

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

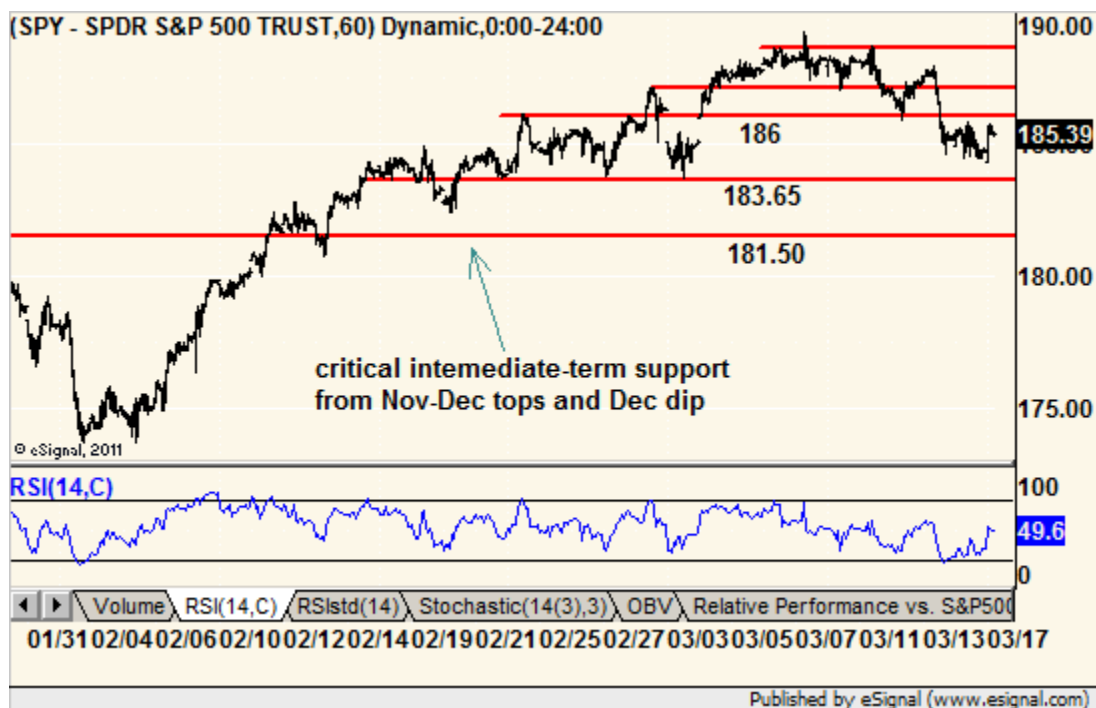


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**March 17, 2014** – Futures recovered from a weak Sunday evening open and are now back to Friday's highs in the premarket. Everyone is talking about the Crimea vote as the mover but we are going to keep the technician's hat on and not cover it. What we have is a bullish RSI divergence on the hourly chart and a new trading range forming.

It does look increasingly like we have seen the top, or at least "a" top, for the near future. The trend from March 7 is down, support is broken, the 20-day expo is broken and across Europe 50-day averages are broken. That is a good body of evidence to argue against buying dips just for the sake of buying dips but we will still be OK with buying individual stocks with solid patterns. The market itself is not in the same condition anymore.

