

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

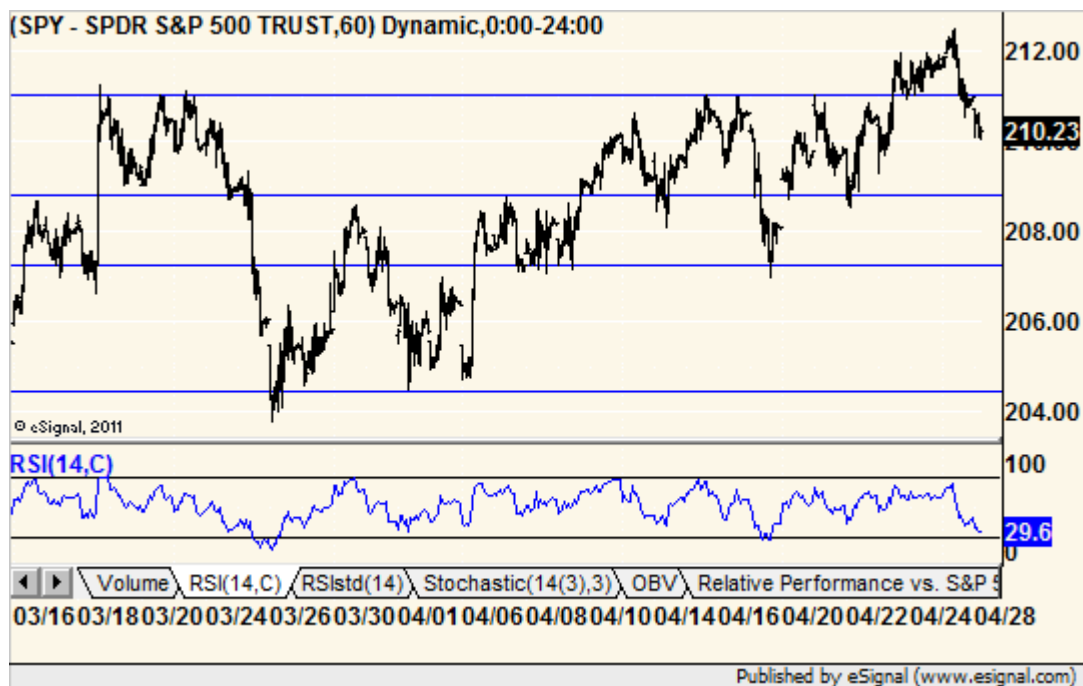
April 28, 2015 – "They" are blaming jitters ahead of the Fed for Monday's sell-off. Really? Again? How about investors ran from biotech and healthcare like Indiana Jones fleeing from a giant boulder?

This was a comment in the S&P 500 chart yesterday:

"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."

Yes, we do have to rethink. The Russell 2000 broke its rising trendline. And key outside-day reversals to the downside were everywhere in the major indices. That is enough to make us worry but there is one saving grace – confirmation. So far, there has not been any time to get it. So, if there is downside follow through today then we will have to prepare for a drop back to the bottom of previous chart patterns. You will see what we mean in the Index Charts of the Day section below.

Note we did not say anything about a 10% correction or worse. One day does not signal a market top so keep calm and let it play out.



Here is the hourly chart with its formerly reliable support and resistance levels. However, that was not much of a rally after breaking free from the highest resistance so once again we have to consider that these levels have finally lost their luster. Perhaps this is what happens when a trading range ends and a trend begins. That implies, by default, that the trend is up but we will have to see if that is true.

Apple's earnings were good and the response by the stock was also good. We've seen reports that the market is usually weak after Apple earnings but not for how long and by how much. The overnight could have been in.

Continued...

So we'll look at the question of whether it is time to really lighten up the portfolio or just wait. Was yesterday's gold rally significant? Well, the pattern there is still flat so no. And did Treasuries rally in a flight to safety? Well, no.

How about the discretionary/staples ratio? It is actually in an uptrend and we would not make a deal out of a single down close.

And the more robust offense/defense ratio? It soared yesterday to a seven-month high because healthcare was clocked. Without looking under the hood, this ratio actually looks quite bullish.

Advance-decline? A negative 778 Monday was not that bad and the overall chart is still in a super rising trend. This indicator should turn ahead of prices and it has not even turned at all, save for one down day.

Volume? Merely average on the NYSE. It was high on the Nasdaq but that was where all the biotech selling was.

