

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

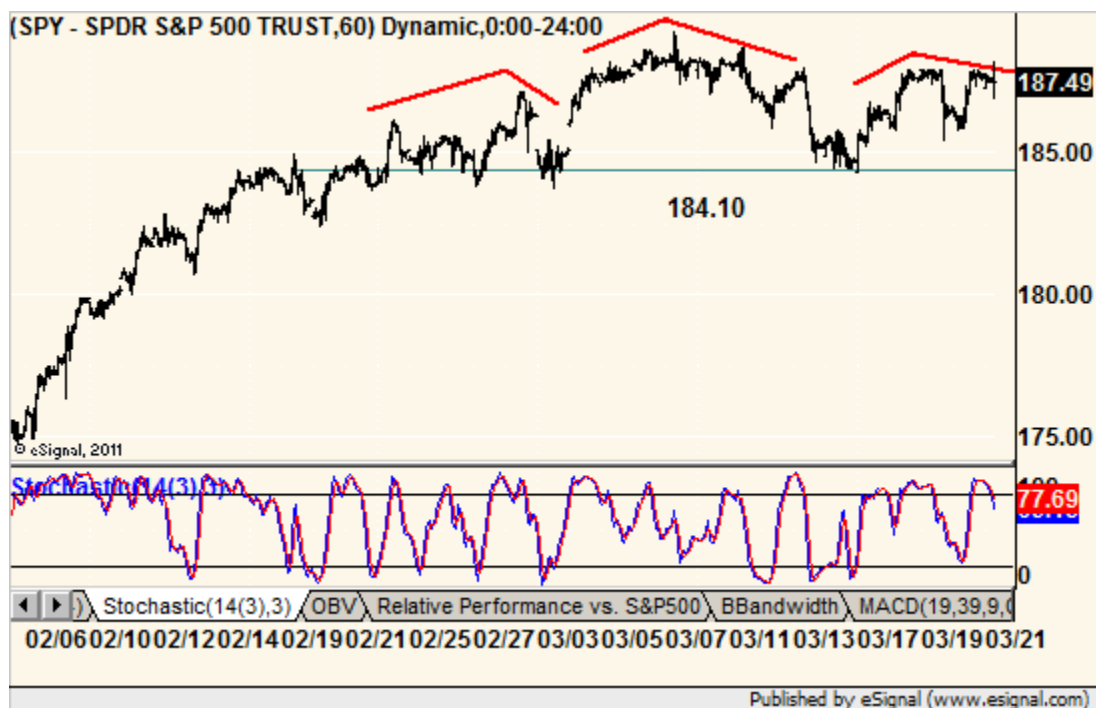
MICHAEL KAHN  
RESEARCH LLC

**March 21, 2014** – Down one day, up the next - and on the same news. The market decided it did like the Fed's words after all and banks really liked them.

We have very little in the way of commentary today so we'll get to the bottom line - the bull is still alive but there are some real cracks present.

The March 7, post-jobs report high is still a possible top and certainly the five-year anniversary of the bull market gives us pause. But as the chart below shows, the real pattern now is a trading range as trend following indicators flatten out. Watching for a breakout one way or the other.

Financials are back in the lead and that is good. But homebuilding looks weak and that is, of course, bad. Tech seems to be manic and retail is in a serious stall. Both of the latter are not necessarily bad but they should be watched.

