

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

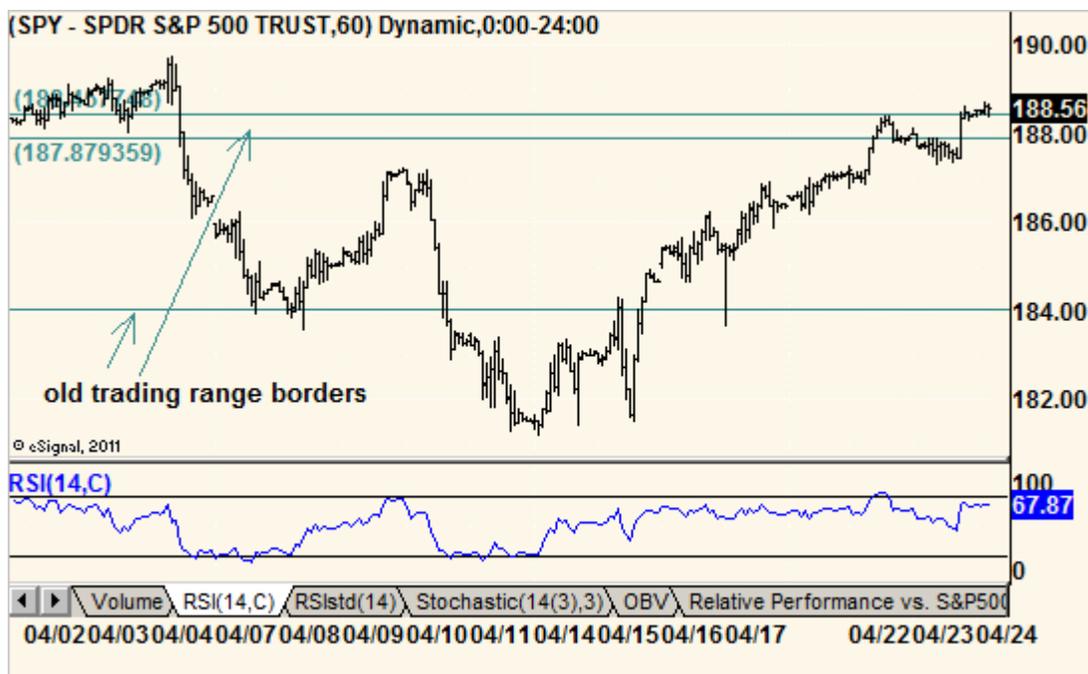
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April 24, 2014 - There were two markets yesterday - the regular session and Apple's earnings. In the former, the market fought off weak housing data and closed relatively flat. After hours was a different ball game with Apple thumbing its nose at the naysayers. The stock soared and that drove the Nasdaq higher, too. Now we have that index getting back close to, but not going through, its 50-day average.

We'll probably blow a gasket if we hear "tech is back" following this move. Expectations for Apple were so low that good news was a jolt.

Getting back to the rest of the market, we observed that yesterday's second consecutive all-time high in the Dow Transports was driven by two airline stocks. Airlines are considered consumer services while the rest of the group is considered industrial. If the transports are supposed to move the goods produced by the industrials according to Dow Theory we take exception to the meaning of the transports new high.

As for gold, Tom McClellan offered a cycles analysis saying the bottom should not happen until July. We will remind everyone that cycles analysis is not perfect for every instance but it did keep us away from taking a position yesterday. And then this morning we see metals falling hard. Silver is back to prior low (chart below). We'll hold on to our Fibonacci targets for now.



