

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

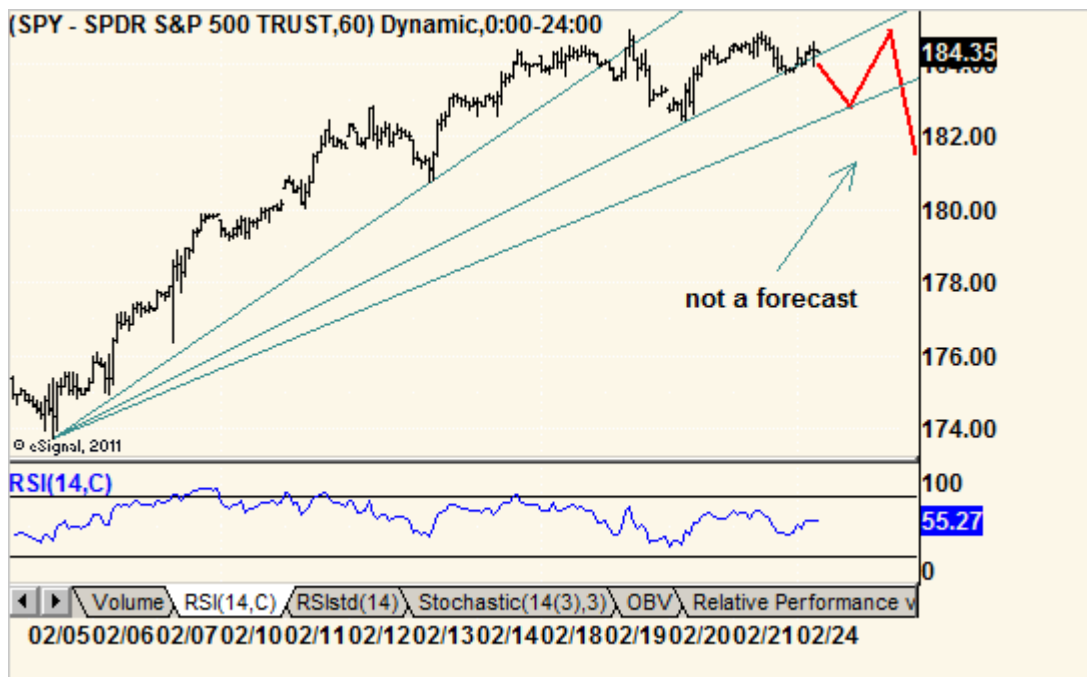
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RESEARCH LLC

**February 24, 2014** – It was an uneventful weekend for the markets - except for Mt Gox, which threw in the towel on bitcoin. Trading there was bizarre and well away from the other exchanges.

Overseas, Asian market seem weak while Europe is mostly still in rally mode. Domestically, we see a rather big divide with some sectors such as drugs soaring while others such as industrials still struggling to get back to previous highs. This is not showing up in the breadth data, which is at new highs.

We also see a divergence between the regular weighted S&P 500, which is at resistance, and the equal weighted version (**RSP** is the ETF), which is at new highs. Cannot blame strict market cap factors as the Russell 2000 is still far from a new high.

Strange days have found us  
Strange days have tracked us down  
- The Doors (Strange Days, 1967)

