

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 23, 2015 – From the markets' points of view, it was a quiet weekend although looking at some of the charts and percentage changes we can see volatility creeping higher. No, not in the **VIX**, which is at its low for 2015 to date but rather in big daily moves all over the place. Here in the USA, the stock market kept its string of ups and downs alive so today, as an odd day, is "supposed" to be lower. But take heart in that tomorrow is an even day and that has been positive for the past several cycles.

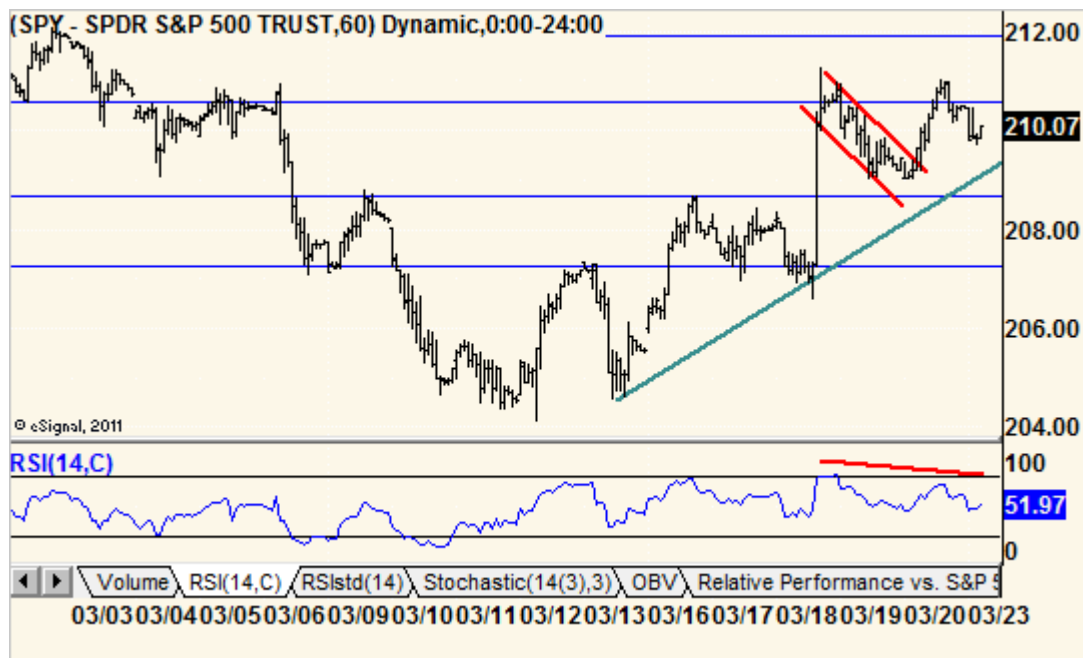
We're going to look at the currency ETF charts today to see if the dollar rally really is over. We don't want to be presumptuous but the euro parity has not yet been reached and the charts suggest it is in the cards at some point. If anything, forex trends do not turn on a dime so we'd look for a pattern to develop rather than saying "that was the bottom" last week.

Treasury bonds look as if they have successfully tested a nice rising trendline and are back in rally mode. Perhaps not today but it seems that prices are rising and yields are falling. Keep in mind that Germany's 10-year benchmark is at 0.16%. Yes, that is zero point one six and literally half what Japan offers. Compare to the US 10-year at 1.92 and it is no wonder money is coming here to buy bonds and needing dollars to do it.

Here's a tidbit for futures traders. Supposedly the winter weather with no rain/snow out west and too much in the east is going cause a problem for crops. This is far out of our wheelhouse so if you are interested this a nudge to do research. We do see a pattern setup in wheat at this time but again, it requires fundamental research.

