

QUICK TAKES PRO

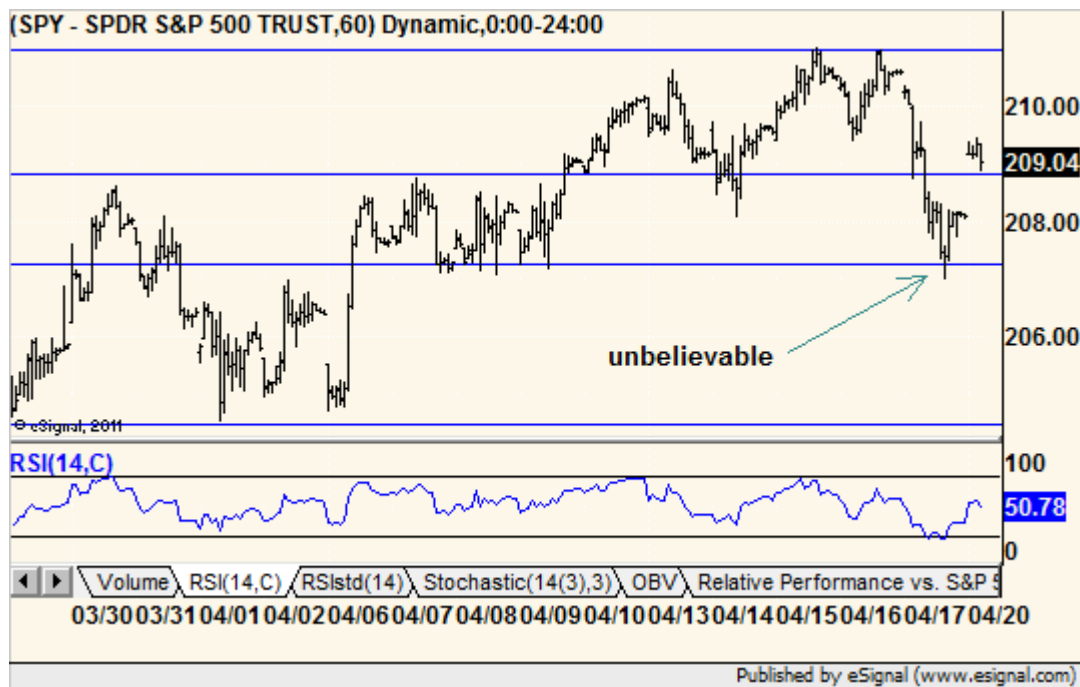
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

April 20, 2015 – A Friday freak-out probably earned the analyst quoted that day predicting that the “correction starts now” a nice round of drinks at Delmonico’s. But today is a different day and stocks are rebounding nicely. Technically, it did seem that a dip was in order as the April rally ran into resistance on waning momentum. But with that out of the way things are not bad. Not great but not bad.

One thing that happened was the leading sectors – oils services, construction, biotech – all took sizeable hickeys. In fact, our long in **NBR** was stopped out for a gain and looking at the chart it confirmed a bearish RSI divergence. But this stock was an early riser in the sector and the condition is not pervasive.

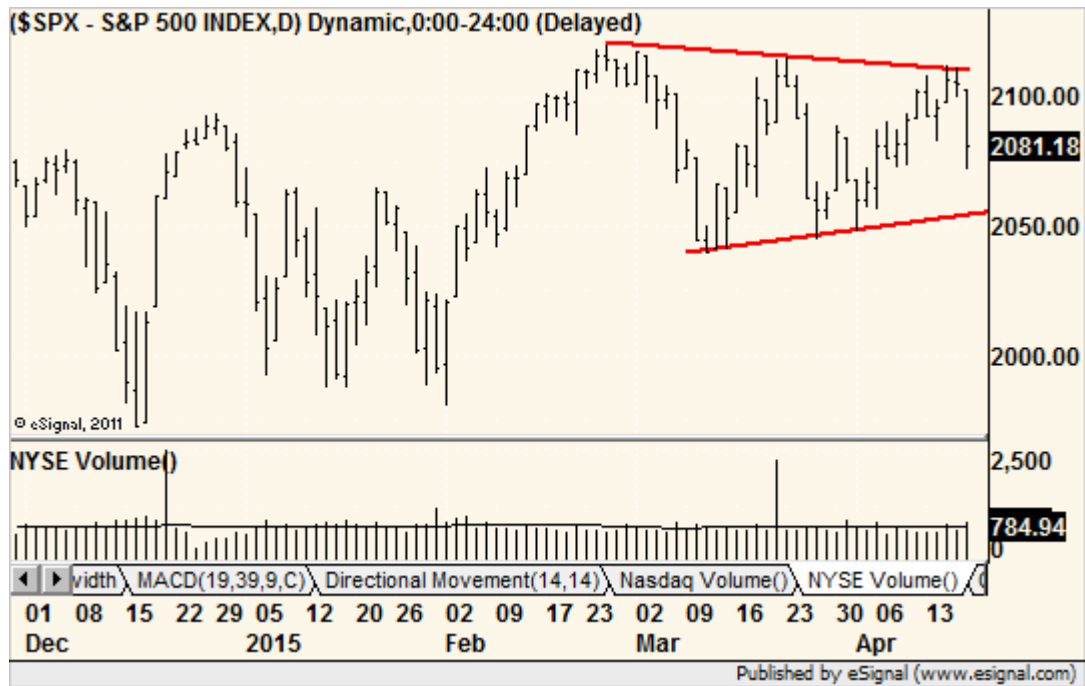
We will still respect the possibility that things were going too well in our leading groups and that requires some more pain to kick out the weak hands. But really, what changed in one day in the market? Well, there was one thing – retail. This member of the four horsemen (a now abused characterization of leadership) took a technical hit aside from its price decline. Chart below.



