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"TECHNICAL ANALYSIS FOR EVERYONE"

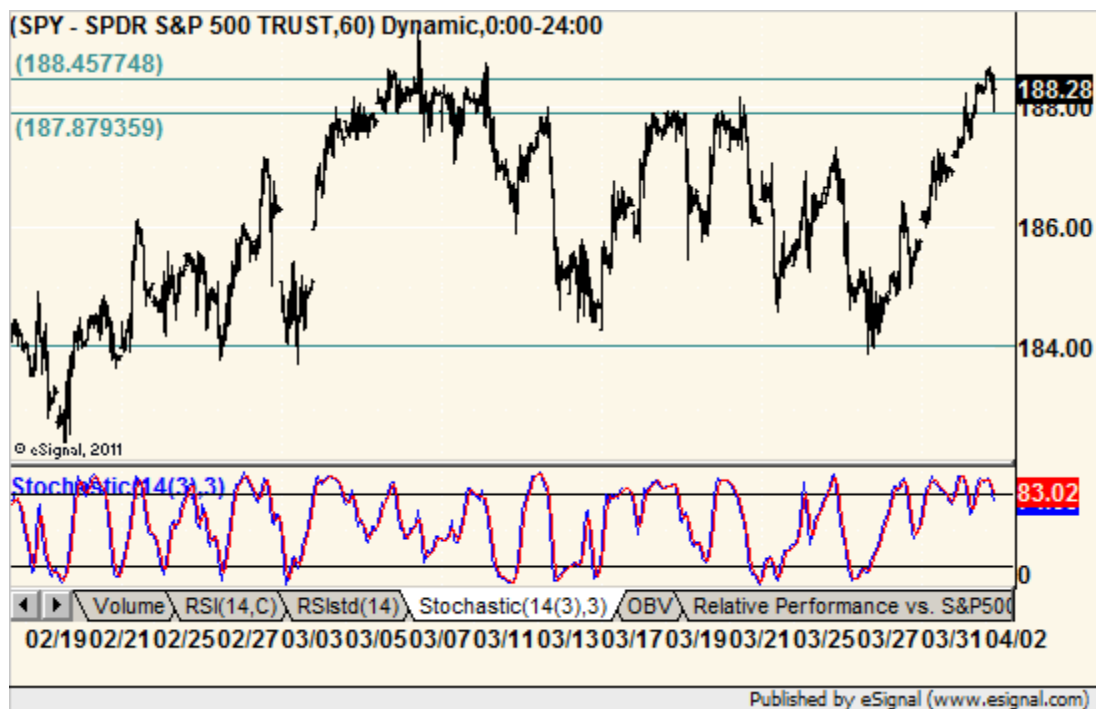
MICHAEL KAHN
RESEARCH LLC

April 2, 2014 – Was it or wasn't it a breakout? Is the Nasdaq all better? That we lead with those two questions suggests we do not believe they are true. While the S&P 500 did make a new all-time high we do not see it as a sea change from trading range to rally. In fact, the index ran from support to resistance without resting and that means the "breakout" could just be a little momentum-based overshoot.

We are not going to buy or sell on "could" but it sure looks suspect at this point. And that brings us to the Nasdaq, which is not even close to a new high. However, on the bullish side, it recaptured its 50-day average and is above its former support level.

The NYSE composite looks much stronger. But while its one-day gain was larger, the small cap Russell 2000 is also far from a new high. A mixed bag.

