

# QUICK TAKES PRO

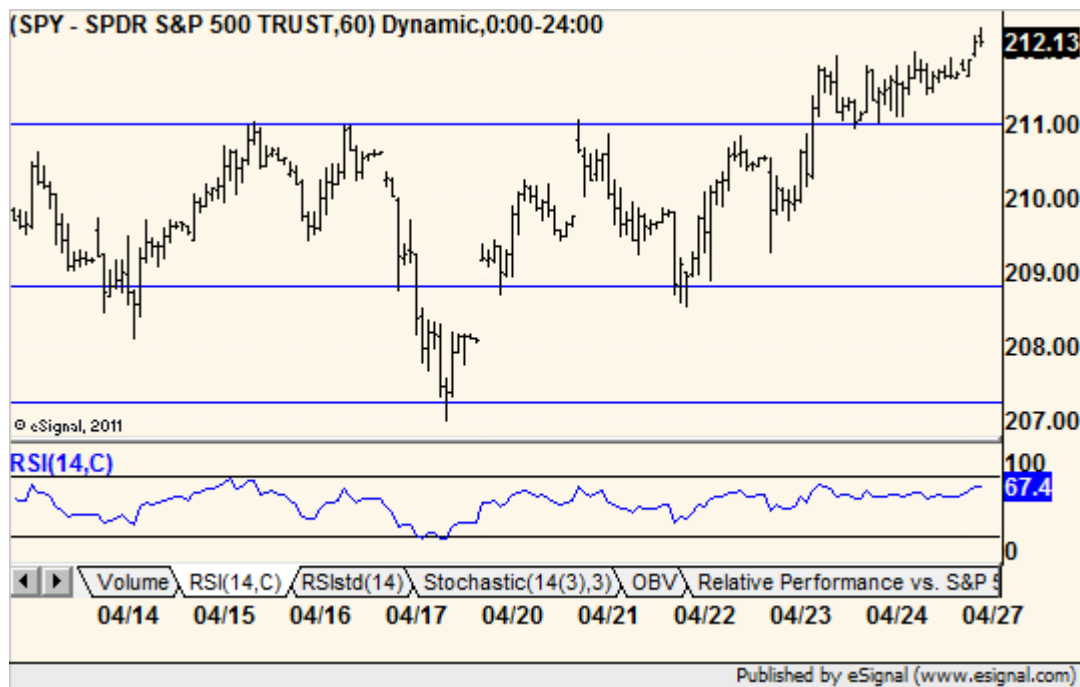
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**April 27, 2015** – For an earnings season that was widely expected to be weak, this one is producing some big numbers. And likely thanks to low expectations, it is also producing some rather huge gains. Just look at Friday with Amazon, Microsoft and Google. Poor wild-eyed Jeff Bezos only added \$5 billion in paper profits that single day.

What was more important was that this was a follow through after the Nasdaq finally made it to new highs. Call it conviction. Or was it? While the Nasdaq and **QQQ** ETF added to gains Friday the equal weighted **PSE** high tech index and **QQEW** equal-weighted version of the **QQQ** did not. Perhaps it just was a little rotation from biotech to computer tech. Or should we say internet tech? **EBAY** jumped Thursday. It sure was not into semiconductors, which really went the wrong way (see **MRVL**).

Here is a surprise sector – industrial metals. Copper was up a bit but copper stocks were up a lot. So were steel stocks (not **X**).

