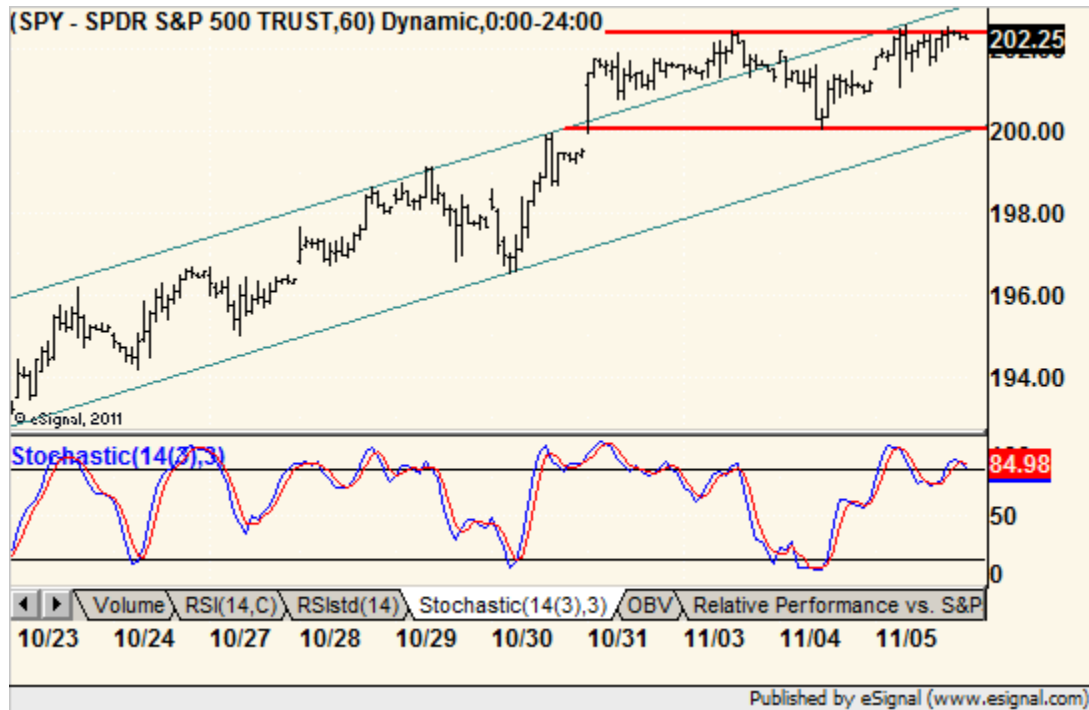


QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

November 6, 2014 – Stocks popped a bit higher at the open yesterday in the wake of the elections. The Dow and S&P 500 chopped higher while the Nasdaq actually chopped lower with biotechs showing widespread weakness. On the hourly chart we presented yesterday and updated below, the weeklong range did not break.



The **SPY** shows the channel breakout failing, as well. We'll leave the channel aside and concentrate on the trading range, which remains intact as we suggested in yesterday's report.

As everyone knows, gold bonked before the open yesterday taking gold stocks down with it. Although we thought the dead cat would bounce by now, we do think the condition of the metal and especially the stocks is crushed enough for the bottom to be near.

We are not so sure the same is true for oil and oil stocks. The latter is not at new lows at this time so the traditional capitulation and/or bottom fishing signs are not there.

