

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

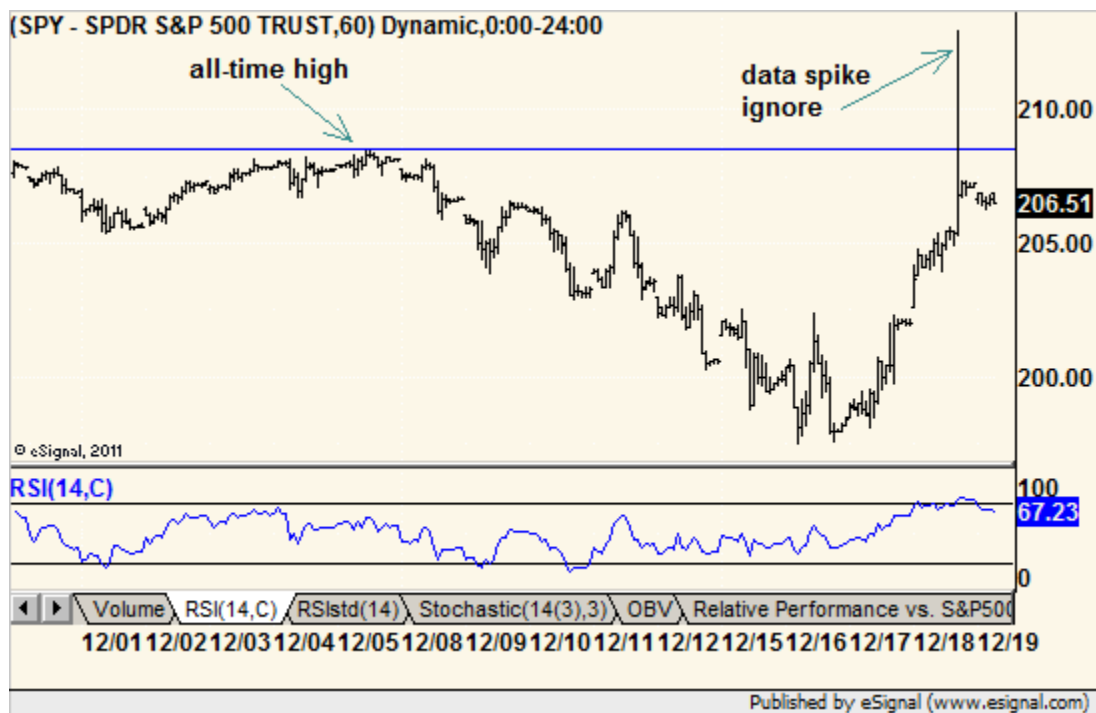
December 19, 2014 – It's not the headline, which everyone already knew but its tone:

U.S. stock futures march higher after blockbuster, two-day Wall St. romp

Sounds like cheerleading to us. No gloom. No predictions it will not last. No bears trotted out to rain on the parade. Whereas the **VIX** might have indicated too much nervousness earlier this week, now it has collapsed way down again. And Treasury bonds seem to have reversed to the downside with a gap.

Already we are seeing predictions of S&P 500 going to 2200 from its current 2061. Get out your Dow18K party hats. We hope nobody tossed them in the disposal after last week's decline.

Our point is that the mood changed rather quickly and that is not going to help the market keep going to reach new highs. True, bears are wounded but isn't that what happened Tuesday to the bulls who clamored to call a bullish engulfing candle?



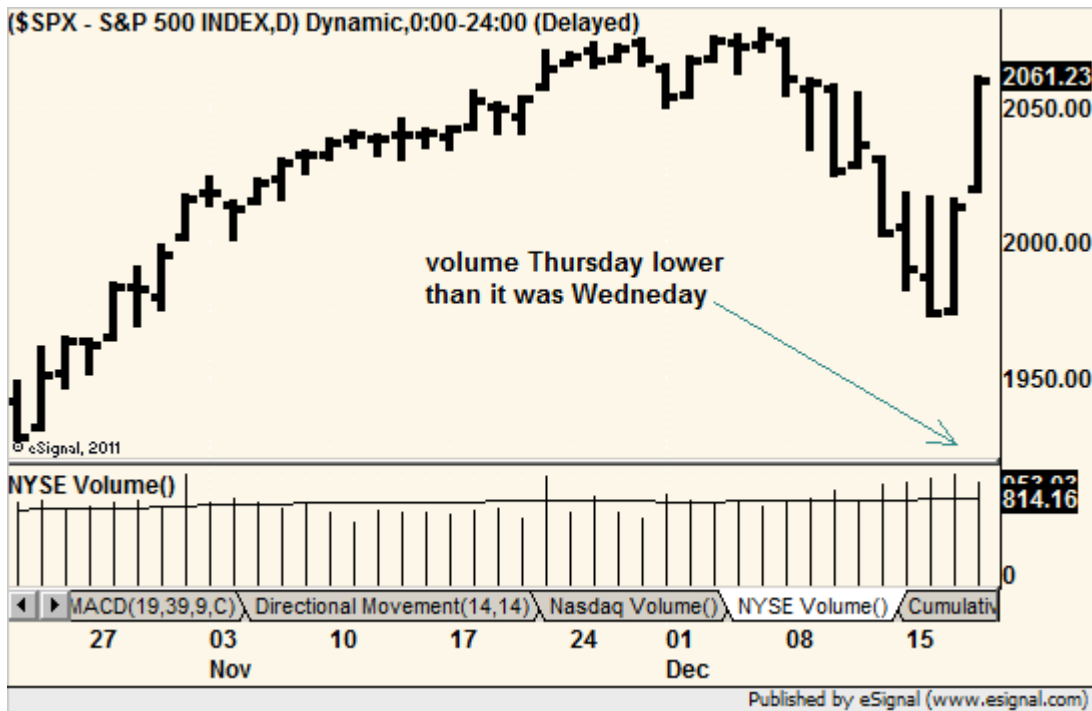
The hourly chart shows the **SPY** already getting close to its all-time high and reached the upside objective for the double bottom pattern highlighted yesterday. It is not overbought anymore.