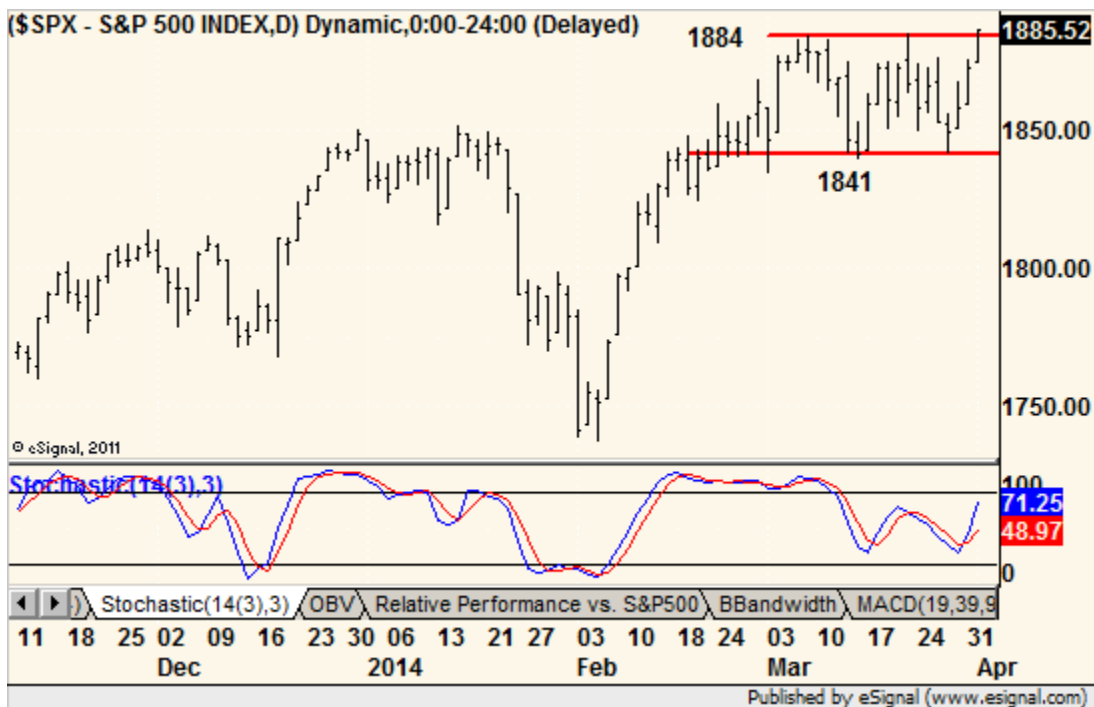
So what does it mean when LIBOR falls for two straight days, breaking support and setting its lowest level since, well, ever according to data on eSignal, which goes back to 1997. We do not know what that means for us but it is unusual to say the least (or to say the obvious). The bond market may not be what it seems (stronger than it looks).