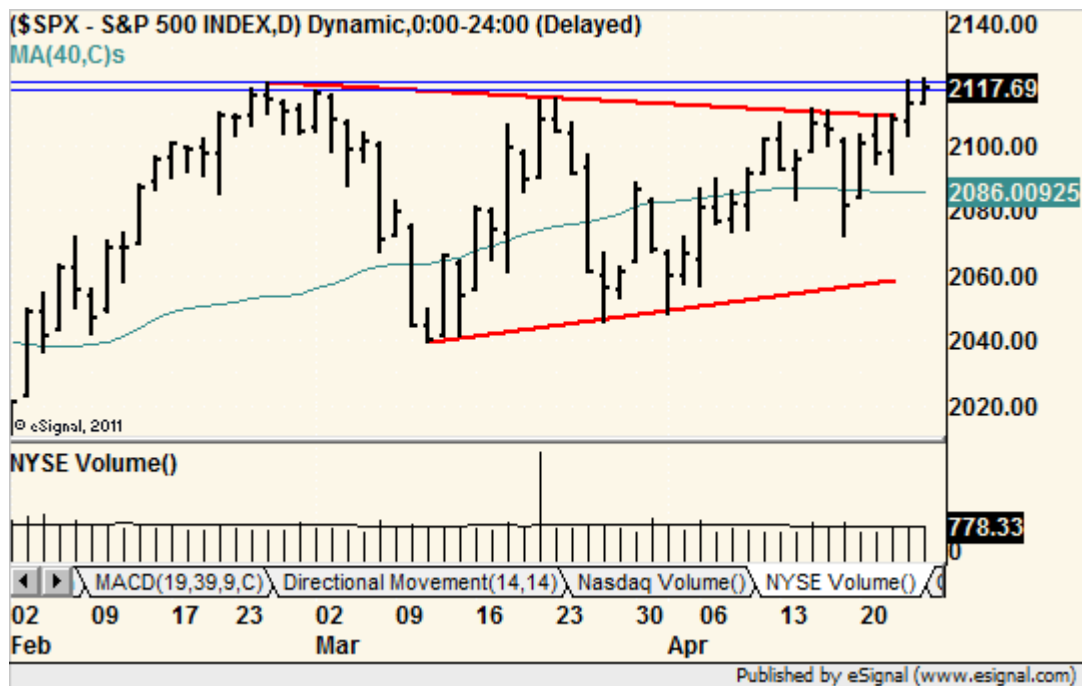


As the hourly chart shows, the market is stronger again this morning after a relatively quiet weekend. The path of least resistance is now to the upside. There is still the nagging concern that banks have not been able to break out with a few exceptions. One of them, **JPM**, is featured below in a bull flag pattern. It could be the harbinger for the rest if it makes a decisive breakout from this dip.

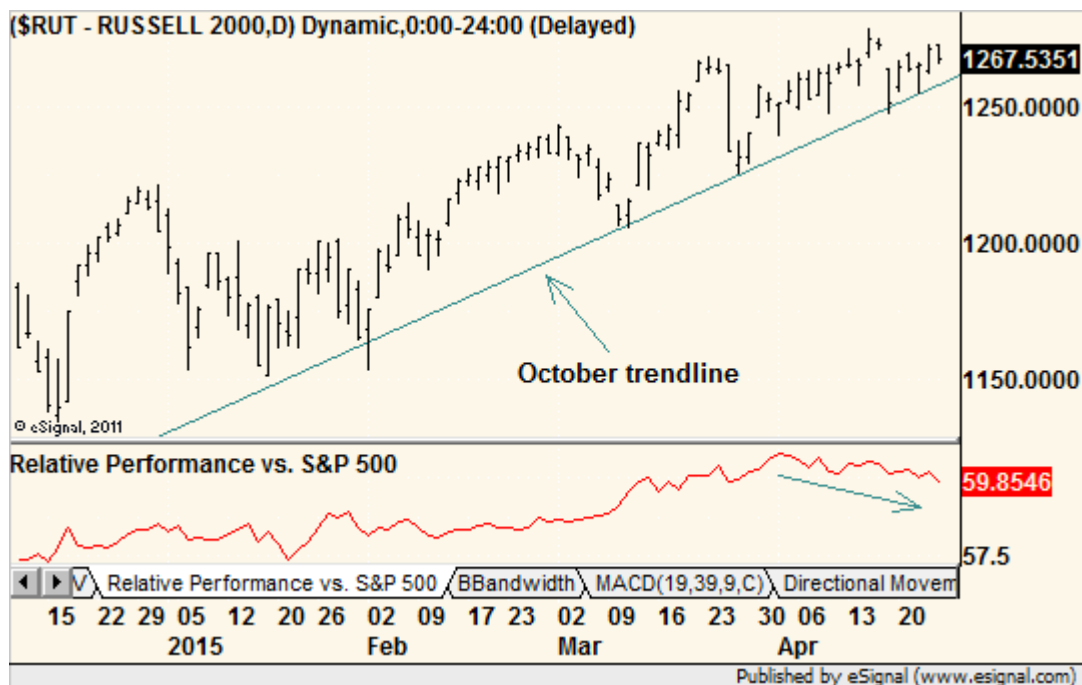
Another concern is the Russell 2000, which is not really back in rally mode. It is still above its trendline but has been lagging for several weeks already.

