balance volume is not bad, either. Buy 38 on close.	<b>New</b>	3/10
<b>Bearish Implications</b>		
<b>none</b> –		
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Archer Daniels Midland ADM</b> – Some sort of sideways pattern healing the stock after a big fall in December. OBV leaning lower. Death cross pending. Broke down but we will wait to see if it bounces.		
<b>Tempur Sealy TPX</b> – 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). Setup faded but we still want to watch.		2/24
<b>Glaxo SmithKline GSK</b> – drug stock testing double bottom breakout. Big dividend.		
<b>Aegon AEG</b> – Another trend buckler – both market and its sector (insurance). It liked the strong dollar and rallied Friday. Holding on but looks good.		3/9
<b>Yahoo YHOO</b> – Critical support on the chart is 42		3/9
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Retail XRT</b> – market performer but some starting to set up		2/6
<b>Technology XLK</b> – leading the market. <b>Possible breakout test</b> .		2/12
<b>Financials XLF</b> – lagging the market. <b>WFC</b> holding up nicely, <b>KEY</b> too		2/12
<b>Semiconductors</b> – <b>SOX</b> broke out but now testing it		2/25
<b>Social Media ETF SOCL</b> – Trend break and now in a pause. Rising on-balance volume and 200-day average just above.		2/26
<b>Online brokers</b> - broke out Friday. Not screaming buys but certainly bucking the market's trend.		3/9
<b>Updates</b>		
<b>eBay EBAY</b> – Still looks solid.		
<b>Northrup Grumman NOC</b> - We can see getting back into this stock on a flag breakout.		