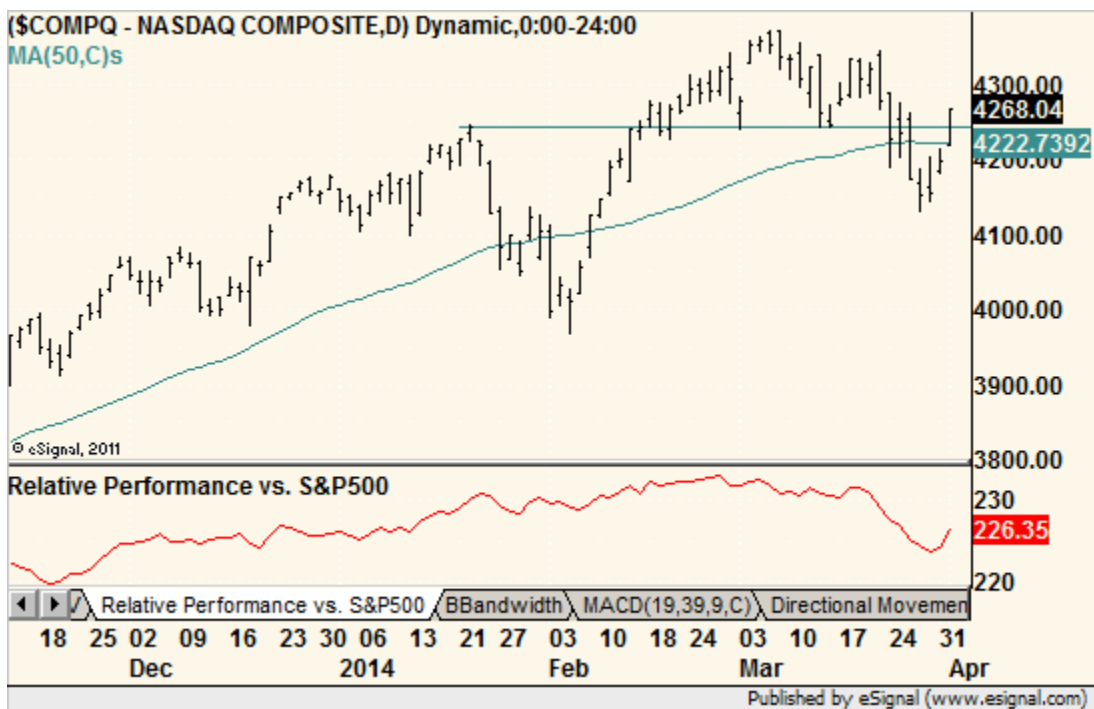
The hourly **SPY** chart shows the straight line run from support to resistance. We do not see this as a breakout and on the bearish side it will be clear if and when the trend over the past few days breaks. Indeed, the market stumbled a bit after this morning's seemingly positive ADP report.