The biggest news of the day is not that the stock market rallied again but that oil stocks rallied as oil scored a fresh closing low. This is going to be our pick for investment idea of 2015 - oil stocks.

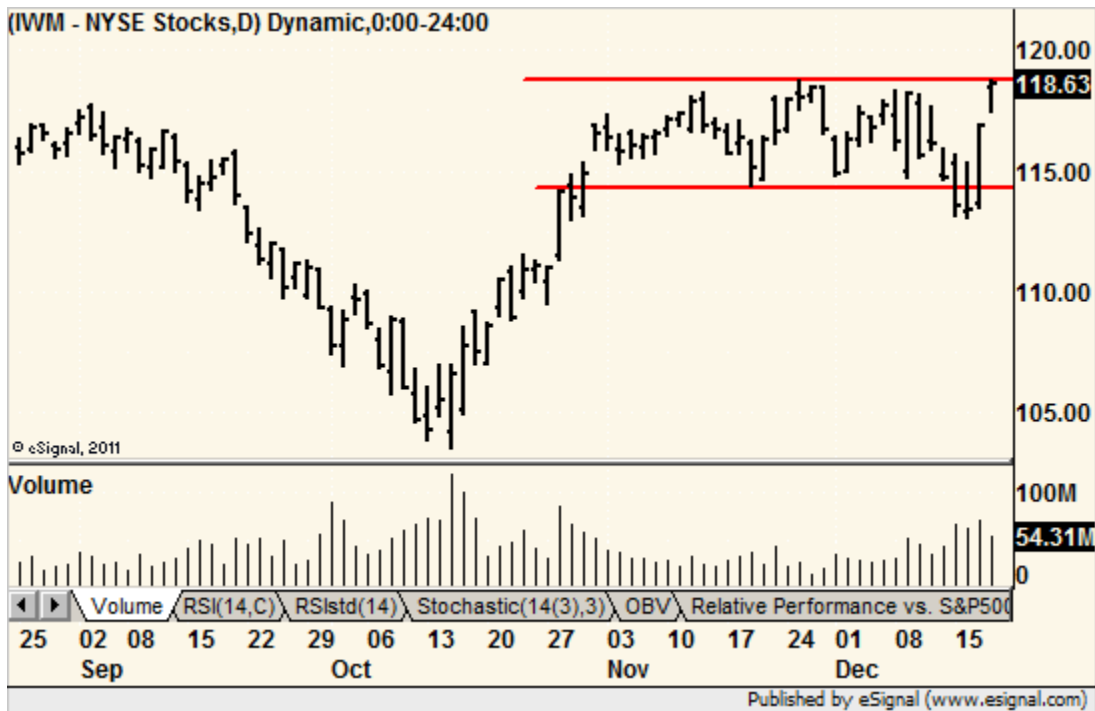
Don't miss the Index Charts of the Day below. Volume on yesterday's huge rally was anemic, relatively speaking.

If the market scoots higher today we would be very happy to sell into it.

Index Charts of the Day



This chart suggests it was a rally that happened because nobody sold stocks. Turnover this low on such a huge gain is not a sign of health.



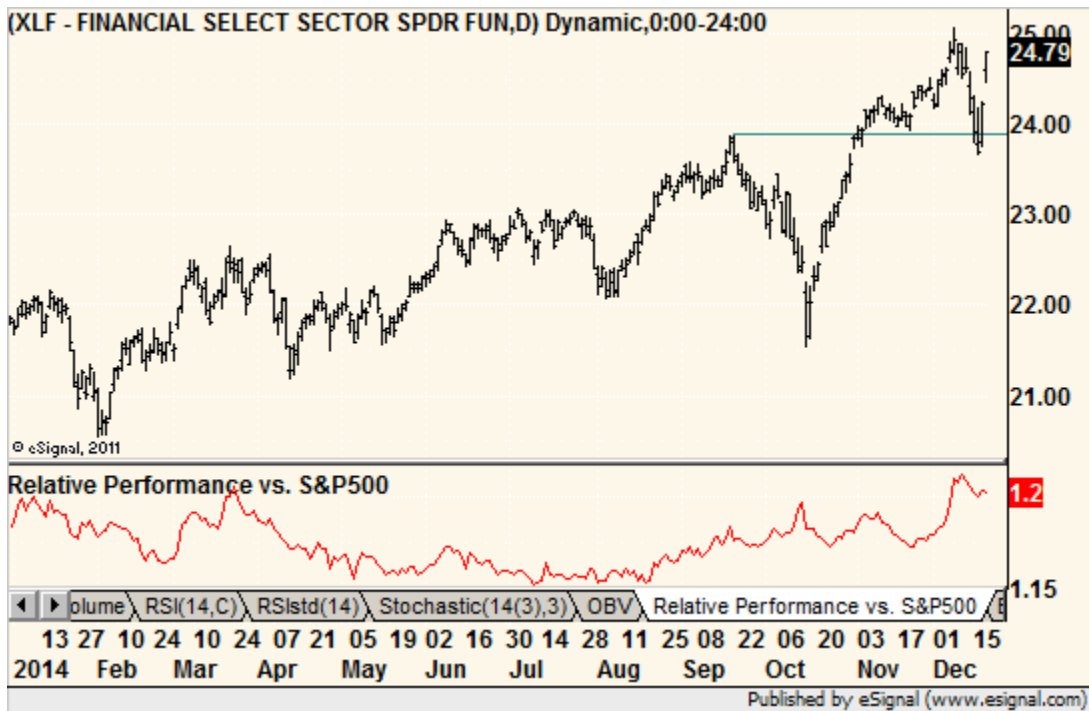
False breakdown reached top of prior pattern - mission accomplished. Note Russell ETF volume was also lower than that from the day before. To be fair, Wednesday saw a much bigger rally.