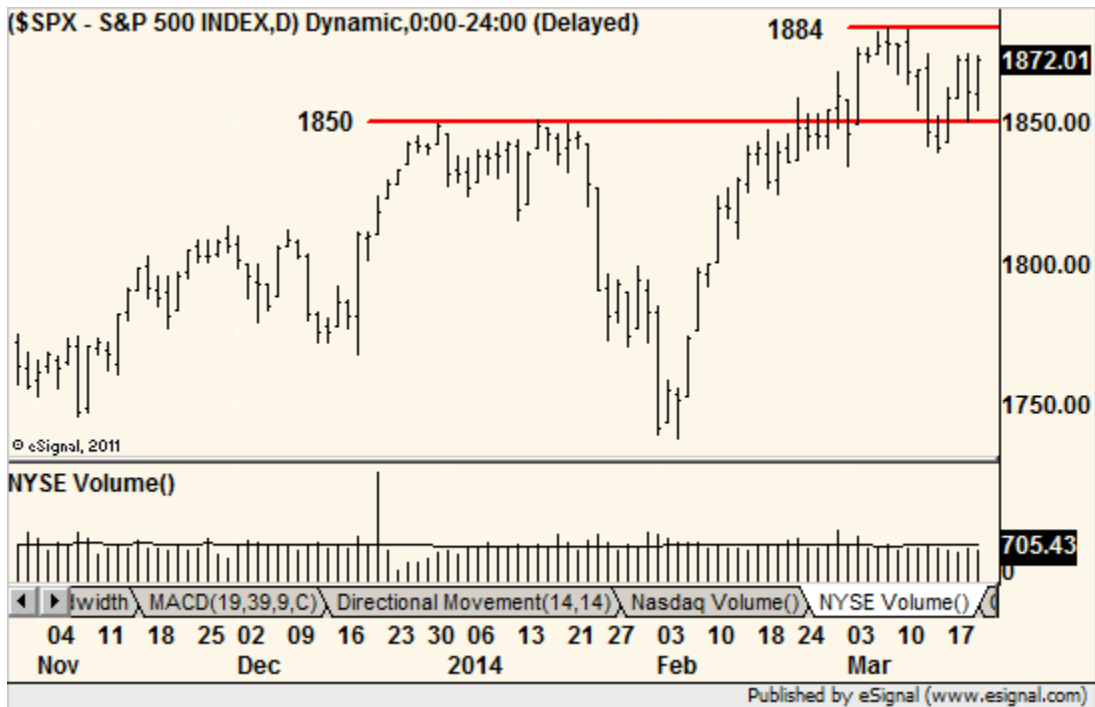


Even with Thursday's rally, the head-and-shoulders pattern is still possible in the hourly chart. Of course, a strong day today will negate it but for now we have a trading range with possible bearish implications.

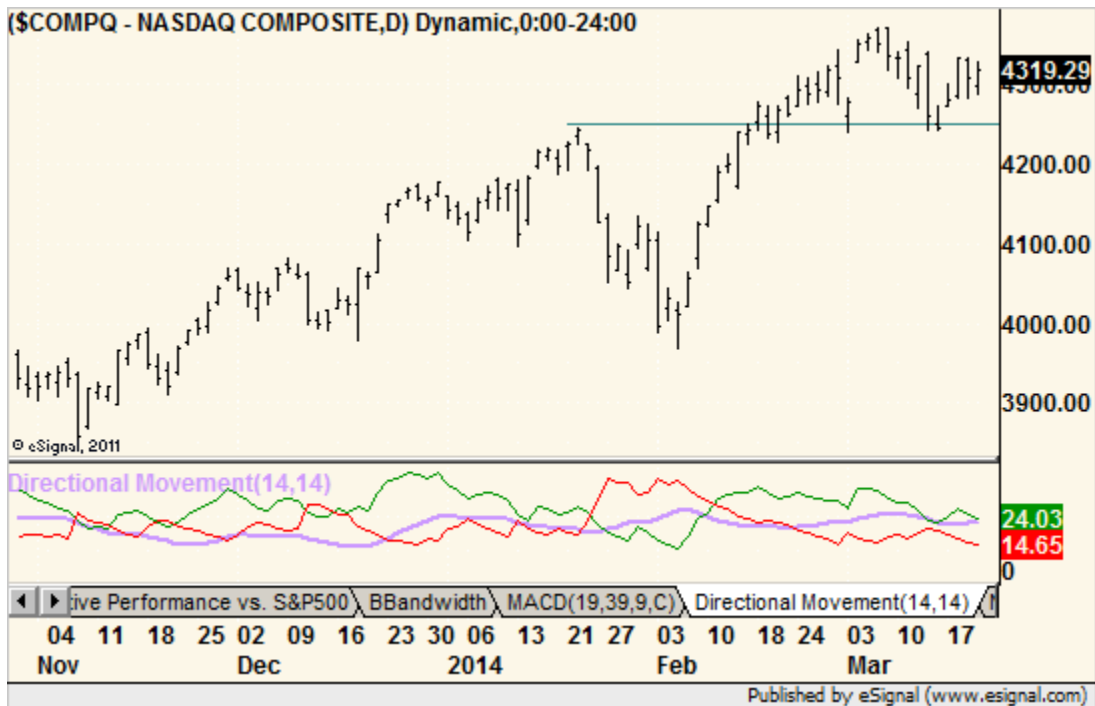
It is tempting to want to get back into gold but we are going to wait a little longer. The worst that can happen is we have to get back in where we got out.