Finally, check out the gold chart below. We still have the same downside target but now we are starting to see news stories about gold bugs throwing in the towel and not backing down - at the same time. The chart has a Bollinger Band condition.

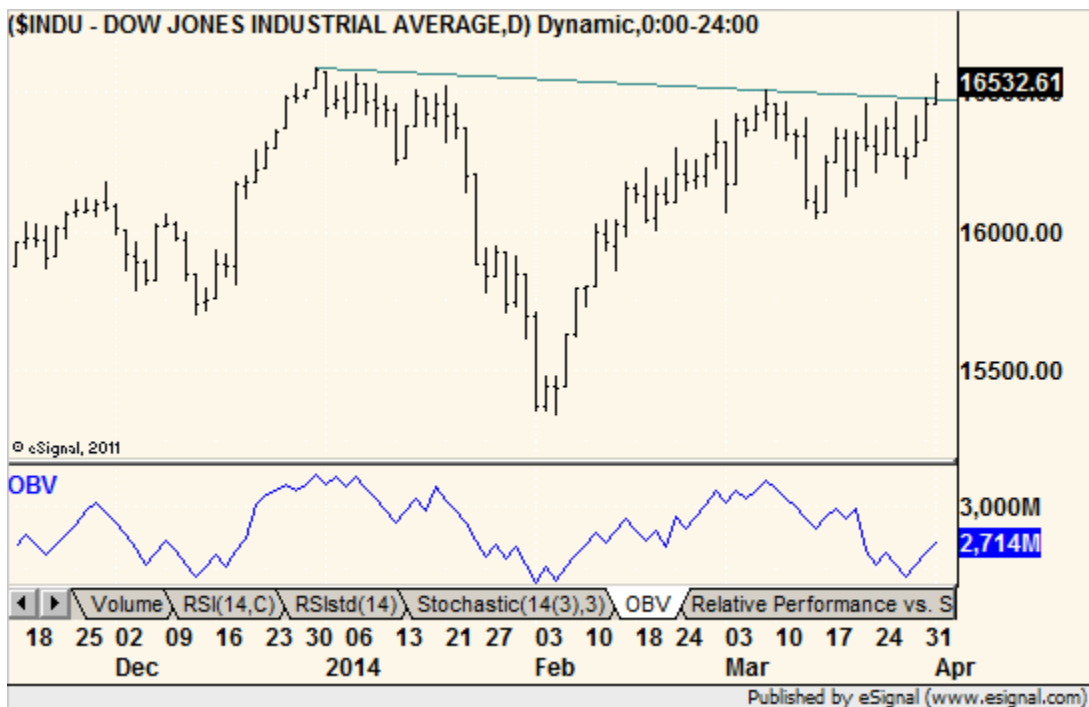
Index Charts of the Day



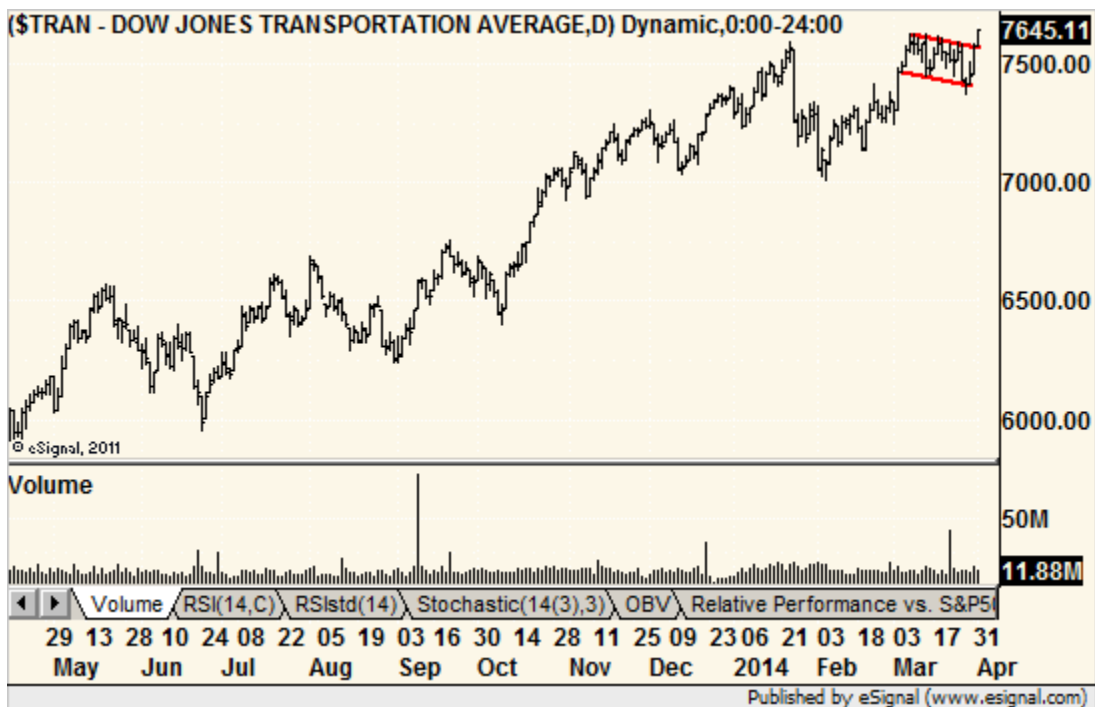
Is it or isn't it a breakout? The index did close at a new high so that is a big argument for the bulls. However, it has been a straight line rally from support up to and through resistance and that is often unsustainable. It may rally more today but without some sort of pause the odds that the breakout will fail will grow.



