

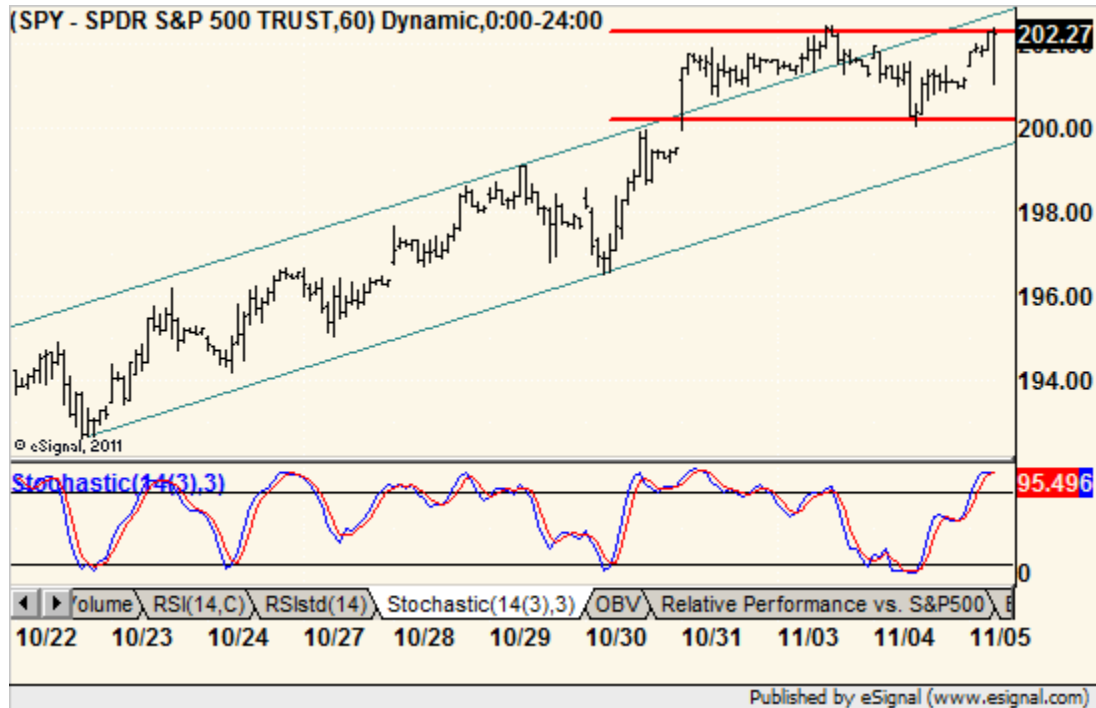
QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

November 5, 2014 – The elections are over and the markets are responding in a muted way. There was more movement over the ADP jobs number. Stocks are up, the dollar is way up and gold is down. Oil is flat after yesterday's plunge. So was it all election results? Most people think so but what really has changed now - first before the new congress is sworn in and second while the legislative and executive branches remain at odds?

That is the full extent of our dip into politics. Time for a shower.



