

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

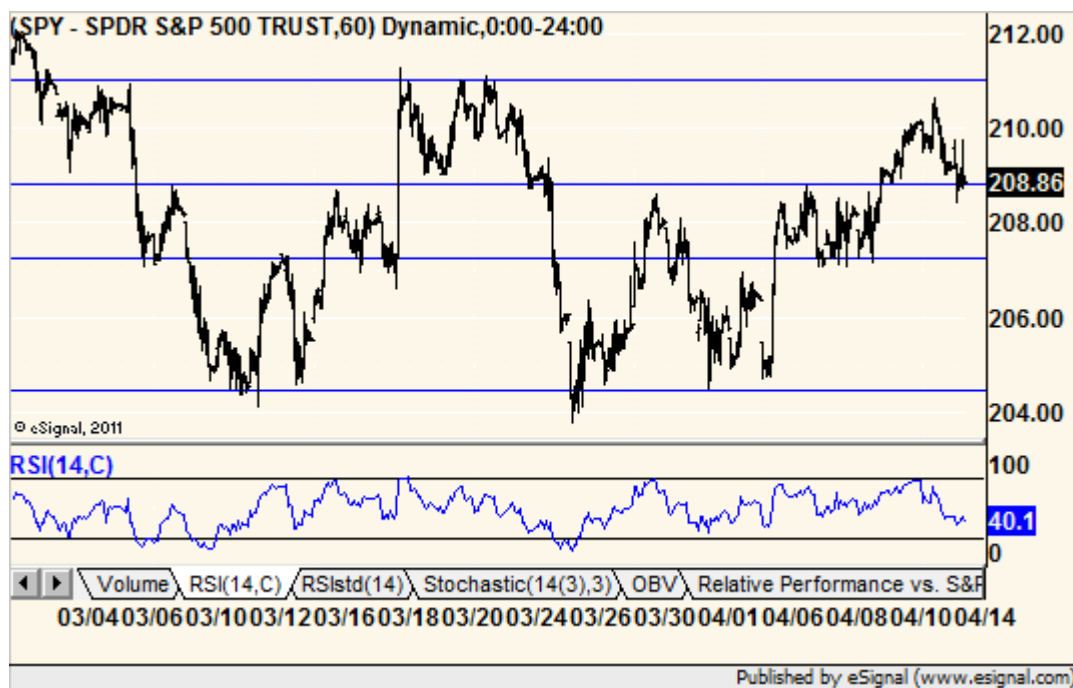
MICHAEL KAHN
RESEARCH LLC

April 14, 2015 – Monday was such a downer as it started good but ground lower most of the day. The S&P 500 reversed off pattern resistance but the Russell closed green (both charts below).

In my Barron's Online column yesterday I concluded that there is still too much going for the market for this to be the end of the bull run. Too many sectors have breakouts or strong technicals. Leadership ranks are growing, not shrinking. And everyone already expects a weak earnings season.

With that said, we recognize the problems the dollar can cause and the age of the bull itself. We also agree with some pundits that interest rates staying this low for this long is going to end badly. The question is when?

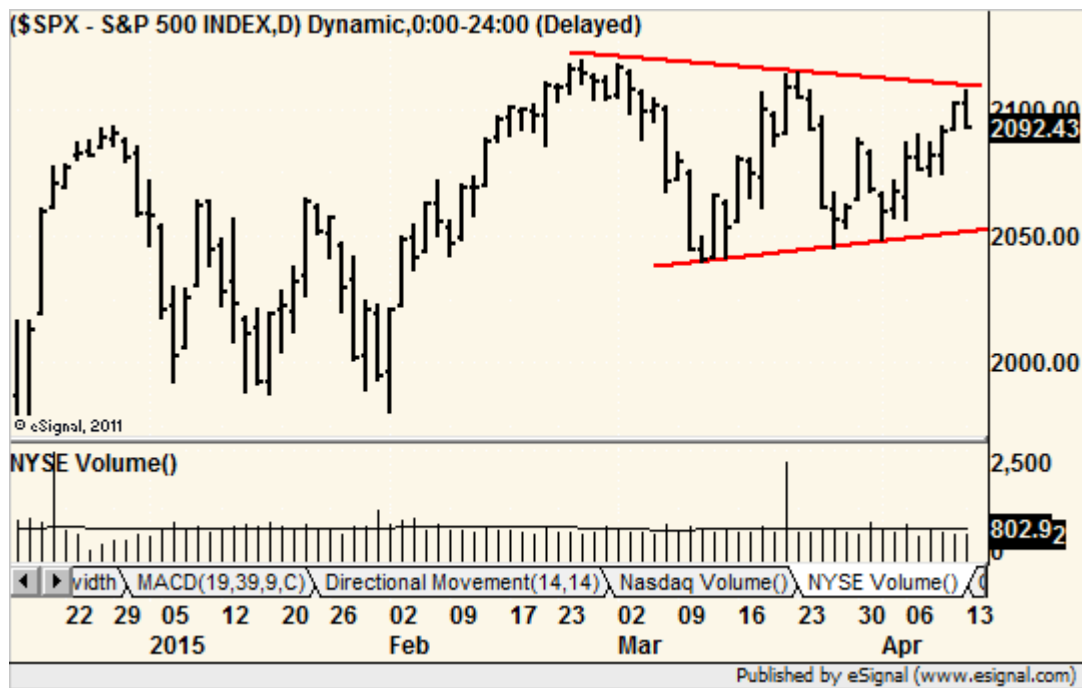
For now, we ride the market but are sure to stay alert for any signs of trouble beyond little wiggles.



