

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

December 5, 2014 – The initial reaction to the ECB comments on potential euro-easing was negative as the Dow dropped nearly triple digits in the morning. But then stocks came roaring back to the turn slightly positive and before chopping around the rest of the day. The ECB left the door open for easing next year.

But it really seemed that the market was waiting for today's jobs report. Does it really matter that much? The report this morning was the best in two year but markets wiggled about. Even gold, which was down, was not out. Seems like more analyst bloviating than anything.

The other headlines this morning are back on weak oil but domestic crude is still in its range - a low range but still a range (up slightly on jobs). Sentiment seems extremely bearish with the focus on "extremely." Yesterday, the financial press was all over the resumption of the energy stock slide but the **XOI** index was down 0.33%. That's not much. And Exxon closed closer to the top of the day's range.

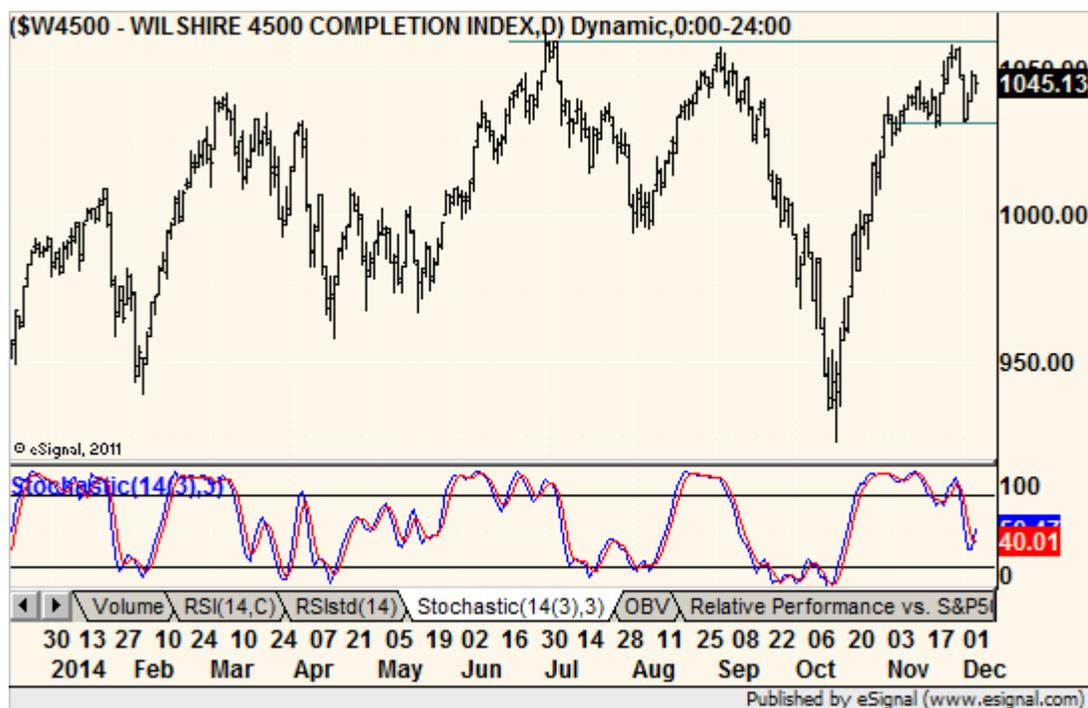
Let's talk indicators. While the **VIX** sinks back to its lows pre- and post-October spike, the Hindenburg Omen fired yet again. We've got a cluster now, folks. That is not a guarantee of a crash or even a sell-off but the market is very unstable right now and therefore dangerous.

What does that really mean? With options cheap and market danger high, you can figure out where we are going. A little options protection could not hurt right about now.