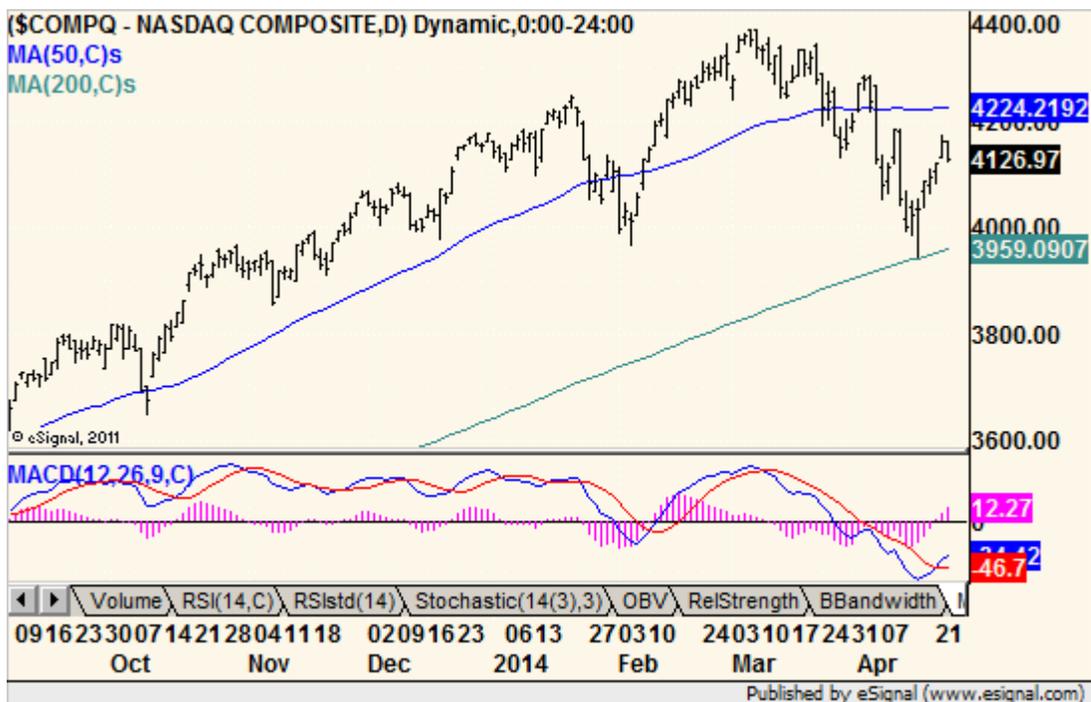
The hourly **SPY** chart shows the upper border of the old trading range now under attack. The pop up after the Apple news yesterday is rather clear so the question is whether it sticks today. We've been on the wrong side of this for the past few days as it traded near resistance but it now looks to be time for the market to make its real decision. Hourly RSI is bearish. Refusing to back down at resistance is bullish.

OK, let's get down to it. Stocks are giving the bears another "in your face" rally and there will be a lot of cheerleaders pushing the Dow to reach a new "Dow Theory confirming" high. That's still within the realm of the bearish view as it would suck in the last doubters and set up the fall. We are not going to short it based on that but we will be looking for it, should it set up. Remember, all four horsemen are still lagging and even with this morning's rebound the Nasdaq is still badly lagging. .

