

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

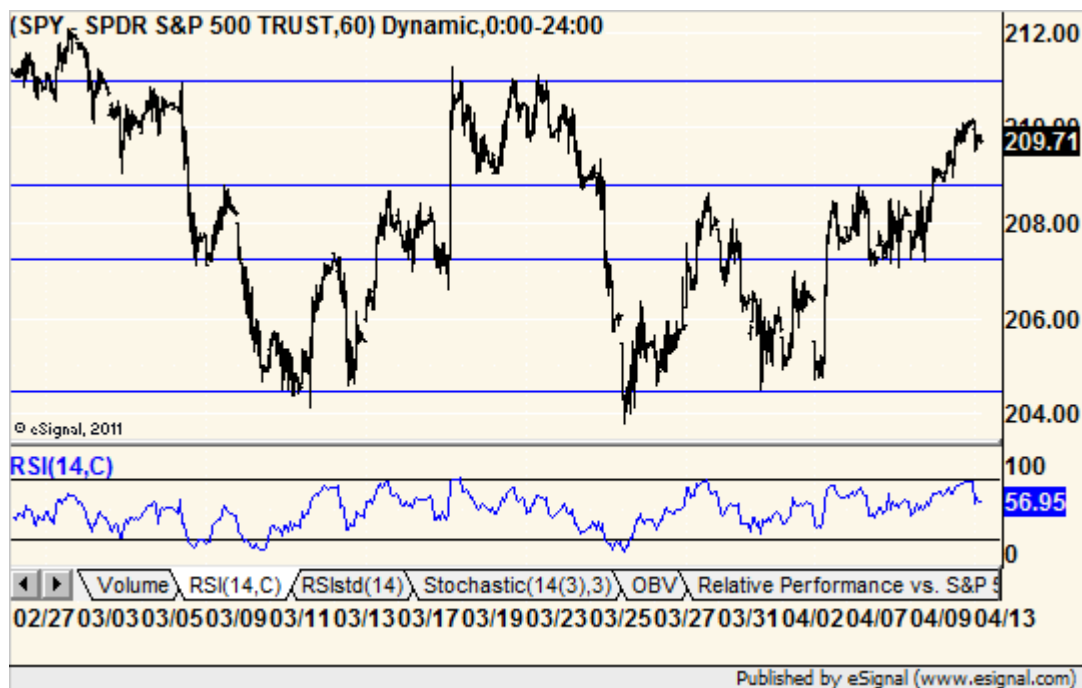
MICHAEL KAHN
RESEARCH LLC

April 13, 2015 – General Electric got the market moving higher Friday but we really cannot credit it for the steady afternoon gains that day. After all, its weight in the index is low and it is not exactly an iWatch maker or cancer curer. Indeed, its biggest accomplishment was getting out of the financial business. Did you notice that banks were in the red Friday while the Dow was up nearly 100?

This may have been a bigger statement on financials than the market itself.