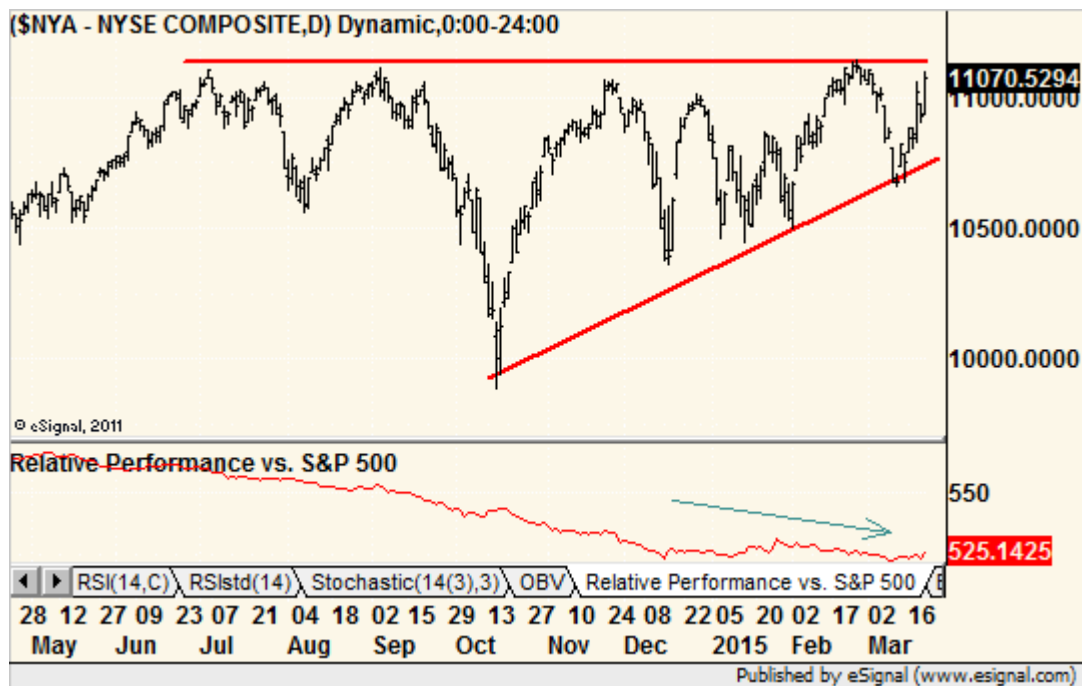
And as long as we are in commodities, we all know a strong dollar depresses gold prices. Check out coffee and sugar, too. The trends are straight down and coffee may have an RSI divergence.

Finally, copper had a super Friday. No explanation on the charts but that makes **FCX** something to watch with its 6.8% dividend yield.

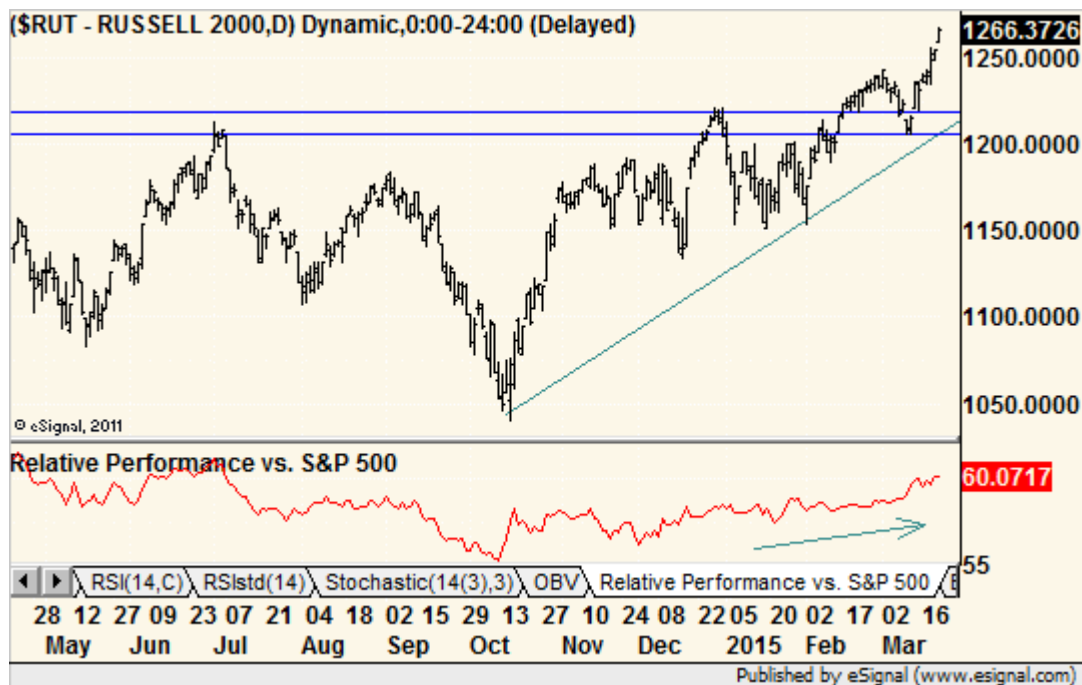


On the hourly chart, we can see the bull flag did resolve to the upside Friday but momentum has sagged at the current resistance line. Watching the trendline now.

