

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 30, 2015 – Dovish comments from Janet Yellen seem to support the market right now but after last week's rout anything short of the end of the world would likely do the same. Still, action in the former leaders – semis and biotech – is very encouraging. The froth was blown off and component stocks with steep pullbacks in strong trends seem ready to get back in gear.

Let us stress that. Stocks that were in strong trends and pulled back – to supports – are candidates to buy. Stocks in related groups that were not trending are dead money in this choppy market.

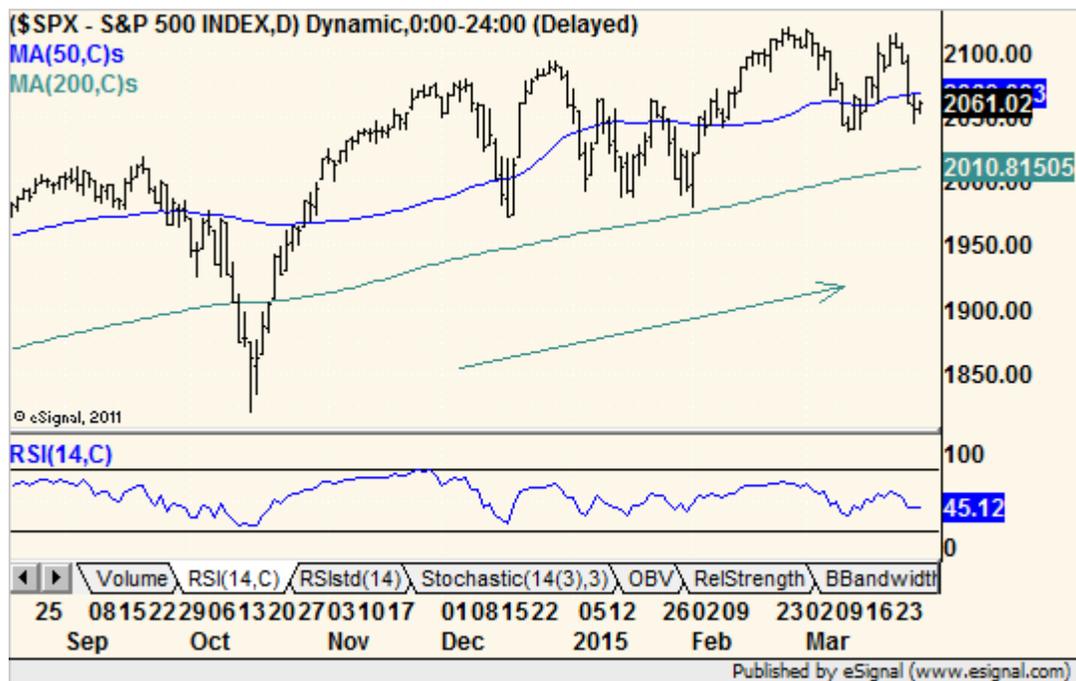
Last week, we looked at some rotation into defensive sectors. Retail (aggressive) was a leader and it really stumbled knocking out some of our promising longs. The moral of this story is that the market's complexion may be changing but the overall trend is still intact. But that also suggests this is not the time to "back up the truck."

One thing we have noticed – there are a few short sale candidates popping up. Not enough to think the market is turning but enough to keep the bulls honest. A few offered below.