Index Charts of the Day



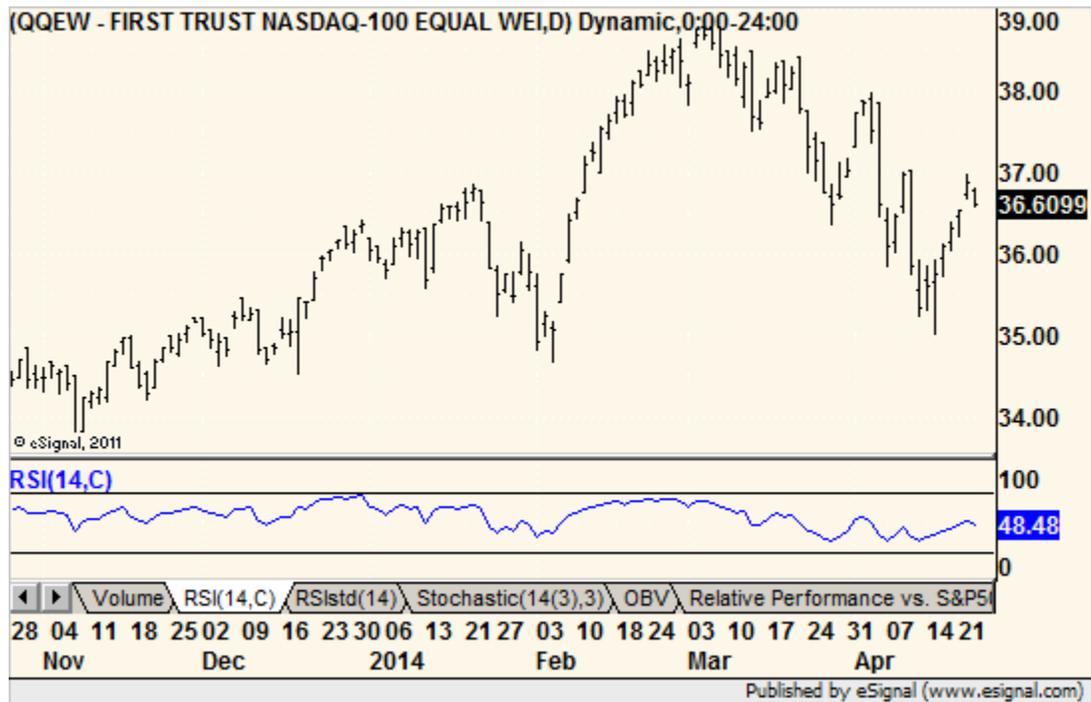
Still at the top of the range, even after Apple and Facebook's jumps overnight.



The Nasdaq should pop up a bit at the open thanks to the big earnings news but it will still be below its 50-day average. See next chart.



The Russell will not get any direct benefit from **AAPL** and **FB**. The premarket for the ETF is still within the range of the past two days.



This is the equal weighted Nasdaq-100 ETF which essentially takes out Apple from the mix. Not much movement as it is virtually unchanged from yesterday's close so far in the premarket.

The Radar Screen

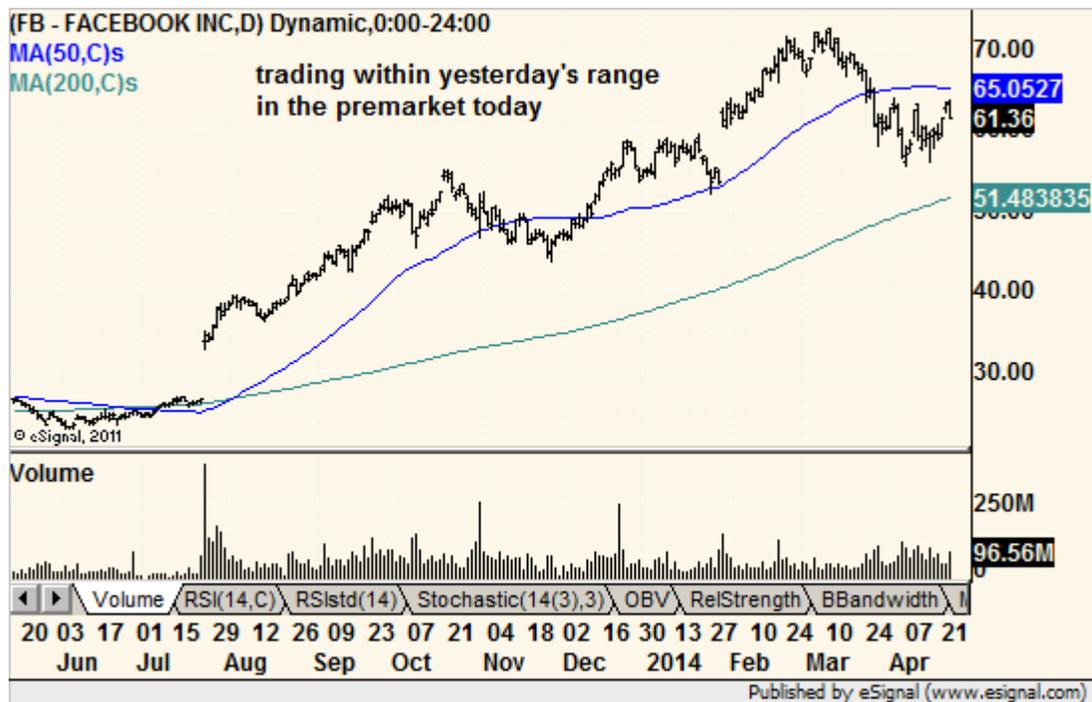
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Goldman Sachs GS - Jumped on earnings (actually revenues) and is now testing its support break. This would be a good place to sell it but we want to be sure the market's bounce is over first. Let's put a higher trigger on it to reduce risk. <u>Selling now.</u>	Triggered	4/17
Broadcom BRCM - Looking for a bounce to test the breakdown. Sell 30.50 where the 50-day average is. That is also just below broken trendline.		4/15
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Nike NKE - 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. <u>Still hanging on.</u>		4/9
