

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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November 21, 2014 - Our themes seem to be working as yesterday's sleepy market still saw strength in restaurants, energy and gold. Junk bonds made it seven days lower in a row as Treasuries continued a slow rounded bottom within the intermediate-term rising trend.

Also in the mix was homebuilding, which was up on more good news in the sector. We were wrong about it not being able to break out last month but after it did we looked for a return to the 2014 high. So far, it looks as if it will. Just keep in mind this is short-term as that high is part of a very strong price ceiling long-term.

Overnight was a bit more exciting as Super Mario Draghi once again pledged that the ECB will do whatever it can to pump up the economy (and inflation). Stocks rose nicely.

Then China's central bank lowered its interest rate and stocks rose another chunk. The US dollar was up sharply but still remains in its two-week range.

That should kill gold, right? Well, not exactly. Gold is bid a bit higher this morning and it really is time to take a nibble. One more thing - weak gold seasonality ends right about now. I mentioned that in my first gold column last month.

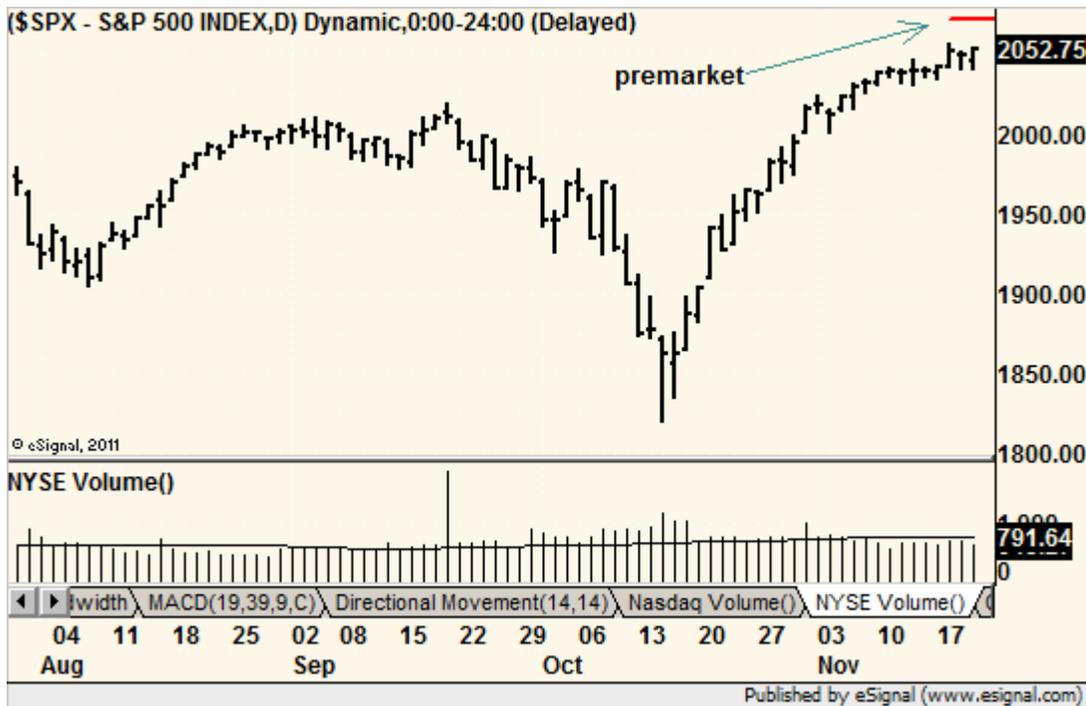


Yesterday's market opened lower but found its footing right away. The intraday reversal was also a failure for the market to reach support as we thought it would. Failed bearish signals are bullish and away it went. But now it is already overbought in this time frame and we suspect it will be marginally overbought in the daily time frame when the market opens for the day session.