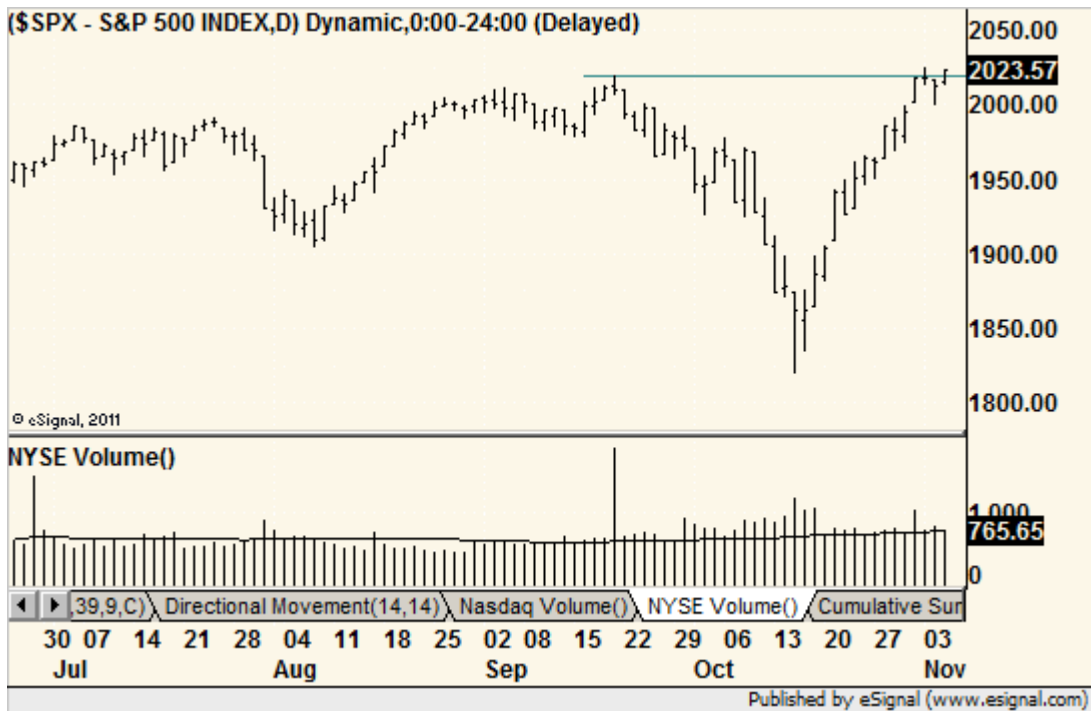
Elsewhere, coal sprung to life. Perhaps the specter of reduced regulation in a new congress is the reason because the technicals do not show all that much to cheer.

That's really it. The jerking around after the elections continues and with a few exceptions the market is moving as a unit. Restaurants are better than homebuilding and hotels. Utilities are better than gaming.

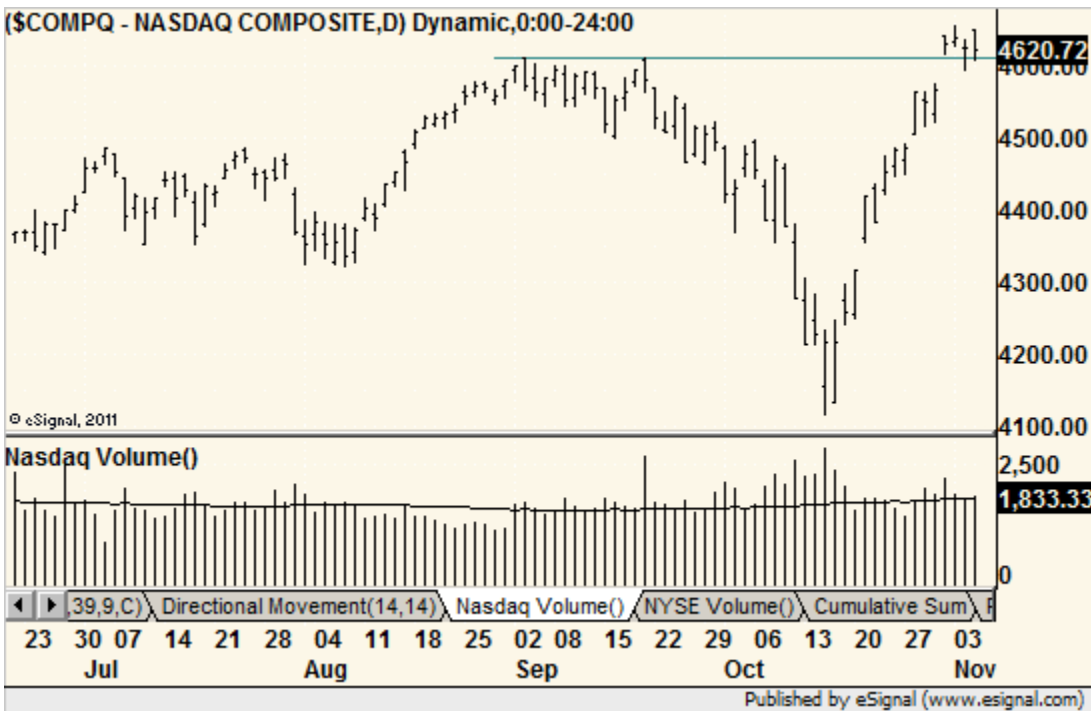
We'll end with a little trivia - the Dow industrials, transports and utilities all hit all-time closing highs Wednesday. The last time that happened was April 2007. No market forecast based on that.

