

# QUICK TAKES PRO

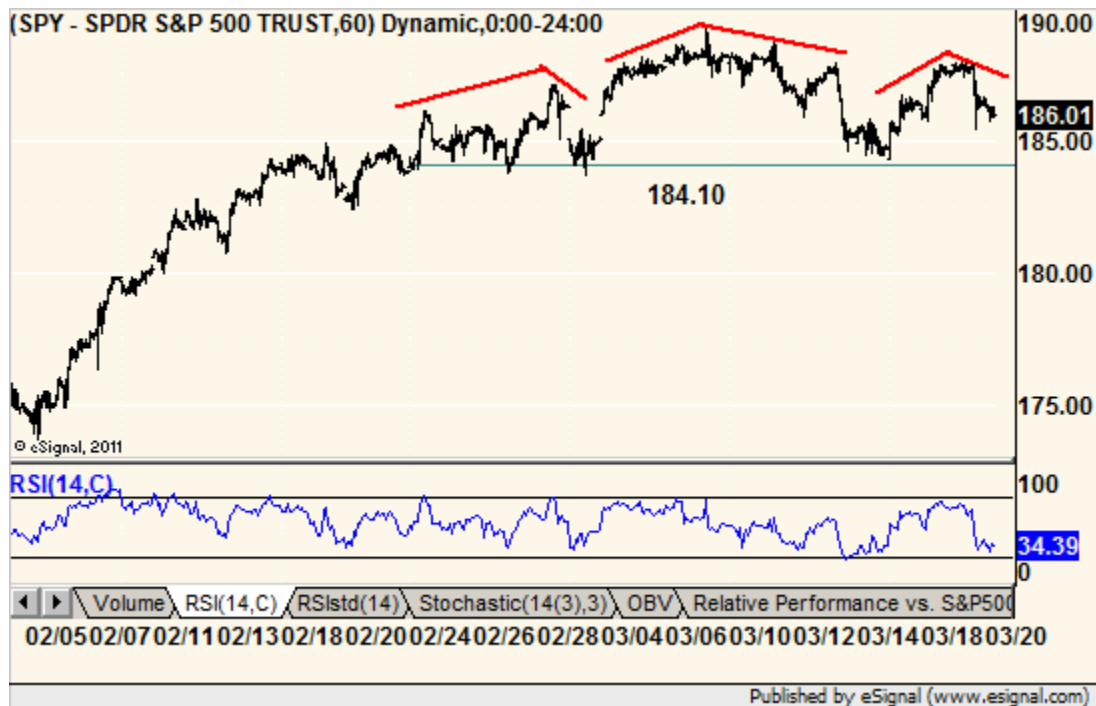
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

**March 19, 2014** – Today is mostly a review of what happened after the Fed. The market did not like it and bonds tanked. The dollar soared and gold fell hard so we'll channel comedian Bill Engvall and say, "there's your sign." For the past several years it has indeed been all Fed, all the time.

Not much to do today as the market licks its wounds and decides what it will do. Making a prediction today is folly. Why? The pundits are still weighing in and retail has not yet had the chance to do anything.

On the hourly chart, we've dumped all the lines and labels to view the market without bias.



