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"TECHNICAL ANALYSIS FOR EVERYONE"

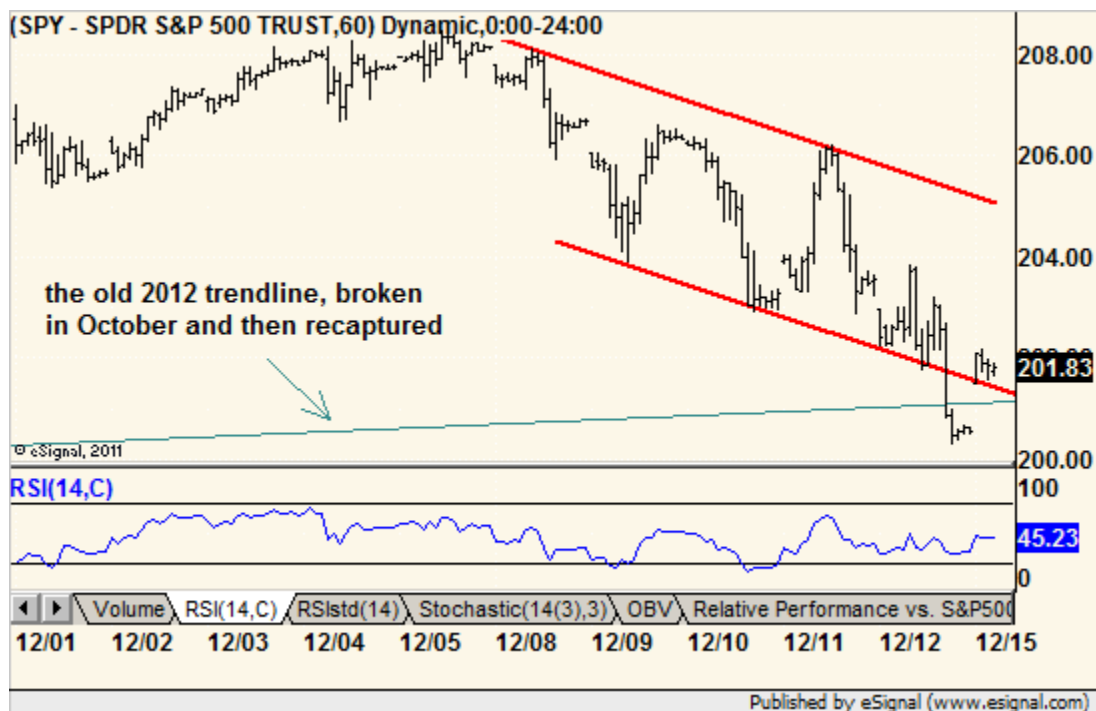
MICHAEL KAHN
RESEARCH LLC

December 15, 2014 – It looks like it will be a rebound Monday for stocks and oil after last week's drubbing. Now we will see just how robust or finished these markets are, especially as the Dow and S&P 500 dip below their previous all-time high set in September. The Russell 2000 is sitting on a shorter-term support and we'll chart all of that below in the Index Charts of the Day section.

Bond prices got very close to the spike high seen in October when it looked as if stocks were about to fall completely apart. They are backing down a bit this morning, again as things oscillate the other way across all markets following last week's moves.

