Quick Takes Pro

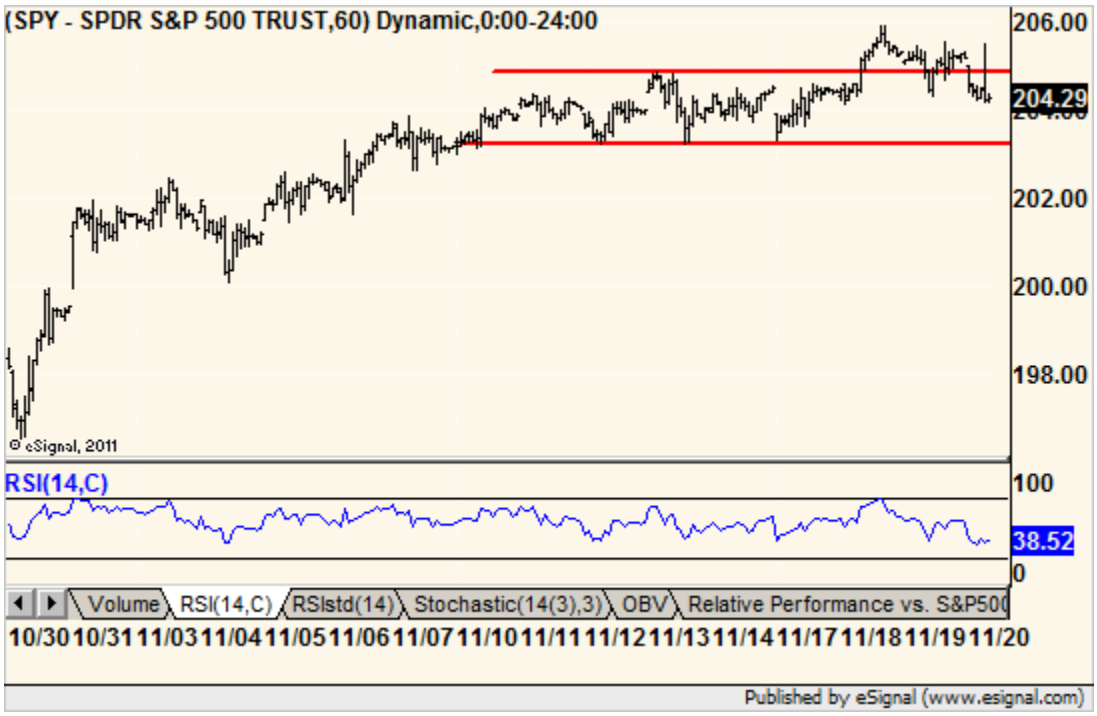
"Technical Analysis for Everyone"

Michael Kahn
Research LLC

November 20, 2014 – It looks to us that the rally is now on really shaky ground. Good jobs news today didn't make a dent. The Fed was given a cool reception yesterday. Junk bonds have been falling steadily. And gold finally looks ready to move up. The latter was my Barron's Online topic yesterday.

We have very little in the way of trading setups right now as we wait for the market to make a decisive move one way or the other. The transports did trigger the parabolic stop-and-reverse signal but we've been burned on selling sharp rallies at the first sign of trouble before. That is why we are also quite nervous on selling Yahoo today after it gapped down yesterday.