So, will Apple's earnings rock the market today? See chart below. It might just be quiet all day leading up to them.

## Index Charts of the Day



The S&P 500 offers a choice of breakouts. Closing basis? Intraday? But not a clear closing high above the prior intraday high. That could change today for the better but what if it doesn't? If it closes lower today and back below the February highs after making a new high this morning then we will have to have a serious rethink of things.



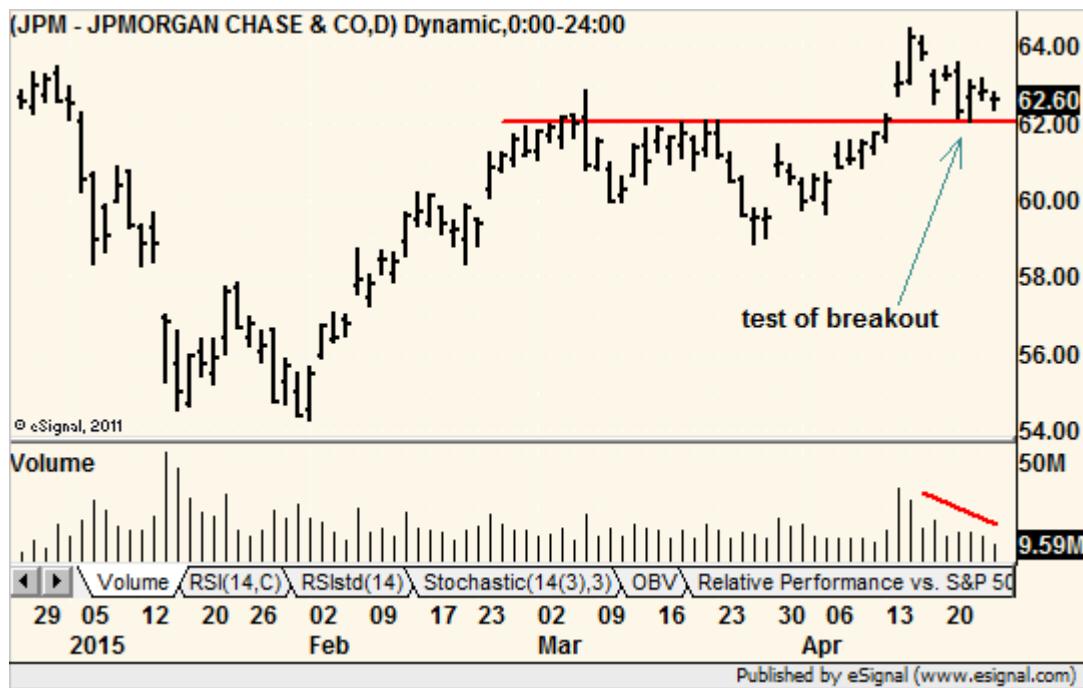
The Russell 2000 closed lower Friday and still has not really broken free from its trendline. The longer this continues the more uneasy we will feel. Fortunately, the NYSE composite is still doing nicely.