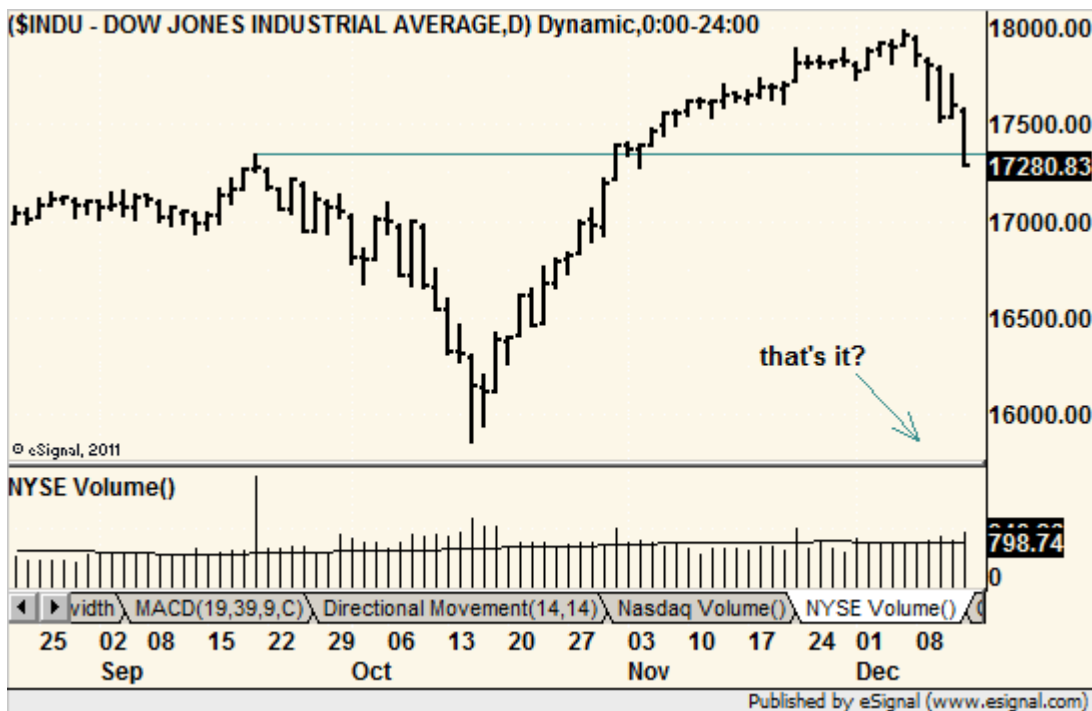
Overseas, Europe, sans Russia, is rebounding, too. Asia, sans Chins, was down big in its first chance to react to the decline here. And in the Middle East, things continue to crater. Dubai is down over 7% on top of its already vertical December plunge.

What does it all mean? Probably that oil is not ready to rebound although it is already deeply oversold and overhated. Still, some of the better oil stocks do look enticing. Do your homework if you want to nibble as trends are still down.

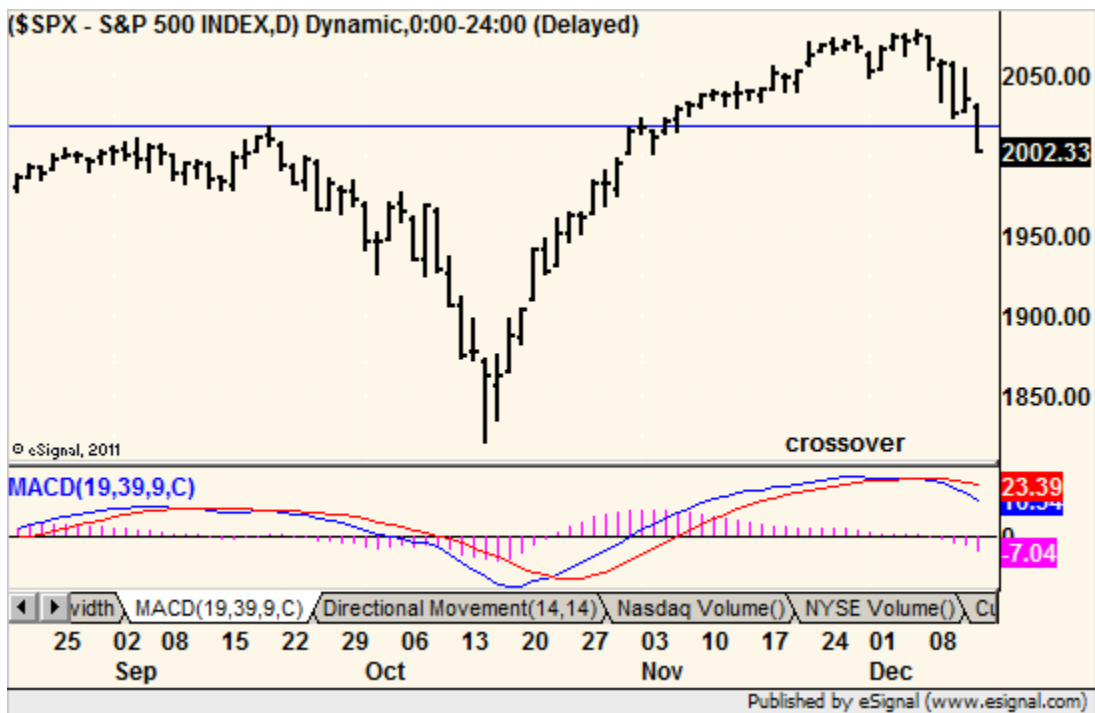


On the hourly chart, the trend channel was broken to the downside Friday to indicate a really weak market. This morning's premarket rebound put it back in the channel but it does not look like a buy at all. That can change but we are not scalping it.