Gold ETF GLD - Back on the 200-day average and 50% retracement. Still not ripe at this time. Looking at May 5 at 121.85 - both .618 Fibonacci levels.		3/19
Netflix NFLX - Just watching to see if a head/shoulders develops. Looks like it is		4/22
Priceline PCLN - At the crossroads of two trendlines.		4/22
Amazon AMZN - A bearish reversal on a market up-day is not good. Note both major averages as resistance.		4/23
Boeing BA - Jumped on earnings in the premarket. Now trading at resistance. Fellow defense stock NOC also jumped on earnings. The entire defense sector looks better.		4/23
Johnson Controls JCI - An autoparts and building controls maker in a triangle. Also being squeezed by its averages. So far, no breakout but we'll watch.		4/23
Sector Watch (observations that may spark ideas)		
Energy - Resilient and leading		3/31
Utilities - Still looking strong. Concerned over bearish reversal Thursday.		3/31
Natural Gas stocks \$FUM - Leading		4/4
Sectors that rolled over - Drugs, biotech, Internet, Brokers, Software		4/14
Financials - Watching these three area representatives. If they break then the market will be a step closer to a serious breakdown - KBE , AXP . Adding ETFC as a canary in the coal mine. JPM , too. MTG too strong.		4/15
Updates		
none -		

