

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

March 11, 2014 – China syndrome again? Not the nuclear thing but more like a "China sneezes and the world catches cold" thing. This time, copper collapsed for the second day in a row, killing our **FCX** trade and putting fear back in the market...for about two hours.

The **VIX** spiked up and then came just about all the way back down. No worries. What me worry? Wall of worry! It must be all over with a peaceful resolution in Crimea, too.

I wrote in yesterday's Barron's Online that March offers more than its fair share of major market turning points but that alone is not the reason to sell. The trend is up. Moving averages are intact. Breadth is still good. Leaders are still leading. And we've got another month of seasonal strength to go. The March background, however, should serve to remind us that it has been a very long time since the market actually went down for more than a few days.



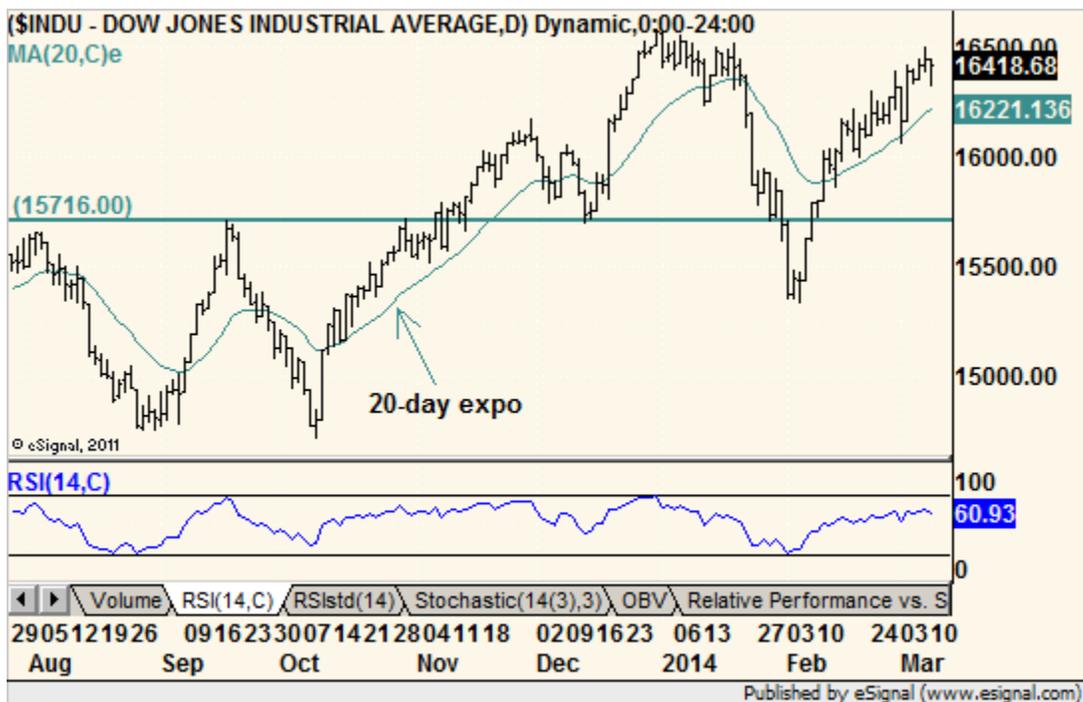
Here is the hourly **SPY** with some support and resistance levels drawn. Friday's breakout failure foretold the drop to support but now the market is flat. But for the big picture, the major support near 186 is the line in the sand.

Adding to our VIX snark above, the CNN fear-greed into is in the solid greed range. And we've just been pointed to a TD Ameritrade index tracking investor activity - which seems to be at a very high level of happiness. Basically, retail is drinking the kool-aid and this is one more reason why we are still looking for some shorts even though we say the trend is up. A few are offered below.

