

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

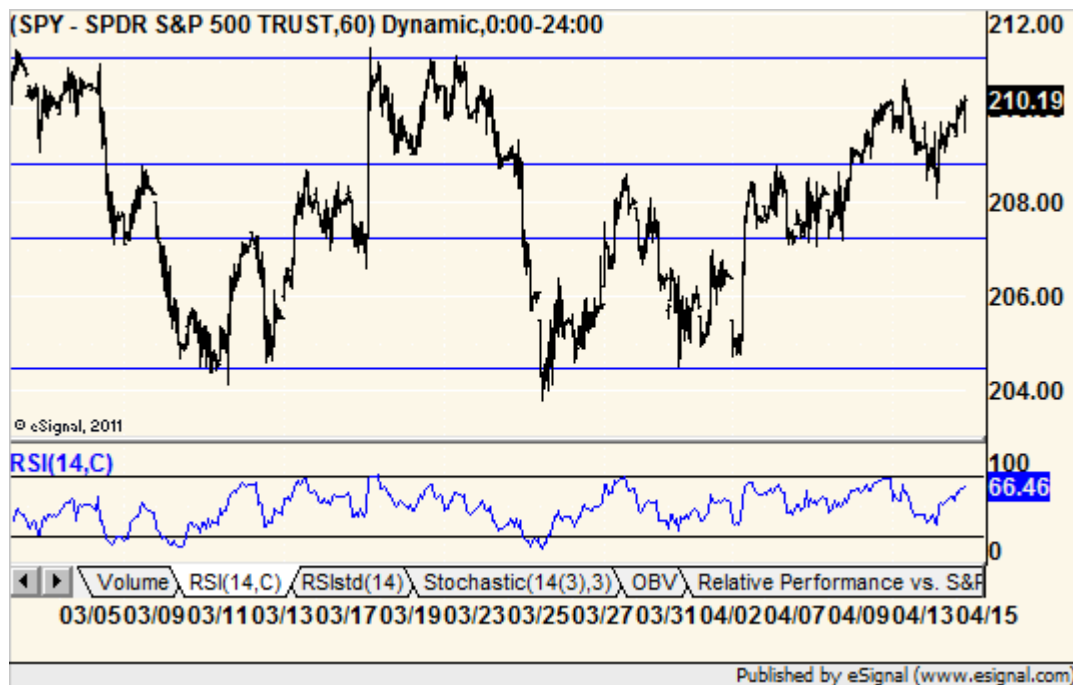
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RESEARCH LLC

April 15, 2015 – Ah, tax day. John Oliver on his Sunday HBO show warned not to hate the IRS as it performs a necessary function – like the final component of your alimentary canal. And they don't make the laws so it all comes back to Congress, eh?

Tuesday's stock market was up, then it was down and then it was up. While playing with our emotions (which we do not have, of course ☺) it was actually technically constructive to the bull case. The S&P 500, in particular, held just below the upper border of its triangle and that leans bullish (see Index Charts of the Day). A weaker market would have continued lower to the bottom of the pattern. Of course, that can still happen but for now we see good things.

Energy had a nice day. Gambling not so much. The dollar was a big loser but is up nicely this morning. And remember yesterday when we said Monday's market was jittery over earnings. Well, in Tuesday's trading the pundits said the opposite.