Here is the hourly chart and it shows a bottom yesterday near support and a rebound back near resistance. Even after decades of market watching, this is still fascinating. So far, resistance is holding post-jobs

Index Charts of the Day



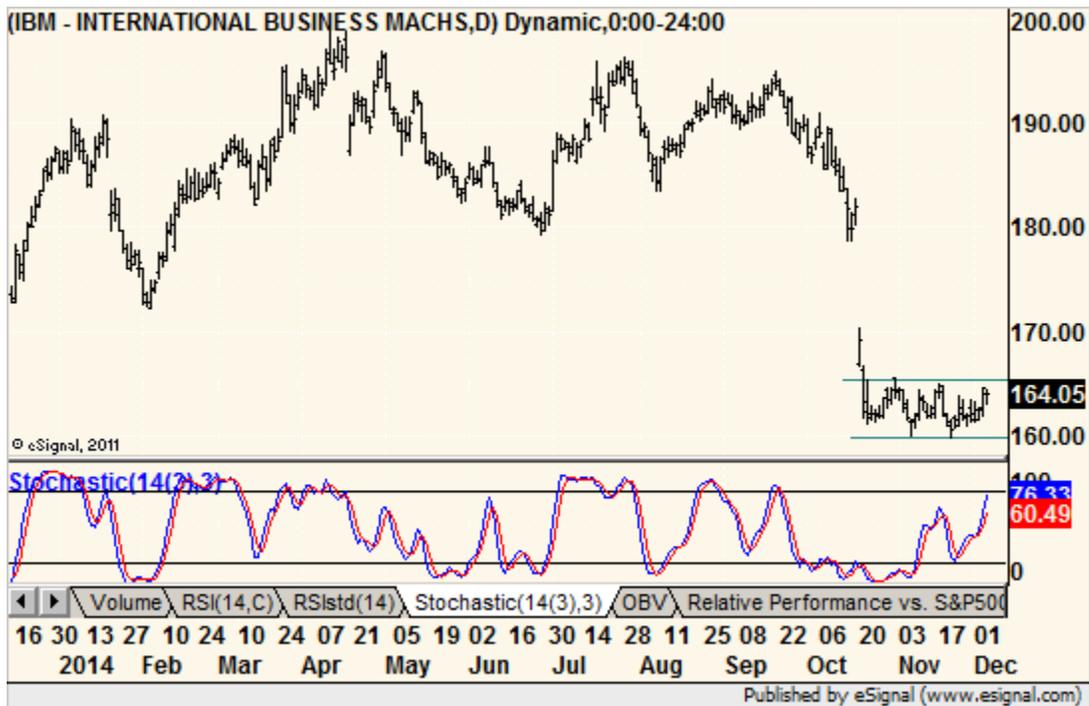
The "regular" index charts are getting boring so how about this one? This is the Wilshire 4500, which is the 5000 minus the top 500. Basically, it is an index of medium and small stocks and it looks a lot like the NYSE composite. Big resistance and a stochastics indicator falling from its highs. That gives it a bearish bias although it really has to take out short-term support to declare a sell signal.

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		
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. (4-5% rule). <u>Big reversal Thursday so we'll watch it another day or so.</u>		11/17
Axiom ACXM - Inverted head-and-shoulders setup for this marketing database and intelligence company. It broke out so we will jump in.	Triggered	11/24
Abercrombie & Fitch ANF - A big bullish reversal on big volume after bad news. Not shown is a bullish MACD divergence. We are in.	Triggered	12/4
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
none -		
Sector Watch (observations that may spark ideas)		
Industrials - surprisingly weak relative to the market.		12/2
Regional Banks - Making a comeback. We are short a few but are not yet convinced we are wrong.		12/3
Updates		
Saudi stock market - Appears to have its weekly hammer candle and we think that is a positive for oil.		

