

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

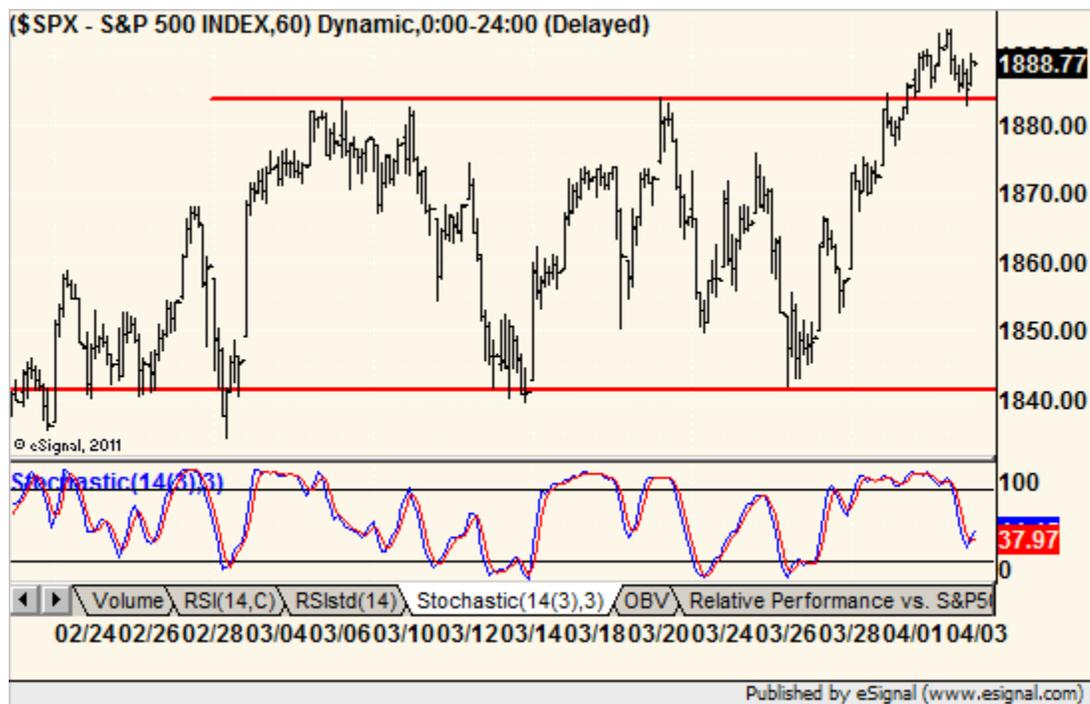
**April 4, 2014** – Thursday was almost a throwaway day as the market waited for this morning's jobs report. Everyone still acts as if this jobs report is the most important one ever - of all time! Then again, so were last month's and the month before.

Momo stocks were painted in red with **YELP** down over 6%. **TASR, TSLA, FB** and **PCLN** all had bad days but the new Google twins **GOOG** and **GOOGL** held up a bit better. The newly split shares - one voting, one not - were an unusual situation so we won't draw any conclusions. But we can from **TWTR** and **NLFX** as these two seem to have more downside ahead no matter what the job report fallout may be.

I was at the Market Technicians Association awards dinner last night and if you saw my tweets you knew I was sitting with Tom DeMark and Larry Williams. You can absorb their competence by osmosis. And there were plenty of other esteemed technical types there from John Murphy to Ned Davis. Bob Pisani of CNBC was honored and delivered a passionate speech about underinvested baby boomers and the value of charting. For the former, he blasted Michael Lewis for calling the market rigged and keeping those boomers from investing. I'll blog about the event later.