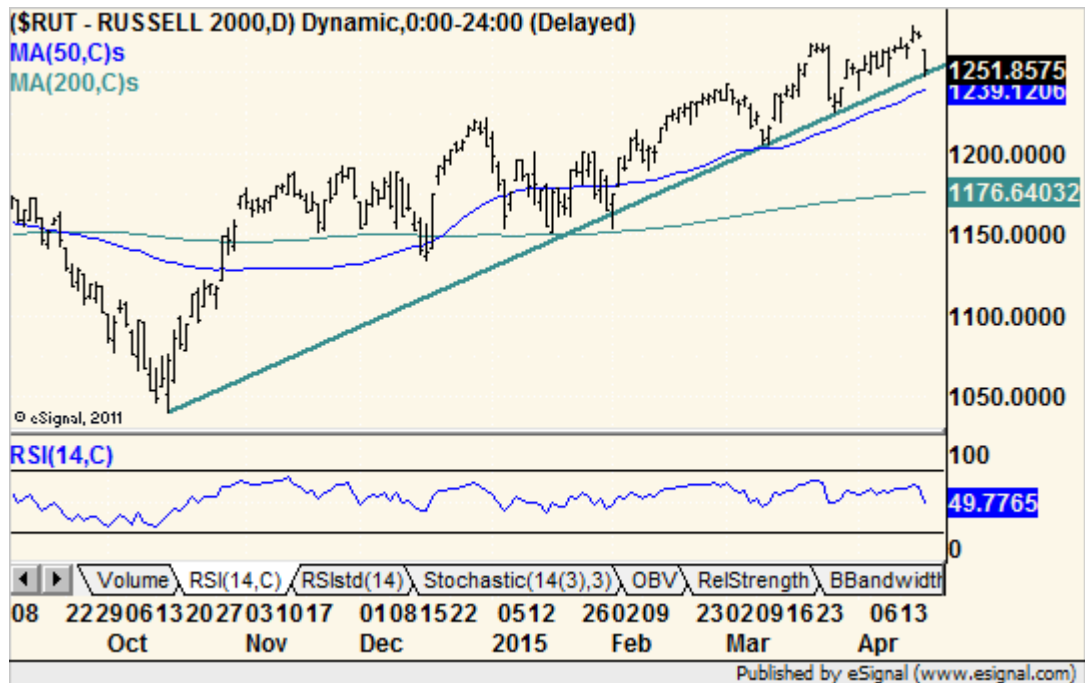
As we can see in the hourly chart, the **SPY** bounced off strong support Friday afternoon and followed through overnight with a gap. We are not quite as confident that this is a resistance breakout pointing to the next resistance as a target but it is likely a sign that the bad stuff is over. Waiting for stability and resumption of the rally.

With that said, we are going to keep an eye on the transports. They dodged a bullet earlier this month with a bounce off support but that bounce is now in danger (chart below). While not a Dow Theory call, it will be difficult to maintain a strong market if the DJTA breaks down.