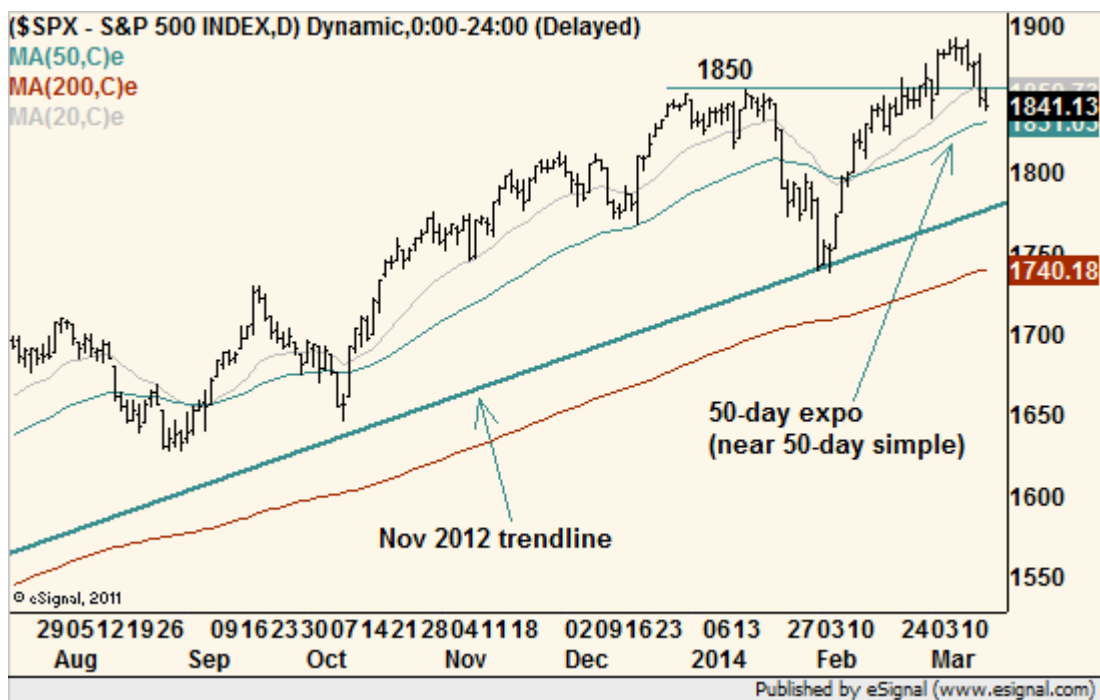
With that said, the primary trend in the US market is still up. It is the tricky condition when short- and long-term conditions contradict and that means that either the market is in a correction or has actually topped. Long-term investors have a conundrum and that is one reason we started taking some profits Friday.



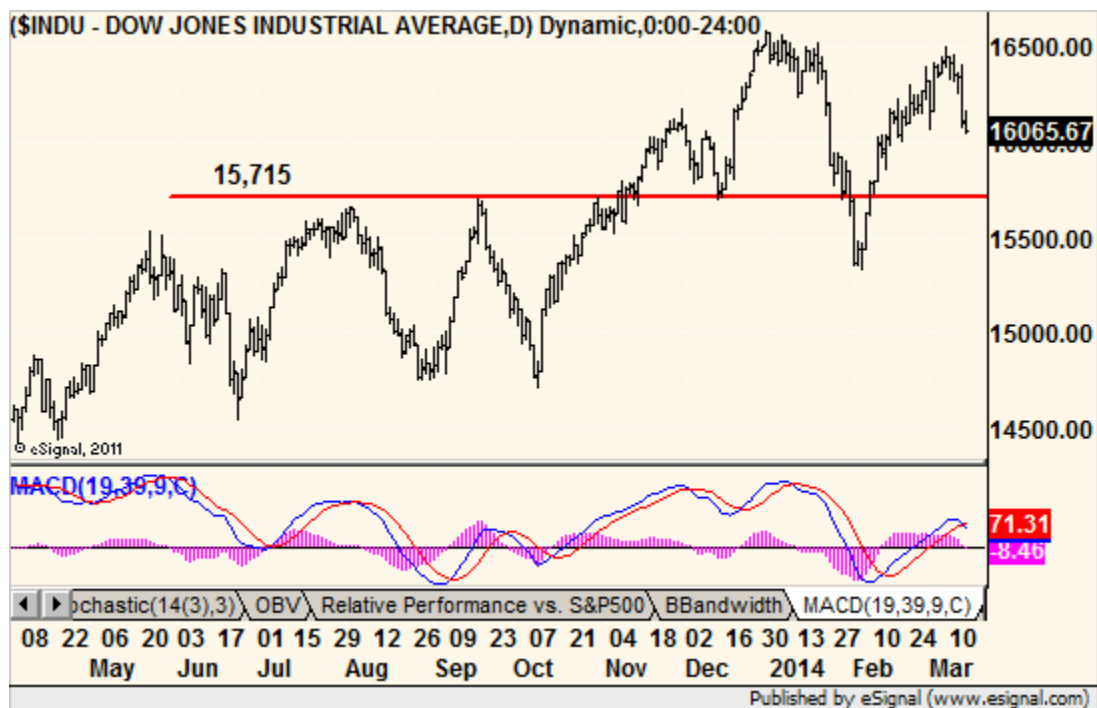
Gold remains solid. Silver is lagging but poised to join gold higher. Copper is in a wait-and-see in the short-term. Oil lost its mojo and is now weak within a giant triangle.