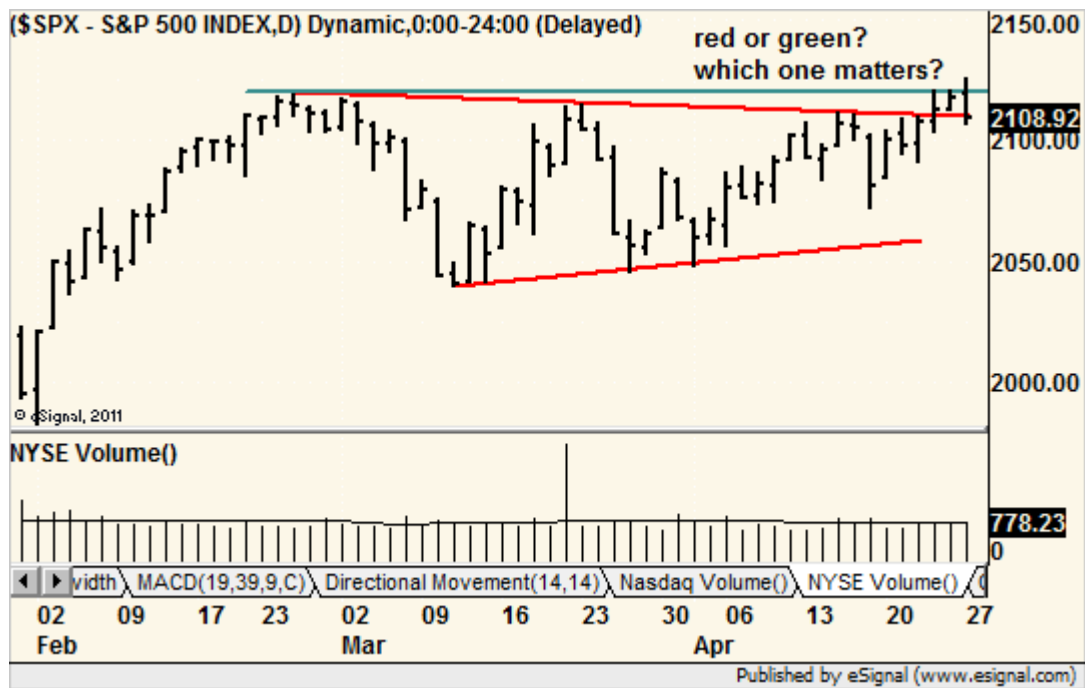
Junk bonds? They were green yesterday. Bullish.

Four horsemen? Three of four are lagging the market for the past month (homebuilding, financial, retail). However, technology went from worst to first (sort of) over that same span. More like a rotation but these four key sectors as a group do lean to the bearish side in terms of leadership.

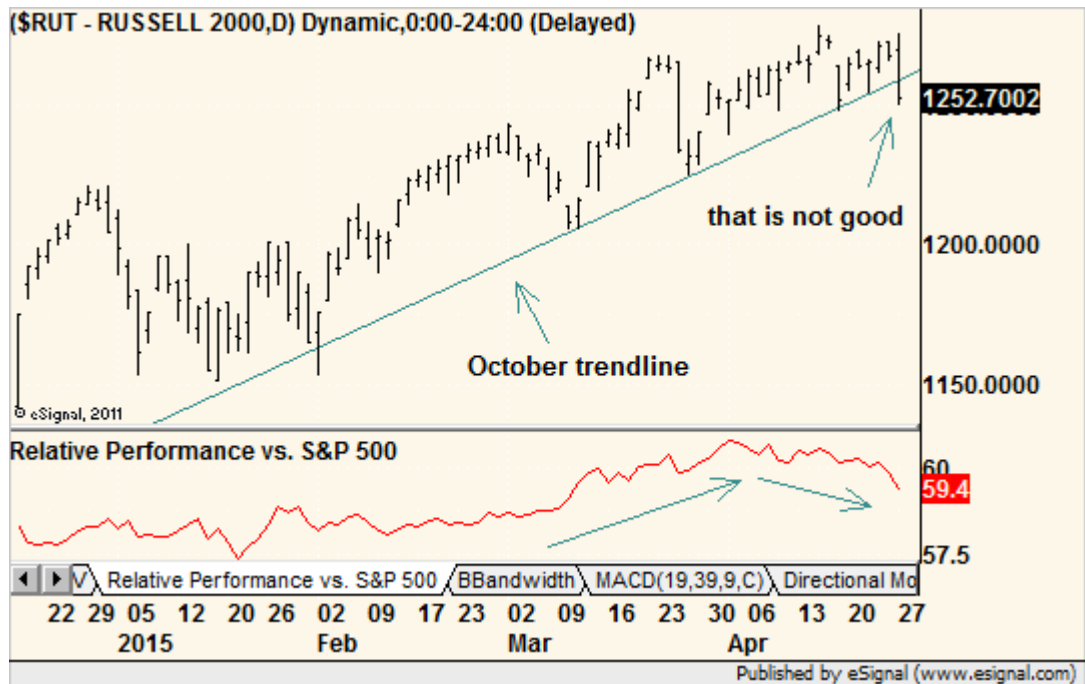
Small cap ratio? Well, they got us here. The Russell has been lagging for a month although the same happened a year ago and the market ground higher for months.