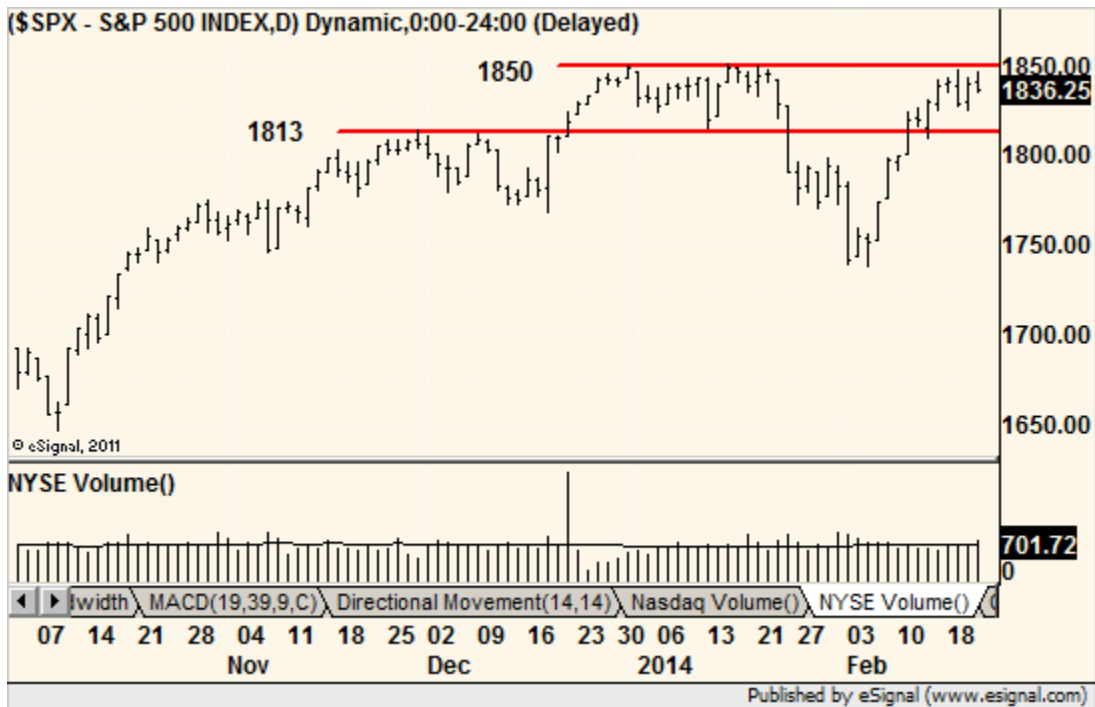


Here, we see the hourly chart sitting on the second trendline we first drew on Friday. If you have not seen it, request the two-pager on fan lines (click here). A breakdown now would not necessarily mean a bear trend because the market can set one more low and then rally before the fan lines pattern signals a real top as shown in the chart above. Don't forget, fan lines signify a gradual rolling over. A new high now would still be a breakout in the daily time frame.

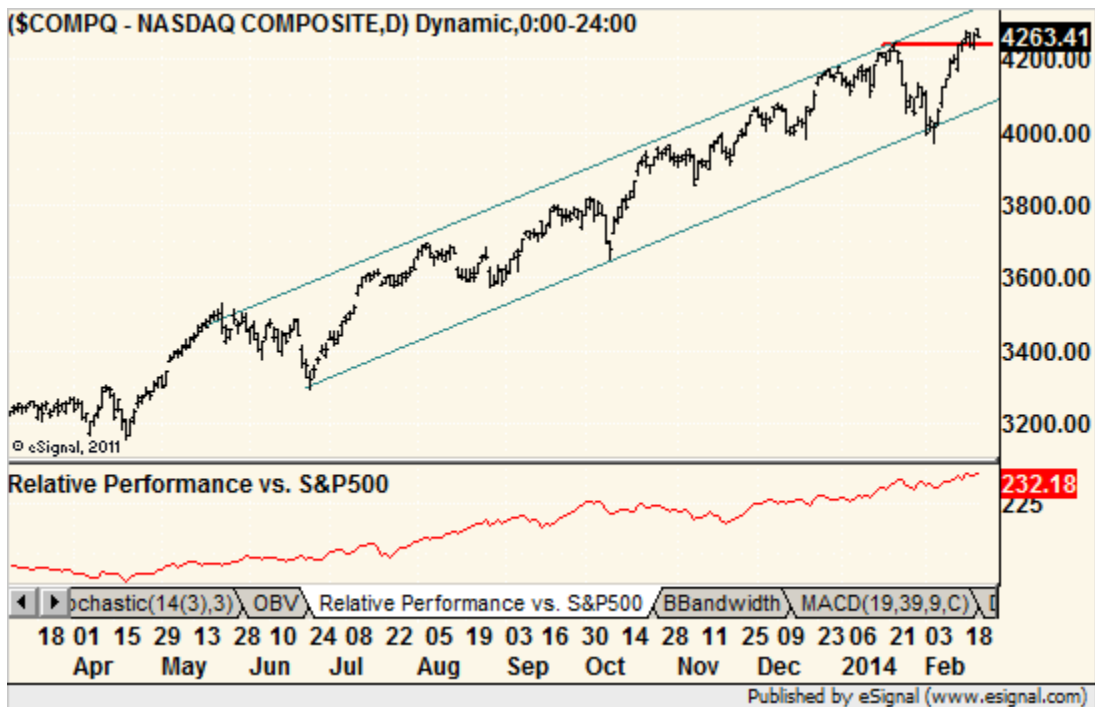
That's it for now. We still like gold and oil is not bad. Still looking for bonds to break higher but the market is taking so long we are a bit worried. Plus, one more argument for inflation with livestock breaking higher (chart below).