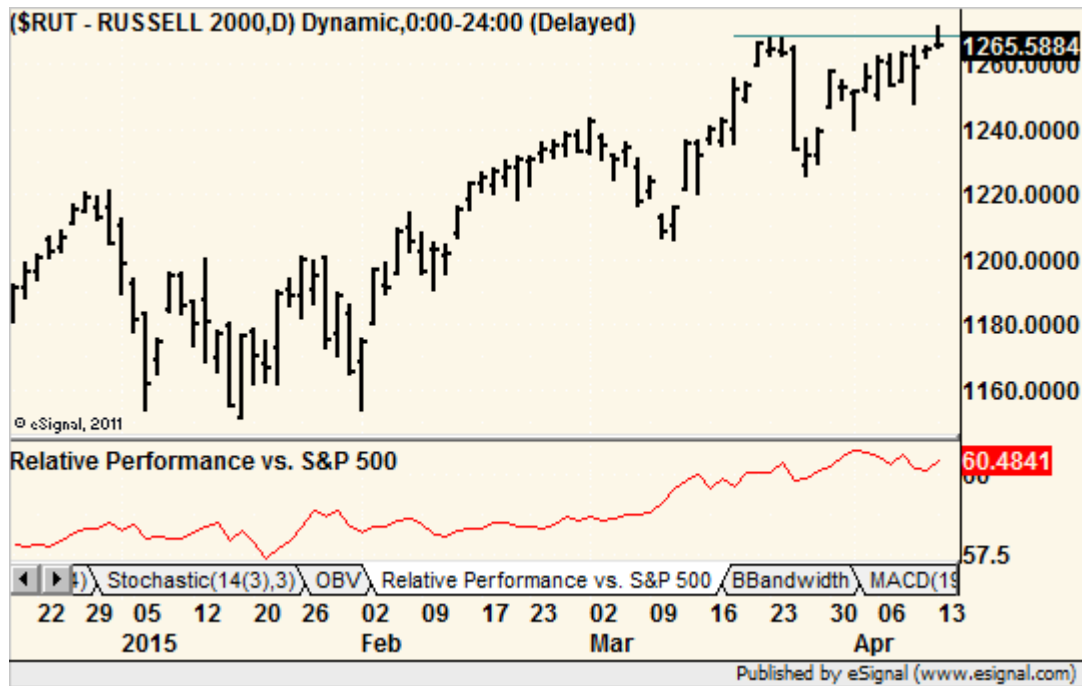
The hourly chart seems to be on autopilot as it continued to define support and resistance with the lines drawn literally a month ago. Amazing! Will it bounce here and return to yesterday's high? Or break and head to the next line down?

Not much else to report in bonds or commodities.

Index Charts of the Day



Small reversal at resistance on very low volume. Still in the range.



The Russell closed green Monday although it gave up a breakout to all-time highs. Still in a rising trend.