Index Charts of the Day



Following up on the NYSE composite. Friday, we drew an inverse head-and-shoulders in place since May. Here we just have resistance and trendline. Which one will hold? We're betting on the upside but it would be nice to have the breakout actually happen.



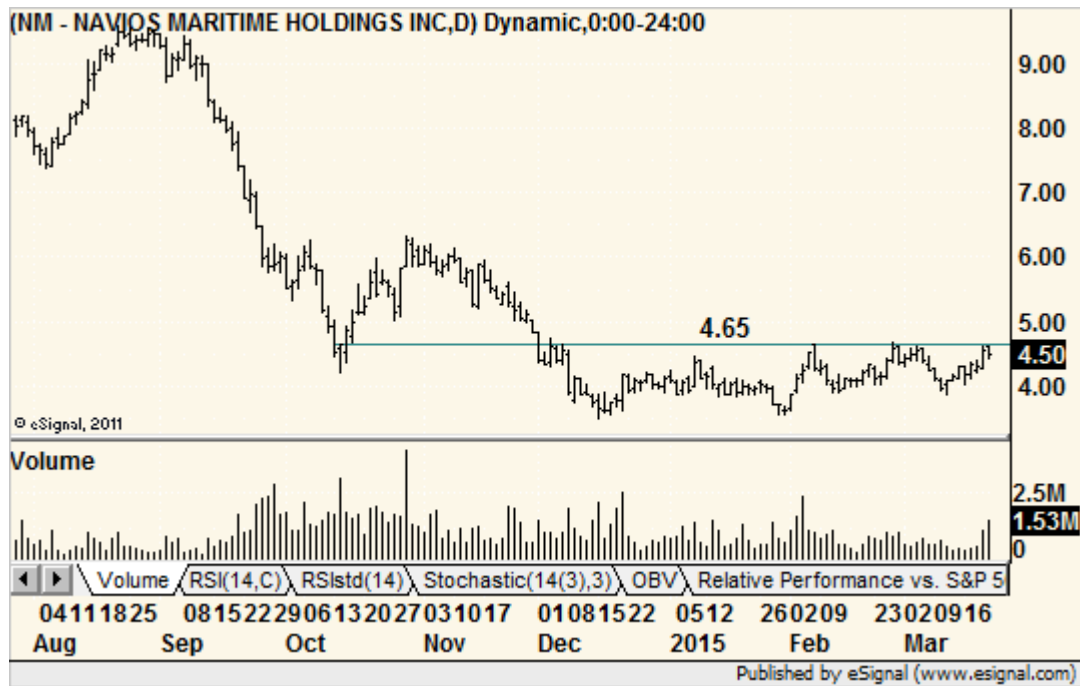
Cannot argue with the Russell 2000 (we did not argue with the midcaps on Friday – lol). Momentum is good but a touch of the trendline would be nicer for new money.