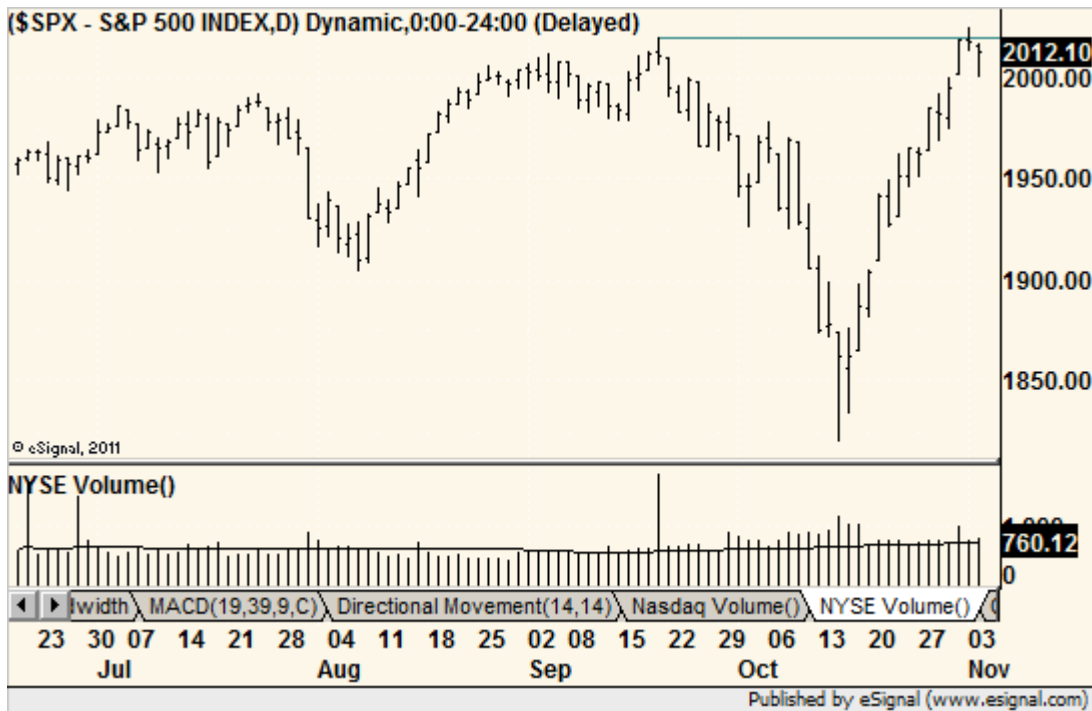
We are going to start with the hourly chart today to show that even with the post-election gains, the **SPY** is still in its recent range. Admittedly, we did redraw the range bottom to capture the morning dip yesterday. Also note overbought stochastics, suggesting the range will continue for a while longer.

"Same as it ever was." - Once in a Lifetime, (Talking Heads 1981)

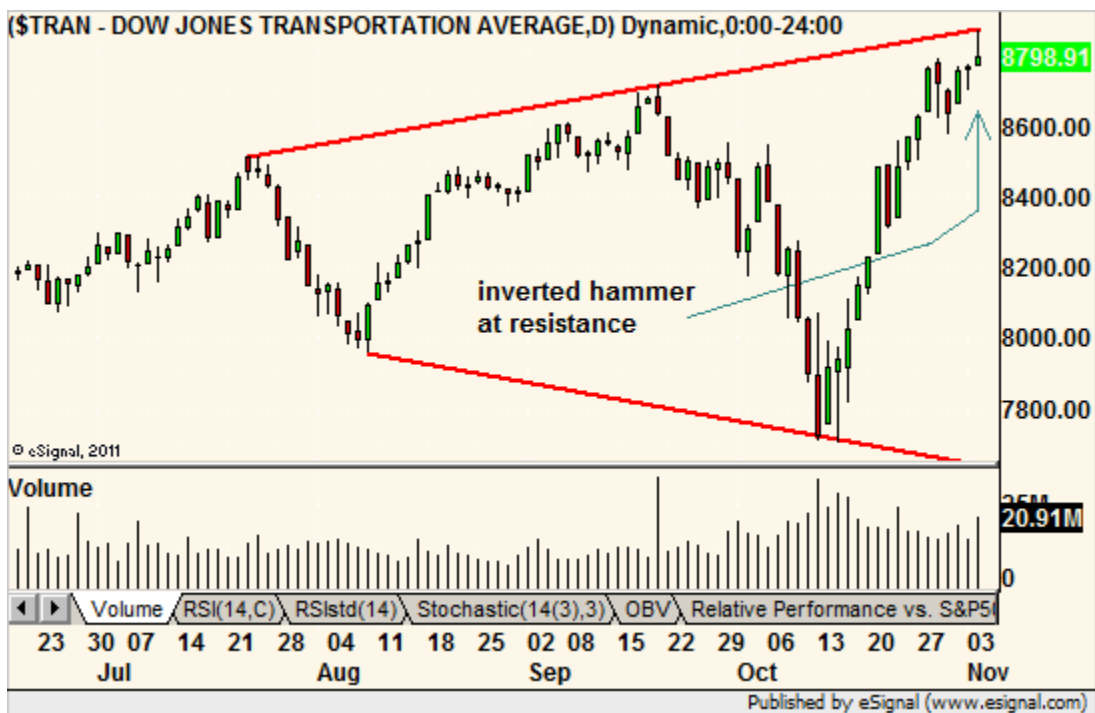
In sectors, we noticed many groups with multi-percent gains yesterday and many with multi-percent losses. This split personality invokes thoughts of the Hindenburg Omen but of course it is far from such a signal. The point is that the market is all over the place (volatility) even if that is not reflected in the **VIX**. Churning is not a bullish sign at a high.