That's if for now as the stock market does a little "buy the news" after selling the Crimea rumor. Not much in the way of stock picks although we have some short ideas below.

## Index Charts of the Day



The big 1850 level is broken, as is the 20-day expo average. The 50-day expo (and simple) is still intact, as is the primary trendline from Nov 2012. Therefore, we have a correction in progress and cannot know if it is really the start of a bear trend until the breakdown actually occurs.



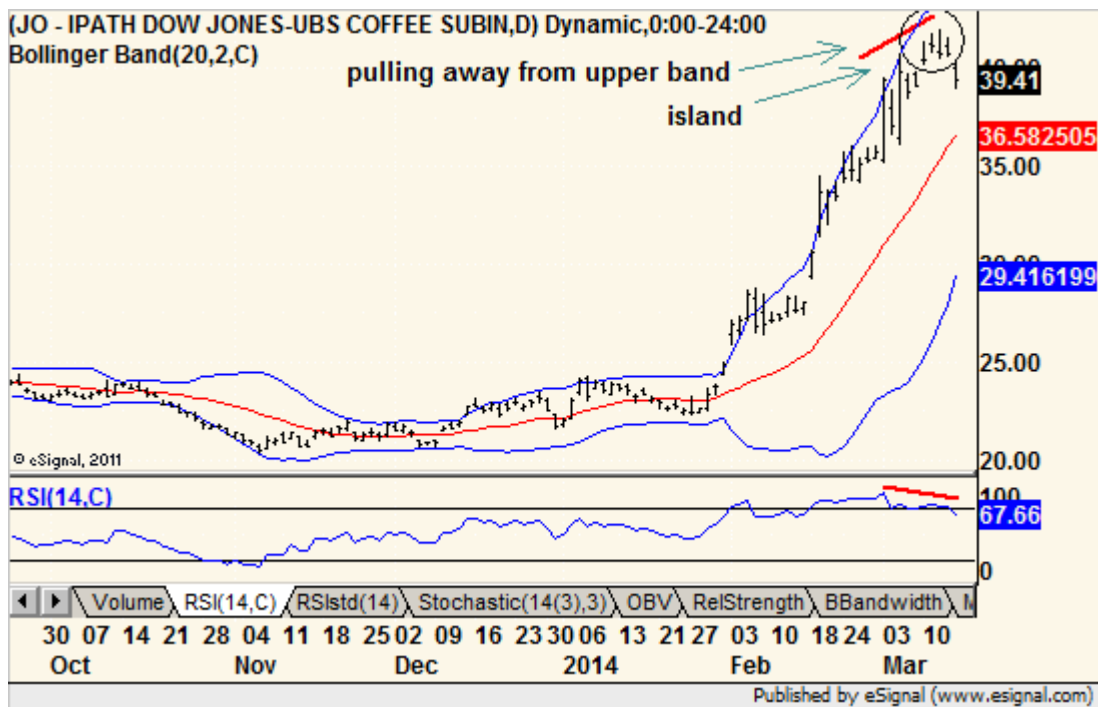
The Dow is clearly weaker than the S&P 500 but it is also still above critical support.