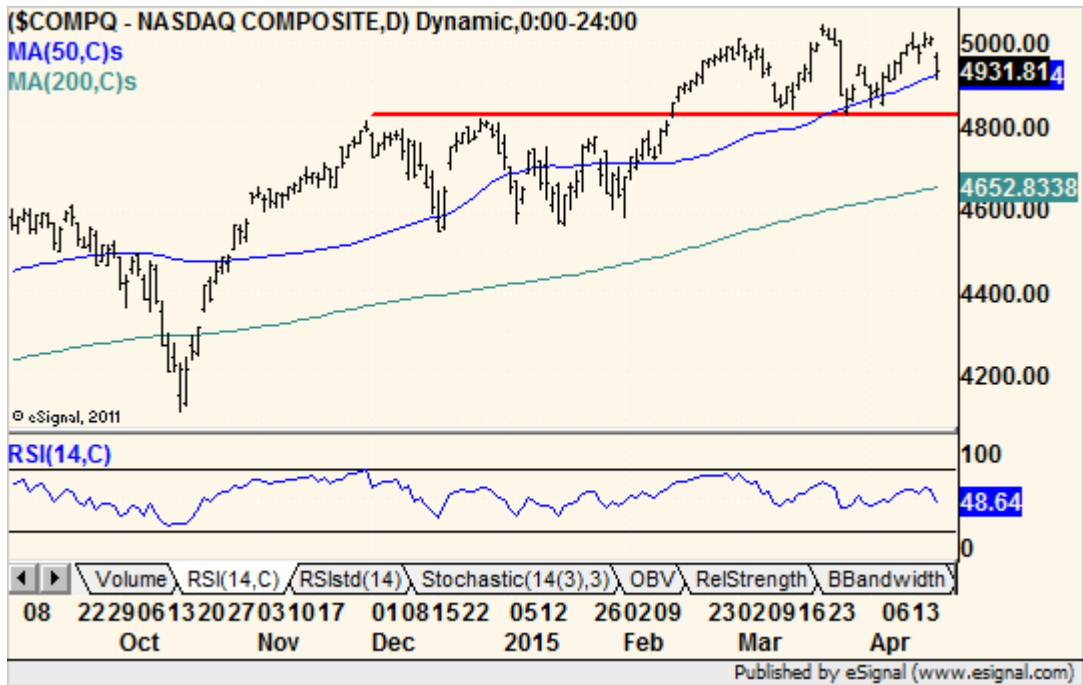
Index Charts of the Day



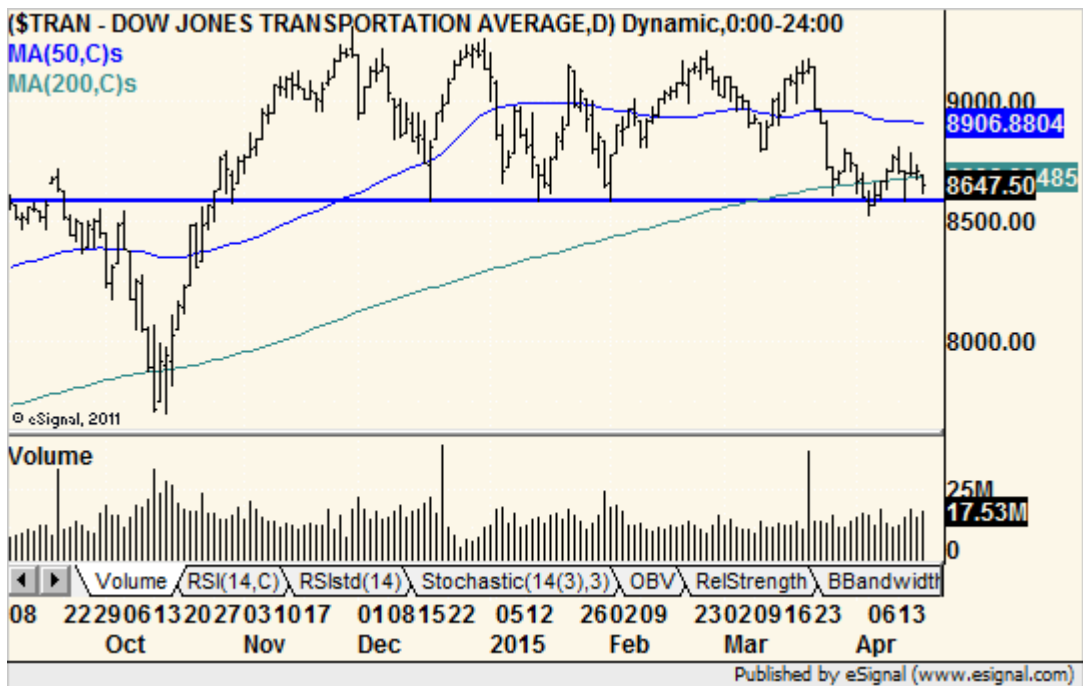
Panic time? Ugh, it was just a fall from resistance. Granted, volume was a bit higher but aside from day trades nothing has really changed over the past two months.



