

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

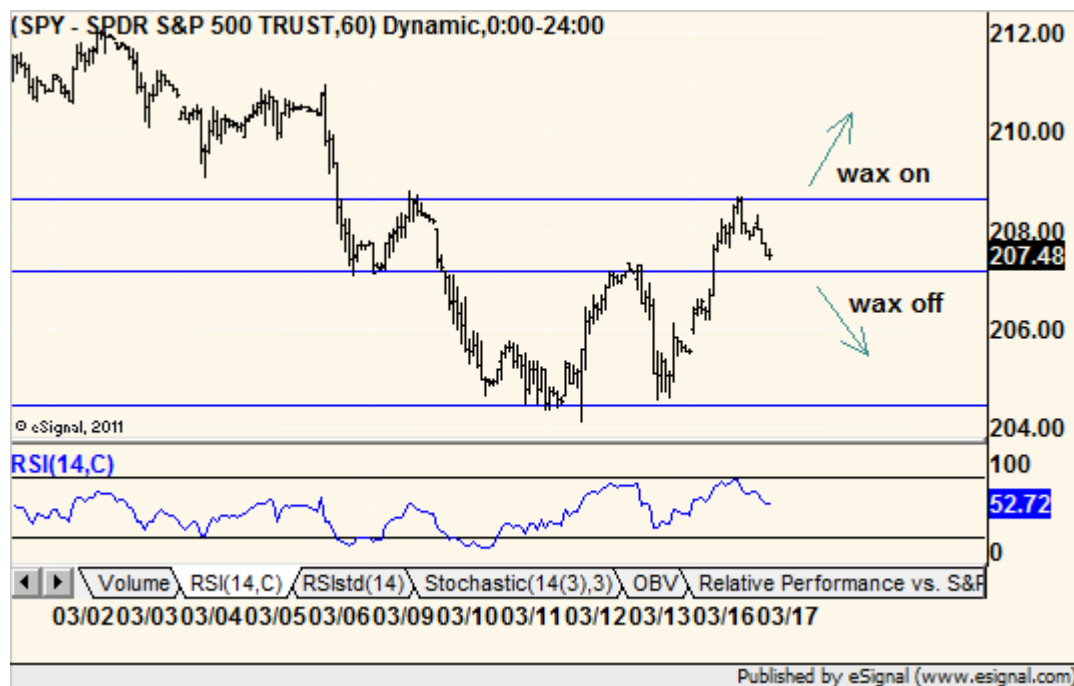
MICHAEL KAHN
RESEARCH LLC

March 17, 2015 – You all know I like to express myself and market opinions in song lyrics from the past. Today, with the headline reading "Hell will break loose if the Fed loses its patience," I cannot help but thinking "should I hedge or let it go?" Even the original 1982 Clash lyrics "should I stay or should I go" would work because if the Fed hints that a rate increase is close the market will sell off. Yes, even though we all knew it was coming eventually. Perhaps the house of cards was hoping to add one more level before the dog knocks it down.

I tweeted yesterday that the market is up so it must be an even day. Today is odd. It is also after the day after a big down week so churn is the name of the game. There are no trends right now except in a few hot sectors.

Yes, hedging does seem to be a good idea, especially with the **VIX** still fairly low. It's not as low as it was two weeks ago when a little options protection was cheap as could be. And with jitters coming back and bonds bouncing, utilities still offer some nice dividends for protection there, too.

