

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

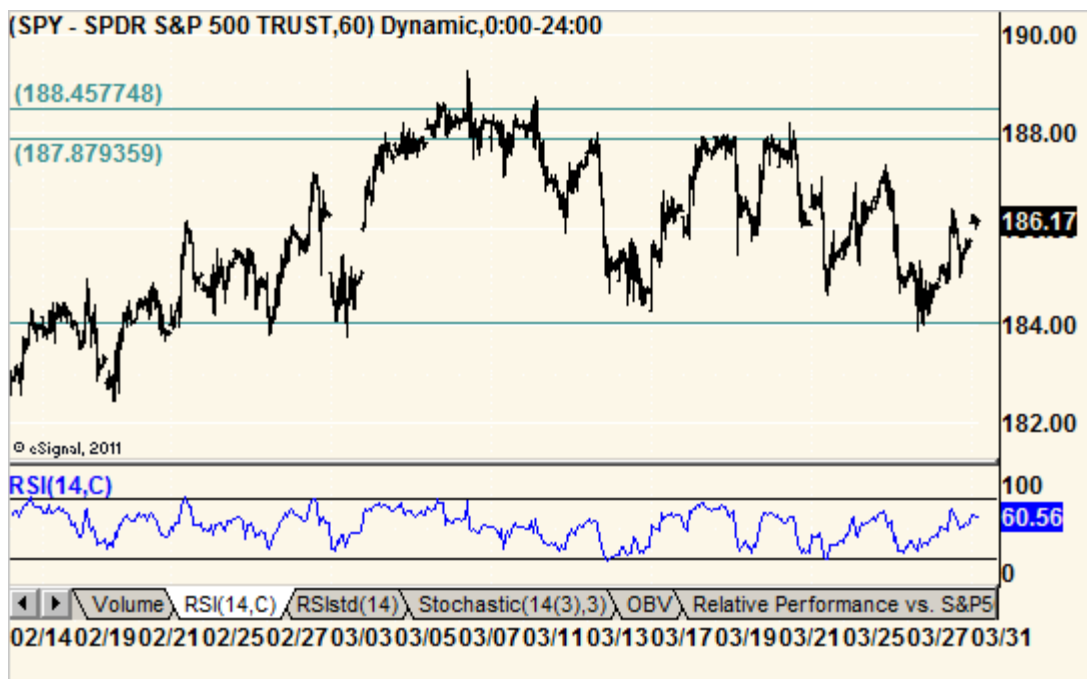
**March 31, 2014** – The last day of the month starts with plenty of fun and not so fun things. We here in the Northeast (and north central) are waking up to snow. And a headline telling us the [stock market is rigged](#). We'll respond to that with the initial "duh" and then follow it up with the observation that the article says "rigged for investors" and then proceeds to talk about high frequency trading. Investors do not try to compete with the big trading houses intraday. Just another sensationalized headline.

The stock market is a bit higher this morning after a strong day in Asia with new highs in India and the Middle East. Europe is flat to slightly higher and that includes Russia. The latter is up nearly 20% from its panicky low earlier this month but if you follow the news you will see the troop buildup near Ukraine is getting bigger.

Let's talk about what all this means for us. Despite the resilience of the domestic market for not falling down earlier in the month and again last week, the overall pattern remains a trading range. And the Nasdaq is still below support - there is no hiding that.