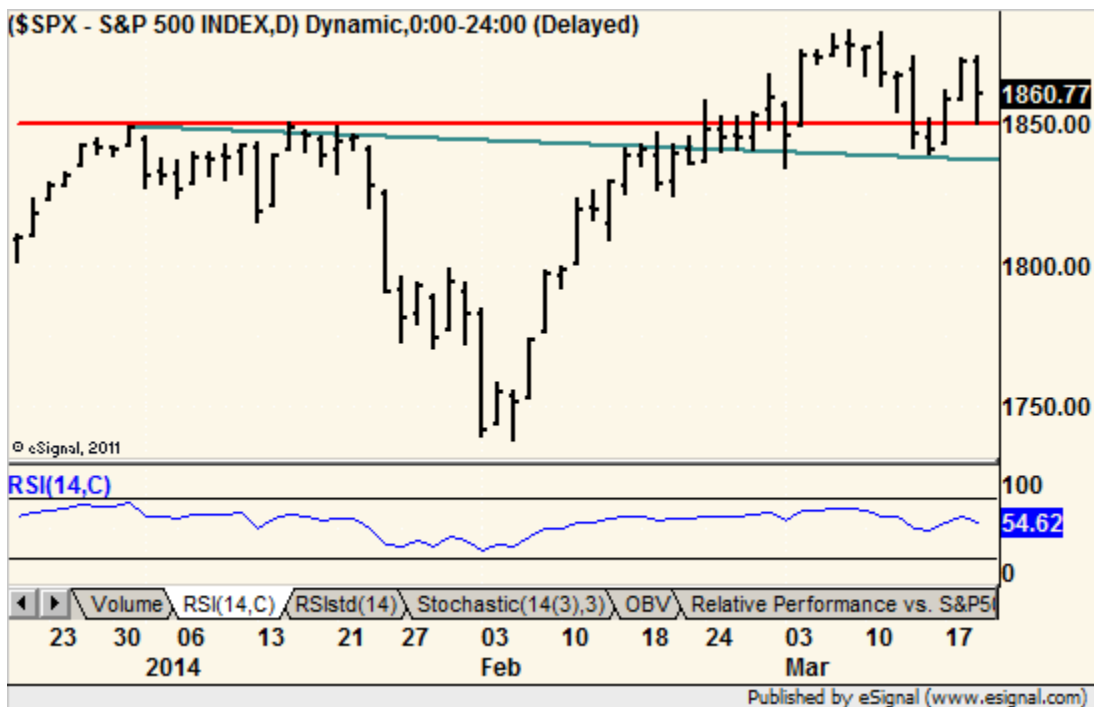
This is what jumped out at us. A head-and-shoulders-like pattern with support at around 184.10. And when we pulled back out to the daily view we saw that the neck line ran right through the top of the January trading range. That is going to be our new line in the sand where we will once again look for a substantial decline.

We have to apologize for mislabeling the Today's Lesson chart yesterday. It was indeed gold, not gold miners, but the two markets really to look similar right now. The important thing is that we got out before the big slide and that is really what technical analysis is all about -getting in for the major part of the ride and getting out before giving back too much.

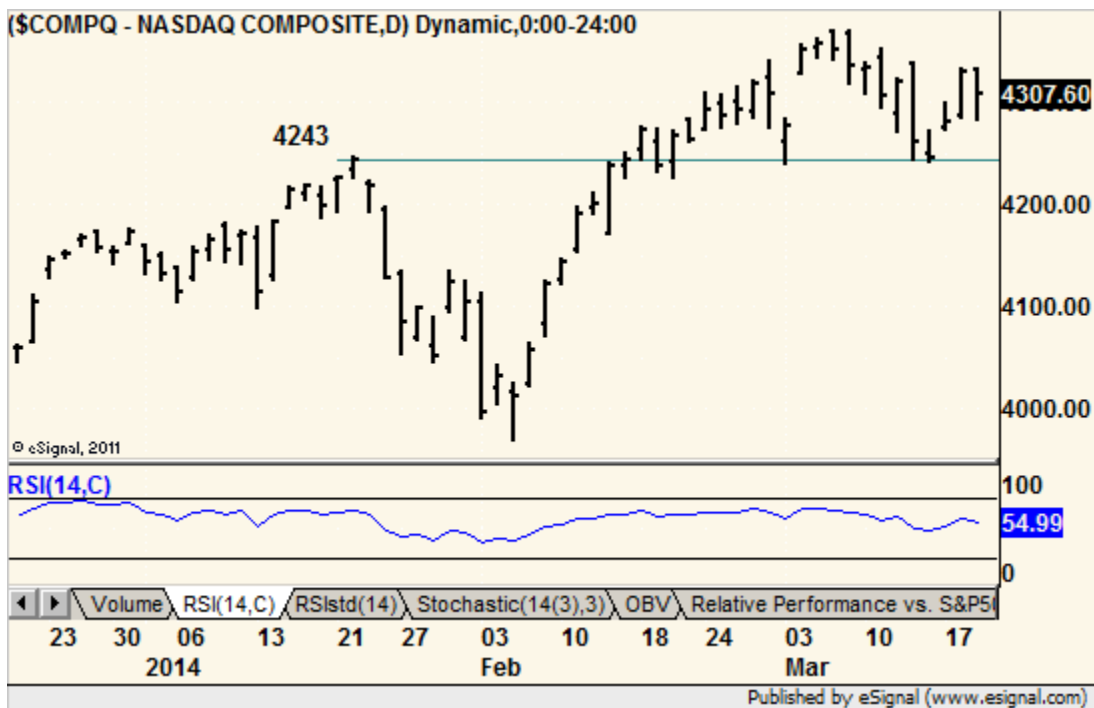
In yesterday's Barron's Online I wrote that it was China and the Fed moving the market and not Crimea. This morning, this article caught our eye: <http://blogs.marketwatch.com/thetell/2014/03/20/chinas-yuan-falls-into-the-danger-zone/>. China may be becoming a big problem. Don't forget they were talking about a second big corporate bond default this week, too.