Even using our tight trendline - ignoring the January dip - the Russell is still above it and the 50-day average.



Nazzie home in the range and still above the 50-day average.



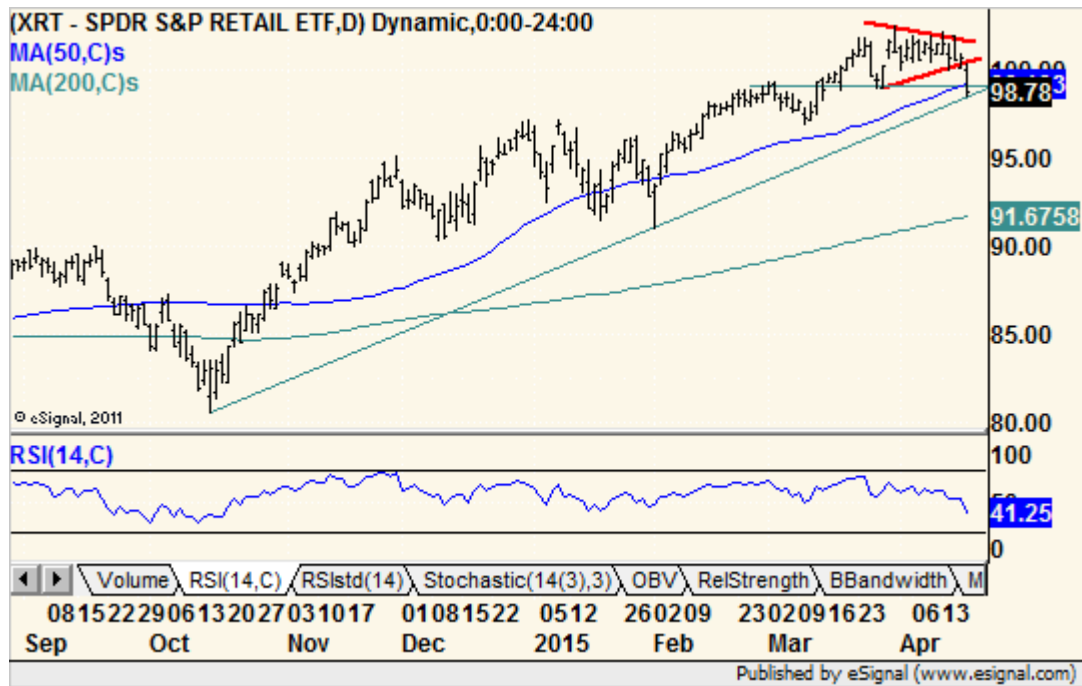
It is possible the transports' bounce off support is failing. Note the 200-day average, too. But it's not a breakdown until it is.

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		
none –		
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
Williams Sonoma WSM – Weakening retail. A break of the 50-day average with falling on-balance volume. Sell close under 77.00.	Triggered	4/10
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Standard Pacific SPF –Volume on the dip was very heavy and while it scored a hammer candle on the 50-day average we are not so sure anymore.		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.		4/1
SAP SAP – Software stock in a nice pennant formation with rising on-balance volume. Already has a resistance and 200-day average breakout. Buy pennant break at 73.70. A gap down kills the setup but we will still watch the averages as a place to buy lower.	Moved	4/16
Sector Watch (observations that may spark ideas)		
Heavy Construction – FLR, MTRX Lots of breakouts		4/7
Consumer Discretionary ETF XLY – Triple top or continuation rectangle		4/10
Aerospace/Defense – sector took a turn for the worse.	Changed	4/10
Software – watching DJ index for a trend break higher SAP, MSFT, CTXS, AZPN		4/13
Restaurants – DJ index sports rising on-balance volume and rising trend.		4/13
Updates		
none –		

