

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

March 16, 2015 – Where's Vlad? After a 10-day absence, Vladimir Putin apparently has reappeared in St. Petersburg. Rumors ran from stroke to visiting a clandestine love child. Well, it was fun to think of Russia without their own dear leader.

This week is dominated by basketball brackets and the Fed, the latter of which may start a trend in either direction like a defibrillator shocks a spastic heart back into rhythm. Last week's swings were not just triple Dow-digit ups and down but over the past six trading days the Dow had one 100+ move, two 200+ moves and one 300+ move. And high to low intraday there were two 100+, 200+ and 300+ each. The first half of March was indeed a lion. The second half could be a tiger (or a bear or a bull, too keep the zoo analogy going). A lamb seems unlikely.

Overseas, China's proposed stimulus got that market moving higher and the Shanghai Composite broke out to new highs (chart below). Japan is backed down a touch from its multi-year high.

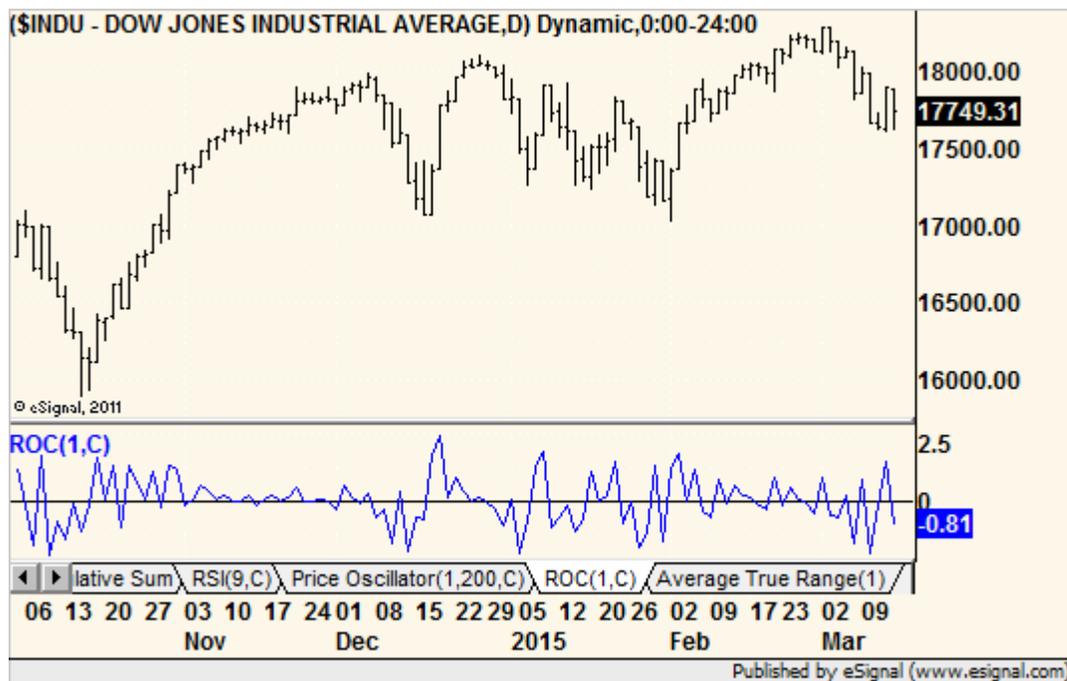
Europe is doing well this morning with new highs in the major markets and the former PIIGS (except Greece) looking pretty solid. India, Russia and emerging markets in general are lagging. We had a long in Viet Nam last month that moved up then turned south (stopped out). It is now nearing its old lows again.

In sectors, semiconductors sans Intel are holding up. And biotech/pharma continues to soar. Poor energy is still under a rock. Utilities may provide some dividend-bearing bargains.