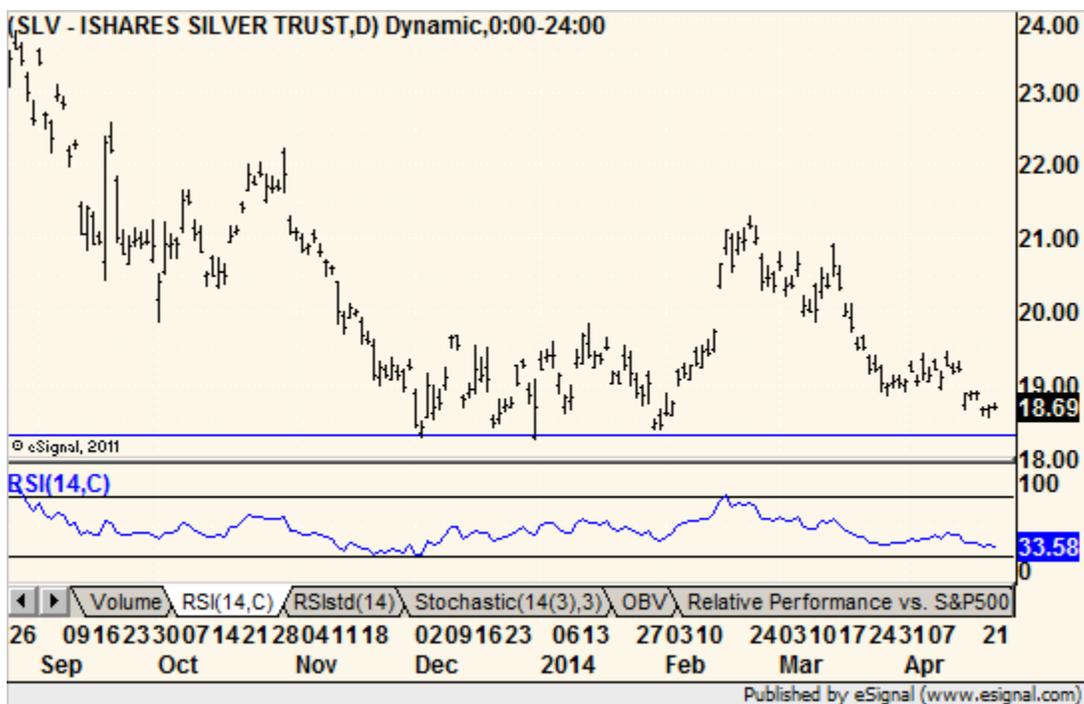
Market Highlights



Apple - Big pop after hours on earnings. Surprised everybody! We'd take the gift here as it is already near resistance and now very far above its 50-day average. That does not mean it won't rally over time but we think it has to work off the gain first and that takes time.



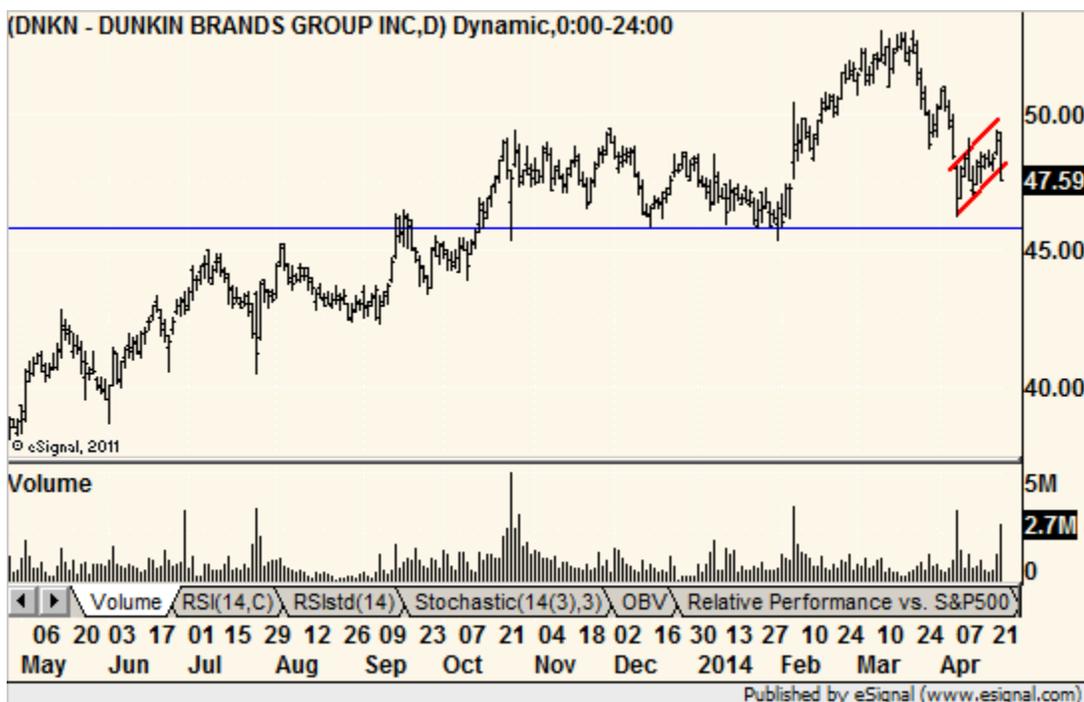
Facebook - It rallied after hours yesterday. Still below its 50-day average.



