

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 24, 2015 – It did not seem that way until the post-game review but Monday's market was quite interesting. True, it snatched defeat from the jaws of victory with a late day selloff to keep the odd-even day string alive. But it was the big drop in transports thanks to bad news in railroads and a rather hefty decline in biotech that likely spooked traders. But at the same time, copper, steel, coal and tire stocks were up nicely. Put another way, cyclicals rallied and that is a good thing.

Today, we'll look at a few big picture type of charts. First, Dow Theory fearists (yes, fear, not theory) think that the decline in the Transports proves non-confirmation of the Industrials' new high. It didn't.

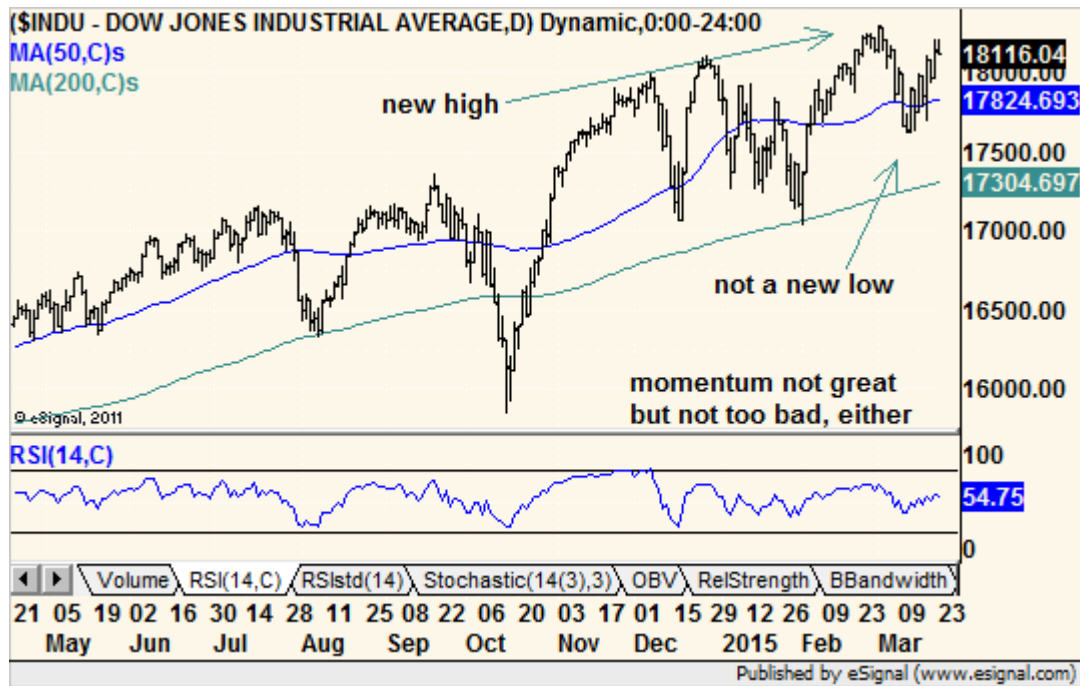
Next, we'll look at our four horsemen sectors in the long-term view. Things still look pretty good – mature, but good.