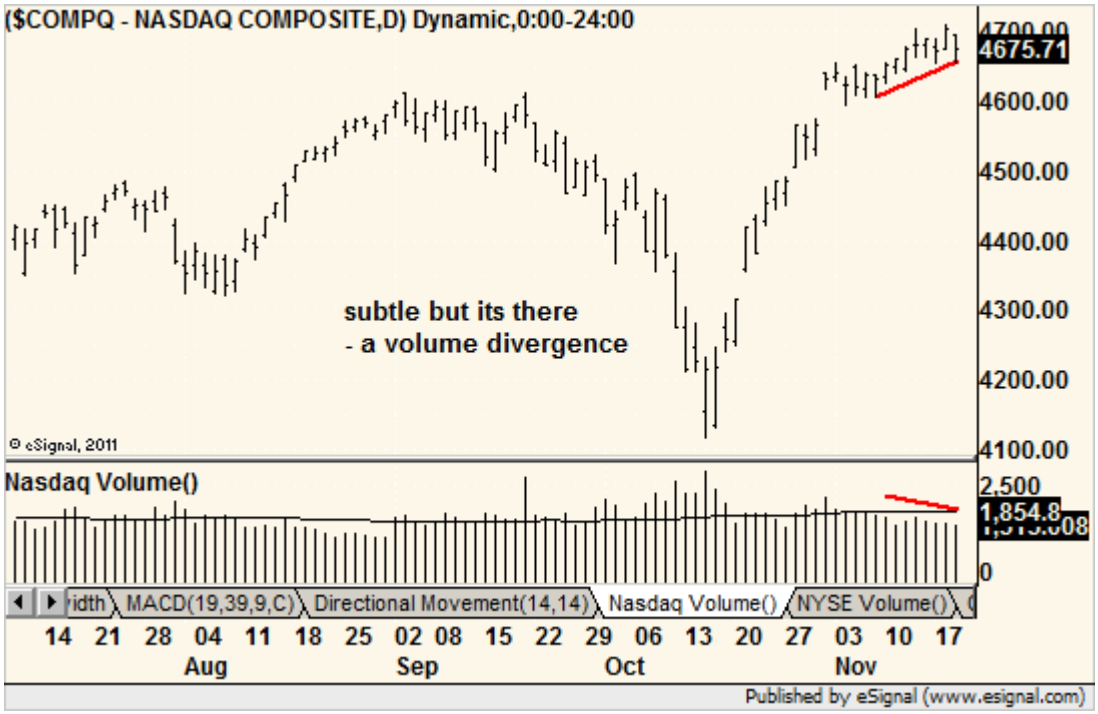
But you cannot make any money without risk. We calculate the odds, look for precedent and give it a go with risk controls.



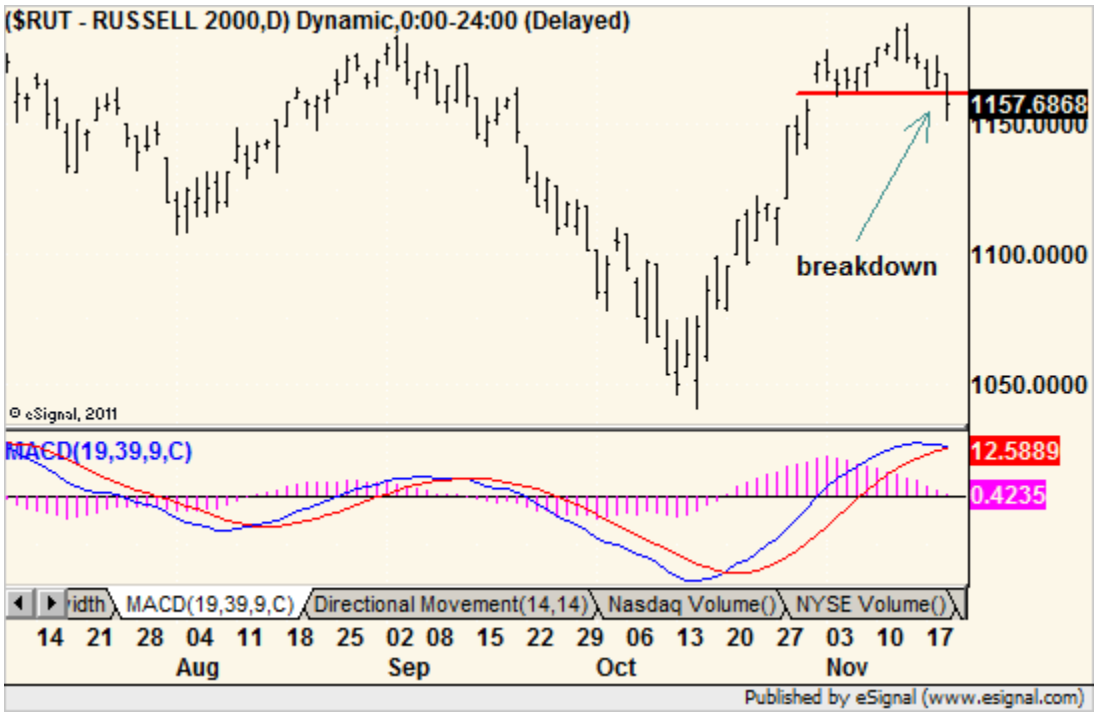
On the hourly chart, we are still looking for a return to the lower red line. Below that, however, is a true sell signal.

