

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 19, 2015 – While the word “patient” was removed from the Fed’s presentation the word “gradual” replaced it. The Fed will raise rates very slowly, supposedly as data warrant. Party on, Garth! Low rates here plus global central bank stimulus puts the wind back in the market’s sails.

The question is how the soaring dollar will cut a hole in those sails. Although the greenback took a header yesterday afternoon, as of the early morning it gained back nearly the whole post-Fed loss. That is bullish behavior and we cannot become enamored with commodities just yet (strong dollar = weak commodities).

The key outside-day reversal in the oil ETF is already well on its way to being reversed. At a minimum, it will not be confirmed with the market’s current mood.

Moving on to bonds, which soared on the Fed, the overnight give-back has been small. Same for utilities and real estate.

And financials. The **XL** managed a breakout yesterday but regional banks closed in the red, shrugging off the initial rally post-Fed.

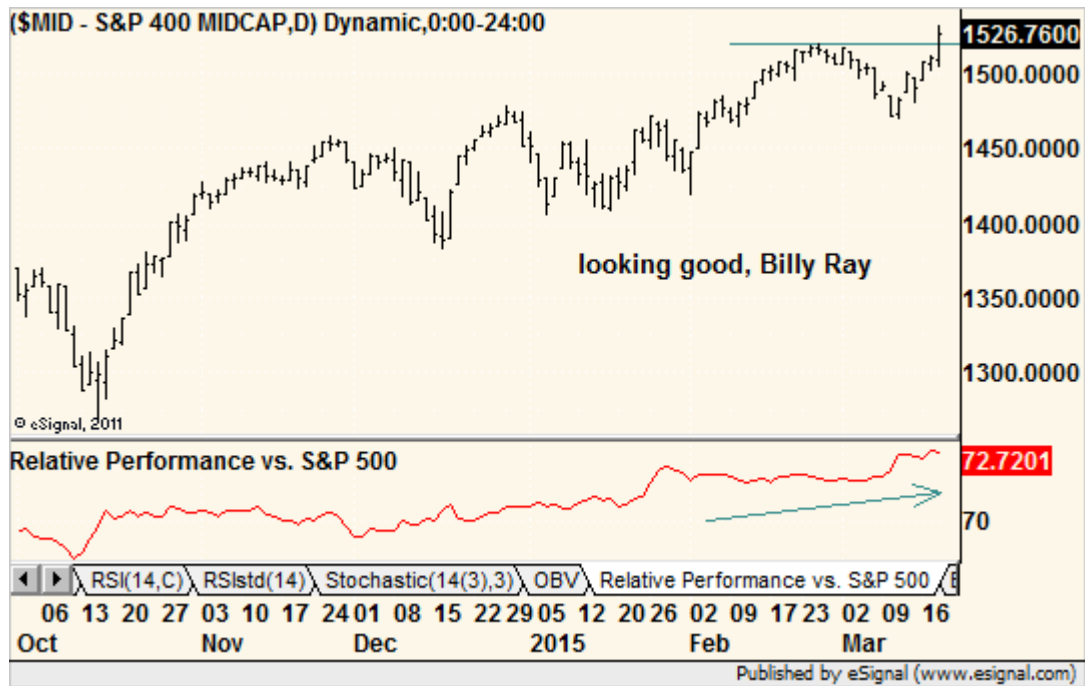
Finally, big tech was up very nicely as Apple prepares to join the DJIA today, replacing AT&T.