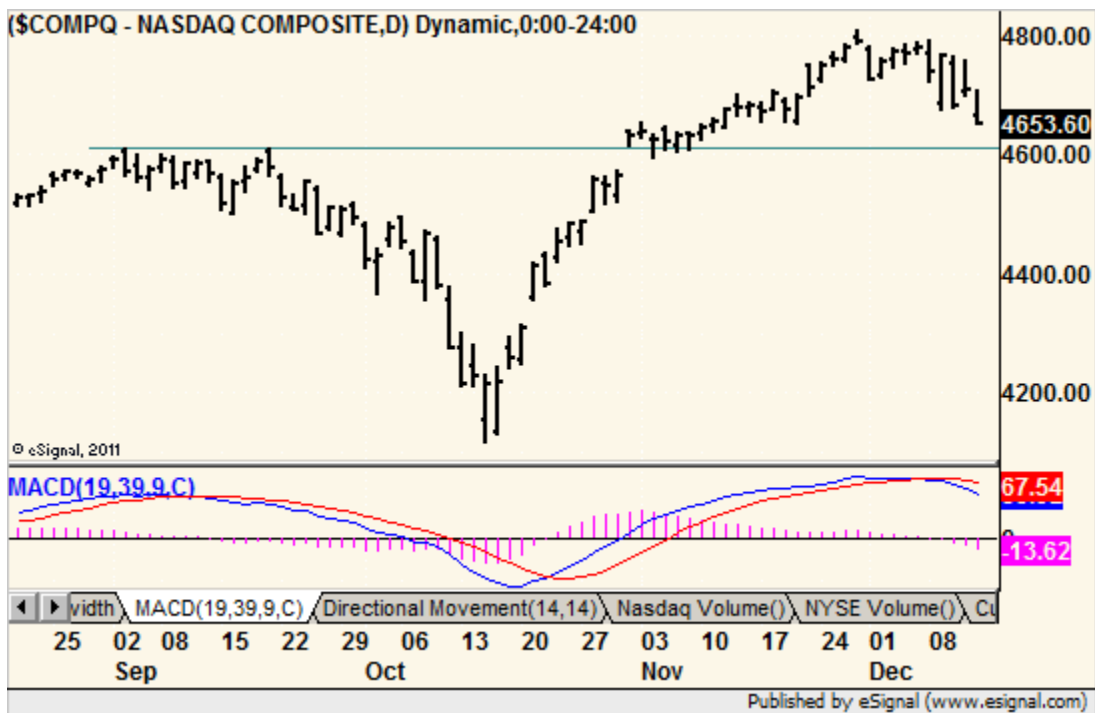
Index Charts of the Day



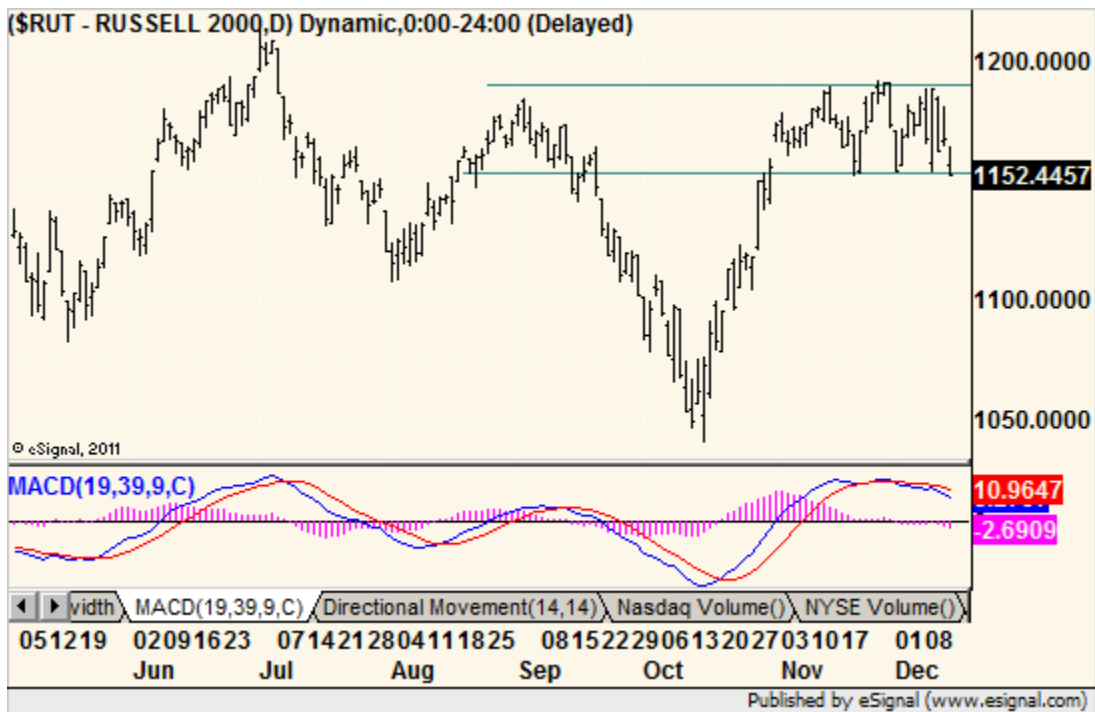
Here is the Dow with NYSE volume. The former more or less hit support and the latter was higher but not high enough for a panic or climax. Let's see if the rebound gets any volume or even lasts through the day.