That's it. Enjoy your first weekend of spring.

## Index Charts of the Day



The Yellen wiggle can put this index back at resistance. Volume, once again, is meaningless for yesterday's trading but the low levels earlier this week are still significant, in our view.



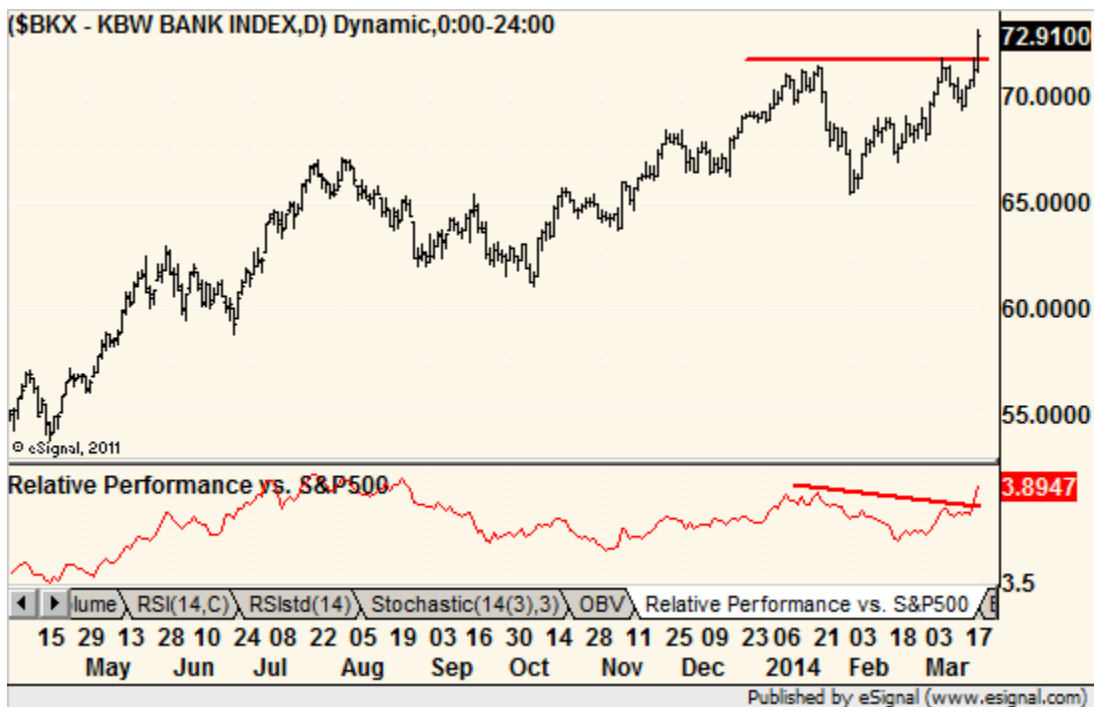
Same story for the Nasdaq. Here, we show the directional movement system and the purple ADX line is still falling. The Average Directional Index tells us there is no real trend in effect at this time. In English, that means it is a trading range until proven otherwise. Two-pager on ADX, [click here](#).

