

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

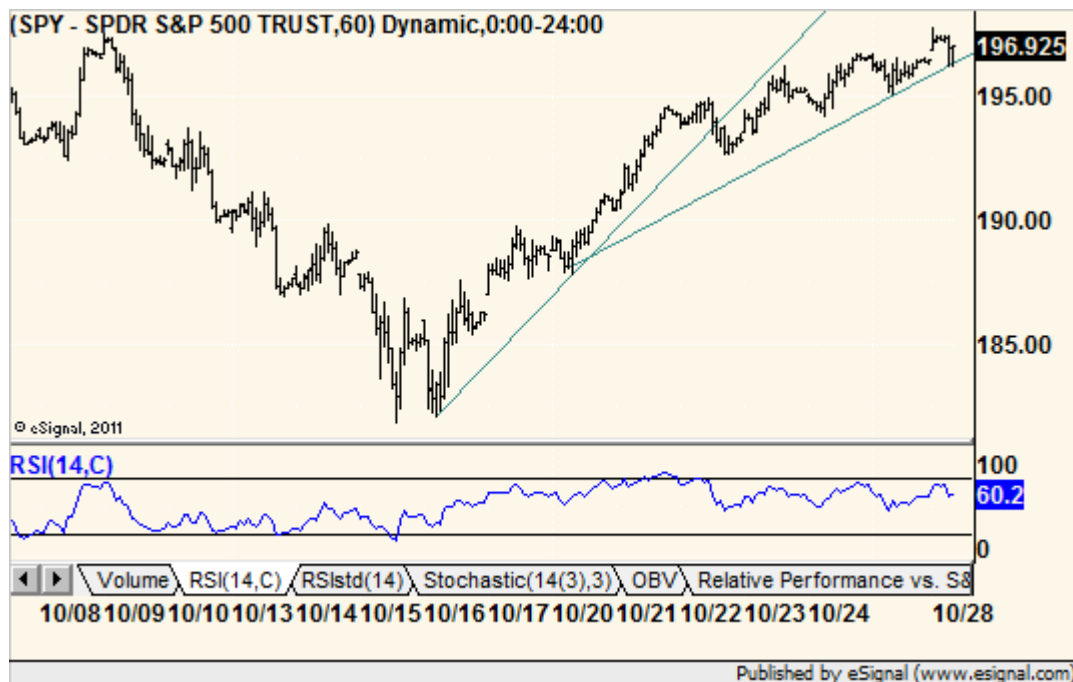
**October 28, 2014** – The buzz at Stocktoberfest is the rise of the millennials in the investment world. They may not have lots of money but they will. And they use mobile devices, care about financial advice and do not panic during market volatility as the older generations do.

There was also a presentation on crowd funding. We think it will finally break the banks' hold on funding small business, strangled by the Fed, and next year will be a good bump up in the economy.

In the market, there is not a whole lot to say. It was mixed yesterday and today we wait for Janet Yellen to speak. Will the taper end as planned? What about buying them back? Raising rates? The market will likely be on hold until she spills the beans.

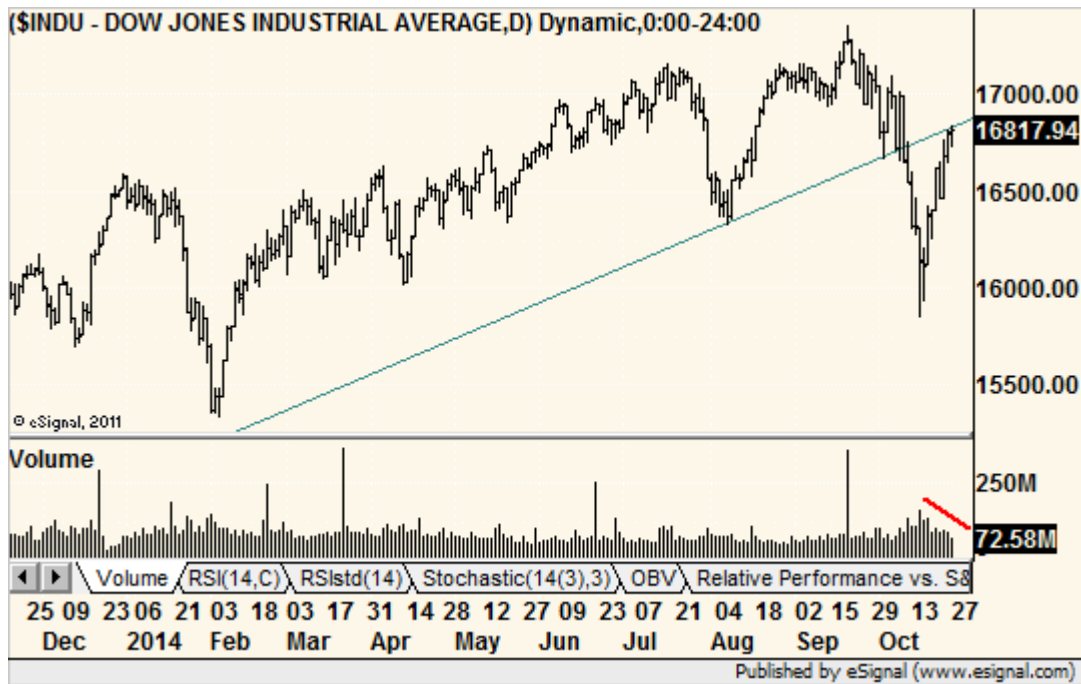
Yesterday's Barron's Online column was on biotech, saying it is breaking out short-term but scary long term. We'd advise to dance but near the exit doors.