We promised not to give you filler when there is nothing to say and that holds true today. We'll see you back here tomorrow.

Index Charts of the Day



Just looks tired.



The chart says it all.

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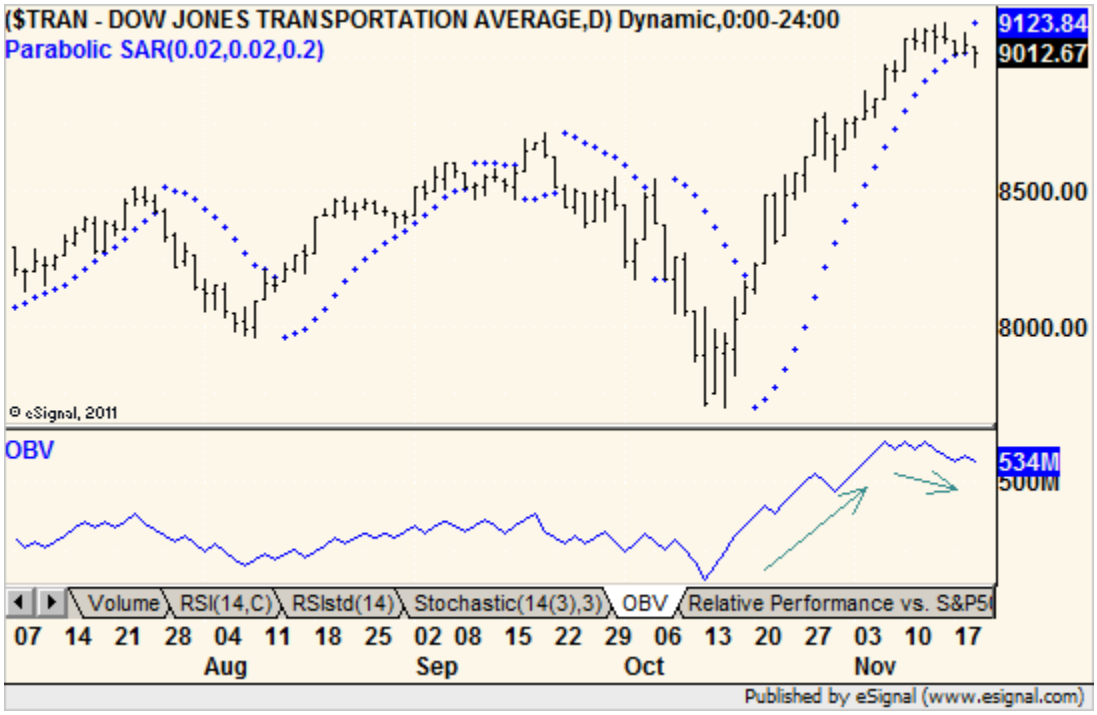
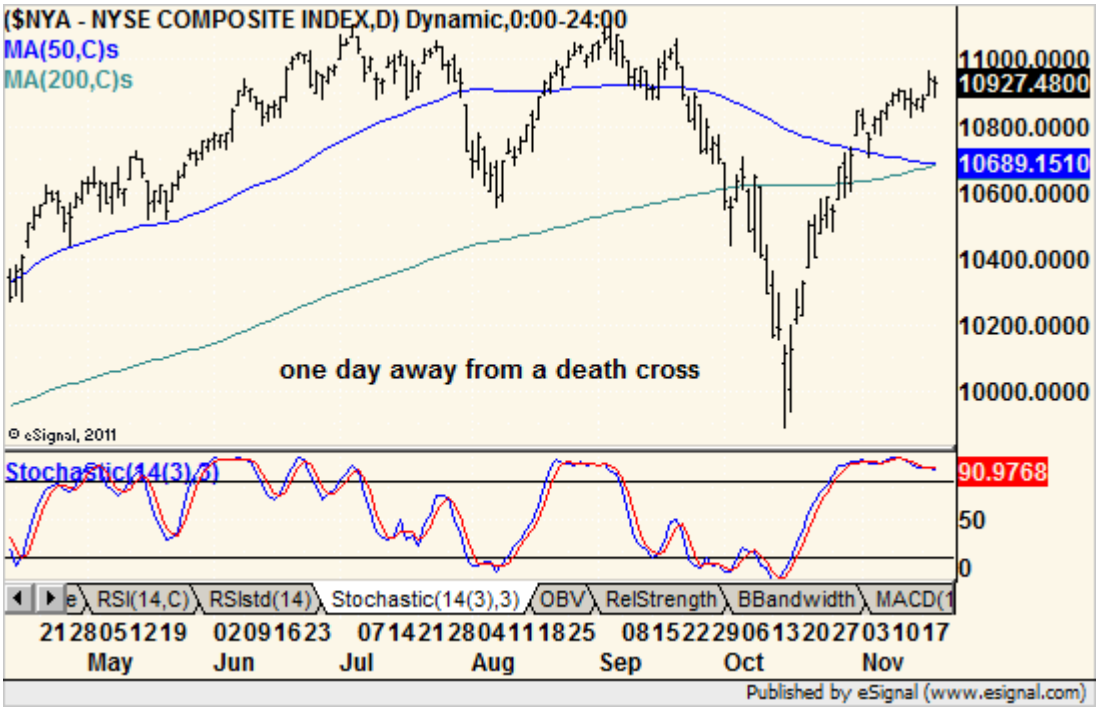