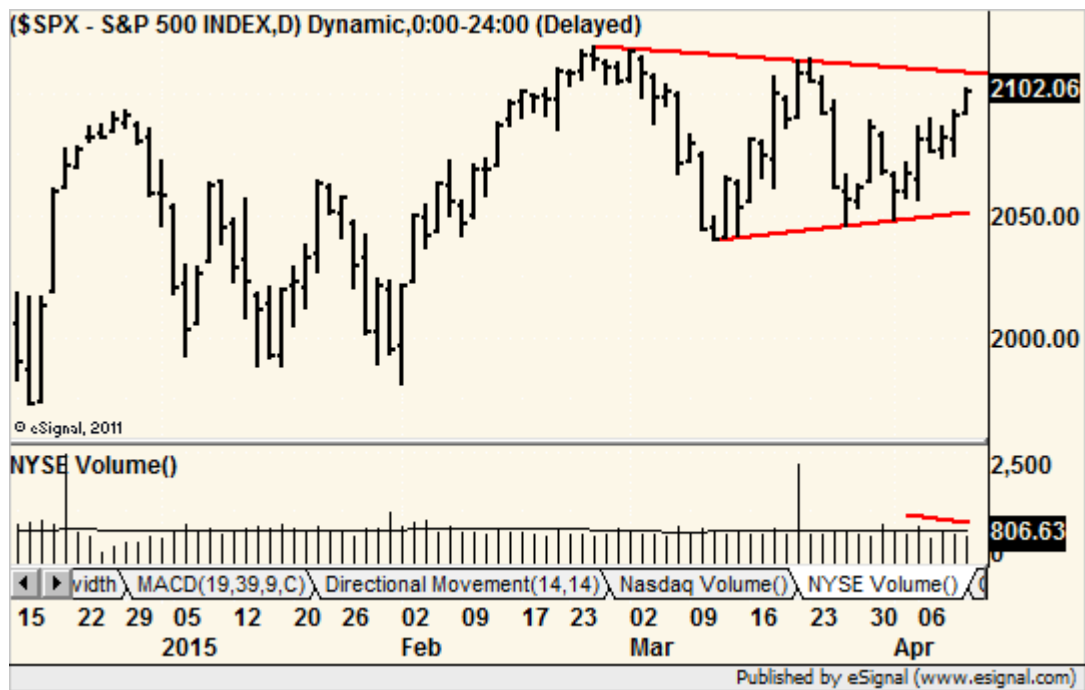
But why did the market really rally? Of course, technical analysts don't worry about that but there is one thing to note – Chinese stimulus. Shanghai and Hong Kong markets soared last week and kept the fun going overnight. Euro stimulus. Chinese stimulus. The market does not care where the cash originates as long as it is forced into equities.

One other item to consider is the dollar, which is back in rally mode in a big way. The talk of bubbles is ramping up, too, but we do not see the argument for that on the charts. True, it is a fierce trend but in the scheme of things it is still small – and short-term. Of course, we won't be blind to changes but for now we cannot argue against the dollar. And that means we cannot argue for gold – at least not when its chart is not doing much.

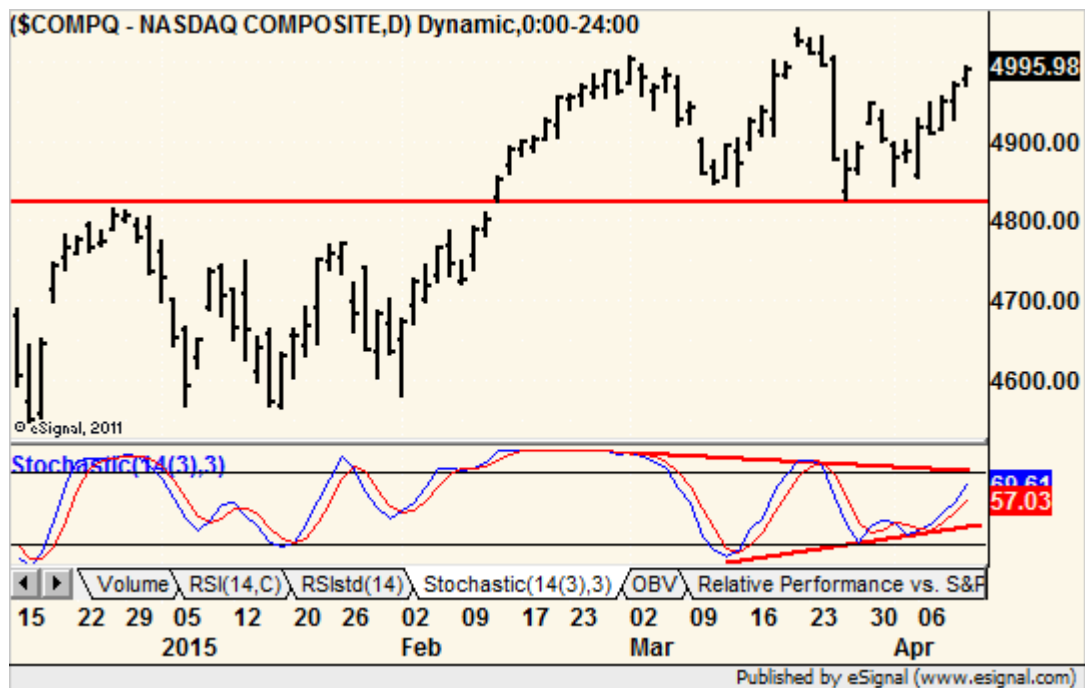


Check out the hourly **SPY** chart once again. Resistance breached and prices ran up. They got overbought and dipped but the path right now is higher to the next resistance level. As we always suggest, check out the daily charts below because the S&P 500 is right now at the upper border of a triangle pattern.