And the big news was the crude oil dump, which killed energy stocks and got transports soaring. Is this really good news? Yes, retailers like the fall in gasoline prices but when oil is this weak it tells us the economy is not so hot.

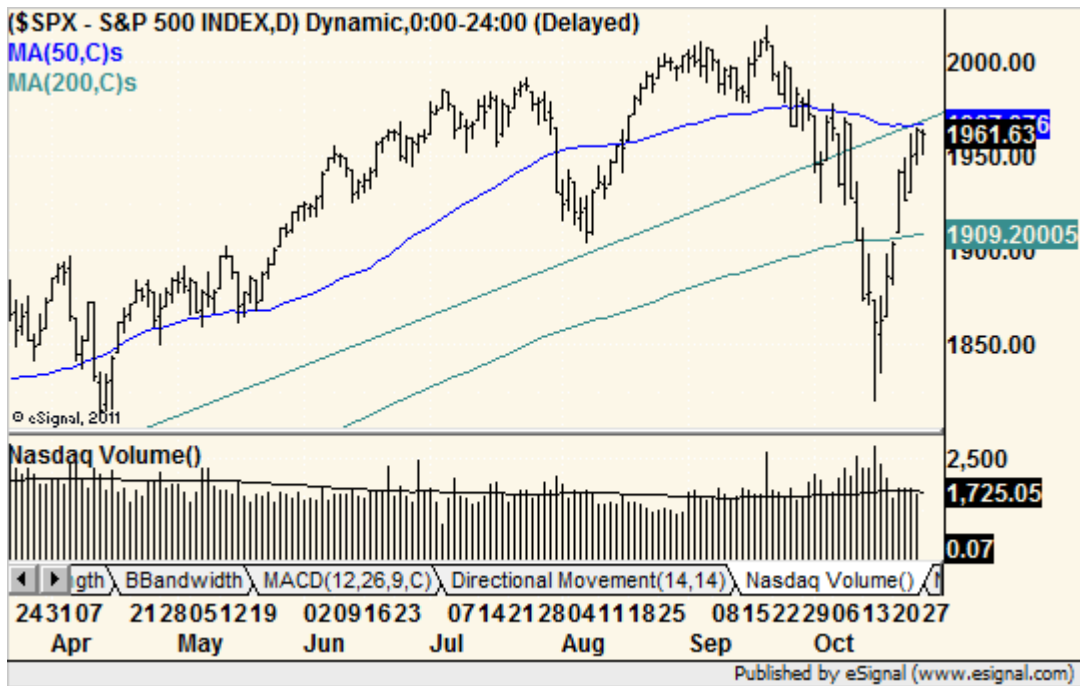


With technical resistance busted on the hourly chart, we've reverted to fresh trendlines. Momentum does seem to be gone.