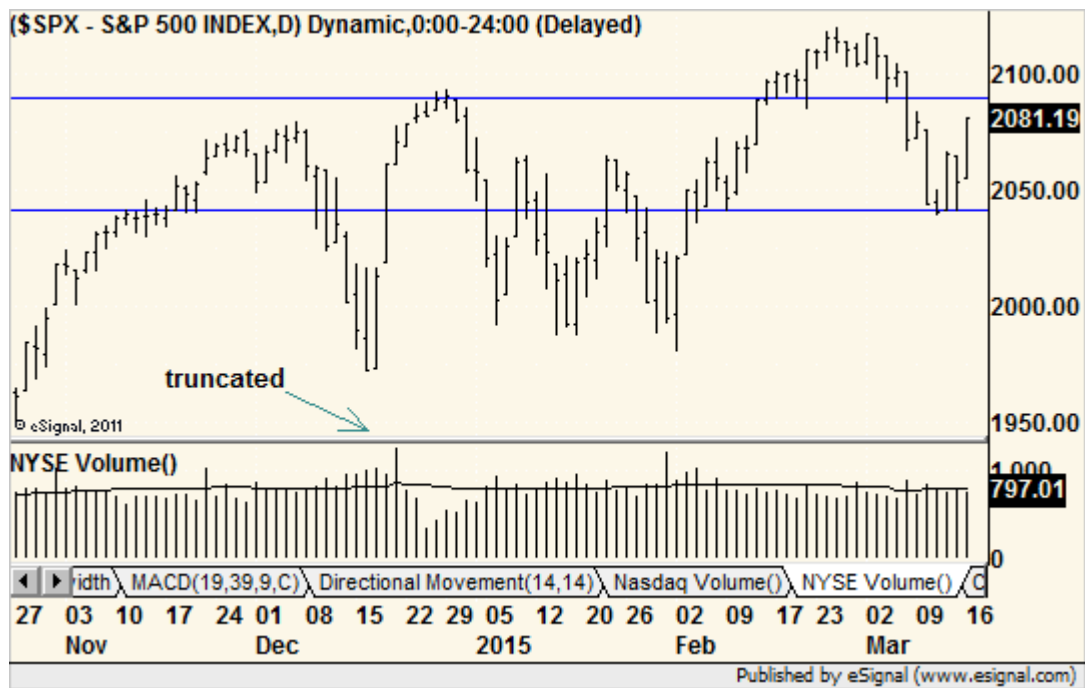
Led by healthcare, all sectors participated in the rally yesterday except for two – chemicals and gold, which were both flat. Chemical indices will show steep losses but that was thanks to DuPont, which fell over 4% as it battled an activist investor.



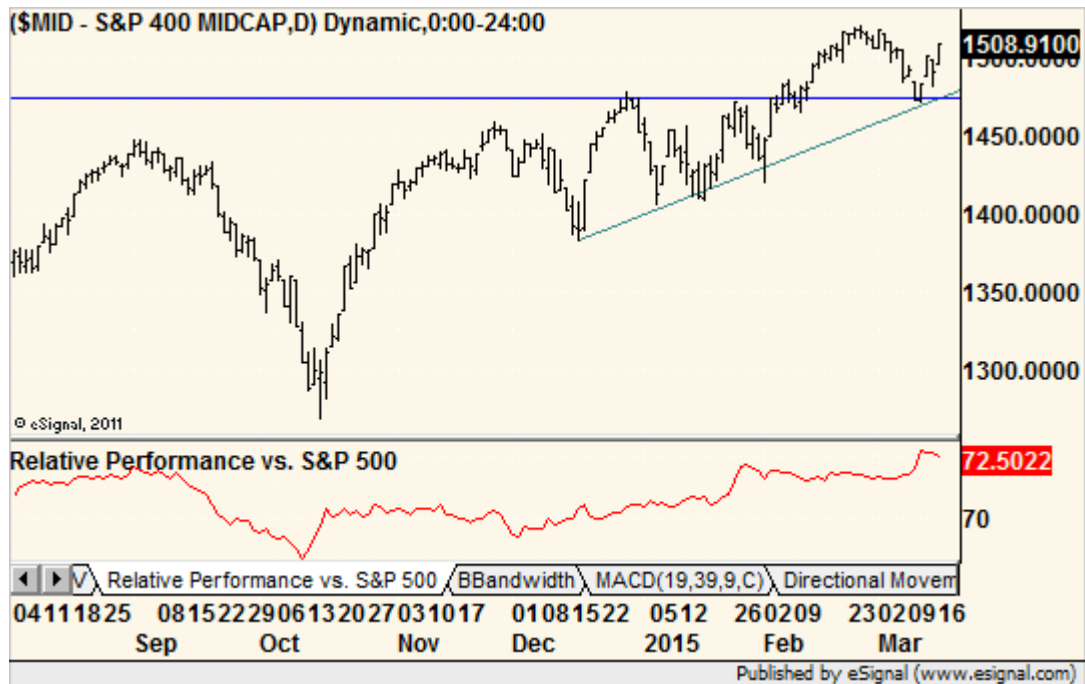
In the hourly chart we see the same support and resistance lines from yesterday's chart and they still work beautifully. Above yesterday's high and there is a lot of room. Below the middle line and the lower line as last week's low seem easy to reach.