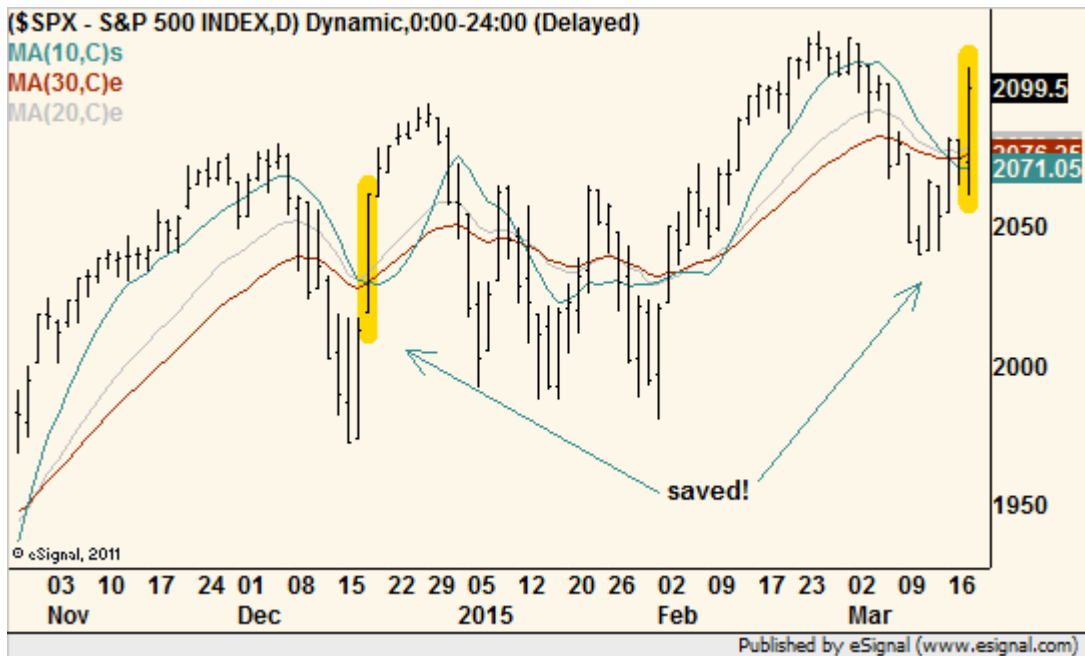
While it is foolish to predict, this does look like the start of an intraday bull flag. Support and resistance lines are still working nicely although there have been some overshoots lately.

After a day like yesterday, the easy thing to do is rest. And we will. Only two stock charts today but one is a tobacco stock setting up.

Index Charts of the Day



The midcaps had a nice breakout. The Russell 2000, too!



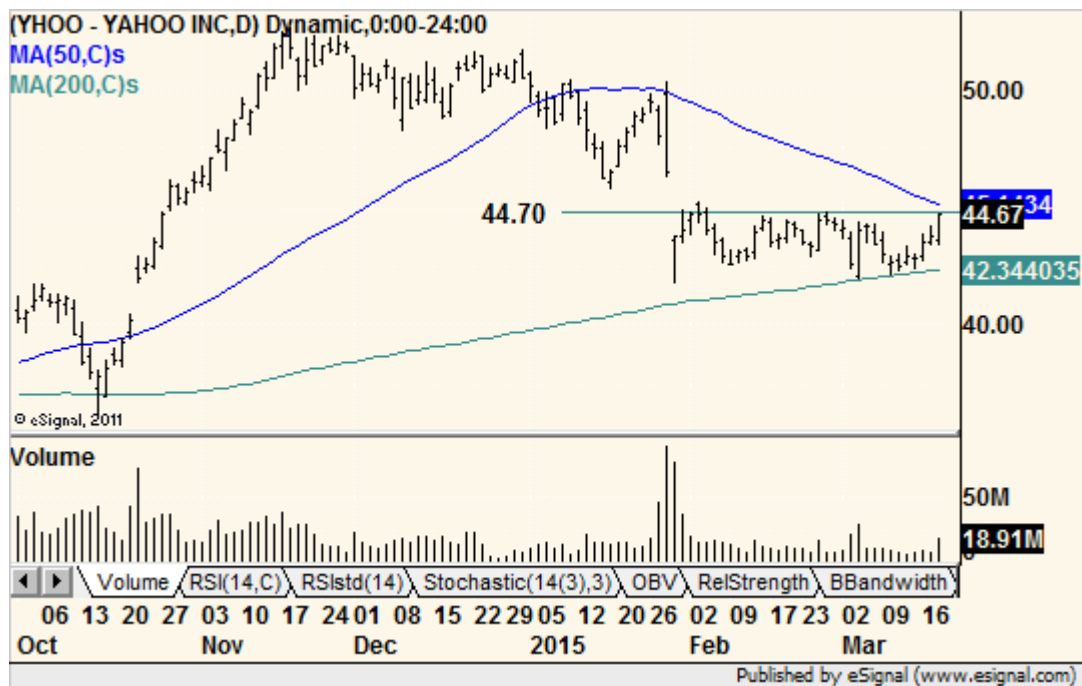
Not a new high but the rally quashed the potential bowtie crossover as discussed yesterday.