We've added a few shorts but that does not mean we are all out bearish just yet. We think it is coming but the market does not care what we think.

Index Charts of the Day



Not much new here for the S&P 500. So far, a stall under resistance.



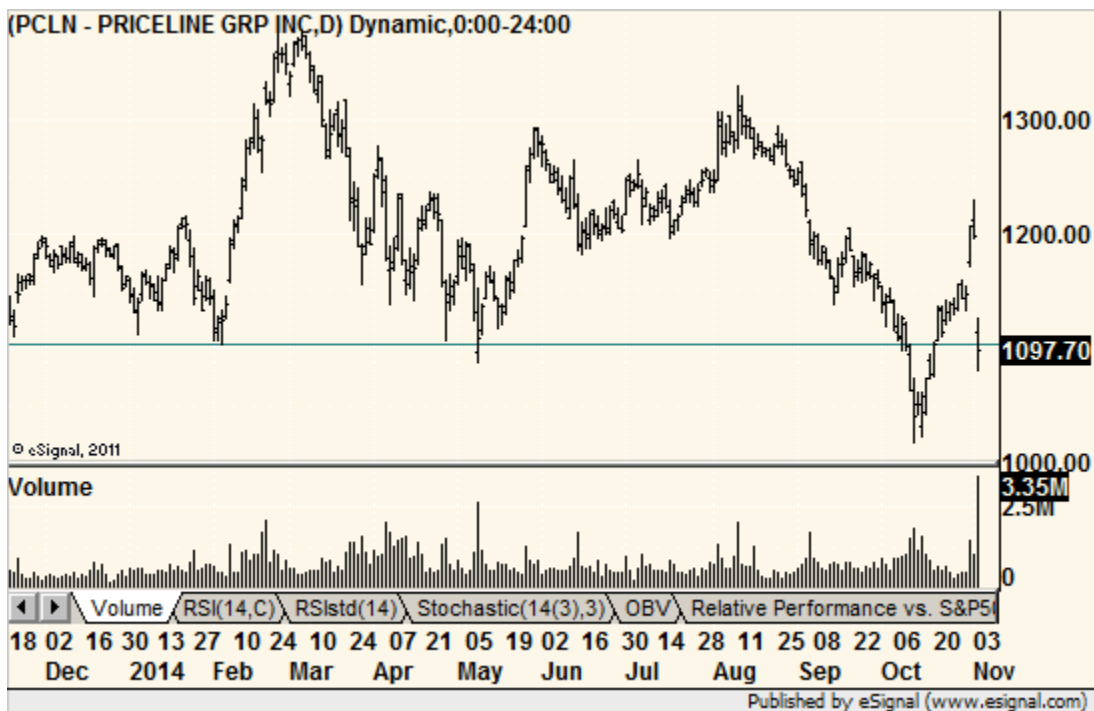
The transports scored a bearish candle at resistance but the bears still need confirmation in the form of a down day today. Marine transports were the biggest casualty (chart below in Market Highlights). Airlines and trucks were strong although some within the latter are not.

