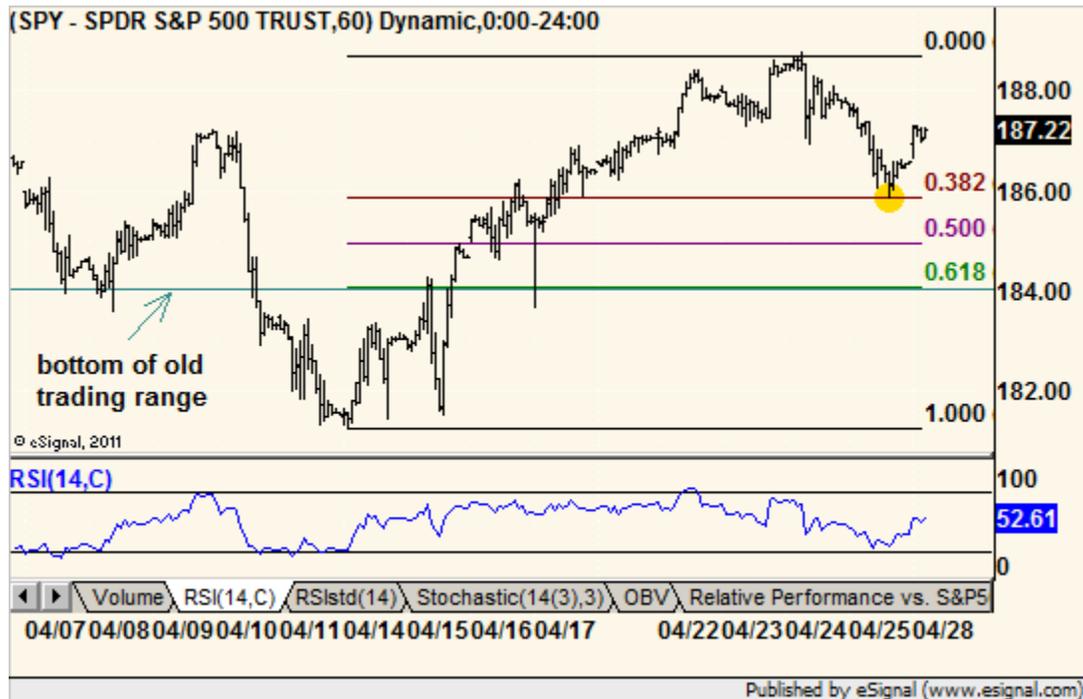


QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

April 28, 2014 - OK, bears, you win. In Friday's report we wrote this: "The bears cannot claim a short-term victory until this week's lows are taken out..." They took out the lows in spades on Friday so break out the honey.



Technicals seem to work better intraday and we can see the decline got oversold and bounced at the 38.2% Fibonacci retracement level. If it was going to bounce, that was a good place to do it. But what does it mean going forward? Not that much until we look ahead at the 61.8% level. That coincides with the bottom of the old trading range and will be another likely place to see some buying come in.

But overall, we think the April rebound is over and so is the cyclical bull market from 2009.