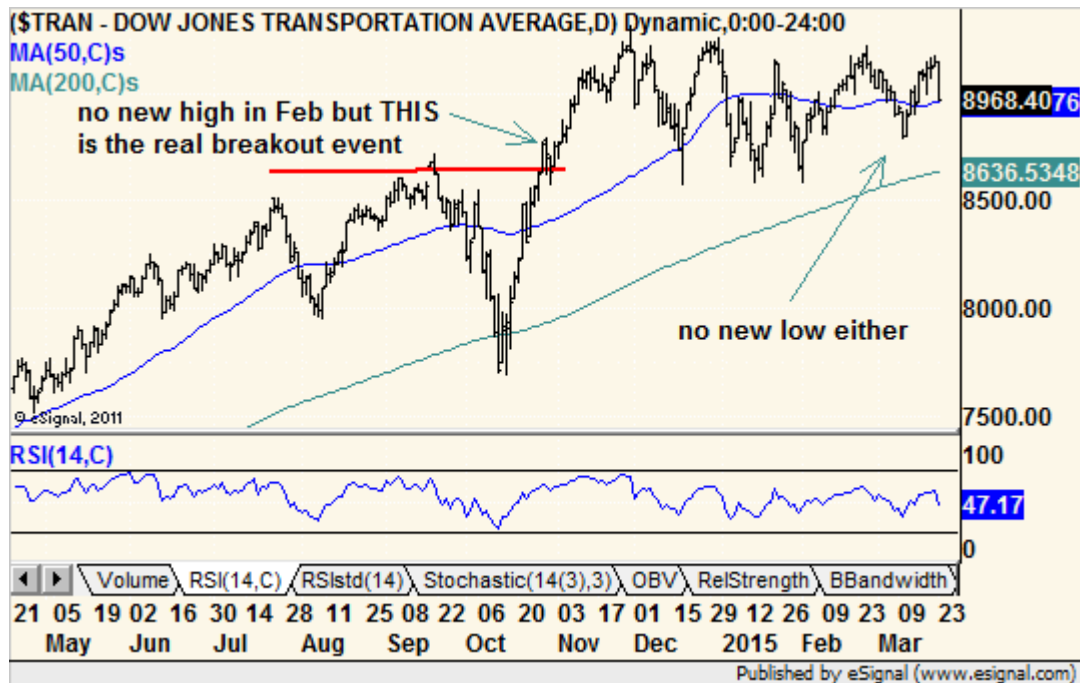
Now let's talk short-term. Yesterday, we said the hourly chart was losing momentum at resistance and we were watching for a trend break. We'd say it was a crossroads in this time frame so keep watching. However, we see no need to add to longs right here. And shorting seems quite premature if warranted at all. The reason is that there is not that much room to supporting trendlines and that requires extreme nimbleness.

That's it. Have a good day.

Index Charts of the Day



We've got the Dow today to look at Dow Theory. The industrials hit a new high last month but have not taken out any important lows. That's good. But what do the transports say? See next...



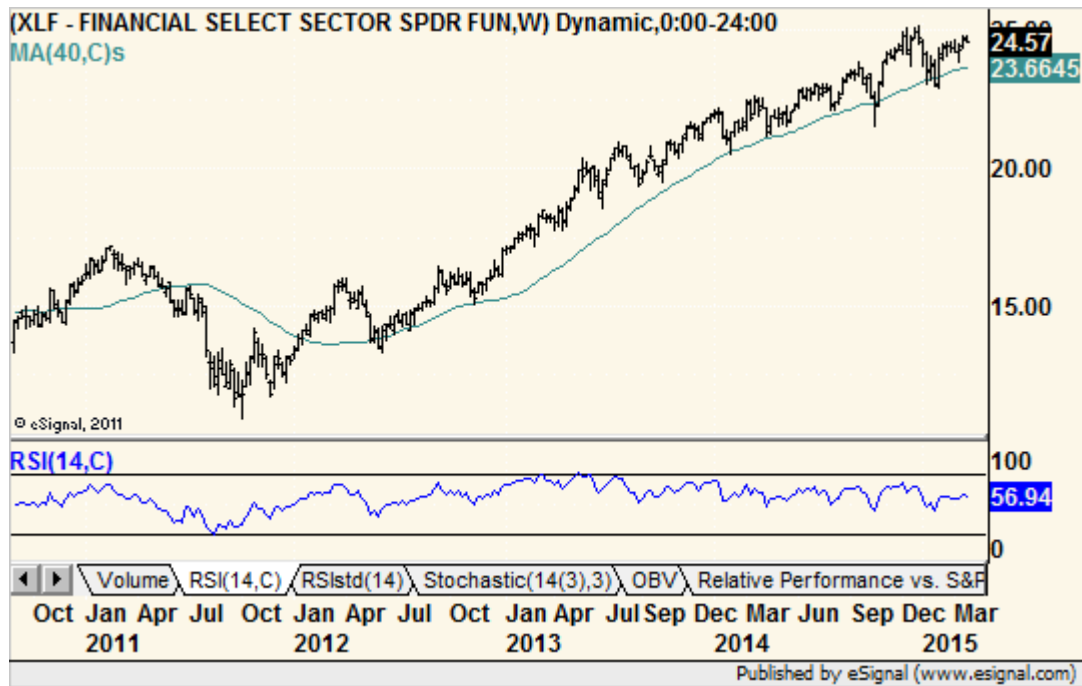
Although the transports did not set a higher high in February, they did set one in October at the same time the industrials did. That was your buy signal. And since neither took out Nov-Mar lows there is no sell signal.