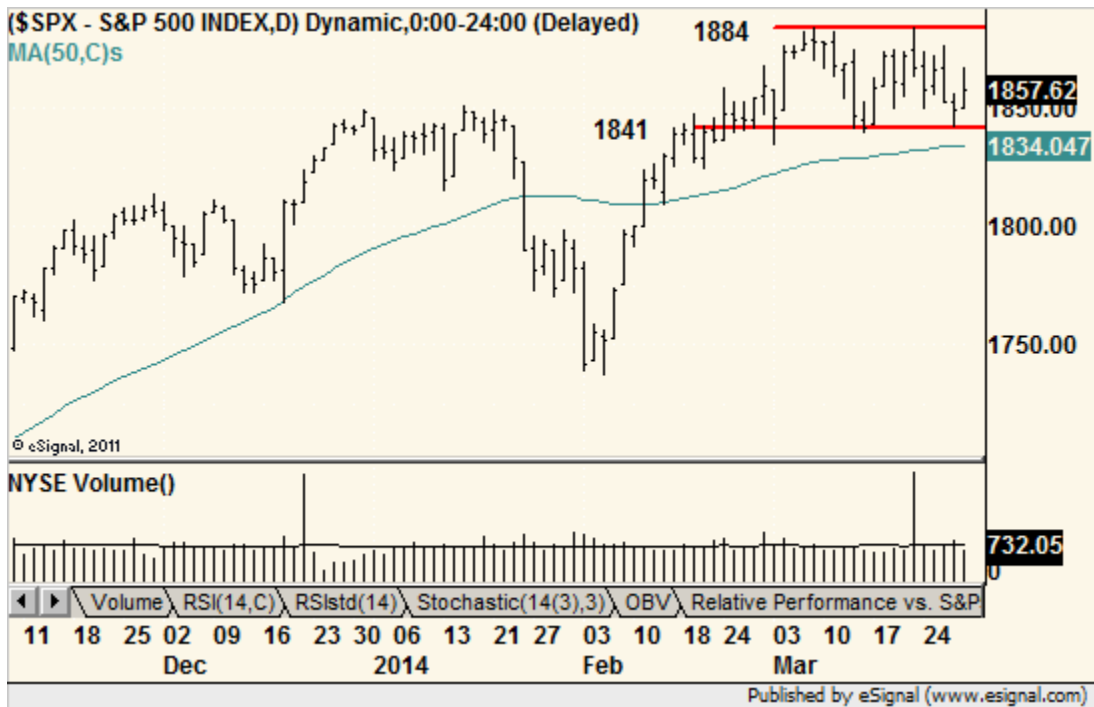
Perhaps stocks got a reprieve Friday when Treasuries backed down just one day after the 30-year broke out to the upside. And with bonds soft again this morning, stock bull might get emboldened by the "risk on" nature of the bond ETF (TLT) galling back below the breakout level itself. Does that kill the breakout? Not yet. Besides, money continues to pour into the ETF via on-balance volume.

Today is also end-of-quarter so portfolio games should be in full play. Tomorrow, however, that incentive goes away and bears will have a better chance. We are going to stick with the messages from individual stocks, which is taking longs and shorts as they present themselves. However, if and when the S&P 500 moves out from its range, then we can trim the losing side.