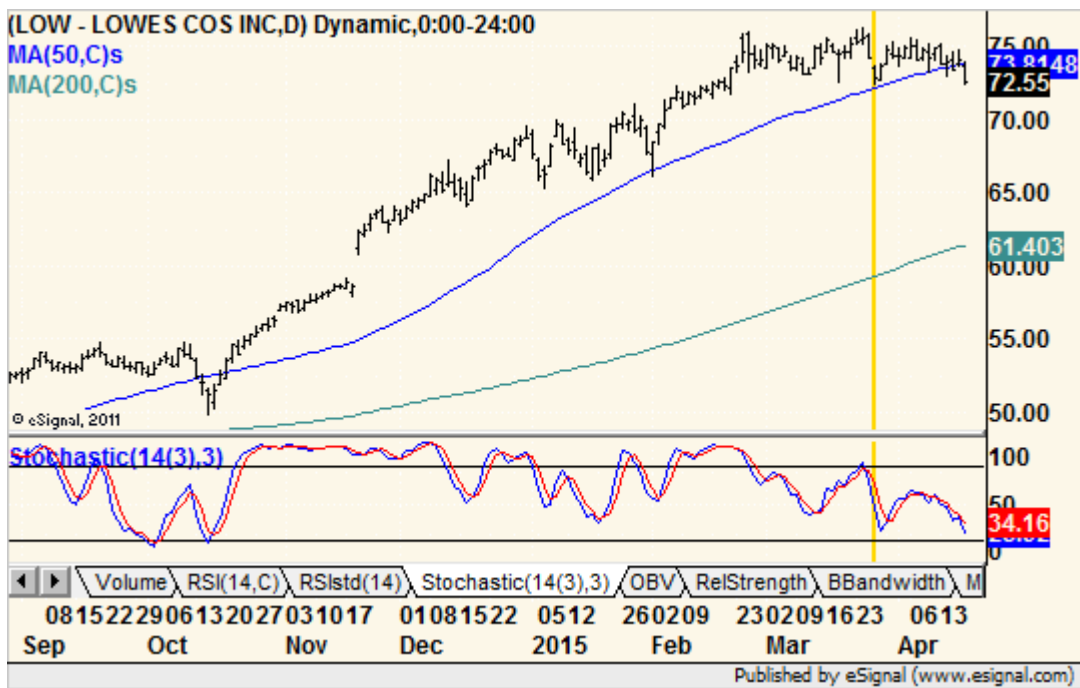
Market Highlights



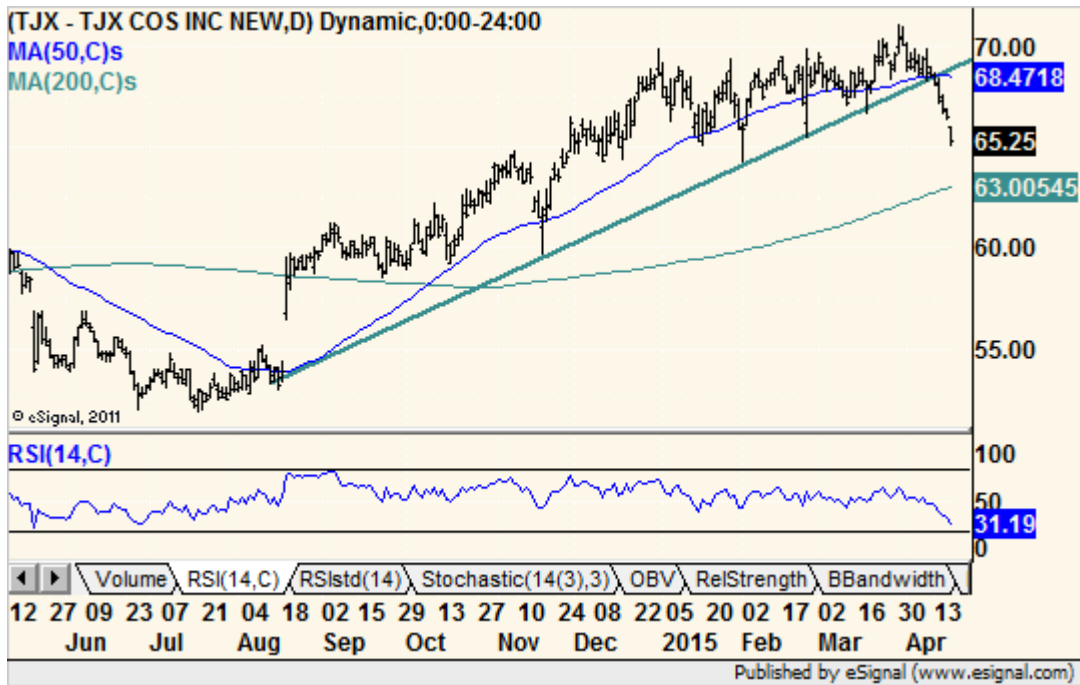
Retail ETF – Still above trendline but sports some short-term problems.