## The Radar Screen

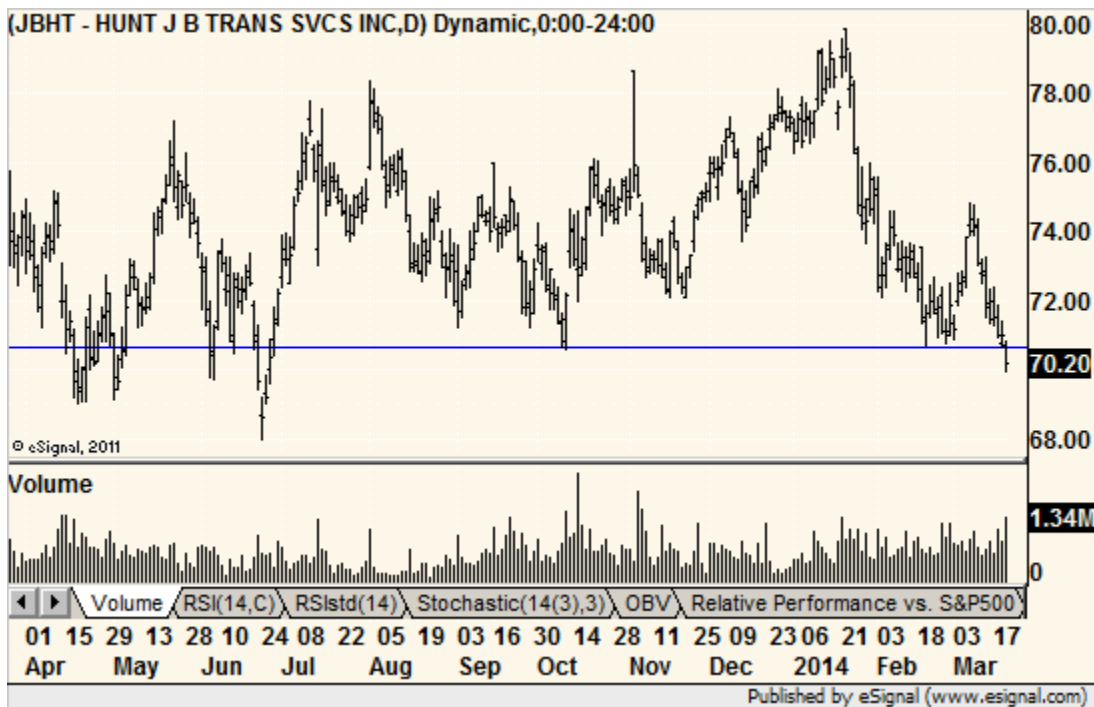
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Symantec SYMC</b> - This computer hardware maker (mouse pads) got crushed after the CEO was ousted after the close yesterday. Looking at the history of this beleaguered stock, a big gap down can be a short-term trading opportunity on the long side. <b>Speculators only</b> but this might just be a selling climax. We'll try it.	<b>New</b>	3/21
<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>Boeing</b> - We are finally going to set a sell trigger here as the defense sector, while still leading, is starting to weaken. Boeing is by far the weakest in the group. Selling 121.	<b>New</b>	3/21
<b>Unknown Implications</b>		
none –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>AT&amp;T T</b> - Looks like it broke out without us. Moving on.	<b>Removed</b>	2/25
<b>Gold ETF GLD</b> - 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>Defense</b> - Watching this leader. Bearish RSI divergence now in place but the trend is still up.	<b>Changed</b>	
<b>Biotech</b> - Time to decide between exhaustion gap and bull flag.		3/7
<b>Homebuilders</b> - Failed at resistance. <b>Landed on rising trendline from October</b>		3/11
<b>Banks</b> - Banks of all kinds just broke out through resistance.	<b>Changed</b>	3/13
<b>Toys</b> - Looking decent for the bulls. <b>See HAS chart below</b>		3/14
<b>Semiconductors</b> - expanding triangle obliterated with a new high	<b>Changed</b>	3/17
<b>Updates</b>		
<b>Nike NKE</b> - Major failure at resistance after earnings		