The Radar Screen

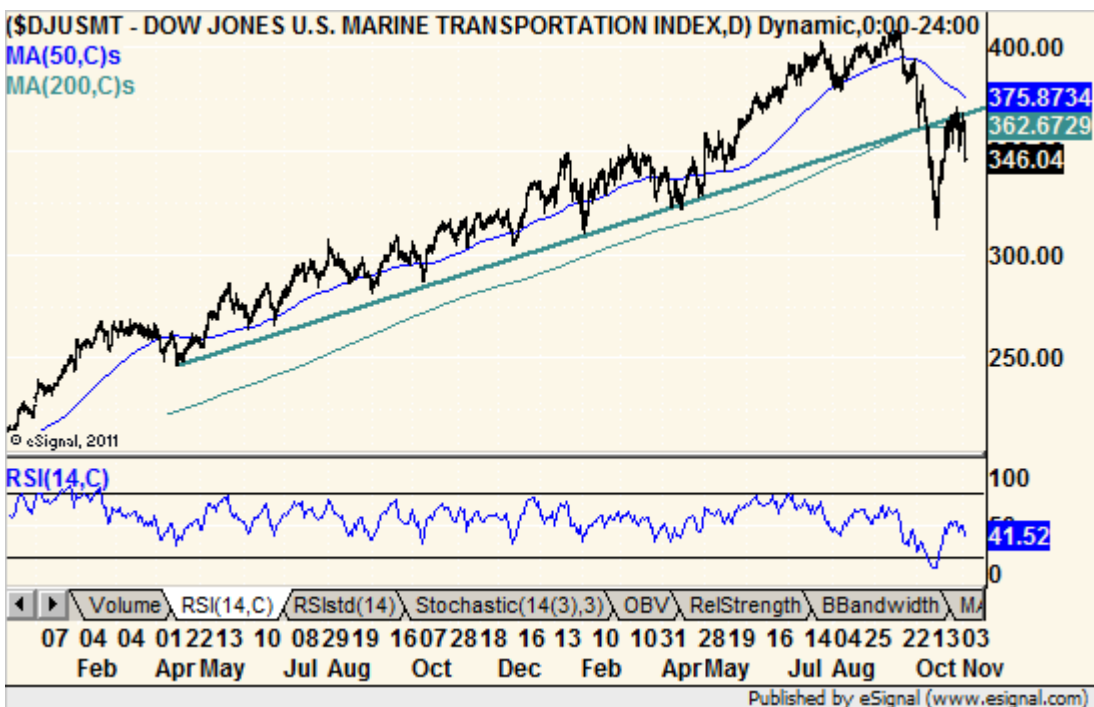
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
SBA Communications SBAC - Big reversal and breakout failure. Sell close under Monday low 111.33.	Triggered	11/3
Lennar LEN - One of many homebuilders that have weakened considerably. This one is at resistance in a small range. Momentum was not great on the rally and volume (not shown) fell. Sell close under Monday's low 42.73.	Triggered	11/3
Canadian National Railway CNI - The group sports and RSI divergence but this rail stock did not even make it to new high. Now looks to be reversing to the downside at its 50-day average. Sell a lower close.	Triggered	11/4
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
SkullCandy SKUL - This company makes headphones and audio accessories. The stock made an initial breakout Friday but closed with a net loss on the day - a technical failure. A sell candidate should the market weaken. We won't go it alone in a rising market.		11/3
Tivo TIVO - A bearish intraday reversal at the 50-day average although it closed with a tiny net gain. Considering the strength in the market that day, this is not a good sign. Big P/E, too. Tentative breakdown		11/3
Marriott MAR - Several hotels failed Friday afternoon after big morning gains. This one is overbought but we need confirmation and a weaker market before selling. Tentative breakdown		11/3
Choice Hotels CHH - Here, we see a reversal at resistance. Some will argue that this is a cup-with-handle pattern although the shape and volume are wrong. Still, we have a range at resistance where a break in either direction will tell us the next move. Possible downside break		11/3
Hyatt Hotels H - A rather weak stock for such a strong week in the market. Big decline Tuesday .		11/3
Sector Watch (observations that may spark ideas)		
Gold Miners - Extreme bearish sentiment and nearing its 2008 lows.		11/3
Hotels - Some, not all, have weakened considerably.		11/3
Marine Transportation - Major breakdown and successful test of that break.	New	11/5
Energy - A few pattern breakdowns Tuesday. Still avoiding.	New	11/5
Updates		
none -		