The Radar Screen

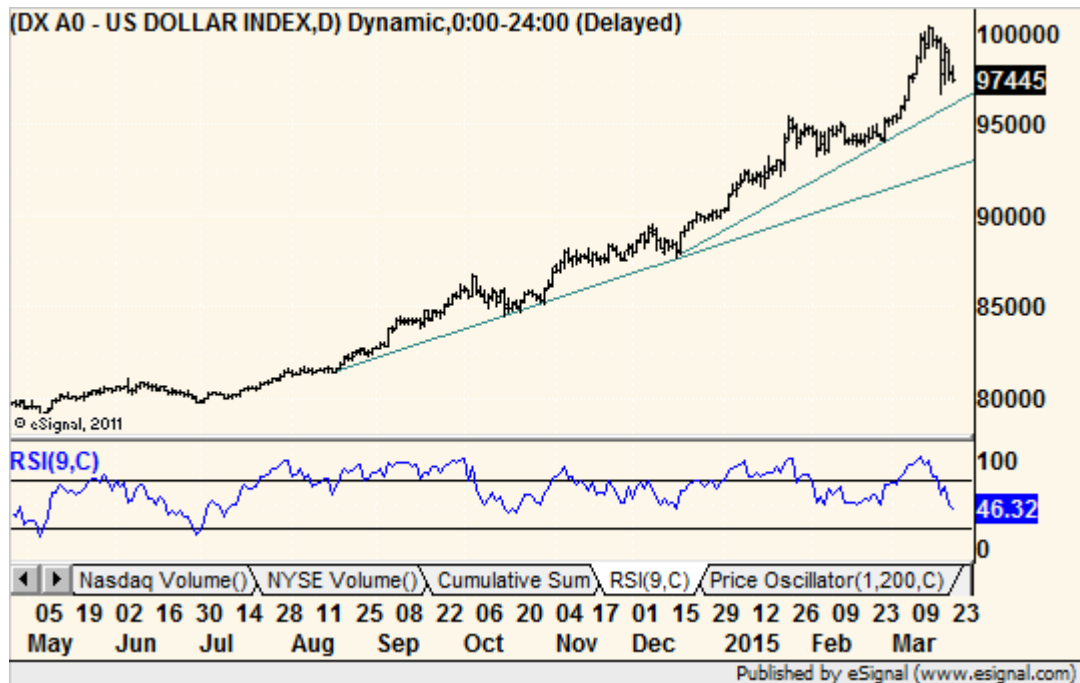
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
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 Wednesday's high at 51.66 would confirm it as a buy		3/19
Buckle BKE – Apparel retail is strong. This one barely lost any money according to on-balance volume during its slide. But the breakout with a close over 50.25	Triggered	3/20
Navios Maritime NM – We looked at the shipping index Friday. Here is a dry shipper looking to come out of a base. Nice volume last week. Buy close over 4.65.	New	3/23
Bearish Implications		
none –		
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 6.3% 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. Letting it dip to support and hope it happens in time to capture the dividend.		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. Volume on Friday decline was huge. Goes ex-div Friday so maybe we can pick it up before then for a quickie.		3/18
Nisource NI – Here's another utility with signs of life. Also above its 200-day average. <u>We are going to pass as the ex-div date is very far off.</u>	Removed	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 but OK		2/12
Financials XLF – Has been leading the market recently but did not fare well Thursday		2/12
Semiconductors – Leading		2/25
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. A few breakouts		3/17
Marine Shipping Index SHX – Possible double bottom with rising RSI. Close to a 50-day average breakout. Check out dry shippers NM, DRYS, DSX, VLCCF		3/20
Homebuilders – ITB ETF successfully tested long-term breakout		3/20
Updates		
none –		