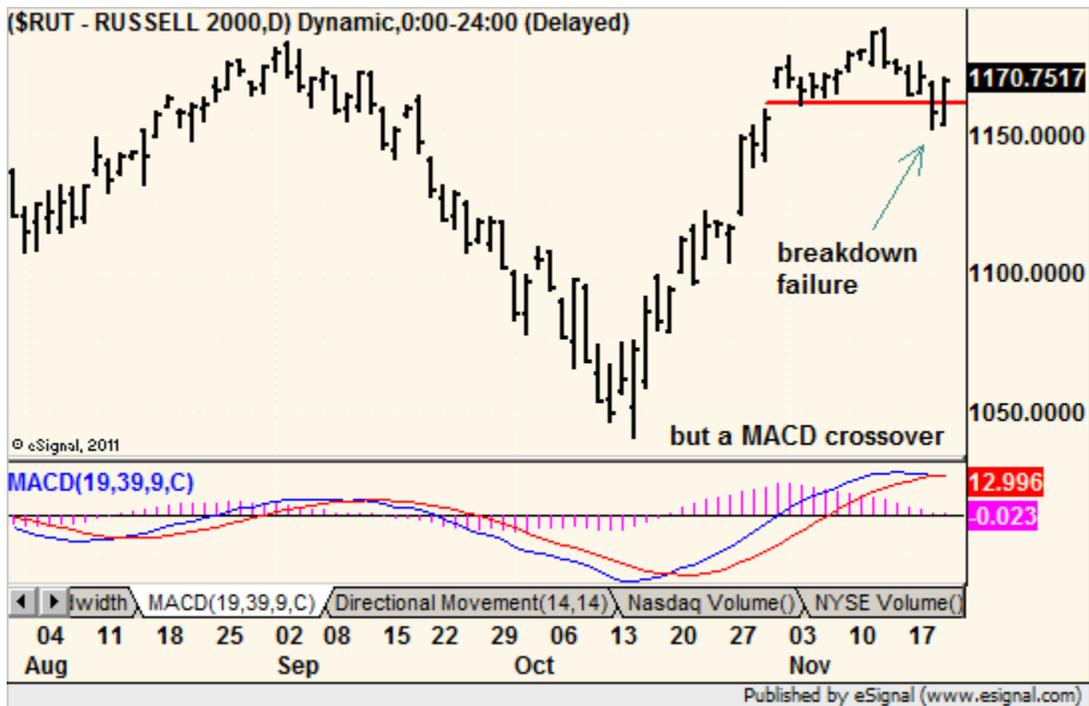
Josh Brown tweeted this morning - "Tactical managers want to shoot themselves right now. This year's rally is becoming a career-ender for some."

We'll interpret that as a sentiment read pointing to more rally ahead. However, we are back to the "harder they come the harder they fall" scenario. It won't end pretty. The question is when?

Index Charts of the Day



The S&P 500 from yesterday looked dull and with no volume. This morning it popped higher to keep the trend alive.



Small caps led the rebound yesterday and the Russell now has a breakdown failure. That suggests more rally to come although weekly charts still show a downside reversal last week.

The Radar Screen

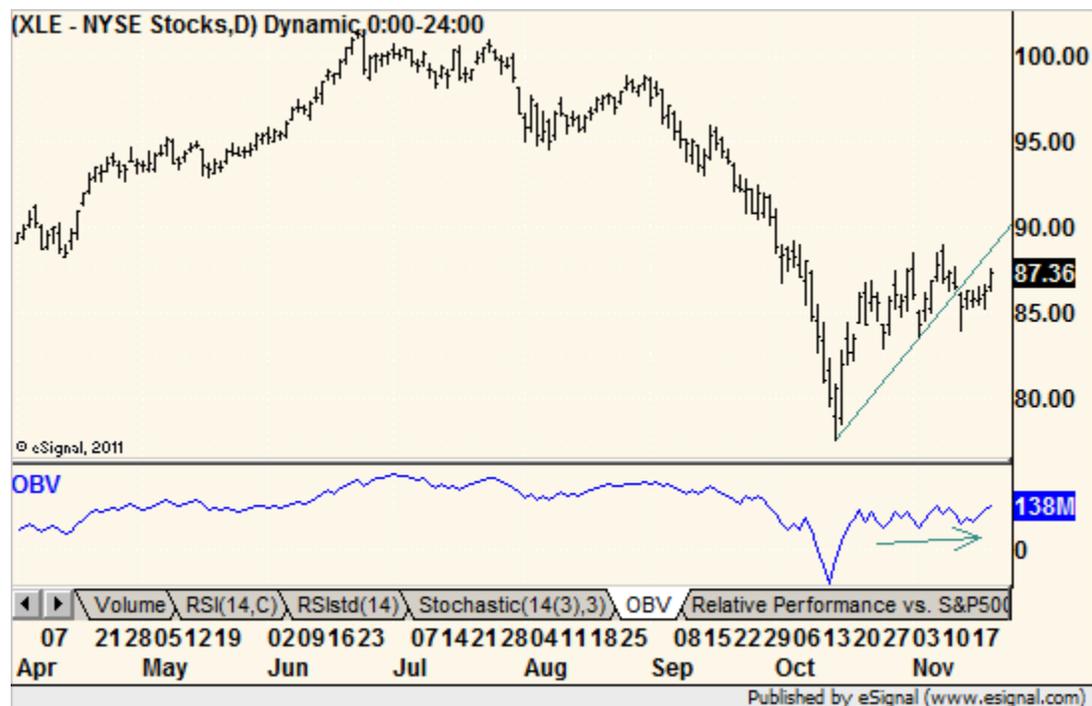
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.		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.	Triggered	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 <u>above 8.10</u>	Triggered	11/18
Junior Gold Miners ETF GDXJ - buying the open.	New	11/21
Bearish Implications		
JP Morgan JPM - Gap down break after hitting resistance. A move under the current pause would be sellable. Selling 60	Triggered	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.	Triggered	11/18
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
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. <u>It's dead, Jim.</u>	Removed	11/18
Freeport McMoran FCX - Waiting on bowtie reversal pattern.		11/19
Sector Watch (observations that may spark ideas)		
Gold Miners - Time to buy	Changed	11/3
Marine Transportation - Major breakdown and successful test of that break.		11/5
Airlines - Still needs to correct but it may be doing it by sideways action.	Changed	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
Brokers - On-balance volume divergence for GS . Same for MS, RJF and PJC		11/20
Updates		
none -		

Market Highlights



Alcoa - Likely to break out at the open today.