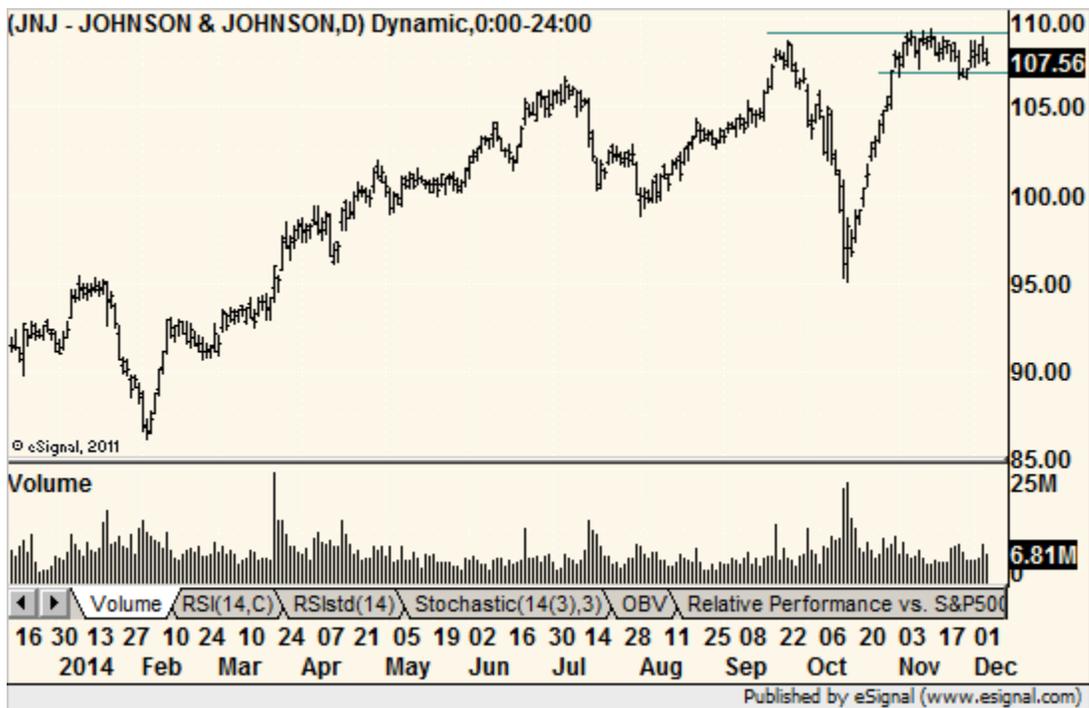
Market Highlights



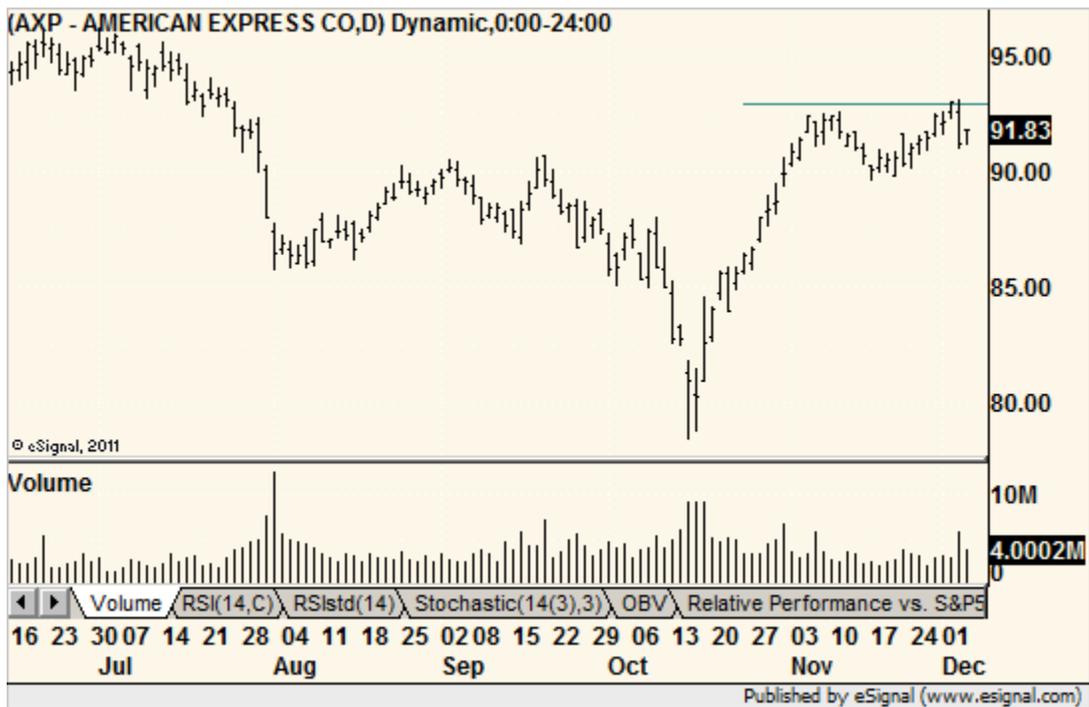
IBM - Just watching. A small range but stochastics has a positive bias.