The Radar Screen

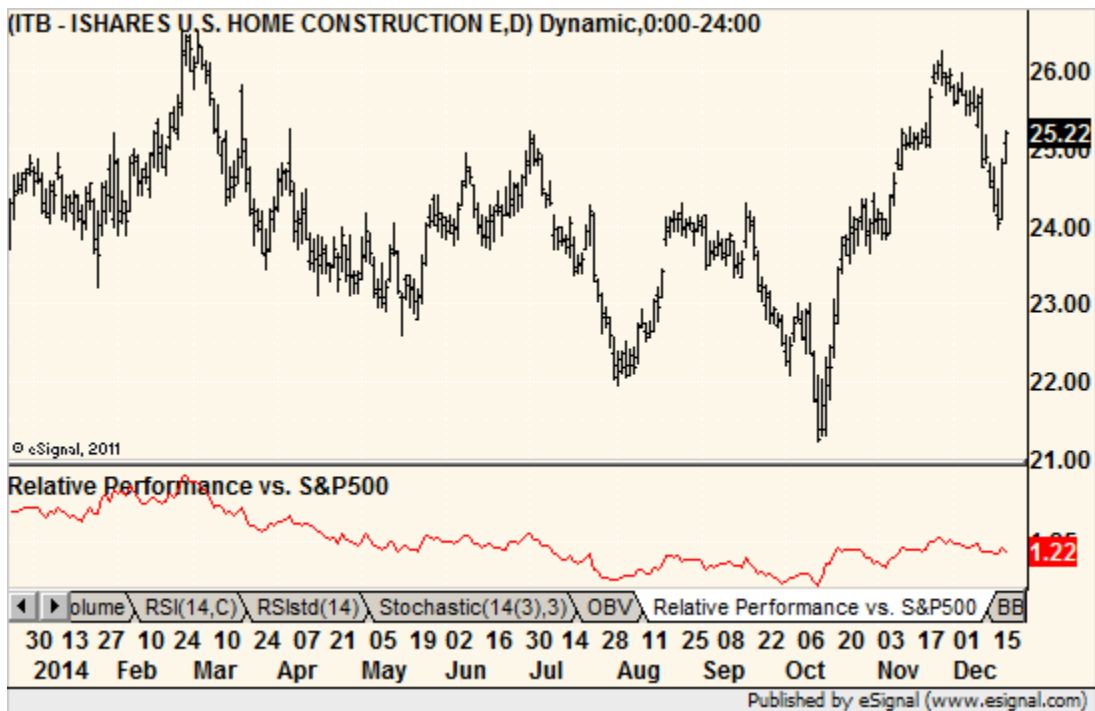
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Ciena CIEN - A nice setup in a rising trend. Note rising on-balance volume. Looks good right here.	Triggered	12/18
Bearish Implications		
Google GOOGL - Possible short-term selling climax (big daily volume on a huge decline yesterday) but in the context of a weekly triangle breakdown. Looking for a bounce and then a likely sell trigger. Sell 520.		12/17
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Costco COST - This retailer scored a major reversal last week and followed through. We'll look to see if it bounces and probably set a sell trigger.		12/15
Coach COH - This high-end retailer was up nicely on both up and down market days. It looks to be in a nice basing pattern although it is too early for a buy, save for scalpers. Takeover rumors!		12/15
Freeport McMoran FCX - This one is on selling climax alert. Big volume as it falls off a cliff. Extremely wide Bollinger Bands and a big spread to the 200-day average		12/15
GE - This one did not make the cut in my Barron's Online article. GE is now in the support zone so we are looking for a technical signal that it is time to buy. Big bullish hammer candle Wednesday.		12/16
Facebook FB - Contradiction. A diamond top in progress but rising on-balance volume. Just watching.		12/17
JDS Uniphase JDSU - Networker with a breakout.		12/18
Sector Watch (observations that may spark ideas)		
Aerospace/Defense Sector index - breakdown		12/15
Networking Index - A breakout and test. Looking good.		12/18
Updates		
Alibaba BABA - Breakout		
Apple AAPL - Breakout		
General Cable BGC - Breakout from a tight range		