The transports triggered the parabolic stop-and-reverse signal. It is not infallible but with softer on-balance volume it is probably a good idea to step aside.



I tweeted this yesterday. The NYSE (and S&P 400 midcaps) is just about to get a moving average death cross. Again, it is not a sell signal but is does show a weakening market.

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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. Broke the neckline of an inverted H/S pattern on a monster gap but now it has pulled back sufficiently. We'll buy over 23.00. Now sitting on trendline from September low.	**Changed**	11/6
Lululemon LULU - This stock has been tumbling, especially on earnings reports, that is until the last one in September, which was better than expected. A breakout above 46 targets 54.		11/14
Vishay Intertechnology VSH - This electronic component maker is now bumping up against resistance. On-balance volume is already back to its 2014 high so we are on alert for a breakout. Buying close above 14.05.		11/17
Rex Energy REXX - A small cap energy exploration and production stock. Huge volume over the past six week. Also rising stochastics (divergence). We will look for a breakout from the trading range (pennant) as a buy above 8.10	**Moved**	11/18
Bearish Implications		
JP Morgan JPM - Gap down break after hitting resistance. A move under the current pause would be sellable. Selling 60		11/17
Yahoo YHOO - Way overbought. Sell at the first sign of trouble. Looks like it got it yesterday so we are selling the open. Stop is tight.	**Moved**	11/18
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Deckers Outdoor DECK - A shoe maker with a nice little breakout. Note relative breakout, too. Now testing it so we'll see how it handles it. Another breakout!		11/18
Peabody Energy BTU - Coal stocks inverted head-and-shoulders? Bonk! And another failure. No harm, no foul	**Removed**	11/18
Blackberry BBRY - A sharp breakout and equally sharp test. Gapped down below the breakout Wednesday and did not recover. Probably not going to be a buy but we'll watch a little longer.		11/18
Freeport McMoran FCX - Waiting on bowtie reversal pattern.		11/19
Sector Watch (observations that may spark ideas)		
Gold Miners - Extreme bearish sentiment and nearing its 2008 lows. We should be setting a buy trigger soon. We would have set the buy trigger today but yesterday was a rather big volume decline. Still looking for the right time.		11/3
Marine Transportation - Major breakdown and successful test of that break.		11/5
Airlines - Very far above moving averages. Looks like it will snap back.		11/7
Broadline retailers ETF - This group contains **TGT, WMT, COST** and **AMZN** among others. On-balance volume has been rising for months even as the sector index floundered. A positive sign.		11/11
Retail - Lots of bottoming setups all over **SPLS, DKS, WFM, LULU**		11/14
Updates		
Staples SPLS - expletive		
Boeing BA -Closed above long-term flag pattern but short-term overbought		
Wal-Mart WMT - Way overbought short-term.		