The S&P 500 undercut its support and has a MACD crossover. Both are not good although the former may get a dead-cat type of bounce.



The Nasdaq did not reach support but does have the MACD crossover.



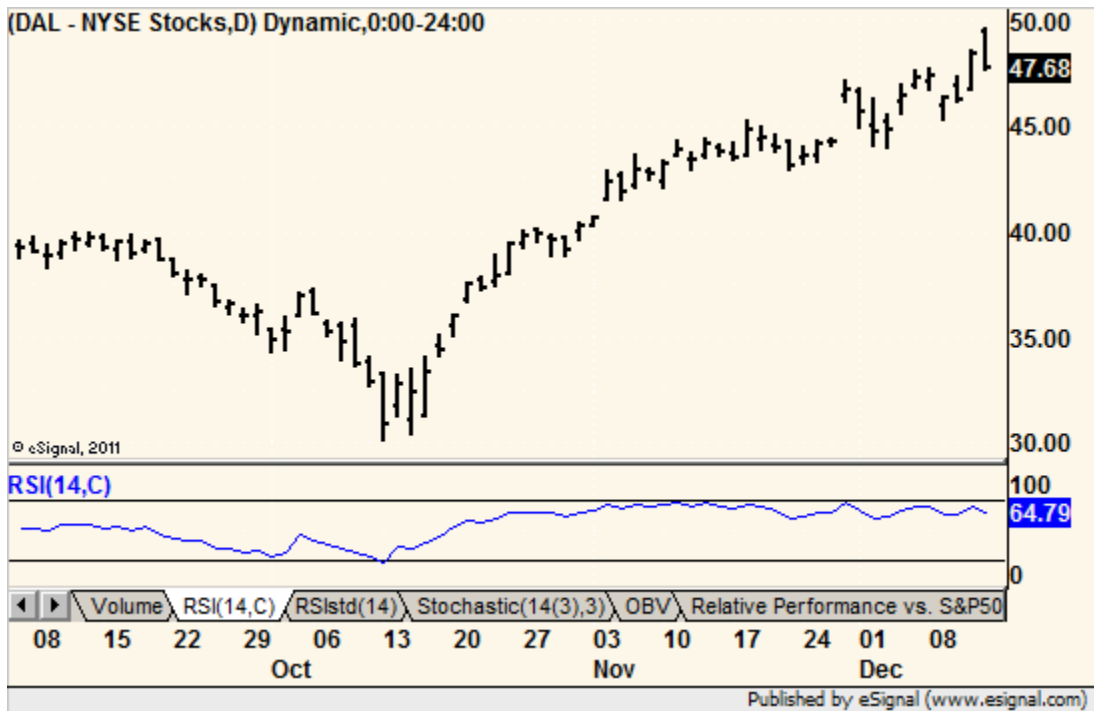
The small-cap Russell 2000 hit short-term support but unlike the other indices it never got above its September high. Waiting for the short-term range to break one way or the other.