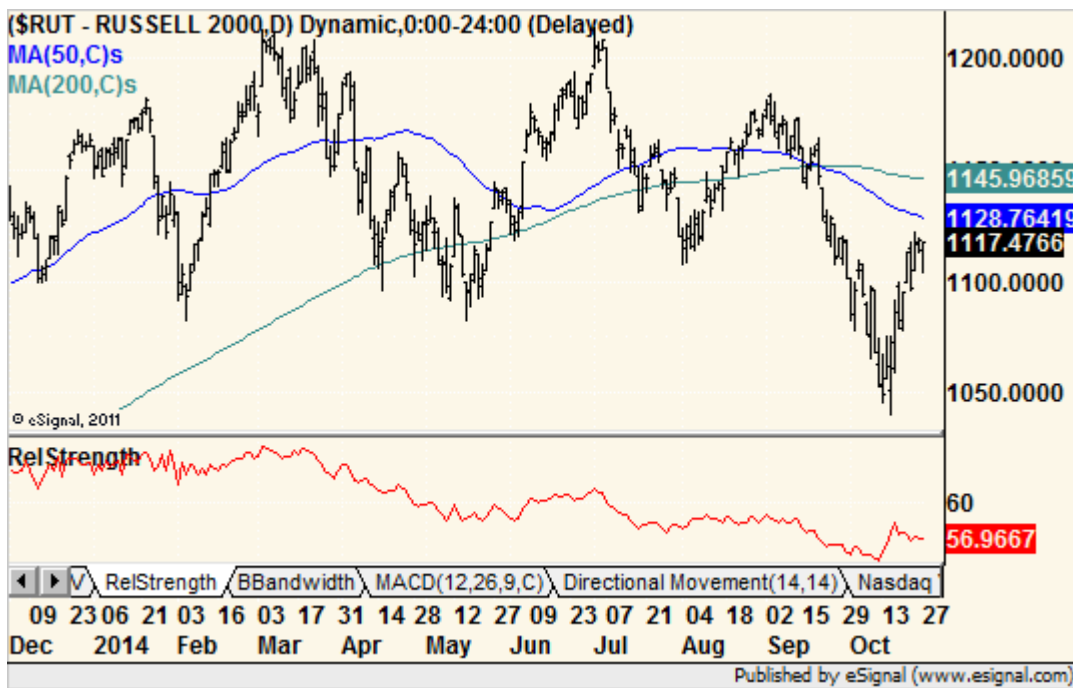
## Index Charts of the Day



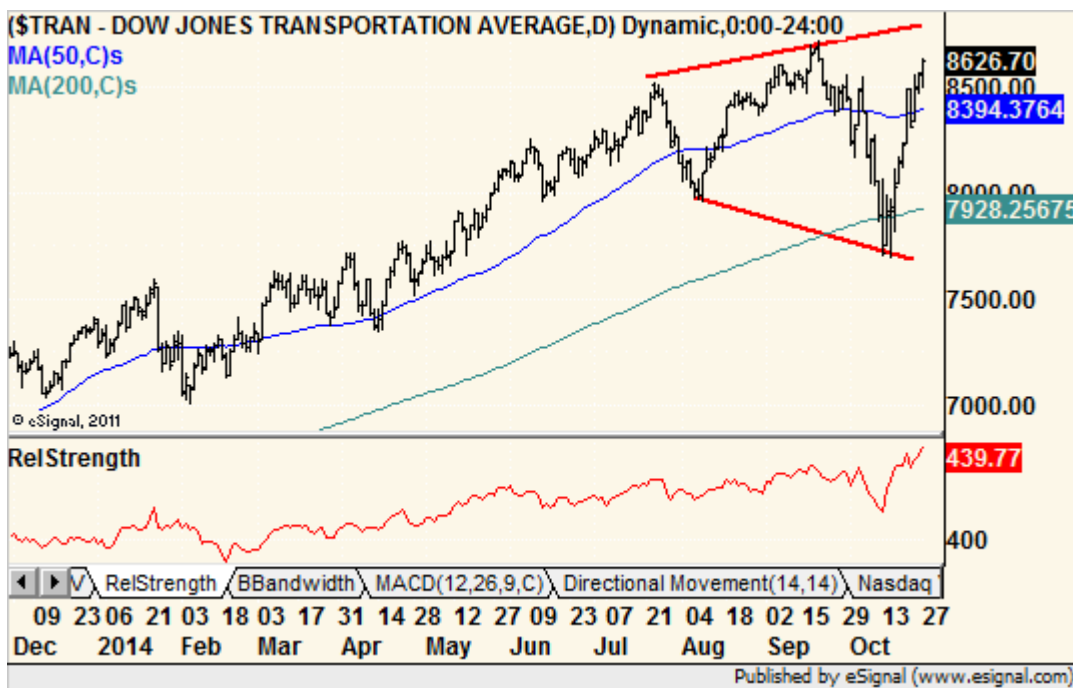
The market is firm in the premarket but the Dow is still fighting the old Nov 2012 trendline and falling volume.