Still no new stock picks and pans ripe for today. We are looking for longs and shorts based on what happens this week.

## Index Charts of the Day



The S&P must move above or below the red lines to give us the next directional move indication.



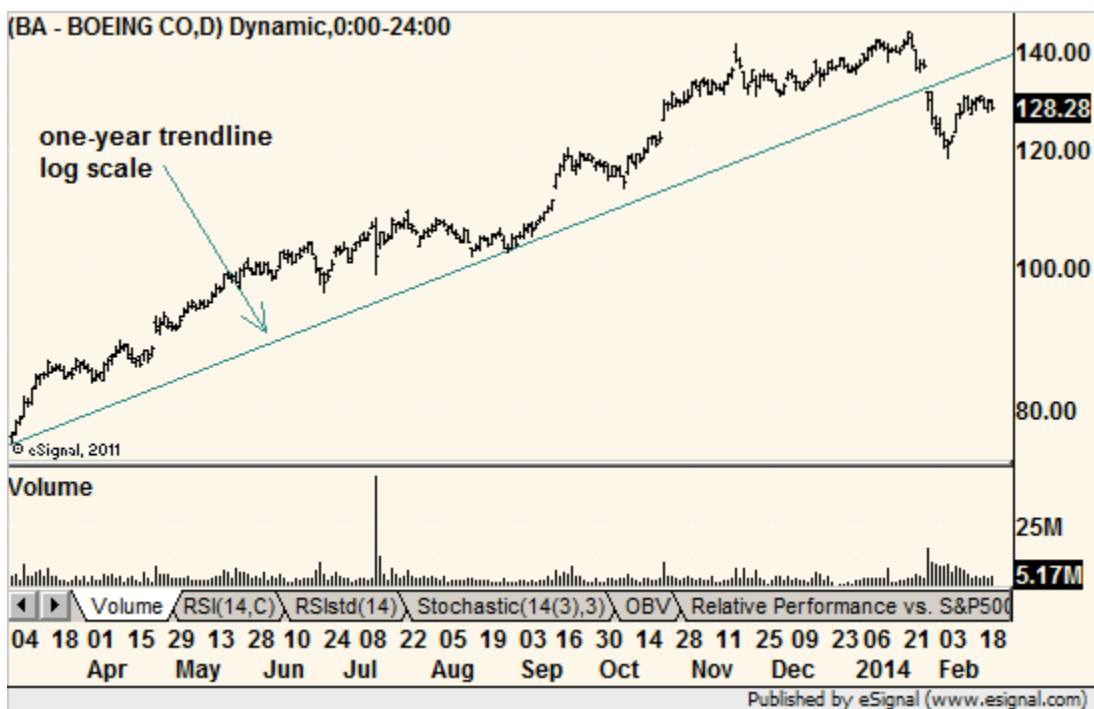
We do not have much to say about the Nasdaq other than it is leading and above resistance. That is positive.