The Radar Screen

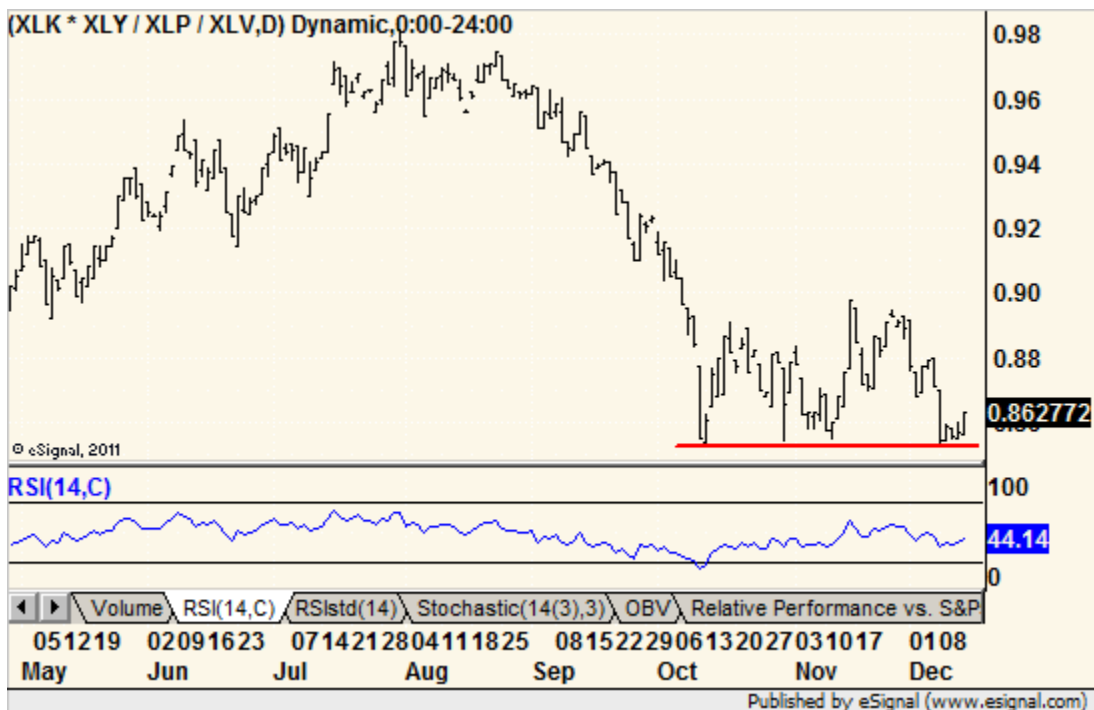
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Netapp NTAP - Holding near resistance with rising stochastics bottoms. Looking for a breakout above 44.		12/10
Hovnanian HOV - This homebuilder has a trend break and a test of the 50-day average. A move above the recent range and 200-day average would be a new breakout. Trailing P/E 2.1! Buy close over 4.35.	New	12/15
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Invensense INVN - This one makes motion detectors and gyroscopes for consumer electronics. After a disastrous fall, it seems to have stabilized with rising RSI (not shown) and a nice surge in price and volume after the low (follow-through day). Let's see what it does today first.		12/12
Costco COST - This retailer scored a major reversal last week and followed through. We'll look to see how it bounces and probably set a sell trigger.	New	12/15
Coach COH - This high-end retailer was up nicely on a down market day. It looks to be in a nice basing pattern although it is too early for a buy, save for scalpers. <u>Takeover rumors!</u>	New	12/15
Sector Watch (observations that may spark ideas)		
Semiconductors - This sector is the new black but it did score a small bearish reversal Monday		
Truckers - breakdown		12/10
Airlines - Bear reversals Friday even as oil fell.	New	12/15
Updates		
Lululemon LULU - Awesome!		