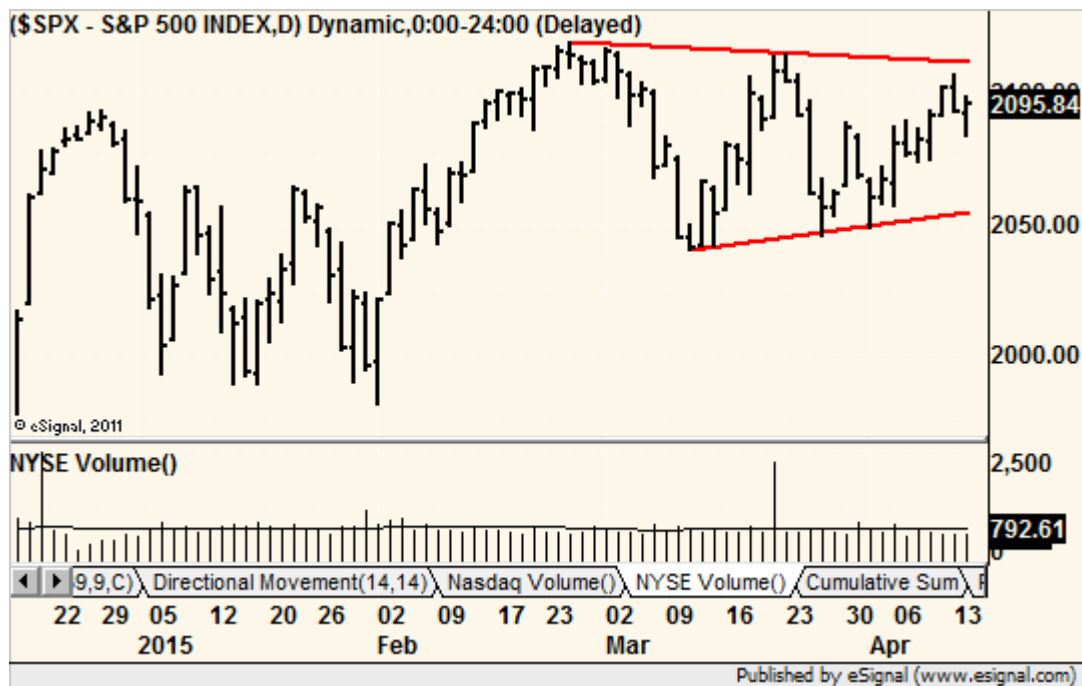
And while we are on opposites, **JPM** jumped on earnings yesterday and **BAC** slumped today. Can we get a theme? No. Why make it easy. But that is good segue to the overall conditions we now see. They are not clear cut but the sum total of all the groups breaking out and leaders emerging suggests positive things for stocks for a while. So does the big hammer candle at support for the transports (chart below).



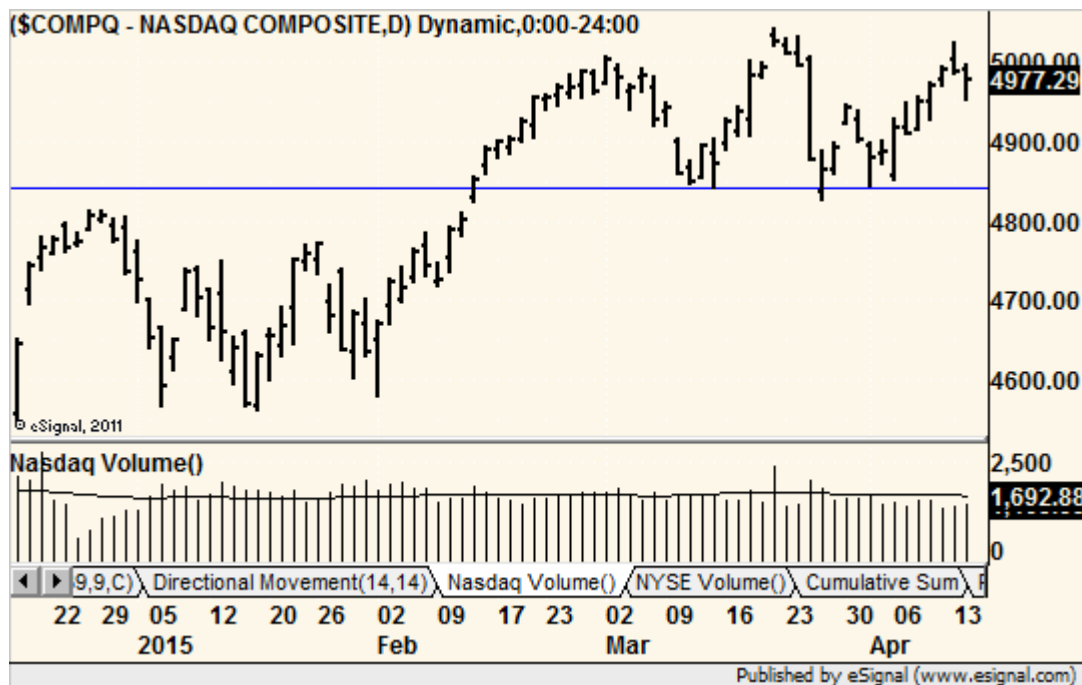
Support and resistance lines for the hourly chart were a little off yesterday although we can argue there was a false breakdown in the morning hours yesterday. That, too, leans bullish.

We've added a lot of longs this week so there are no new ones today. Consider this a maintenance newsletter issue as we hold long today.