The Radar Screen

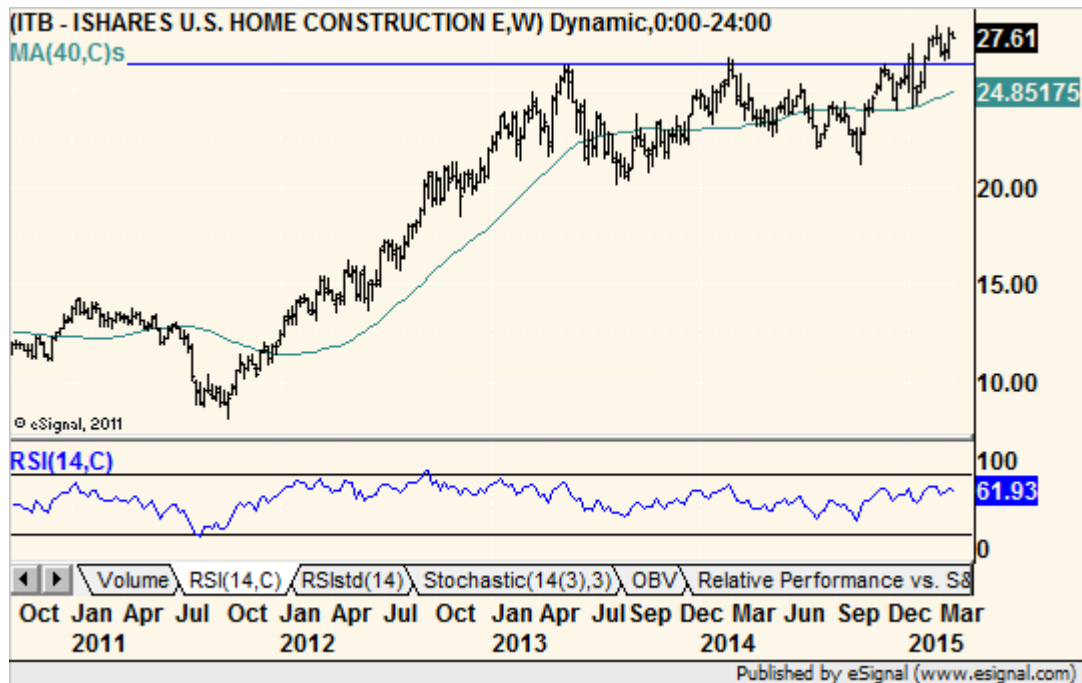
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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 |
| 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. | | 3/23 |
| Bearish Implications | | |
| none – | | |
| Unknown Implications | | |
| none – | | |
| Holding Tank - red shade leans bearish, green shade leans bullish | | |
| BP BP – Just waiting for a drop to support and drooling over that huge dividend | | 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. <u>Volume on Friday decline was huge. Goes ex-div Friday so maybe we can pick it up before then for a quickie.</u> | | 3/18 |
| Public Service Enterprise PEG – And another utility. This one has <u>rising</u> OBV | | 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 – AAL hit resistance. Others are not following through on triangle breaks. | Removed | 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 – | | |