## The Radar Screen

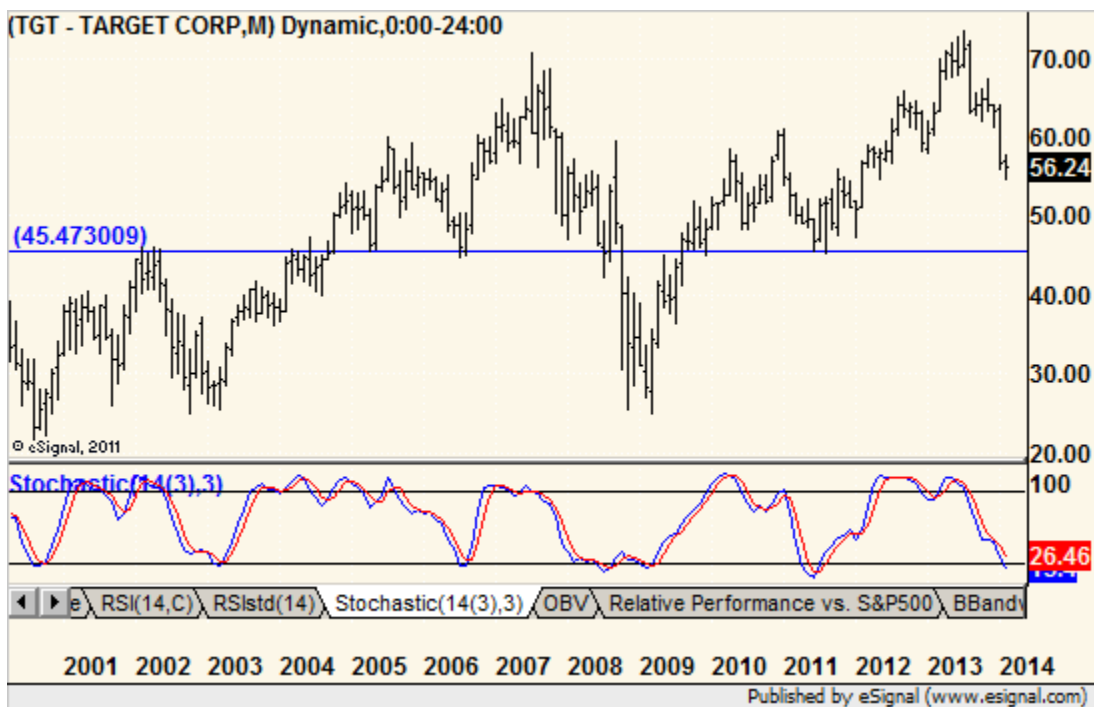
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>Starbucks SBUX</b> - A breakout from the current pause would be hot. Buy close over <b>74.50</b> . <u>The hammer candle was negated but we are moving the trigger down to follow the trendline from November.</u>	<b>Changed</b>	2/18
<b>Bearish Implications</b>		
none -		
<b>Unknown Implications</b>		
none -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Head-and-shoulders watch</b> - Just consolidating the three stocks we had on watch for this pattern. <b>MMM, M.</b>		2/13
<b>Rambus RMBS</b> – This chip stock is in a nice pennant formation that has been in place long enough to flatten out its major moving averages. We'll watch this one for a breakout.		2/21
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Regional Bank ETF KRE</b> - flag breakdown. .		2/13
<b>Homebuilder ETF ITB</b> - <u>Still in a rising trend and bucking bad news</u>		2/14
<b>Biotech</b> - One of the strongest groups but with possible RSI divergence. Trend seems accelerated now and that makes it vulnerable.		2/21
<b>Updates</b>		
none -		