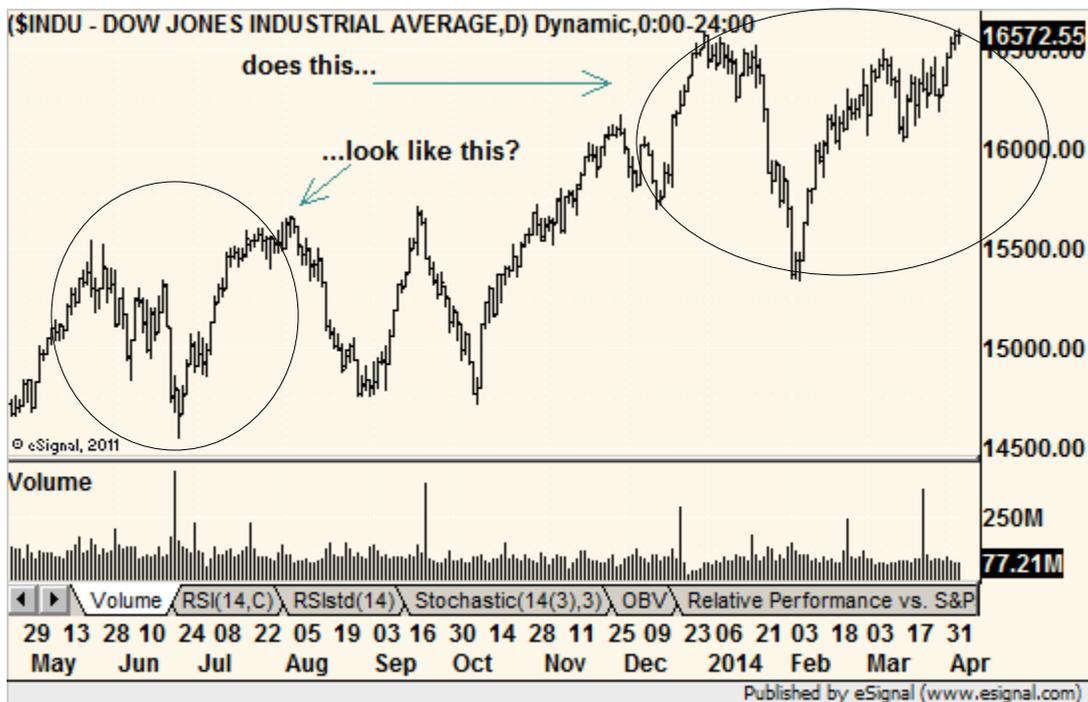
The point is that there is value in charting and I am energized to dig deeper and be of better service. I hope that comes through in the coming weeks.

And if you wanted some market calls, DeMark thinks we are very close to a top here (he was misquoted about that in January) and Larry Williams said to prepare for a monster bull market in 2015. We agree with both although the former is harder to pin down.



The hourly chart today is the S&P 500 itself so there is no pre- and post-market activity included. However, it shows the junction we are now at as we head into the jobs report. This is a breakout and test. The question now is whether it will fail or take off from here and that should be known by the close.