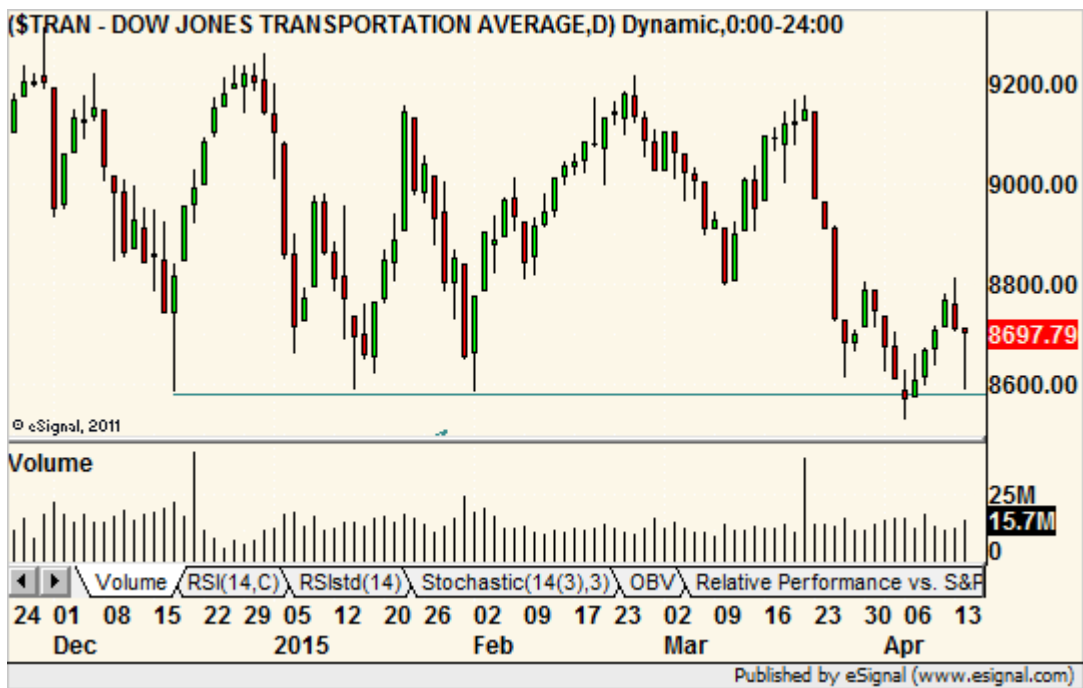
Index Charts of the Day



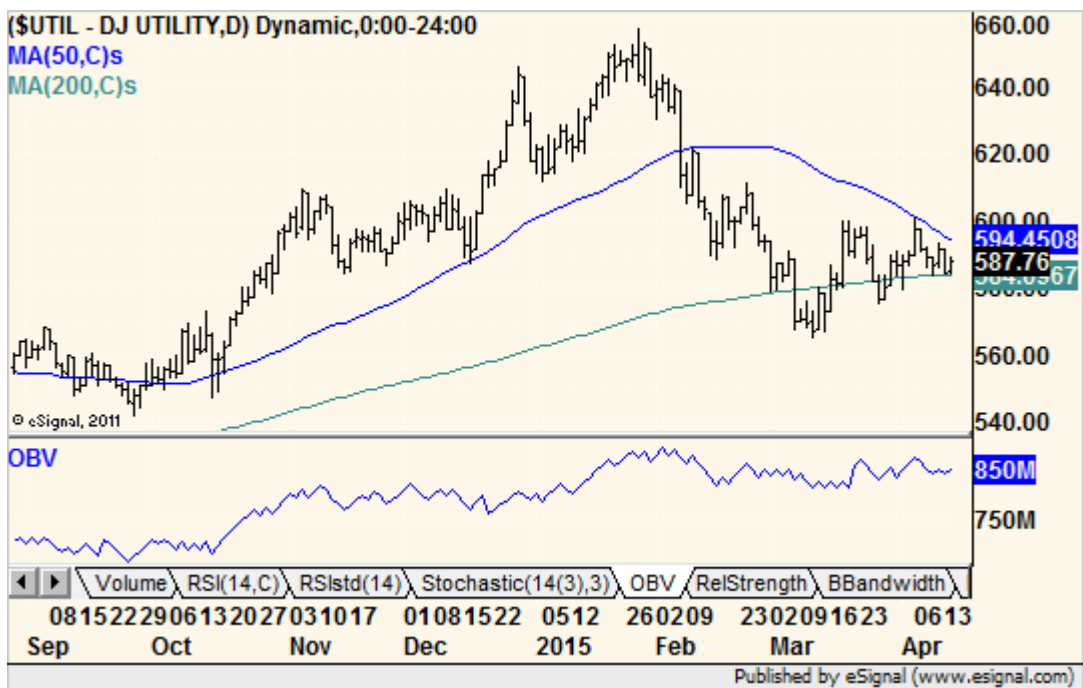
The reversal Monday did not lead to a decline as the index finished higher yesterday. Holding at resistance leans bullish.