We think you get the point. The only thing that stands out was the series of reversal bars yesterday. With all the other evidence we cannot say the bull market is over. Roadblock? Pothole? Probably. The only thing we can see really killing us is the Fed saying tomorrow that rates are going up by Labor Day.

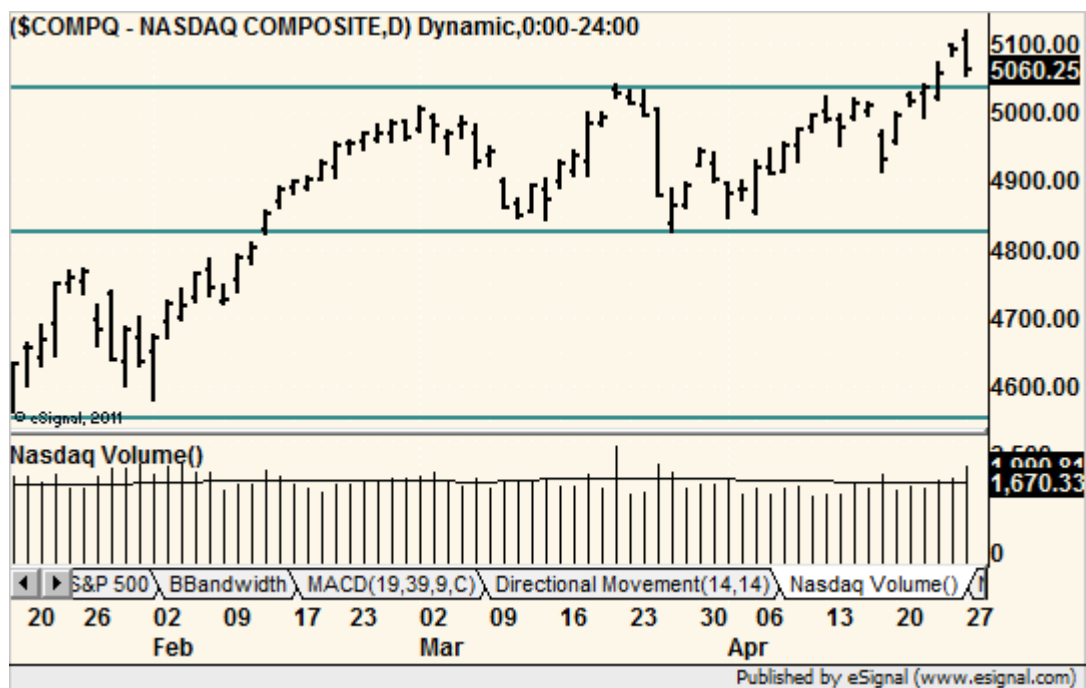
Index Charts of the Day