Index Charts of the Day



Volume suggests this index is not quite ready to break out.



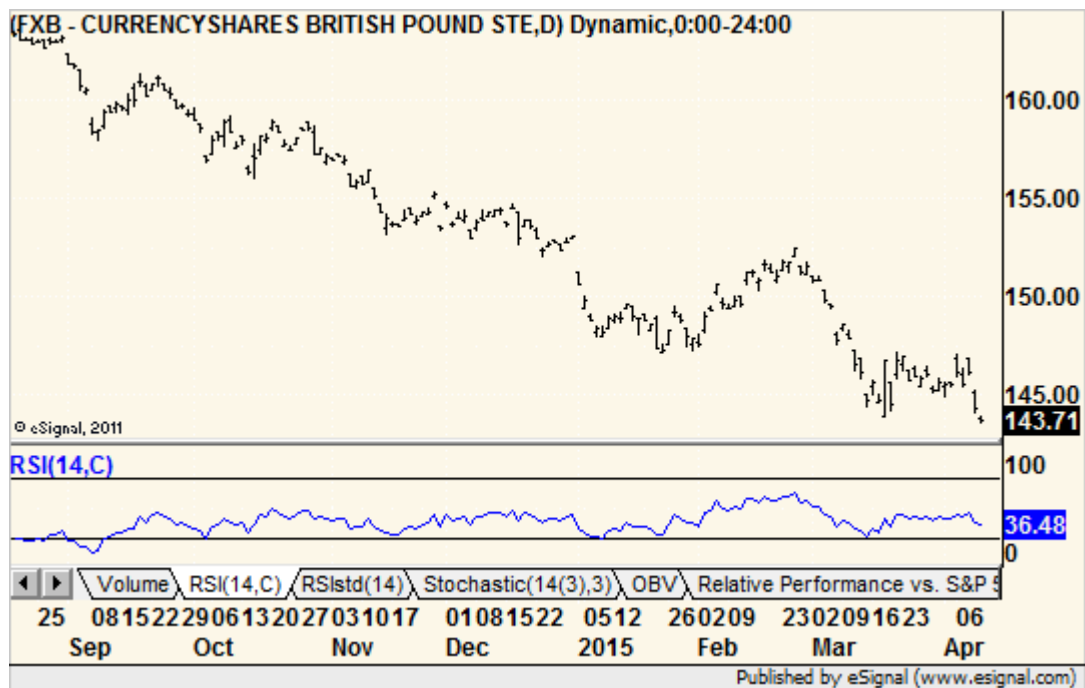
We were concerned that the Nasdaq was forming a head-and-shoulders top but the right shoulder seems to be too big already. And rising stochastic bottoms suggests more of a trading range than a top. Of course, it can still break down but we think the odds are still with the bulls.