Even though the Nasdaq closed lower we can make the same argument that it did not sell off after reaching resistance. Also bullish.



The transports scored a giant hammer candle at support. Blame the rails for the early morning drop.



A little moving average squeeze for the utilities. Note on-balance volume is flat, not falling with prices.

The Radar Screen

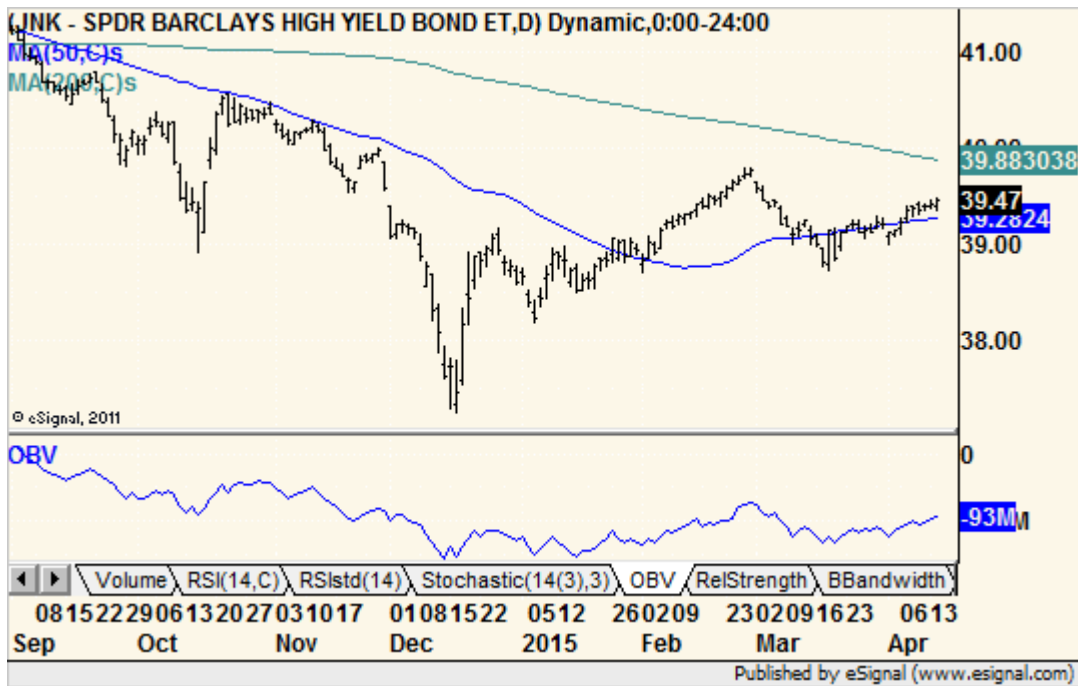
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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. Putting the trade back on now that it has come down. Buying the open.	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	Triggered	4/9
Viacom B VIAB – Strong on-balance volume suggests this will break trendline. Buy close over 70.00.		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. <u>Boom! One day after elevating it to the bull section it tanks. No trade and we are moving on.</u>	Removed	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.	Triggered	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	Triggered	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. <u>Big day, setup gone, no harm done</u>	Removed	4/1
Unknown Implications		
Exxon Mobil XOM – Still in a tight range. Trades on close. Buy 86.30 Sell 83.25	Triggered (long)	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