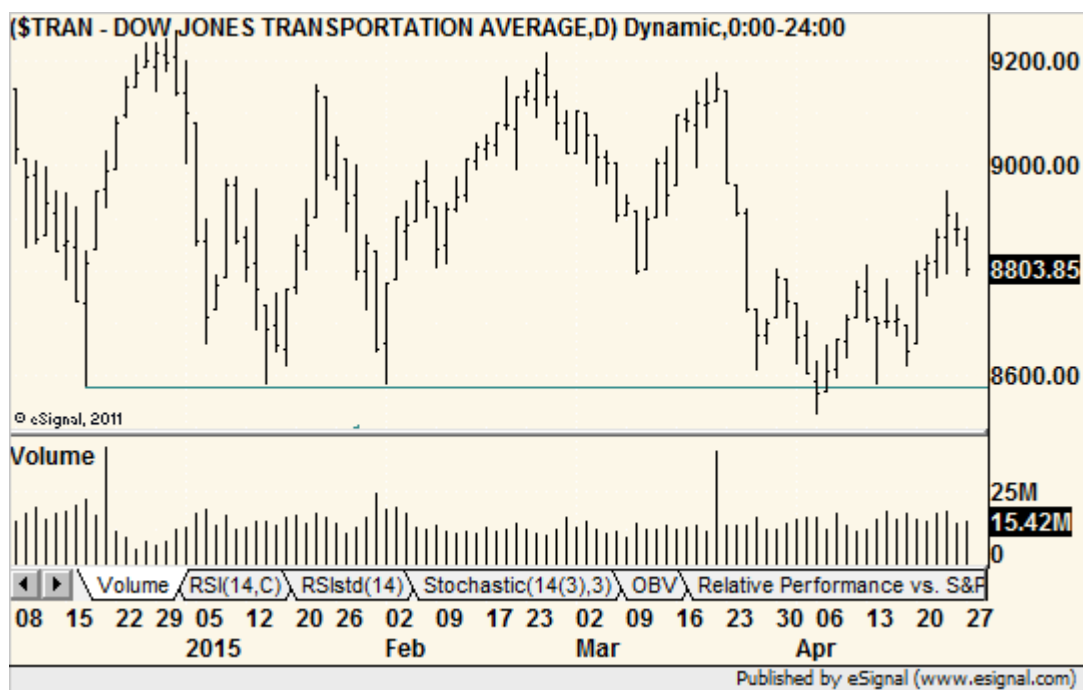
That is a key reversal bar Monday but was it a breakout failure? Not yet.



We were right to worry about the Russell's lack of oomph. Will this breakdown hold? We've got a day or maybe two to decide.



That is a scary bar on the Nasdaq but the breakout is still intact.



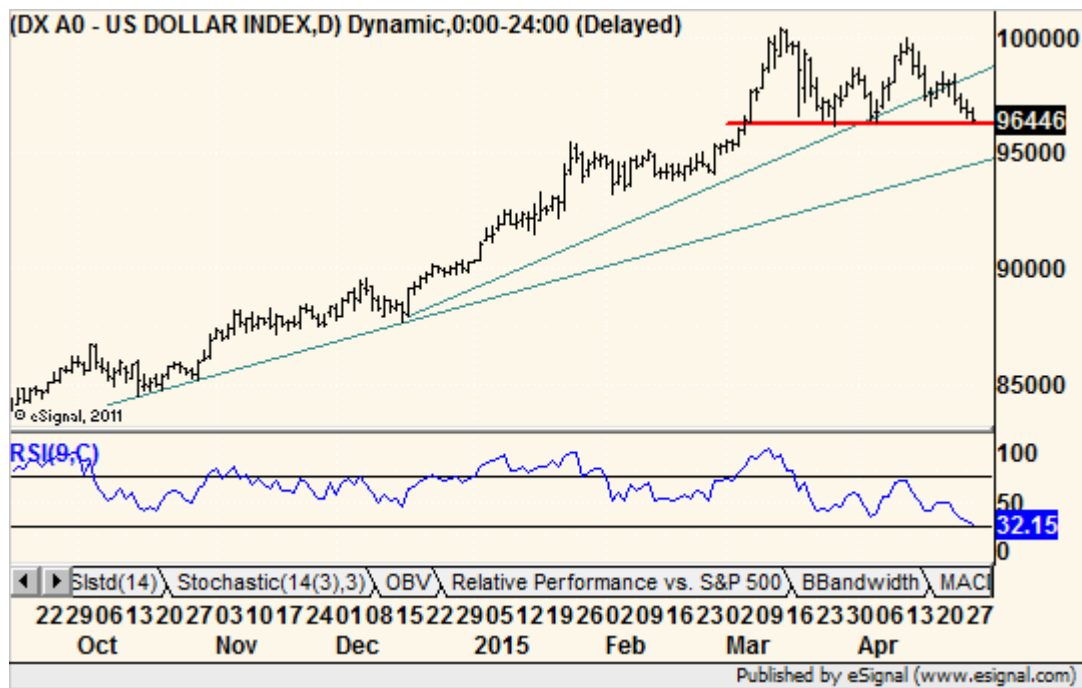
Just a regular old pullback for the transports.