## The Radar Screen

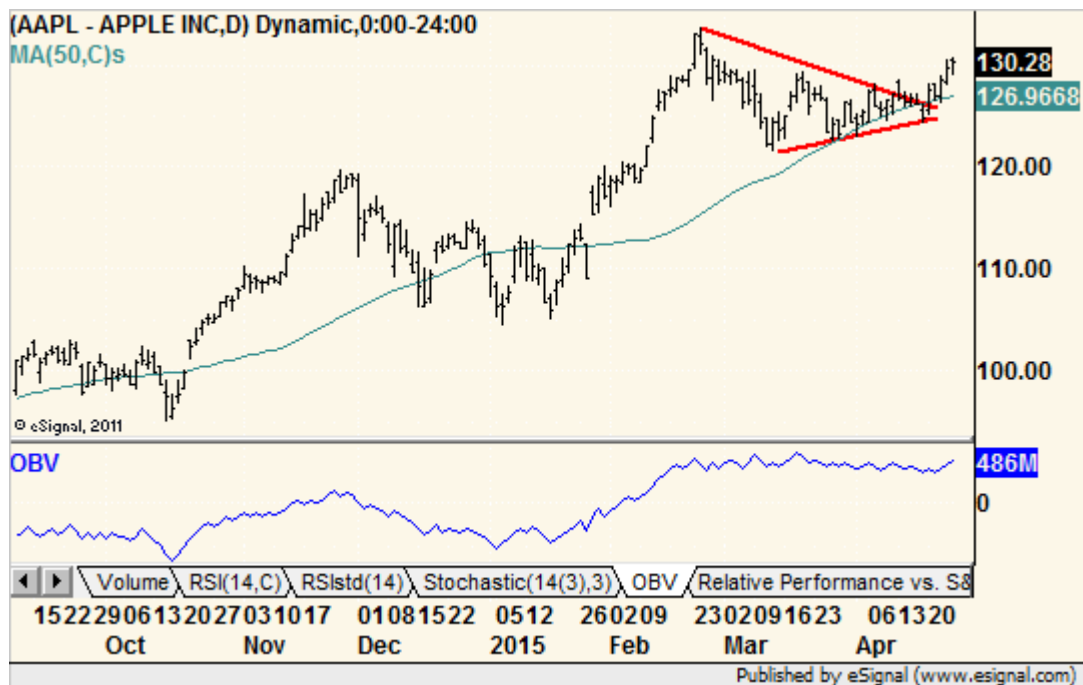
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>Phillips 66 PSX</b> –oil refiner breaking out though resistance? Above both major averages. Looks good here.	<b>Triggered</b>	4/24
<b>IBM</b> – This is a nice base breakout. Now at the 200-day average. We may miss it but we'll wait for a dip to 168.50. <u>Close but no cigar.</u>		4/24
<b>Coach COH</b> – While we are not too enthused with retail, this one has a great chart. Triangle sitting on 50-day average with rising on-balance volume. Buy close over 43.25.	<b>New</b>	4/27
<b>Verizon VZ</b> – We've been eying this big 4.4% dividend for a while but the stock has been struggling. However it looks to have broken out last week. We'll buy.	<b>New</b>	4/27
<b>Bearish Implications</b>		
<b>Keurig GMCR</b> – A stock on precipice. It has a moving average death cross in February. Now that it bounced we will sell under 111.		3/30
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Caterpillar CAT</b> – Breakout failure so far. Keep watching as strength now would catch everyone off guard and likely be a buy.		4/24
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Heavy Construction</b> - <b>MTRX</b> among others		4/7
<b>Consumer Discretionary ETF XLY</b> –continuation rectangle <b>breakout</b>		4/10
<b>Apparel retail</b> – Waiting for <b>TJX</b> bounce to sell. <b>UA</b> crushed on earnings.		4/21
<b>Other retail</b> – <b>BBY</b> looking bad		4/21
<b>Banks ETF KBE</b> - Still waiting for a real breakout despite same in <b>JPM</b> and <b>GS</b> .		4/21
<b>DJ medical supplies sector</b> – Bull flag. On-balance volume held steady during the pullback. Bullish setup. <b>BCR, TFX, BAX</b>		4/22
<b>Updates</b>		
<b>Helmerich&amp; Payne HP</b> – We were stopped out but in Friday we said it still looked quite bullish. Bid sharply higher this morning.		