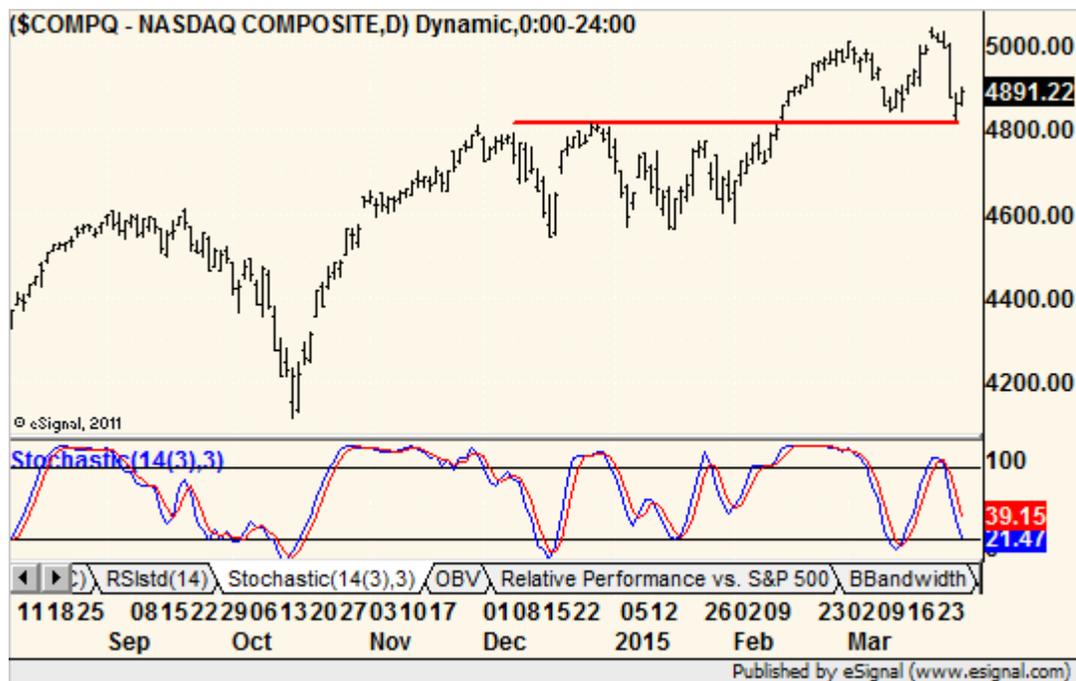


The lines in this chart are the exact same lines from last week and they still work beautifully. The **SPY** is now at resistance. Will it punch through? If it does, look for the next line as the target.

Index Charts of the Day



The S&P 500 chart is a quiz but we had to include the answer since this is not an interactive report. What is the direction of everything we see in this chart? Higher. It has been choppy for months and as we reported Friday there may be a shift to defensive areas but overall the trend is still higher.



So far, so good for the Nasdaq as support held. This gives us a great warning if things fall apart because if support breaks we'll know to get out.

The Radar Screen

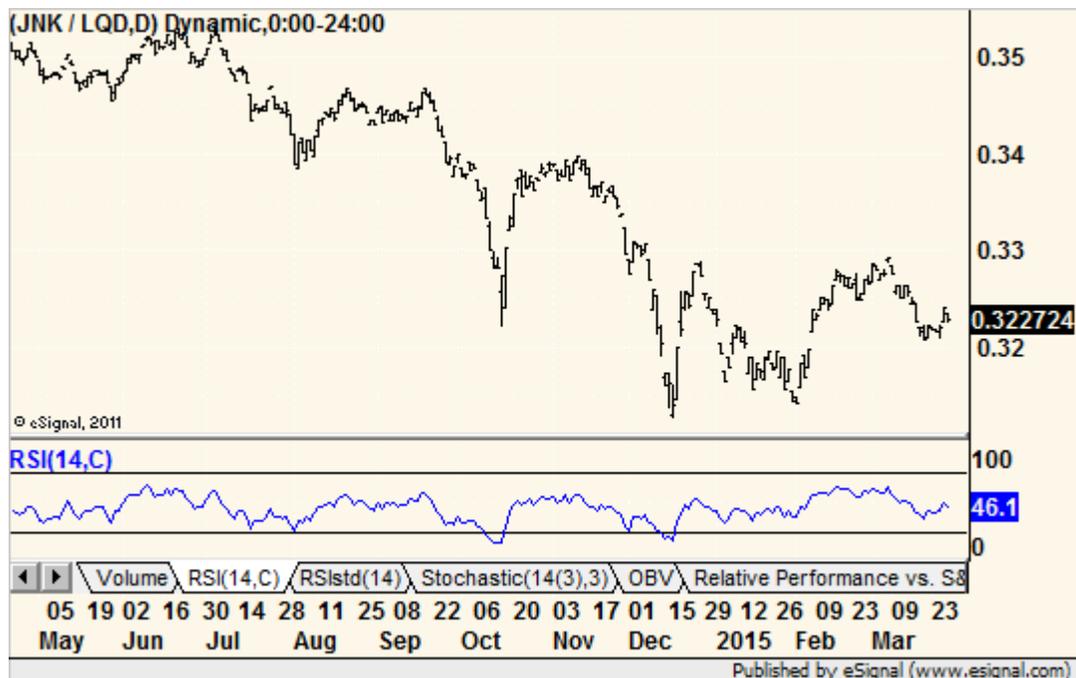
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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 | | |
|---|--------------|------|
| 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 |
| Fairway FWM – If you live in NYC or vicinity you know and love this supermarket. This chart is to love, as well. Looking for a breakout from an ascending triangle but be warned it is low priced and trades maybe 200K shares per day. | | 3/26 |
| Regeneron Pharma REGN – Candidate for a biotech reversal after bounce off support. Should have put the firm trigger on it Friday so set a limit 465 just to avoid a serious gap up. | | 3/26 |
| Facebook FB – Testing breakouts. Looks OK to try today. | Moved | 3/26 |
| Neurocrine Bioscience NBIX – A steep decline to the 50-day average with a reversal last week. A good candidate to hop back on the biotech freight train. | New | 3/30 |
| Bearish Implications | | |
| Bed Bath and Beyond BBY – Another sell candidate on a support break. Already under a rolling-over 50-day average and sports falling on-balance volume. Sell close under 73.60 | New | 3/30 |
| 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 |
| Viacom B VIAB – Strong on-balance volume suggests this will break trendline. | | 3/25 |
| Keurig GMCR – A stock on precipice. It has a moving average death cross last month. Look for a bounce off support line and then a breakdown to sell. | New | 3/30 |
| Sector Watch (observations that may spark ideas) | | |
| 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 |
| Semiconductors – super de duper rebound. Bullish | New | 3/30 |
| Biotech – a nice rebound from the trendline. Buyable but be careful not to chase. | New | 3/30 |
| Updates | | |
| none – | | |