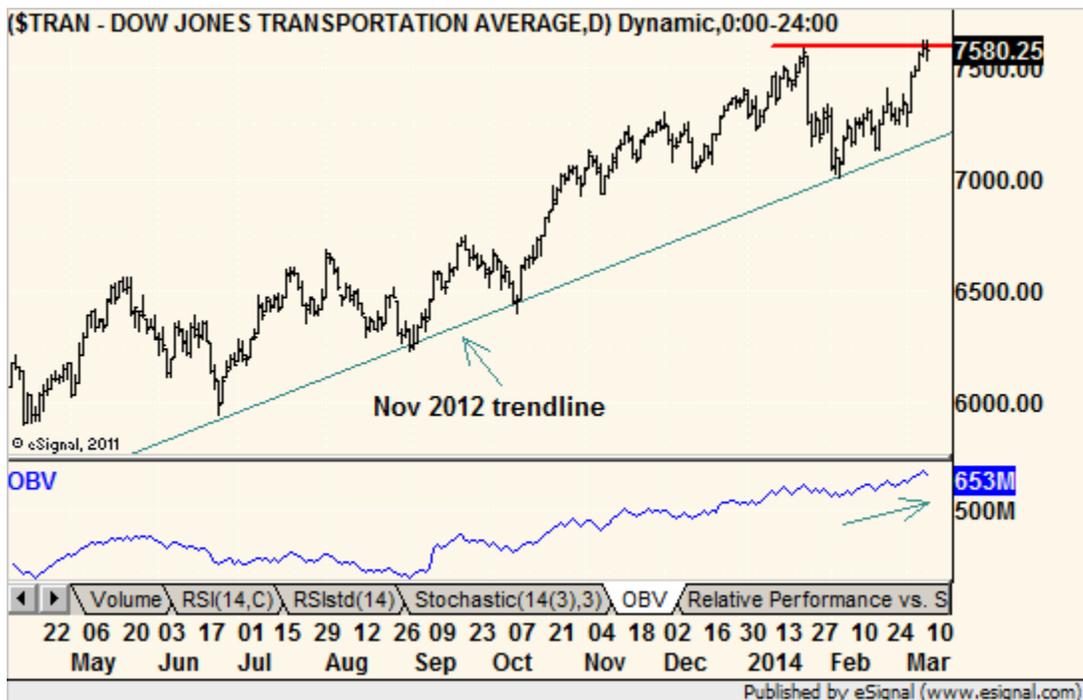
We also saw a WSJ report that the percentage of new IPO companies now rivals that seen in March 2000. You remember what happened then? The Nasdaq peaked and the bubble burst.

"Be prepared!" Scar, The Lion King (1994).

Index Charts of the Day



Here is the Dow for a change of pace. Still above the 20-day exponential average so we will hold on to our bullish leanings for now. Note major support below from the top of the 2013 trading range and the Dec test of the breakout.



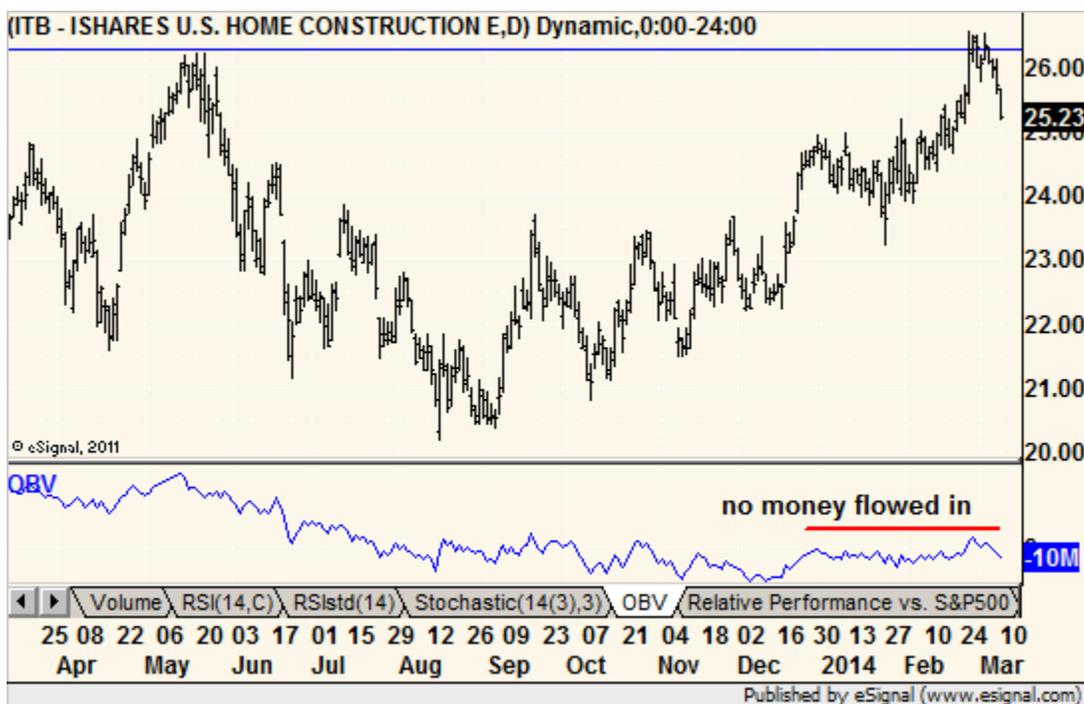
The transports are at resistance but money has been flowing in. Still needs to break out. Even better would be a pause before the breakout.