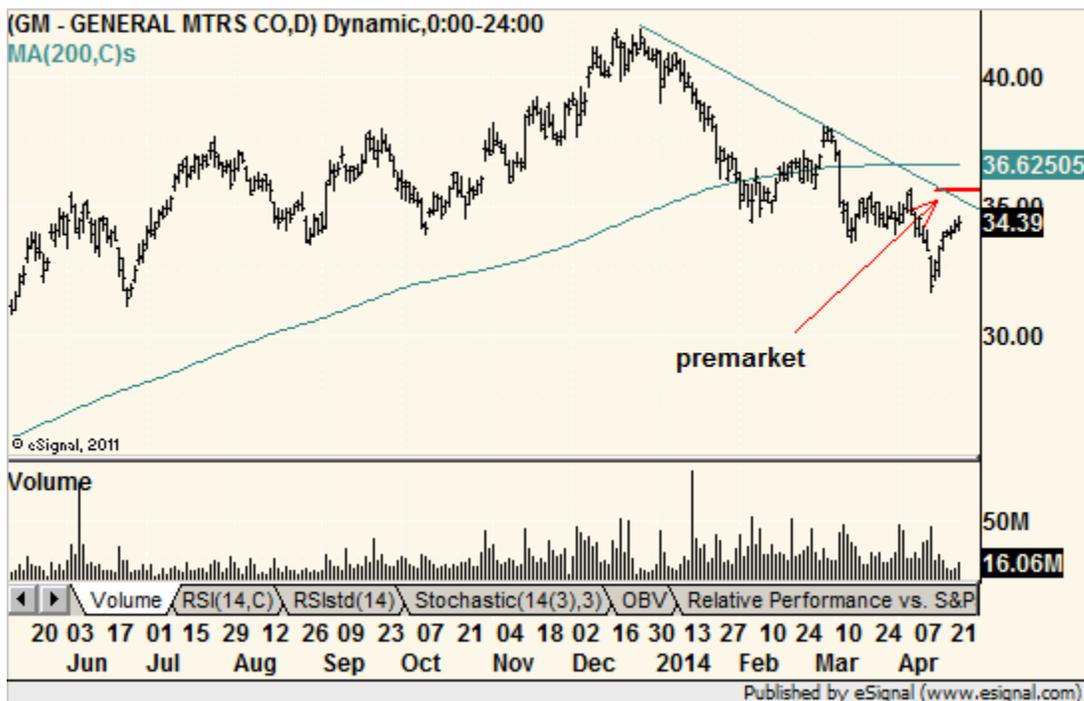
Silver ETF - Dropped to support in the premarket. We think what happens here will be very important - bottom fishers flood in or everyone gives up. Gold has not yet fallen to our target.



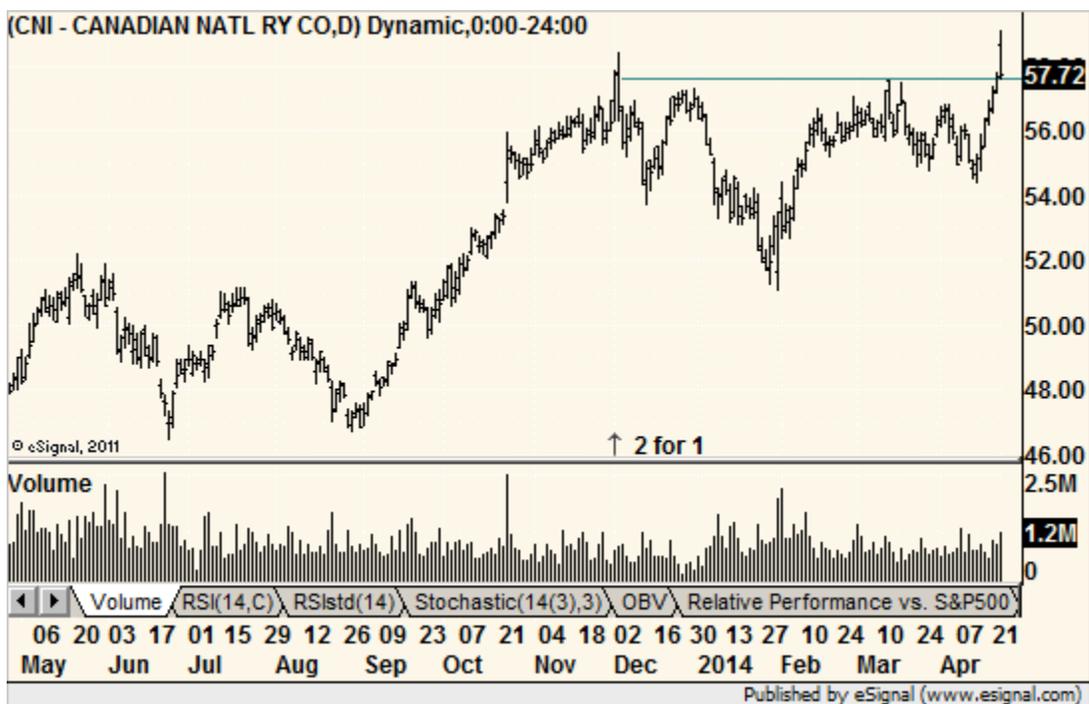
Gold miners ETF - Gold stocks have done much better than the metals themselves. Which one is right? This ETF is set to give up yesterday's gains at the open today but let's watch support as shown. If it holds then perhaps the stocks know something we don't.