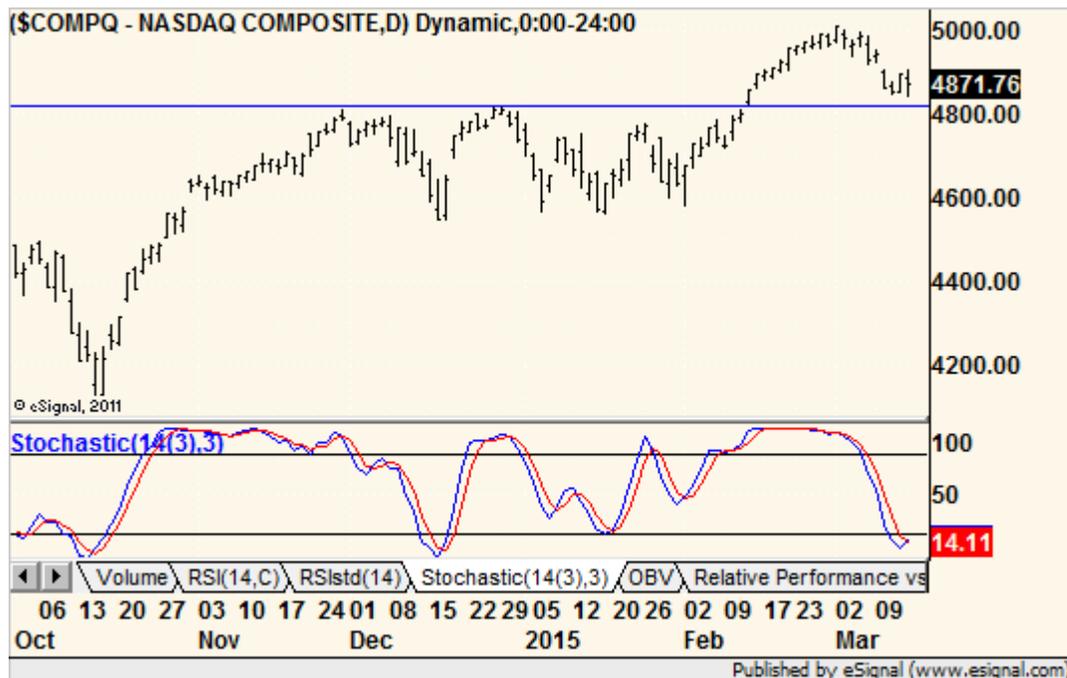


The hourly chart now sports some nice support and resistance levels again. RSI is rising in a "not negative" signal but we have a feeling the RSI peaks will be falling to form a coil going into the Fed later in the week. In other words, sideways trading for a while – till the Fed Wednesday.

Index Charts of the Day



Since we were talking Dow points above, here we see the Dow's ups and downs from day to day. And in keeping with the heart analogy, the one-day rate of change chart does look rather cardiac, except for the calm rally trading in November. This chart surprised us because it showed the Dow more volatile on several occasions so perhaps we should not make that big of a deal of it. Still, the lower rate of change seems to be easier to trade.



