

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

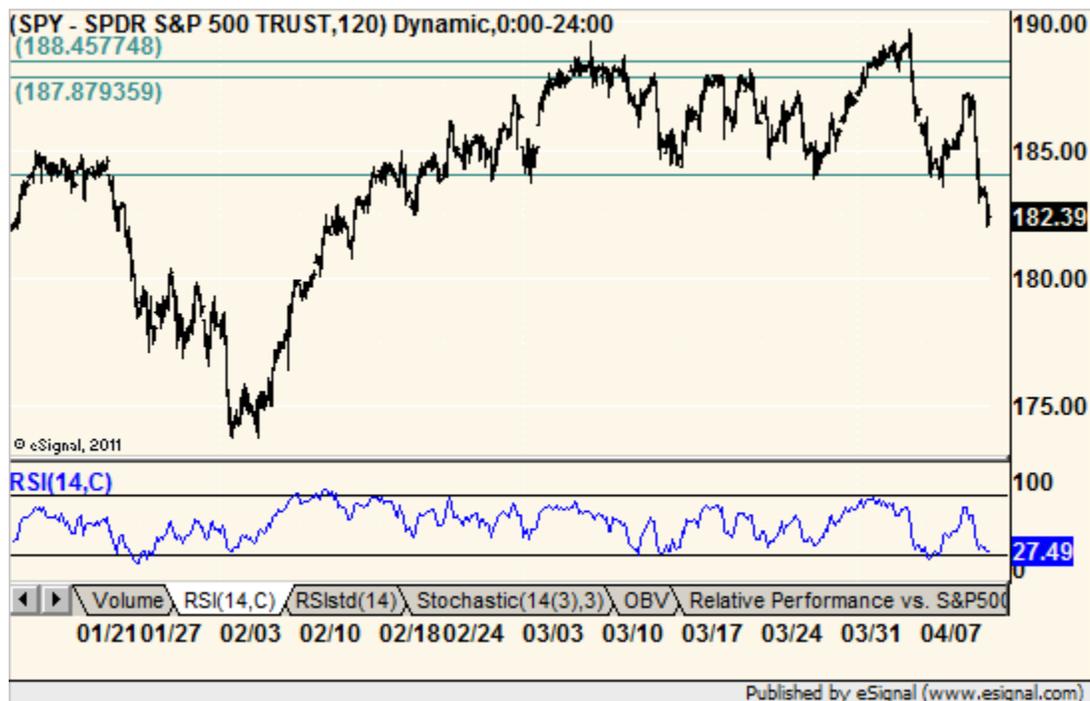
**April 11, 2014** - There are so many way we can go to discuss the market today. From the seemingly prevailing attitude among pundits that this is merely a rotation away from tech and biotech into big cap value to it only being the momo stocks taking a beating, there is no lack of excitement to buy this dip.

The charts show otherwise. Important technicals are broken and the Nasdaq and Russell, which should lead in bull markets, are getting their heads handed to them.

The other usual suspects to lead in a bull markets - financials and consumer discretionary - are also getting killed. And the leading consumer discretionary - that's right, the defensive sector was leading - reversed at resistance.

Energy, utilities and to a degree basic materials are leading. That is not a bull market configuration. Neither is having most of the major sector ETFs below respective 50-day moving averages.

We said yesterday, following a rant of course, that it would be a kick in the pants if the market fell after the secret Fed decision to lower the unemployment trigger for raising rates. We did not expect it to happen yesterday but the market has spoken. The Fed's influence is used up and will remain that way unless they say they there will be more QE.



Today, we have a 2-hour bar to fit more data into the chart. As you can see, the SPY is definitely broken. The last swing up from support - the two-day Fed rally - ended short of resistance and that is bearish, too.