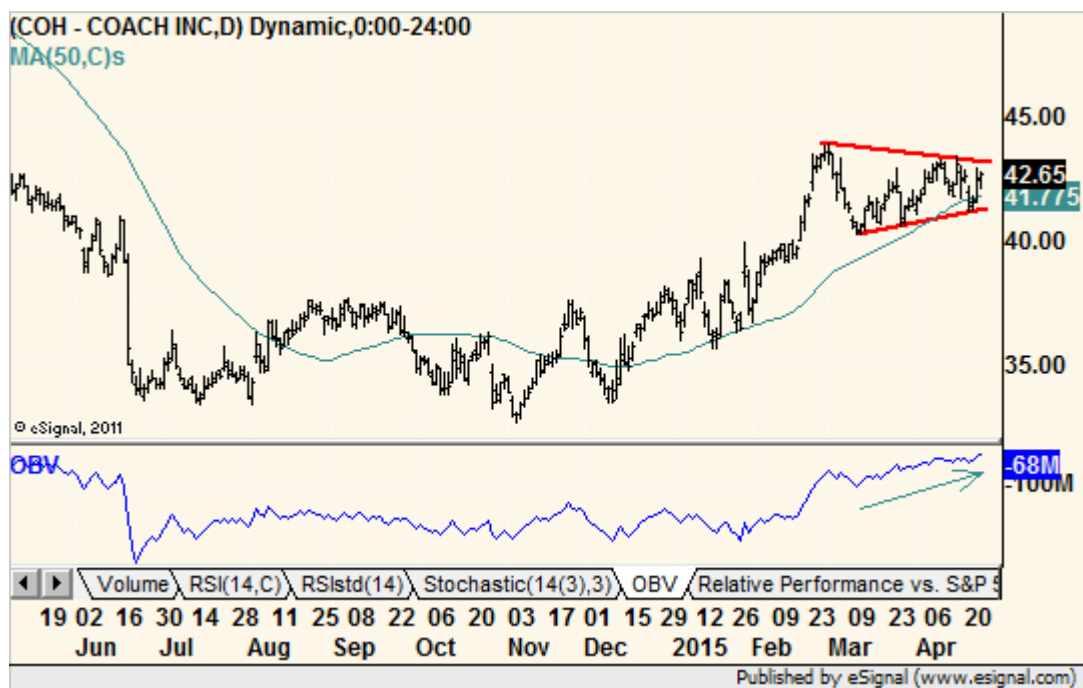
## Market Highlights



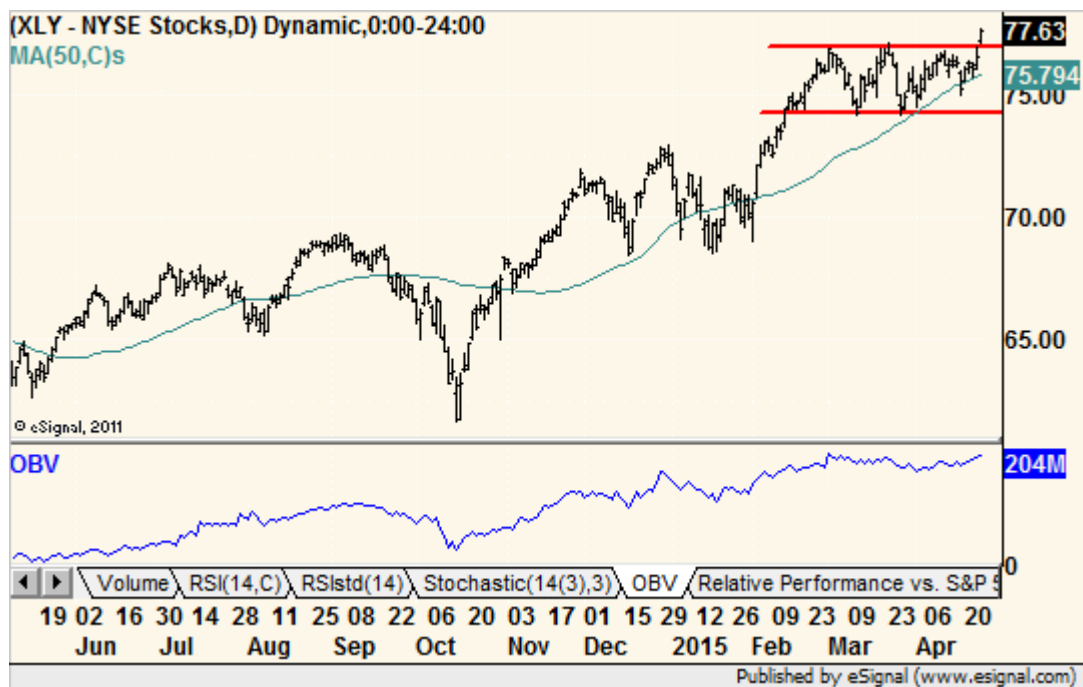
**JP Morgan Chase** – One of the few banks with an actual breakout. Eased back in a classic bull flag so we now look for a fresh breakout. That could be what the entire banking sector was waiting to get.