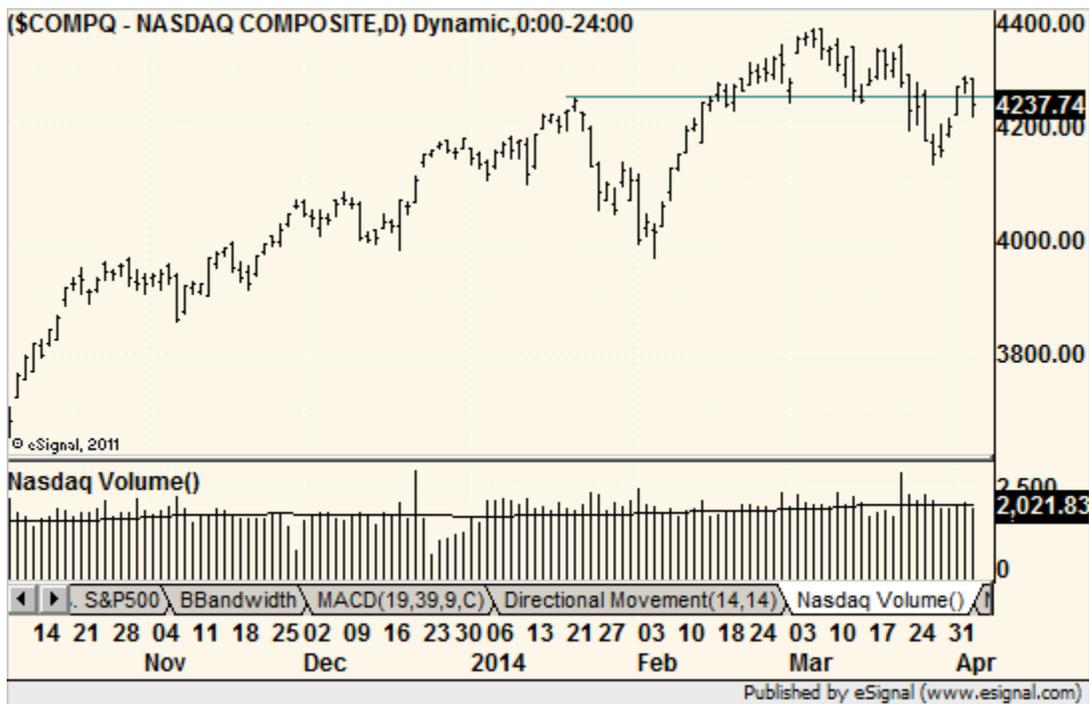
## Index Charts of the Day



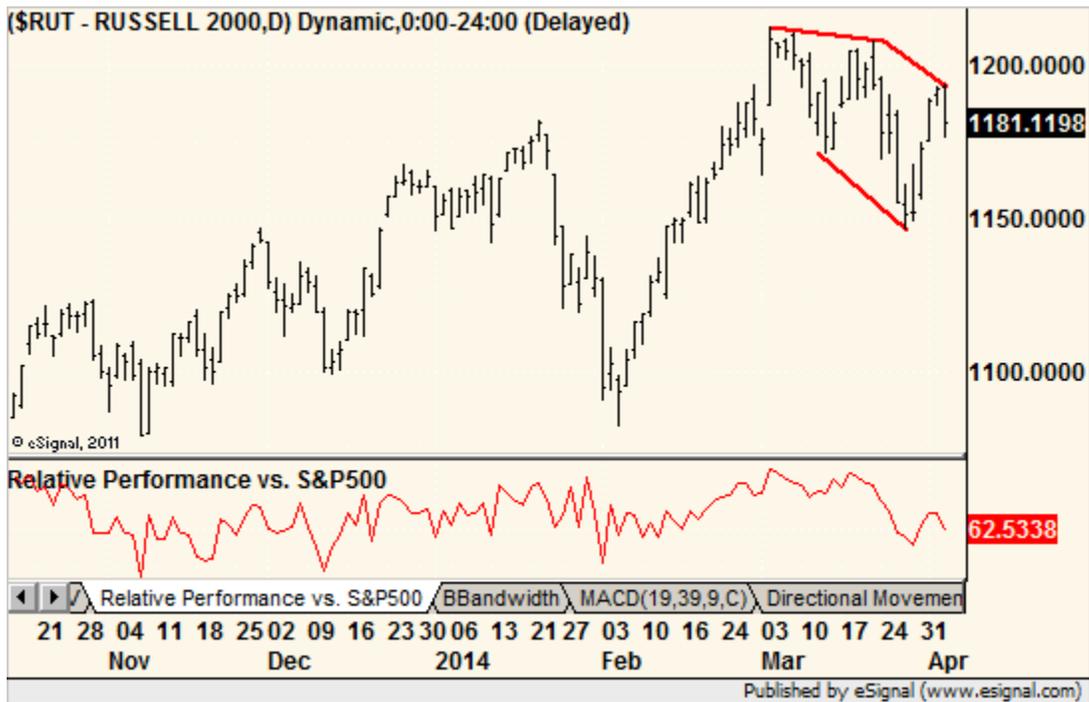
The pattern now looks rather similar to that from last summer. If true, then we have a trading range developing that can last for months and provide good trends for short-term traders. See next chart...



Here is the weekly Dow comparing possible double tops. This time, there is a momentum divergence to give this pattern a bit of an edge.



Could that have been a test of the breakdown and not a failure of the breakdown? The Nasdaq was hurt by the momo names falling (YELP, etc...)



Forget the fancy patterns, the Russell shows lower highs and lower lows. Yesterday's reversal was sizeable but again we'll have to see how the jobs report plays out. If it takes out yesterday's high then things will lean bullish.

