

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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April 6, 2015 – Friday, the March jobs report was released and it was way worse than expected. While it is widely believed that it takes away any reason the Fed might have to raise rates sooner than they say they will, it also started to cast a shadow on corporate profits. Stocks fell. Gold rose.

And in what appears to be unrelated, oil rose. Blame the Saudis.

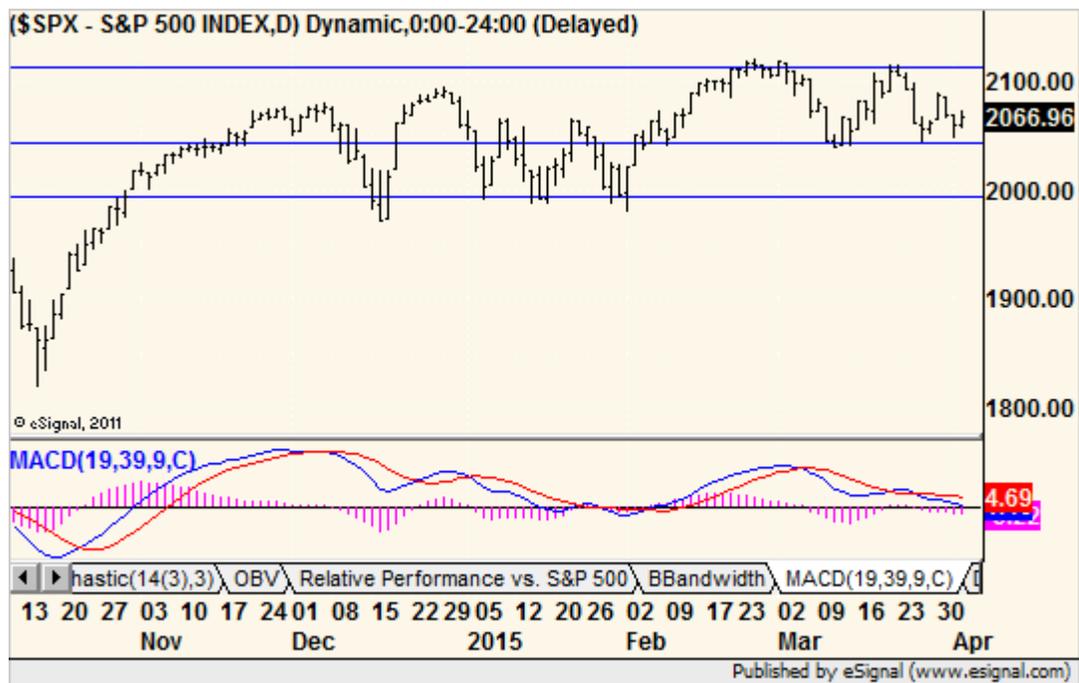
Whatever analysis we could have done based on Thursday's activity is out the window right now as the big deal on the charts is short-term support. We'll see that in the hourly chart below and again in the Index Charts of the Day section. We think the stock market soured a bit too quickly meaning sentiment may have gotten ahead of itself into the bearish side. However, with nearly the entire Advice Tracker pained in red we cannot ignore what is happening.