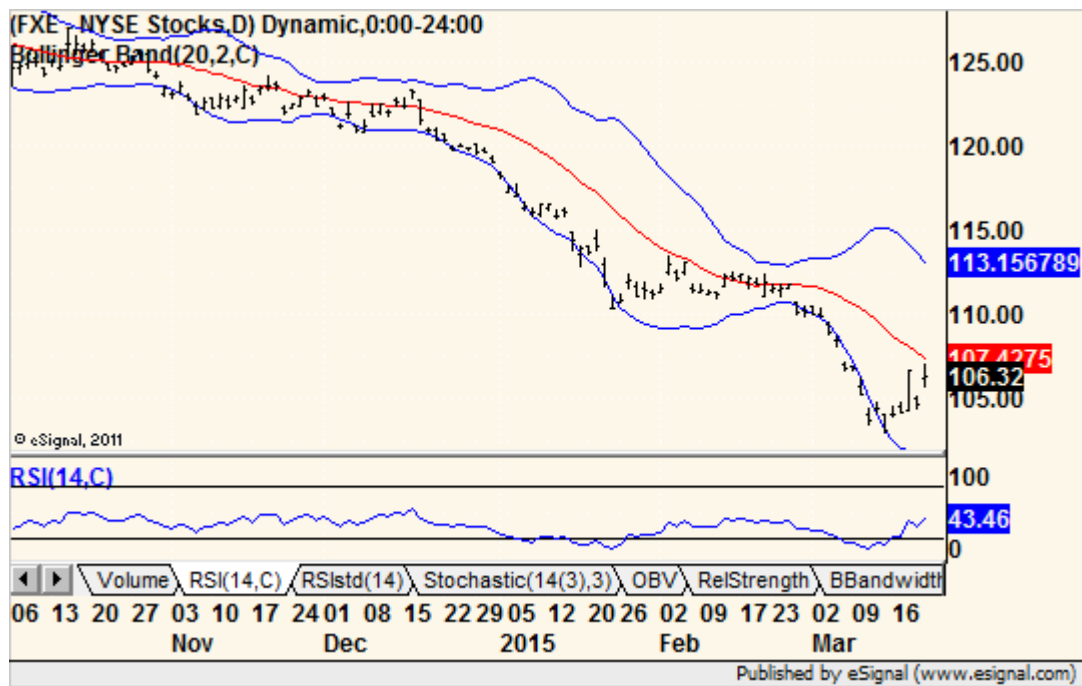
Market Highlights



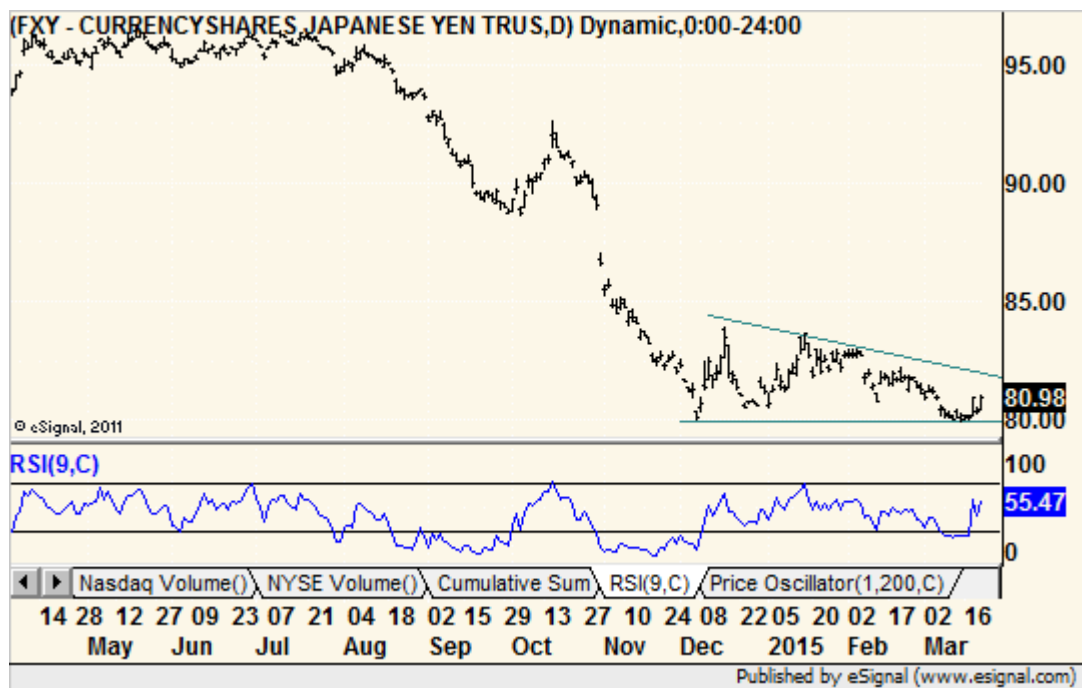
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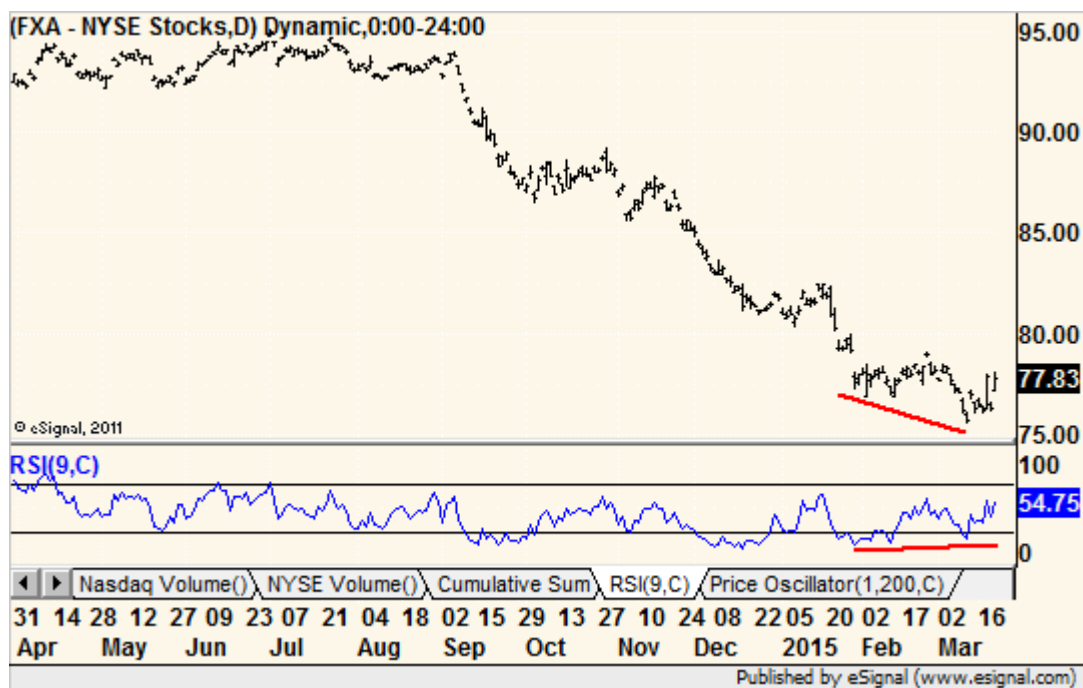
US dollar index – A rather sharp drop in 9-day RSI. Still, it has a little room to go to test the steeper trendline. The overall trend is still up.