## The Radar Screen

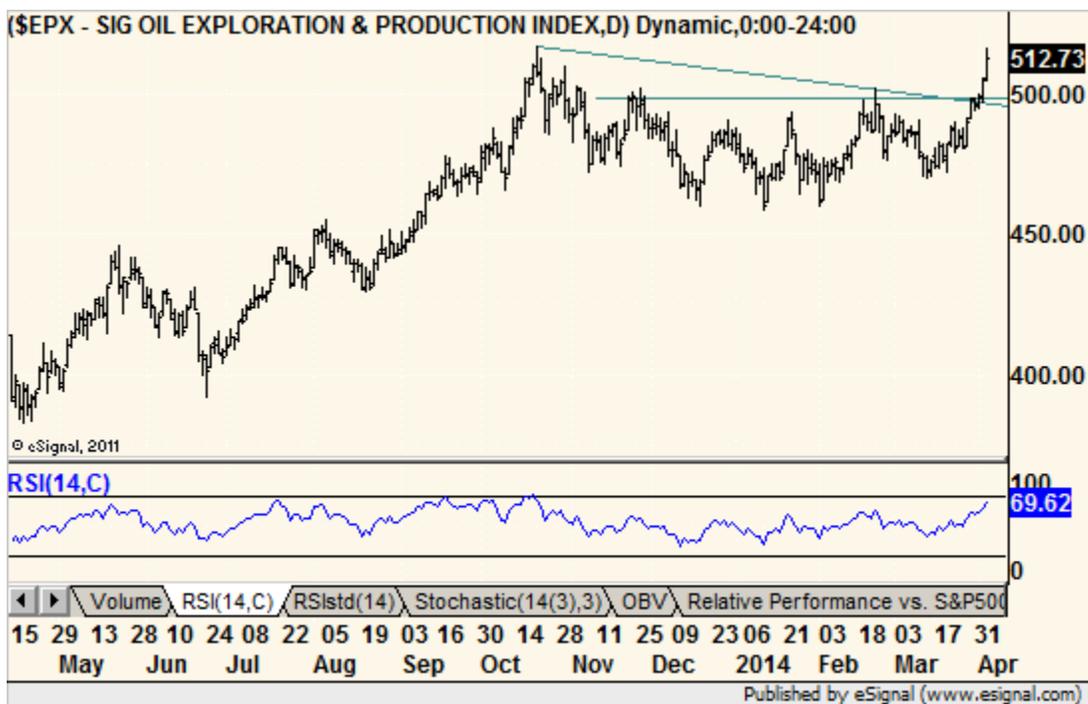
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Gold ETF GLD</b> - Fibonacci price and time suggests a buy on April 9 at a price of the 61.8% Fib at 121.80		3/19
<b>Healthcare Realty Trust HR</b> - 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.		4/2
<b>Highwoods Properties HIW</b> - This is an office and industrial REIT and it is testing resistance at 38.50. On-balance volume is rising during the pause. Buy close above resistance.		4/3
<b>PMC-Sierra PMCS</b> - This chip stocks traded at 250 back in the day. The line on the chart is the neckline for a weekly inverted head-and-shoulders so it already has that breakout. Pausing for the past month, it is on the verge of a new breakout. Buy above Wednesday high of 7.82.	<b>Triggered</b>	4/3
<b>Coca Cola Enterprises CCE</b> - This Coke bottler is in a nice rectangle pattern in a bull run. Buy the breakout above 48.00 on close. This one looks high but the range is a tight 1.75 points. Therefore, volatility is lower.		4/3
<b>Bearish Implications</b>		
<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. Sell under last week's low at 73.85.		3/31
<b>Unknown Implications</b>		
none -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<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.		3/28
<b>Kellogg K</b> - This cereal maker caught our eye as something looking a lot better. <u>Well</u> , we suppose a 6% rally was "better." Missed it so we are moving on.	<b>Removed</b>	3/31
<b>Target TGT</b> - 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. <u>Breakout. We may buy this Monday.</u>		4/1
<b>McDonalds MCD</b> - 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
<b>DuPont DD</b> - A nice flag pattern with rising on-balance volume. And breakout		4/1
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Defense</b> - Possibly coming out of a bull flag now. Breakout!		3/1
<b>Banks</b> - <u>See chart below</u>		3/13
<b>Toys</b> - Major sell off Thursday. Still in a breakout but not solid.	<b>Changed`</b>	3/14
<b>Credit Cards</b> - Perhaps <b>MA, V</b> will give us second chance to sell them. Watching <b>AXP</b> , too. <u>See chart below</u>		3/28
<b>Energy</b> - Upside breakout despite falling oil.		3/31
<b>Utilities</b> - Nice breakout Monday in the <b>DJUA</b> but bonds have weakened		3/31
<b>Updates</b>		
none -		