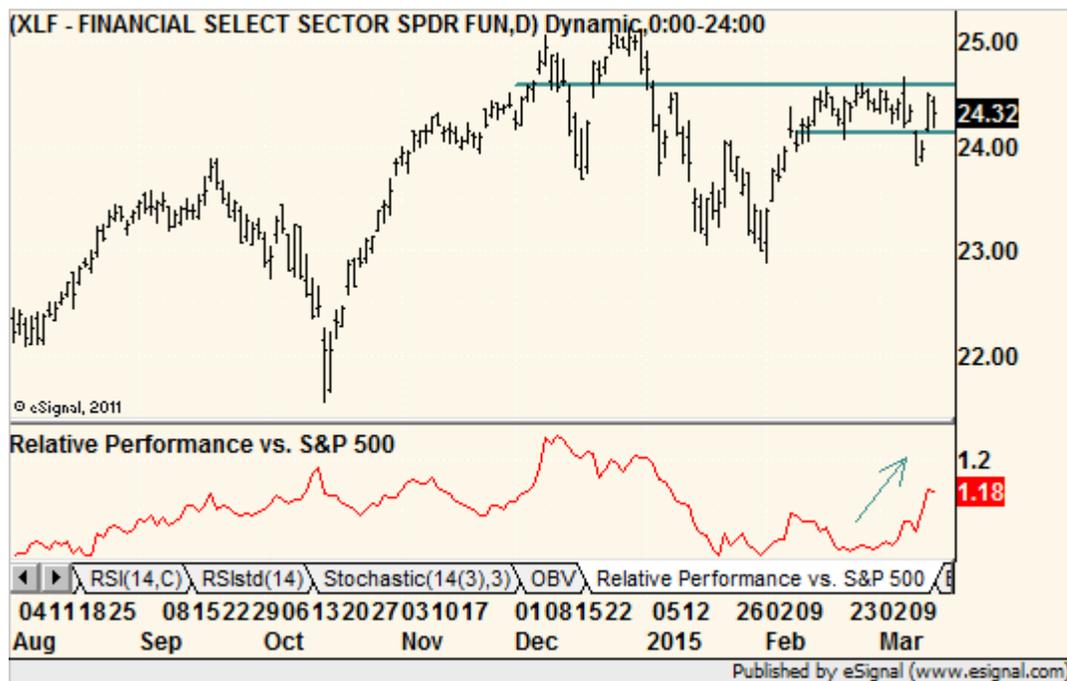
The Nasdaq stochastics does suggest a low here but the Fed will decide.

The Radar Screen

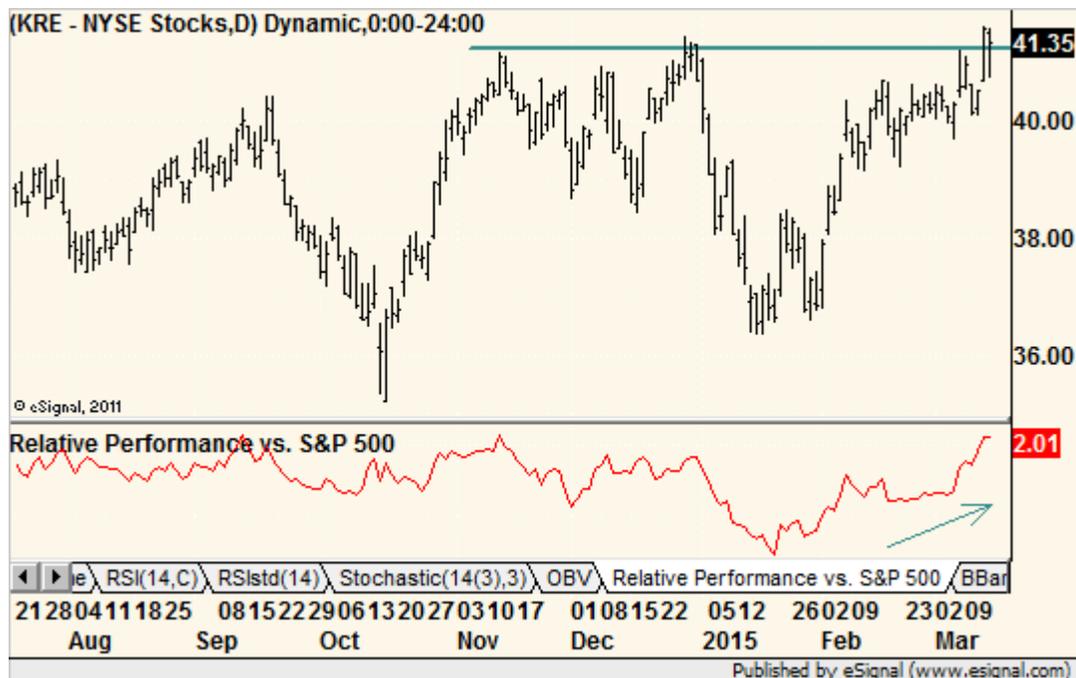
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Wal-Mart WMT – We’ve been following a falling wedge pattern looking for the breakout. Wednesday saw a price plunge and it is now nearing important supports. Buying close over Thursday high at 82.12.		3/4
E-Trade ETFC - A high, tight flag for this online broker. Note rising on-balance volume. Buy 28.25 above resistance.		3/13
Bearish Implications		
Yahoo YHOO – Critical support on the chart is 42. Sell close below.	Moved	3/9
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
BP BP – Oil stocks are hurting in the short-term but look at the support below for BP. It has a 6.2% div yield now. Imagine what it will be down at 34 ¾.		3/12
Sector Watch (observations that may spark ideas)		
Retail XRT – leading the market		2/6
Technology XLK – no longer leading the market. Breakdown		2/12
Financials XLF – Rethink. See chart below.	Changed	2/12
Semiconductors – SOX broke out but now testing it		2/25
Online brokers - broke out Friday. Not screaming buys but certainly bucking the market’s trend. Now testing breakouts.		3/9
Tobacco – We closed a long position just in time. This defensive sector is sinking fast but the chart break is due to PM . However, MO , RAI and LO are breaking from much stronger positions an offer big dividends. Circle back here in a week to see if there is opportunity.		3/12
Updates		
none –		

