

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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March 10, 2014 – We mentioned Friday that the rally from the 2009 low now equaled the rally from 2003-2007 at 1827 days. It did seem that the rally on the jobs report that day failed and left a sign of a top on the charts but we are not so sure. For starters, plenty of market sectors closed higher. And the momo leaders (momentum leaders) such as **TSLA**, **FB** and **TASR** are still going strong. **CMG** - a restaurant - is crazy high but shows no technical reason to sell it. **PCLN** too.

Yes, we dropped a lot of names there but the leaders are still leading. However, we can argue that **GOOG** is slowing down with some fading momentum indicators and potential for a mini-double top (chart below). But that alone is certainly not reason enough to short the broad market.



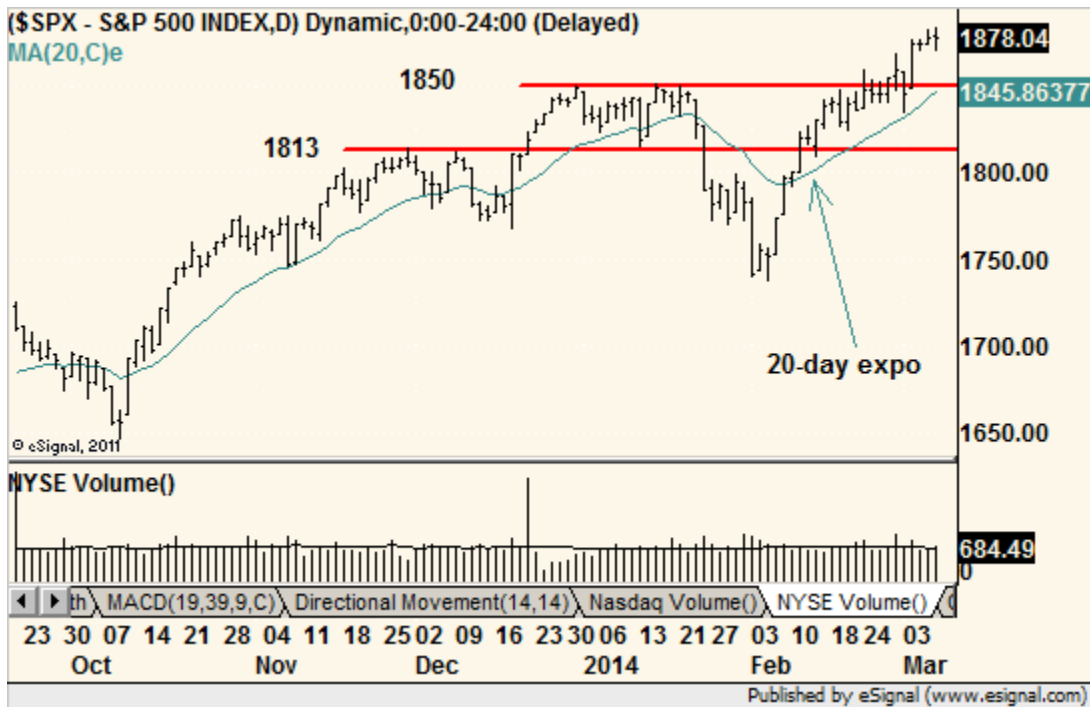
The hourly chart suggests a soft market for the next day or three with a rejection of Friday's rally and falling RSI. However, the red line at roughly 186 is the real support here.

Elsewhere, not much change in commodities except for copper, which had a really bad day. We can blame Chinese economic data for that one and now we have a technically weak metal. And that might get us stopped out of **FCX** unless the market decides it overreacted Friday.