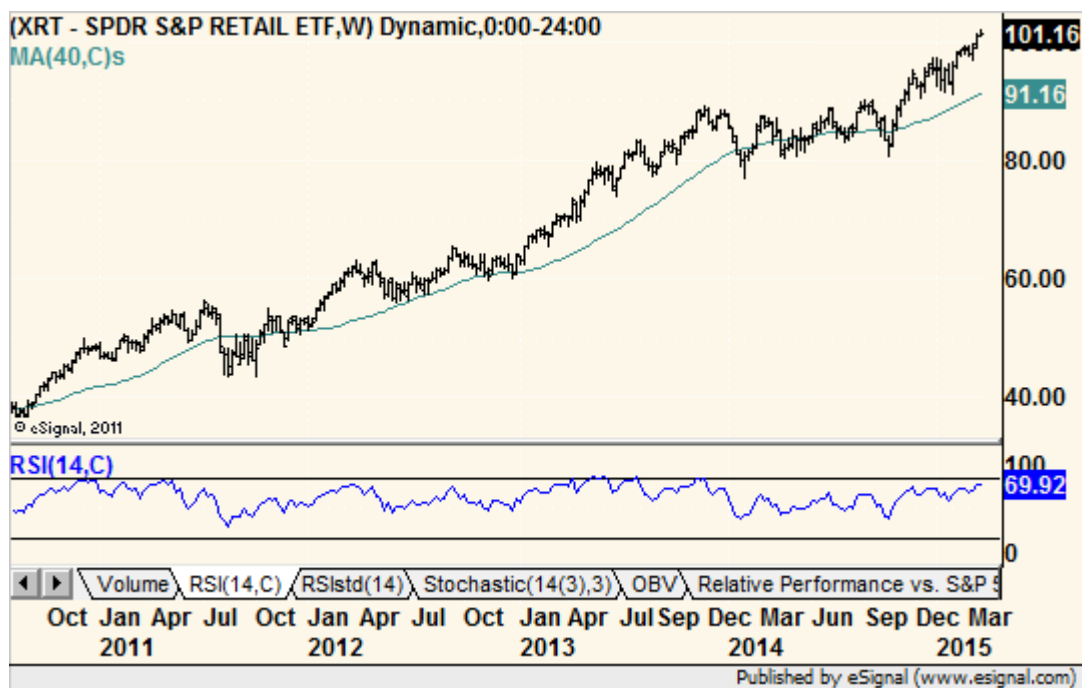
Market Highlights



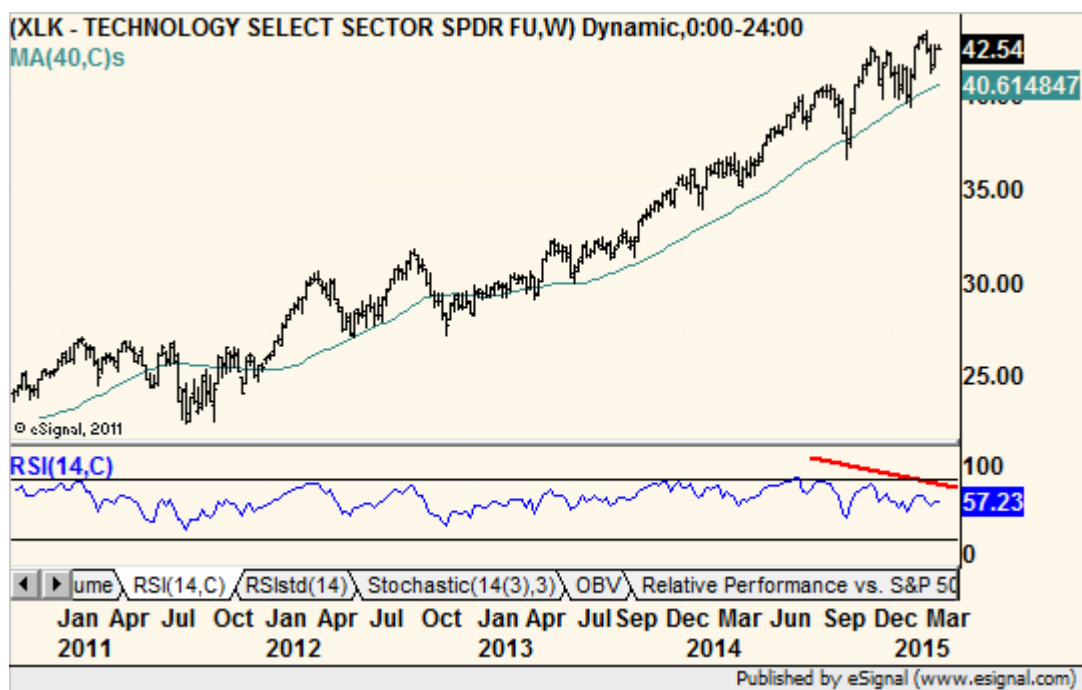
Financials ETF – It may not be leading the market but it is in a rising trend and still above its 40-week (200-day) average.