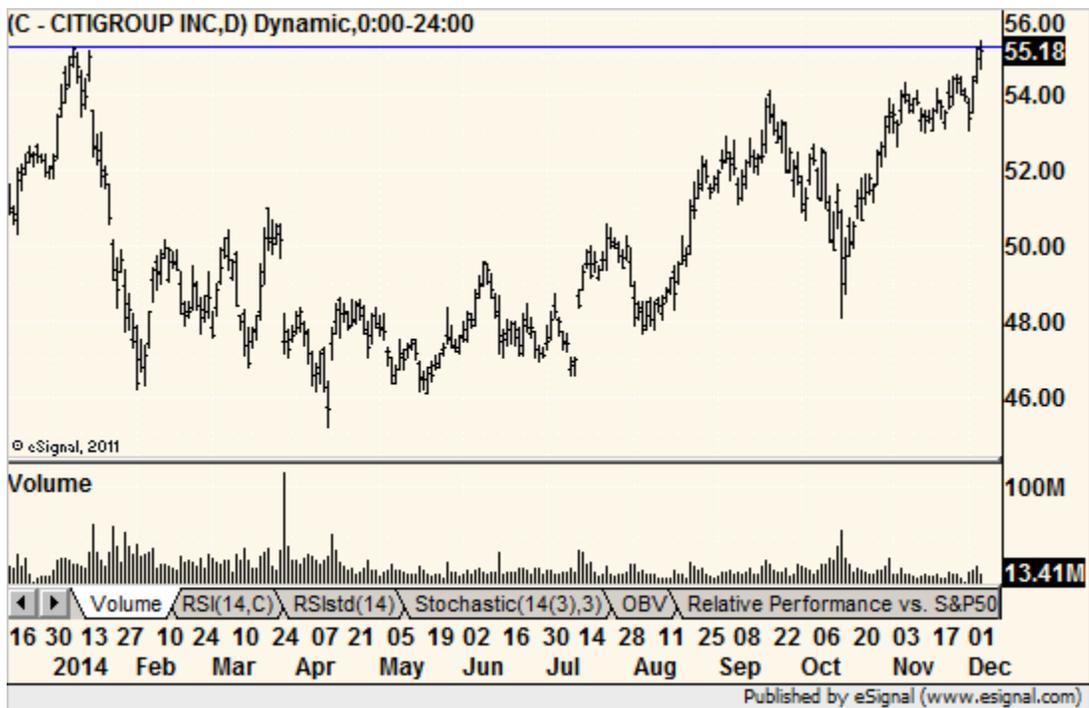
United Technologies - Not exactly an inverted head-and-shoulders. Resistance seems more important with falling on-balance volume. We would sell a breakdown but that has not yet happened.