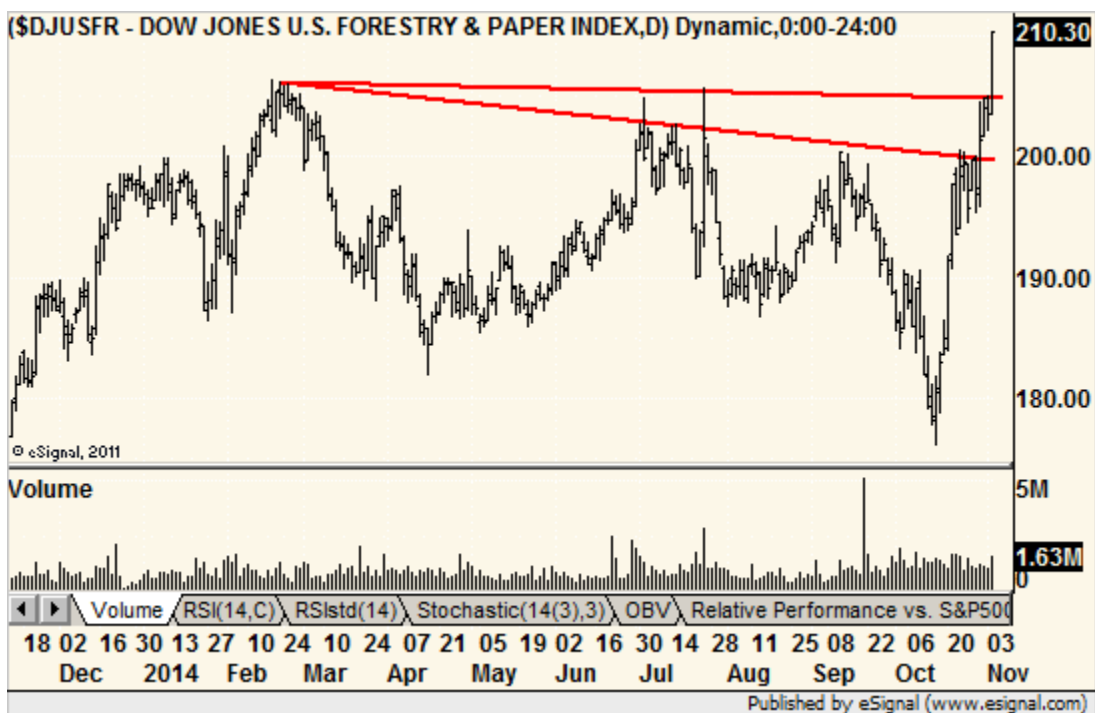
Market Highlights



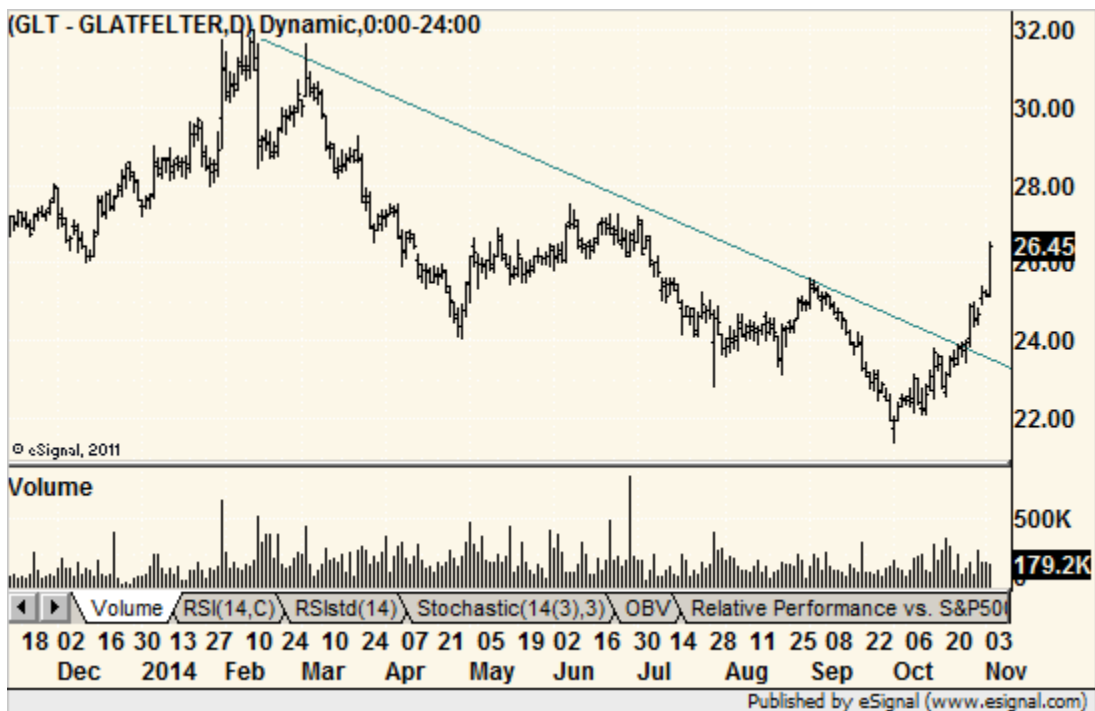
Priceline - This is a broken stock.