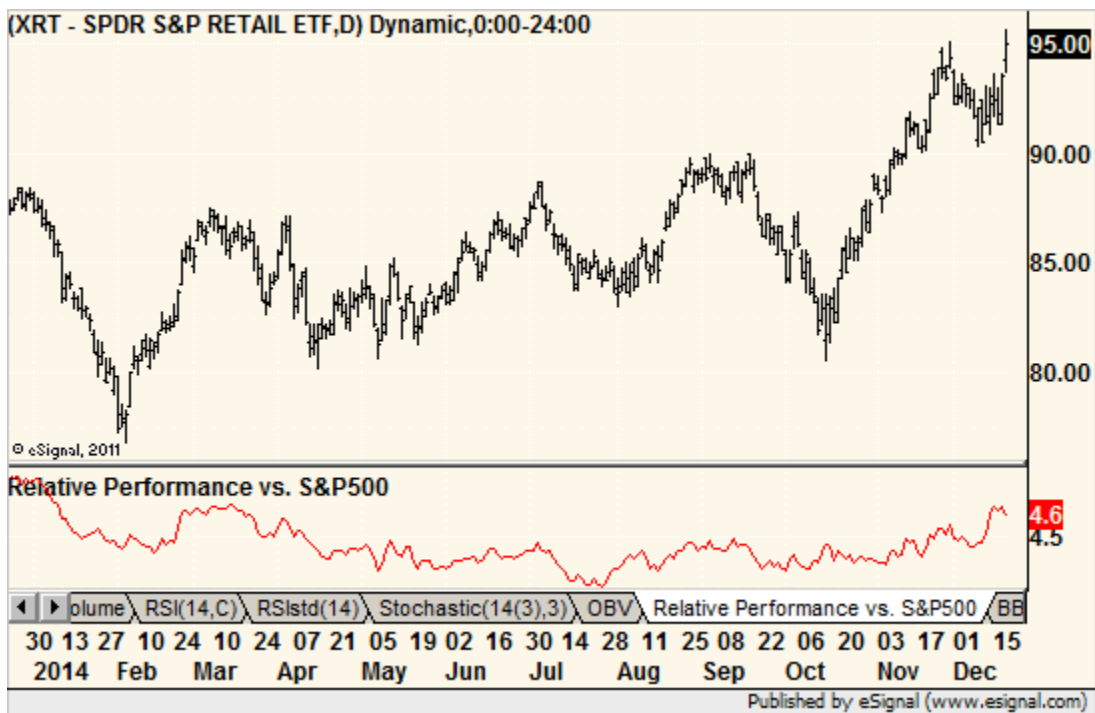
Market Highlights



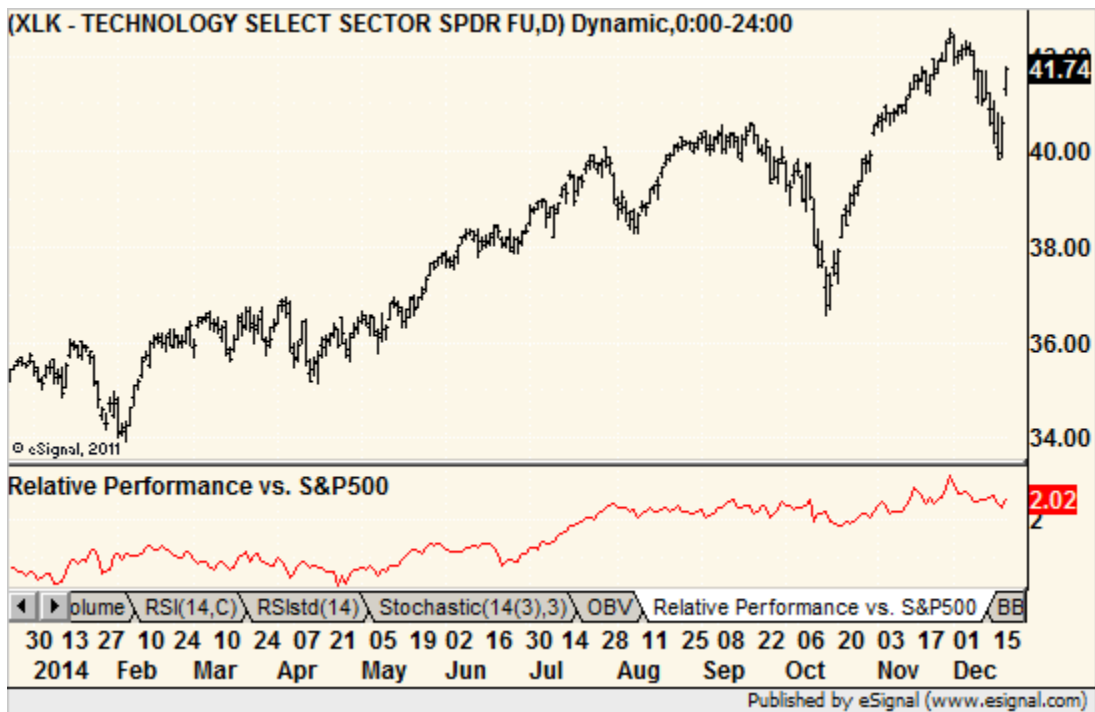
Financials ETF - leading



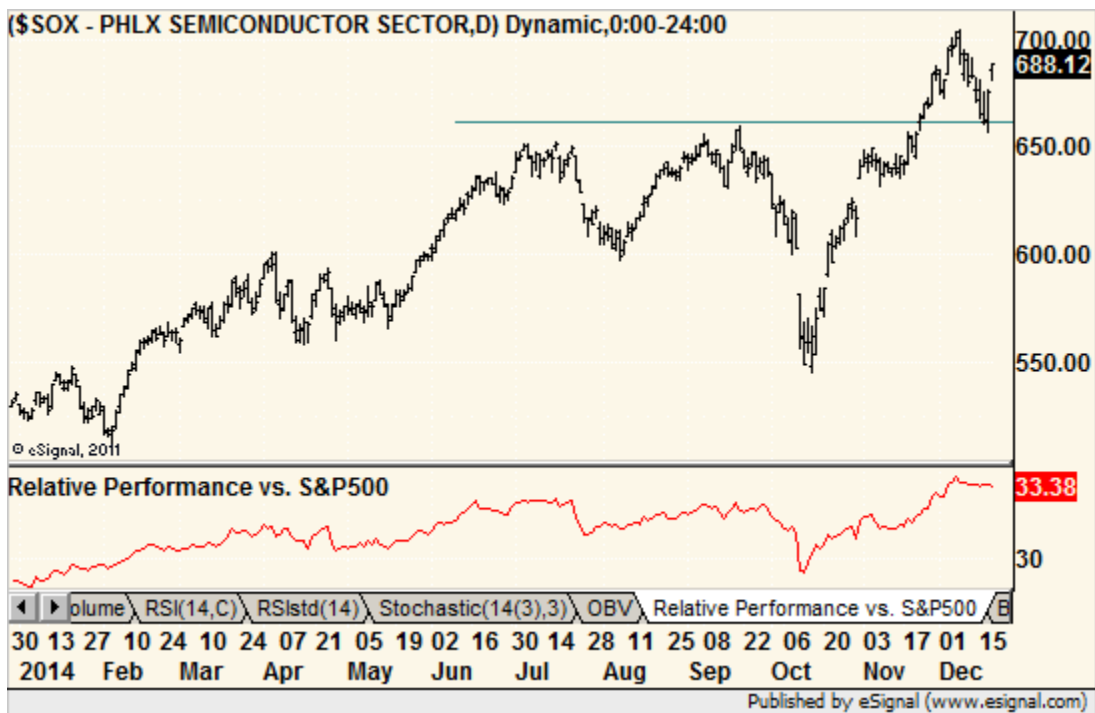