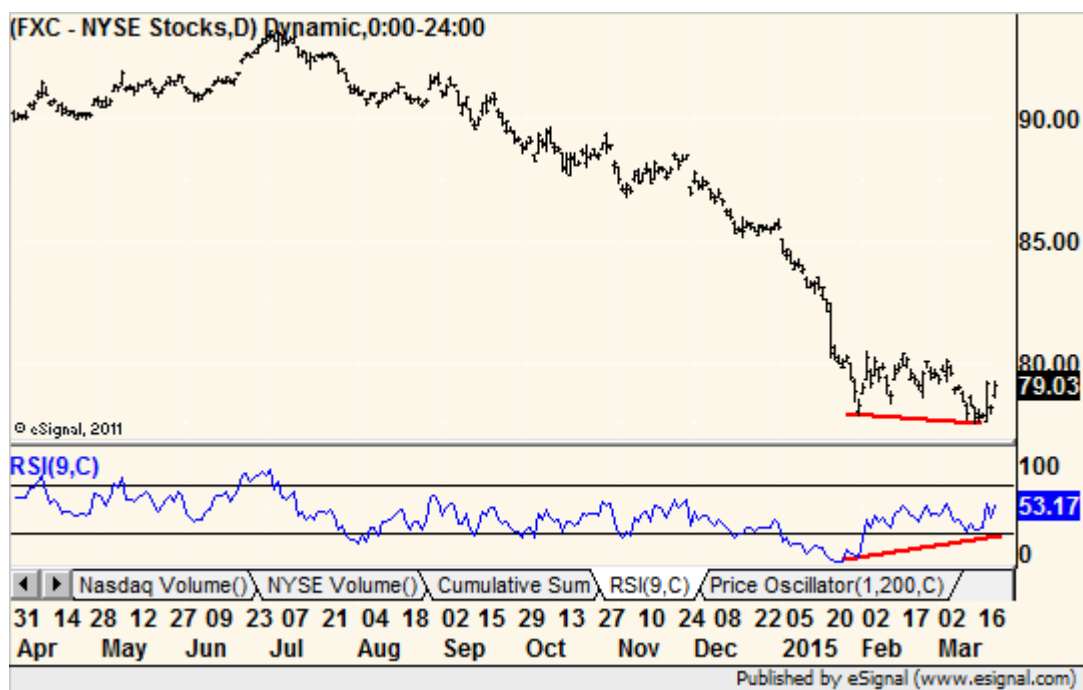
Euro ETF – Now testing the 20-day average in the premarket. The trend is still down.