The Radar Screen

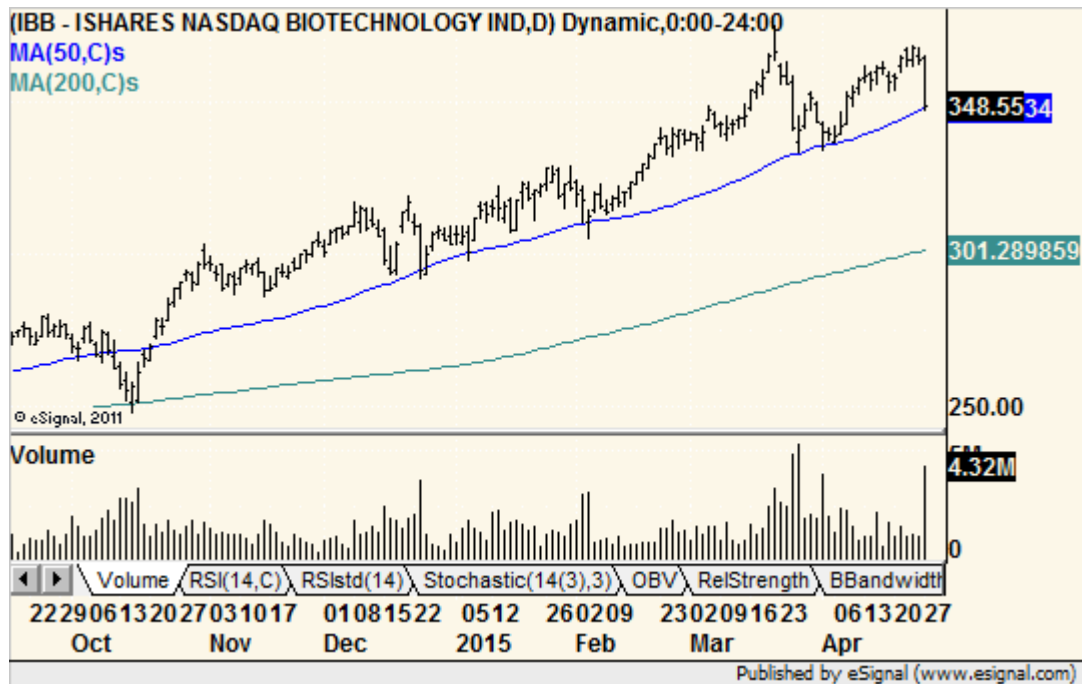
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
IBM – 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.		4/24
Coach COH – 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. Bullet dodged	Removed	4/27
Verizon VZ – 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.	Triggered	4/27
Matrix Services MTRX – Heavy construction stock now in a bull flag right at 200-day average. Buy close over 22.50	Moved	4/7
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
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Caterpillar CAT – Breakout failure so far. Keep watching as strength now would catch everyone off guard and likely be a buy. <u>Rallied Monday</u>		4/24
Sector Watch (observations that may spark ideas)		
Apparel retail – Waiting for TJX bounce to sell. Missed it.	Removed	4/21
Banks ETF KBE - Still waiting for a real breakout despite same in JPM and GS .		4/21
DJ medical supplies sector – Bull flag. On-balance volume held steady during the pullback. Bullish setup. BCR, TFX, BAX		4/22
Industrial Metals stocks – FCX, SCCO, TS, CCJ looking better		4/27
Updates		
none –		