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		
Fusion-IO - We've moved this here from the Subscriber's Corner. 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. Buy a close above it.	New	3/10
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
Western Digital WDC - A short candidate with some trend breaks and a 50-day average break. RSI divergence with a potential double top, too. Selling 84.00 on close.	New	3/11
Acadia Healthcare ACHC - Double top breakdown with 50-day average break. Bullish hammer candle Monday so we want to wait to see if it holds or fails. Sell under Monday close at 46.09.	New	3/11
Unknown Implications		
none –		
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
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! <u>Now on 50-day average. That could be the trigger.</u>		3/5
Steven Madden SHOO - This shoe maker has a resistance breakout <u>but we think it would be safer to wait for a pullback.</u>		3/10
Citibank C - Bear wedge hitting a death cross from below.	New	3/11
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
Utilities - XLU ETF held at a nice support.		3/10
Homebuilders - Failed at resistance	New	3/11
Updates		
Vodafone VOD - Breakdown from flag. Then a gap down. This is now a breakout failure and looking rather bearish.		
Long T-bond ETF TLT - Holding support. Needs to bounce a.s.a.p.		

Market Highlights



Homebuilder ETF - We were looking at a reversal at resistance and now it is confirmed. Note lack of money flowing in during the rally.



Western Digital - A short candidate with some trend breaks and a 50-day average break. RSI divergence with a potential double top, too. Selling 84.00 on close.



Citibank - Bear wedge hitting a death cross from below. Holding Tank.



Acadia Healthcare - Double top breakdown with 50-day average break. Bullish hammer candle Monday so we want to wait to see if it holds or fails. Sell under Monday close at 46.09.

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.

	Symbol	Name	Last	P/L	Stop	Price in	Date in	#Days
<u>Long</u>	NLY	ANNALY CAP MGMT INC	11.04	11.6%	10.70	9.89	12/6	94
	GDX	MARKET VECTORS GOLD MINERS ETF	25.97	17.2%	25.25	22.15	1/13	56
	JTP	NUVEEN QUALITY PFD INCOME FD	8.03	2.6%	7.80	7.83	1/23	46
	CORN	TEUCRIUM CORN FUND	32.95	4.4%	32.50	31.57	2/6	32
	FCX	FREEMPORT-MCMORAN COPPER GOLD	32.00	2.0%		31.36	2/6	32
	LXP	LEXINGTON REALTY TRUST	11.28	3.7%	11.20	10.88	2/12	26
	NOV	NATIONAL OILWELL VARCO INC	78.91	3.1%	74.00	76.52	2/18	20
	FSLR	FIRST SOLAR INC	55.00	-6.0%		58.50	2/25	13
	LTM	LIFE TIME FITNESS INC	48.20	4.6%	46.00	46.09	2/25	13
	BBRY	BLACKBERRY LTD	9.75	-8.7%		10.68	2/26	12
	DBC	POWERSHARES DB COMMODITY ETF	26.07	-1.7%	25.50	26.53	3/3	7
	GSK	GLAXOSMITHKLINE PLC	55.84	-0.8%	54.00	56.30	3/4	6
	DSW	DSW INC	40.93	3.4%	39.00	39.60	3/6	4
	TRQ	TURQUOISE HILL RES LTD	3.90	-2.5%		4.00	3/6	4
	MOS	MOSAIC CO NEW	49.89	-0.4%	48.00	50.11	3/6	4
	VLCCF	KNIGHTSBRIDGE TANKERS LTD	11.23	-1.9%	10.50	11.45	3/6	4
	RMBS	RAMBUS INC DEL	9.87	2.3%	9.30	9.65	3/7	3
<u>Short</u>	none							

Notes: We took a hit yesterday with commodities dips and a general market hiccup. Stopped out of **FCX** thanks to a copper smash courtesy of China. Also stopped out of revised trade in **FSLR** for a loss half of what it could have been. And **BBRY**, which we still think is in a good position. That's the price for low prices stocks, we suppose - volatility.

Tweaked stops in **VLCCF** and **RMBS**.

Interest rate sensitive positions took a two day hit but survived.

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

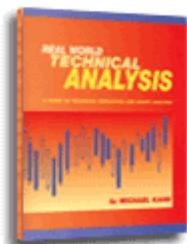
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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