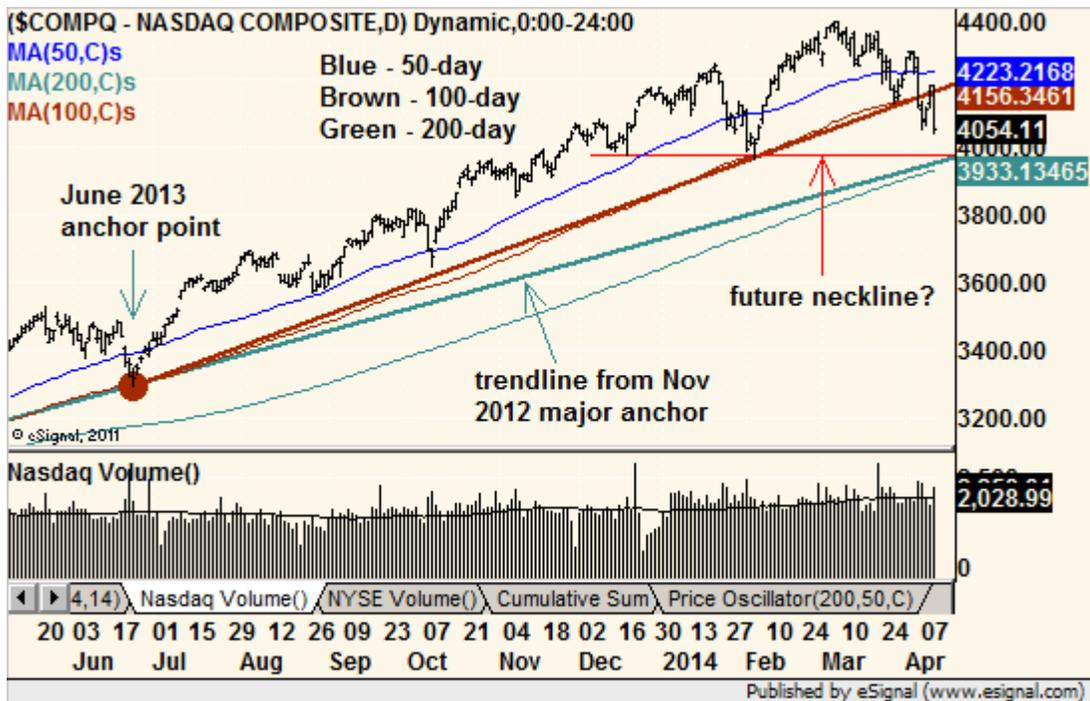
The dollar is at support but gold remains in a short-term rising trend. The chart below will show the latter now at resistance.

Oil is closing in on resistance, too, while natural gas looks strong.