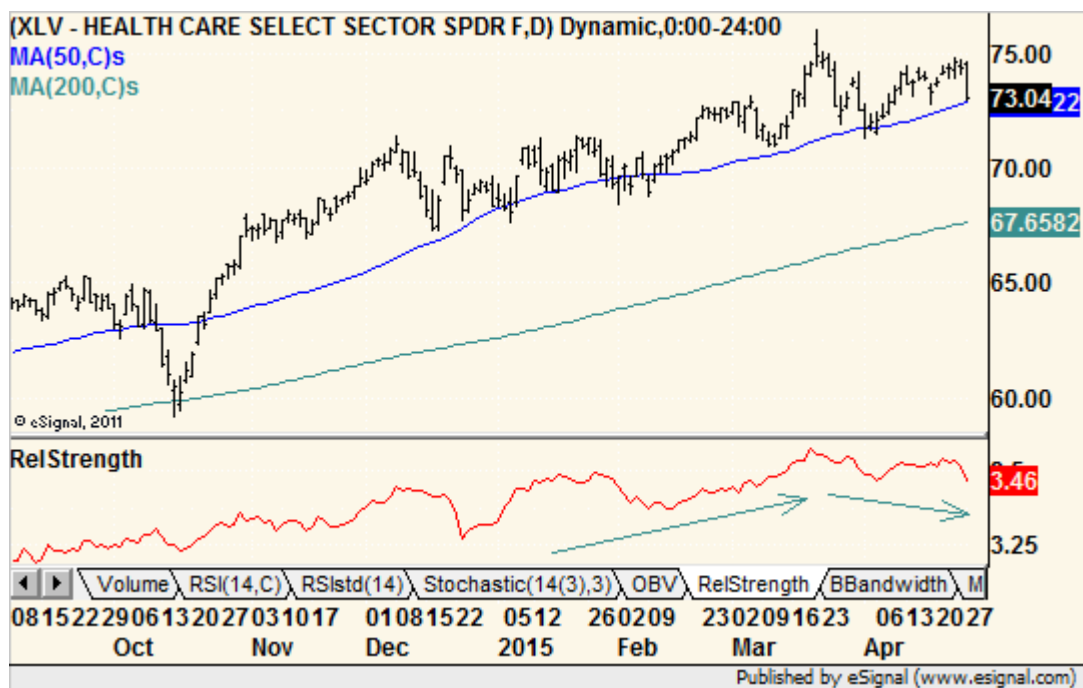
Market Highlights



Dollar index – could be at support now.



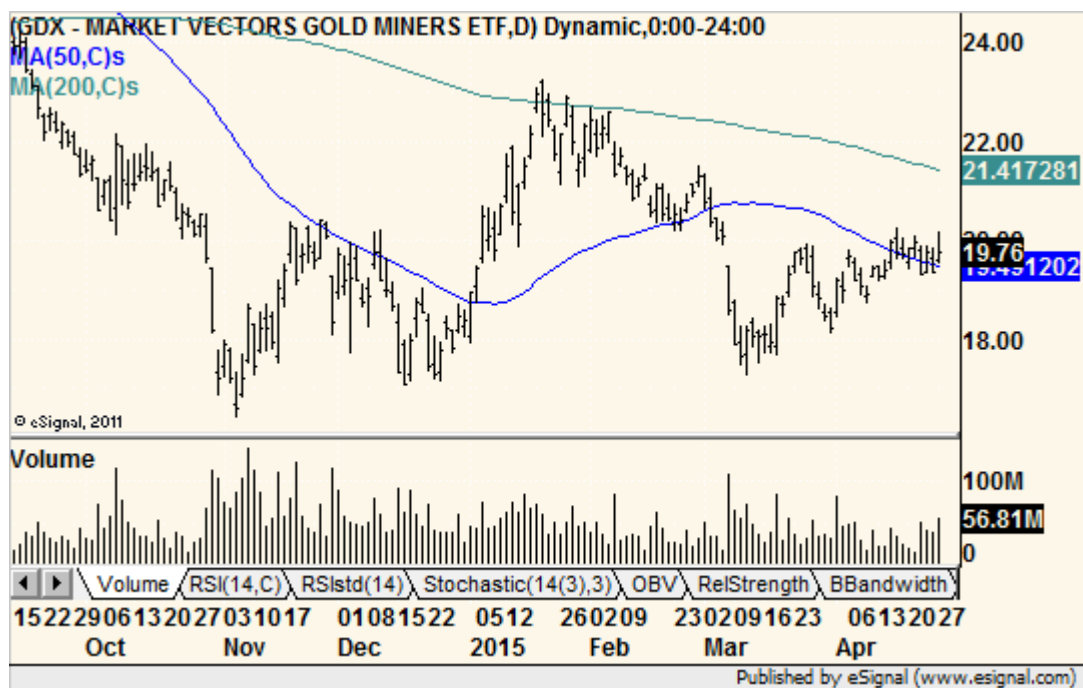
Nasdaq biotech ETF – Not a good look.