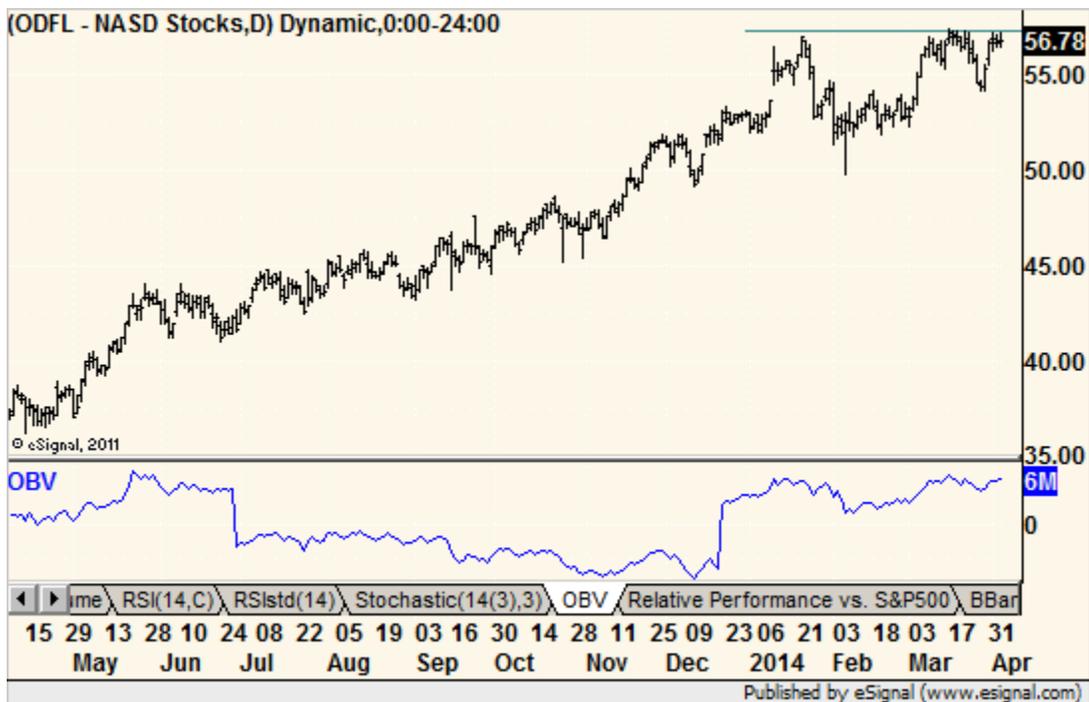
## Market Highlights



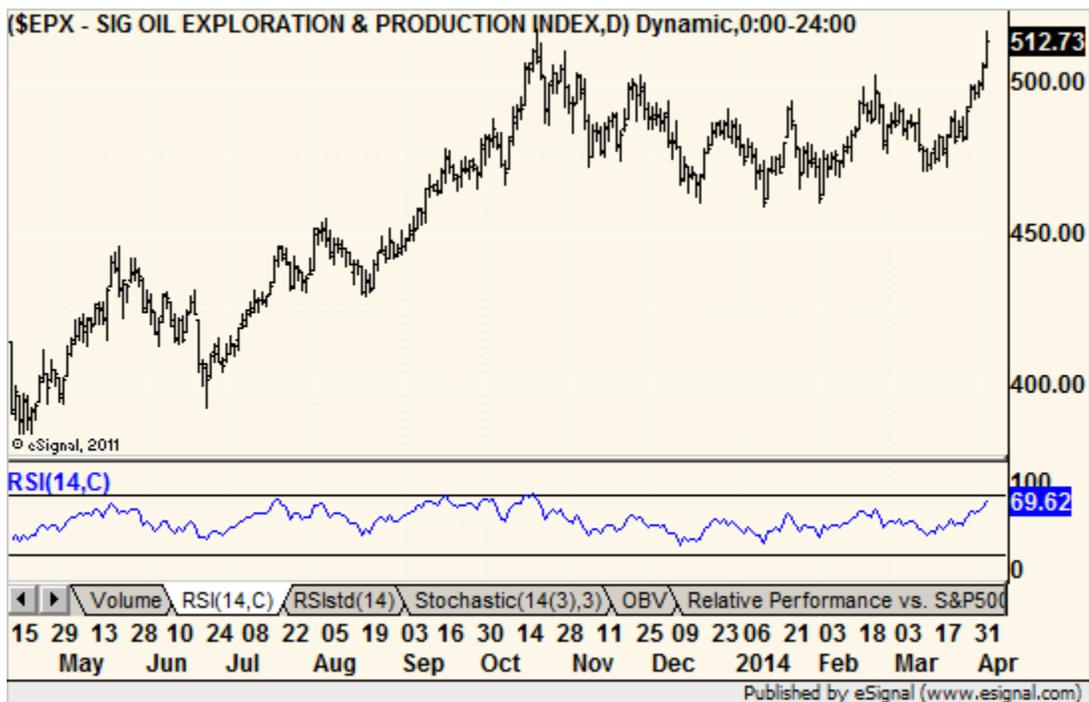
**Banks index** - Check out three straight closes at about the same place. That is uncertainty. Also not the breakout may be back with the index above the trendline, too. As with the market, will it hold post jobs report today? One thing - banks have been underperforming for two weeks. That is not how breakout should look.