Same for the S&P 500 and we'll add resistance from the 50-day average.



The Russell is close to its 50-day average but keep in mind the 50- is below the 200-day. That is not bullish.



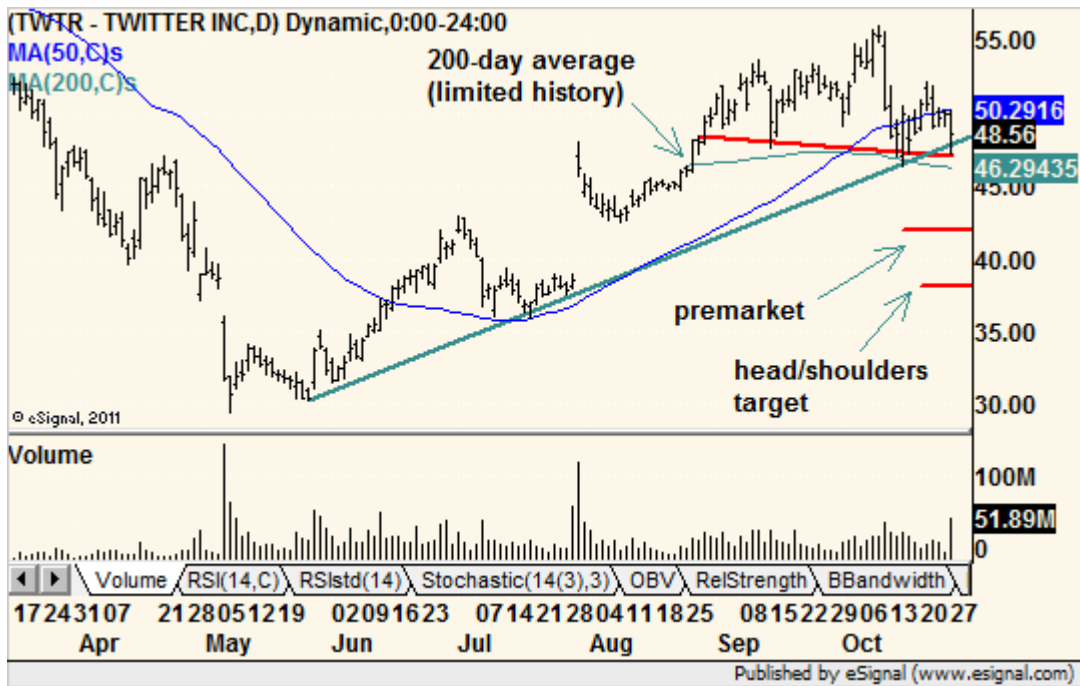
The transports have recaptured all broken technicals and are clearly back in the lead thanks for falling oil. However, the swings are increasing and we are watching for a megaphone pattern. Risky.