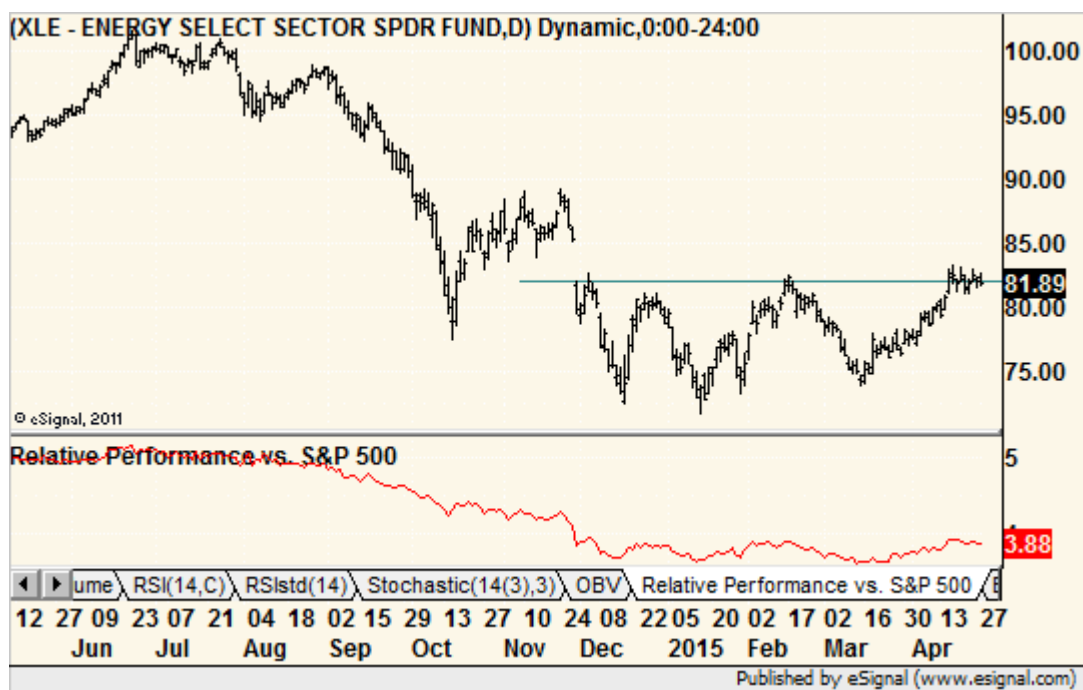
Healthcare ETF – Not as bad as biotech alone but no longer leading.



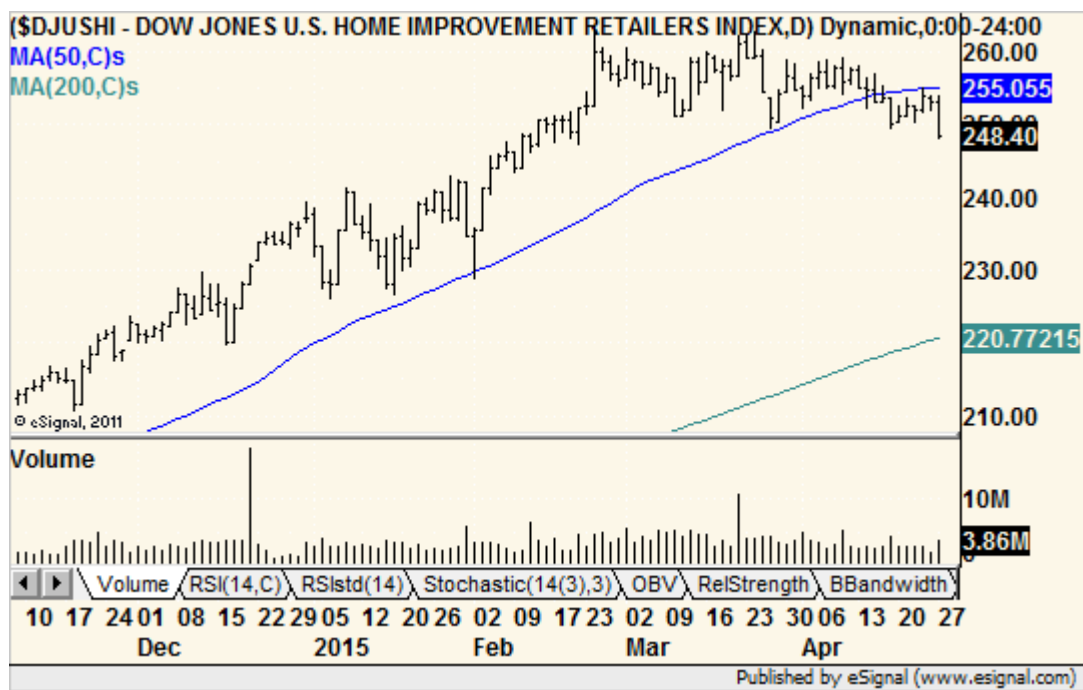
National Oilwell – Still lovin' us some oil services. Waiting for the breakout.