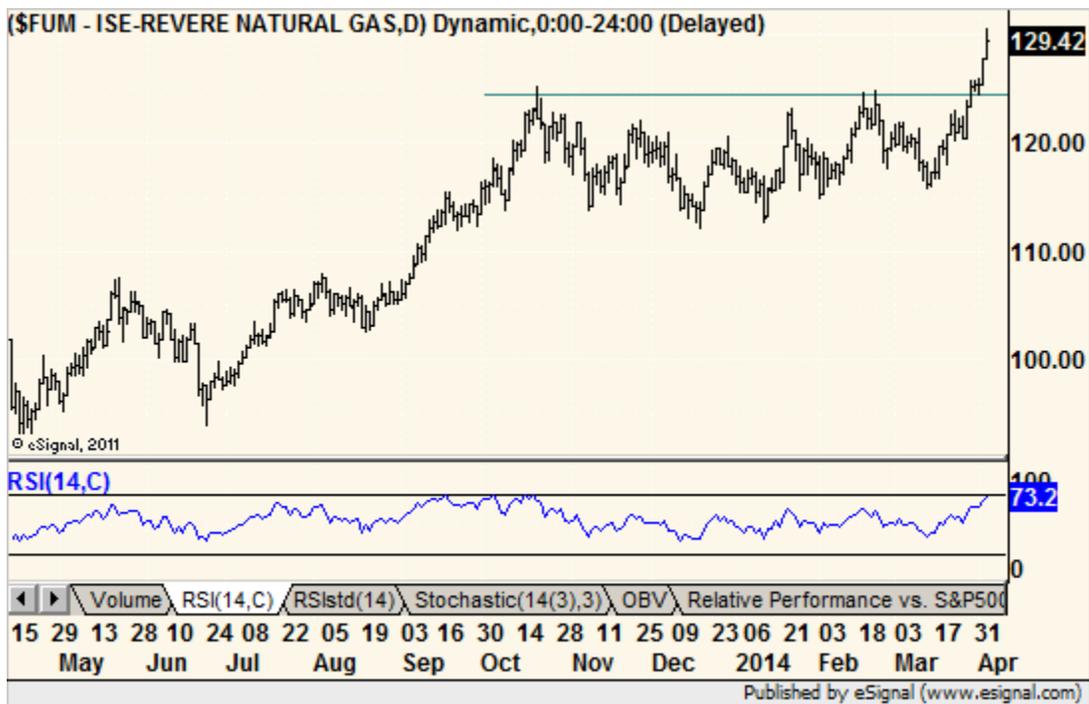
**Visa** - Trend is broken and support is at 211.50. Sell below that.



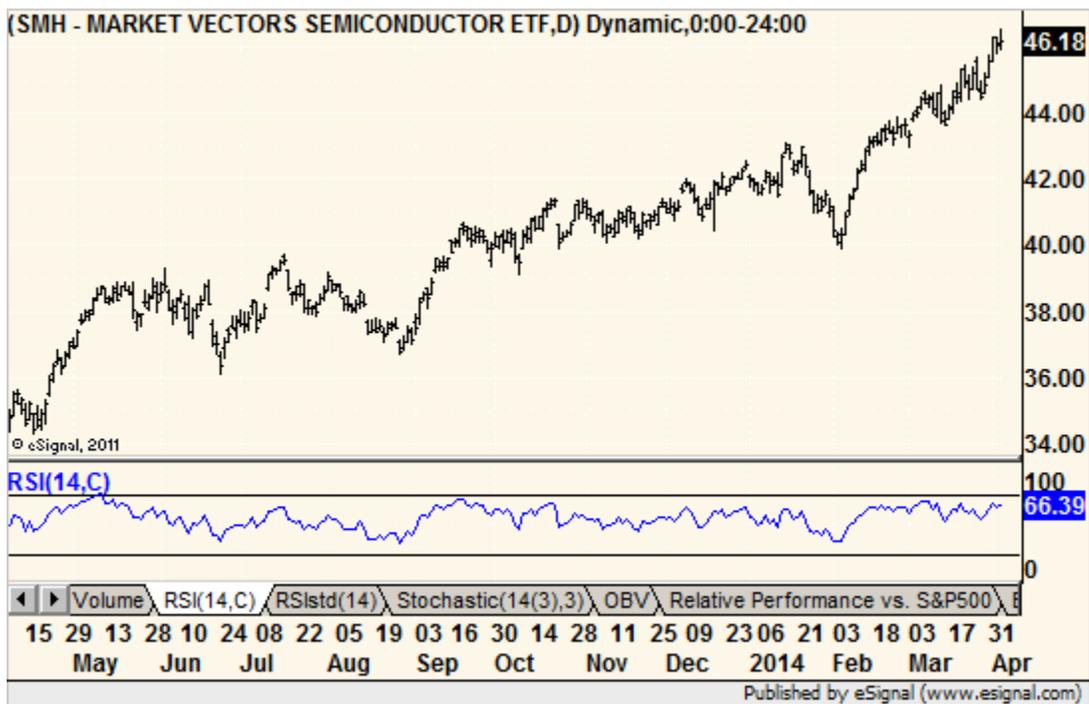
**Old Dominion** - This trucker has a bullish pattern.