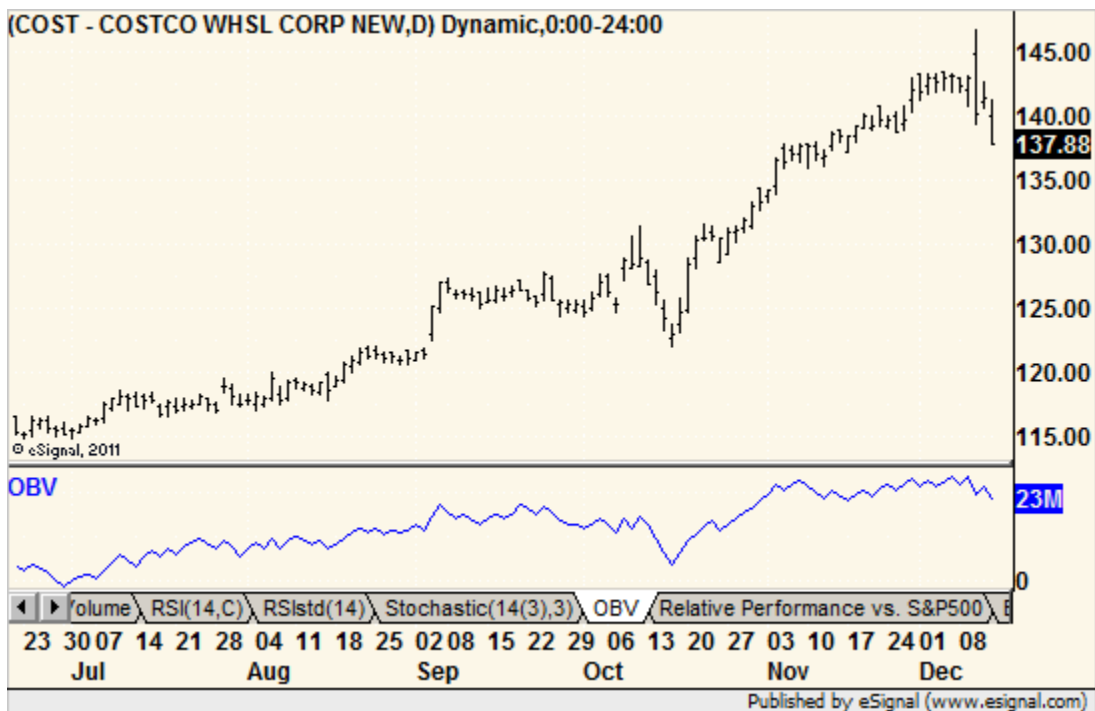
Market Highlights



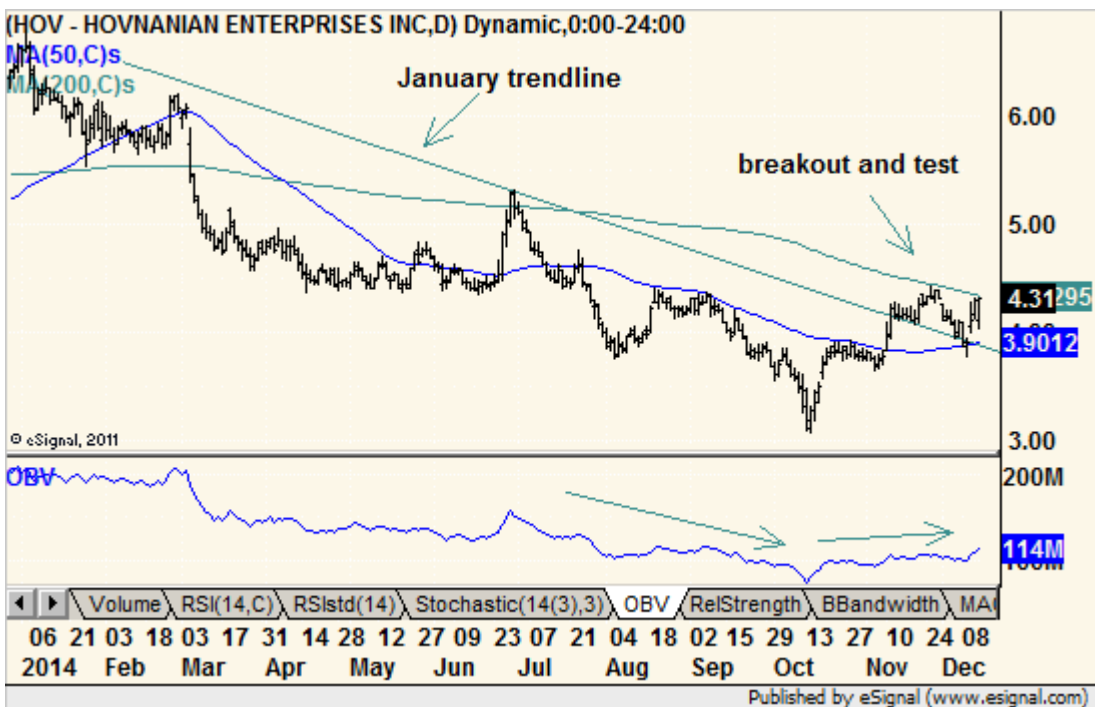
Delta Airlines - A representative of the sector showing a bearish reversal even as oil fell. With the Dow down 315, it is a stock, after all. Note RSI was trendline flat to lower in a mild divergence. The point? The super rally may have seen its best days.