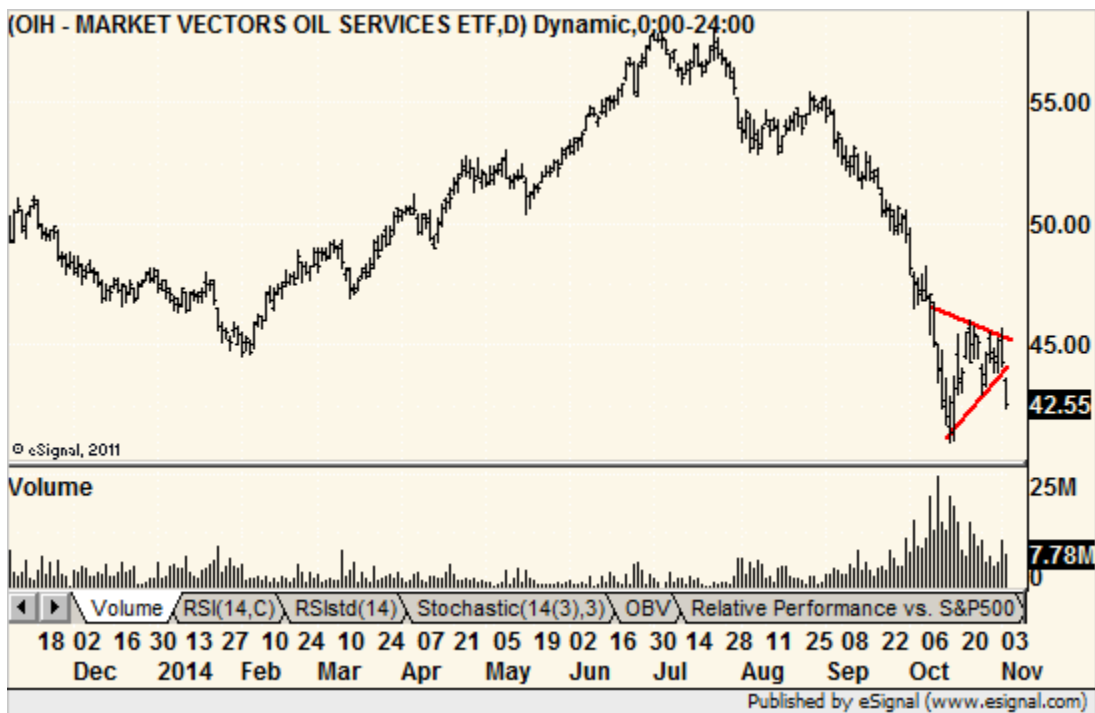
Marine Transportation sector - Major breakdown and test. The biggest overall sector loser yesterday, too.