The Radar Screen

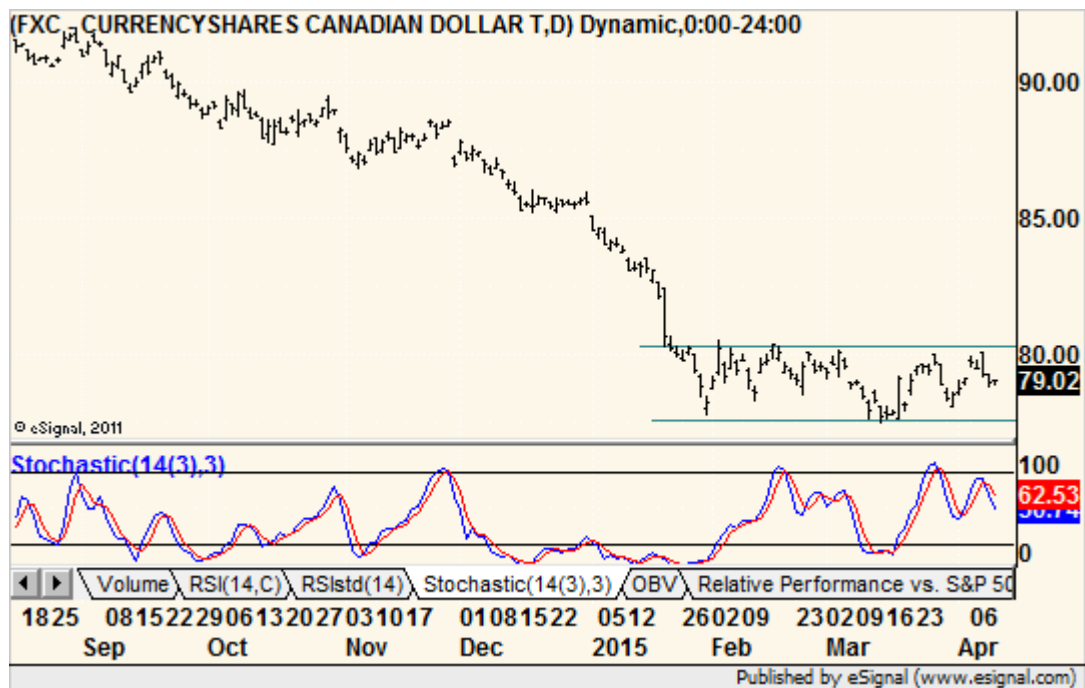
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
General Mills GIS – This cereal maker was already on the move before corn was crushed last week. This is a nice breakout but it is a bit overbought. Buy the dip to 55.25. <u>Not cooperating.</u>	Removed	4/1
FireEye FEYE – A cyber security stock with a bull flag sitting on the 50-day average. We like that on-balance volume did not drop during the flag's price decline. Buy close over 41.40. Closed up more than 5% so no trade. <u>If you bought it anyway, keep it. We have to play the odds.</u>	Not Triggered	4/9
Philip Morris Intl PM – We tried tobacco before. This one finally reached long-term support (not shown) and sports a small bullish RSI divergence. Waiting for a little more strength and we'll go after its huge dividend. Close over 78 breaks 20-day expo. A good place to buy		4/9
Bearish Implications		
Keurig GMCR – A stock on precipice. It has a moving average death cross in February. Now that it bounced we will sell under 111.		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		4/1
Holding Tank - red shade leans bearish, green shade leans bullish		
BP BP – Hoping for a drop to support but now looks ready to break above resistance.		3/12
Viacom B VIAB – Strong on-balance volume suggests this will break trendline. <u>Currently near 70 even.</u>		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 rally resumption. On-balance volume a new high. Buy the dip. <u>A little more please</u>		3/30
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. <u>But the setup is starting to fade.</u>		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. <u>A little more.</u>		4/2
Williams Sonoma WSM – Weakening retail. Aa break of the 50-day average with falling on-balance volume.		4/10
Sector Watch (observations that may spark ideas)		
Specialty Chemicals – Bounced off major support. Check out bull flags in ECL (breakout) and IFF . CBT possible catch-up candidate.		3/31
Shale Oil – Think shale oil is dead? Nope. CPE, OAS, SN, LPI		4/6
Oil Explorers/producers – RRC with possible double bottom. PXD, SM, XEC, NFX		4/6
Heavy Construction – cup-with-handle-like bottoming pattern. FLR almost there		4/7
Consumer Discretionary ETF XLY – Triple top or continuation rectangle?		4/10
Aerospace/Defense – stronger sector. BA has a bull flag.		4/10
Updates		
Morgan Stanley MS – Bear reversal Friday killed setup.		
Goldman Sachs GS – Rallied Friday against the weak banking sector.		