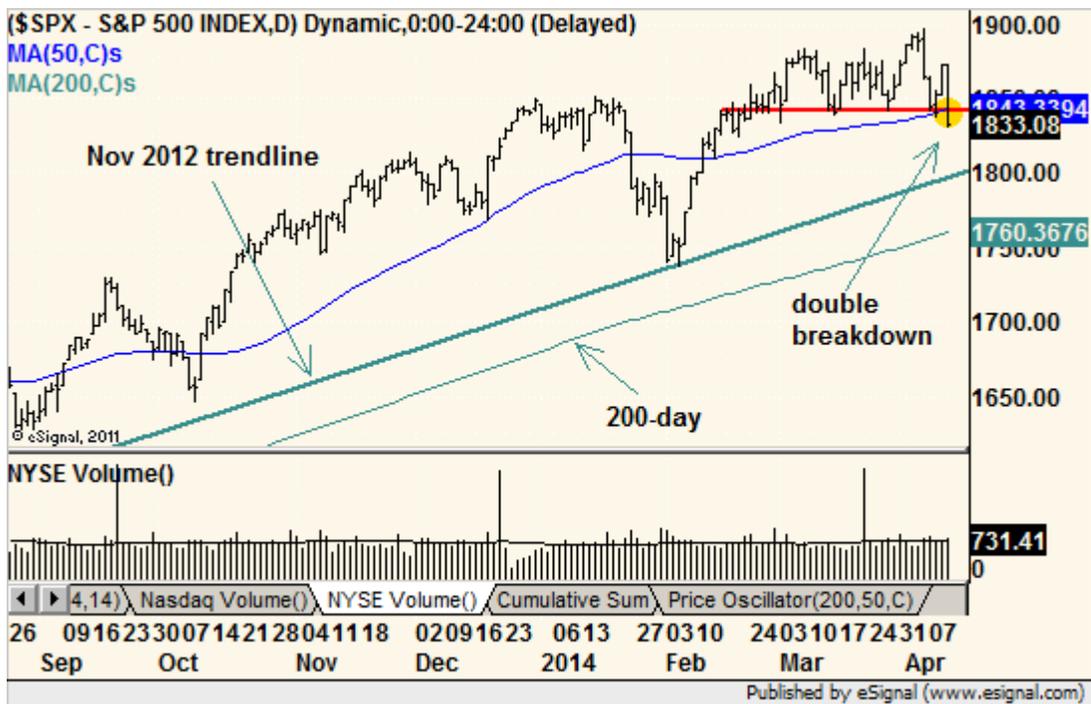
## Index Charts of the Day



The Dow successfully tested its short-term trend break and on-balance volume is weak. The March low is the key right now but consider that this index is only at a three-week low. Not a disaster.



We don't often look at the 100-day average but it now overlays the intermediate-term trendline from June. The Nasdaq closed below it for the first time since Dec 2102 - not long after the long-term trendline began. We do not see the decline ending until the 200-day and Nov 2012 trendline are reached. It may set up a H/S neckline there, too.



The S&P 500 is getting some headlines by closet technicians for falling below 1840. That breaks the trading range and the 50-day average and puts it on track to hit the Nov 2012 trendline in the low 1800s.



The transports have a breakout failure in place and now sit on range support and 50-day averages. The trendline from August is also in the area. A breakdown now would target the 200-day average just under 7000.

## 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 buy on April 9 at the 61.8% Fibo at 121.80. Possibly too aggressive a downside but we'll hold it for now		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 on close		4/2
<b>Highwoods Properties HIW</b> - This is an office and industrial REIT and it is testing resistance at 38.50. <b>On-balance volume changed to falling</b>	<b>Removed</b>	4/3
<b>Bearish Implications</b>		
none -		
<b>Unknown Implications</b>		
none -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Newmont Mining NEM</b> - Now approaching the neckline of an inverted H/S		3/28
<b>Home Depot HD</b> - Watching a long, slow topping process.		4/8
<b>Yahoo YHOO</b> - Tested breakdown. <u>Waiting to sell a bounce</u>		4/8
<b>Nike NKE</b> - Weekly double top in progress. If the bounce stalls at last week's high and then the stock falls, it would set up a big short on the support break.		4/9
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Energy</b> - Resilient and leading		3/31
<b>Utilities</b> - Still looking strong		3/31
<b>Natural Gas stocks \$FUM</b> - Looks like a successful test of a resistance breakout		4/4
<b>Updates</b>		
none -		

## Market Highlights



Long T-bond ETF - No lines need. The trend is up.



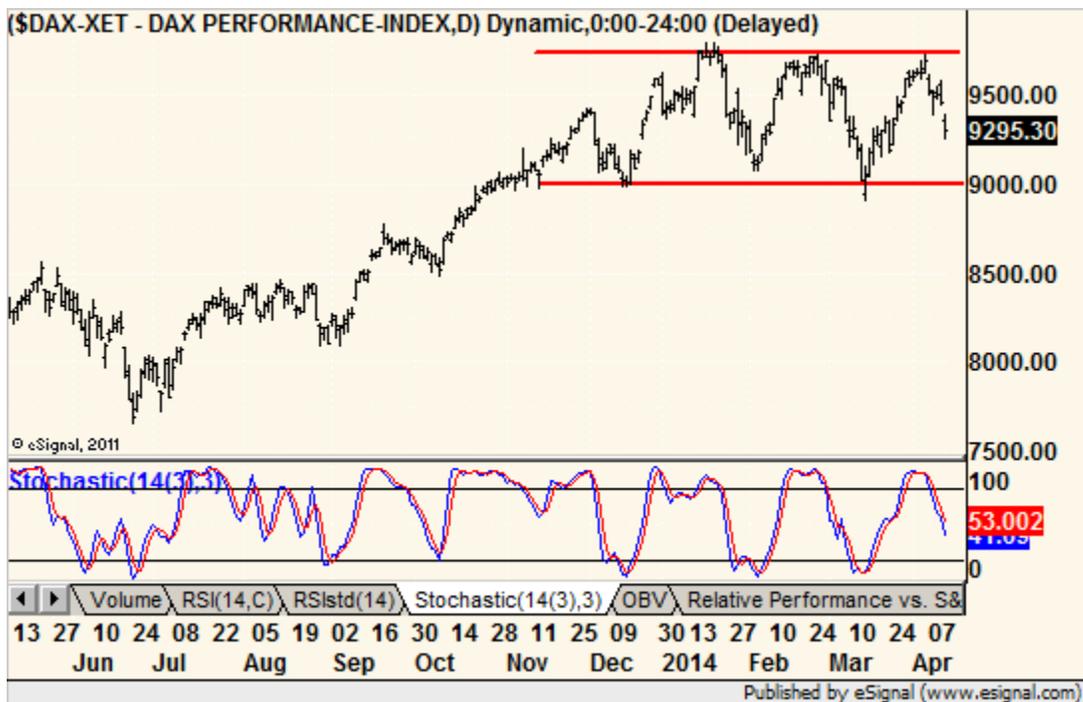
US Dollar Index - If it is going to bounce, this a good place to do it.