## The Radar Screen

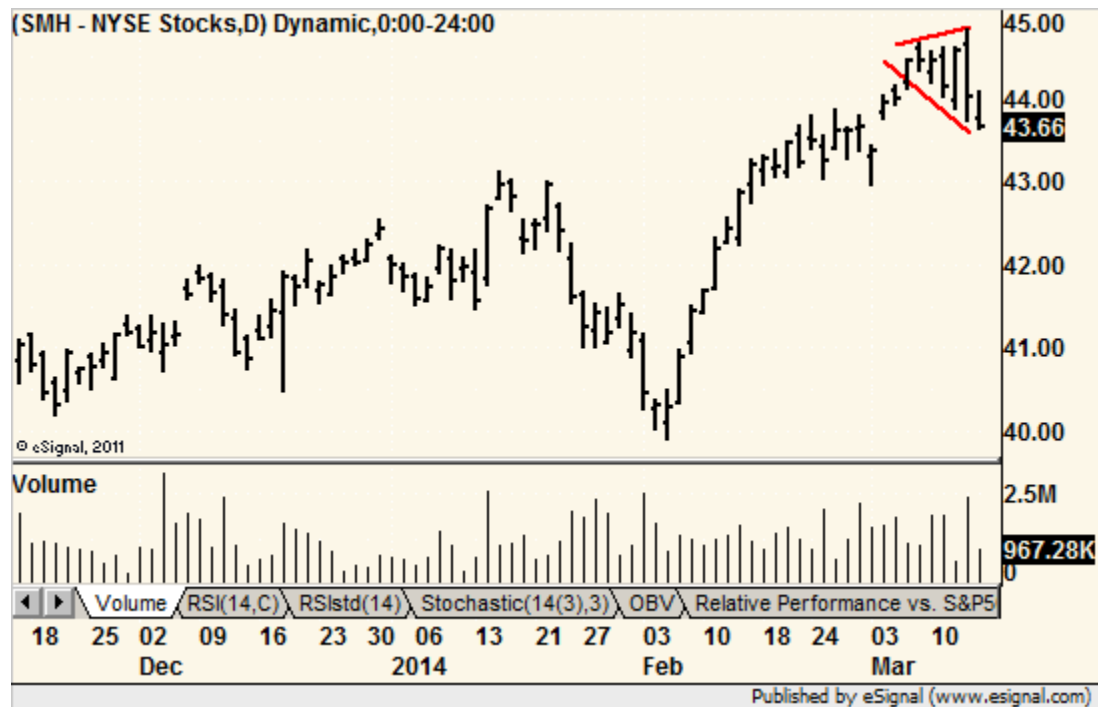
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Jakks Pacific JAKK</b> - This toy maker had a bear market but it has also spent many months healing (basing). Currently above its 200-day average, it is in a tight range at resistance and its major trendline. It is indeed speculative but a breakout now would be technically very positive. Zacks reported that earnings are improving and more than 41% of the float is sold short. Good enough to put a buy trigger on it for a breakout at a close over 7.55.		3/13
<b>Bearish Implications</b>		
<b>Incyte INCY</b> - This biotech has gone nowhere for weeks, even as its sector led. Now the sector is stumbling. Sell under support at 60.35		3/5
<b>United Parcel Service UPS</b> - This delivery stock has a nice bear setup in place with a bear flag stopped at the now falling 50-day average. Big volume on the Thurs-Fri decline. Selling 95.	<b>New</b>	3/17
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>AT&amp;T T</b> - Waiting for value to come to papa at 30.25.		2/25
<b>Citibank C</b> - Bear wedge hitting a death cross from below. Now sitting on wedge bottom. Any lower and it will be broken. Breakdown		3/11
<b>Texas Instruments TXN</b> - A key outside-day reversal on big volume following an equally high volume scoot into new high ground. Bearish. <u>We may have missed this so perhaps sell a bounce.</u>	<b>Changed</b>	3/14
<b>Siemens SI</b> - This German electronics stock is setting up nicely for the bears. Head-and-shoulders, 50-day average as resistance and 200-day as support. Also, falling on-balance volume.	<b>New</b>	3/17
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Retail</b> - Making a comeback.		2/26
<b>Defense</b> - Very strong (except <b>BA</b> ). However, RSI divergences creeping in.		
<b>Biotech</b> - Time to decide between exhaustion gap and bull flag.	<b>Changed</b>	3/7
<b>Utilities</b> - <b>XLU</b> ETF held at a nice support.		3/10
<b>Homebuilders</b> - Failed at resistance		3/11
<b>Banks</b> - Watching resistance failure in <b>BKX, KBE, KRE</b>		3/13
<b>Toys</b> - Failed breakout possible in the sector index <b>DJUSTY</b> . Watching <b>ATVI, TTWO</b>		3/14
<b>Updates</b>		
<b>DAX Germany</b> - Bounced off June 2012 trendline but still sports a preliminary double top breakdown		