Energy ETF - The flag broke down last week but it was quite strong yesterday. Note on-balance volume actually edged higher the whole time. **We think commodities are over-hated** and that is bullish

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	67.29	7.3%	66.00	62.71	10/27	24
	KKD	KRISPY KREME DOUGHNUTS INC	20.17	10.5%	19.50	18.25	10/28	23
	K	KELLOGG CO	65.64	1.7%	64.00	64.53	11/6	14
	YUM	YUM BRANDS INC	75.51	2.7%	72.00	73.50	11/10	10
	DKS	DICKS SPORTING GOODS INC	48.14	0.8%	46.00	47.75	11/14	6
	LULU	LULULEMON ATHLETICA INC	45.88	-0.3%	44.00	46.00	11/20	0
	REXX	REX ENERGY CORPORATION	8.08	-0.2%	7.60	8.10	11/20	0
<u>Short</u>	SBAC	SBA COMMUNICATIONS CORP	116.00	-4.6%		110.69	11/4	16
	CNI	CANADIAN NATL RY CO	71.72	-4.1%	72.00	68.78	11/4	16
	TIVO	TIVO INC	12.89	0.1%	13.50	12.90	11/10	10
	JPM	JPMORGAN CHASE & CO	60.12	-0.2%	62.75	60.00	11/20	0
	YHOO	YAHOO INC	51.25	-1.3%	53.00	50.60	11/20	0

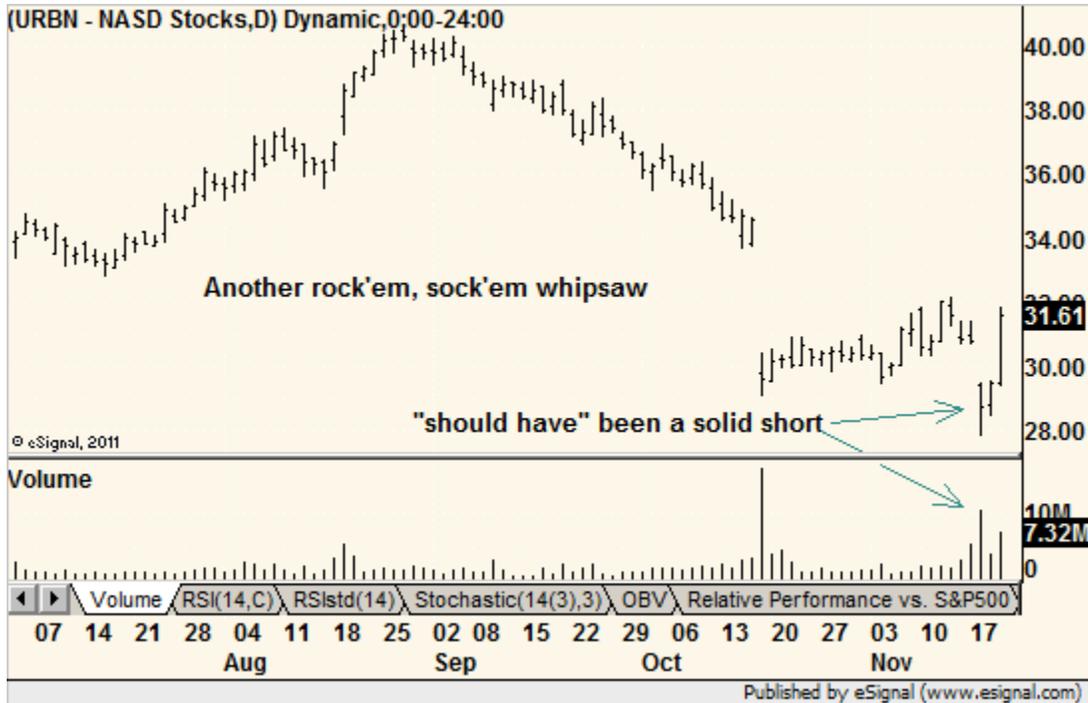
Notes: Stopped out of short in **SBAC**. We sold after a big bearish reversal but it chugged higher afterward.

Two new longs in **LULU** and **REXX**.

Two new shorts in **JPM** and **YHOO**. We are not happy with either, especially JPM, which dipped to our trigger early and then recovered.

Subscriber Corner

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



Urban Outfitters - Suggested by a subscriber after yesterday's Twitter post on SPLS. Another example of why nothing is guaranteed in the stock market.

Keep an eye on it as failed bearish signals are usually bullish. It is also in the improving retail sector.

Other Information

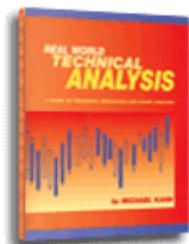
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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