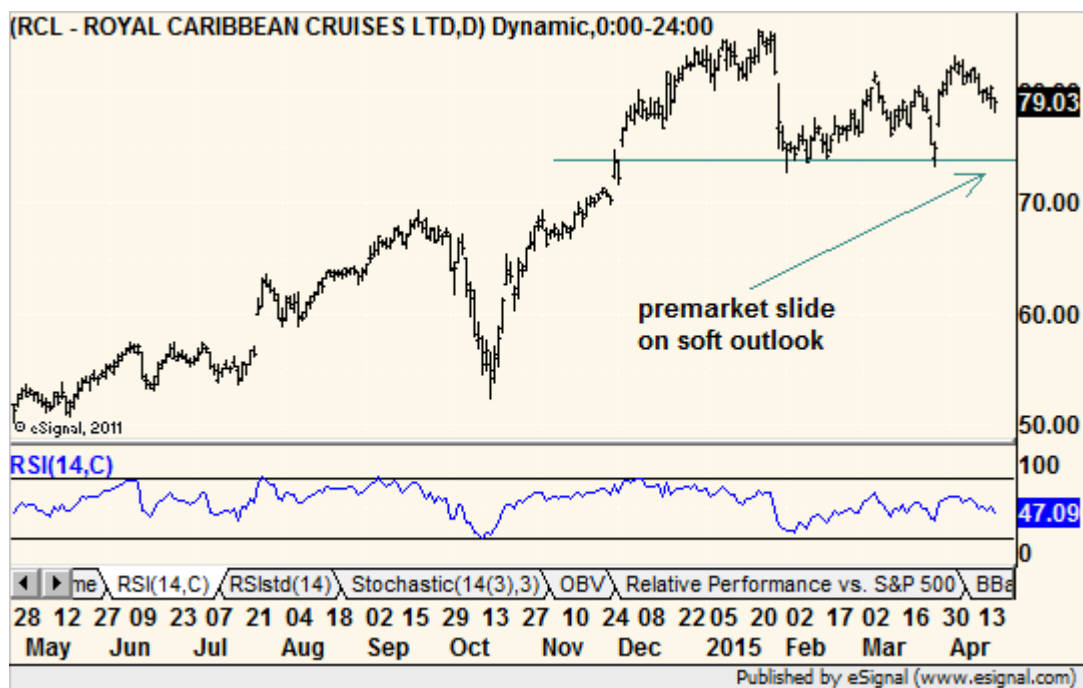
Wal-Mart – Nasty.



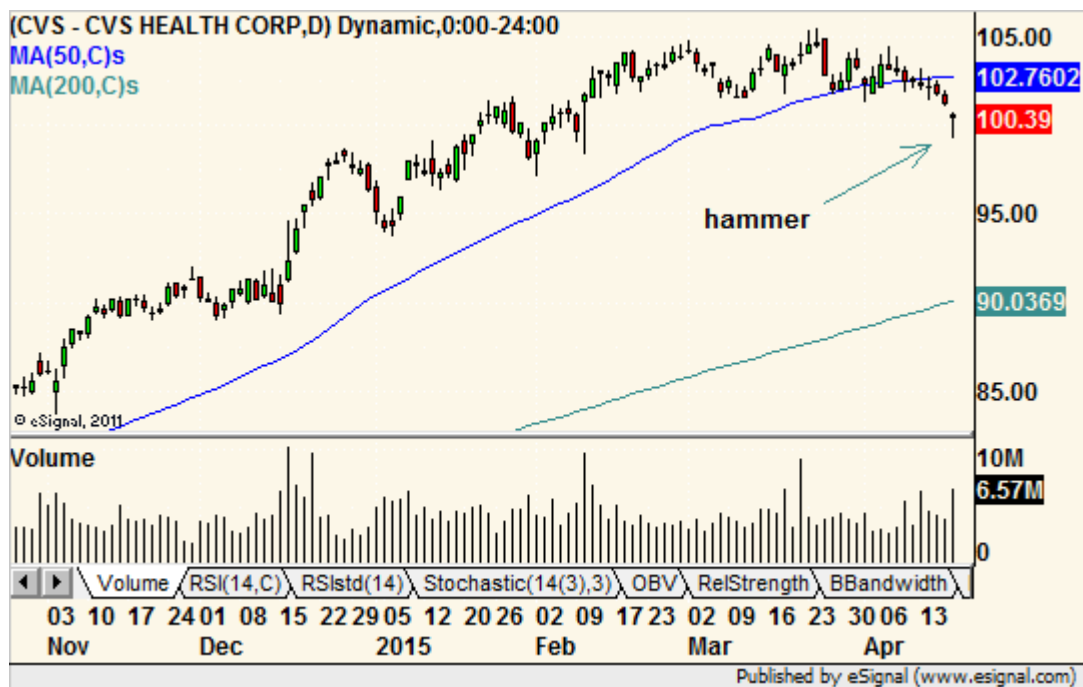
Lowes – For all the talk that home improvement retail was solid we can see this one went nowhere for two months. The sell signal actually fired last month as stochastics set a lower low after a lower high. However, as we can see it was not a good signal and may still not be. But we are not buyers.