We are getting more nervous about our market here but for now the trend remains up. We can't get too bearish with the neckline in the chart above still holding.

## Index Charts of the Day



The 1850-level is not as clear as it used to be as support so we've added the green sloped line. The bottom line is that there has not been a breakout failure at this time although the market certainly does not look that strong.



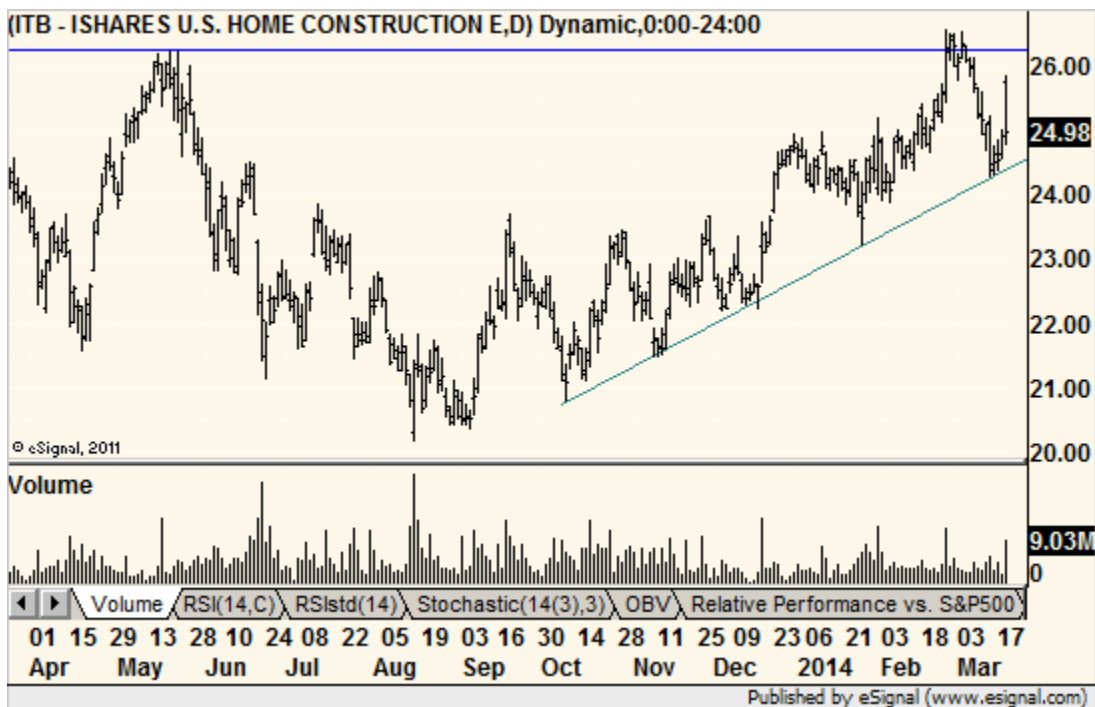
The Nasdaq has a better support line and it is also still holding. We drew it at 4243 but it is really plus or minus a handful. Don't get stuck on such precision.