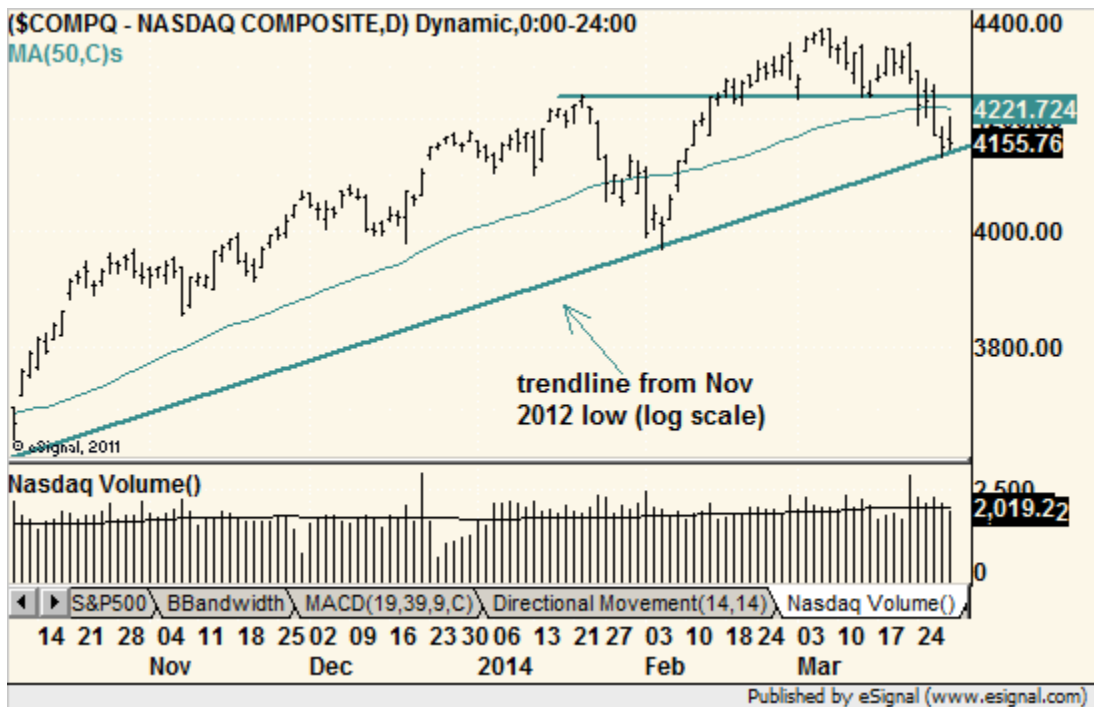


We've moved the lower support line in the hourly chart down a bit to capture last week's low and the upper border is fuzzy so we've made it a range. As you can see, the **SPY** is right in the middle of the overall trading range and that puts it in no-man's land - far from support and resistance. Buying or selling here is higher risk so we'll wait it out.

## Index Charts of the Day



We've changed the support here, too, lowering it from 1850. The 50-day average shown here is easing higher to meet that level perhaps by week's end. Volume was low on Friday's gain but we are dismissing all low-volume events save for huge gains on that low volume. Friday was not one of them.



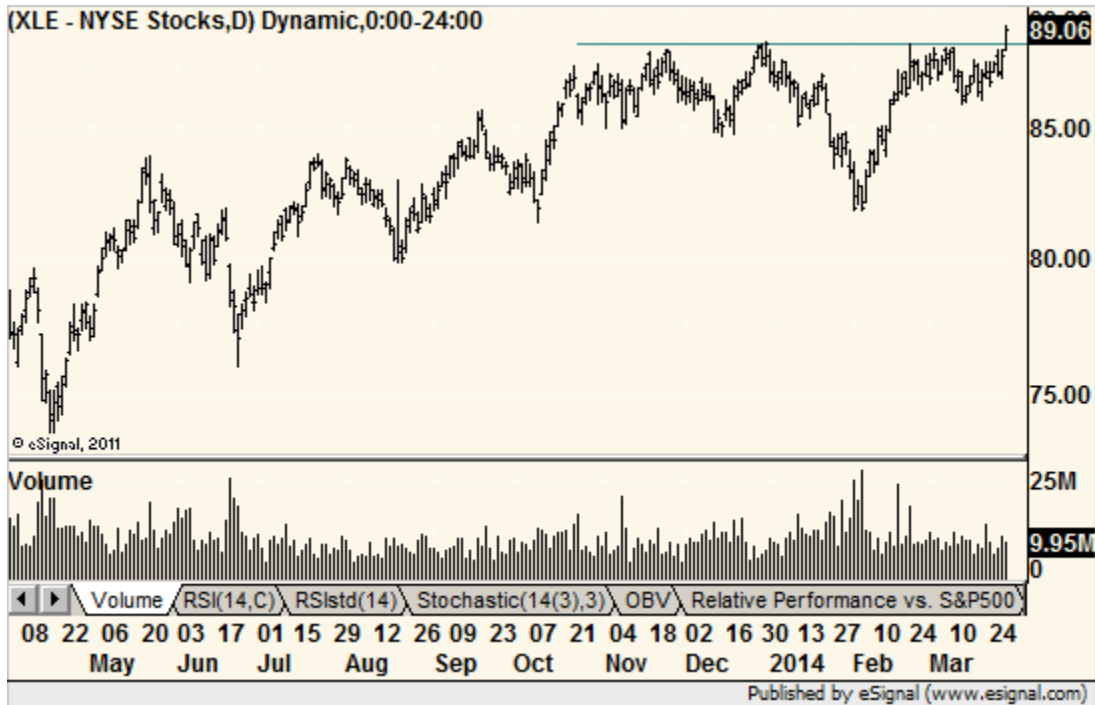
March support is broken. The 50-day average is broken. The only thing left is the major trendline from November 2012.