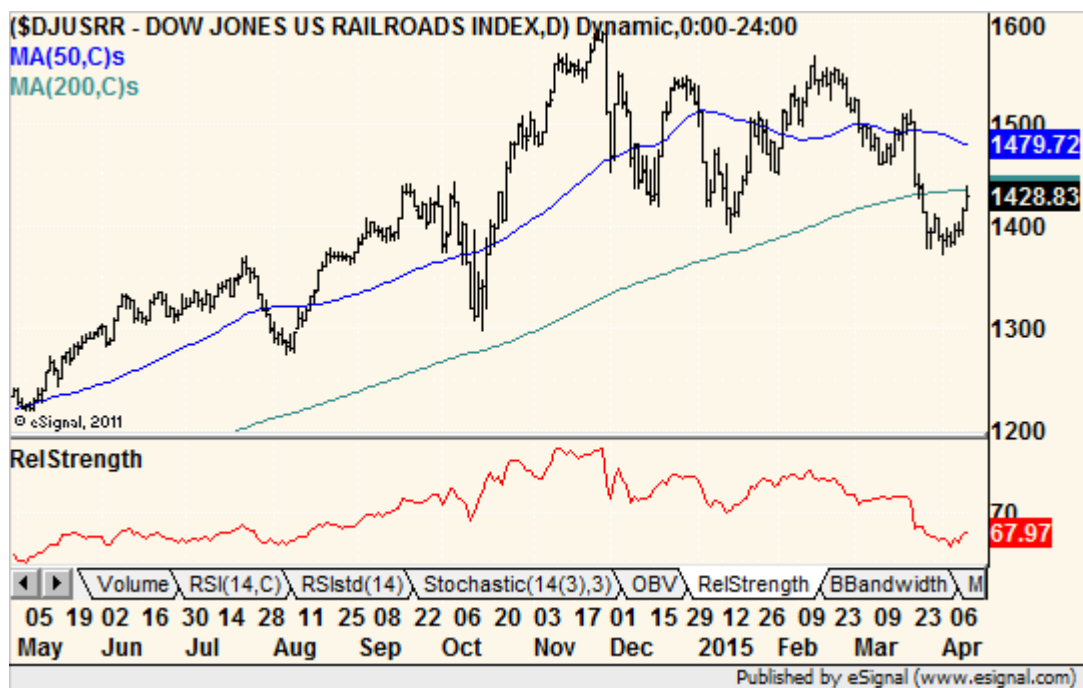
Market Highlights



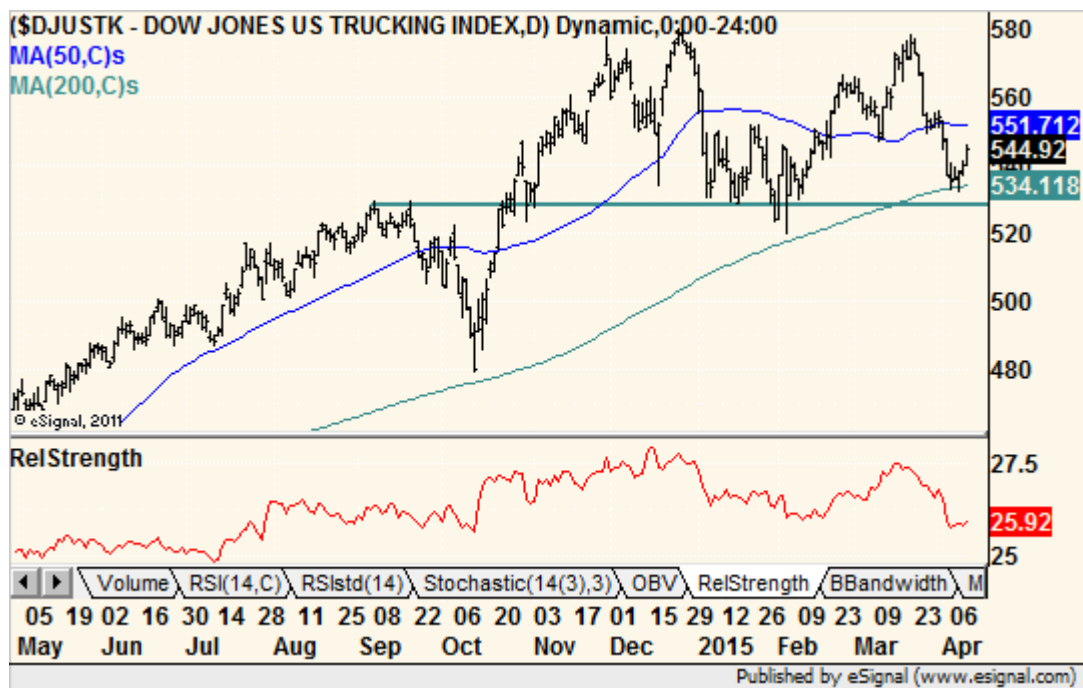
British pound – While the euro trades off its lows, sterling notched a fresh new low of its own.