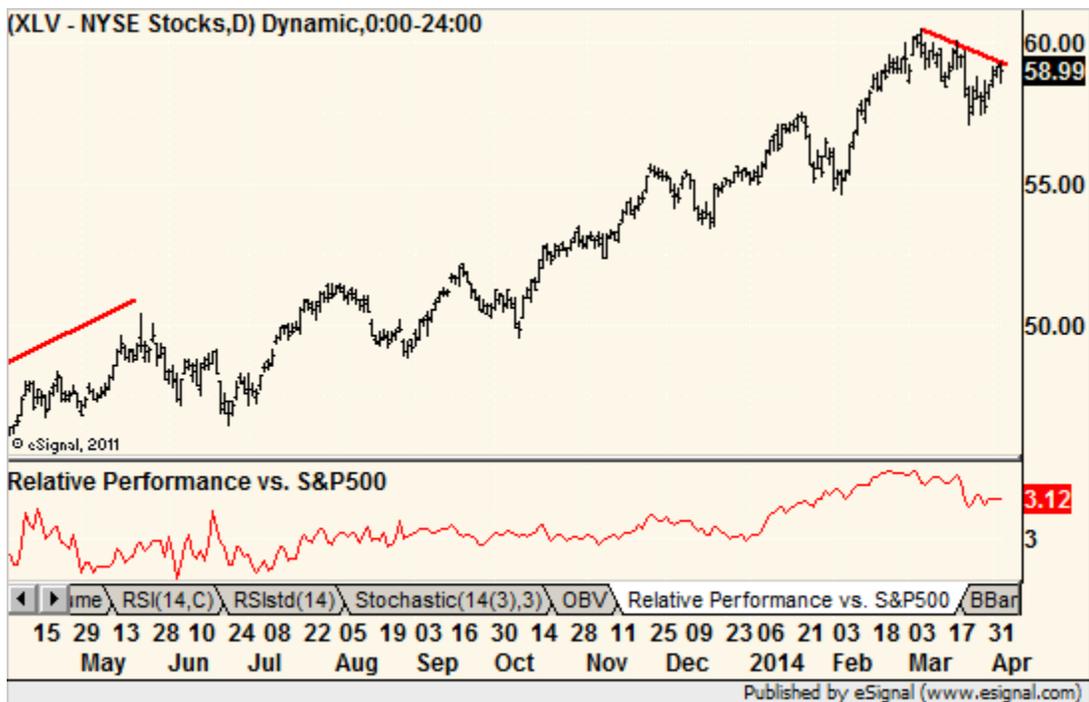
**Oil Exploration index** - Possibly a bit overbought but that is a breakout.



**Natural Gas stocks index** - Prefer a pullback here but that is a breakout.



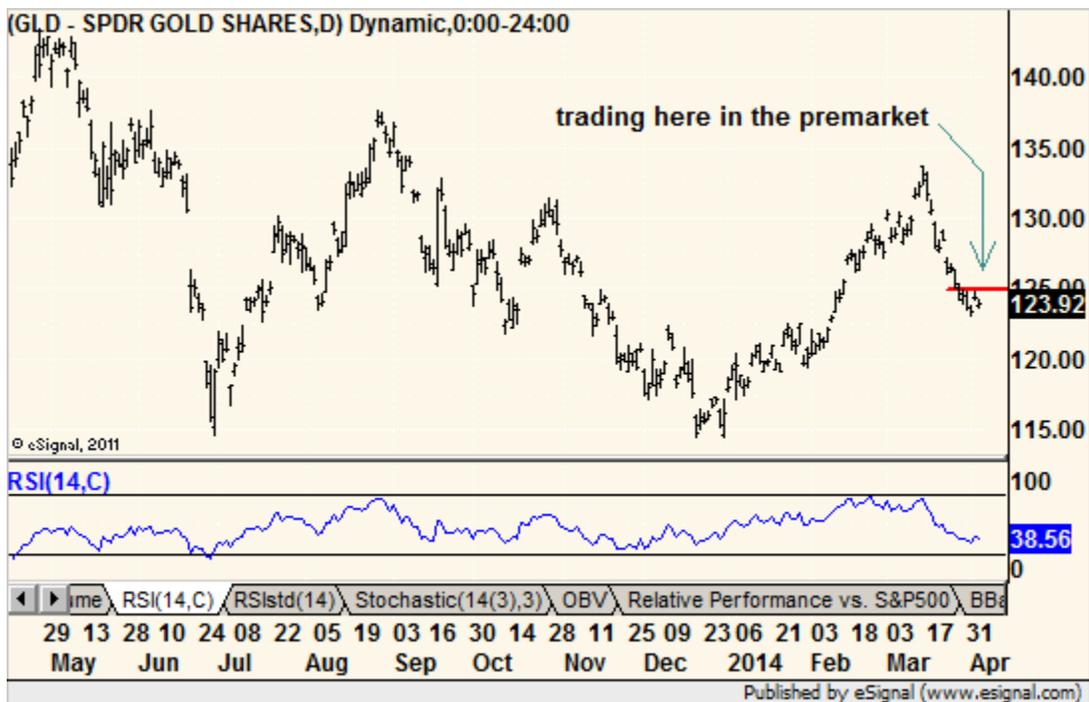
**Semiconductor ETF** - Clearly in good shape and not overbought.