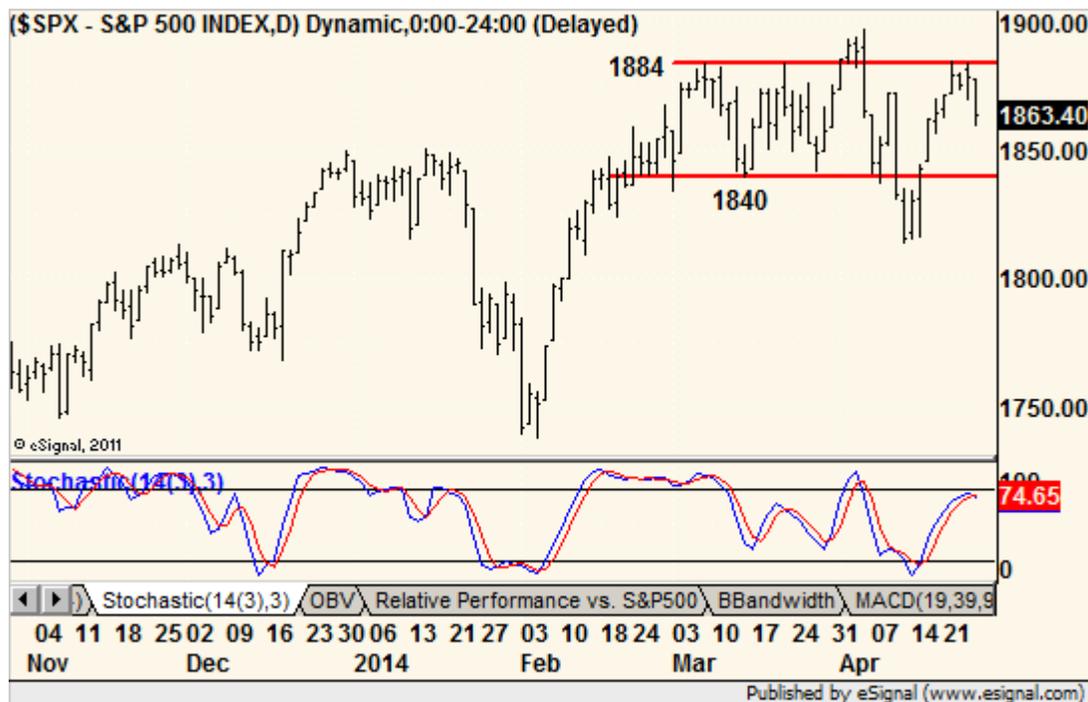
Moving on to gold and silver, Thursday's bullish reversals at supports got a lot of bullish juices flowing. However, we are still a bit skeptical. Keep in mind we are talking about the small stuff now as we think metal will be a lot higher by the end of the year. Even so, who wants to start out with losses, even short-term ones?

As for gold stocks, it appears the to-do last week was over a merger and that was called off. **NEM** shares are taking a bath this morning

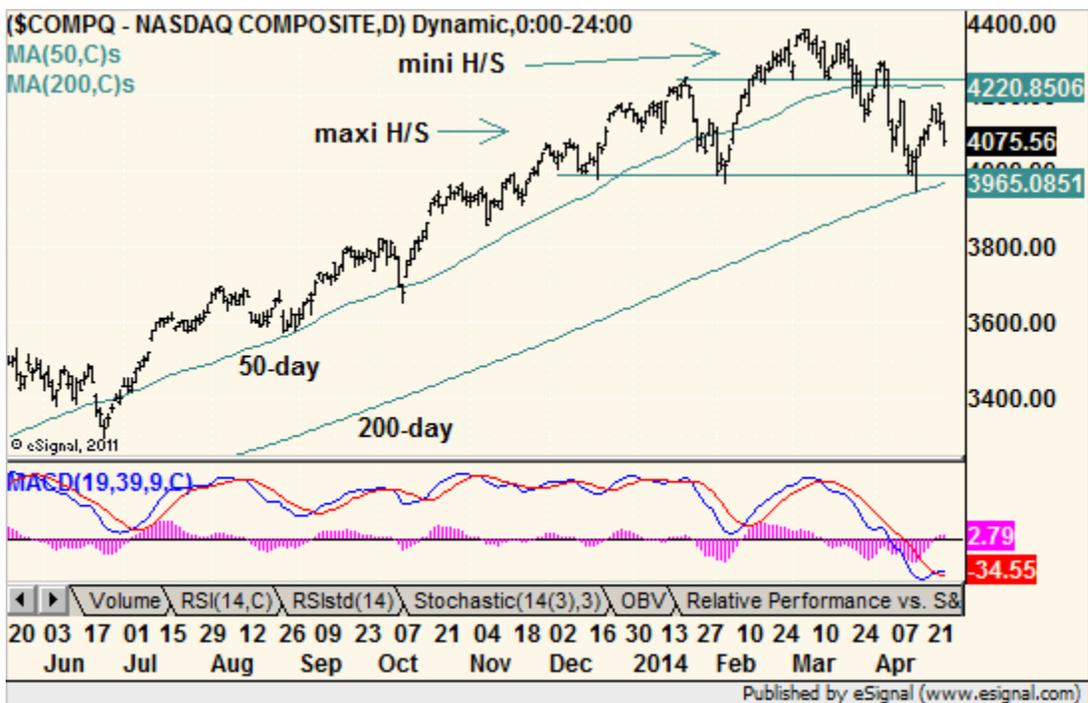
The **USO** oil ETF appears to be bouncing off a rising trendline from January. If it can get to a new high it would break the long-term triangle to the upside and create a major buy signal. And soaring oil will likely not be good for stocks but we'll cross that bridge.... Energy stocks, however, remain strong.