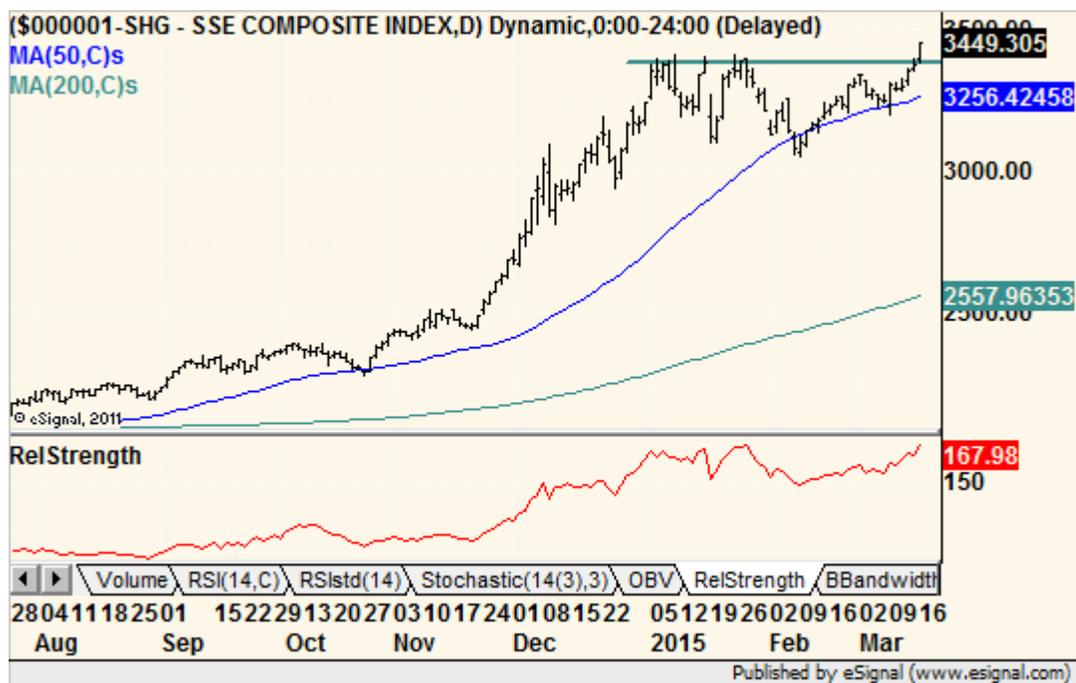
Market Highlights



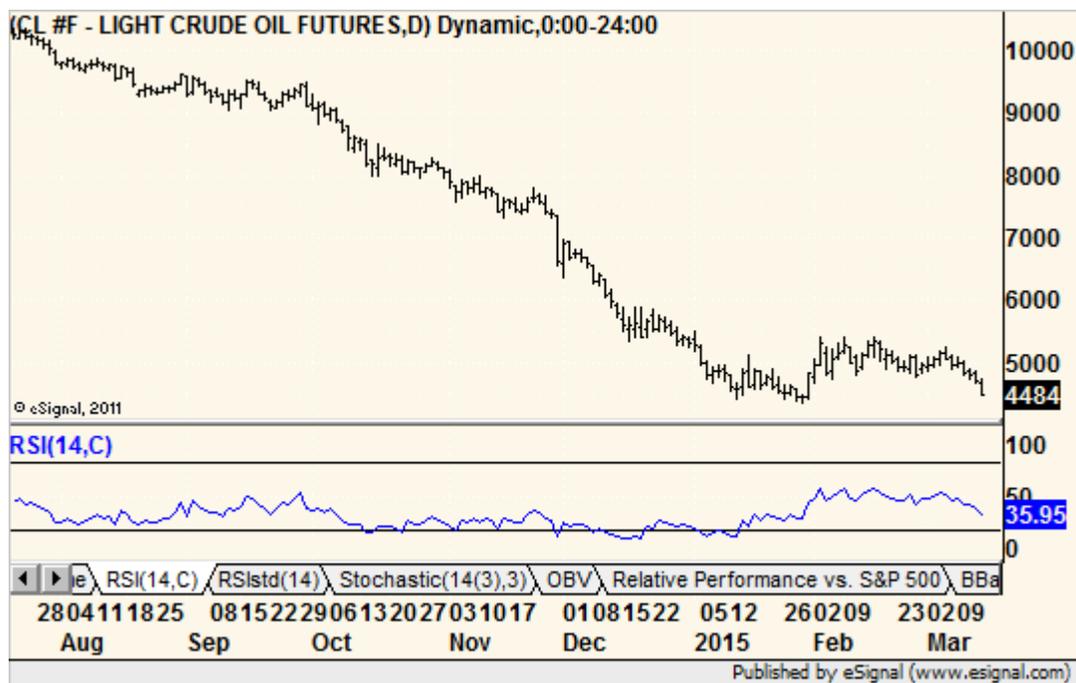
Financials ETF – On a relative basis it is now beating the market but the chart looks weak on an absolute basis. That does not make us confident. We'll look to see if it breaks resistance. See next chart...



Regional Banks ETF – This looks a whole lot better than **XLF**. Arguable breakout. And a good place to look for individual stocks. Take a gander at **PNC, STI, NTRS, KEY**



China – Looking pretty good.