## The Radar Screen

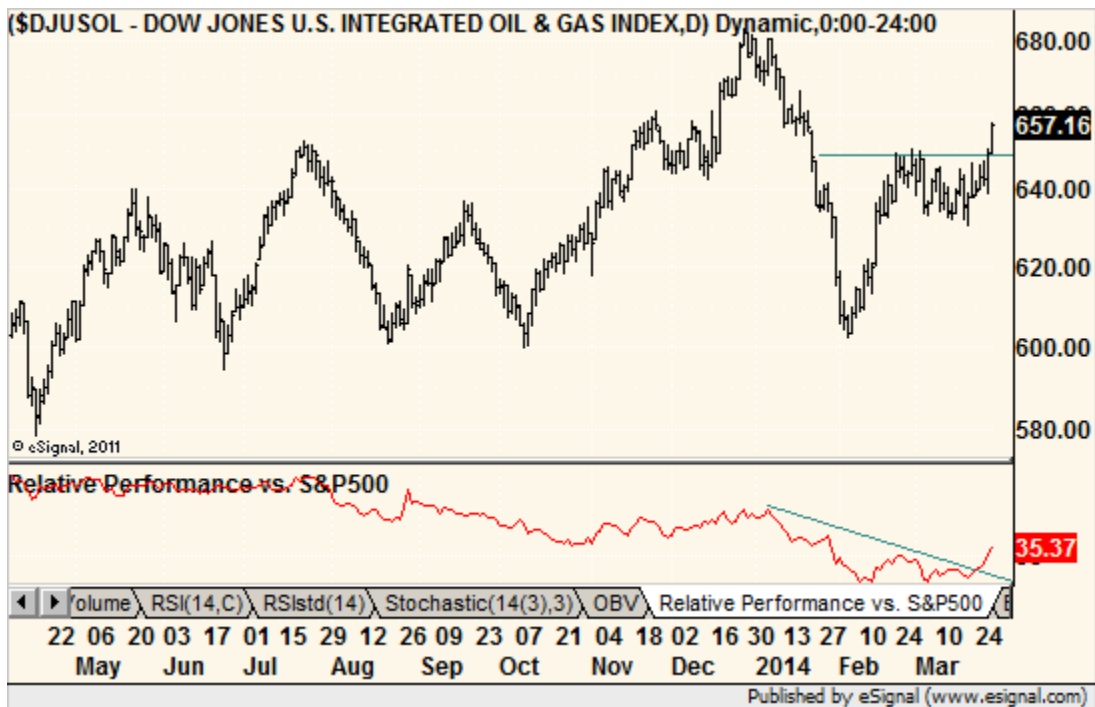
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Hasbro HAS</b> - Here is the toy maker stock that we promised Friday. Nice pause at resistance with rising on-balance volume. Buy 55.60.	<b>Triggered</b>	
<b>Bob Evans Farms BOBE</b> - This is a restaurant stocks and it survived a total thrashing March 5 on an earnings miss by rallying back immediately. Buy the breakout over 52.10.		3/24
<b>Agco AGCO</b> - This has a bottoming pattern in place. Just reversed at resistance 54.55 but if it takes that out in the near future is will be a buy.		3/26
<b>LinkedIn LNKD</b> - A bullish hammer at a new low. Arguable bullish divergence in several indicators. If the market picks itself up and it is not obviously just a wiggle (bounce) then this one would be good with a close over Thurs high at 189.29. Beware high P/E.	<b>Triggered</b>	3/28
<b>Bearish Implications</b>		
<b>Boeing BA</b> - We are finally going to set a sell trigger here as the defense sector, while still leading, is starting to weaken. Boeing is the weakest in the group. Selling 121.		3/21
<b>Celgene CELG</b> - Here is a biotech with a typical breakdown pattern. It is oversold but a bounce back to test the support break, the 200-day average break and possibly the declining trendline/50-day average combination would be the strategy. Sell bounce to 148 although this may not happen. <u>Last day for it to bounce before we move on.</u>		3/25
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Gold ETF GLD</b> - Fibonacci price and time suggests a buy on April 9 at a price of 126.34. Price happened but time is way, way off. We are now looking for the 61.8% Fibo at 121.80		3/19
<b>FirstEnergy FE</b> - Classic rounded bottom with pause. We missed it.	<b>Removed</b>	3/24
<b>Newmont Mining NEM</b> - This one never had the same shape as the rest of the gold sector. Now it looks as if it formed the trough of the right shoulder. If it completes three-day reversal pattern (morning star on candles) then it would be worth the buy. <u>Pattern completed but it was up 4.3% Friday. Not chasing.</u>		3/28
<b>Halcon Resources HK</b> - This low-price energy exploration stock is sitting at the neckline of an inverted head-and-shoulders pattern. It is already above it 50-day average. Beware negative earnings. It was up over 5% Friday so we are going to let it rest here for a while before setting the buy trigger.	<b>New</b>	3/31
<b>Kellogg K</b> - This cereal maker caught our eye as something looking a lot better.	<b>New</b>	3/31
<b>CVS Caremark CVS</b> - After a nice run following its ban on cigarettes, this retailer scored an abandoned baby (island gap reversal) and now has a bearish RSI divergence. We'll give it a day before setting trigger.	<b>New</b>	3/31
<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>Banks</b> - Breakout failure	<b>Changed</b>	3/13
<b>Toys</b> - Looking decent for the bulls <b>again</b>		3/14
<b>Credit Cards</b> - Perhaps MA, V will give us second chance to sell them.		3/28
<b>Updates</b>		
<b>Brazil ETF EWA</b> - Just reached its 200-day average.		