Finally, the **GCC** commodities ETF broke out through resistance last week. Its weekly performance relative to stocks (financial assets) changed in January and channeling John Murphy dare we say it was a rotation from financials to hard assets?

Index Charts of the Day



After hugging resistance for a few days the S&P 500 succumbed to the sellers and that tells us it has little chance to recover without doing some damage repair. In other words, do not buy this dip.



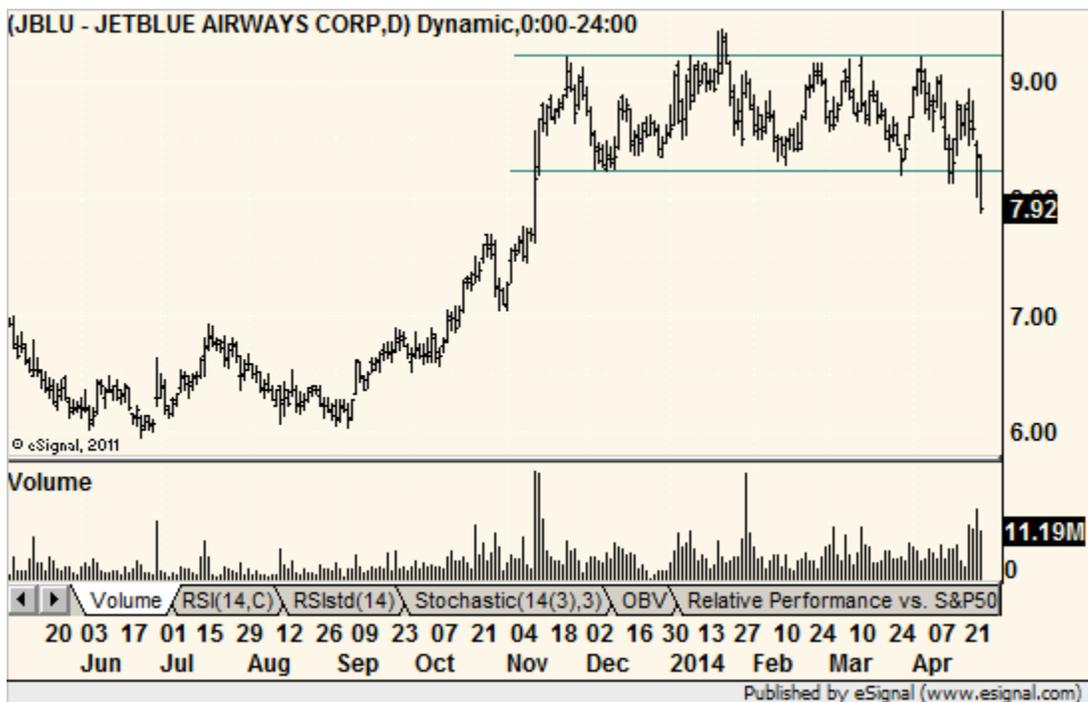
We like how the 50-day average coincided with the neckline of the mini head-and-shoulders and the 200-day now coincides with neckline of the maxi H/S. There is a two-pager on variations in patterns that includes nested head-and-shoulders. [Click here.](#)