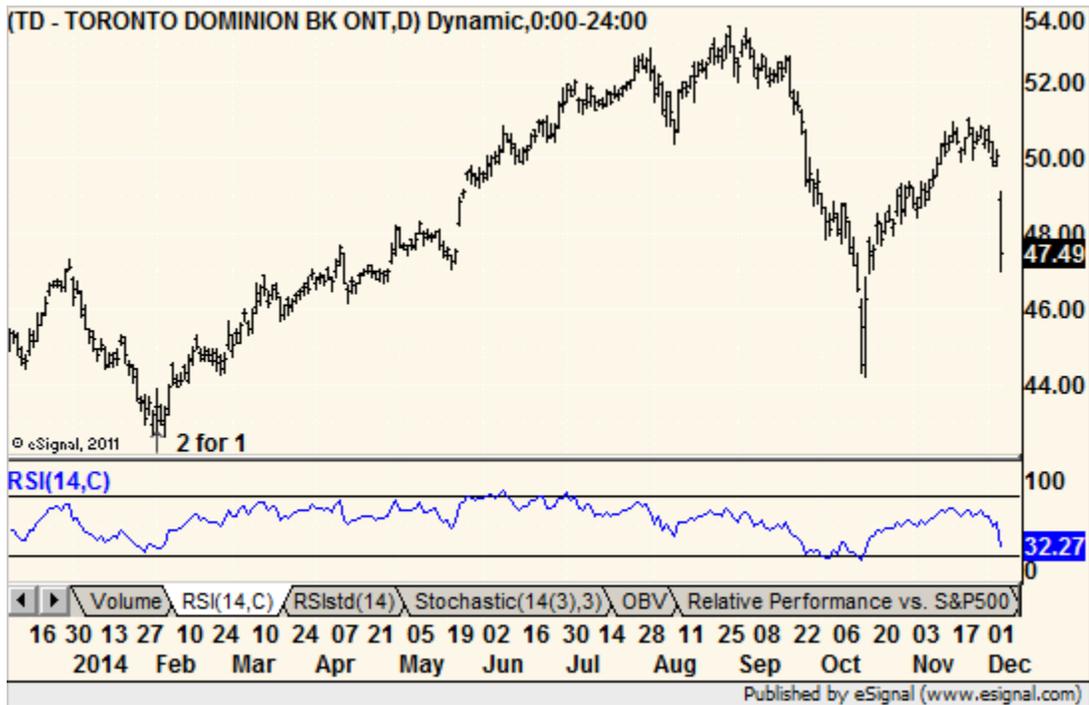
Johnson & Johnson - Another Dow stock that can go either way.



American Express - Possible double top with a bearish reversal on volume Wednesday. Needs to take out support before the pattern completes.



Citigroup - Now at resistance.



Toronto Dominion - What's with Canadian banks? **RY, BNS, BMO** all weak.



Owens Corning - On the verge of a breakout.



Michael Kors - Diamond bottoms are not really patterns but this one shows a bullish RSI divergence. Worth watching.

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>	K	KELLOGG CO	66.09	2.4%	64.50	64.53	11/6	28
	YUM	YUM BRANDS INC	77.73	5.8%	75.00	73.50	11/10	24
	NDLS	NOODLES & CO	24.18	5.1%	23.50	23.00	11/21	13
	ACXM	ACXIOM CORP	19.75	-0.5%	19.00	19.85	12/4	0
	ANF	ABERCROMBIE & FITCH CO	27.90	-1.5%	27.00	28.32	12/4	0
<u>Short</u>	TIVO	TIVO INC	12.25	5.3%	12.75	12.90	11/10	24
	JPM	JPMORGAN CHASE & CO	61.38	-2.2%	62.75	60.00	11/20	14
	YHOO	YAHOO INC	50.41	0.4%	53.00	50.60	11/20	14
	TSLA	TESLA MTRS INC	228.28	-0.9%	240.00	226.25	11/20	14
	HBAN	HUNTINGTON BANCSHARES INC	10.18	-1.6%	10.40	10.02	11/20	14
	KEY	KEYCORP NEW	13.49	-2.1%	13.75	13.20	11/20	14
	BBT	BB&T CORP	37.92	-1.4%	39.00	37.39	11/20	14

Notes: Two new longs in **AXCM** and **ANF** at the open yesterday.

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.



24/7 Website archive – <http://www.quicktakespro.com/archive> (password needed)

Customer Support - <http://www.quicktakespro.com/support.html>

Recommended reading - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

Refer a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we'll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2014