The Radar Screen

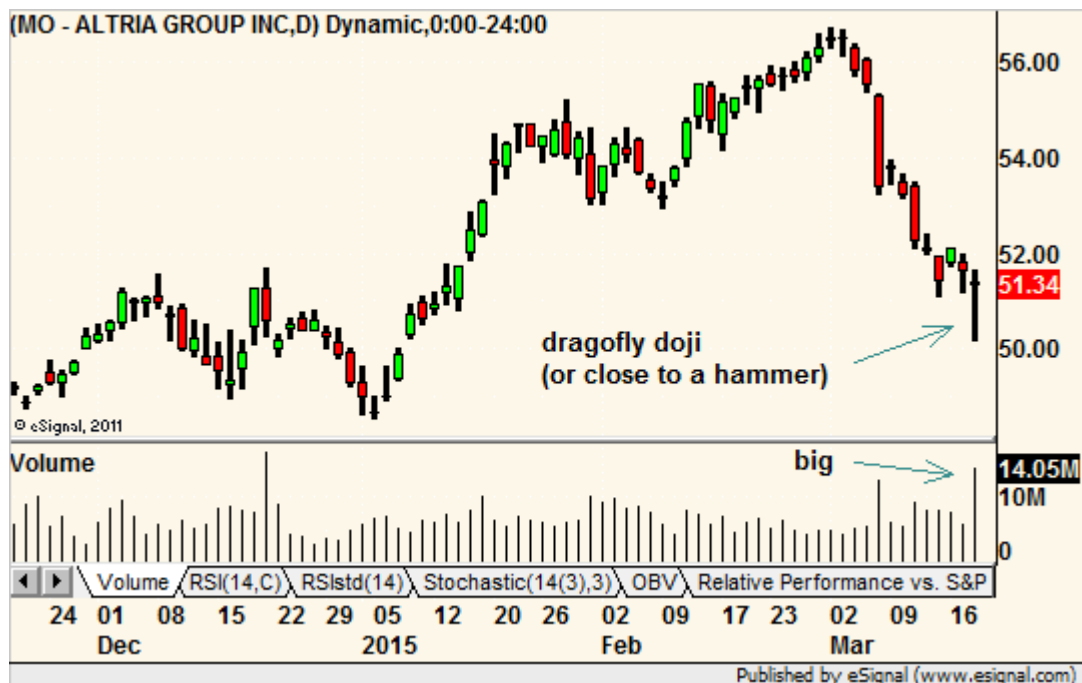
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
CBRE Group CBG – This real estate manager is poised for a nice breakout. The trend is up since 2011. Buy close over 35.25.	Triggered	3/18
Macys M – Retail is a leader and Macys looks poised to catch up. Mellow rally on the Fed and it still has a breakout working. Buying now.	Moved	3/18
Altria MO – Tobacco offers some nice dividend yields but the trend is down in the short-term. This one has a dragonfly doji (or almost a bullish hammer) so a close above yesterday's high at 51.66 would confirm it as a buy.	New	3/19
Bearish Implications		
none –		
Unknown Implications		
Yahoo YHOO – Critical support on the chart is 42. Sell close below. However, now challenging top of range and a buy trigger with close above 44.70. Chart below.	Moved	3/9
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 6.3% div yield now. Imagine what it will be down at 34 ¾. Patience – oil is still falling despite Wednesday pop.		3/12
Potash Corp POT – This fertilizer stock looks intriguing with a big dividend (ex-div April 9) and a big departure from the mean looking like it wants to snap back.		3/17
Edison Intl EIX – We ran through the utilities average to look for any that have signs of life. This one has flat on-balance volume instead of falling and that is good. Also above its 200-day average. Waiting for a buy trigger to form.		3/18
Nisource NI – Here's another utility with signs of life. Also above its 200-day average.		3/18
Public Service Enterprise PEG – And another utility. This one has <u>rising</u> OBV this month		3/18
Sector Watch (observations that may spark ideas)		
Retail XRT – leading the market		2/6
Technology XLK – no longer leading the market.		2/12
Financials XLF – Has been leading the market recently. Possible breakout ahead		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 and offer big dividends. Circle back here in a week to see if there is opportunity. Check chart of MO below.		3/12
Airlines – triangle patterns everywhere. A few breakouts		3/17
Updates		
none –		

Market Highlights



Yahoo – With moving averages now squeezing the trading range we can add a buy trigger to the sell trigger we already had. Buy close over 44.70.