We expect another wait-and-see, low-volume day today and that could exaggerate any moves that develop – just like yesterday. When the Fed is over then the market should have a few weeks of trading based on internal factors – until the next Fed meeting. Of course, that excludes any major geopolitical issues that may arise.

Index Charts of the Day



Just some eyeballed support and resistance for the S&P 500. Note low volume over the past few days.



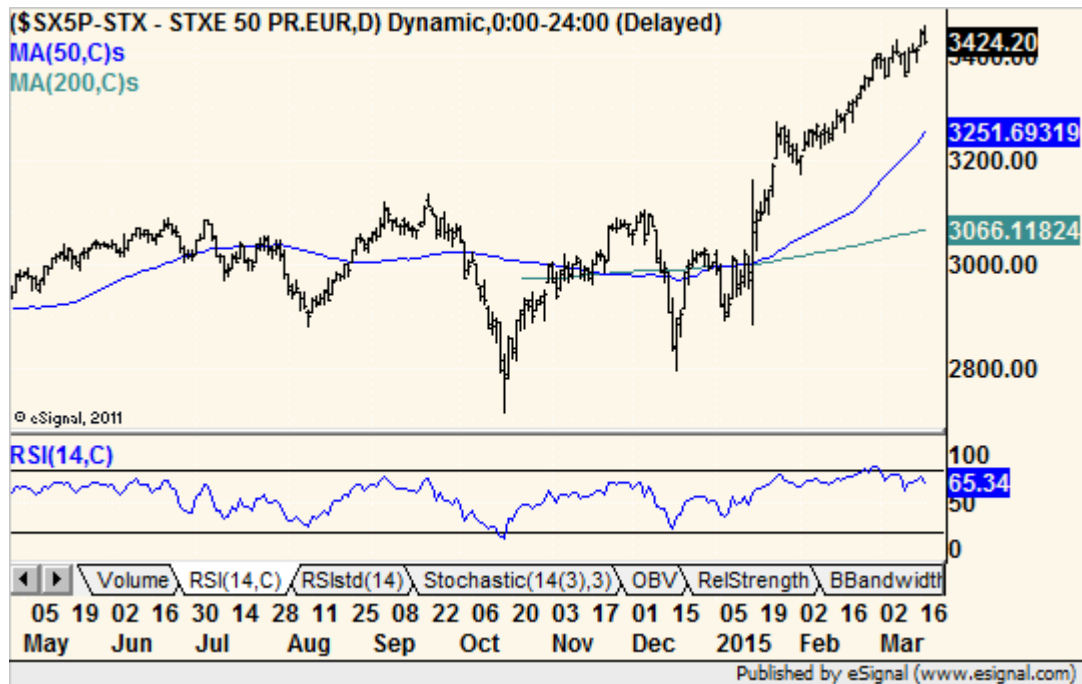
Midcaps looking solid at this time. Small caps similar.