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		
FirstEnergy FE - Another utility set up to catch up. The caveat is that it is still below its 200-day average but stochastics bottomed twice at levels that suggest strength. Oversold in weak markets gets to much lower levels of stochastics. Buying breakout above 34.50.	Triggered	4/25
Bearish Implications		
none –		
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Nike NKE - Weekly double top in progress. If the bounce stalled so we look for the setup for a big short on the support break.		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
Priceline PCLN - At the crossroads of two trendlines. Bears win		4/22
Johnson Controls JCI - An autoparts and building controls maker in a triangle. Also being squeezed by its averages. Bears win		4/23
Dunking Brands DNKN - Now pausing on support. If it holds a few days then we can look to sell a breakdown.	Moved	4/25
Sector Watch (observations that may spark ideas)		
Energy - Resilient and leading		3/31
Utilities - Still looking strong.		3/31
Natural Gas stocks \$FUM - Leading but still a bit overbought.		4/4
Financials - Some of our canaries rallied but overall financials still look weak. Still watching JPM, AXP, KBE . Looking to see if MTG and ETFC fail.		4/15
Transports - Watching an expanding triangle (megaphone) on the DJTA		4/25
Updates		
Whirlpool WHR - Technical breakdown at the open Friday did not hold and it actually closed with a gain. Bulls won on that one.		
China Shanghai Index - Ouch!		

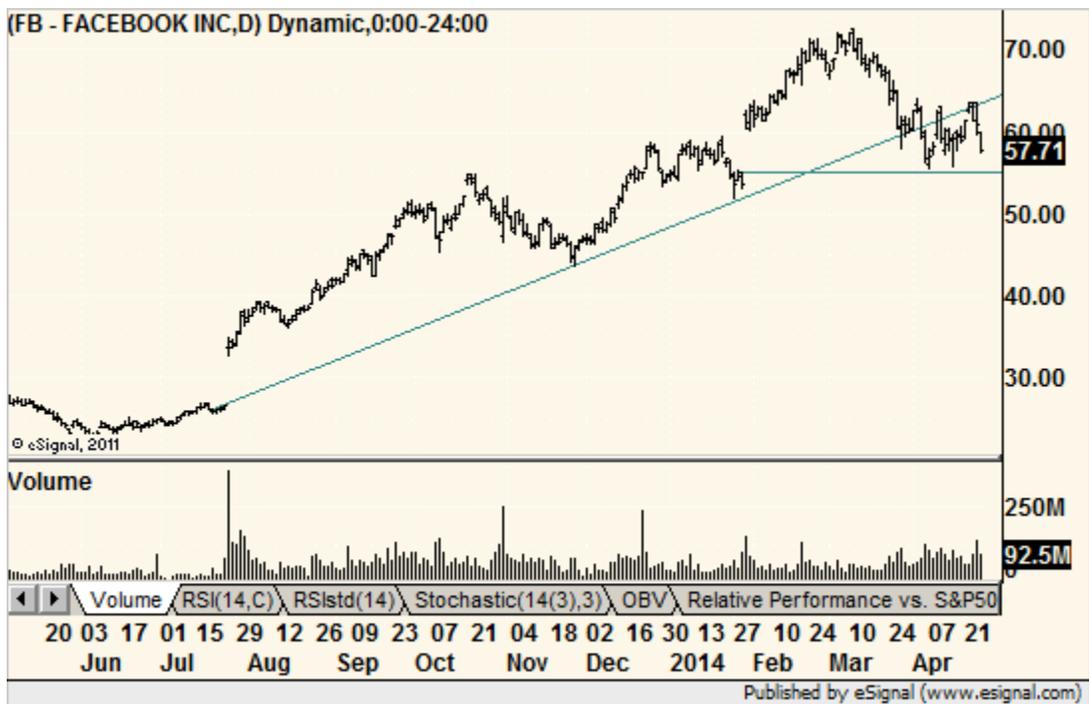
Market Highlights



JetBlue - We tweeted last week after workers here voted in the union. The whole sector was up but this stock plunged. And now it has a support break.