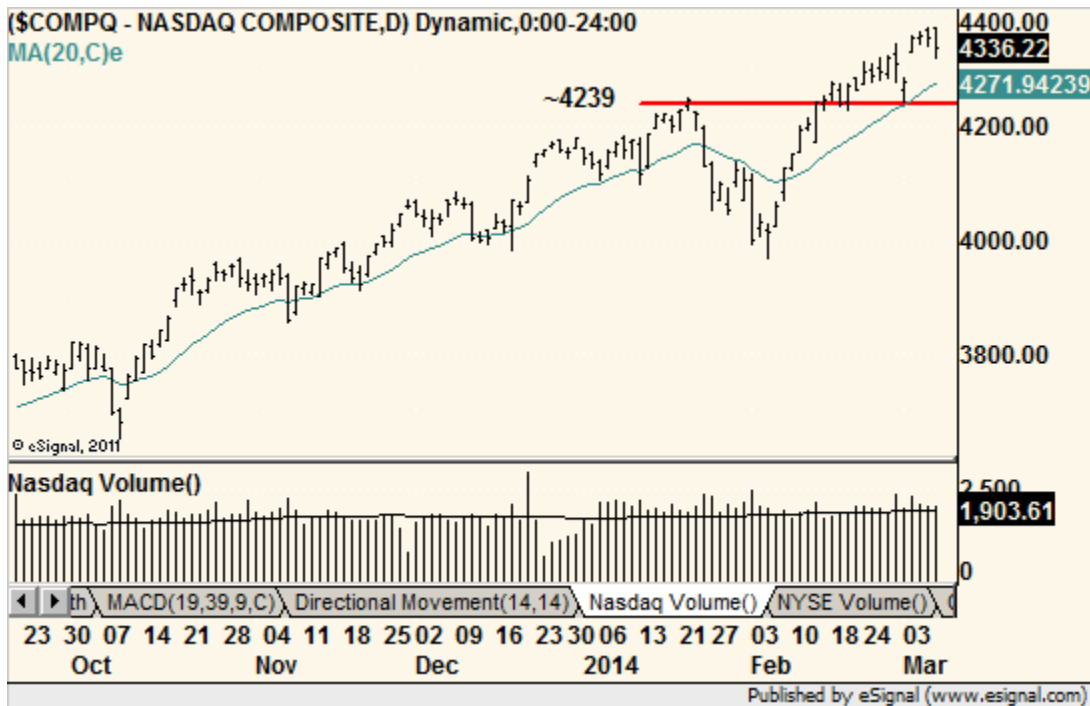
We have a breakout in the euro, at least according to premarket action in the **FXE** ETF. Translate that into a weaker dollar and metals and all commodities (except copper) are still OK.

Finally, we are still looking for stocks and sectors that look vulnerable. Being 100% long in the Advice Tracker is unnerving right now yet nothing has yet popped up as a good sell. Keep looking. Don't get complacent. The CNN fear-greed meter is back in the "extreme greed" range so sentiment is already frothy.

Index Charts of the Day



The S&P 500 has support at 1850 from earlier highs and at 1845 from the 20-day exponential moving average. Until they break, all we have is a possible price dip. Below them then we can think about more.



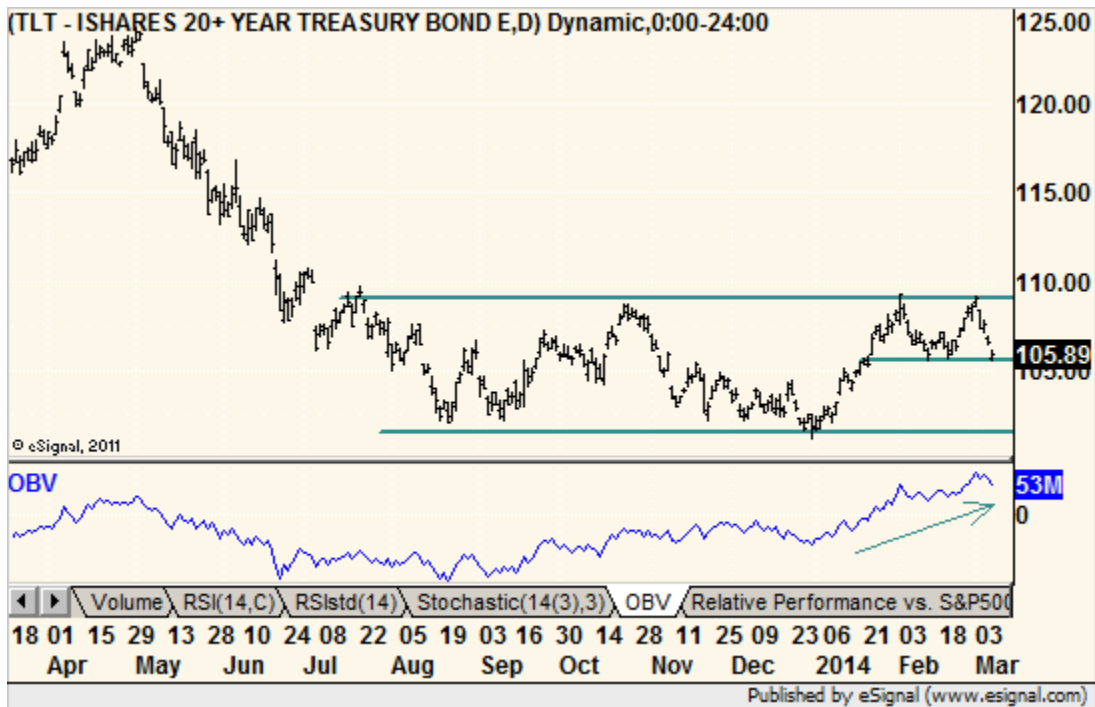
The Nasdaq is similar but the two supports are not at the same level. Still, the expo average is unbroken at this time.