## Market Highlights



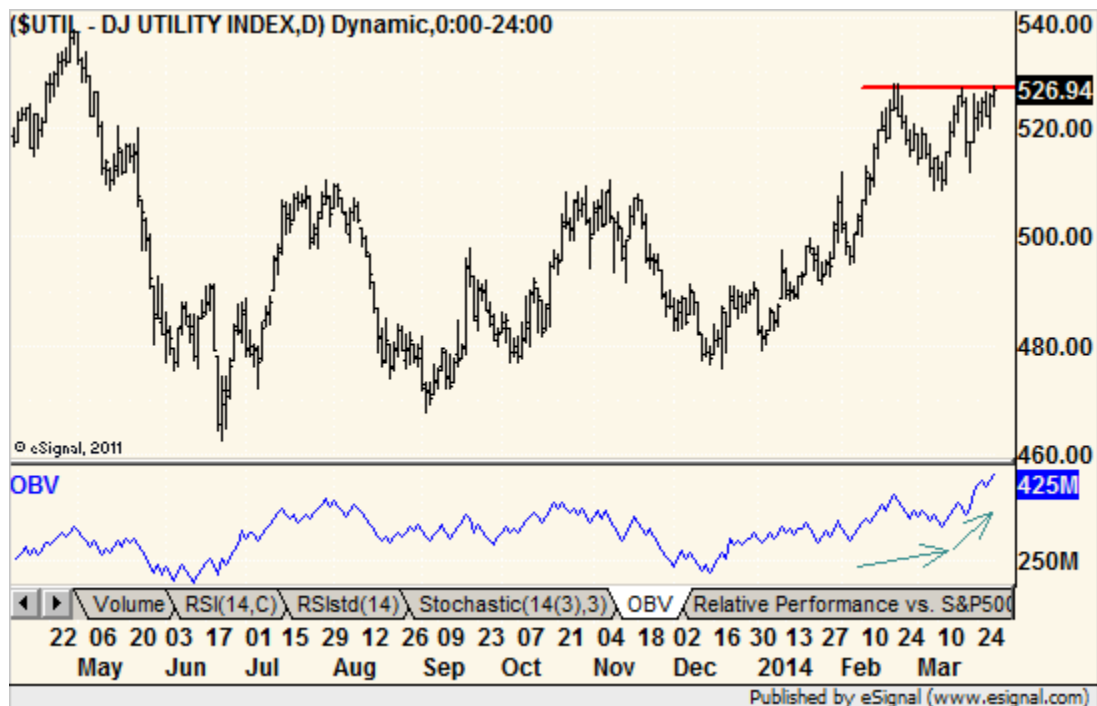
Energy ETF - Breakout!



**Integrated Oils Index** - This subsector of energy has a breakout, too. **XOM** looks the same. **MRO** is similar. And even though a different sub-sector, **NBL** looks the same, too.