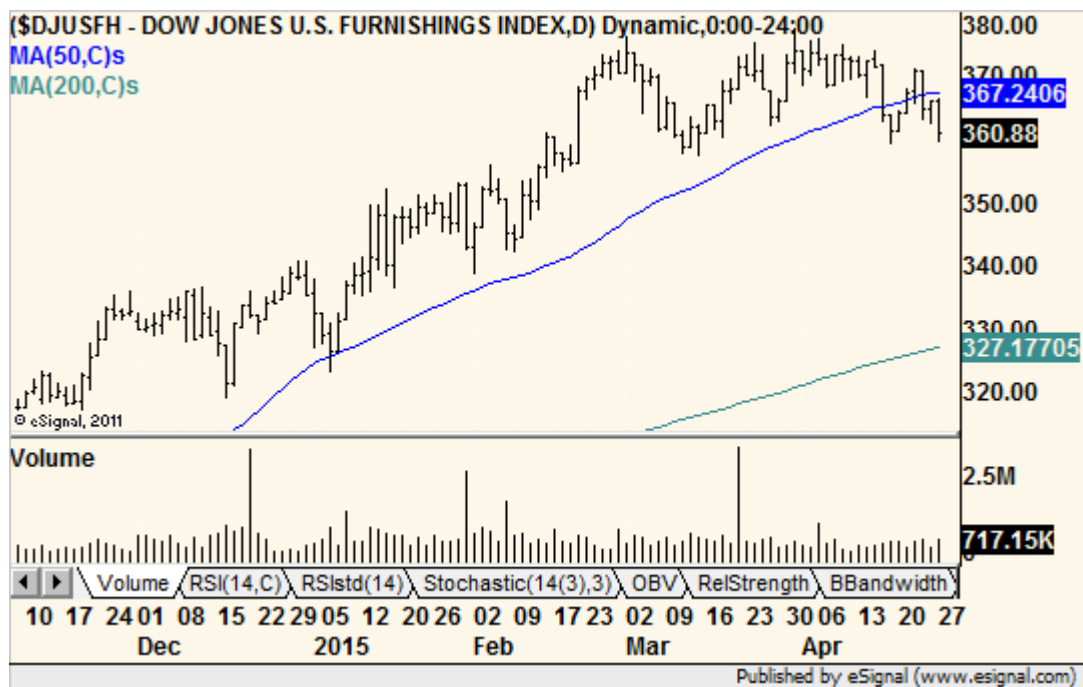
Gold Miners ETF – Yes, it was a nice up-day Monday but what here gets us excited? Not much.



Energy ETF – Still looks like a killer base waiting for the breakout.



Home Improvement retailers – This is basically **HD** and **LOW**. That is a 50-day average break and test. See next chart...



Home Furnishings index – Similar look for the stocks that make stuff that goes into a house – furniture, carpet, fixtures.

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	44.36	-1.4%	43.50	44.98	3/19	39
	FB	FACEBOOK INC	81.91	-2.3%	80.00	83.81	3/30	28
	JEC	JACOBS ENGR GROUP INC DEL	46.66	1.7%	46.00	45.90	4/9	18
	PM	PHILIP MORRIS INTL INC	82.09	5.1%	82.00	78.11	4/14	13
	ABB	ABB LTD	21.97	0.8%	21.25	21.80	4/14	13
	GILD	GILEAD SCIENCES INC	102.94	0.6%	100.00	102.34	4/14	13
	XOM	EXXON MOBIL CORP	87.01	0.4%	85.00	86.63	4/14	13
	VIAB	VIACOM INC NEW	69.95	-0.7%	68.00	70.45	4/14	13
	FLR	FLUOR CORP NEW	60.83	1.5%	58.00	59.93	4/21	6
	KOP	KOPPERS HOLDINGS INC	22.74	0.4%	21.50	22.64	4/22	5
	STJ	ST JUDE MED INC	72.30	3.1%	71.00	70.15	4/22	5
	PSX	PHILLIPS 66	81.07	-0.4%	77.25	81.38	4/24	3
	VZ	VERIZON COMMUNICATIONS	50.08	0.2%	48.00	50.00	4/27	0
<u>Short</u>	WSM	WILLIAMS SONOMA INC	75.72	1.0%	80.00	76.51	4/17	10

Notes: New long in **VZ** at the open. It was up on the day so that is good.

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

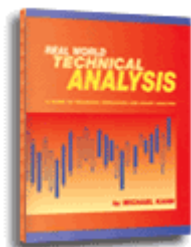
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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