## The Radar Screen

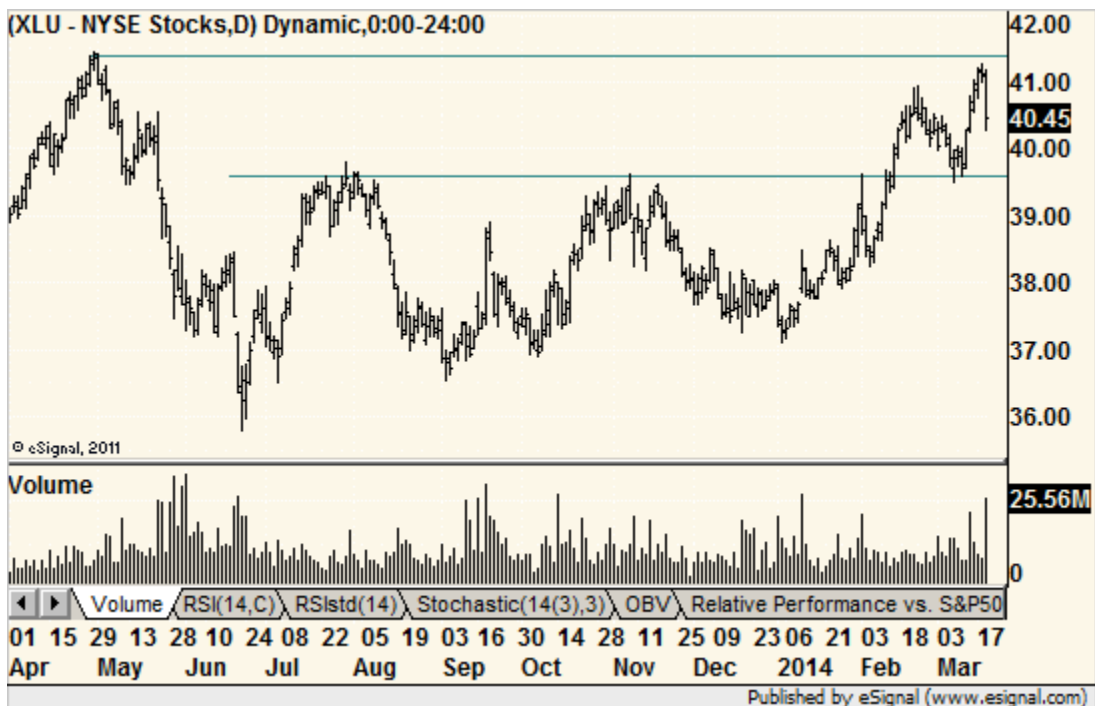
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>none –</b>		
<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 96.		3/14
<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. Tested breakdown. Selling now.	<b>Triggered</b>	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. We may have missed this so perhaps sell a bounce to 46.	<b>Triggered</b>	3/14
<b>Con Ed ED</b> - This NYC utility is in between a bear trend and support. Last week's big drop and recovery looks like a survival story as the bears could not take it below that support. <b>So much for holding support. Moving on.</b>	<b>Removed</b>	3/18
<b>Gold ETF GLD</b> - From yesterday's Today's Lesson, it was mislabeled as the gold miners ETF. Fibonacci price and time suggests a buy on April 9 at a price of 126.34		3/19
<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> ). Possible bull flag.		
<b>Biotech</b> - Time to decide between exhaustion gap and bull flag.		3/7
<b>Utilities</b> - <b>XLU</b> ETF held at a nice support. <b>See chart below</b>		3/10
<b>Homebuilders</b> - Failed at resistance		3/11
<b>Banks</b> - Watching resistance failure in <b>BKX</b> , <b>KBE</b> <b>Testing it again.</b> <b>KRE</b> broke out.		3/13
<b>Toys</b> - Looking decent for the bulls.		3/14
<b>Semiconductors</b> - Watching expanding triangle. Bear reversal in <b>SMH</b> negated but it is not out of the woods.		3/17
<b>Updates</b>		
<b>Keycorp KEY</b> - A really nice cup-with-handle pattern breakout (from Today's Lesson)		
<b>McDonalds MCD</b> - trendline breakout has failed		