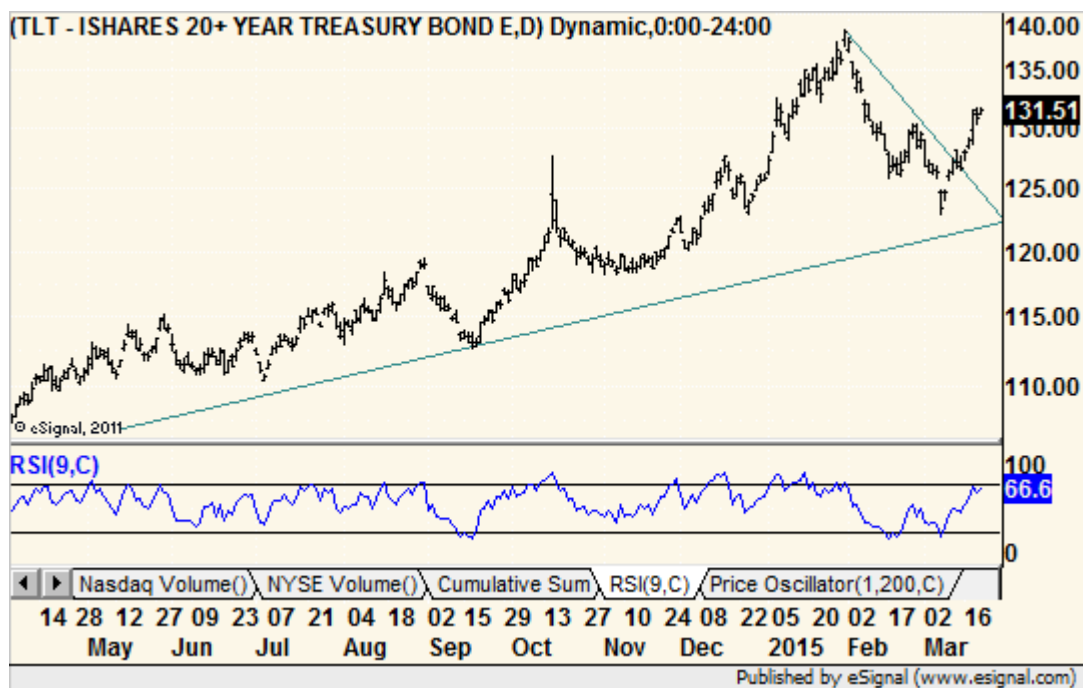
Yen ETF – More flat than down at this point. The descending triangle pattern leans bearish.



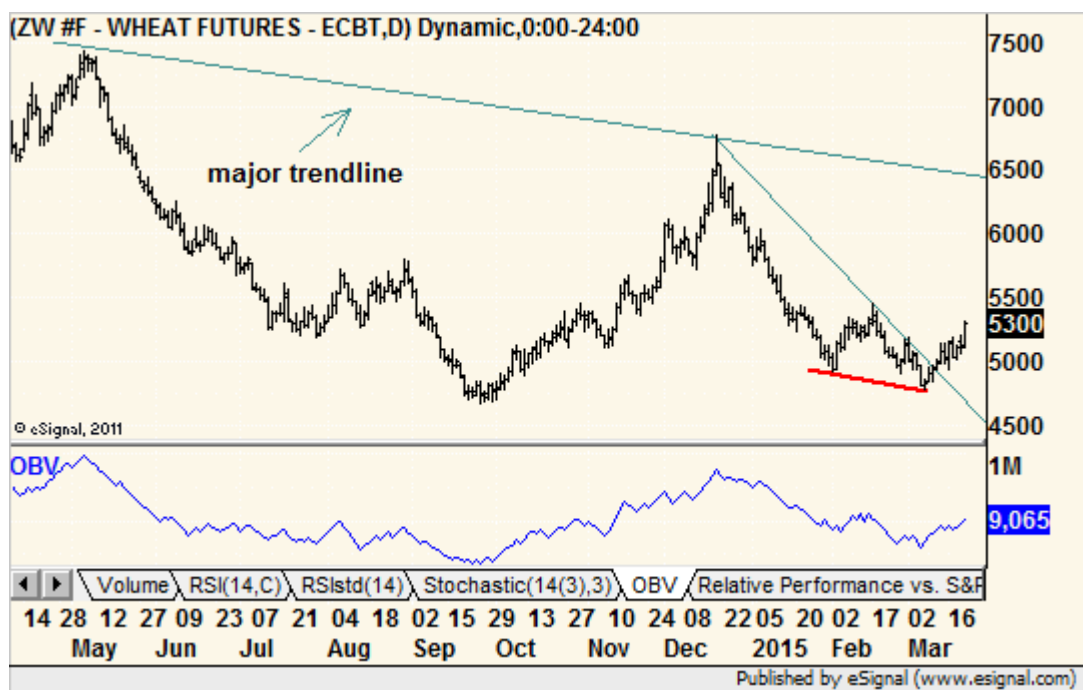
Aussie Dollar ETF – Slight bullish RSI divergence but the trend is still down.