The Radar Screen

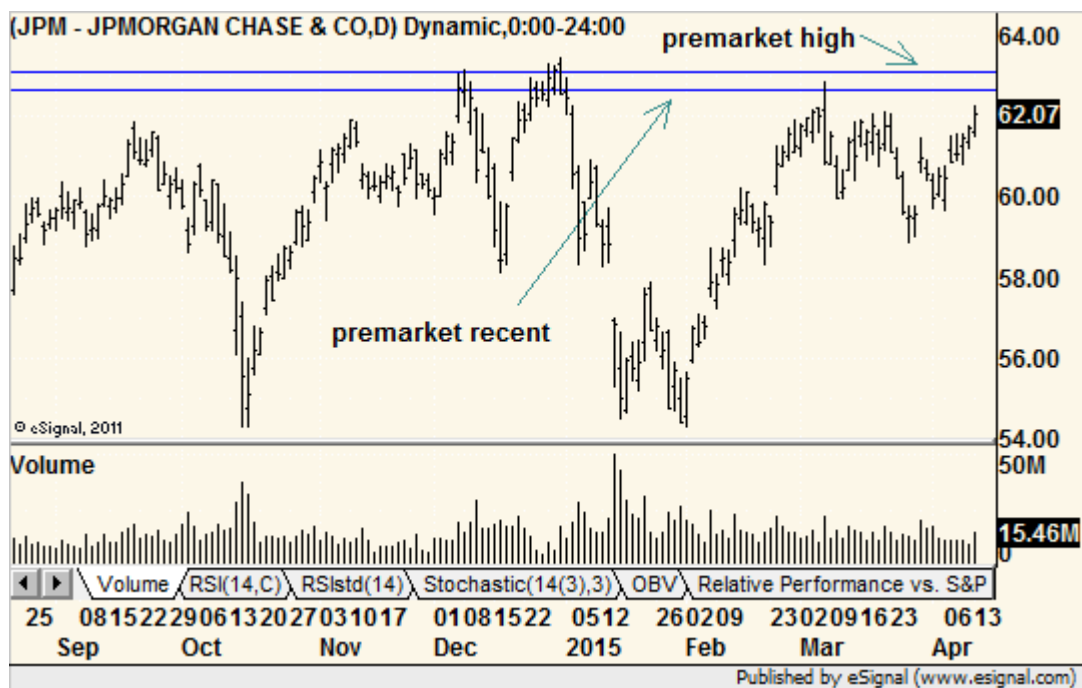
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
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. <u>Putting the trade back on now that it has come down. Buying the open.</u>	Changed	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
Viacom B VIAB – Strong on-balance volume suggests this will break trendline. Buy close over 70.00.	Moved	3/25
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. Buy break of small flag at 35.25	Moved	4/2
ABB ABB – This Swiss industrial machinery stock is on the verge of a very nice breakout. It is already above an old trendline and 50-day average. Note rising on-balance volume. Buy a close over resistance at 21.75, which also breaks the 200-day average.	New	4/14
Gilead Sciences GILD – One of Barron's readers' fave stocks. Just turned up on an earnings growth screen so we took a look at the chart. Small triangle breakout and above major averages. Good for a small trade	New	4/14
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
Unknown Implications		
Exxon Mobil XOM – Still in a tight range. Trades on close	Buy 86.30 Sell 83.25	4/13
Holding Tank - red shade leans bearish, green shade leans bullish		
BP BP – We wanted it to drop to support and now it looks ready to break out above resistance.		3/12
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 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. But the setup is starting to fade.		4/1
Williams Sonoma WSM – Weakening retail. A break of the 50-day average with falling on-balance volume.		4/10

Continued on next page...

Sector Watch (observations that may spark ideas)		
Specialty Chemicals – Bounced off major support. Check out bull flags in ECL 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 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
Software – watching DJ index for a trend break out higher		4/13
Restaurants – DJ index sports rising on-balance volume and rising trend.		4/13
Updates		
DJ railroad index – failed at the 200-day average		