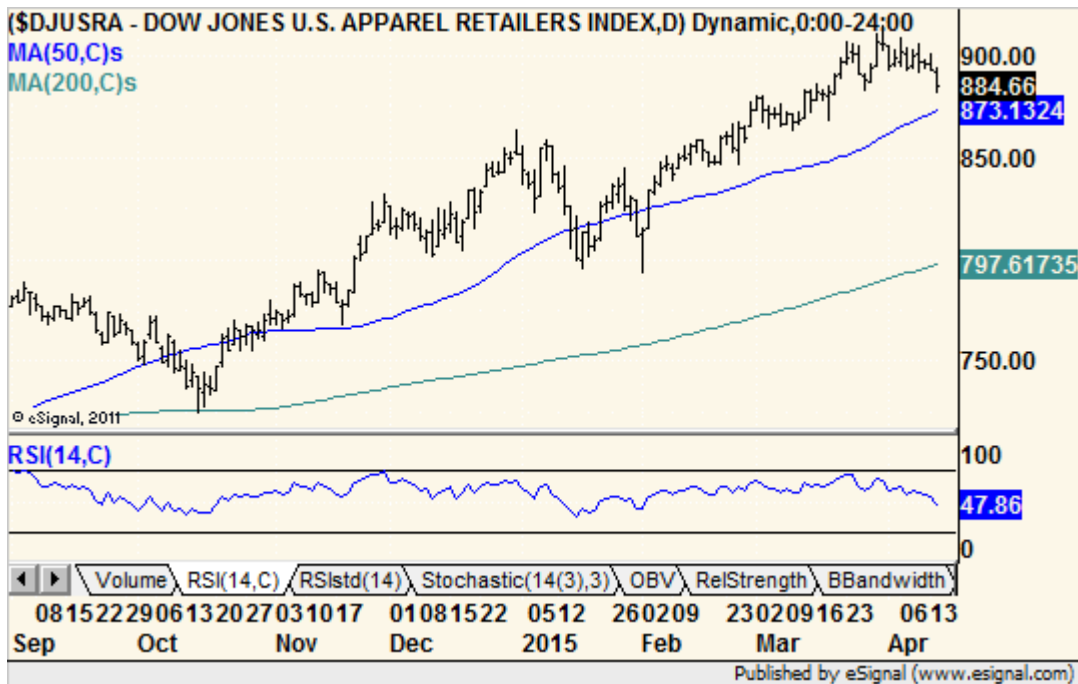
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Sector Watch (observations that may spark ideas)		
Specialty Chemicals – Bounced off major support. Check out bull flags in ECL and IFF . CBT possible catch-up candidate.		3/31
Shale Oil – Think shale oil is dead? Nope. CPE, OAS, SN, LPI		4/6
Oil Explorers/producers – 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		
none –		

Market Highlights



Junk Bond ETF – Taken alone this is not much but it adds to the case for positive stocks.



Apparel Retailers – While still up there on the leaderboards, retail seems to be weakening. Apparel, shown here, may have had a small breakdown. Food and home improvement are similar. Broadline is flat without the breakdown so that leaves drug and specialty as pulling the weight. Just a breadth thing in retail that may be providing a small warning. Note the only bearish Holding Tank stock we have is a retailer.

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	97.58	0.7%	95.00	96.91	3/10	35
	YHOO	YAHOO INC	45.53	1.2%	43.50	44.98	3/19	26
	FB	FACEBOOK INC	83.52	-0.4%	80.00	83.81	3/30	15
	NBR	NABORS INDUSTRIES LTD	15.33	8.9%	14.50	14.08	4/1	13
	CBI	CHICAGO BRIDGE & IRON CO N V	50.38	2.8%	48.00	49.01	4/1	13
	HRB	BLOCK H & R INC	31.75	-1.6%	31.50	32.26	4/2	12
	SIMO	SILICON MOTION TECHNOLOGY	32.02	15.4%	30.50	27.74	4/7	7
	HP	HELMERICH & PAYNE INC	75.69	5.1%	71.50	72.00	4/8	6
	POT	POTASH CORP SASK INC	32.80	-1.0%	sell	33.14	4/8	6
	JEC	JACOBS ENGR GROUP INC DEL	46.80	2.0%	45.00	45.90	4/9	5
	FEYE	FIREEYE INC	41.76	-0.3%	40.00	41.90	4/14	0
	PM	PHILIP MORRIS INTL INC	78.11	0.0%	76.00	78.11	4/14	0
	ABB	ABB LTD	21.80	0.0%	21.00	21.80	4/14	0
	GILD	GILEAD SCIENCES INC	102.21	-0.1%	98.00	102.34	4/14	0
	XOM	EXXON MOBIL CORP	86.63	0.0%	84.00	86.63	4/14	0
<u>Short</u>	none							

Notes: Raised stops in **NBR** and **HP**. Also in **JEC**.

Selling **POT** at the open as it is not doing anything. We did, however, capture the dividend

New longs in **FEYE**, **POM**, **ABB**, **GILD** and **XOM**.

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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