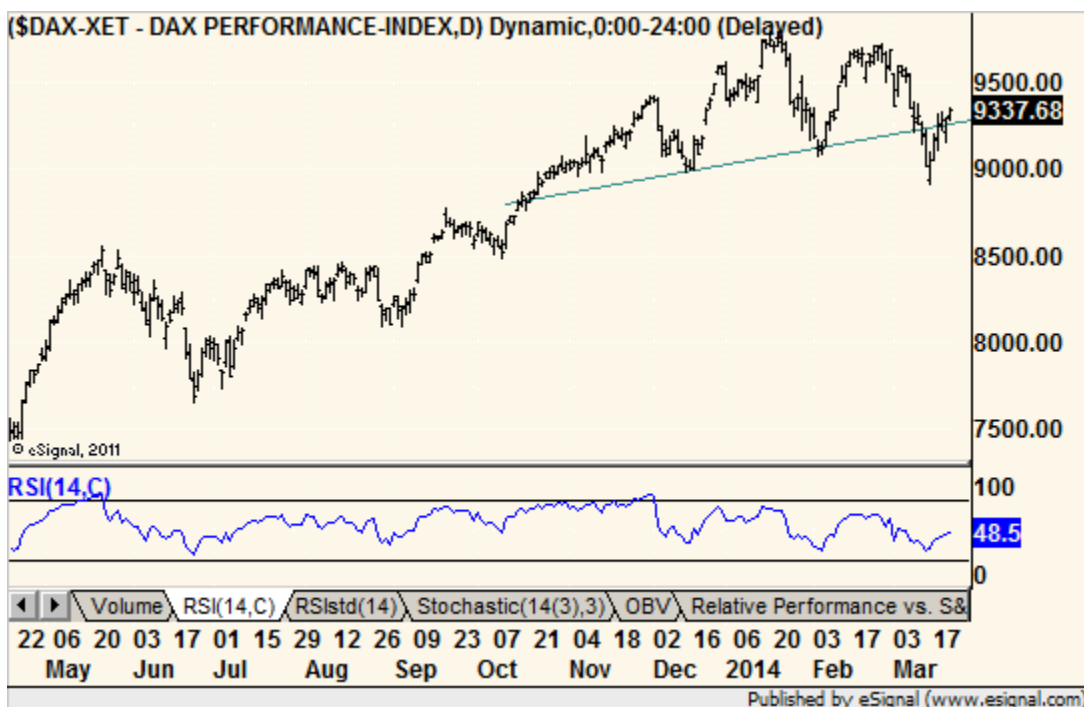
## Market Highlights



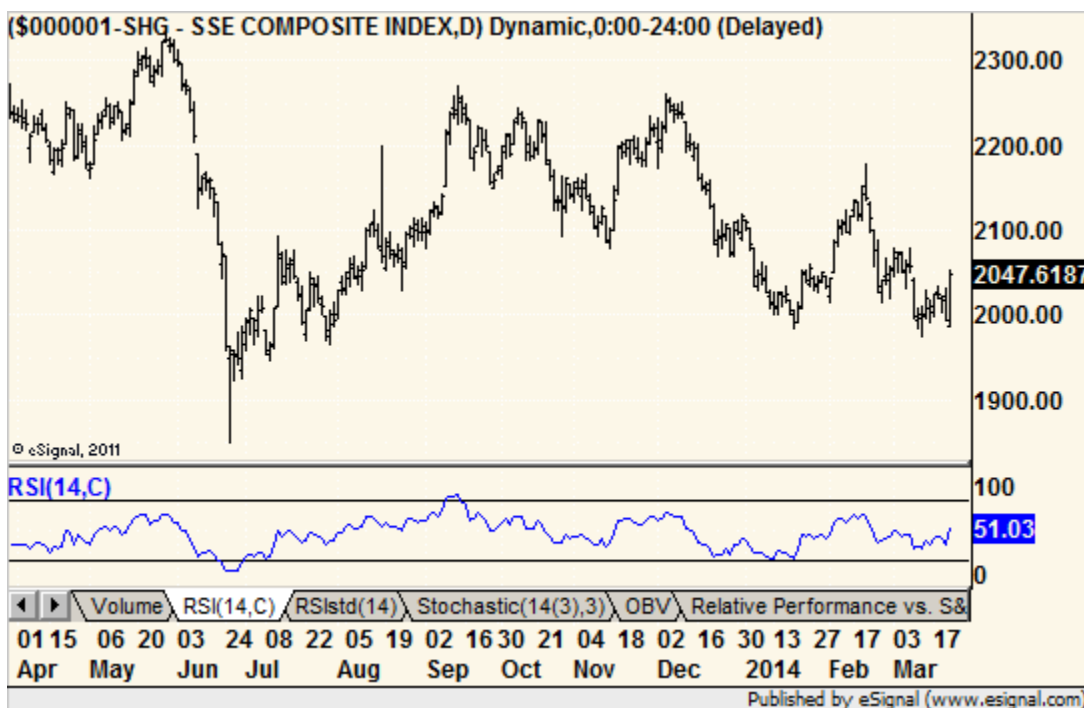
**Banking Index** - Look who is back in the lead. We will be on alert for a breakout failure but for now banks are in a good place. Quite a switch from last week and we are kicking ourselves for not buying **KEY** when we showed it earlier this week. Banks say, thanks Janet!