The Radar Screen

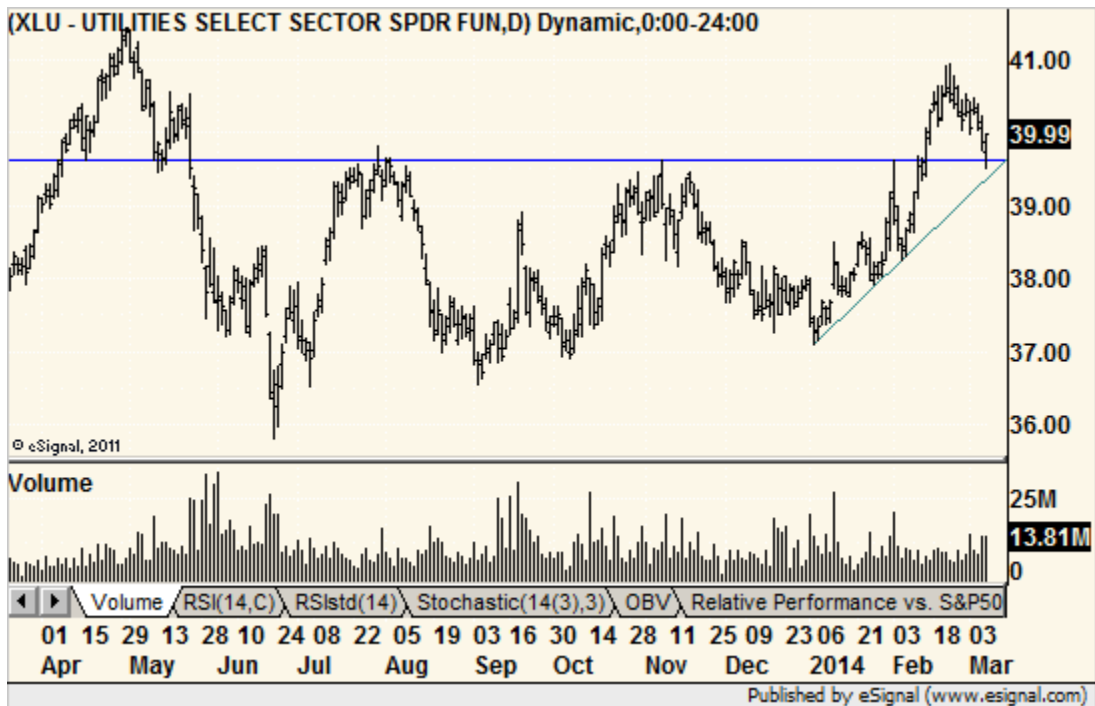
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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 | | |
|---|-------------------------|------|
| none - | | |
| Bearish Implications | | |
| Juniper Networks JNPR - Just as we looked for stocks that resisted Monday's sell-off, now we look for stocks that did not participate in Tuesday's rally. Juniper is now at support in a double top pattern with RSI divergence. Sell a close under 26.20. | | 3/5 |
| Unknown Implications | | |
| Rambus RMBS – This chip stock is in a nice pennant formation that has been in place long enough to flatten out its major moving averages. Buy 9.65, sell 8.65 | Triggered (long) | 2/21 |
| Holding Tank - red shade leans bearish, green shade leans bullish | | |
| Boeing BA - This looks to be the real breakdown, especially compared to its sector - defense (indices DFX, DFI). | | 2/24 |
| AT&T T - Waiting for value to come to papa at 30.25. | | 2/25 |
| Wal-Mart WMT - Everyone is down on this stock but at the same time retail is making a comeback. We're watching for a trendline breakout. | | 3/3 |
| Lennar LEN - This home builder is at strong resistance but has been there for several days already. Which way it goes may be the tell for the entire homie sector. Looks bearish | | 3/5 |
| Incyte INCY - This is a member of the hot biotech index and we have it here just to watch at this time. A bearish RSI divergence is all we have on it so no selling yet! However, if it breaks then we will have to look at the entire sector to see if its time is over. First lower high. | | 3/5 |
| Steven Madden SHOO - This shoe maker has a resistance breakout. We are not sure we want to buy after Friday's big percentage rally so we'll watch for one day. The giant in the group - NKE - also had a breakout from a small range but is already at its November high resistance. | New | 3/10 |
| Sector Watch (observations that may spark ideas) | | |
| Retail - Making a comeback. | | 2/26 |
| Defense - Very strong (except BA) | | |
| Biotech - Possible RSI divergence now. Confirmed | | 3/7 |
| Updates | | |
| Vodafone VOD - Breakdown from flag. Now at support from prior breakout level. | | |