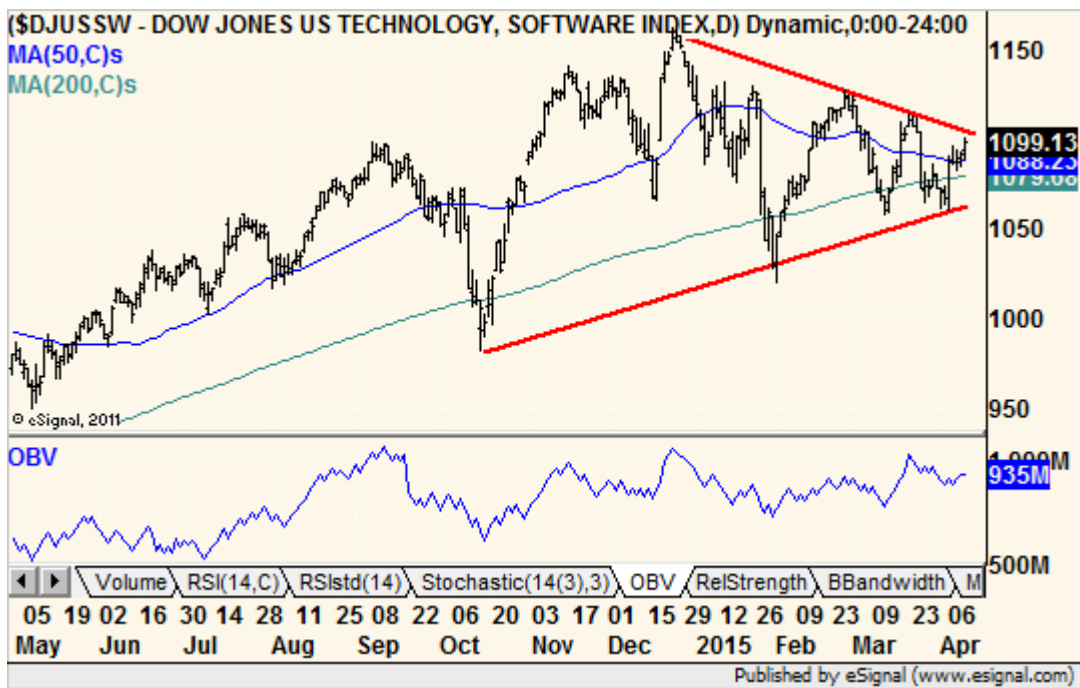
Canada dollar – Last week the loonie had a shot to break out and failed. This confirms it is dollar strength and not just euro weakness that is rocking currencies today.