Homebuilding ETF - not leading



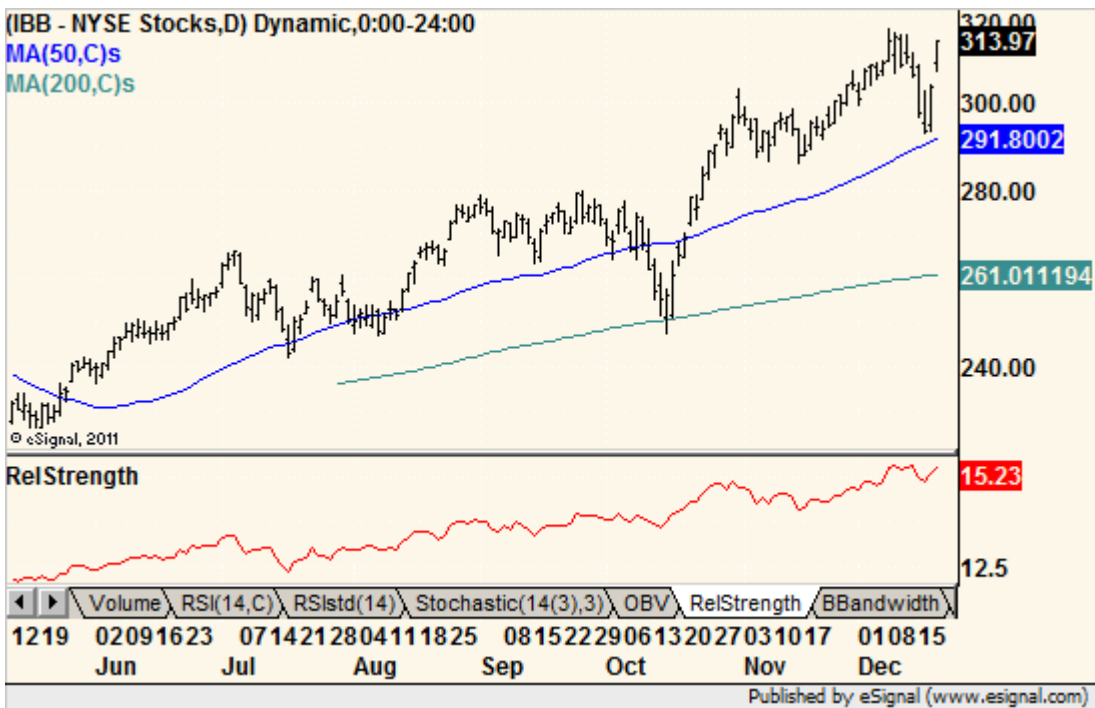
Retail ETF - Definitely leading, despite **FINL**'s gap down today.