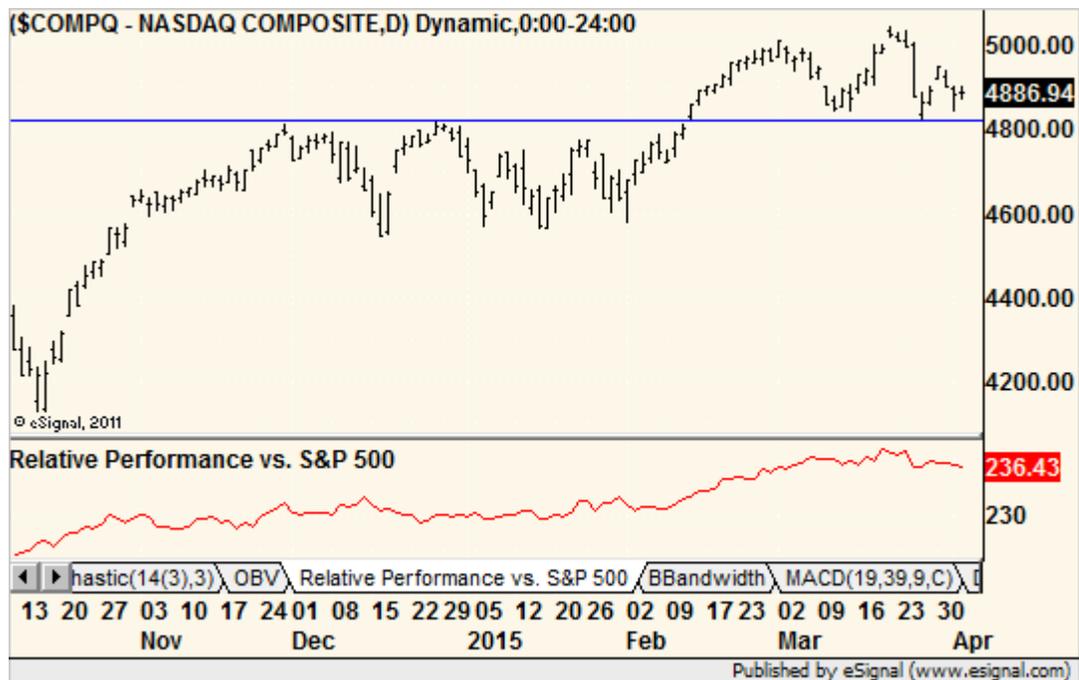
The hourly chart of the **SPY** shows the overnight/over-weekend drop but with respect for support. It feels gloomy but it is not that bad. At least not yet.

Observation – While we are still nearly all long, notice that some of the short setups from the Holding Tank were moved the bear section in the Radar Screen below. Most of the Advice Tracker is red right now and that, of course, is not good. However, we can glean info and prepare just in case this is a turning point in the market. But until proven otherwise, we still believe it is part of a correction at this time.