The Radar Screen

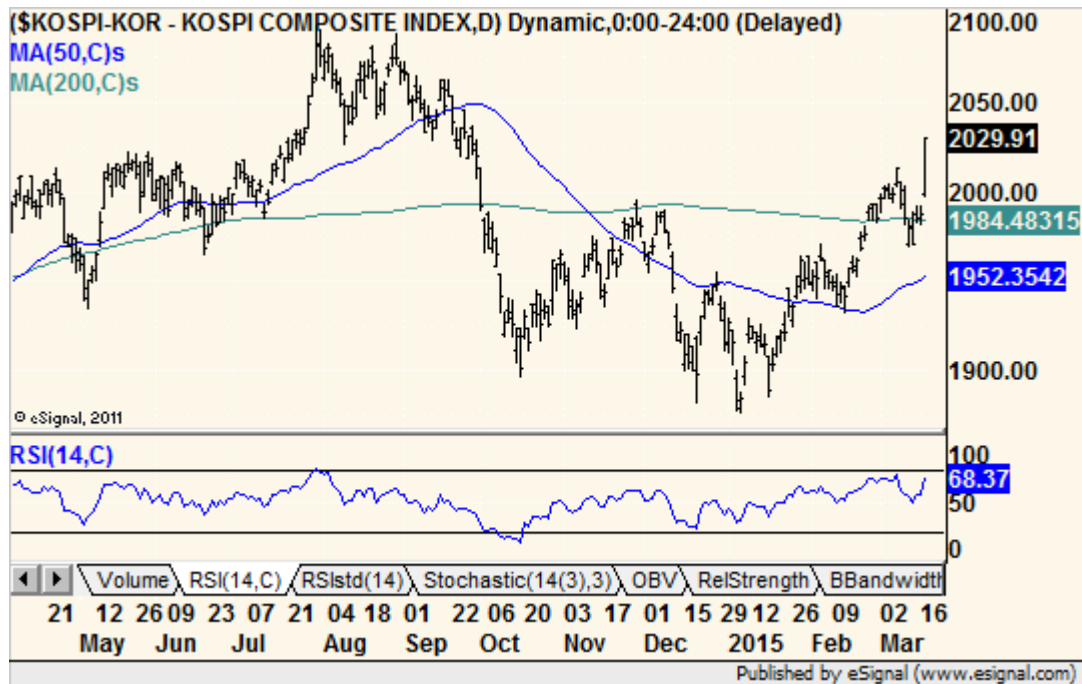
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.	Triggered	3/4
E-Trade ETFC - A high, tight flag for this online broker. Note rising on-balance volume. Buy 28.25 above resistance.	Triggered	3/13
Bearish Implications		
Yahoo YHOO – Critical support on the chart is 42. Sell close below.		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
Potash Corp POT – This fertilizer stock looks intriguing (along with peer SQM) with a big dividend (ex-div April 9) and a big departure from the mean looking like it wants to snap back.	New	3/17
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 – Has been leading the market recently. Possible breakout ahead	Changed	2/12
Semiconductors – Leading		2/25
Online brokers - Leading		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
Airlines – triangle patterns everywhere	New	3/17
Updates		
China – Up again nicely.		
Japan – Up again nicely.		
Crude Oil – finally took out support to trade at a new low		