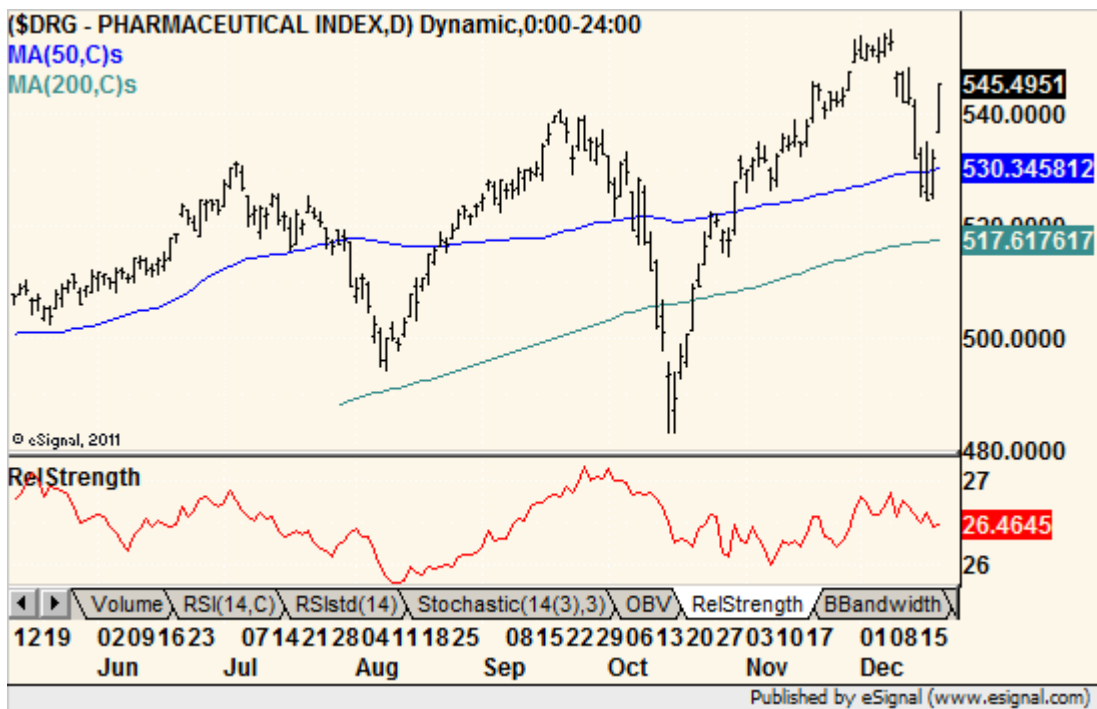
Tech ETF - Actually lagging this month. See next chart...



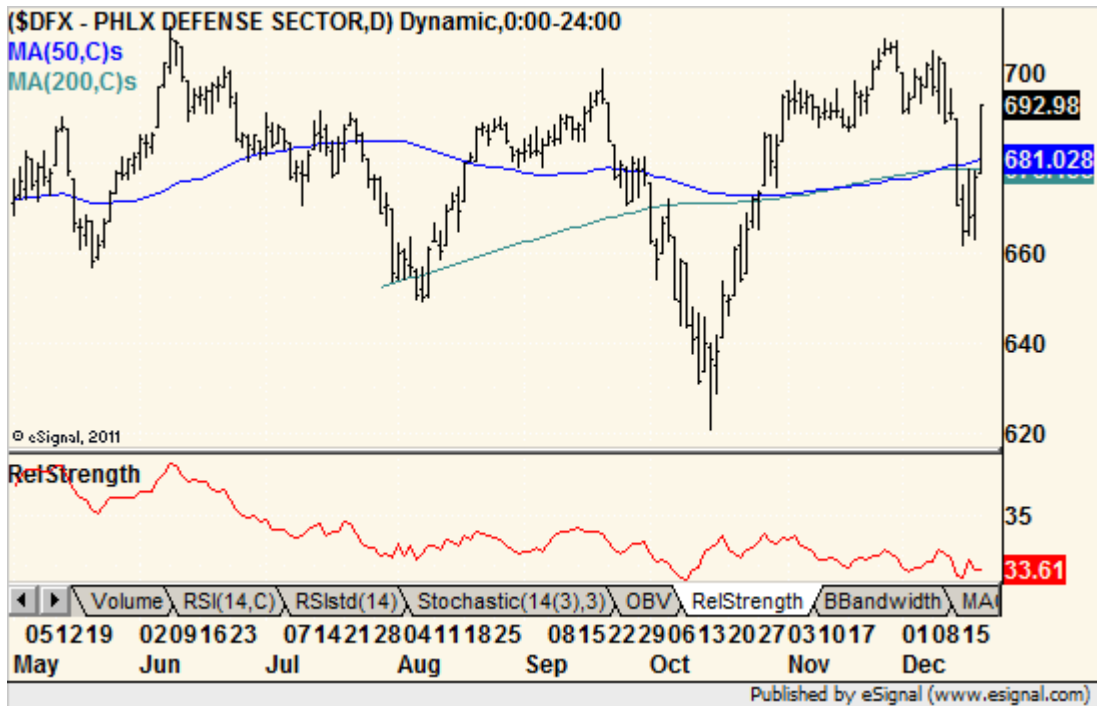
Semiconductor Index - Leading with a nice chart