**Gold ETF** - Now at resistance. On-balance volume seems to be rising a rather slow pace. And silver is still doing nothing.



**Gold miners ETF** - Fell at the 50-day average yesterday. Volume seems a bit light, too.



**Germany DAX index** - Just some perspective. The current decline is still officially a swing within a large trading range.



**Australia ASX index** - This chart is a lot stronger looking on the surface but the past three days sport a breakout failure and an evening star formation. Bearish.



**Japan Nikkei Index** - The media called this a death cross but the averages have not yet done that. But the chart is ugly, that is for sure. Partially because the yen is rallying.



**Social Media index fund** - Break and test of the 200-day average. This is in rough shape.



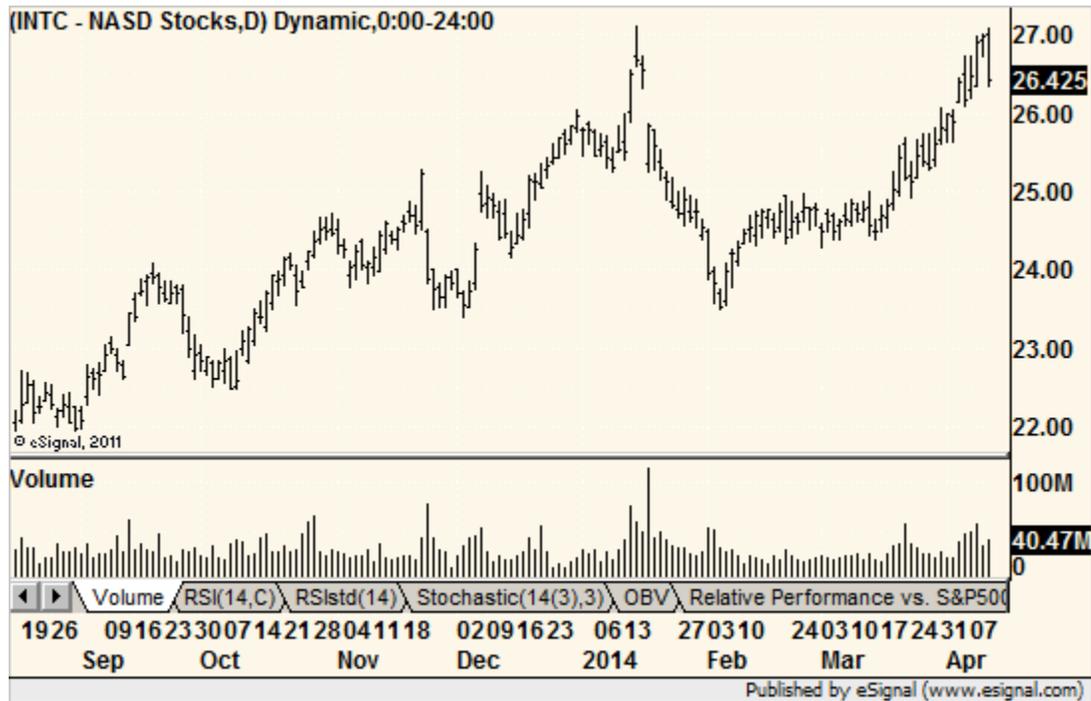
**Nasdaq Biotech ETF** - Volume has been huge as they rush for the exits. This one is stilling on the 200-day but other measures of "biotech" are above and below respective averages.