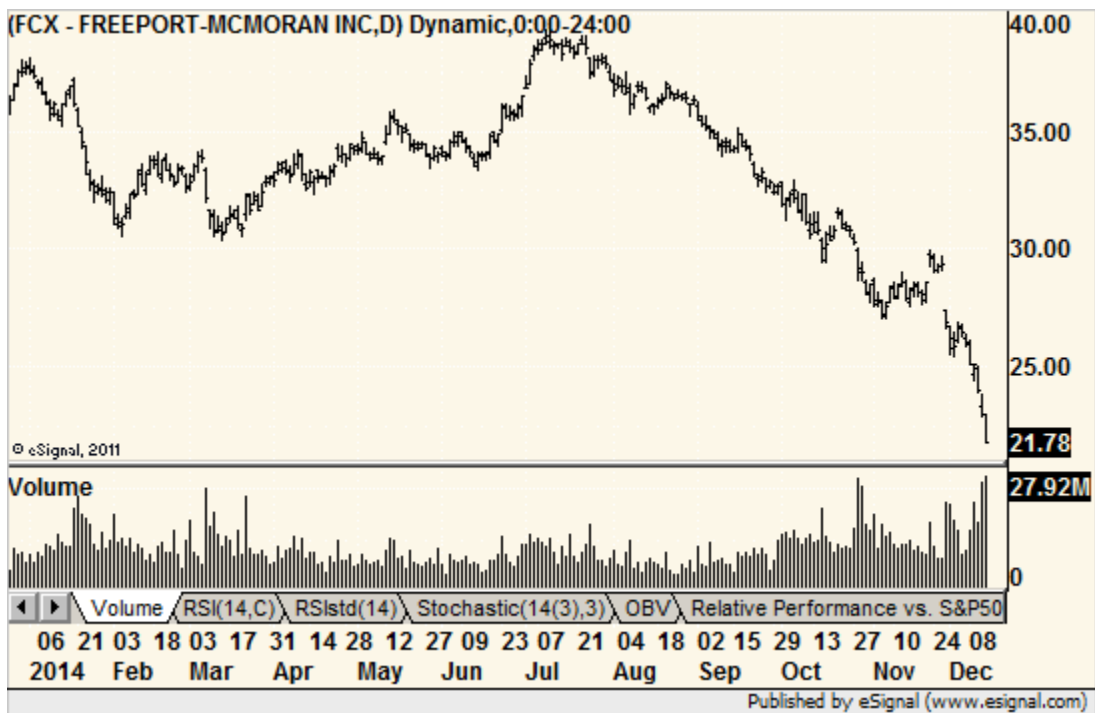
Offense / Defense index - We looked at this Friday before eh open, saying a breakdown would be bad for the market. Curiously, it actually bounced, meaning defensive sector got hurt worse. We actually take that as a positive but not a big one.



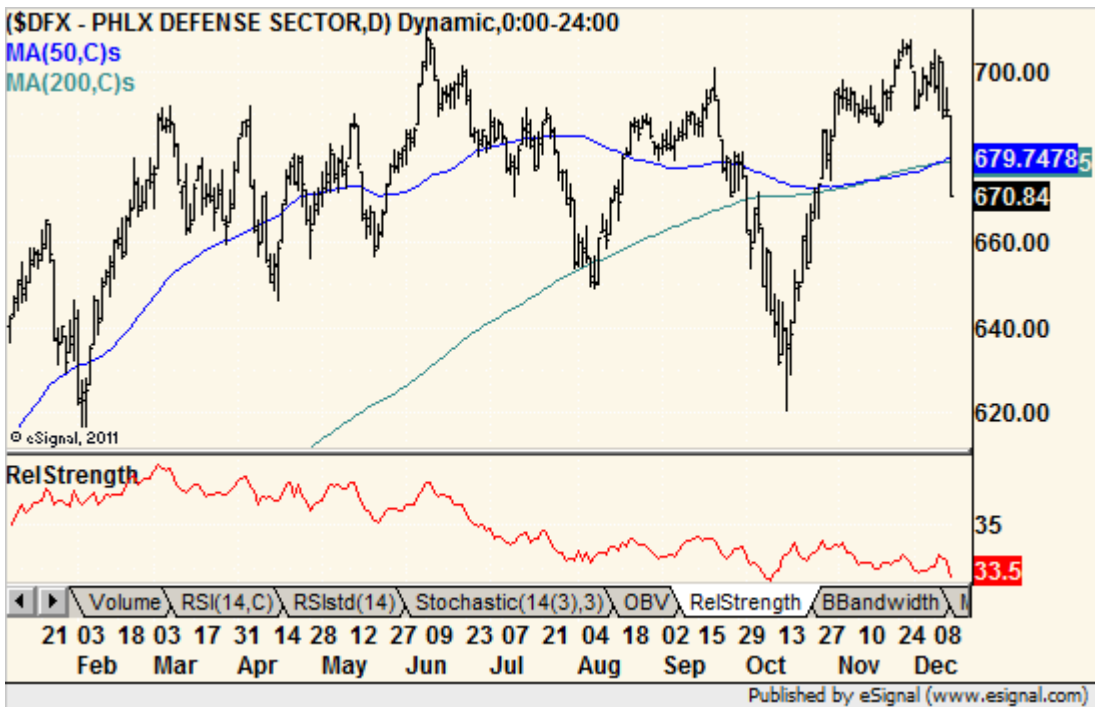
Costco - This retailer scored a major reversal last week and followed through. We'll look to see how it bounces and probably set a sell trigger.