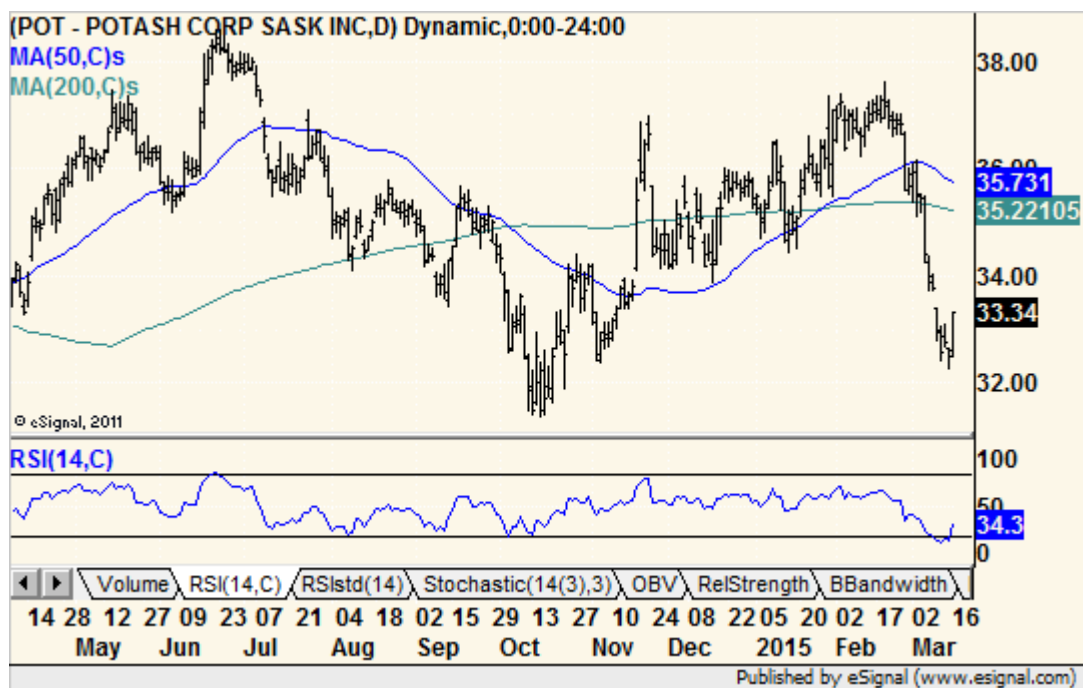
Market Highlights



Stoxx 50 – The pan-Europe blue chip index is pulling back today but overall the trend is pretty strong.



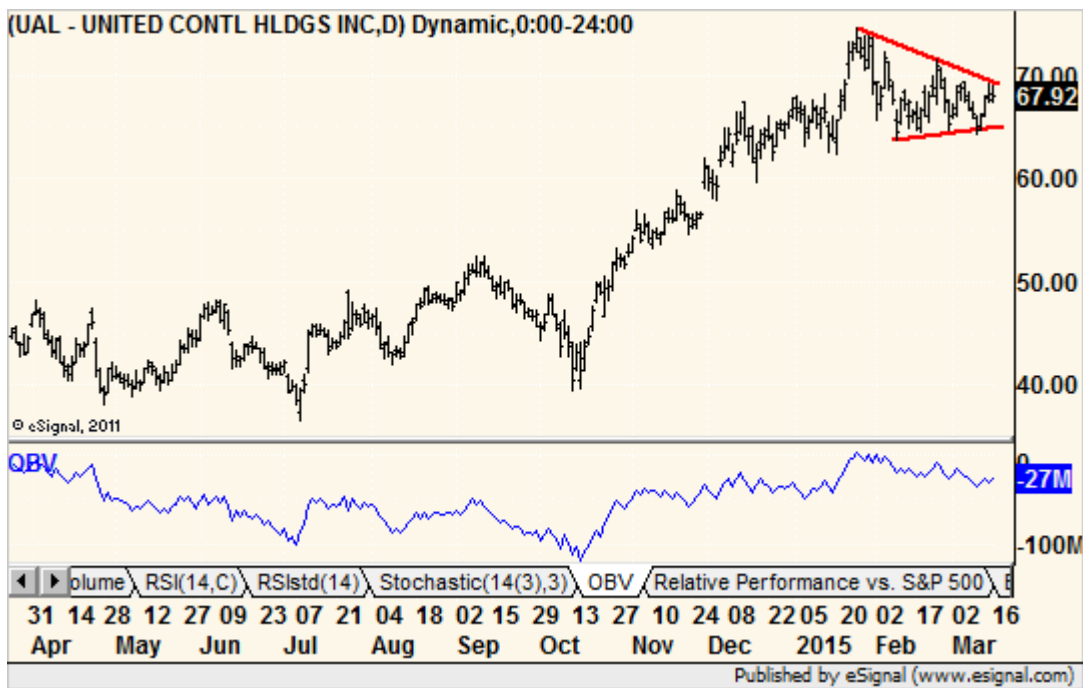
South Korea – This market is finally starting to catch up to its larger Asian neighbors. Unfortunately, the EWY ETF is heading the other way thanks to exchange rates. Since investing here would be difficult for most non-Koreans we show this chart to demonstrate the need to have money outside of the US.