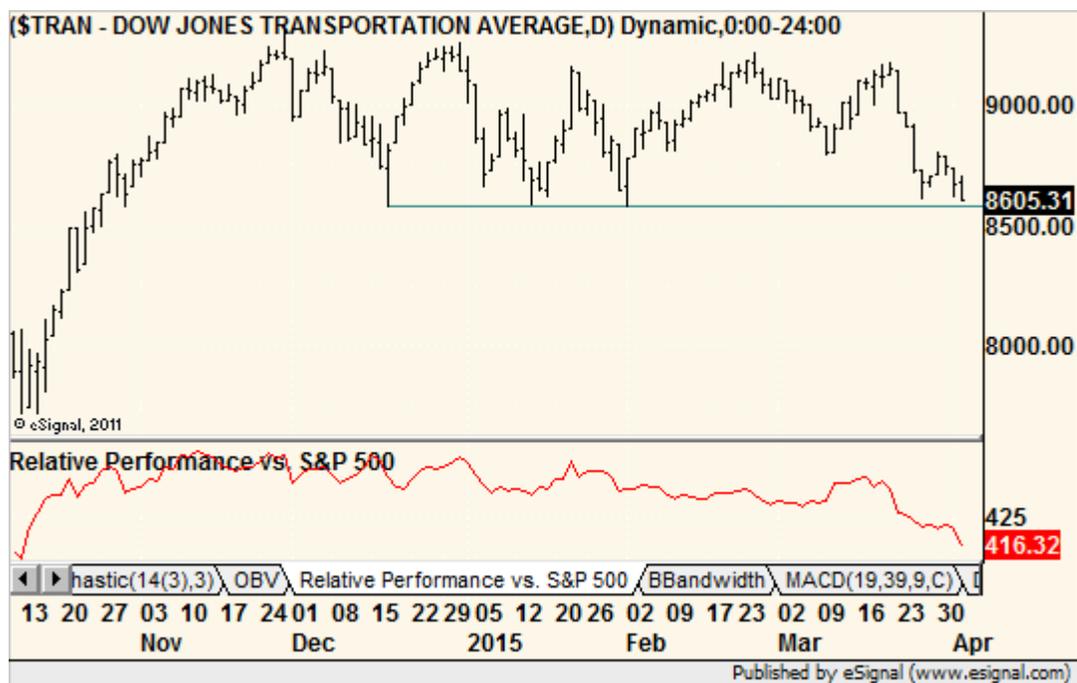
Index Charts of the Day



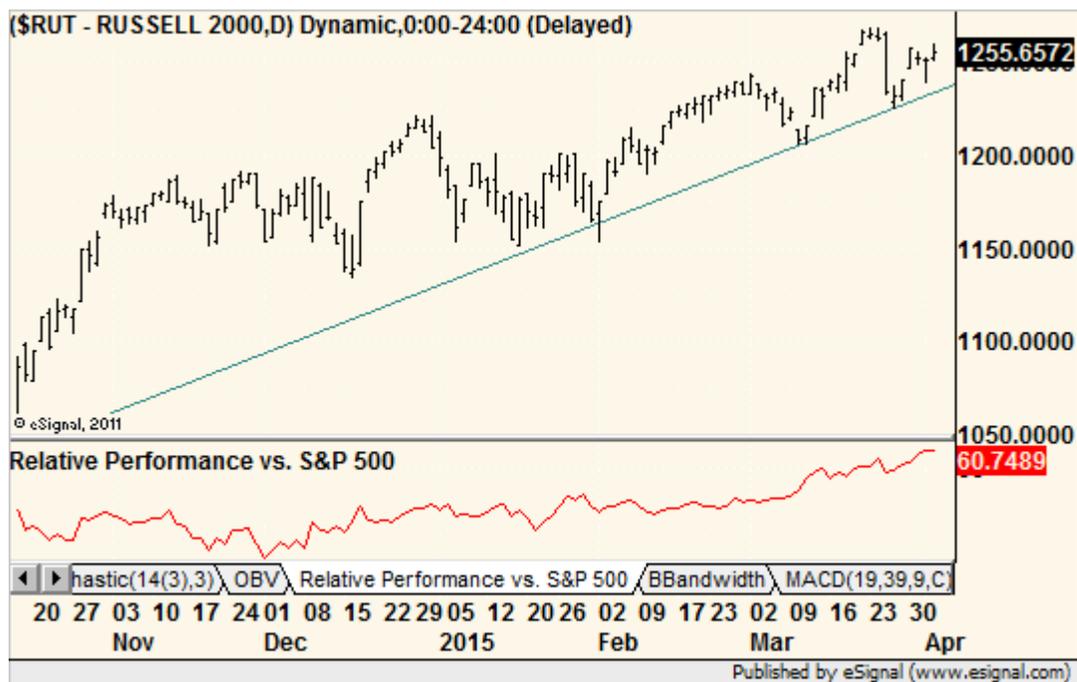
Changing it up a bit, we eyeballed new support and resistance lines on the S&P 500. With overnight weakness, the middle line is under attack but still holding. MACD is still above zero so that is good.



The Nasdaq is also holding its support.



Transports may break support at the open. Will it stick? The Nasdaq version (possible symbol TRANQ depending on your data service) is still well above its support.



The Russell 2000 still looks to be in rather good shape.