Google - Support break as it heads for the 200-day average. The trend here is down.



Facebook - Support at 55 (plus a nickel or two) is the line in the sand.



Yelp - A really bad day for social media in general. Kiss the 200-day average goodbye. Real estate media sites **Z** and **TRLA** were crushed. **TWTR** is heading back to all-time lows.



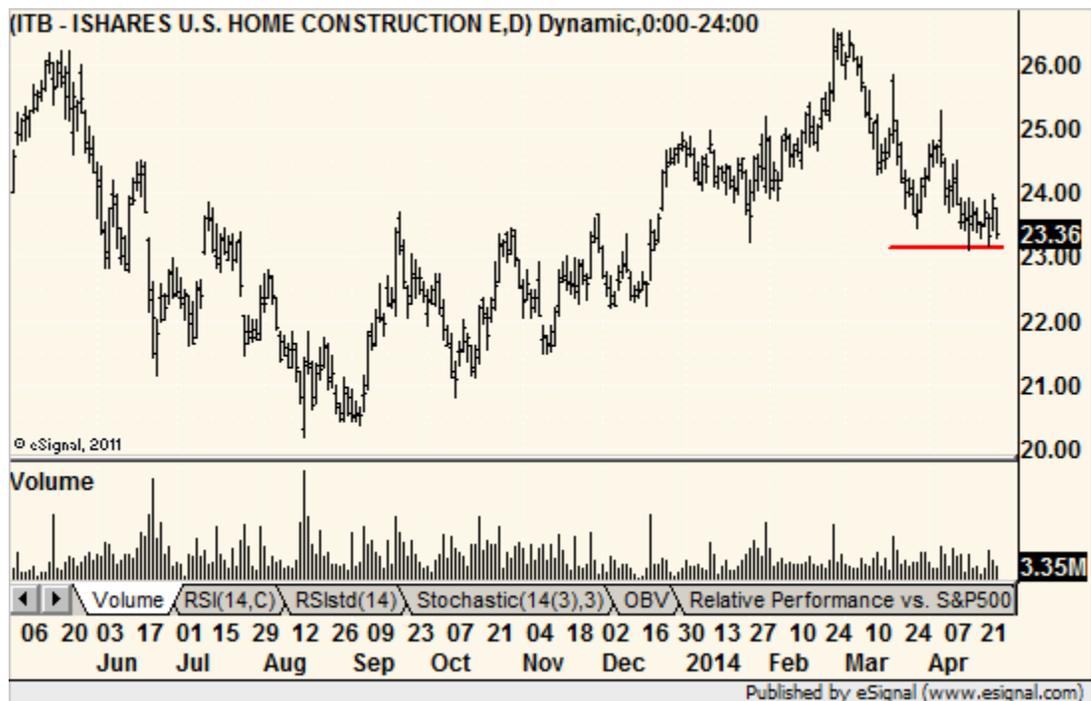
Banks ETF - 50-day broken and tested. Next test is support from the 200-day. **BAC's** drop this morning will help that endeavor.



Regional Banks ETF - This one stinks, too.



Ameritrade - We're already watching **ETFC**. This one has a break of the 50-, bounce off the 200- and now a test of the 50-. Watch to see if the rising short-term term breaks to the downside. If so, we'd expect the 200-day to fail.