**Asset Managers index** - This is a short-term break but within the group there are plenty of moving average and support breaks. We wonder if the market is punishing them for having a complacent "this is a buying opportunity" attitude.



**General Motors** - Death cross and support break.



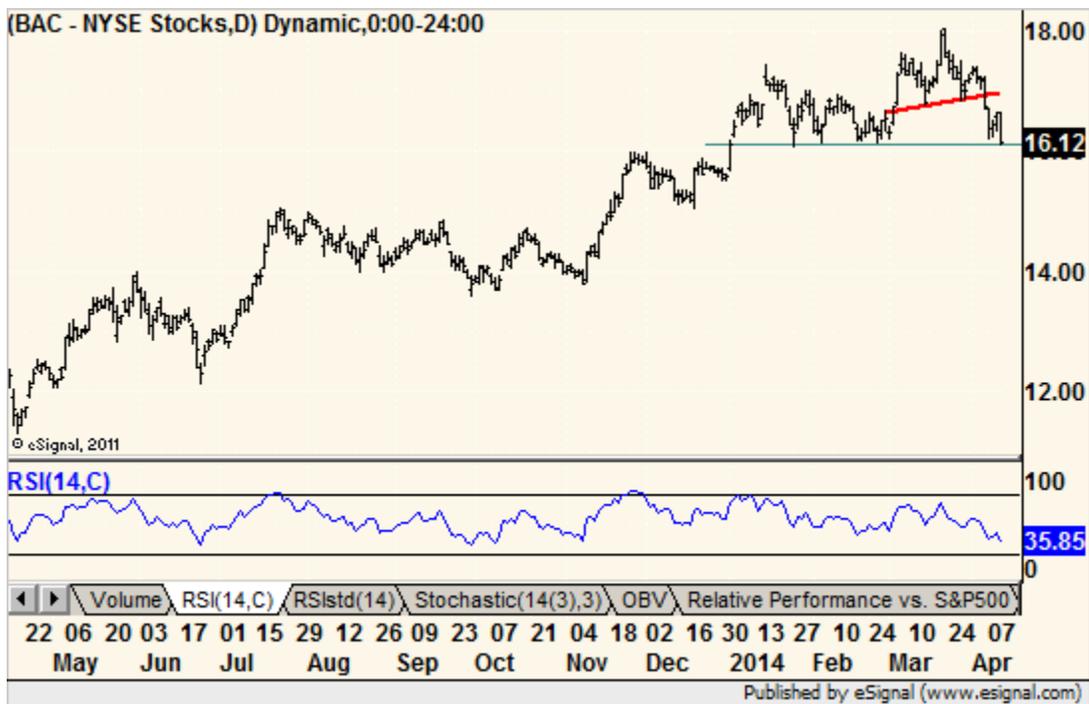
**Intel** - Reversal at resistance.