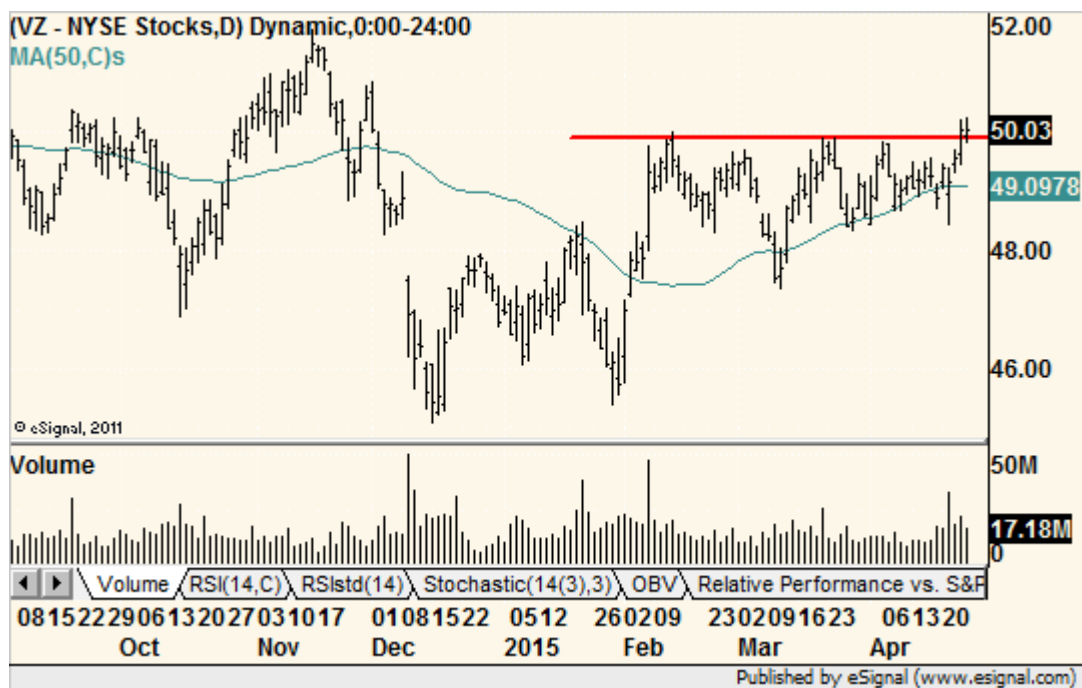
**Apple** – This chart looks pretty good with a nice upturn in on-balance volume on the triangle breakout. What will earnings bring? Can't tell from this but it does lean positive.



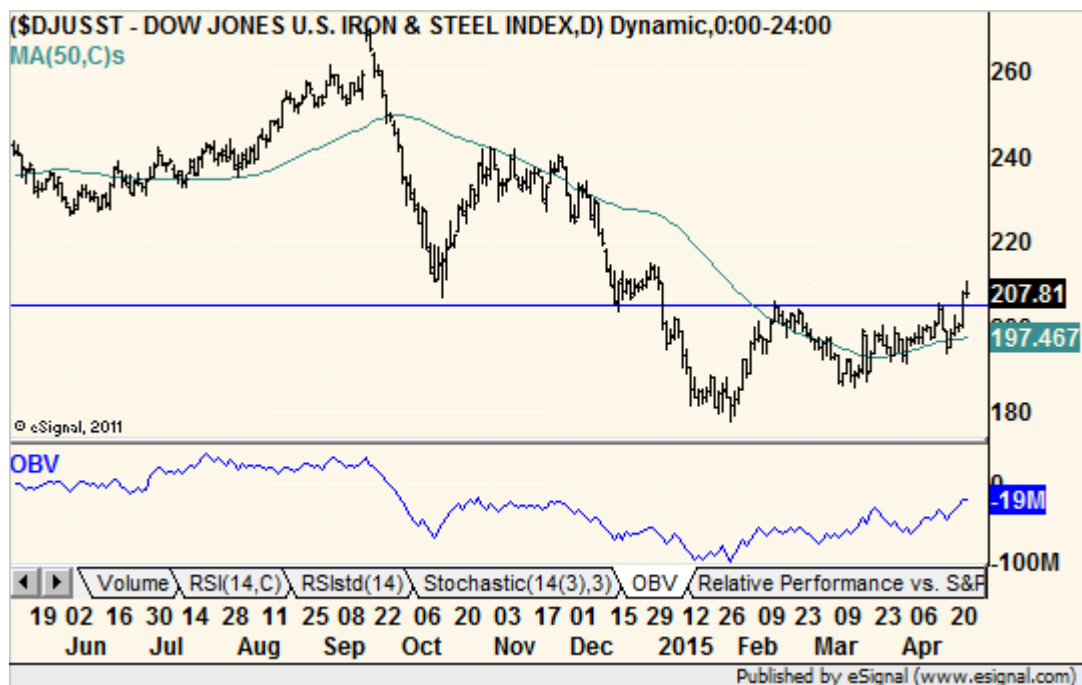
**Coach** – While we are not too enthused with retail, this one has a great chart. Triangle sitting on 50-day average with rising on-balance volume. Buy close over 43.25.