Note - we have a firm-wide presentation early today so this report was written before the premarket session. If things need to be updated, we will do so near the market open.

Index Charts of the Day



We could argue that the new high was a breakout after a pause at resistance. However, one tiny day of pullback is not in proportion to the move (from the low) it is supposed to consolidate.



The Nasdaq's loss is insignificant in the scheme of things, even when compared to Dow all-time highs.

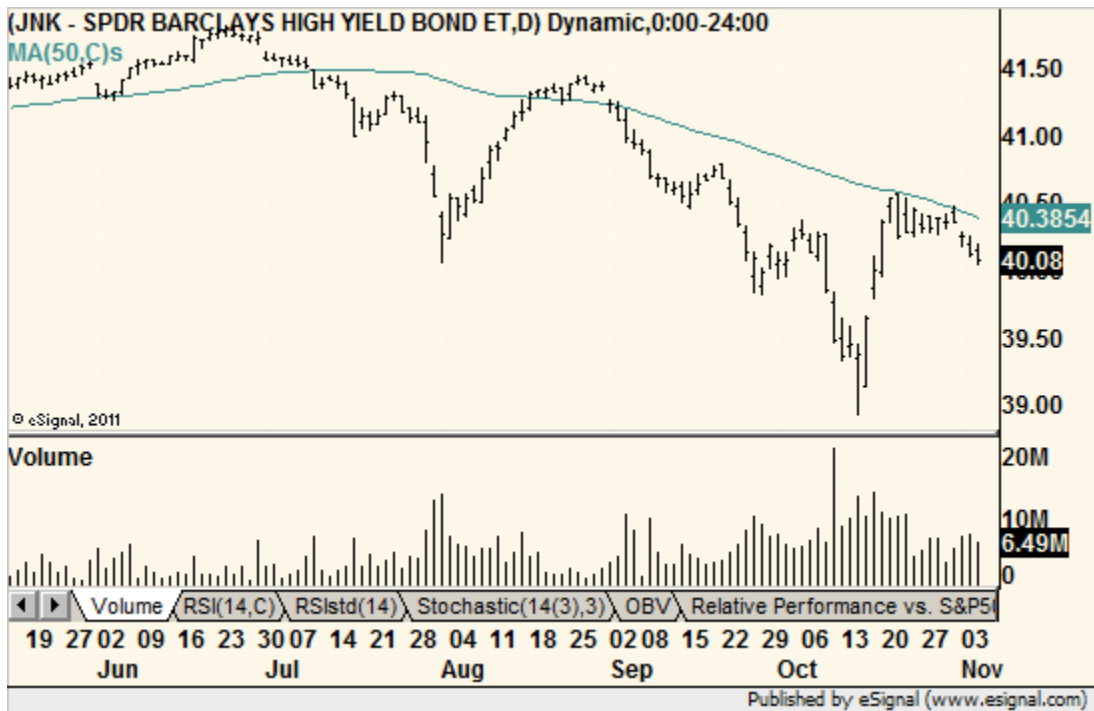
>>> Bottom line for the market - Nothing at all changed.