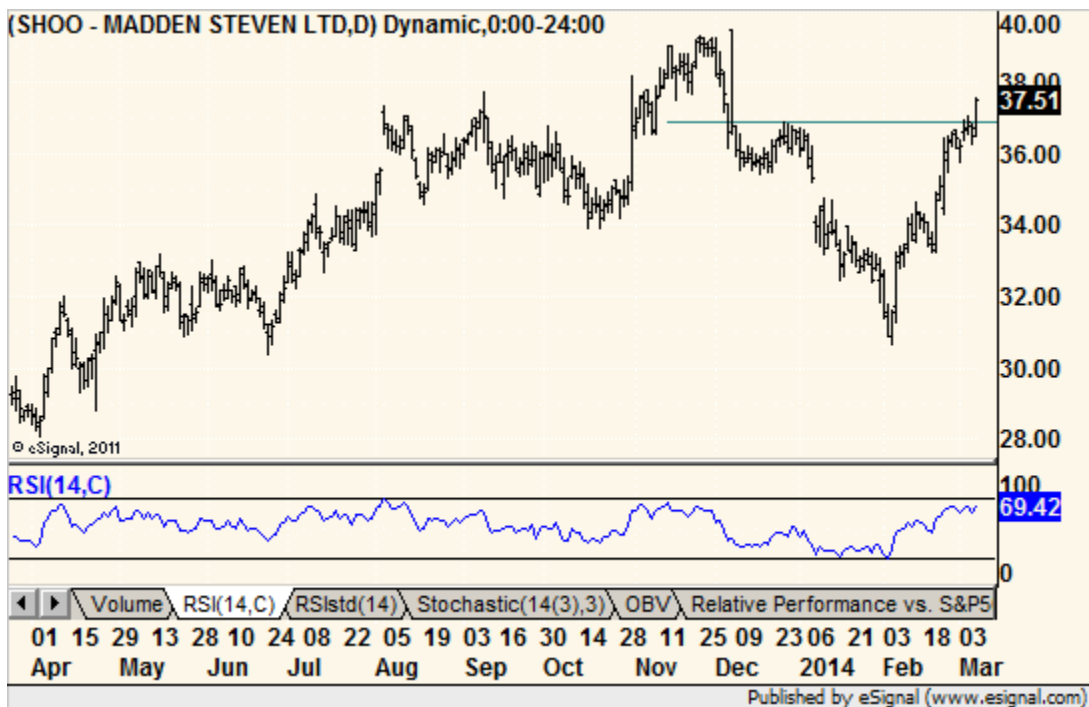
Market Highlights



Long T-bond ETF - A lousy week but now at support. If this does not hold then we have to look for a drop back to the bottom of the larger pattern. Perplexing is the persistent strength in on-balance volume.



Utilities ETF - Looks like a successful test of the breakout.



Steven Madden - This shoe maker has a resistance breakout. We are not sure we want to buy after Friday's big percentage rally so we'll watch for one day. The giant in the group - **NKE** - also had a breakout from a small range but is already at resistance from its November high.