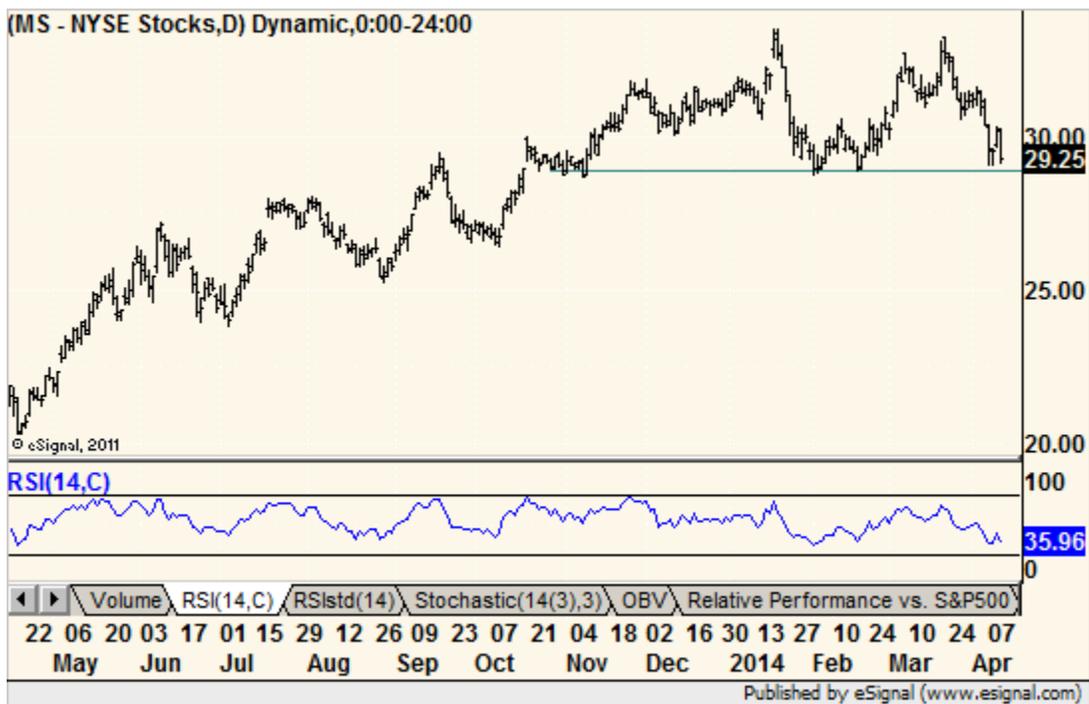
**Microsoft** - The new old darling (no typo) has a little H/S in play.



**JP MorganChase** - Earnings bonk. Financial sector stinks.



**Bank of America** - Breaking down in the premarket.



**Morgan Stanley** - Ditto. I wrote up **GS** yesterday for [ProfitableTrading.com](http://ProfitableTrading.com).

## 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	8.21	4.9%	8.00	7.83	1/23	77
	<b>CORN</b>	TEUCRIUM CORN FUND	34.66	9.8%	34.00	31.57	2/6	63
	<b>AGCO</b>	AGCO CORP	55.60	1.9%	sell	54.55	3/31	10
	<b>DO</b>	DIAMOND OFFSHORE DRILLING INC	47.33	-3.2%	47.00	48.90	4/1	9
	<b>TGT</b>	TARGET CORP	59.67	-3.4%	59.00	61.77	4/9	1
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	24.85	2.2%	26.00	25.39	3/11	30
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	42.58	8.2%	45.00	46.09	3/11	30
	<b>UPS</b>	UNITED PARCEL SERVICE INC	96.63	-0.7%	100.00	96.00	3/21	20
	<b>CVS</b>	CVS CAREMARK CORPORATION	72.93	1.3%	76.50	73.85	4/7	3
	<b>MNST</b>	MONSTER BEVERAGE CORP	64.04	6.2%	68.00	68.00	4/9	1

**Notes:** If you took the long in **TWTR** we hope you sold when it hit a new low. It was a spec trade and it did not work out. However, we would do it again in a similar situation.

We are selling the long in **AGCO** after Thursday's high volume reversal bar.

Believe it or not, **TGT** is still above its breakout trendline. We'll hold and let the stop do its job.

Today is ex-div day for **JTP**. We will likely sell tomorrow as it now sports a bearish RSI divergence.

Trailed stops for shorts in **JNPR** and **MNST**. The latter had a really big decline.

Here is the P/L for **SYMC**, which we sold at the open yesterday.

	<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>SYMC</b>	SYMANTEC CORP	20.57	9.9%		18.71	3/21	19

## 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 Wayne - You can buy **SH** now.



**Radio Shack** - Back in Feb, we saw a possible bullish RSI divergence (not shown). That failed and on-balance volume is still falling. No reason to buy. Probably should not sell until at least the red line breaks.

## Other Information

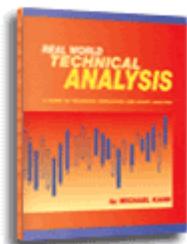
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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