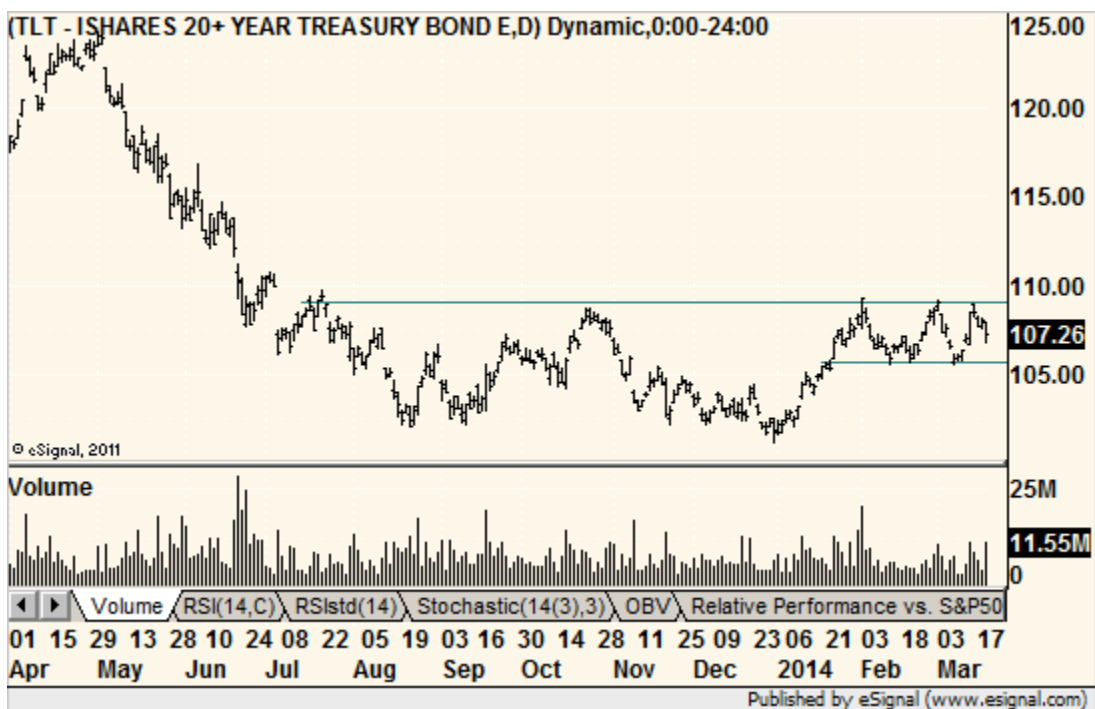
## Market Highlights



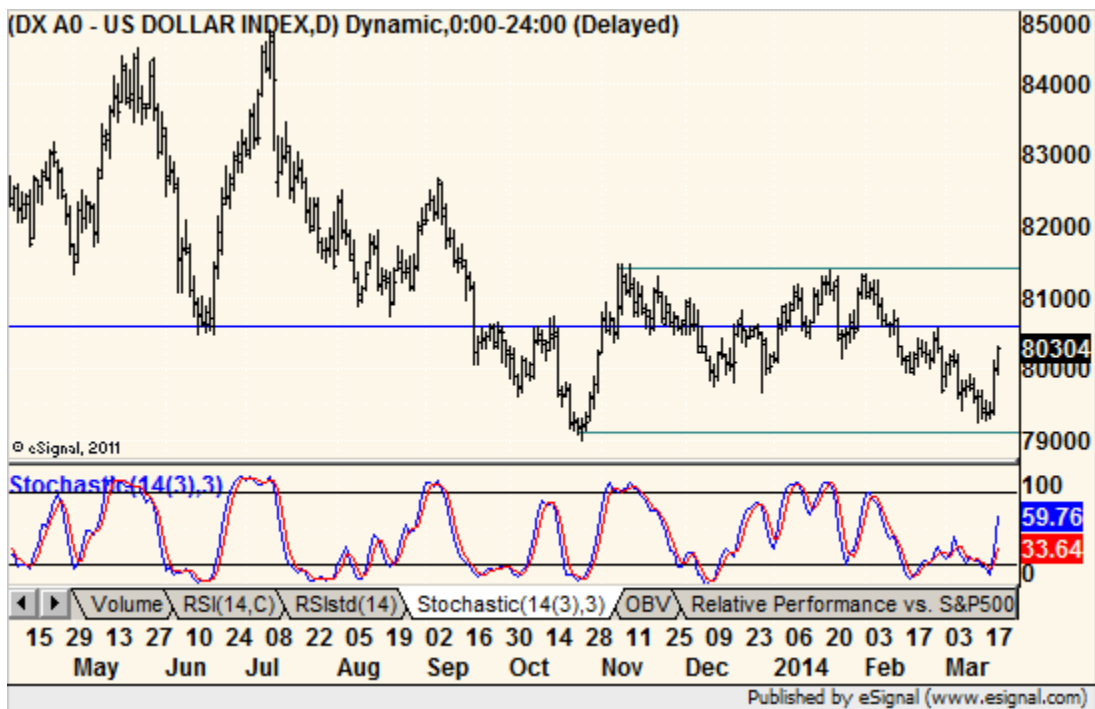
**Homebuilding ETF** - Started out awesome on good news but then gave up just about the whole thing. We will say again that there is nothing to get excited about here.