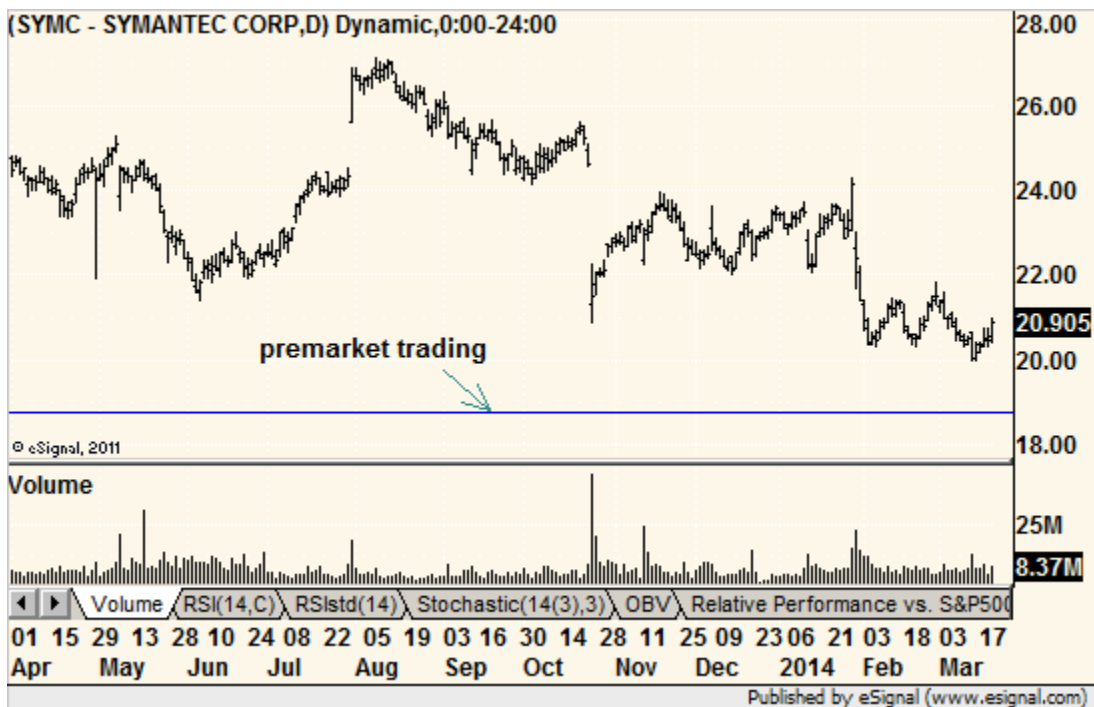
**JB Hunt** - Truckers did not participate in the rally yesterday and this one broke support.



**Germany DAX index** - The head-and-shoulders breakdown is now in jeopardy although we cannot say it has been negated just yet.



**China Shanghai Index** - The charts looked terrible here until today. That is a bull reversal at support. As long as this market does not fall apart, the West will have a reason to rally. China is a major determinant for us right now along with the Fed.



**Symantec** - This computer hardware maker (mouse pads) got crushed after the CEO was ousted after the close yesterday. Looking at the history of this beleaguered stock, a big gap down can be a short-term trading opportunity on the long side. For speculators only but this might just be a selling climax. We'll give it a go.



**Boeing** - We are finally going to set a sell trigger here as the defense sector, while still leading, is starting to weaken. Boeing is by far the weakest in the group. Selling 121.

## 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	56
	<b>CORN</b>	TEUCRIUM CORN FUND	33.20	5.2%	32.50	31.57	2/6	42
	<b>DBC</b>	POWERSHARES DB COMMODITY ETF	25.74	-3.0%	25.50	26.53	3/3	17
	<b>GSK</b>	GLAXOSMITHKLINE PLC	54.00	-4.1%		56.30	3/4	16
	<b>WMT</b>	WAL-MART STORES INC	74.00	-2.0%		75.53	3/12	8
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	26.47	-4.1%	27.00	25.39	3/11	9
	<b>WDC</b>	WESTERN DIGITAL CORP	88.00	-5.4%		83.21	3/11	9
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	47.67	-3.3%	49.00	46.09	3/11	9
	<b>C</b>	CITIGROUP INC	50.22	-4.0%	50.50	48.22	3/19	1
	<b>TXN</b>	TEXAS INSTRS INC	46.95	-2.0%	47.00	46.00	3/19	1

**Notes:** The Advice Tracker is bathed in red and three stops were triggered yesterday. The one that hurts is **WMT**, which scored a bullish reversal at a trendline. In other words, the trade would look even better today but a stop is a stop.

The results for yesterday's closed trade

	<u>Symbol</u>	<u>Name</u>	<u>Last</u>	<u>P/L</u>	<u>Price in</u>	<u>Date in</u>	<u>#Days</u>
<u>L</u>	<b>RMBS</b>	RAMBUS INC DEL	10.70	10.9%	9.65	3/7	13

## 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

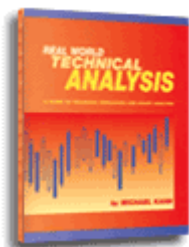
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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