The Radar Screen

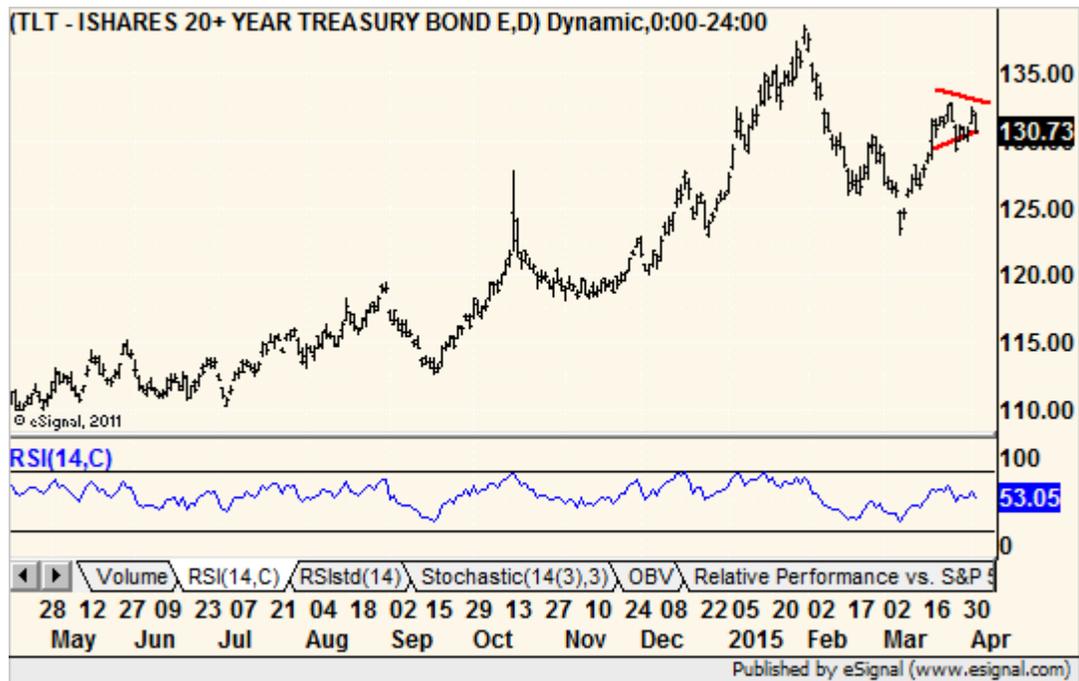
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
HR Block HRB – Already below both major averages. Sell a close under support 31.50. Up two days in a row on weak markets. Starting to lift off support so we flip to bullish and will by now.	Triggered	3/31
Silicon Motion Technology SIMO – A Charles Payne semiconductor pick. We like the bull flag with clear breakout point at the 50-day average. Rising stochastics bottoms as prices fell are also bullish. Buy close over 27.50.	Moved	4/2
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.		3/30
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.	Moved	3/30
Illinois Tool Works ITW – Just a stock on bear watch with falling on-balance volume and stalled rally. Sell close under 96/10	Moved	4/1
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
Standard Pacific SPF – This homebuilder is the embodiment of a stock in a strong group that is just making its move to catch up. A trendline breakout, test and resumption of the rally. On-balance volume high a new high. Buy the dip.		3/30
General Mills GIS – This cereal maker was already on the move before corn was crushed yesterday. This is a nice breakout but it is a bit overbought. Buy the dip.		4/1
Briggs & Stratton BGG – This small engine maker looks encouraging with a big base and rising on-balance volume. Waiting for it to get closer to resistance.		4/1
Sprouts Farmers Market SFM – This is an organic foods retailer in competition with WFM . The chart has a breakout with on-balance volume already nearing its old high. Investor's Business Daily had this on a list of good earnings stocks to weather a correction. Waiting for a dip.		4/2

Continued on next page...

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, GOGL		3/20
Homebuilders – ITB ETF successfully tested long-term breakout		3/20
Semiconductors – nice rebound. Bullish		3/30
Biotech – A bit more downside than we expected. <u>And now on the cusp of erasing bullishness.</u>		3/30
Broadcasting – watching support. Check out ETM below		3/31
Specialty Chemicals – Bounced off major support. Check out bull flags in ECL and IFF . CBT possible catch-up candidate.		3/31
Laredo Petroleum LPI – Think shale oil is dead? This one has a nice base. CPD, OAS, SN	New	4/6
Range Resources RRC – Explorers and producers are not bad, either. This one has a possible double bottom. PXD, SM, XEC, NFX	New	4/6
Updates		
none –		