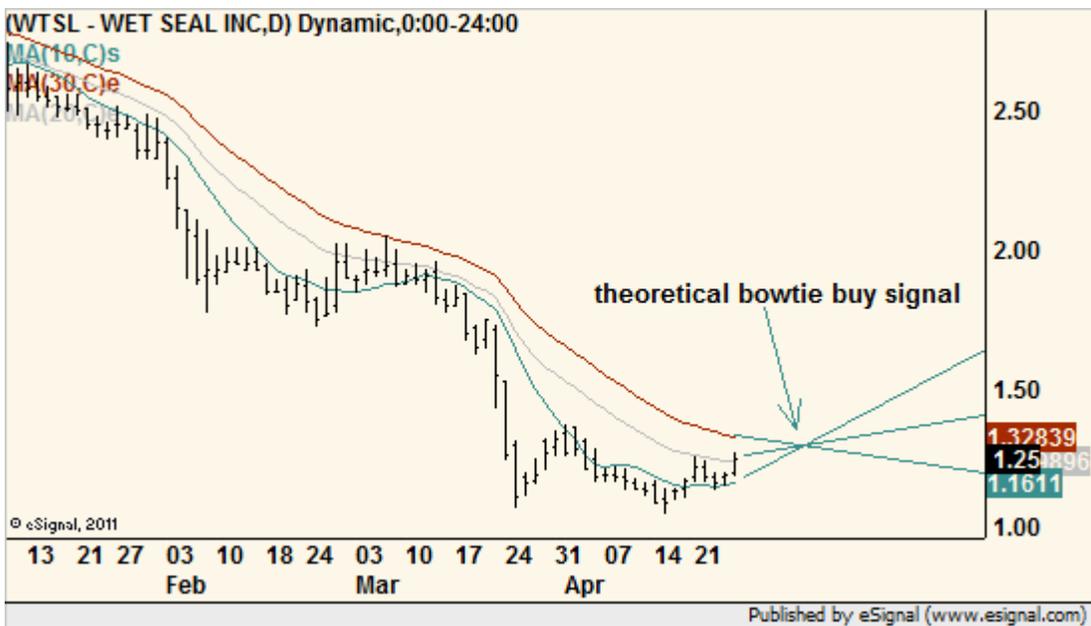


Homebuilder ETF - Pending home sales for 10am NYT today. Watch to see if support as drawn breaks to the downside. If it does, we can expect this to head all the way to last year's low.



Wetseal - Speculators only! This one was posted on Twitter this morning (not by us) as a "bottom watch." Intrigued, we looked for technical evidence and we found it. First, we have to remind everyone that this stock is still below all its averages and is still in a down trend. Falling knife. But it has stabilized over the past month and now sports a bullish RSI divergence.

It also had a selling climax last month as price fell off a cliff on huge volume after a long decline. Volume remained heavy and that channels the old saw "volume leads price." We can use the bowtie pattern below to tell us when it is safe for everyone who is not a risk loving speculator with cash to burn. This stock could easily double in a month if it has in fact already bottomed.



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 RLTY TR	24.92	0.0%	24.00	24.91	4/15	12
	ED	CONSOLIDATED EDISON INC	57.74	3.3%	55.50	55.89	4/15	12
	FE	FIRSTENERGY CORP	34.65	0.4%	33.25	34.50	4/25	2
<u>Short</u>	ACHC	ACADIA HEALTHCARE COMPANY INC	41.29	11.6%	42.50	46.09	3/11	47
	UPS	UNITED PARCEL SERVICE INC	97.40	-1.4%	100.00	96.00	3/21	37
	CVS	CVS CAREMARK CORPORATION	73.24	0.8%	76.00	73.85	4/7	20
	CA	CA INC	29.95	1.7%	31.25	30.46	4/22	5
	GS	GOLDMAN SACHS GROUP INC	158.24	1.3%	168.00	160.26	4/22	5
	BRCM	BROADCOM CORP	29.76	2.8%	31.50	30.60	4/24	3

Notes: New long in FE - another utility offering nice income.

Tweaked stops on two shorts - CA and GS.

Note we are short tech, health and finance and long income.

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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