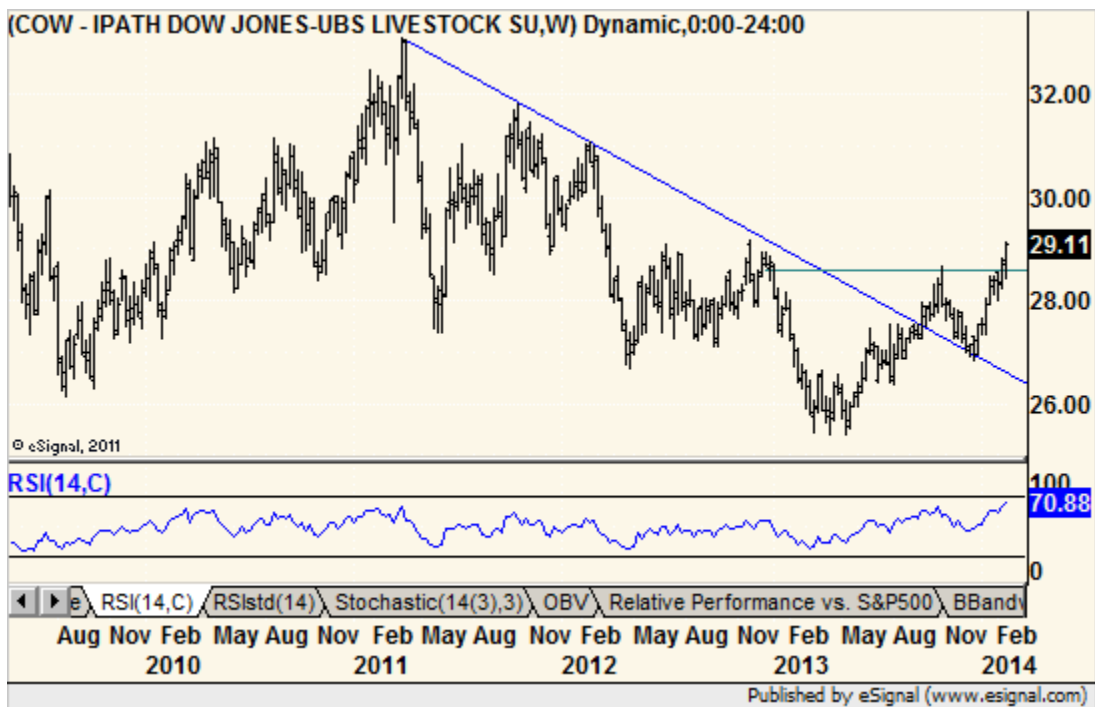
## Market Highlights



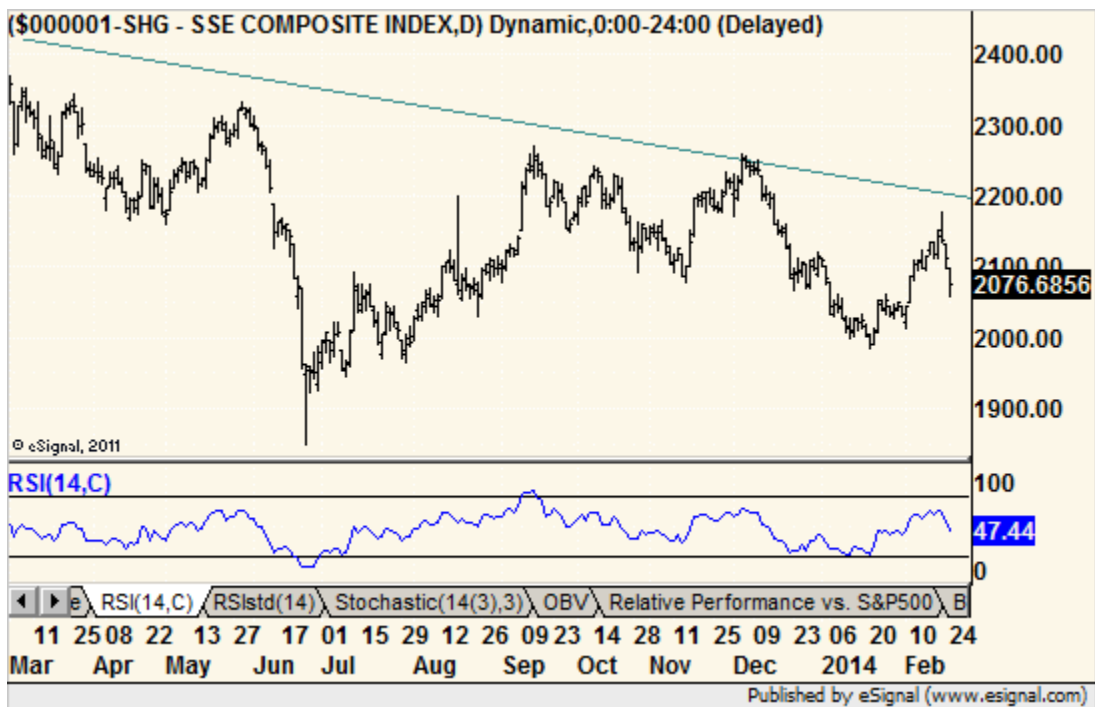
**Boeing** - This looks to be the real deal breakdown. We still have to wait for the current two-week consolidation to break one way or the other but this does look broken - especially when we compare it to its sector - defense (indices **DFX**, **DFI**).