Market Highlights



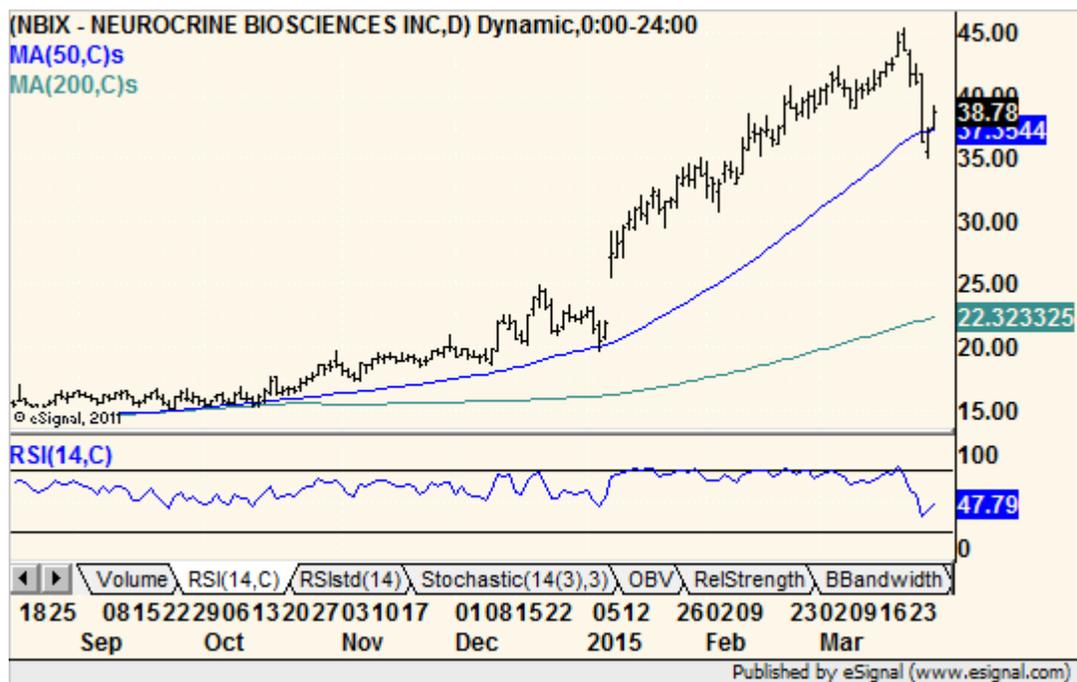
Dollar Index – Looks like a bounce off the trendline with a 9-day RSI bottom above oversold. Bull trends have oversold RSIs in the 40s, not 30s or 20s.



Junk to Quality corporate bond ratio – We are watching this because you can put a bullish or bearish spin here. RSI divergence vs. falling trendline.



Bed Bath and Beyond – Another sell candidate on a support break. Already under a rolling-over 50-day average and sports falling on-balance volume. Sell close under 73.60



Neurocrine Bioscience – A steep decline to the 50-day average with a reversal last week. A good candidate to hop back on the biotech freight train.

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> | MCD | MCDONALDS CORP | 96.96 | 0.1% | 95.00 | 96.91 | 3/10 | 19 |
| | WMT | WAL-MART STORES INC | 81.35 | -2.3% | 80.50 | 83.29 | 3/16 | 13 |
| | YHOO | YAHOO INC | 45.10 | 0.3% | 43.50 | 44.98 | 3/19 | 10 |
| | BKE | BUCKLE INC | 49.00 | -3.8% | | 50.93 | 3/20 | 8 |
| | | | | | | | | |
| <u>Short</u> | none | | | | | | | |

Notes: Stopped out of **BKE**. This one broke out two weeks ago and looked ready to catch up with the leading retail sector. It didn't although it formed a rather high-volume bullish hammer Friday.

This is a list of leftovers after winning positions were stopped on the biotech and tech pullback.

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

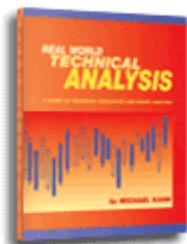
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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