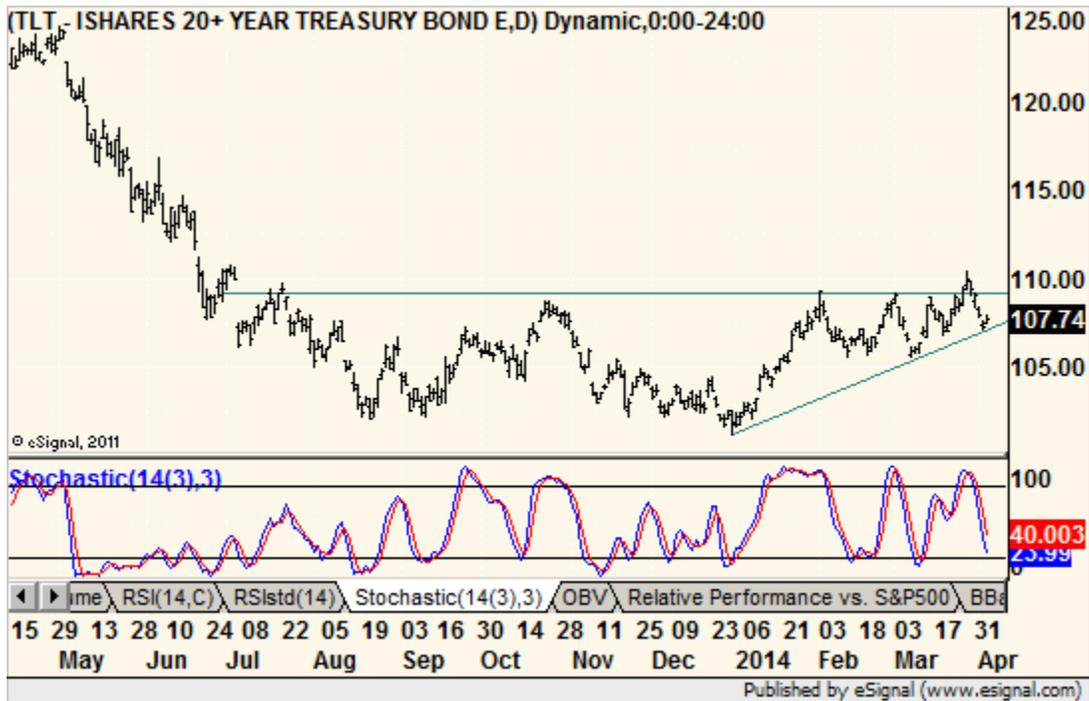
**Healthcare ETF** - No longer a leader. Watch to see if this bull flag breaks to the upside. We have a feeling that it will not since it is lagging quite a bit.



**US dollar index** - Up nicely yesterday and up a bit more after the jobs report today. But now at resistance.



**Gold ETF** - Trading higher after the jobs report. Not quite a breakout.



**Long T-bond ETF** - Not much movement in bonds post-jobs. Rising trendline meet resistance.

## 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	8.14	4.0%	8.00	7.83	1/23	70
	<b>CORN</b>	TEUCRIUM CORN FUND	34.64	9.7%	34.00	31.57	2/6	56
	<b>SYMC</b>	SYMANTEC CORP	20.03	7.1%	19.70	18.71	3/21	13
	<b>HAS</b>	HASBRO INC	55.77	0.3%	55.00	55.60	3/28	6
	<b>LNKD</b>	LINKEDIN CORP	180.00	-4.9%		189.29	3/28	6
	<b>AGCO</b>	AGCO CORP	55.08	1.0%	53.00	54.55	3/31	3
	<b>DO</b>	DIAMOND OFFSHORE DRILLING INC	48.34	-1.1%	46.75	48.90	4/1	2
	<b>PMCS</b>	PMC-SIERRA INC	7.63	-2.4%	7.30	7.82	4/3	0
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	26.80	-5.3%	27.00	25.39	3/11	23
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	45.97	0.3%	48.00	46.09	3/11	23
	<b>UPS</b>	UNITED PARCEL SERVICE INC	98.52	-2.6%	100.0	96.00	3/21	13

**Notes:** **LNKD** was stopped out but fortunately before the full force of yesterday's decline. Just a lousy trade.

We were triggered long in **PMCS** yesterday but then the stock sold off to end with a bearish reversal. Clearly, we should have waited for the close to avoid the reversal. But the pattern remains in effect so all is not lost.

## 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

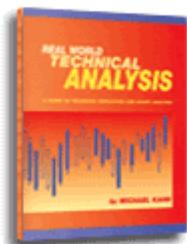
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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