Google - Showing one of the few momo leaders with some technical issues. A mini-double top is possible and momentum has definitely slowed. Still, no actual sell triggers at this point.

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>Long</u> | NLY | ANNALY CAP MGMT INC | 10.96 | 10.8% | 10.70 | 9.89 | 12/6 | 92 |
| | GDX | MARKET VECTORS GOLD MINERS ETF | 26.18 | 18.2% | 25.25 | 22.15 | 1/13 | 54 |
| | JTP | NUVEEN QUALITY PFD INCOME FD | 8.04 | 2.7% | 7.80 | 7.83 | 1/23 | 44 |
| | CORN | TEUCRIUM CORN FUND | 33.51 | 6.1% | 32.50 | 31.57 | 2/6 | 30 |
| | FCX | FREEMPORT-MCMORAN COPPER GOLD | 32.19 | 2.6% | 32.00 | 31.36 | 2/6 | 30 |
| | LXP | LEXINGTON REALTY TRUST | 11.36 | 4.4% | 11.20 | 10.88 | 2/12 | 24 |
| | SLV | ISHARES SILVER TRUST | 20.00 | 1.3% | | 19.74 | 2/13 | 23 |
| | NOV | NATIONAL OILWELL VARCO INC | 79.06 | 3.3% | 74.00 | 76.52 | 2/18 | 18 |
| | FSLR | FIRST SOLAR INC | 56.11 | -4.1% | 55.00 | 58.50 | 2/25 | 11 |
| | LTM | LIFE TIME FITNESS INC | 48.10 | 4.4% | 46.00 | 46.09 | 2/25 | 11 |
| | BBRY | BLACKBERRY LTD | 9.91 | -7.2% | 9.75 | 10.68 | 2/26 | 10 |
| | DBC | POWERSHARES DB COMMODITY ETF | 26.29 | -0.9% | 25.50 | 26.53 | 3/3 | 5 |
| | GSK | GLAXOSMITHKLINE PLC | 55.53 | -1.4% | 54.00 | 56.30 | 3/4 | 4 |
| | DSW | DSW INC | 40.98 | 3.5% | 39.00 | 39.60 | 3/6 | 2 |
| | TRQ | TURQUOISE HILL RES LTD | 4.08 | 2.0% | 3.90 | 4.00 | 3/6 | 2 |
| | MOS | MOSAIC CO NEW | 49.73 | -0.8% | 48.00 | 50.11 | 3/6 | 2 |
| | VLCCF | KNIGHTSBRIDGE TANKERS LTD | 11.10 | -3.1% | 10.40 | 11.45 | 3/6 | 2 |
| | RMBS | RAMBUS INC DEL | 9.66 | 0.1% | 9.20 | 9.65 | 3/7 | 1 |
| | | | | | | | | |
| <u>Short</u> | none | | | | | | | |

Notes: Stopped out of **SLV** on Friday big down day. May have been too tight. Gold still looks good.

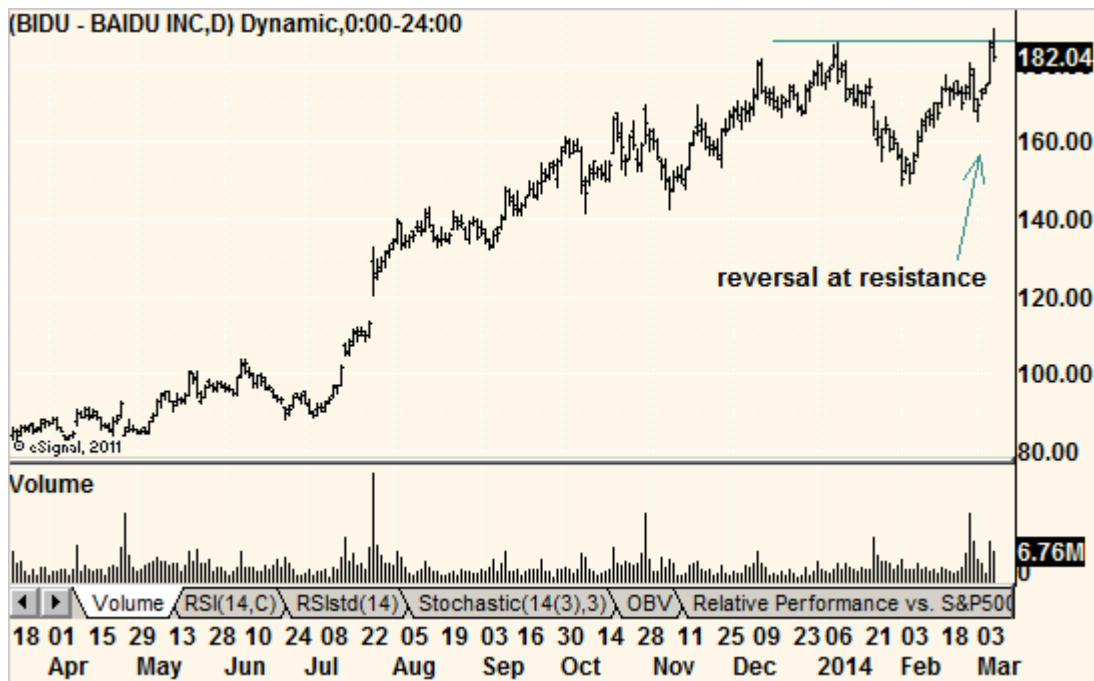
Raised stop on **DSW**.