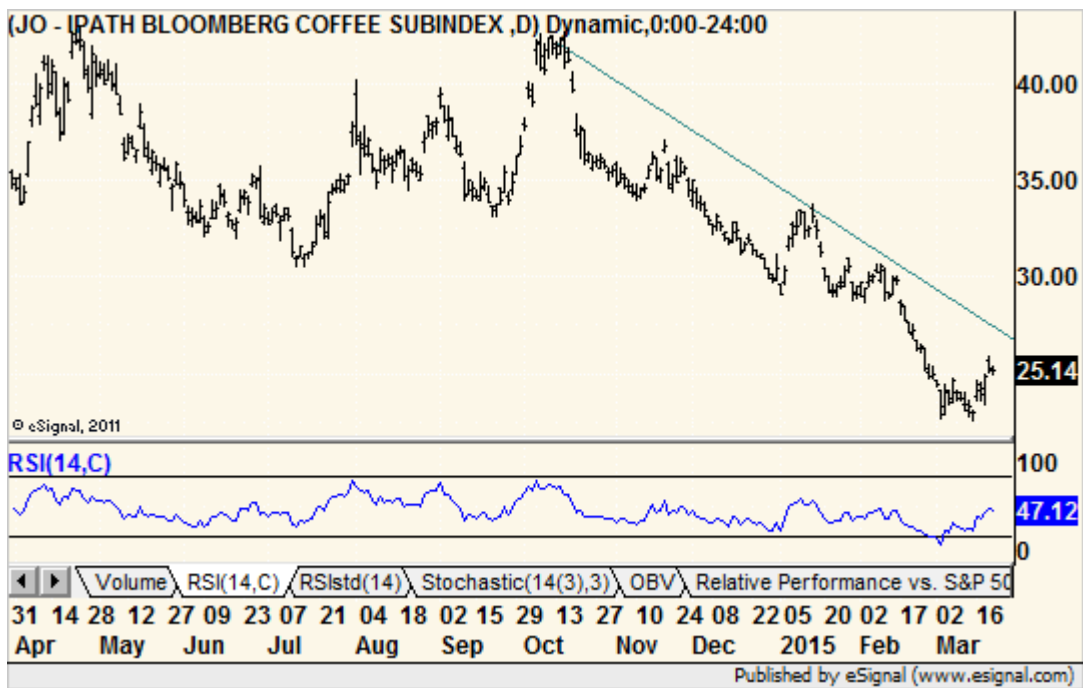
Canada Dollar ETF – Serious bullish divergence.



Long T-bond ETF – Close enough for an island reversal at the trendline. Short-term bullish.



Wheat – Bullish RSI divergence with lots of room in the short-term before the long-term trend is met. We are not pushing a long in wheat (WEAT ETN) but consider what might happen to wheat users.



Coffee ETN – The strong dollar hurts all commodities. Here we see a strong decline in place. A basing pattern would be nice now.



Freeport McMoran – Copper was up huge Friday. This copper producer has a giant dividend yield but the trend is solid to the downside. True, a bullish RSI divergence is in place but we will probably advocate for a double bottom breakout as the trigger.

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	84.04	9.0%	sell	77.13	2/11	39
	XLV	HEALTH CARE SELECT SECTOR SPDR	74.90	4.9%	73.50	71.43	2/19	31
	AMAG	AMAG PHARMACEUTICALS INC	58.20	29.1%	55.00	45.07	2/25	25
	SUPN	SUPERNUS PHARMACEUTICALS INC	11.35	18.7%	11.00	9.56	3/5	17
	MYL	MYLAN N V	63.06	12.1%	61.50	56.26	3/5	17
	MCD	MCDONALDS CORP	97.05	0.1%	94.50	96.91	3/10	12
	BBY	BEST BUY INC	40.79	2.1%	39.50	39.97	3/10	12
	GM	GENERAL MTRS CO	38.87	1.1%	37.50	38.43	3/12	10
	WMT	WAL-MART STORES INC	83.24	-0.1%	80.00	83.29	3/16	6
	CBG	CBRE GROUP INC	36.79	2.7%	35.50	35.81	3/18	4
	M	MACYS INC	65.98	2.4%	63.50	64.43	3/19	3
	YHOO	YAHOO INC	45.04	0.1%	43.50	44.98	3/19	3
	BKE	BUCKLE INC	50.93	0.0%	48.50	50.93	3/20	2
<u>Short</u>	PG	PROCTER & GAMBLE CO	84.50	0.0%		84.50	3/5	16

Notes: Not happy with **XLV**'s gap up intraday failure. However, the bid is higher this morning and the trend is still up. Stop tightened.

Elsewhere, tightened a few other stops to trail them higher. **CBG** doing super already!

Stopped out of our lone short in **PG** for breakeven (before commish).

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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