The Nasdaq is back above broken support and 50-day moving average so that is positive. However, relative performance is still weak and unlike the S&P 500 it is not even close to a new high. It still feels like a trading range even though it does not look like one.



Some pundits will squint their eyes and see an inverse head-and-shoulders but it has neither the spirit nor proportion of the pattern. The shoulders are tiny and there is no trend for the pattern to consolidate. A new high will be a new high, if it happens but do not project the pattern size up for a target. On-balance volume also does not confirm a new high at this time.



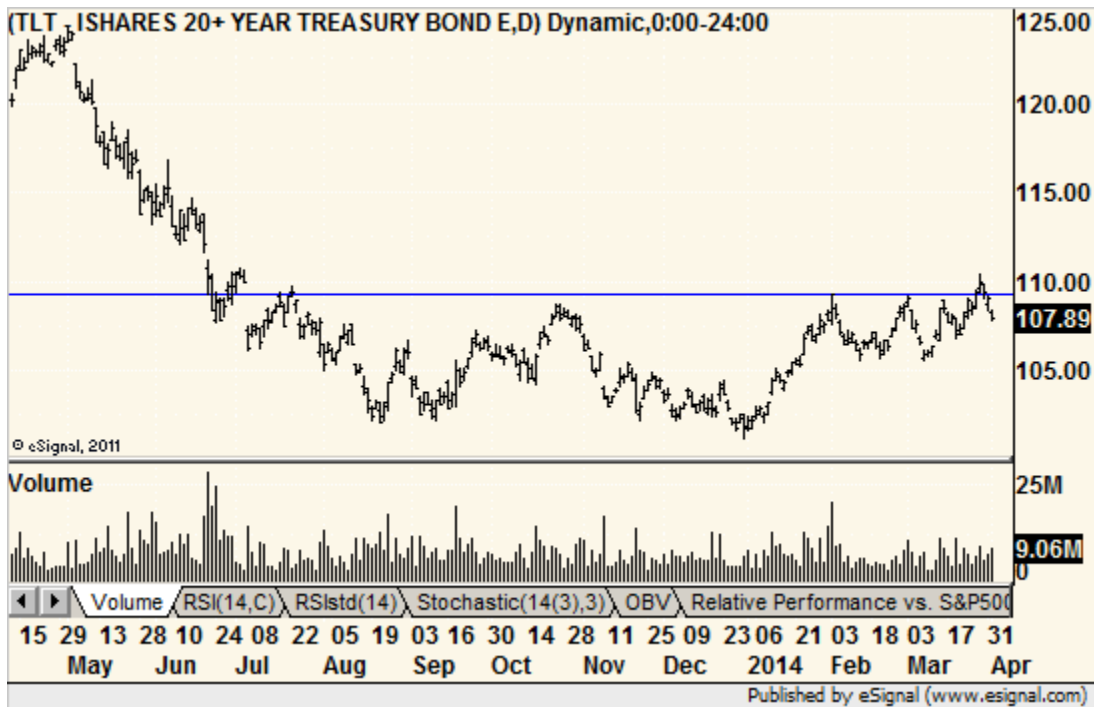
The transports have a simple flag breakout. Yes, it has a cup-with-handle feel but it seems too far out of whack to be labeled as such - not that it matters.