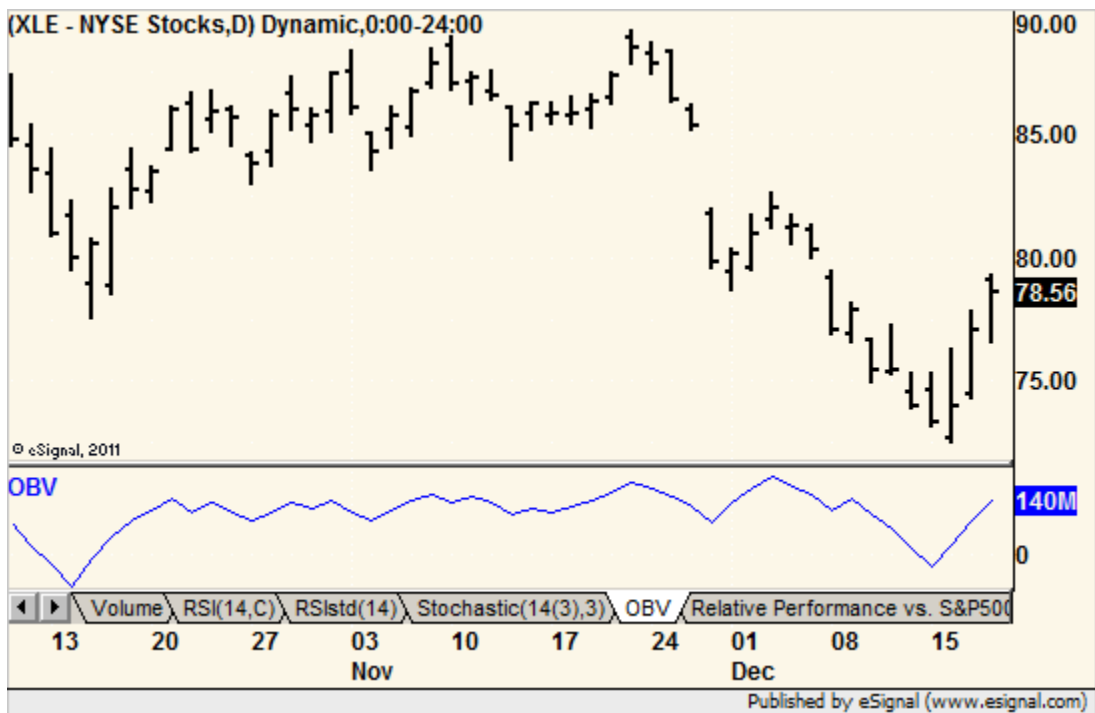
Nasdaq Biotech Index - Definitely leading.



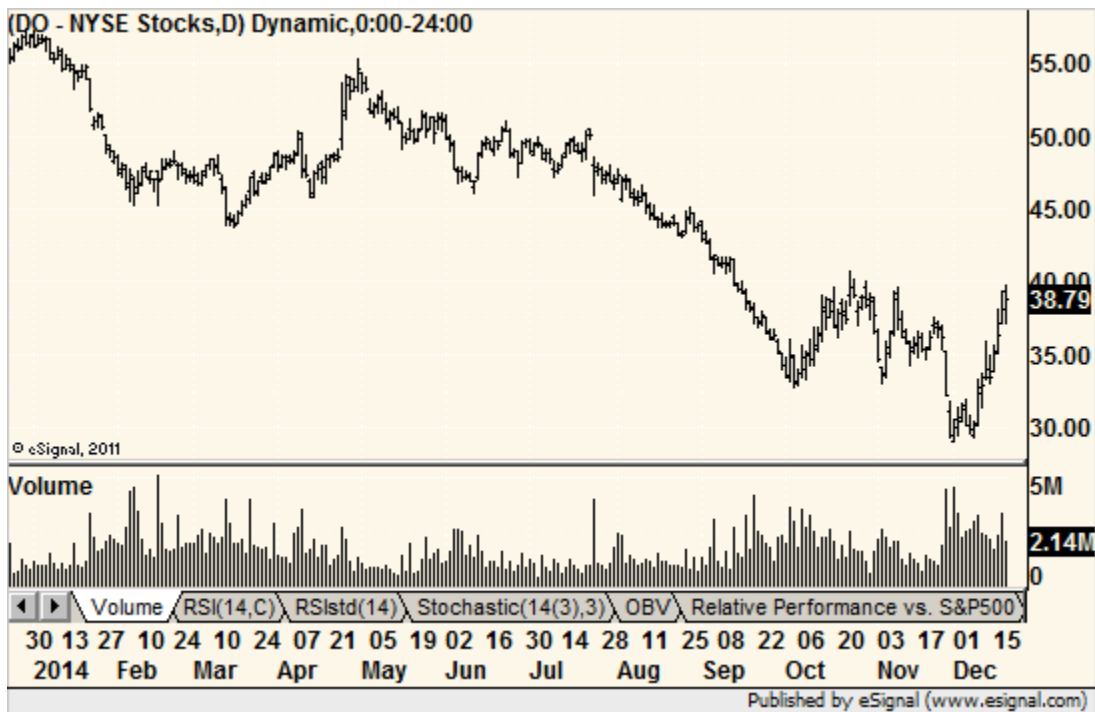
Big Pharma index - Not leading. Also not helping the healthcare sector lead.