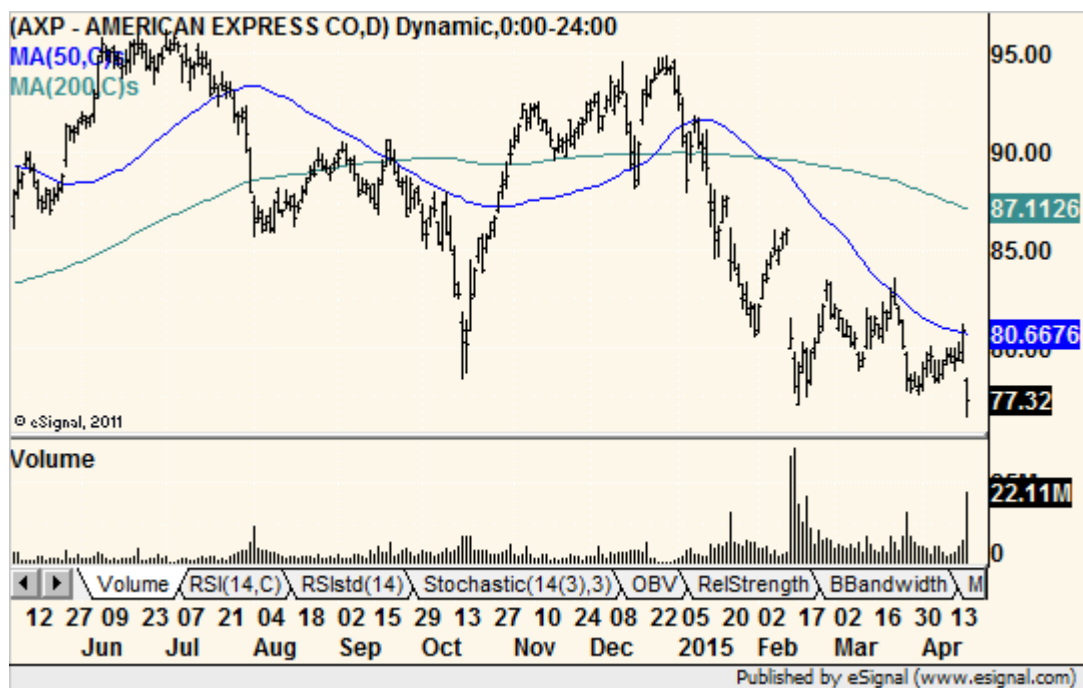
TJX– Apparel getting the worst of it. This one may bounce today but it is more of a setup to find a better selling level.



Royal Caribbean – A soft outlook sent this tumbling in the premarket but look where it landed. Right on strong support. Let’s see how it reacts.



CVS Health – Looks bad on the surface but we are watching a high-volume hammer candle that could be bullish. Needs confirmation.