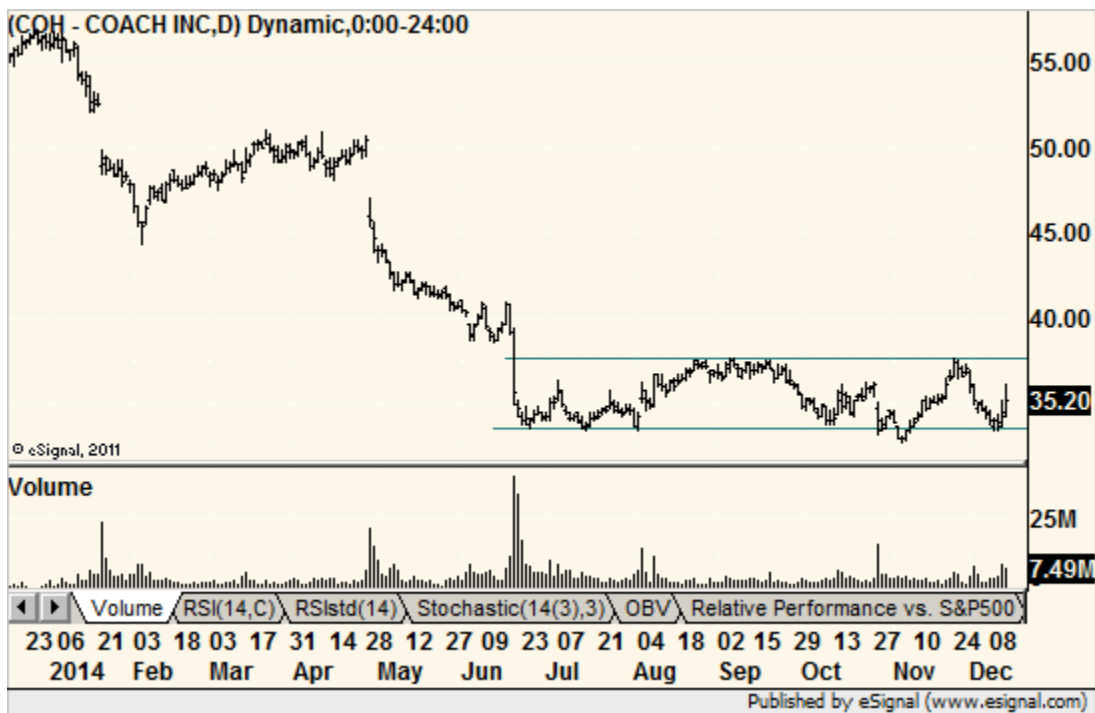
Hovnanian - This homebuilder has a trend break and a test of the 50-day average. A move above the recent range and 200-day average would be a new breakout. Trailing P/E 2.1! Buy close over 4.35.



Freeport McMoran - This one is on selling climax alert. Big volume as it falls off a cliff. Not shown are extremely wide Bollinger Bands and a big spread to the 200-day average.



Aerospace/Defense Sector index - We do not know what it means for the big picture but this sector crashed through short-term support (thanks to **ESL**) and closed below its major averages. It is clearly lagging the market but is it oversold enough for long scalping? Day traders only.



Coach - This high-end retailer was up nicely on a down market day. It looks to be in a nice basing pattern although it is too early for a buy, save for scalpers. Takeover rumors!

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	65.63	1.7%	65.00	64.53	11/6	37
	NDLS	NOODLES & CO	25.82	12.3%	24.50	23.00	11/21	22
	ACXM	ACXIOM CORP	19.75	-0.5%		19.85	12/4	9
	WYNN	WYNN RESORTS LTD	147.48	-0.3%	144.00	147.90	12/11	2
<u>Short</u>	TIVO	TIVO INC	12.03	7.2%	12.50	12.90	11/10	33
	YHOO	YAHOO INC	50.24	0.7%	52.00	50.60	11/20	23
	TSLA	TESLA MTRS INC	207.00	9.3%	216.00	226.25	12/2	11
	BBT	BB&T CORP	37.45	-0.2%	39.00	37.39	12/2	11
	OC	OWENS CORNING NEW	33.22	3.9%	35.00	34.50	12/10	3

Notes: Stopped out of **ACXM** for minor damage.

Lowered stops in two shorts.

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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