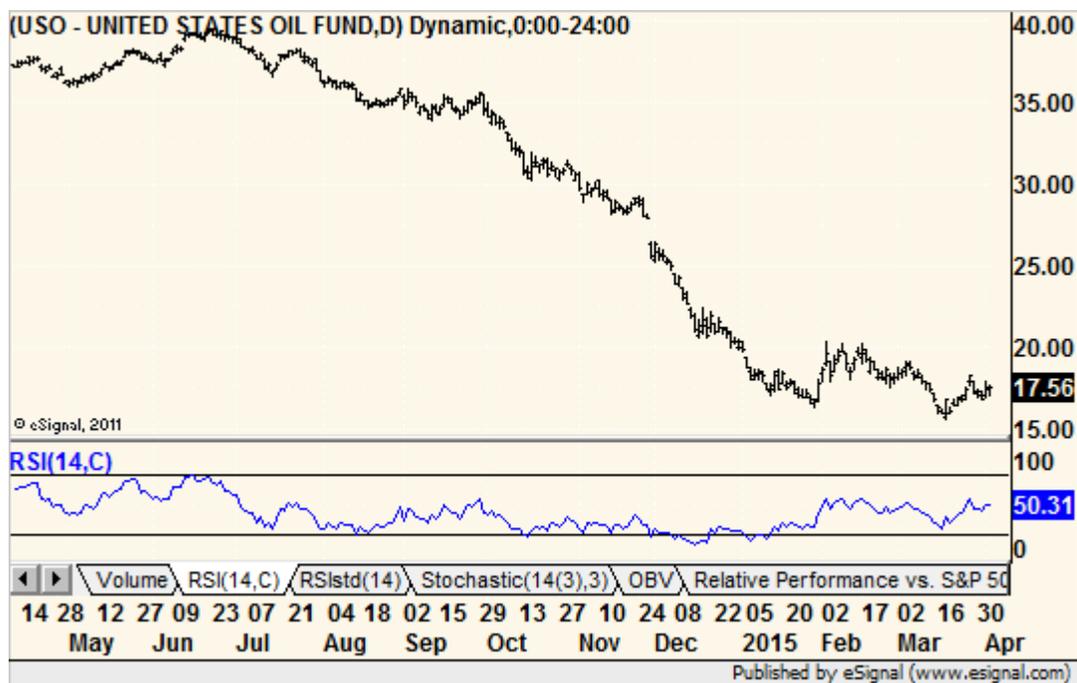
Market Highlights



T-Bonds ETF – Possible pause in a rally.



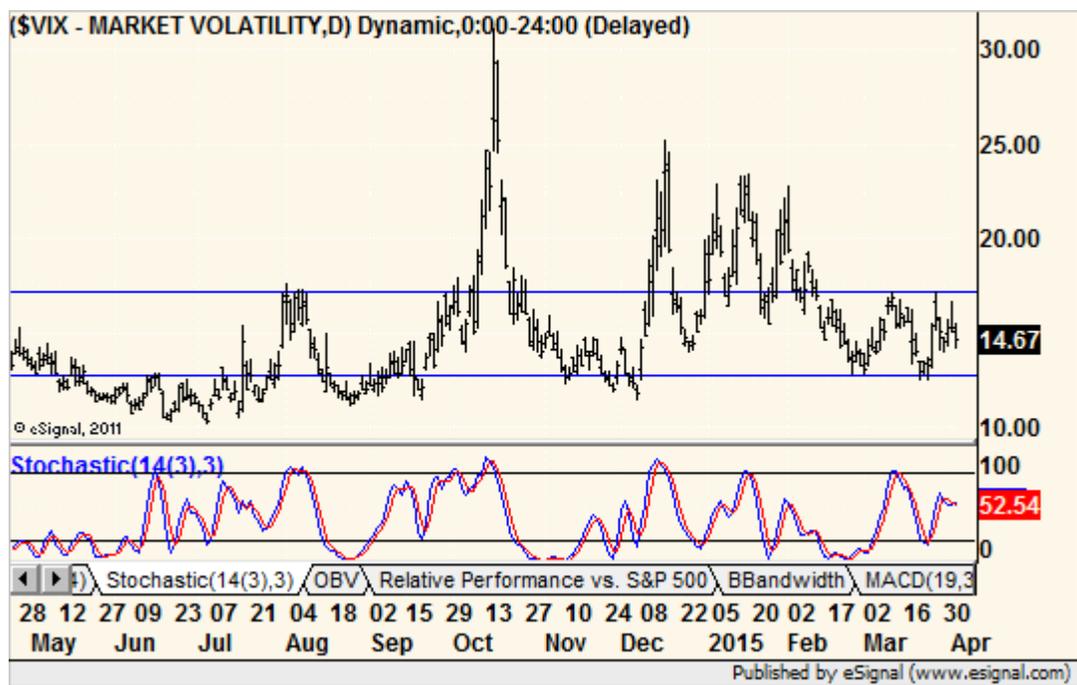
Gold ETF – This jumped after the jobs report but it is still below a rather strong resistance. Note on-balance volume still mostly falling.



Oil ETF – It jumped overnight but not out of its very tight range. However, in the bigger picture it still sports a bullish RSI divergence. Current events may not spark anything but it does look as if things are changing for the better in the big picture.



NYSE advance/decline – Still in a rising trend.