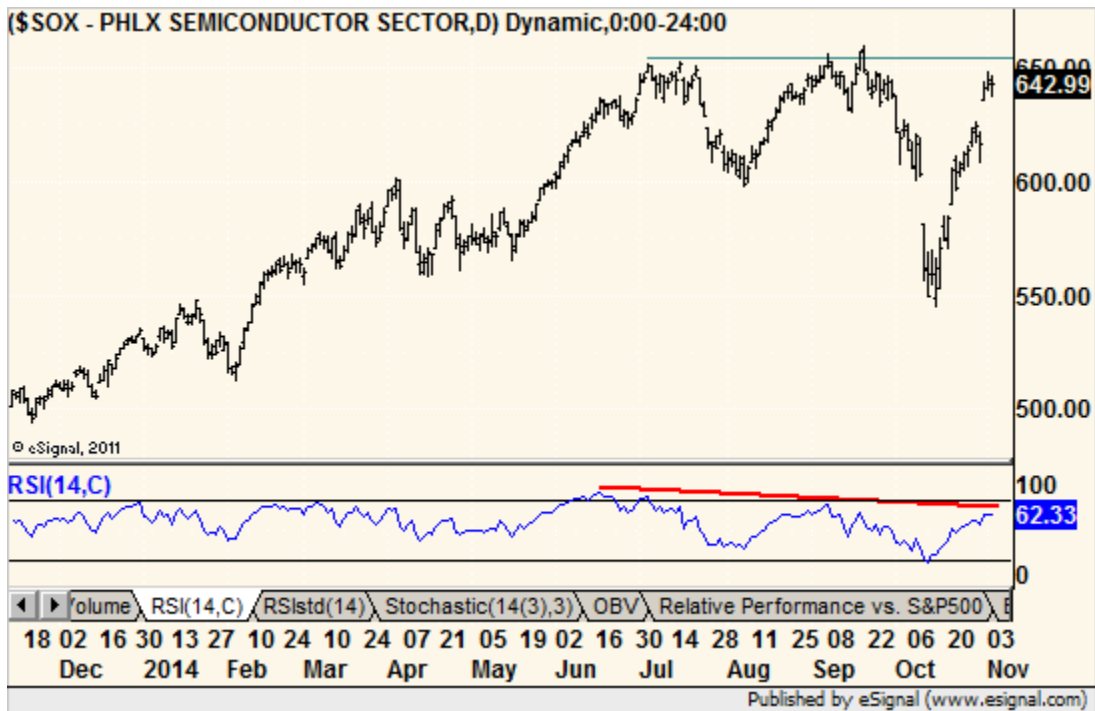
Paper Index - A rather beefy gain to new highs in the paper sector. IP provided the market cap for the breakout but GLT was the clear winner. See next chart...



Glatfelter - This paper stock led the sector. It's already broken out so look for a pullback to buy.



Oil Services ETF - Ouch. Although oil is in our target zone for a bottom, energy stocks are still hurting. We're avoiding them for now.



Semiconductor Index - Just a look at an important group. Looks like resistance is in play.

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>	ALL	ALLSTATE CORP	64.89	3.5%	62.00	62.71	10/27	8
	KKD	KRISPY KREME DOUGHNUTS	19.34	6.0%	18.50	18.25	10/28	7
<u>Short</u>	SBAC	SBA COMMUNICATIONS CORP	110.69	0.0%	116.00	110.69	11/4	0
	LEN	LENNAR CORP	42.70	0.0%	45.00	42.70	11/4	0
	CNI	CANADIAN NATL RY CO	68.78	0.0%	72.00	68.78	11/4	0

Notes: Tweaked the stop in **KKD**.

Three new shorts at the close.

Here is the P/L for our long in **AMTD**, closed yesterday at the open (which unfortunately was a small gap down before a recovery): 9.2% profit in 14 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

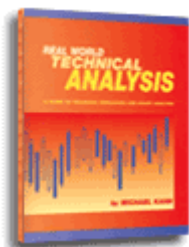
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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