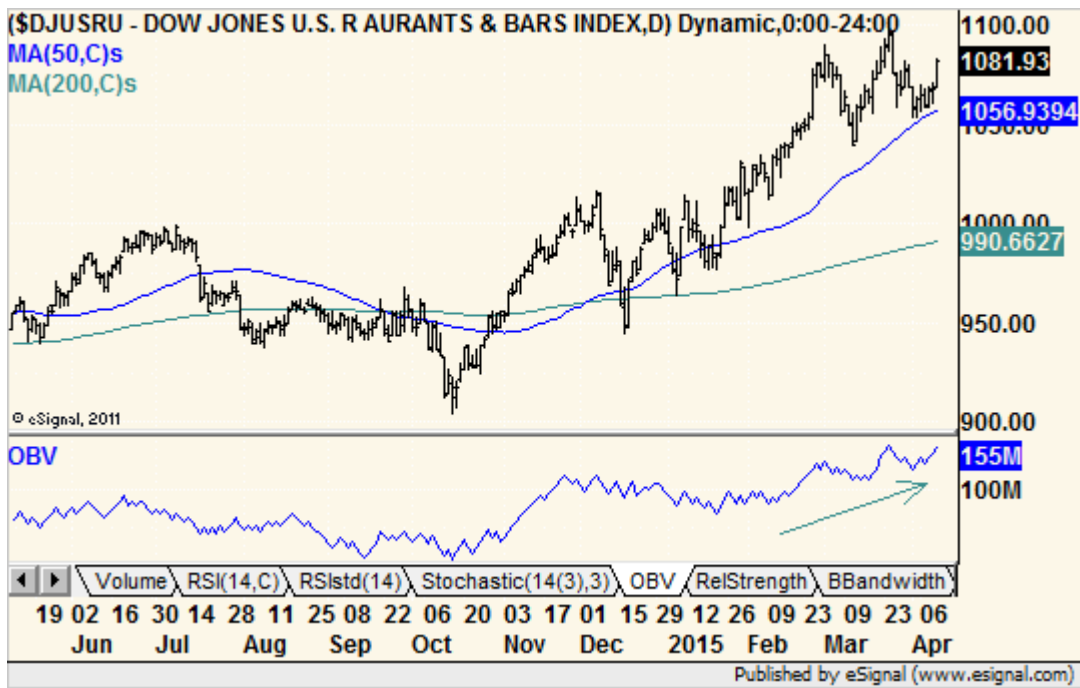
DJ Railroad index – Looks weak.



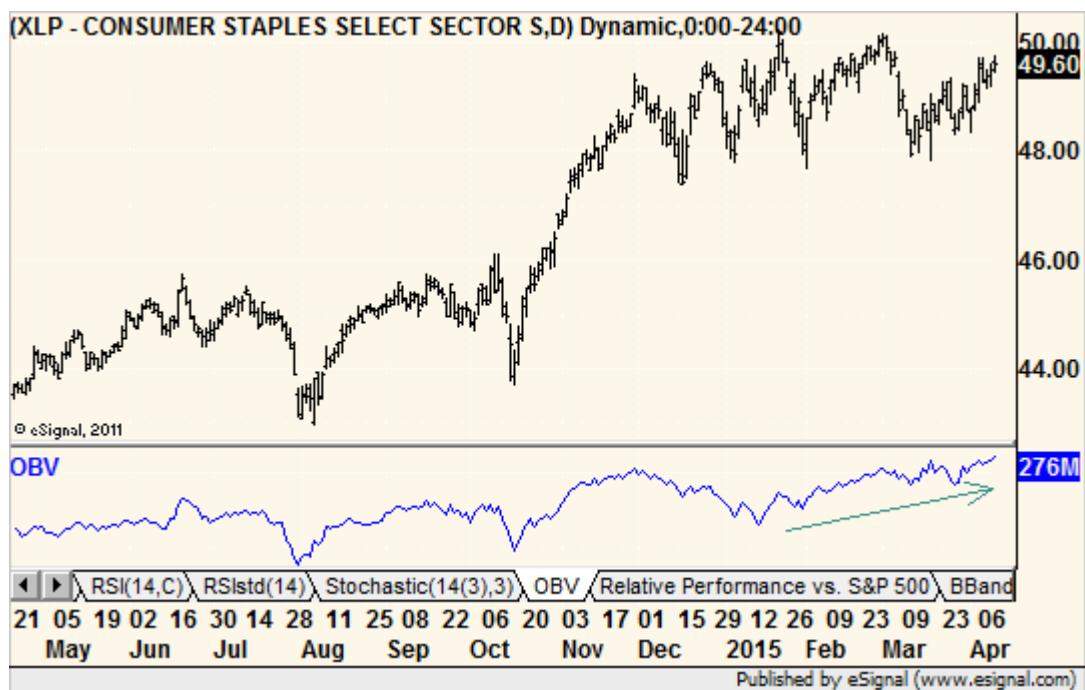
DJ Trucking index – Still holding its major support and average but obviously not doing great.