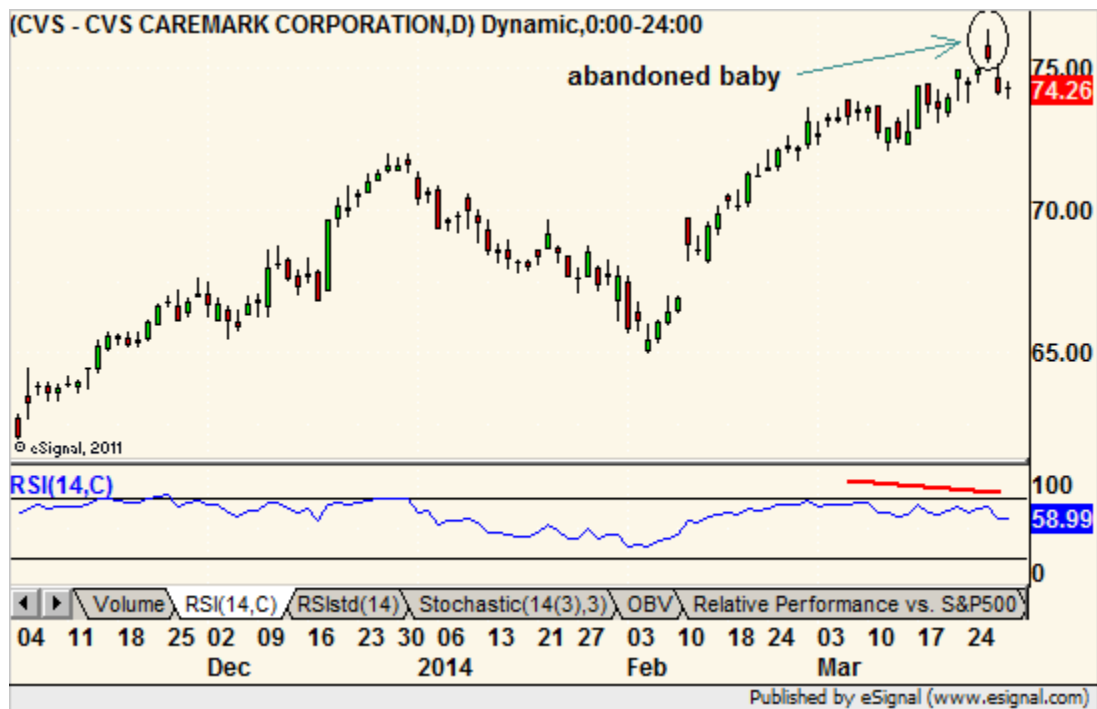
**Halcon Resources** - This low-price energy exploration stock is sitting at the neckline of an inverted head-and-shoulders pattern. It is already above its 50-day average. Beware negative earnings. It was up over 5% Friday so we are going to let it rest here for a while before setting the buy trigger.



**Utilities** - This is the Dow index and it is poised to break out to the upside. The XLE ETF is not as pretty but if the DJUA breaks out, so will the XLU. This is yet another reason to like bonds, too.



**Kellogg** - This cereal maker caught our eye as something looking a lot better. Holding Tank.



**CVS Caremark** - After a nice run following its ban on cigarettes, this retailer scored an abandoned baby (island gap reversal) and now has a bearish RSI divergence. We'll give it a day before setting 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>	<b>JTP</b>	NUVEEN QUALITY PFD INCOME FD	8.13	3.8%	8.00	7.83	1/23	65
	<b>CORN</b>	TEUCRIUM CORN FUND	33.65	6.6%	32.50	31.57	2/6	51
	<b>DBC</b>	POWERSHARES DB COMMODITY ETF	26.14	-1.5%	25.50	26.53	3/3	26
	<b>SYMC</b>	SYMANTEC CORP	19.79	5.8%	18.50	18.71	3/21	8
	<b>HAS</b>	HASBRO INC	55.18	-0.8%	54.00	55.60	3/28	1
	<b>LNKD</b>	LINKEDIN CORP	190.59	0.7%	180.00	189.29	3/28	1
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	25.62	-0.9%	27.00	25.39	3/11	18
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	44.53	3.5%	48.00	46.09	3/11	18
	<b>UPS</b>	UNITED PARCEL SERVICE INC	97.34	-1.4%	101.00	96.00	3/21	8
	<b>INCY</b>	INCYTE CORP	49.94	20.8%	54.00	60.35	3/21	8
	<b>CRM</b>	SALESFORCE COM INC	55.75	4.0%	59.00	58.00	3/25	4
	<b>COL</b>	ROCKWELL COLLINS INC	79.01	0.5%	82.00	79.40	3/26	3

**Notes:** Looking to sell **SYMC** at 21 as we only had it for the bounce.

Tried to tighten stop on **INCY** really tightly but a level just above Friday's high was quite far away percentage-wise.

Two now longs triggered Friday - **HAS** and **LNKD**. The former on a breakout. The latter on a reversal pattern.

## 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

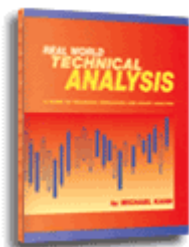
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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