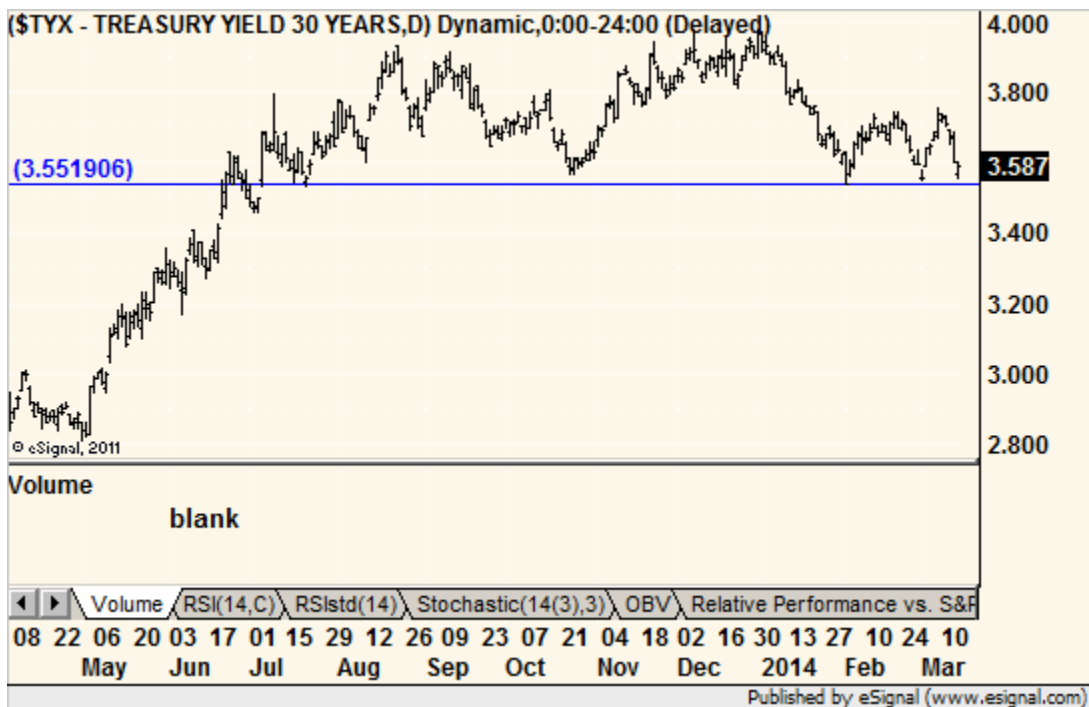
## Market Highlights



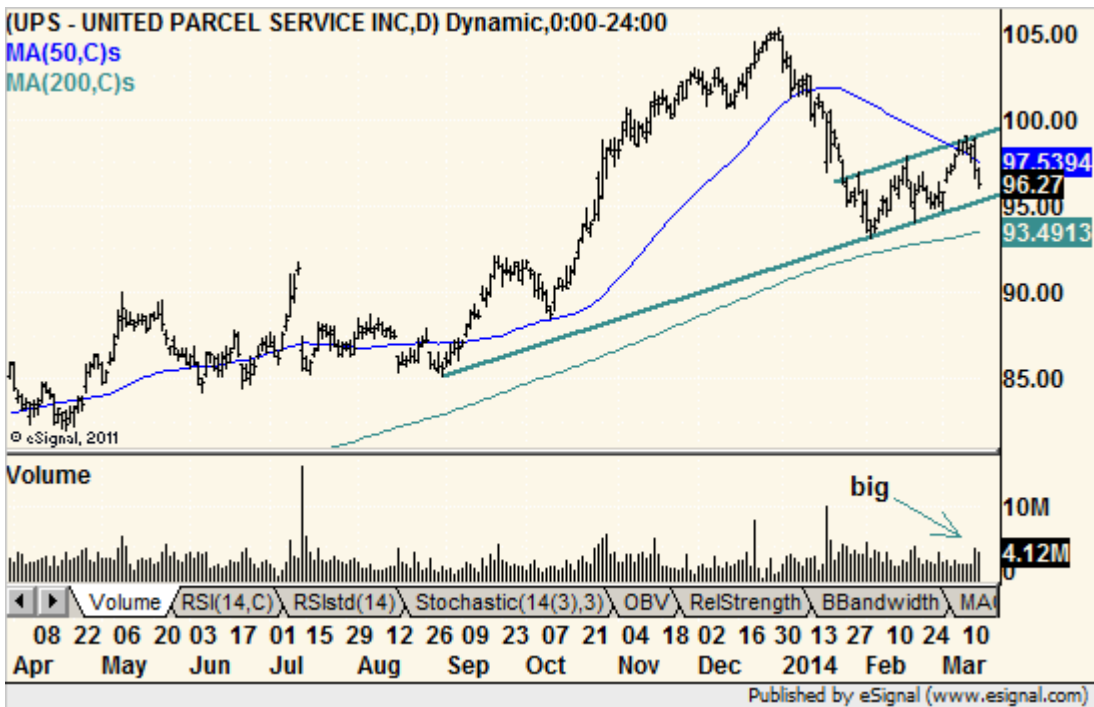
**Coffee ETN** - It looks like a good time to take profits on coffee. Divergence in RSI and similar meaning from Bollinger Bands. For the latter, a high above the bands followed by a higher high back within is a warning. Also, we have a potential island gap reversal in place.