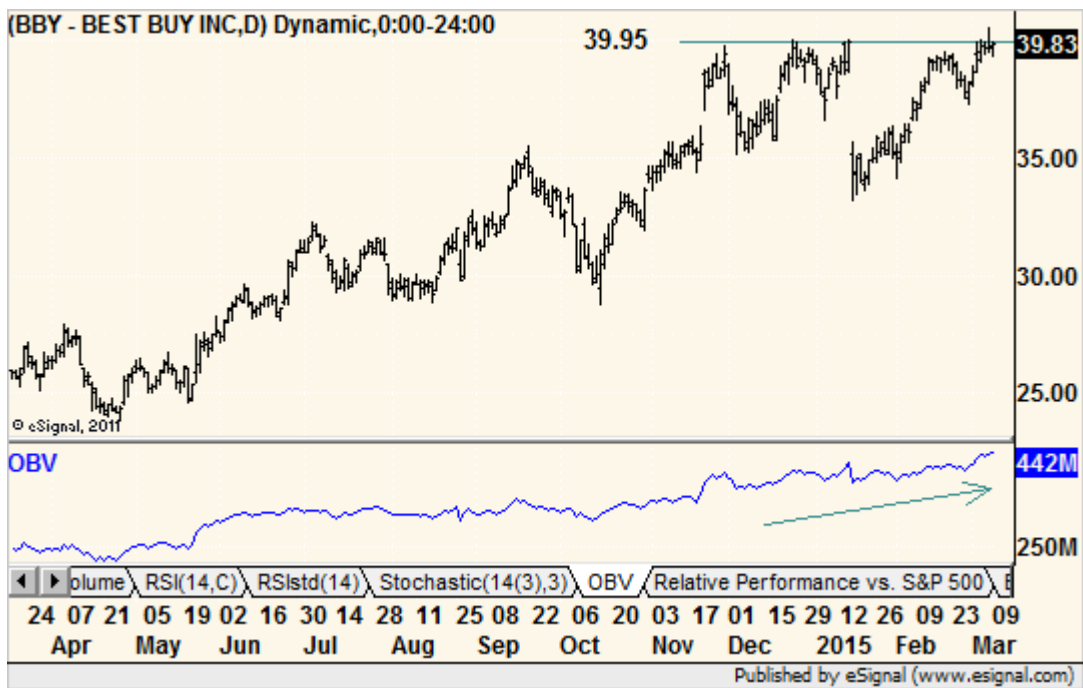
## Market Highlights



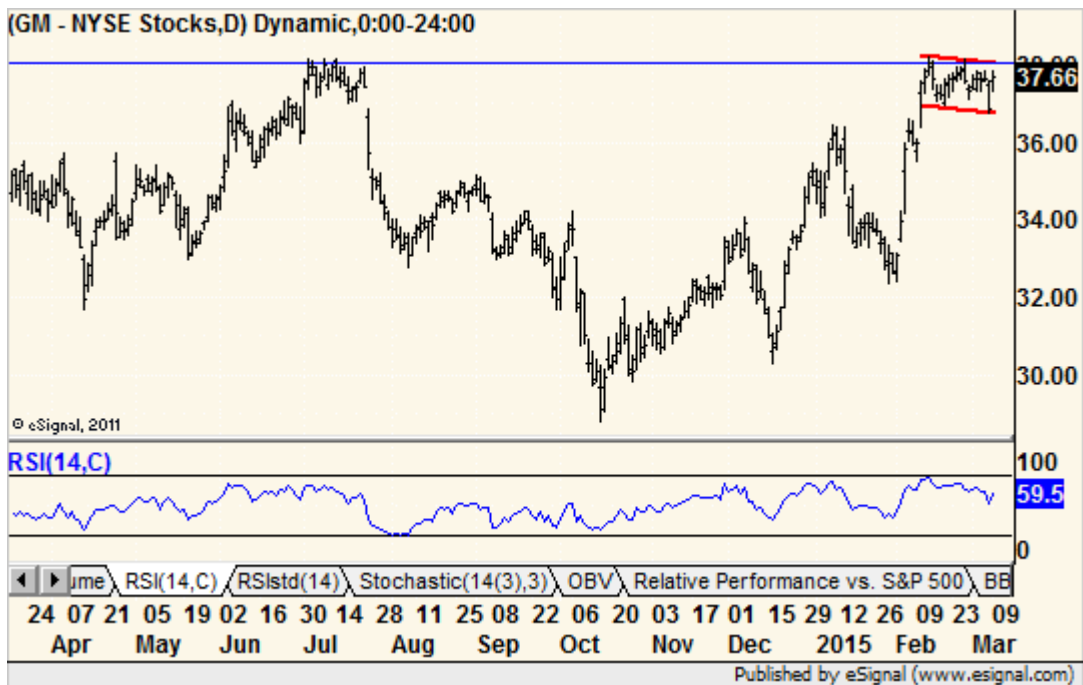
**Keycorp** – Bank to watch should the market stabilize. Holding nicely at resistance.



**Bristol Myers Squibb** – A drug stock that would be nice on a pullback.



**Best Buy** – Holding at resistance with still-climbing on-balance volume. This will be today’s free chart of the day going out this afternoon. Buy above 39.95. Given the presumed market’s down open, if it gets there we probably do not have to wait for the close.