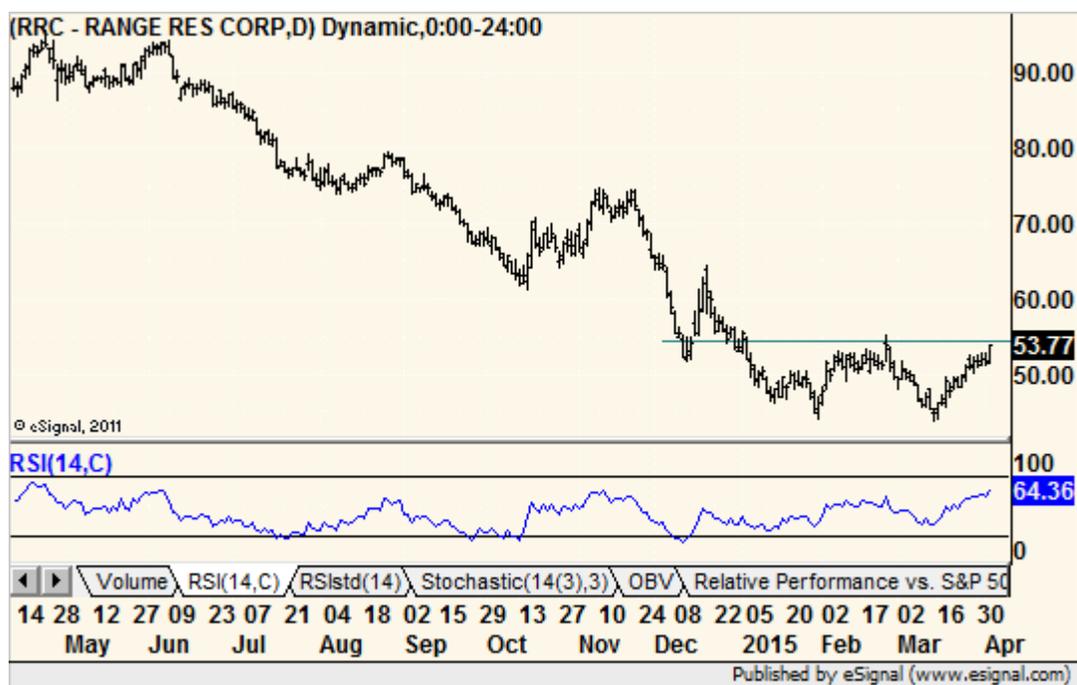
VIX –The Fear index is not high and not low. Nothing to see here – meaning no panic and certainly no complacency.



Entercom – We have broadcasters in the Sector Watch section above and while this stock was not the driver in Thursday’s sector gain it does look poised to break out, assuming the market does not fall apart. Nice trading range, above both averages and rising on-balance volume.



Laredo Petroleum – Think shale oil is dead? This one has a nice base. **CPD, OAS, SN.**



Range Resources – Explorers and producers are not bad, either. This one has a possible double bottom. **PXD, SM, XEC, NFX**

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	95.83	-1.1%	95.00	96.91	3/10	26
	WMT	WAL-MART STORES INC	80.73	-3.1%	80.50	83.29	3/16	20
	YHOO	YAHOO INC	44.15	-1.8%	43.50	44.98	3/19	17
	FWM	FAIRWAY GROUP HLDGS CORP	6.83	11.1%	6.60	6.15	3/30	6
	FB	FACEBOOK INC	81.56	-2.7%	80.00	83.81	3/30	6
	NBR	NABORS INDUSTRIES LTD	14.07	-0.1%	13.50	14.08	4/1	4
	CBI	CHICAGO BRIDGE & IRON CO	47.90	-2.3%	45.50	49.01	4/1	4
	HRB	BLOCK H & R INC	32.15	-0.3%	31.50	32.26	4/2	3
<u>Short</u>	none							

Notes: One new long **HRB** at Thursday's open.

Raised stops on **FWM** and **NBR**.

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

Note to Cat – We do not use moving averages for hard support and resistance. Rather, they are guides. And now with the market mostly flat for months the longer averages have flattened out making them even less useful.

Other Information

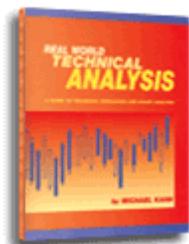
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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