New long in **RMBS** triggered Friday.

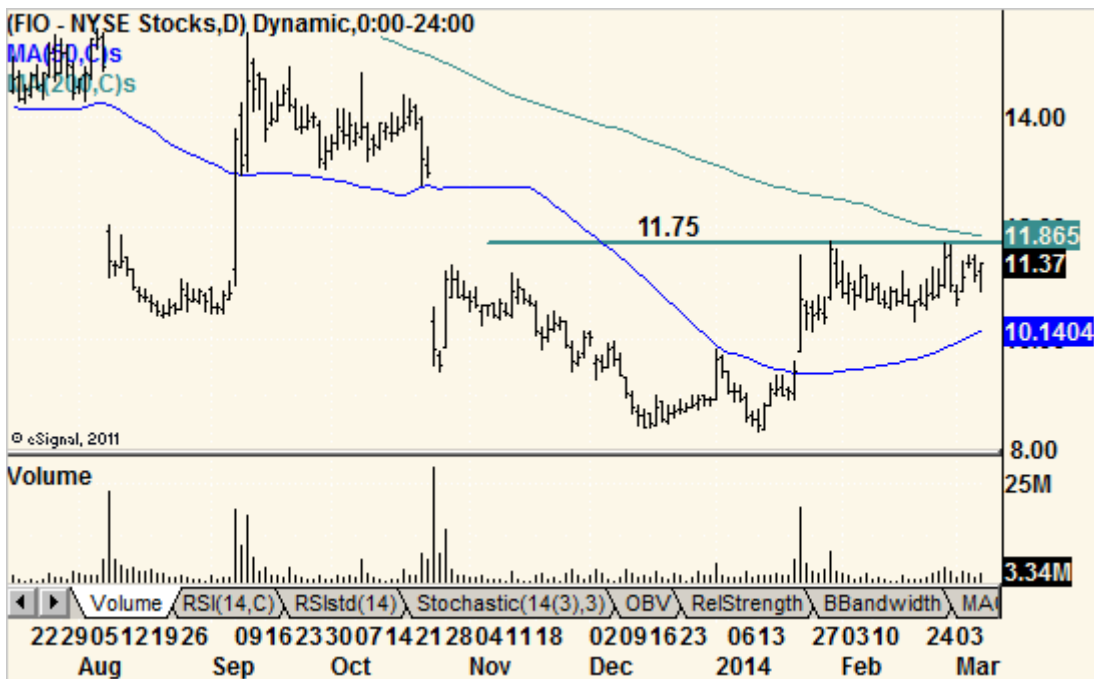
FSLR trade was stopped out but we are following the unofficial position that wasn't

Subscriber Corner

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



Baidu - A bear reversal at resistance where it scored a reversal in January. Not much else to say other than the long-term trend is still up albeit with an RSI divergence (not shown). Needs to trade under Friday's low to set a short-term decline in motion.



Fusion-IO - The long-term trend here is down but it is above the 50-day average. The 200-day and resistance from Jan and Feb highs at 11.75 is the real test.

Other Information

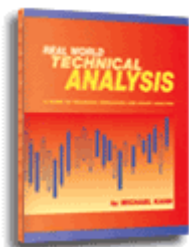
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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