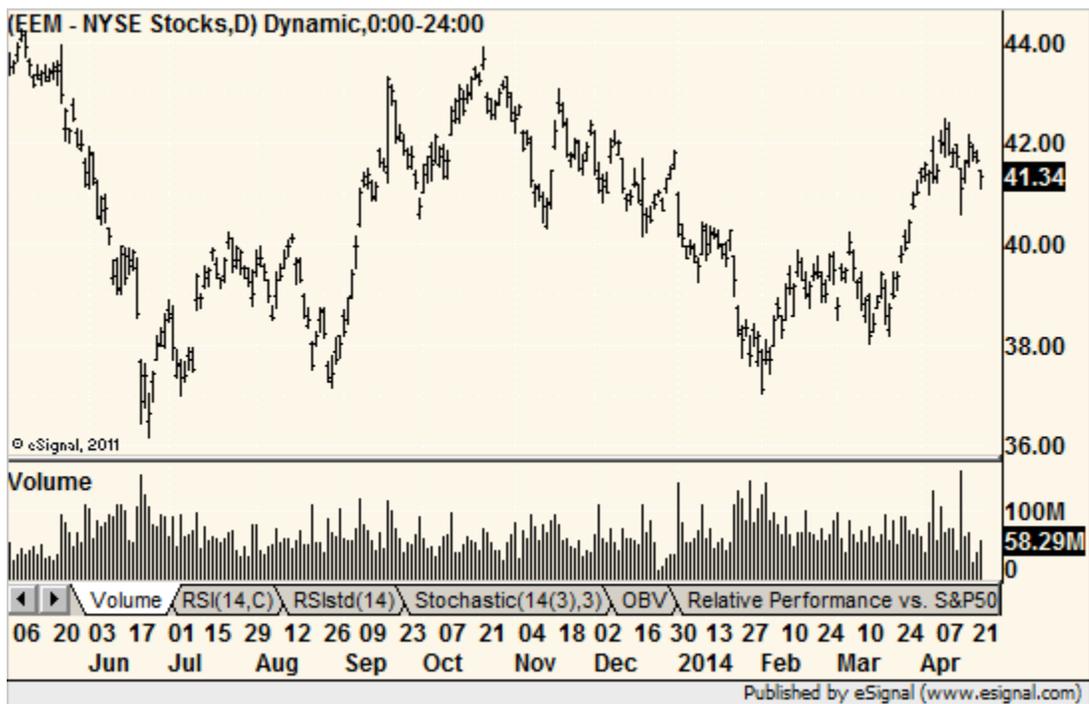
Dunkin Brands - Despite my post-football donut ritual on Sundays, this stock reported weak sales. As with Starbucks, it has a bear flag just above support. It is another restaurant that looks weak.