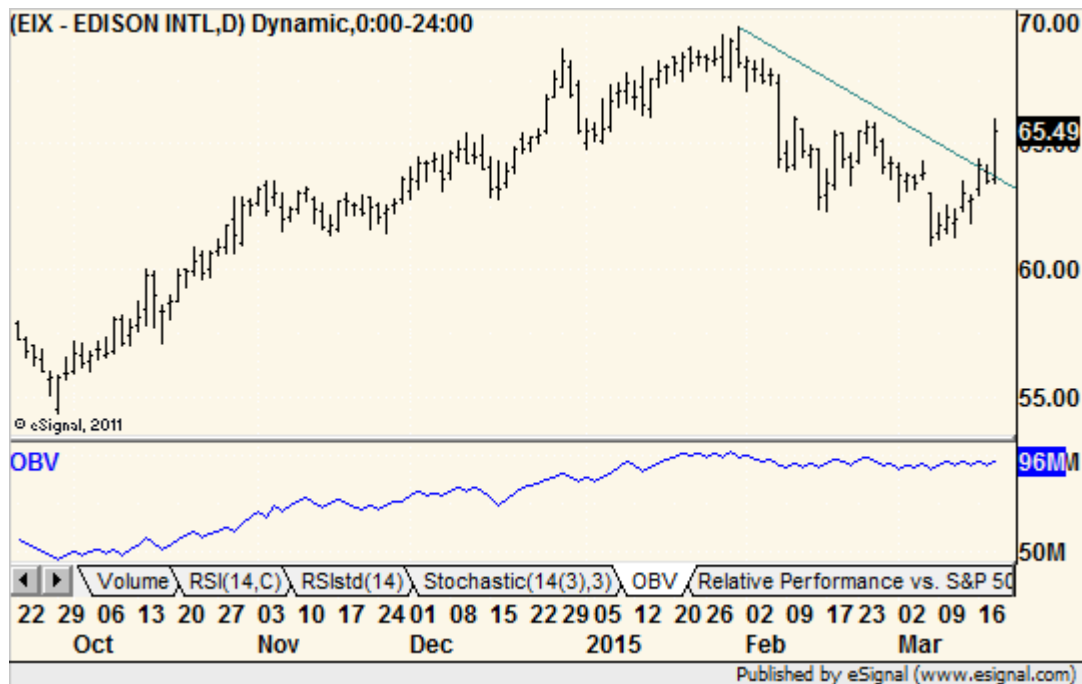


Altria – Tobacco offers some nice dividend yields but the trend is down in the short-term. This one has a dragonfly doji (or almost a bullish hammer) so a close above yesterday's high at 51.66 would confirm it as a buy.

Today's Lesson

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

Go with strength



Edison Int'l – We looked at a few utilities yesterday before the Fed to see if any were holding up better than their peers. We found three including this one. On-balance volume did not budge during the price fall and it was already poised for a breakout. It rallied over 3% and all of our finds did the same. Stocks without strong OBV or other attributes, such as one we like last month **SO**, did not do quite as well.

Low prices does not necessarily mean cheap. Underlying technicals can help separate the wheat from the chaff.

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	83.23	7.9%	81.00	77.13	2/11	35
	XLV	HEALTH CARE SELECT SECTOR SPDR	74.14	3.8%	72.00	71.43	2/19	27
	VAL	VALSPAR CORP	85.00	-5.3%		89.75	2/24	22
	AMAG	AMAG PHARMACEUTICALS INC	57.68	28.0%	54.50	45.07	2/25	21
	SUPN	SUPERNUS PHARMACEUTICALS INC	11.20	17.2%	11.00	9.56	3/5	13
	MYL	MYLAN N V	64.96	15.5%	61.50	56.26	3/5	13
	MCD	MCDONALDS CORP	97.00	0.1%	94.50	96.91	3/10	8
	BBY	BEST BUY INC	41.77	4.5%	39.50	39.97	3/10	8
	GM	GENERAL MTRS CO	38.50	0.2%	37.50	38.43	3/12	6
	WMT	WAL-MART STORES INC	82.53	-0.9%	80.00	83.29	3/16	2
	ETFC	E TRADE FINANCIAL CORP	27.86	-1.4%	27.25	28.25	3/16	2
	CBG	CBRE GROUP INC	35.81	0.0%	34.25	35.81	3/18	0
<u>Short</u>	PG	PROCTER & GAMBLE CO	83.75	0.9%	84.00	84.50	3/5	13

Notes: Raised biotech stops again. Raised healthcare ETF stop.

ETFC not acting well but the stop is close and we'll let it ride.

VAL finally stopped out. It never got going and the decision to buy intraday instead of on-close turned out to be a poor one. It reversed to the downside the day we bought it.

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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