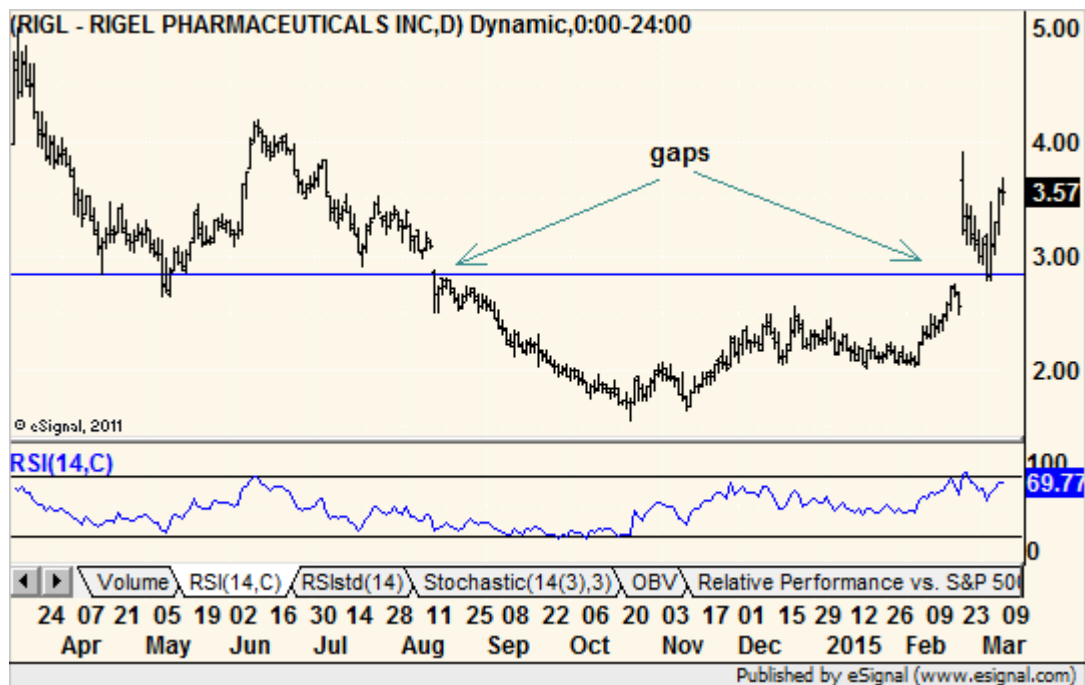


**General Motors** – Bull flag or sagging rectangle. Given the market, this shows relative strength and on-balance volume is not bad, either. Buy 38 on close.

## Today's Lesson

In this section, we take a look at a topic in technical analysis in real-time, not textbook time.

### Gaps



**Rigel Pharmaceuticals** – While some people insist gaps must be filled this chart proves they do not. Rather, we say they act as support and resistance.

The August gap was not seen again for months. The February gap was closed but we say the stock returned to the scene of the crime (breakout).

This stock is very low priced and therefore volatile. However, this looks to be a strong one.

## 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>	<b>EWI</b>	ISHARES MSCI ITALY CAPPED ETF	14.56	2.8%	14.25	14.16	2/2	34
	<b>MAR</b>	MARRIOTT INTL INC NEW	82.48	6.9%	81.00	77.13	2/11	25
	<b>GOOGL</b>	GOOGLE INC	574.10	5.1%	560.00	546.01	2/12	24
	<b>XLV</b>	HEALTH CARE SECTOR SPDR	71.85	0.6%	71.00	71.43	2/19	17
	<b>VAL</b>	VALSPAR CORP	87.70	-2.3%	85.00	89.75	2/24	12
	<b>AMAG</b>	AMAG PHARMACEUTICALS INC	51.79	14.9%	49.00	45.07	2/25	11
	<b>AMGN</b>	AMGEN INC	155.01	-1.0%	153.00	156.50	2/25	11
	<b>XLNX</b>	XILINX INC	40.65	-3.7%	40.50	42.21	2/25	11
	<b>SUPN</b>	SUPERNUS PHARMACEUTICALS	9.90	3.6%	9.35	9.56	3/5	3
	<b>S</b>	SPRINT CORP	5.34	0.8%	5.10	5.30	3/5	3
	<b>MYL</b>	MYLAN N V	55.74	-0.9%	54.50	56.26	3/5	3
<u>Short</u>	<b>ETR</b>	ENTERGY CORP NEW	74.70	5.8%	78.00	79.00	3/2	6
	<b>PG</b>	PROCTER & GAMBLE CO	83.09	1.7%	86.00	84.50	3/5	3

**Notes:** Just tweaked the stop in **SUPN**.

Bull flag in **EWI** and **MAR**?

## 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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