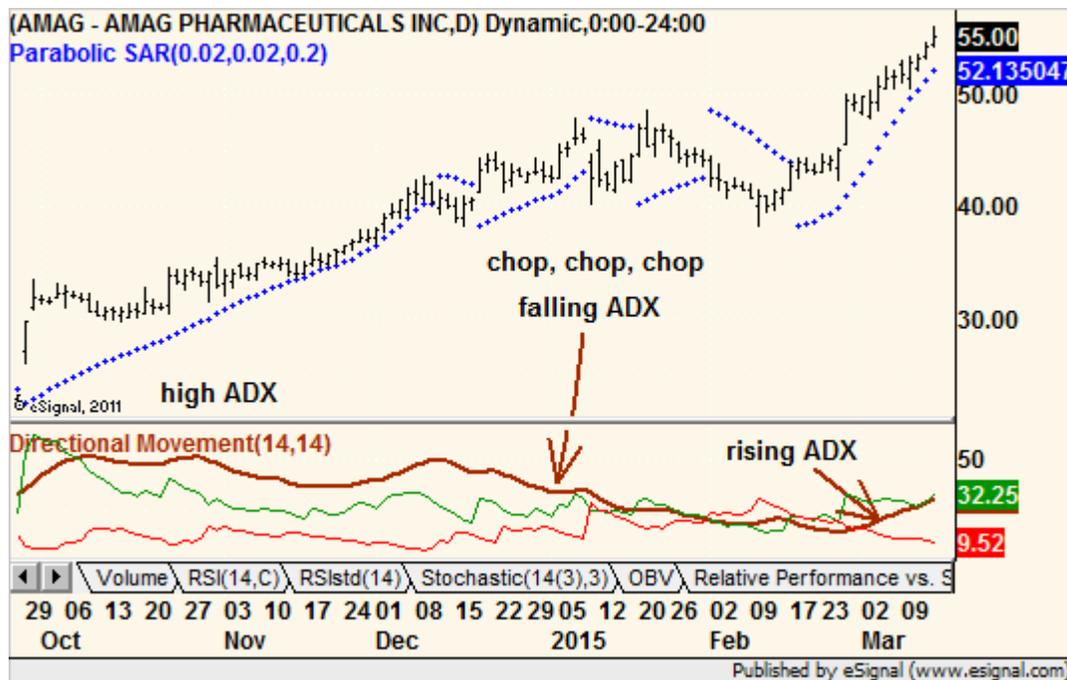


Crude Oil – Looking weak although it is still within the 2015 range. Sentiment is so bearish here that we still think this will be the surprise market for the year. Of course, that may not happen for a long time.

Today's Lesson

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

Setting Stops with Parabolics



Amag Pharma – This stock is now in our Advice Tracker with a rather hefty gain. Now that it is in a strong trend, as confirmed by rising ADX (Average Directional Index) we can let parabolics trail the stop for us.

In the early parts of a trend, the stop is wide. But once it really gets going parabolics trails the stop ever tighter until a user defined limit. Now we just let it ride (ride your winners) until the market takes us out.

A rising or sustained high level of ADX is what we want. A low or falling ADX means the stock is not trending and whipsaws will be common.

Two-pager, [click here](#).

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>	MAR	MARRIOTT INTL INC NEW	82.08	6.4%	81.00	77.13	2/11	32
	XLV	HEALTH CARE SELECT SECTOR SPDR	71.81	0.5%	71.00	71.43	2/19	24
	VAL	VALSPAR CORP	85.49	-4.7%	85.00	89.75	2/24	19
	AMAG	AMAG PHARMACEUTICALS INC	55.00	22.0%	52.00	45.07	2/25	18
	SUPN	SUPERNUS PHARMACEUTICALS INC	11.77	23.1%	11.00	9.56	3/5	10
	MYL	MYLAN N V	59.76	6.2%	59.00	56.26	3/5	10
	MCD	MCDONALDS CORP	96.35	-0.6%	94.50	96.91	3/10	5
	BBY	BEST BUY INC	40.53	1.4%	39.00	39.97	3/10	5
	GM	GENERAL MTRS CO	38.05	-1.0%	37.00	38.43	3/12	3
<u>Short</u>	PG	PROCTER & GAMBLE CO	81.83	3.3%	84.00	84.50	3/5	10

Notes: Bio/pharma keeps soaring and stops are raised on two of them. **See Today's Lesson** for setting stops with the Parabolics stop-and-reverse study.

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

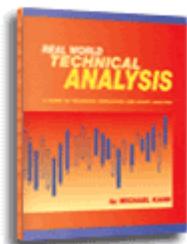
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



24/7 Website archive – <http://www.quicktakespro.com/archive> (password needed)

Customer Support - <http://www.quicktakespro.com/support.html>

Recommended reading - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

Refer a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we’ll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>



<http://www.talkmarkets.com/contributor/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2015