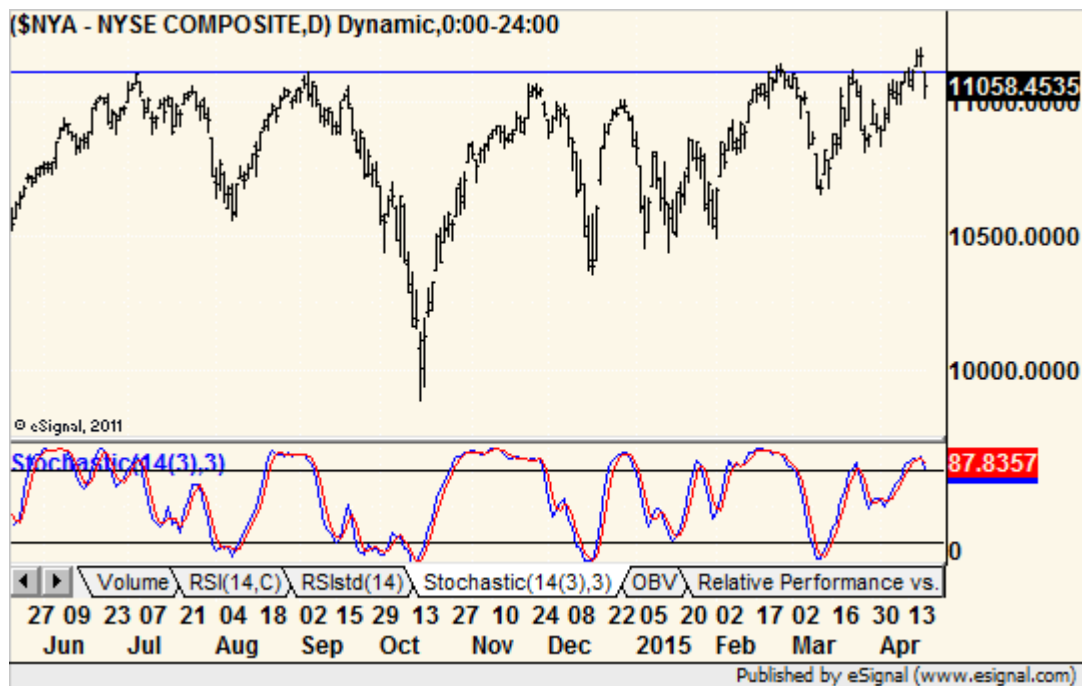
American Express – Still nasty



Greece ETF – Just a reminder that surprises happen in the direction of the trend. This one is not even oversold or extended below its 50-day average.

Today's Lesson

In this section, we take a look at a topic in technical analysis in real-time, not textbook time.



NYSE composite – A failed breakout is supposed to be bearish. But is this really a failed breakout? It was barely a breakout at all but even if it were the “failure” is still within our margin for error. Do not assume this is a bearish chart.

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>	YHOO	YAHOO INC	44.45	-1.2%	43.50	44.98	3/19	31
	FB	FACEBOOK INC	80.78	-3.6%	80.00	83.81	3/30	20
	NBR	NABORS INDUSTRIES LTD	14.75	4.8%		14.08	4/1	17
	CBI	CHICAGO BRIDGE & IRON CO N V	50.14	2.3%	49.00	49.01	4/1	18
	HRB	BLOCK H & R INC	31.50	-2.4%		32.26	4/2	16
	SIMO	SILICON MOTION TECHNOLOGY	33.35	20.2%	32.00	27.74	4/7	12
	HP	HELMERICH & PAYNE INC	73.64	2.3%	73.00	72.00	4/8	11
	JEC	JACOBS ENGR GROUP INC DEL	47.46	3.4%	46.00	45.90	4/9	10
	FEYE	FIREEYE INC	41.00	-2.1%		41.90	4/14	4
	PM	PHILIP MORRIS INTL INC	85.26	9.2%	82.00	78.11	4/14	5
	ABB	ABB LTD	21.78	-0.1%	21.25	21.80	4/14	5
	GILD	GILEAD SCIENCES INC	101.38	-0.9%	100.00	102.34	4/14	5
	XOM	EXXON MOBIL CORP	86.93	0.3%	85.00	86.63	4/14	5
	VIAB	VIACOM INC NEW	69.14	-1.9%	68.00	70.45	4/14	5
<u>Short</u>	WSM	WILLIAMS SONOMA INC	76.51	0.0%	80.00	76.51	4/17	2

Notes: We've added our first short in a long while in **WSM**.

Stopped out of a few longs on Friday's big market dip. **HRB** was never a good one. Too bad on **FEYE** as volume was very low.

Subscriber Corner

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



Facebook – The subscriber asked about this chart ahead of earnings. We do not base decisions on earnings dates but we can say it has been a disappointing holding. Now sitting on the edge of a cliff and the stop is less than 1% away. We may not make it to earnings.

However, support is still holding so we keep it until actually stopped.

Other Information

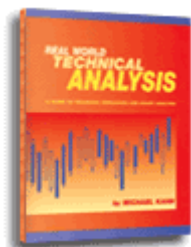
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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