Market Highlights



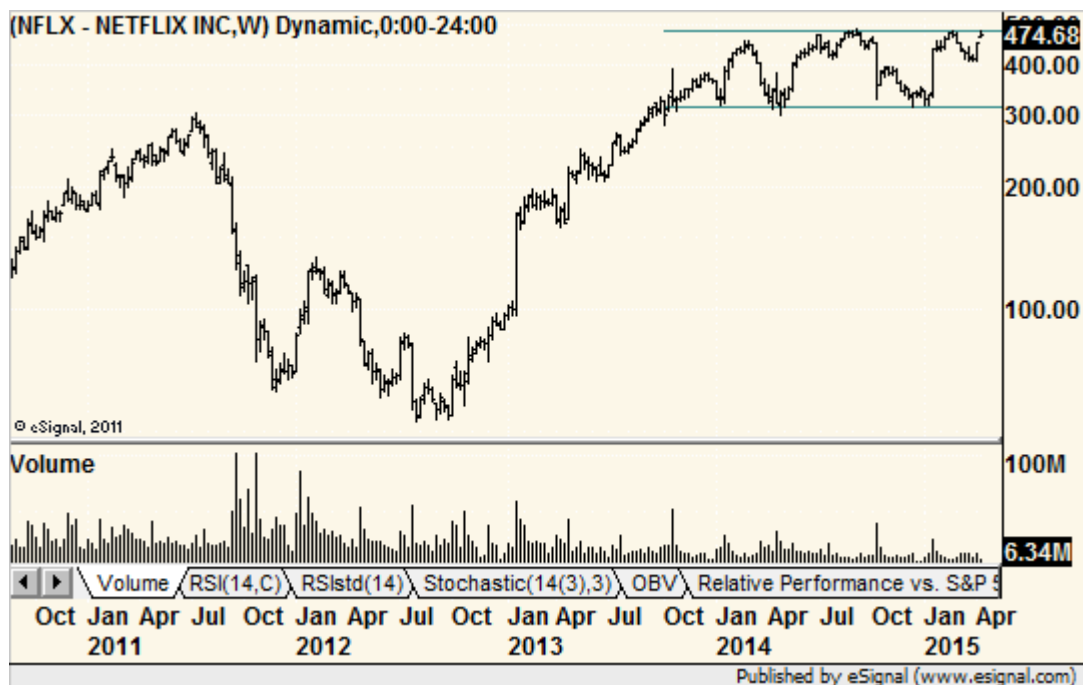
JP Morgan Chase – Good earnings sent it up in the premarket. Good in the short-term but still at major resistance. Ditto for the **KBE** bank ETF. In yesterday's Barron's Online I said that a breakout in the ETF could be a big deal for the entire market.



ABB – This Swiss industrial machinery stock is on the verge of a very nice breakout. It is already above an old trendline and 50-day average. Note rising on-balance volume. Buy a close over resistance at 21.75, which also breaks the 200-day average.



Gilead Sciences – One of Barron’s readers’ fave stocks. Just turned up on an earnings growth screen so we took a look at the chart. Good for a small trade as the technicals are still marginally positive.



Netflix – Just a weekly log-scale view. Actually, not bad a setup for a range breakout. But boy is it volatile!

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	97.44	0.5%	95.00	96.91	3/10	34
	WMT	WAL-MART STORES INC	80.50	-3.3%		83.29	3/16	28
	YHOO	YAHOO INC	44.77	-0.5%	43.50	44.98	3/19	25
	FB	FACEBOOK INC	83.01	-1.0%	80.00	83.81	3/30	14
	NBR	NABORS INDUSTRIES LTD	14.77	4.9%	14.00	14.08	4/1	12
	CBI	CHICAGO BRIDGE & IRON CO N	49.99	2.0%	48.00	49.01	4/1	12
	HRB	BLOCK H & R INC	32.02	-0.7%	31.50	32.26	4/2	11
	SIMO	SILICON MOTION TECHNOLOGY	32.20	16.1%	30.50	27.74	4/7	6
	HP	HELMERICH & PAYNE INC	72.01	0.0%	70.00	72.00	4/8	5
	POT	POTASH CORP SASK INC	32.90	-0.7%	32.00	33.14	4/8	5
	GE	GENERAL ELECTRIC CO	28.06	9.1%		25.73	4/9	4
	JEC	JACOBS ENGR GROUP INC DEL	46.42	1.1%	44.00	45.90	4/9	4
<u>Short</u>	none							

Notes: Sold **GE** at the open to take the gift.

Stopped out of **WMT** as it continued to grind lower. Not participating with the market at all.

Raised stop in **CBI** as it was just too wide.

Raised stop in **SIMO** just to trail it closer.

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

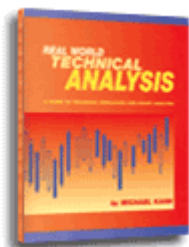
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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