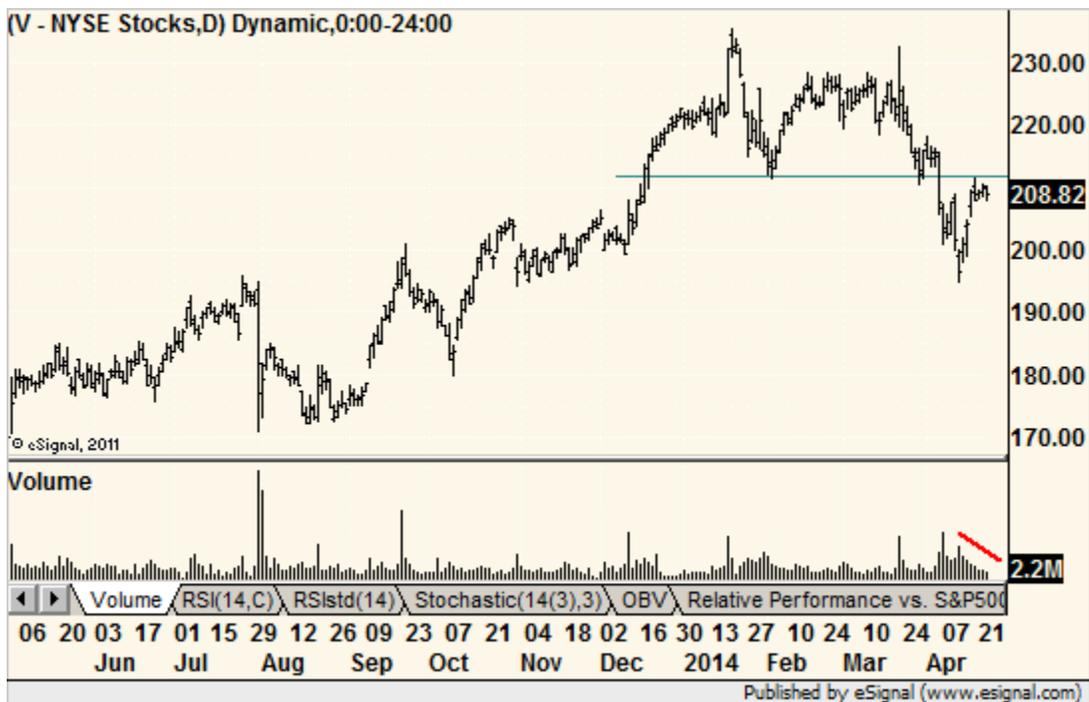
GM - Jumped this morning to challenge the trendline but it is still fairly far below its 200-day average. It is also at resistance from the early April reversal. We are not convinced this is a buy.



Canadian National Railway - We want to see what happens with this massive intraday reversal and possible failure of the breakout. It beat its profit numbers this week. And it is a transportation stock (not in the DJTA).



Emerging Markets ETF - With the shift to big caps, emerging markets are stumbling. Here, we see a gap down after hitting resistance. Avoid.



Visa - This chart looks pretty weak to us. Another knock on consumers?



Long T-bond ETF - If stocks are ready to hit new highs as some say after yesterday's benign loss then why are Treasuries still rallying? People are hating on this market, too, and it does not care.

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>	HR	HEALTHCARE RLTG TR	24.72	-0.8%	24.00	24.91	4/15	7
	ED	CONSOLIDATED EDISON INC	56.67	1.4%	55.50	55.89	4/15	7
<u>Short</u>	ACHC	ACADIA HEALTHCARE COMPANY INC	40.21	14.6%	42.50	46.09	3/11	42
	UPS	UNITED PARCEL SERVICE INC	99.24	-3.3%	100.00	96.00	3/21	32
	CVS	CVS CAREMARK CORPORATION	73.09	1.0%	76.00	73.85	4/7	15
	CA	COMPUTER ASSOC	30.61	-0.5%	32.00	30.46	4/22	7
	GS	GOLDMAN SACHS GROUP INC	160.45	-0.1%	168.00	160.26	4/22	7

Notes: We were stopped out of a short in **JNPR** Tuesday but it tanked nearly 4% Wednesday. That's the game. Also stopped out of **WYNN** short and it fell more than 4% yesterday. Now we are a tad peeved.

At least **ACHC** is performing nicely, down almost 4% yesterday. Its stop was raised although we'd consider covering it soon to lock in the gain. Arguably oversold now.

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

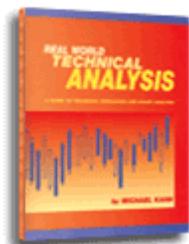
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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