The Radar Screen

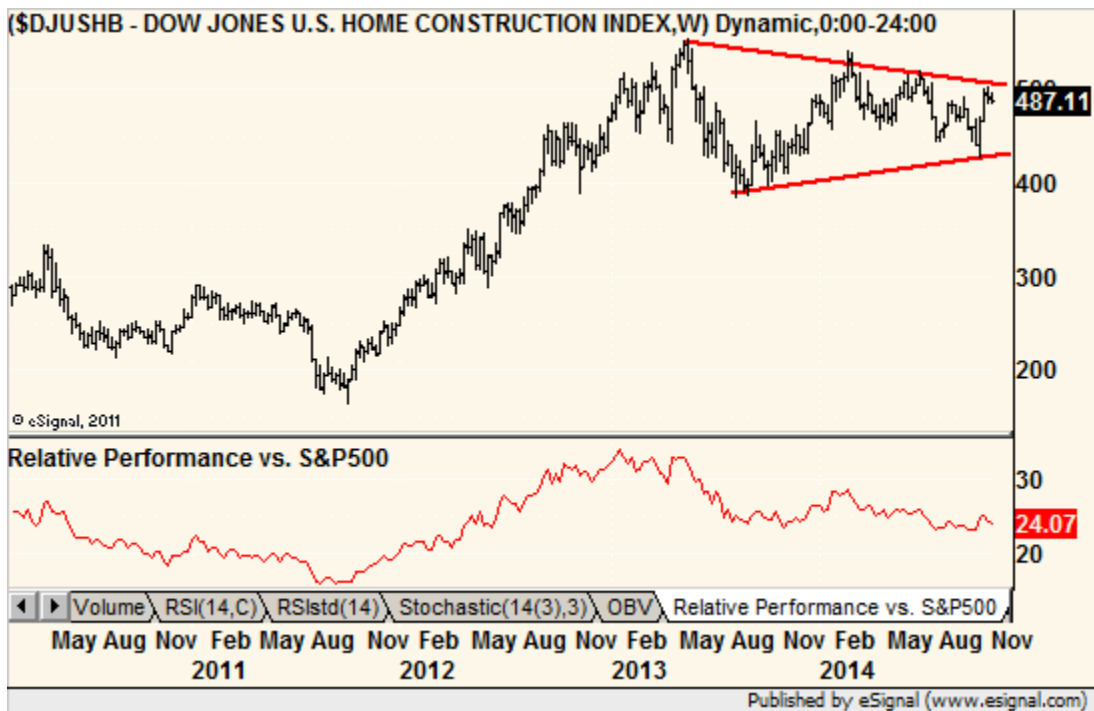
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Noodles NDLS Inverted head-and-shoulders, rising on-balance volume, good momentum, and above the 50-day average. Neckline breaks at 23.40.	New	11/6
Kellogg K - Food stocks also look good. This cereal maker has a trend and 50-day breakout and pause. Buy the secondary breakout above 64.50 on close.	New	11/6
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
SkullCandy SKUL - The bear setup was obliterated so our caution was warranted. Moving on with no harm done.	Removed	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.		11/5
Energy - A few pattern breakdowns Tuesday. Still avoiding.		11/5
Updates		
none -		