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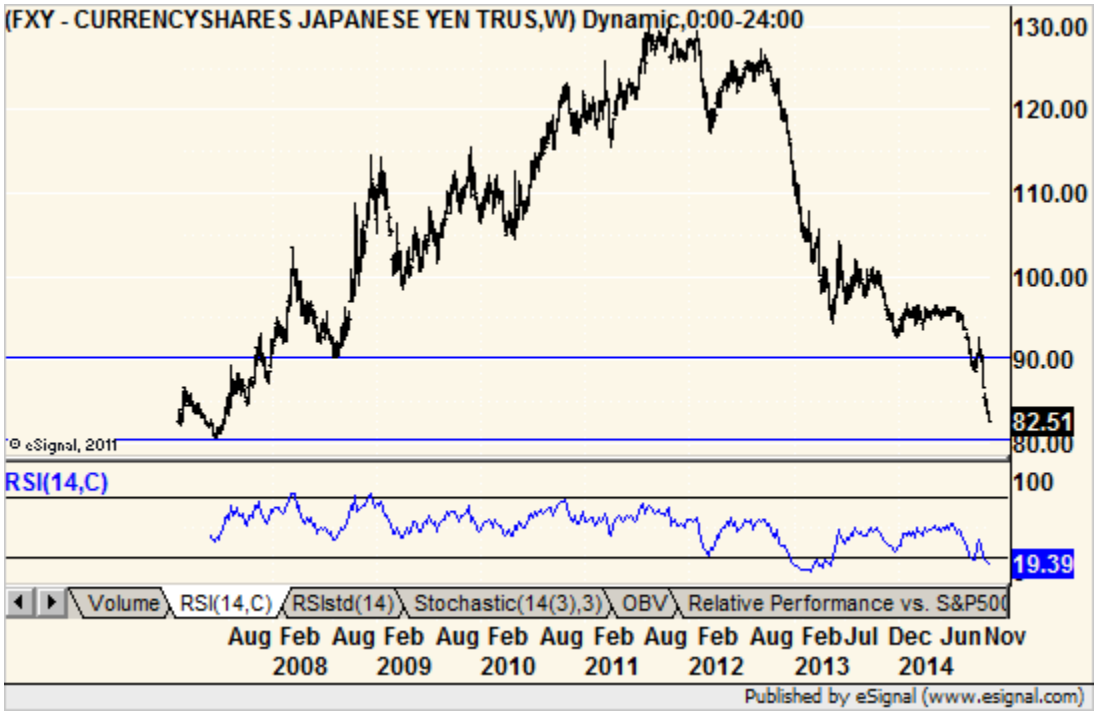
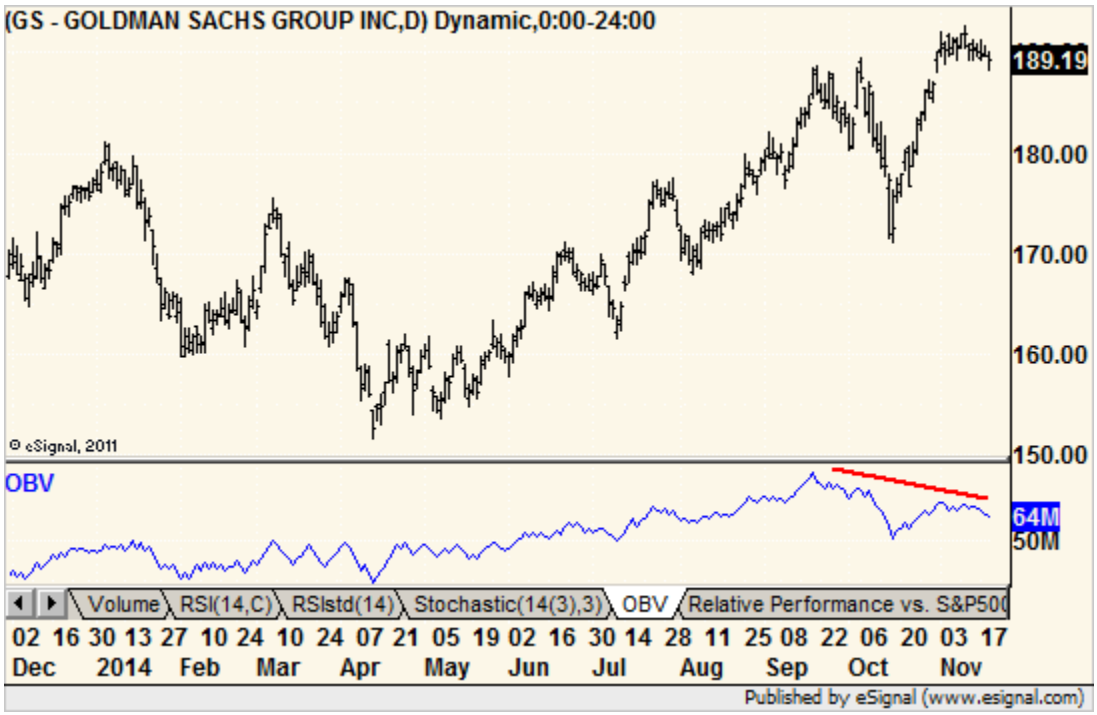
Market Highlights



Japanese yen ETF - Stay out of the way of this speeding locomotive. Good for Japanese stocks, despite their new recession.



Goldman Sachs - On-balance volume divergence. Same for **MS, RJF** and **PJC** (the old brokers). We are already sour on **JPM** (see Radar Screen).

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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.

	Symbol	Name	Last	P/L	Stop	Price in	Date in	#Days
Long	**ALL**	ALLSTATE CORP	67.37	7.4%	66.00	62.71	10/27	23
	KKD	KRISPY KREME DOUGHNUTS INC	19.82	8.6%	19.50	18.25	10/28	22
	K	KELLOGG CO	65.89	2.1%	64.00	64.53	11/6	13
	YUM	YUM BRANDS INC	73.97	0.6%	72.00	73.50	11/10	9
	DKS	DICKS SPORTING GOODS INC	48.45	1.5%	46.00	47.75	11/14	5
Short	**SBAC**	SBA COMMUNICATIONS CORP	114.21	-3.1%	116.00	110.69	11/4	15
	CNI	CANADIAN NATL RY CO	71.19	-3.4%	72.00	68.78	11/4	15
	TIVO	TIVO INC	12.87	0.2%	13.50	12.90	11/10	9

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.

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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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