## The Radar Screen

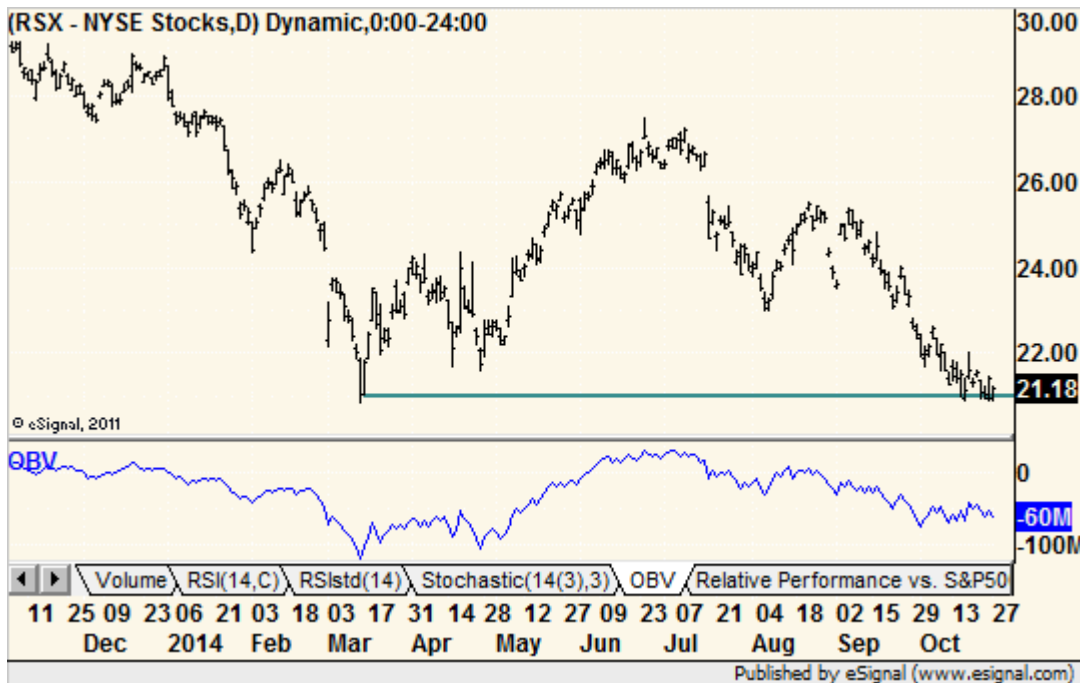
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Allstate ALL</b> - A failed breakdown from a range and trendline puts this on a bullish watch. Looks like a breakout now so we're in.	<b>Triggered</b>	10/22
<b>Krispy Kreme</b> – Why not? Peer <b>DNKN</b> survived its chart and this one is above its averages. Buying a positive close.	<b>New</b>	10/28
<b>Bearish Implications</b>		
<b>none</b> -		
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Pep Boys PBY</b> - This auto parts retailer is pulling away from its lower Bollinger Band, near support with rising RSI. A good one to watch here.		10/22
<b>Discover Financial DFS</b> - This credit card stock is on bear watch. The trendlines are from two lows in 2013 and 60 seems to be the key. A move under that would be quite bearish.		10/24
<b>YY Inc YY</b> – We found this Chinese social network stock on the Long Island Stock Traders list. They like the fundamentals but we like the breakout. It was up over 4% Friday so we think it needs to rest but the resistance and 50-day average breaks are nice. We also think China is better than other markets. <b>Big reversal so we were right to wait. Still watching.</b>		10/27
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Energy</b> - bounce may be over. <b>Oh yeah</b> But it is getting very hated.		10/16
<b>Banks</b> - <b>KBE</b> ETF reversed to the downside after hitting the bottom if its broken nine-month triangle		10/23
<b>REITs ETF IYR</b> – strong in the short-term but waiting for relative performance breakout		10/27
<b>Updates</b>		
<b>none</b> –		