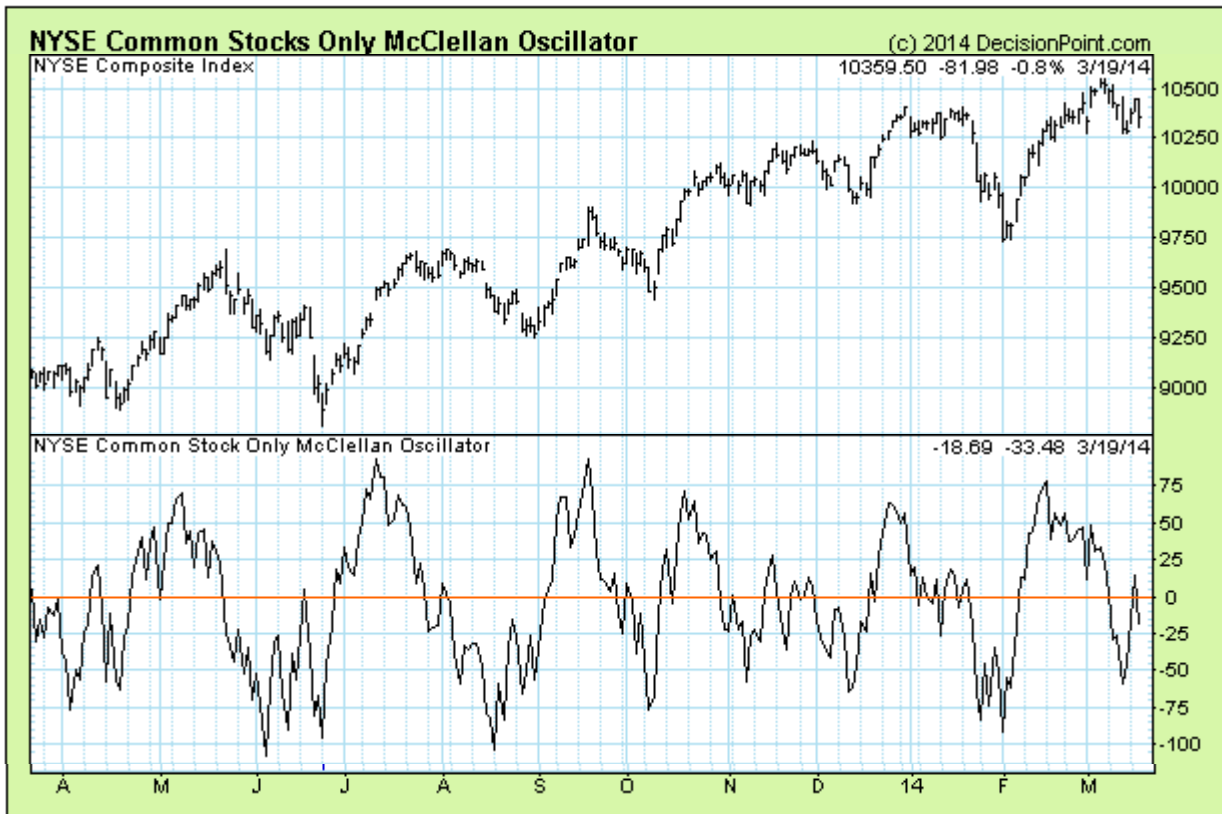
**Utilities ETF** - Huge decline right after the Fed. Now looks like a resistance failure but the trend is still up. We'll have to see what happens the rest of this week and of course watch the bond market. See next...



**Long T-bond ETF** - Sold off after the Fed but came back a bit later in the day. No trend right now and no forecast. Currently right in the middle of the short-term range.



**US dollar index** - Soared after the Fed and lifted off support. Still has a lot of overhead resistance to get through and it is close to one now. Other than intraday, there is no trend here either.



**McClellan Oscillator** - Tom McClellan said yesterday that a move back below the zero line yesterday would indicate a rally failure. (One day above followed by a drop back below). As we can see, it happened.