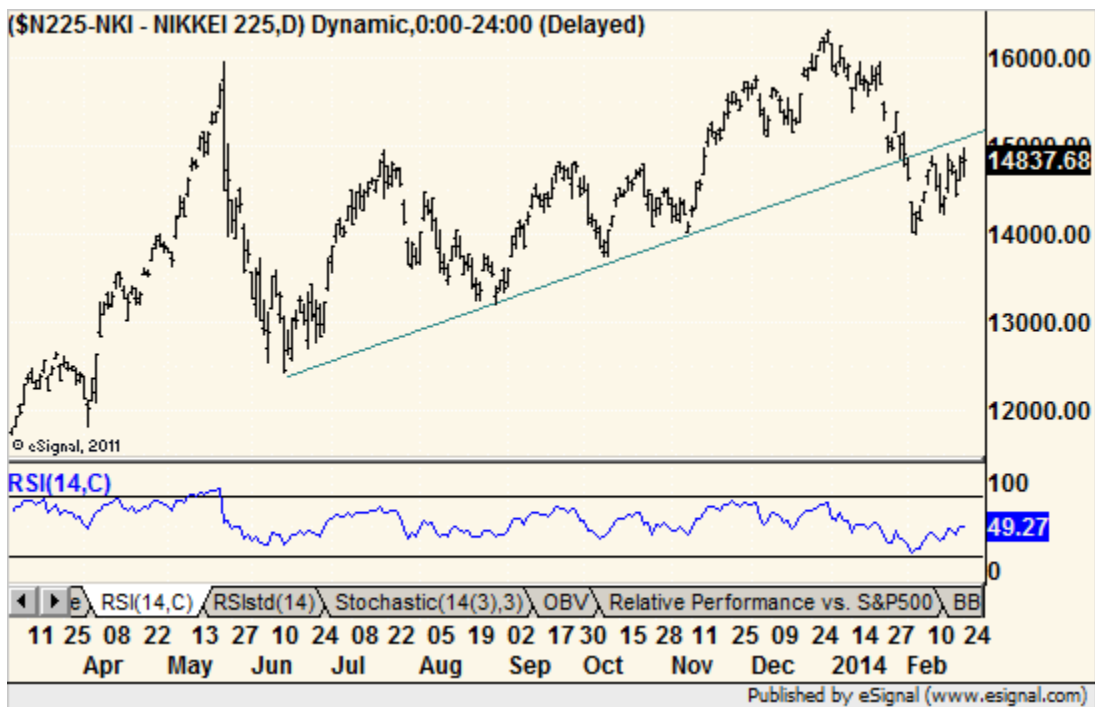
**Target** - Personally, I like Target the store. Target the stock is a different story. We thought it found support last month but it did not. Now, it is in a bearish daily flag pattern in a down trend. Where would it be super compelling? At monthly support in the mid 40s. Will it get there? Can't tell but for now the trend is down.