The Radar Screen

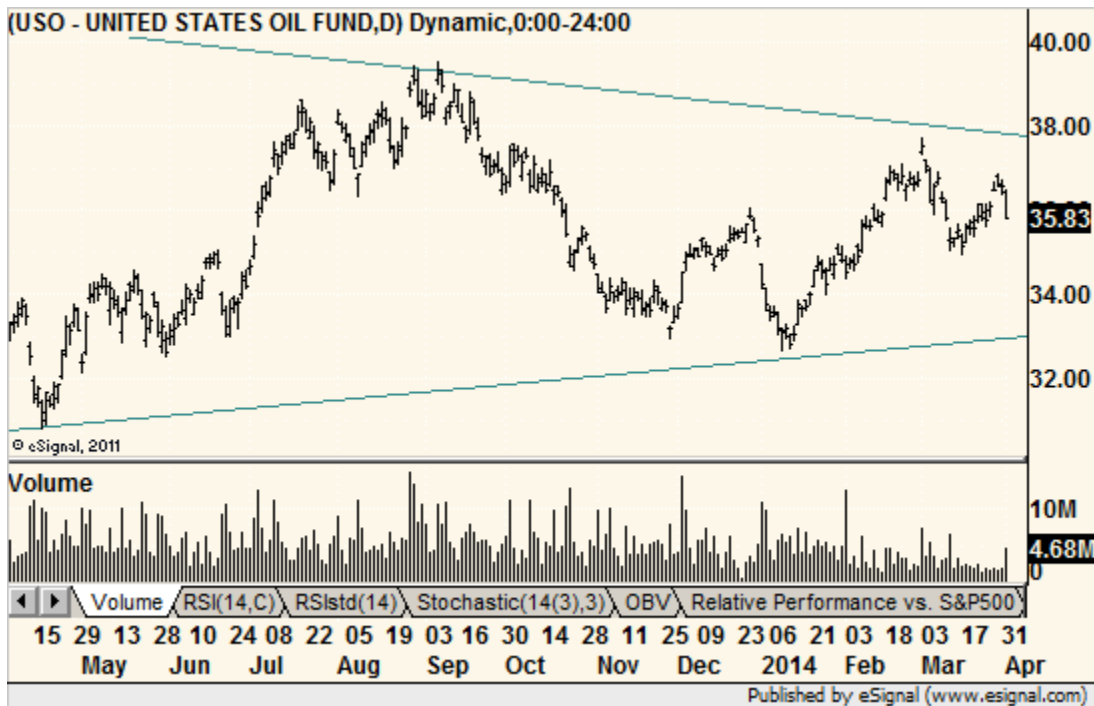
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Diamond Offshore DO - Just when energy stocks faded from a breakout we have this drilling with a basing pattern. It is already through the 50-day average and sports a bullish RSI divergence. Buying move over resistance at 48.90.	Triggered	4/1
Gold ETF GLD - Fibonacci price and time suggests a buy on April 9 at a price of the 61.8% Fibo at 121.80	Moved	3/19
Healthcare Realty Trust HR - This REIT appears to be ready to complete a base. It is already above both major averages and sports rising on-balance volume during the current sideways range. Nice dividend, too. Buy 24.75.	New	4/2
Bearish Implications		
Boeing BA - After hanging around, this stock finally got some buyers so we are going to move on.	Removed	3/21
CVS Caremark CVS - 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. Sell under last week's low at 73.85.	Moved	3/31
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Newmont Mining NEM - 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.		3/28
Kellogg K - This cereal maker caught our eye as something looking a lot better.		3/31
Target TGT - This one is well off investor radar now but it has a bull flag pattern under a major trendline. Already above the 50-day average. Keep watching.		4/1
McDonalds MCD - Lots of bad press now with Taco Bell competing in breakfast. But the stock, which failed to hold a breakout already, had two hot days. Note on-balance volume is still trending up. Watching.		4/1
DuPont DD - A nice flag pattern with rising on-balance volume. May have had its upside breakout Tuesday.		4/1
Sector Watch (observations that may spark ideas)		
Defense - Possibly coming out of a bull flag now. Breakout!		3/1
Banks - The breakout failure now may itself be failing. Quite uncertain here.	Changed	3/13
Toys - Looking decent for the bulls again. New high		3/14
Credit Cards - Perhaps MA, V will give us second chance to sell them. Watching AXP , too.		3/28
Energy - See below		3/31
Utilities - Nice breakout Monday in the DJUA but bonds have weakened		3/31
Updates		
Potash POT - We point out how strong the sector was and it dumps a few hours later. No harm done as we were not trading.		