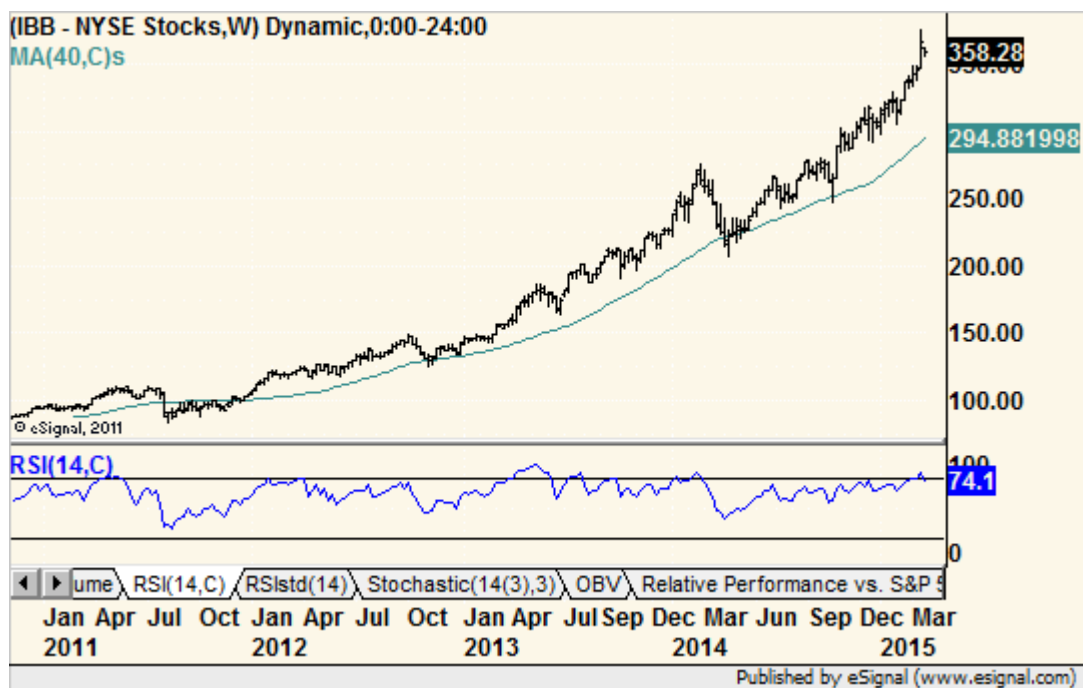
Homebuilder ETF – I wrote this up in Barron's Online yesterday. That is a long-term breakout.