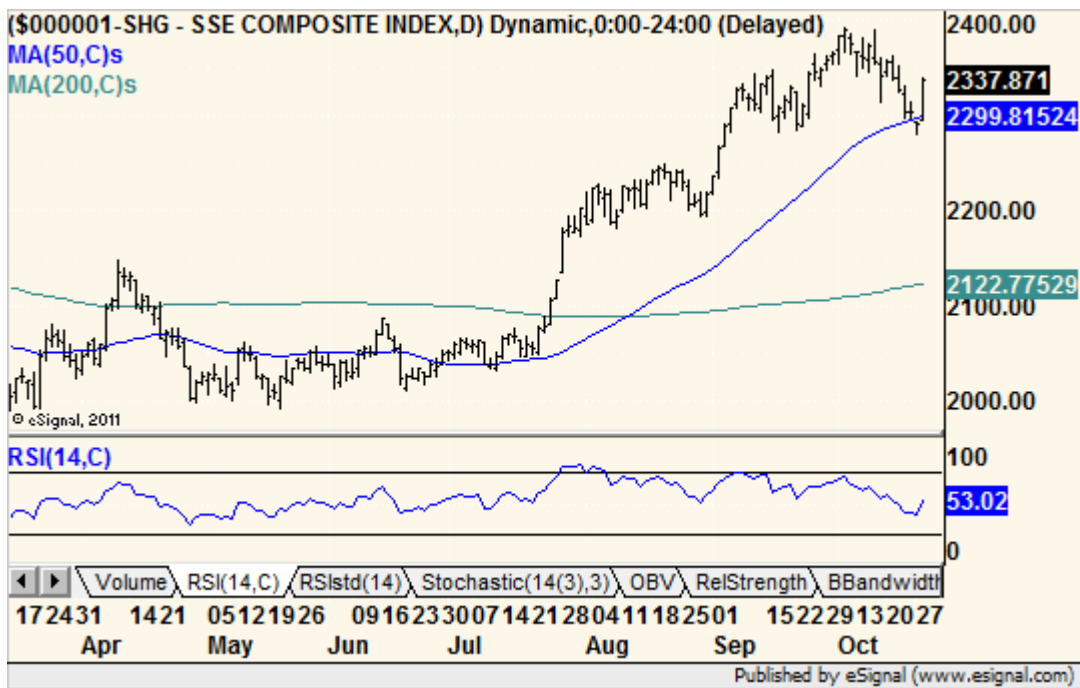
## Market Highlights



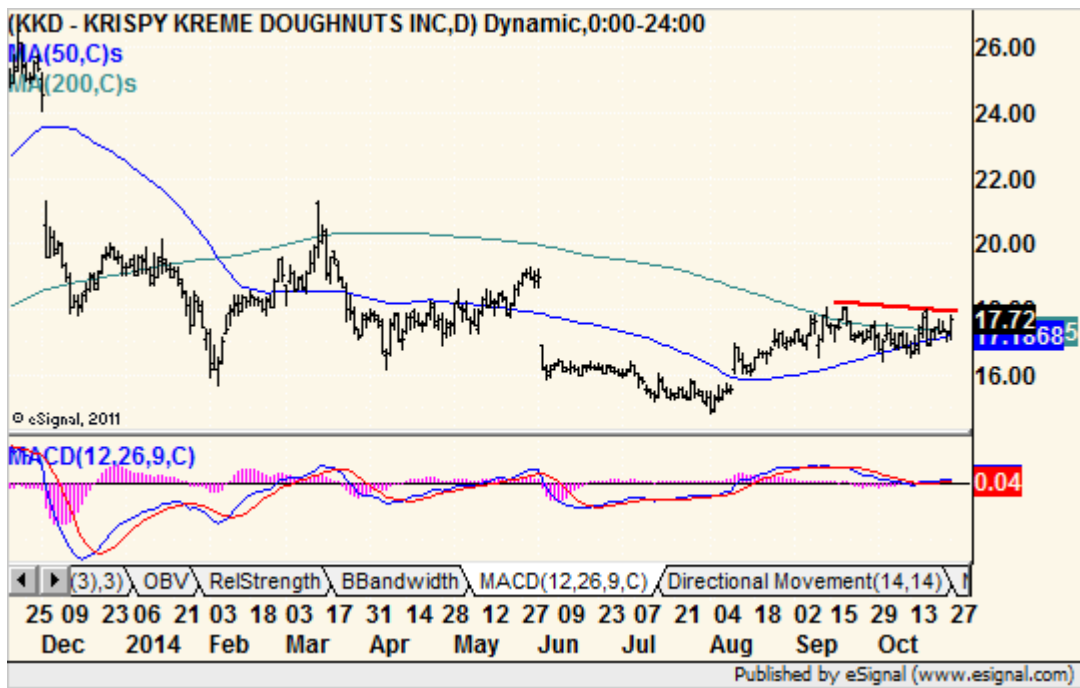
**Twitter** – An earnings miss sent this one tumbling. It has breaks of a head-and-shoulders, the 200-day average and the trendline from May. The target for the H/S break is still below so we are not buyers.



**Russia ETF** – Ukraine is not out of the news but Russia seems to have stabilized at support despite oil's continued slide. On-balance volume has an ever so slight rise. We are not buyers but we cannot sell without the support break.



China Shanghai index – Back in gear.



Krispy Kreme – Why not? Peer DNKN survived its chart and this one is above its averages. Buying a positive close.

## 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. **Green** means we closed them. 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>SDRL</b>	SEADRILL LIMITED	22.97	-3.6%		23.80	10/17	10
	<b>AMTD</b>	TD AMERITRADE HLDG CORP	31.31	1.6%	30.25	30.80	10/21	6
	<b>MANH</b>	MANHATTAN ASSOCS INC	37.54	7.0%	35.50	34.93	10/21	6
	<b>LOCK</b>	LIFELOCK INC	15.84	-0.4%	15.00	15.91	10/24	3
	<b>ALL</b>	ALLSTATE CORP	63.13	0.7%	15.00	62.71	10/27	0
<u>Short</u>	<b>LLTC</b>	LINEAR TECHNOLOGY CORP	40.82	7.2%	cover	43.75	10/1	26

**Notes:** Stopped out of **SDRL** with a gap down open as energy's recovery has been squashed. It was a good risk/reward that just did not work.

New long in **ALL** at the open yesterday.

Covering short in **LLTC** as the market is firm and the stock has not moved in days.

## 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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