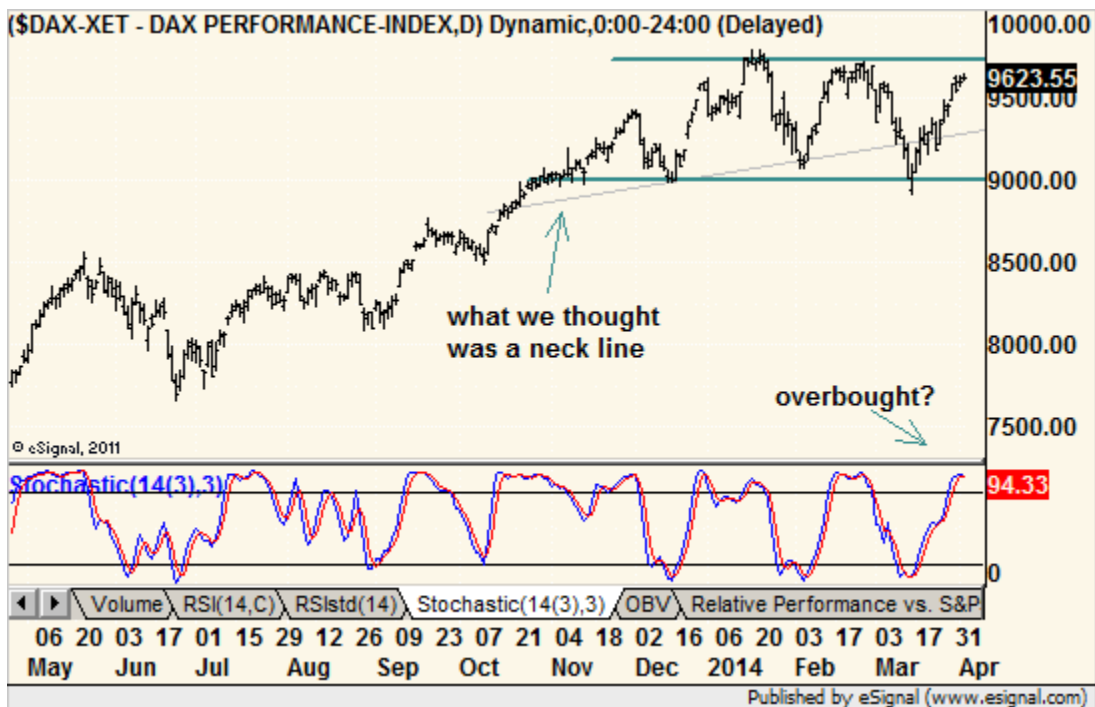
Market Highlights



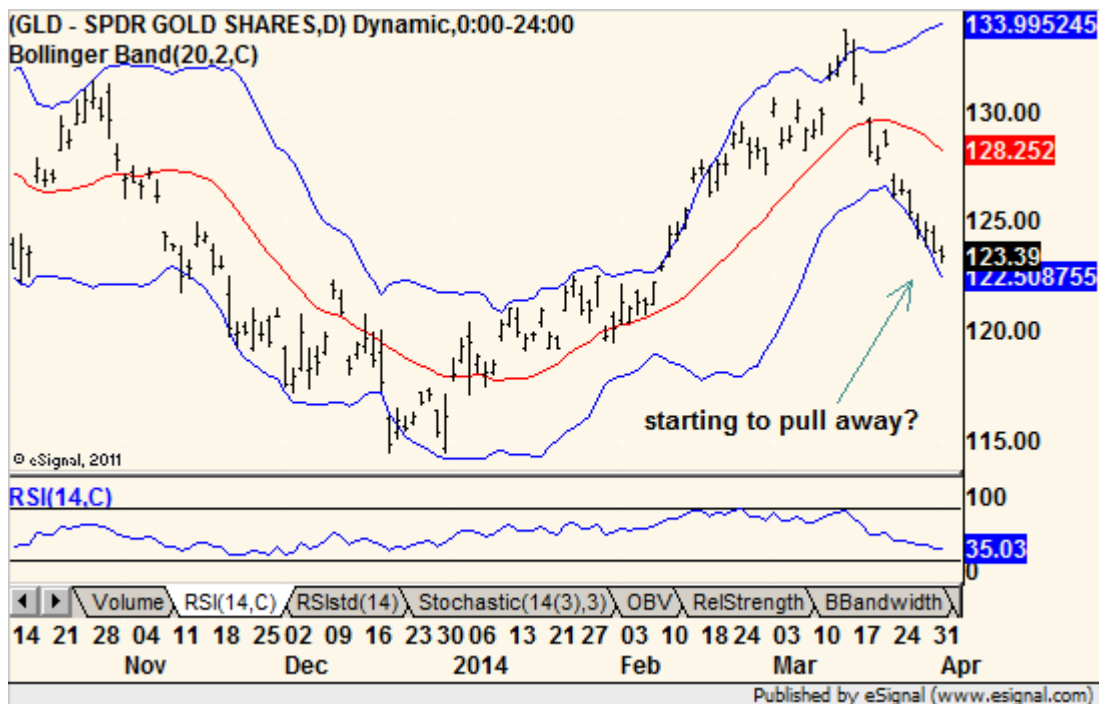
Long T-bond ETF - Looks like we have to call it a breakout failure now. Risk-on. However, high yield stock sectors such as utilities and telecoms are doing quite well.



Oil ETF - Talk about April Fools. Energy stocks broke out Friday and oil sold off hard yesterday. Yet, energy stocks closed higher. Speaking strictly about oil itself, there is no trend and no trade.