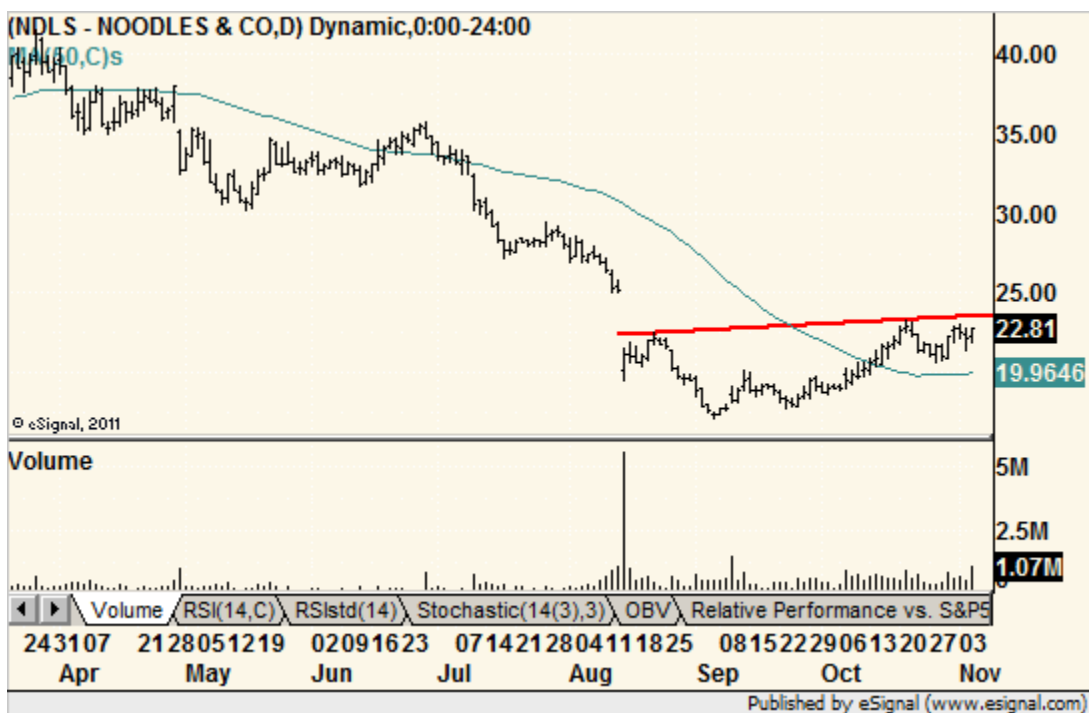
Market Highlights



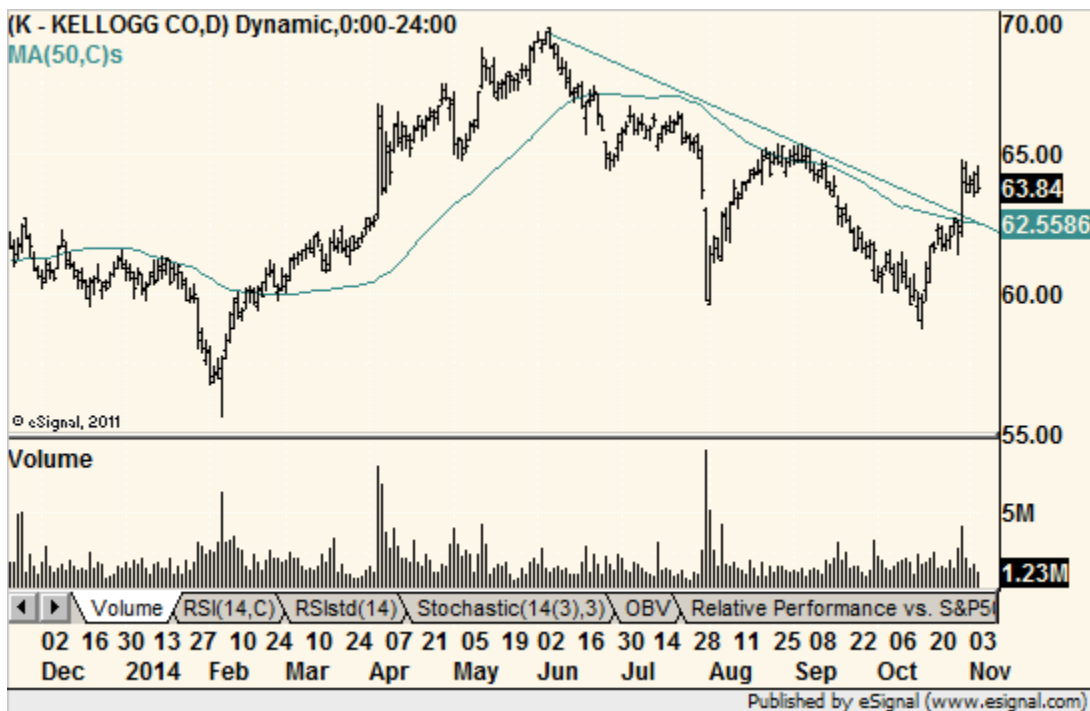
Junk Bonds ETF - Anyone notice this breakdown, even as stocks are flat to higher?



Homebuilders - From my Barron's Online column yesterday, homebuilders are not bargain. Lagging for two years.



Noodles - I put a 23.40 buy signal on this casual restaurant chain in a piece I wrote for ProfitableTrading.com. Inverted head-and-shoulders, rising on-balance volume, good momentum, and above the 50-day average.



Kellogg - I wrote up food stocks for Marketwatch. Unfortunately, **MDLZ**, one of my non-published candidates, was the one that took off. Here, we see this cereal maker with a breakout and pause. Buy the secondary breakout above 64.50 on 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>	ALL	ALLSTATE CORP	65.74	4.8%	62.00	62.71	10/27	9
	KKD	KRISPY KREME DOUGHNUTS INC	19.16	5.0%	18.50	18.25	10/28	8
<u>Short</u>	SBAC	SBA COMMUNICATIONS CORP	110.41	0.3%	116.00	110.69	11/4	1
	LEN	LENNAR CORP	42.73	-0.1%	45.00	42.70	11/4	1
	CNI	CANADIAN NATL RY CO	69.21	-0.6%	72.00	68.78	11/4	1

Notes: None

Subscriber Corner

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

Note to Harry - Yes, the market is now in its seasonal sweet spot and the presidential cycle is favorable too. And the decennial cycle for next year is also on the bulls' side but that does not mean it all will work this particular time. These cycles are averages, not absolutes.

Other Information

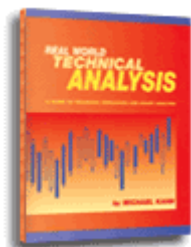
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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