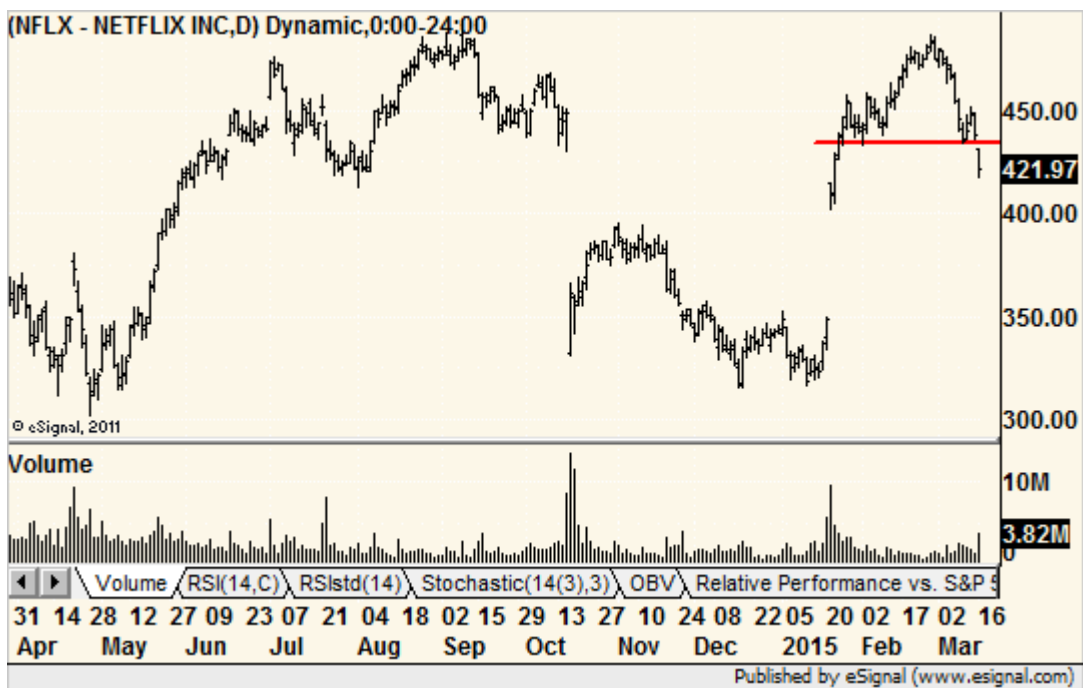
Potash Corp – This fertilizer stock looks intriguing (along with peer **SQM**) with a big dividend (ex-div April 9) and a big departure from the mean looking like it wants to snap back.



Tesla – Looks like it wants to break down with a new on-balance volume low.



United Continental Airlines – The entire sector is in a triangle.



Netflix – Breakdown

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	83.49	8.2%	81.00	77.13	2/11	33
	XLV	HEALTH CARE SELECT SECTOR SPDR	73.40	2.8%	71.50	71.43	2/19	25
	VAL	VALSPAR CORP	85.89	-4.3%	85.00	89.75	2/24	20
	AMAG	AMAG PHARMACEUTICALS INC	55.77	23.7%	53.00	45.07	2/25	19
	SUPN	SUPERNUS PHARMACEUTICALS INC	11.17	16.8%	11.00	9.56	3/5	11
	MYL	MYLAN N V	61.27	8.9%	59.00	56.26	3/5	11
	MCD	MCDONALDS CORP	97.15	0.2%	94.50	96.91	3/10	6
	BBY	BEST BUY INC	41.63	4.2%	39.50	39.97	3/10	6
	GM	GENERAL MTRS CO	38.58	0.4%	37.50	38.43	3/12	4
	WMT	WAL-MART STORES INC	83.29	0.0%	80.00	83.29	3/16	0
	ETFC	E TRADE FINANCIAL CORP	28.28	0.1%	27.00	28.25	3/16	0
<u>Short</u>	PG	PROCTER & GAMBLE CO	83.56	1.1%	84.00	84.50	3/5	11

Notes: More stop tweakage.

New long in **WMT** as it broke out from a falling trend. Too bad we had and “on close” trigger.

New long in **ETFC** as it broke out from a high tight flag.

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