**Semiconductor ETF** - Something about three consecutive outside-days with a big volume reversal bar Thursday makes this feel quite bearish.



**30-year yield** - Just a look from the yield side. The long T-bond is challenging price resistance and yield support. A breakdown in yield would target the low 3% area.



**United Parcel Service** - This delivery stock has a nice bear setup in place with a bear flag stopped at the now falling 50-day average. Big volume on the Thurs-Fri decline. Selling 95.



**Siemens** - This German electronics stock is setting up nicely for the bears. No markings on the chart so you will have to place the head-and-shoulders, 50-day average as resistance and 200-day as support. Also, note falling on-balance volume. Holding Tank for now.

## 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>NLY</b>	ANNALY CAP MGMT INC	11.33	14.6%	11.00	9.89	12/6	99
	<b>GDX</b>	MARKET VECTORS GOLD MINERS ETF	27.73	25.2%	26.25	22.15	1/13	61
	<b>JTP</b>	NUVEEN QUALITY PFD INCOME FD	8.08	3.2%	7.80	7.83	1/23	51
	<b>CORN</b>	TEUCRIUM CORN FUND	33.54	6.2%	32.50	31.57	2/6	37
	<b>NOV</b>	NATIONAL OILWELL VARCO INC	75.26	-1.6%		76.52	2/18	25
	<b>LTM</b>	LIFE TIME FITNESS INC	49.00	6.3%		46.09	2/25	18
	<b>DBC</b>	POWERSHARES DB COMMODITY ETF	26.03	-1.9%	25.50	26.53	3/3	12
	<b>GSK</b>	GLAXOSMITHKLINE PLC	54.23	-3.7%	54.00	56.30	3/4	11
	<b>DSW</b>	DSW INC	39.53	-0.2%	39.00	39.60	3/6	9
	<b>RMBS</b>	RAMBUS INC DEL	9.89	2.5%	9.50	9.65	3/7	8
	<b>FIO</b>	FUSION-IO INC	11.56	-2.5%	11.50	11.86	3/11	4
	<b>WMT</b>	WAL-MART STORES INC	74.28	-1.7%	74.00	75.53	3/12	3
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	25.62	-0.9%	27.00	25.39	3/11	4
	<b>WDC</b>	WESTERN DIGITAL CORP	85.02	-2.1%	88.00	83.21	3/11	4
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	46.16	-0.2%	49.00	46.09	3/11	4

**Notes:** Sold both **NOV** and **LTM** on the open Friday. Oil was acting poorly so we bagged the **NOV** trade. For **LTM**, it had a nice run and the market seems to be acting up a bit so we took profits.

Selling long in **NLY** as it has run into resistance from the November gap and 200-day average.

Bull reversals on shorts in **JNPR** and **ACHC** but volume average. Just a warning.

## 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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