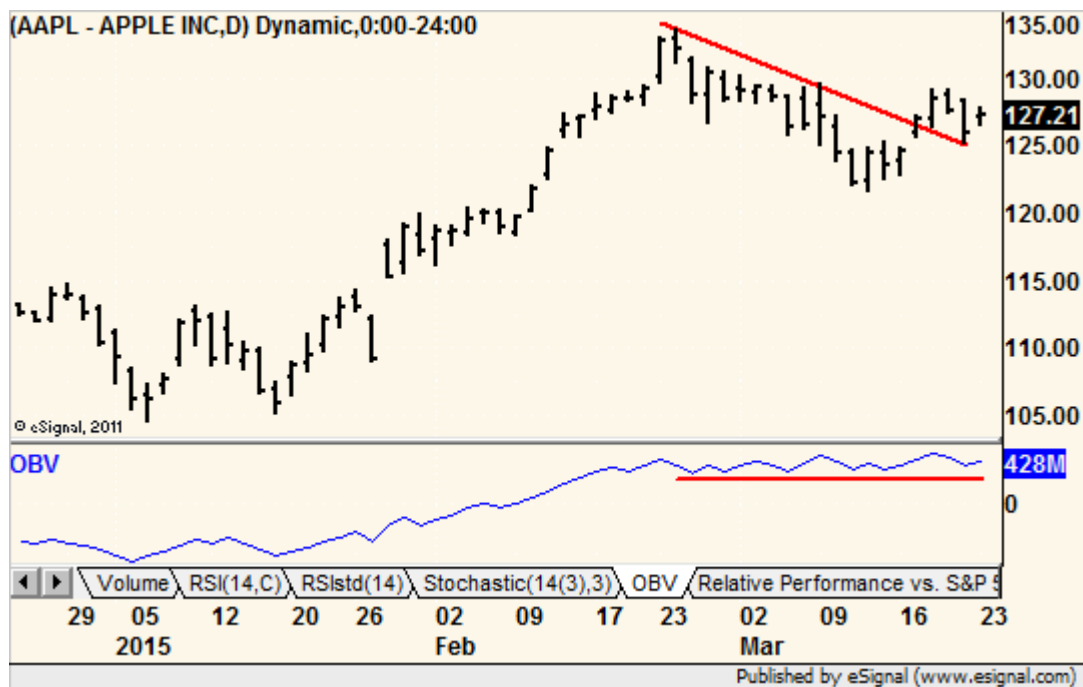
Retail ETF – A long-term rising trend and it is outperforming the market (not shown).



Tech ETF – Here is the first sign of trouble as the tech sector sports waning momentum. It is still in a rising trend. Also, the semiconductor group is stronger than the general tech ETF.



Nasdaq Biotech ETF – A very strong trend but it is overbought. A correction would be nice but as an indicator for the market this is still bullish.



Apple – Consider this a mini-Today’s Lesson. Apple pulled back in a flag pattern, broke out and texted it. But look at on-balance volume holding flat during the decline. Still in good shape.

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 | 84.06 | 9.0% | | 77.13 | 2/11 | 40 |
| | XLV | HEALTH CARE SELECT SECTOR SPDR | 74.69 | 4.6% | 73.50 | 71.43 | 2/19 | 32 |
| | AMAG | AMAG PHARMACEUTICALS INC | 57.07 | 26.6% | 55.00 | 45.07 | 2/25 | 26 |
| | SUPN | SUPERNUS PHARMACEUTICALS INC | 11.46 | 19.9% | 11.00 | 9.56 | 3/5 | 18 |
| | MYL | MYLAN N V | 63.28 | 12.5% | 61.50 | 56.26 | 3/5 | 18 |
| | MCD | MCDONALDS CORP | 98.62 | 1.8% | 95.00 | 96.91 | 3/10 | 13 |
| | BBY | BEST BUY INC | 40.86 | 2.2% | 39.50 | 39.97 | 3/10 | 13 |
| | GM | GENERAL MTRS CO | 38.59 | 0.4% | 37.50 | 38.43 | 3/12 | 11 |
| | WMT | WAL-MART STORES INC | 83.31 | 0.0% | 80.50 | 83.29 | 3/16 | 7 |
| | CBG | CBRE GROUP INC | 36.58 | 2.2% | 35.50 | 35.81 | 3/18 | 5 |
| | M | MACYS INC | 65.64 | 1.9% | 63.50 | 64.43 | 3/19 | 4 |
| | YHOO | YAHOO INC | 44.72 | -0.6% | 43.50 | 44.98 | 3/19 | 4 |
| | BKE | BUCKLE INC | 51.54 | 1.2% | 49.00 | 50.93 | 3/20 | 3 |
| | | | | | | | | |
| <u>Short</u> | none | | | | | | | |

Notes: Sold **MAR** at the open yesterday as it was starting to look tired.

Otherwise, just some stop tweakage.

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

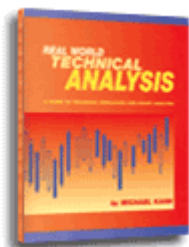
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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