**Consumer Discretionary ETF** – There is your breakout. **COH** above is in this sector. So is Amazon (**AMZN**).



**Verizon** – We’ve been eying this big 4.4% dividend for a while but the stock has been struggling. However it looks to have broken out last week. We’ll buy.



**Steel sector** – Looks like a bottoming pattern with rising on-balance volume.

## 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>	<b>YHOO</b>	YAHOO INC	44.52	-1.0%	43.50	44.98	3/19	38
	<b>FB</b>	FACEBOOK INC	81.53	-2.7%	80.00	83.81	3/30	27
	<b>CBI</b>	CHICAGO BRIDGE & IRON CO N V	49.00	0.0%		49.01	4/1	25
	<b>SIMO</b>	SILICON MOTION TECHNOLOGY	32.00	15.4%		27.74	4/7	19
	<b>JEC</b>	JACOBS ENGR GROUP INC DEL	46.31	0.9%	46.00	45.90	4/9	17
	<b>PM</b>	PHILIP MORRIS INTL INC	82.75	5.9%	82.00	78.11	4/14	12
	<b>ABB</b>	ABB LTD	21.69	-0.5%	21.25	21.80	4/14	12
	<b>GILD</b>	GILEAD SCIENCES INC	103.70	1.3%	100.00	102.34	4/14	12
	<b>XOM</b>	EXXON MOBIL CORP	86.97	0.4%	85.00	86.63	4/14	12
	<b>VIAB</b>	VIACOM INC NEW	70.74	0.4%	68.00	70.45	4/14	12
	<b>FLR</b>	FLUOR CORP NEW	60.11	0.3%	58.00	59.93	4/21	5
	<b>KOP</b>	KOPPERS HOLDINGS INC	22.47	-0.8%	21.50	22.64	4/22	4
	<b>STJ</b>	ST JUDE MED INC	73.47	4.7%	71.00	70.15	4/22	4
	<b>BGG</b>	BRIGGS & STRATTON CORP	19.75	-4.6%	19.75	20.70	4/23	3
	<b>PSX</b>	PHILLIPS 66	81.59	0.3%	77.25	81.38	4/24	2
<u>Short</u>	<b>WSM</b>	WILLIAMS SONOMA INC	76.91	-0.5%	80.00	76.51	4/17	9

**Notes:** The bad news is that **SIMO** cratered on Friday. The good news is that the stop saved the bulk of the profit.

Also stopped out of **CBI**, which was odd since it happened after, not during, the earnings release.

Finally, stopped out of **BGG** on a monster bearish reversal. This one hurt.

New long in **PSX** at Friday's open.

## Subscriber Corner

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



**Twitter** – The 50.30 level looks to be the line in the sand. Overall this is not that bad – at least not yet. On-balance volume is holding and so is the 50-day average. The trendline broke with horizontal movement – the passage of time – so it is not a real strong breakdown if one at all. But a drop under 50.30 would change that.



## 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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