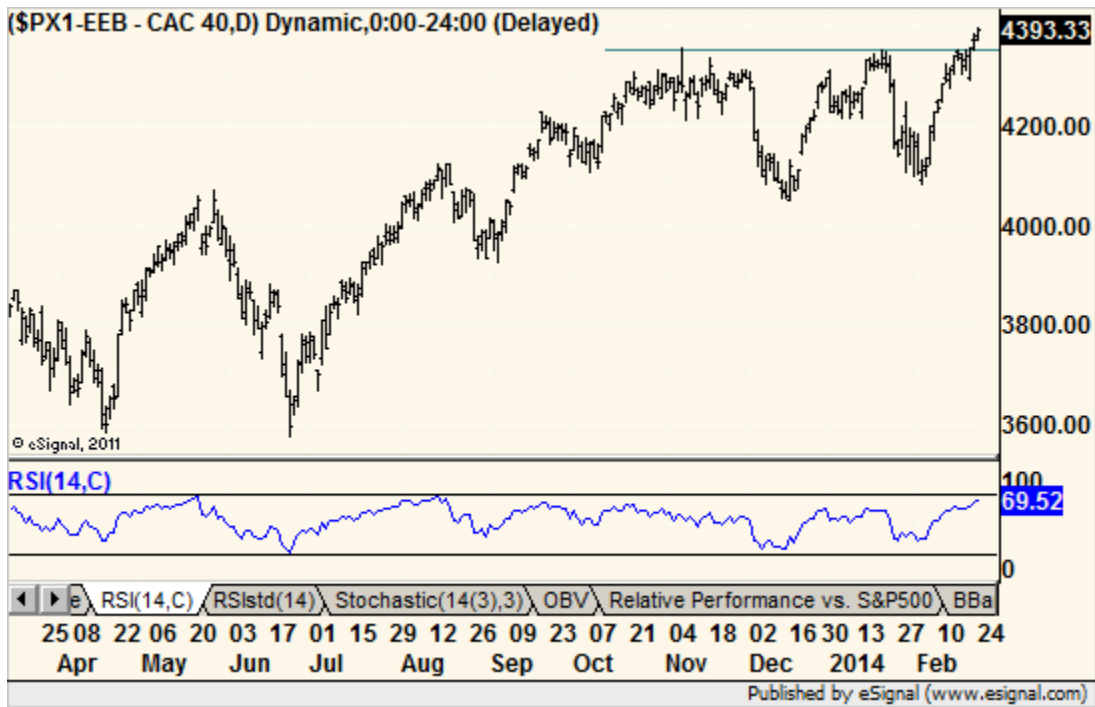
**Livestock ETF** - Want more proof of a commodities resurgence? This is meat in the weekly time frame.