## 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>JTP</b>	NUVEEN QUALITY PFD INCOME FD	8.00	2.2%	7.80	7.83	1/23	55
	<b>CORN</b>	TEUCRIUM CORN FUND	33.63	6.5%	32.50	31.57	2/6	41
	<b>DBC</b>	POWERSHARES DB COMMODITY ETF	25.86	-2.5%	25.50	26.53	3/3	16
	<b>GSK</b>	GLAXOSMITHKLINE PLC	54.71	-2.8%	54.00	56.30	3/4	15
	<b>RMBS</b>	RAMBUS INC DEL	10.70	10.9%	sell	9.65	3/7	12
	<b>WMT</b>	WAL-MART STORES INC	74.38	-1.5%	74.00	75.53	3/12	7
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	26.45	-4.0%	27.00	25.39	3/11	8
	<b>WDC</b>	WESTERN DIGITAL CORP	85.87	-3.1%	88.00	83.21	3/11	8
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	47.49	-2.9%	49.00	46.09	3/11	8
	<b>C</b>	CITIGROUP INC	48.94	-1.5%	50.50	48.22	3/19	0
	<b>TXN</b>	TEXAS INSTRS INC	45.52	1.1%	47.00	46.00	3/19	0

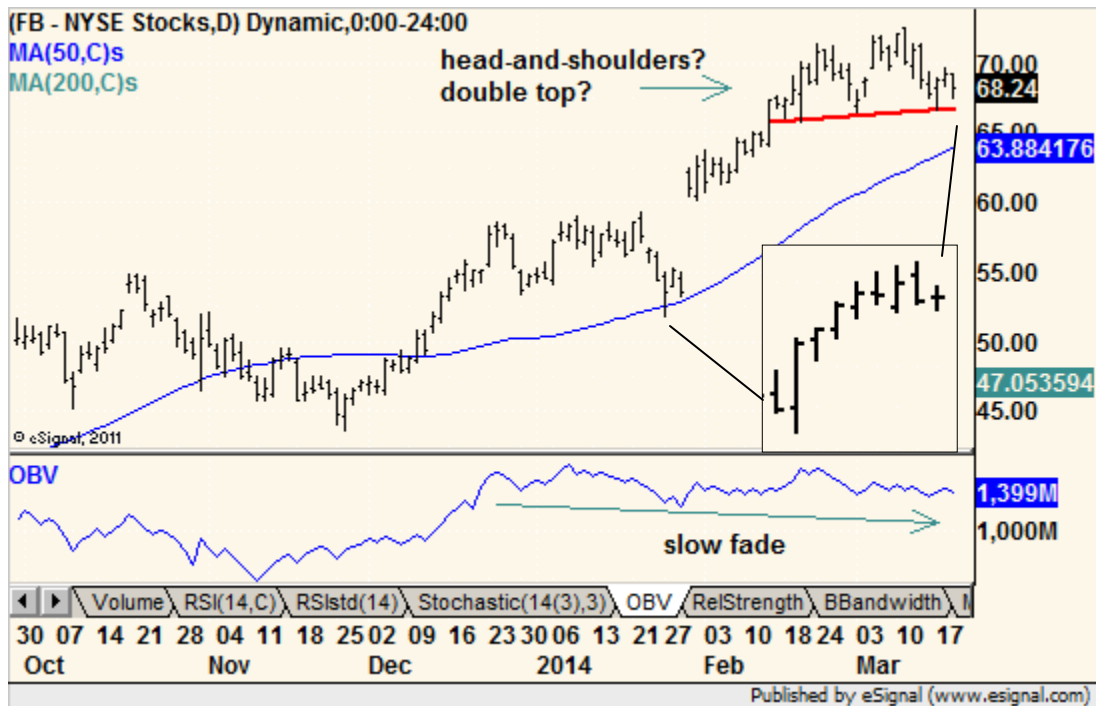
**Notes:** **RMBS** reached resistance and left a spinning top candle so we are going to take profits.

The short in **JNPR** looks to be in big trouble but with the market showing cracks we'll hold on a little longer.

Two new shorts. **C** at the open - which turned out to be a bad idea. And **TXN** on a bounce. The latter looks to be in good shape.

## Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.



**Facebook** - Facebook does indeed look extended and now sports a topping pattern of sorts. We do not know which one it is just yet but they have support in common. On-balance volume has been fading for months and RSI (not shown) is also falling.

The inset is Jan-Mar span in weekly format and we can see the bearish reversal bar last week.

Basically, if this falls below support at 66.75 we'd have to get out. Note the 50-day average is still intact below that price so you can give it a bit more room.



## 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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