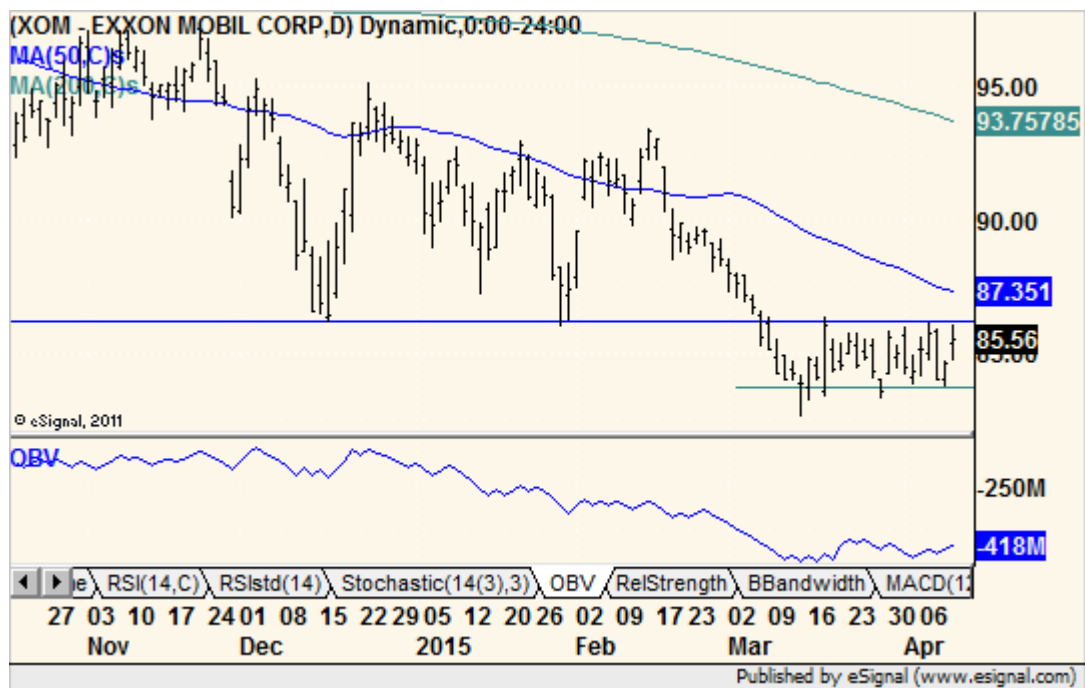
DJ Software index – Waiting for direction.



DJ Restaurants index – Rising on-balance volume and rising trend.



Consumer Staples ETF – This one hasn't made any progress for months but on-balance volume hit a new high. Looking like it wants to make a move higher soon.



Exxon Mobil – Still in a tight range. Watch it closely.

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	97.80	0.9%	95.00	96.91	3/10	33
	WMT	WAL-MART STORES INC	80.65	-3.2%	80.50	83.29	3/16	27
	YHOO	YAHOO INC	45.18	0.4%	43.50	44.98	3/19	24
	FB	FACEBOOK INC	82.04	-2.1%	80.00	83.81	3/30	13
	NBR	NABORS INDUSTRIES LTD	14.80	5.1%	14.00	14.08	4/1	11
	CBI	CHICAGO BRIDGE & IRON CO N V	49.62	1.2%	47.00	49.01	4/1	11
	HRB	BLOCK H & R INC	31.79	-1.5%	31.50	32.26	4/2	10
	SIMO	SILICON MOTION TECHNOLOGY	31.96	15.2%	30.25	27.74	4/7	5
	HP	HELMERICH & PAYNE INC	73.08	1.5%	70.00	72.00	4/8	4
	POT	POTASH CORP SASK INC	32.80	-1.0%	32.00	33.14	4/8	4
	GE	GENERAL ELECTRIC CO	28.51	10.8%	sell	25.73	4/9	3
	JEC	JACOBS ENGR GROUP INC DEL	46.60	1.5%	44.00	45.90	4/9	3
<u>Short</u>	none							

Notes: Taking the gift on **GE**. This is a stodgy stock and it gained six months' worth of gains in one day.

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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