**China** - Not looking well.



**Japan** - Bear wedge following breakdown.



**France** - A breakout.

## 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. 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.

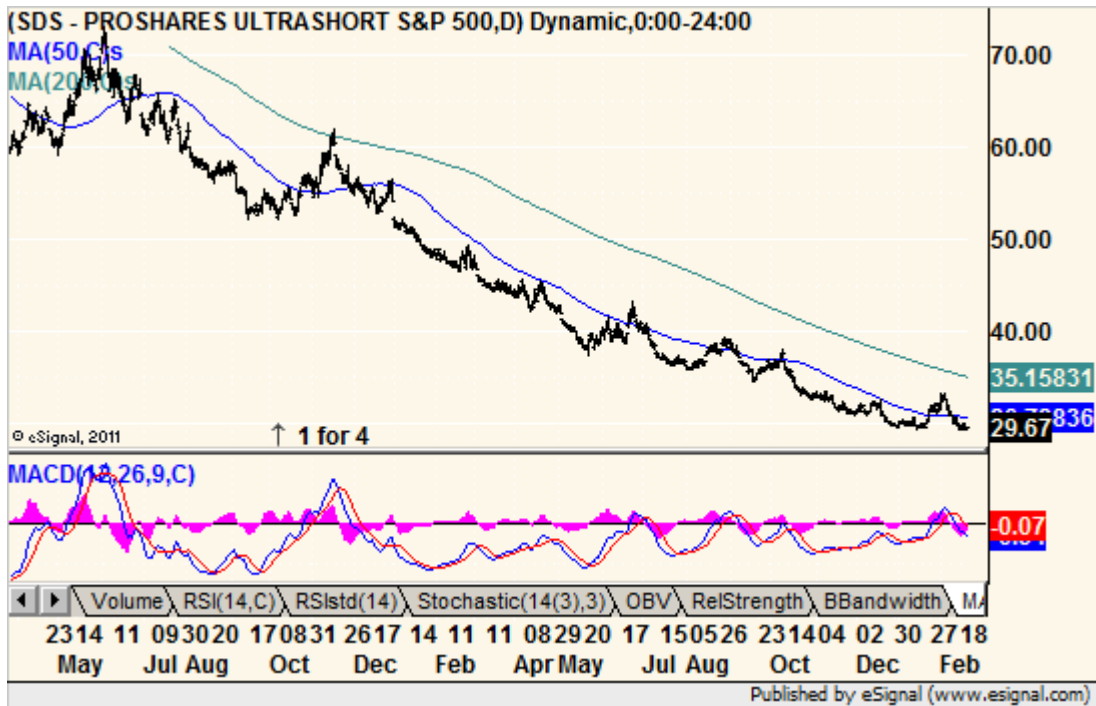
	<u>Symbol</u>	<u>Name</u>	<u>Last</u>	<u>P/L</u>	<u>Stop</u>	<u>Price in</u>	<u>Date in</u>	<u>#Days</u>
<u>Long</u>	<b>NLY</b>	ANNALY CAP MGMT INC	10.74	8.6%	10.50	9.89	12/6	79
	<b>GDX</b>	MARKET VECTORS GOLD MINERS ETF	26.53	19.8%	25.25	22.15	1/13	41
	<b>JTP</b>	NUVEEN QUALITY PFD INCOME FD	7.95	1.5%	7.70	7.83	1/23	31
	<b>CORN</b>	TEUCRIUM CORN FUND	31.88	1.0%	31.00	31.57	2/6	17
	<b>FCX</b>	FREEPORT-MCMORAN COPPER GOLD	33.36	6.4%	32.00	31.36	2/6	17
	<b>LXP</b>	LEXINGTON REALTY TRUST	10.97	0.8%	10.50	10.88	2/12	11
	<b>SLV</b>	ISHARES SILVER TRUST	20.97	6.2%	20.00	19.74	2/13	10
	<b>NOV</b>	NATIONAL OILWELL VARCO INC	74.80	-2.2%	73.50	76.52	2/18	5
	<b>SDRL</b>	SEADRILL LIMITED	36.83	0.9%	34.75	36.49	2/20	3
<u>Short</u>	<b>XLP</b>	CONSUMER STAPLES ETF	41.60	-1.1%	42.50	41.15	2/11	12

**Notes:** **NOV** moved back below its trendline and the breakout is in jeopardy. However, it is bid higher in the premarket so we'll keep the stop where it is.

## Subscriber Corner

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

Note to Elliott - We are not necessarily looking for the market to decline here as the Index Charts of the Day show the possibility of an upside breakout. We'll have to wait to see which one wins.



**Ultrashort S&P 500 ETF** - This is a two-times leveraged short on the S&P 500 and it is for traders only. Note the trend here - straight down. We would expect that in a bull market but the rebound bounces - when the stock market corrected - were very small. And if the market is dead flat, this will still go down due to the way it is calculated each day.

The one-times short ETF (**SH**) has the same overall shape thanks to the stock market's bull trend but it has opportunities for movement in both directions. In a flat market, it will also be flat, and that makes it much more suitable for a swing trader vs. day traders.



## 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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