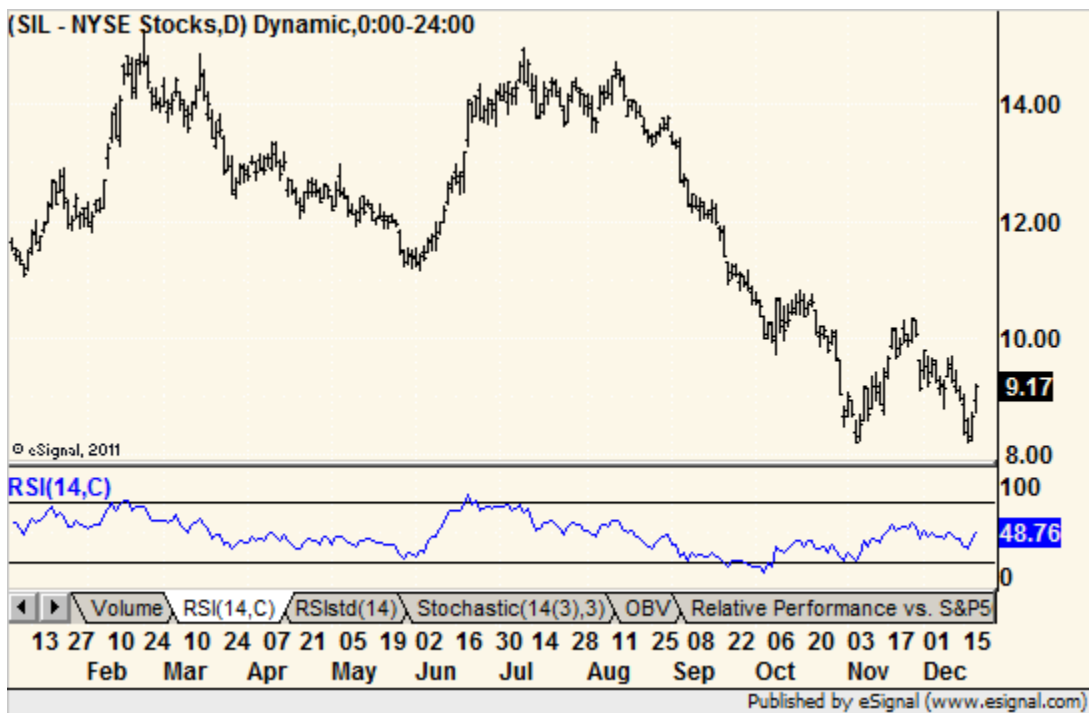
Aerospace/Defense - Looks shortable as it runs into resistance.



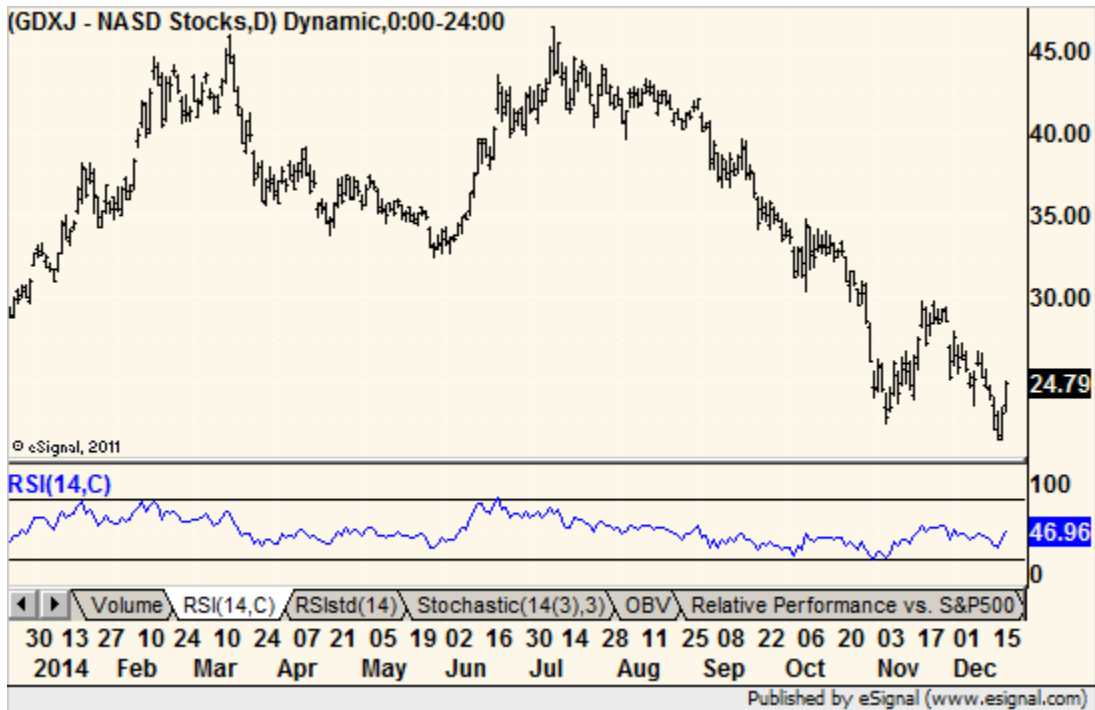
Energy ETF - A pretty good gain considering oil hit a new closing low.



Diamond offshore - Someone explain how this driller rallied for two straight weeks as oil collapsed in price. Somebody thinks oil stocks are going to be hot.



Global Silver Miner ETF - Double bottom in progress for silver stocks.



Junior Gold Miners ETF - Bullish RSI divergence. That's a warning, not a buy signal.

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>	NDLS	NOODLES & CO	26.26	14.2%	25.00	23.00	11/21	27
	CIEN	CIENA CORP	19.27	1.7%	18.00	18.94	11/18	30
<u>Short</u>	TIVO	TIVO INC	11.84	9.0%	12.30	12.90	11/10	38
	YHOO	YAHOO INC	50.91	-0.6%	51.00	50.60	11/20	28
	BBT	BB&T CORP	38.02	1.7%		37.39	12/2	16
	OC	OWENS CORNING NEW	34.03	1.4%	34.50	34.50	12/10	8

Notes: New long in **CIEN** at the open yesterday.

Stopped out of short in **BBT** with a gap up open.

Tweaked stop in **NDLS**

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

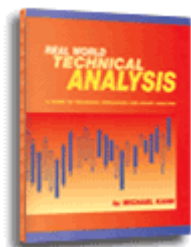
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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