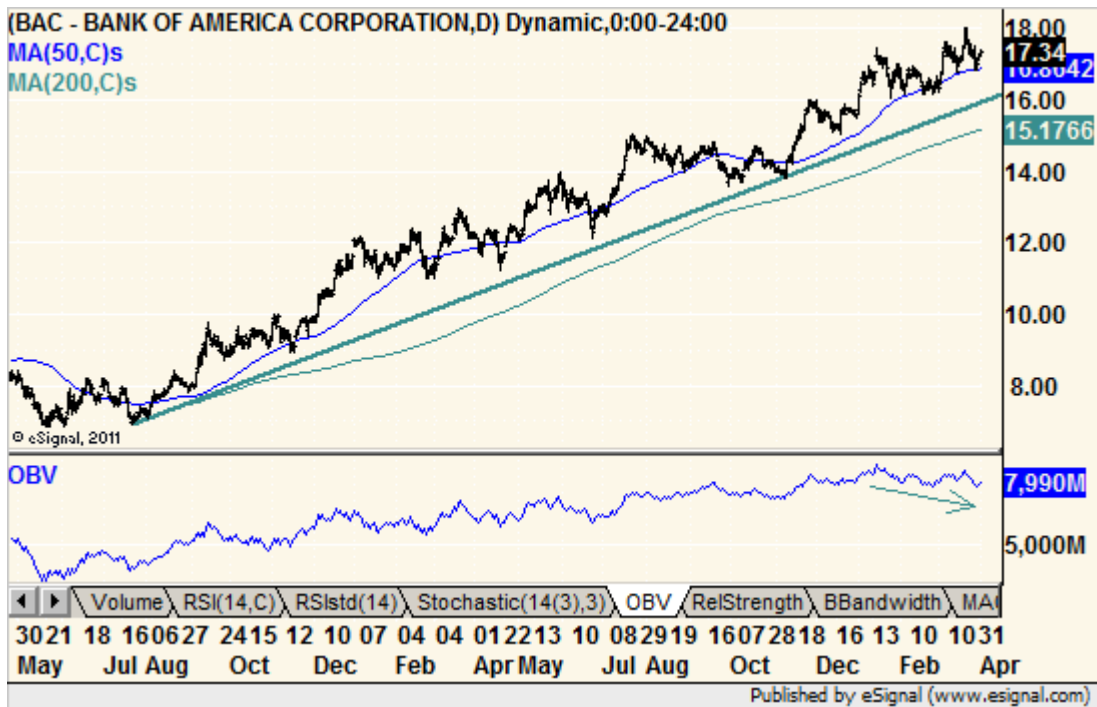
Germany DAX index - Forget the head-and-shoulders, this market also looks to be in a range and if so, it is now overbought.



Gold ETF - When a stock travels down the lower Bollinger Band and then peels away it signals a pending change. There is still plenty of room to continue lower (per our Fibonacci target) but this may be the beginning of the end of the correction.



Healthcare Realty Trust - This REIT appears to be ready to complete a base. It is already above both major averages and sports rising on-balance volume during the current sideways range. Nice dividend, too. Buy 24.75.



Bank of America - Still above its trendline and 50-day average but on-balance volume is now falling. That is a warning that money is leaving this stock even before it falls.

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>	JTP	NUVEEN QUALITY PFD INCOME FD	8.14	4.0%	8.00	7.83	1/23	68
	CORN	TEUCRIUM CORN FUND	35.04	11.0%	34.00	31.57	2/6	54
	SYMC	SYMANTEC CORP	20.18	7.9%	19.50	18.71	3/21	11
	HAS	HASBRO INC	56.39	1.4%	55.00	55.60	3/28	4
	LNKD	LINKEDIN CORP	187.96	-0.7%	180.00	189.29	3/28	4
	AGCO	AGCO CORP	54.76	0.4%	53.00	54.55	3/31	1
	DO	DIAMOND OFFSHORE DRILLING INC	47.86	-2.1%	46.75	48.90	4/1	0
<u>Short</u>	JNPR	JUNIPER NETWORKS INC	26.43	-3.9%	27.00	25.39	3/11	21
	ACHC	ACADIA HEALTHCARE COMPANY INC	45.98	0.2%	48.00	46.09	3/11	21
	UPS	UNITED PARCEL SERVICE INC	97.34	-1.4%	101.00	96.00	3/21	11
	INCY	INCYTE CORP	54.00	11.8%		60.35	3/21	11
	CRM	SALESFORCE COM INC	58.80	-1.4%	59.00	58.00	3/25	7
	COL	ROCKWELL COLLINS INC	80.46	-1.3%	cover	79.40	3/26	6

Notes: Lots of action Tuesday. We sold **DBC** at the open for lack of performance and fortunately side stepped a big down day. Ended with a 1.8% loss in 29 days.

Raised stops in **CORN**, **SYMC** and **HAS**. **SYMC** is to be sold at 21 anyway but now we have a stop in place to handle a bear flag breakdown.

We are covering the short in **COL** as the sector broke out to the upside.

The short in **INCY** was stopped out. Too bad as we had over a 20% profit a few days ago.

Finally, a new long in **DO** but the buy trigger was too tight. It scored a bear reversal on the day so our stop is very tight.

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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