

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

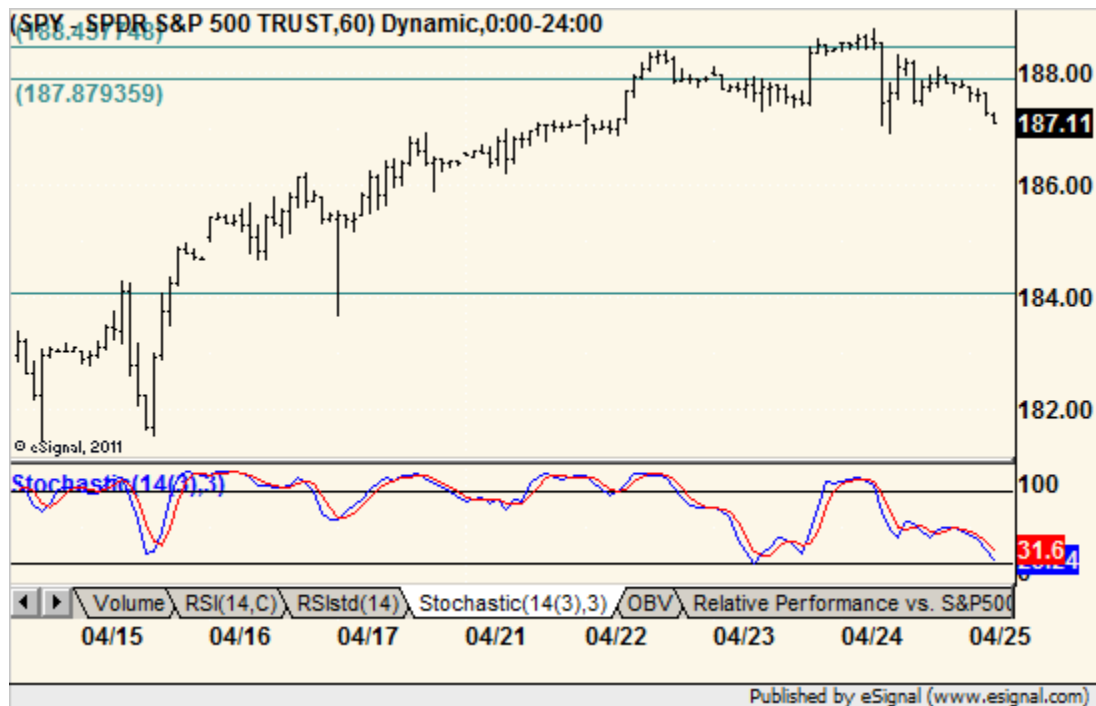
MICHAEL KAHN
RESEARCH LLC

April 25, 2014 - We spend quite a lot of time reading chat rooms and social media to see what everyone is talking about and get a feel for how the market "feels." The overwhelming conversation yesterday was that Thursday's trading was boring and slow - except for Apple, of course. We disagree. Yesterday was marked by earnings failures. **GM** beat and promptly reversed in a huge way at a trendline. **FB** beat and scored a giant bearish reversal. **NFLX**, three days after a giant gap up on earnings traded back below its pre-earnings price.

Of course, there were earnings winners such as **CAT**, **AET** and **HOG** this week but they did what they were supposed to do when the news was good. It is the stocks - high profile stocks - that do the opposite of what we'd expect that carry the information. If you know of some that rallied sharply on bad news, please let us know.

So was the day boring? No. Regional banks got clocked. Telecoms, too. Treasury bonds rallied close to recent highs. And precious metals reversed to the upside. We will look into buying the metals although our price and time target - plus cycles analysis - suggests we don't.

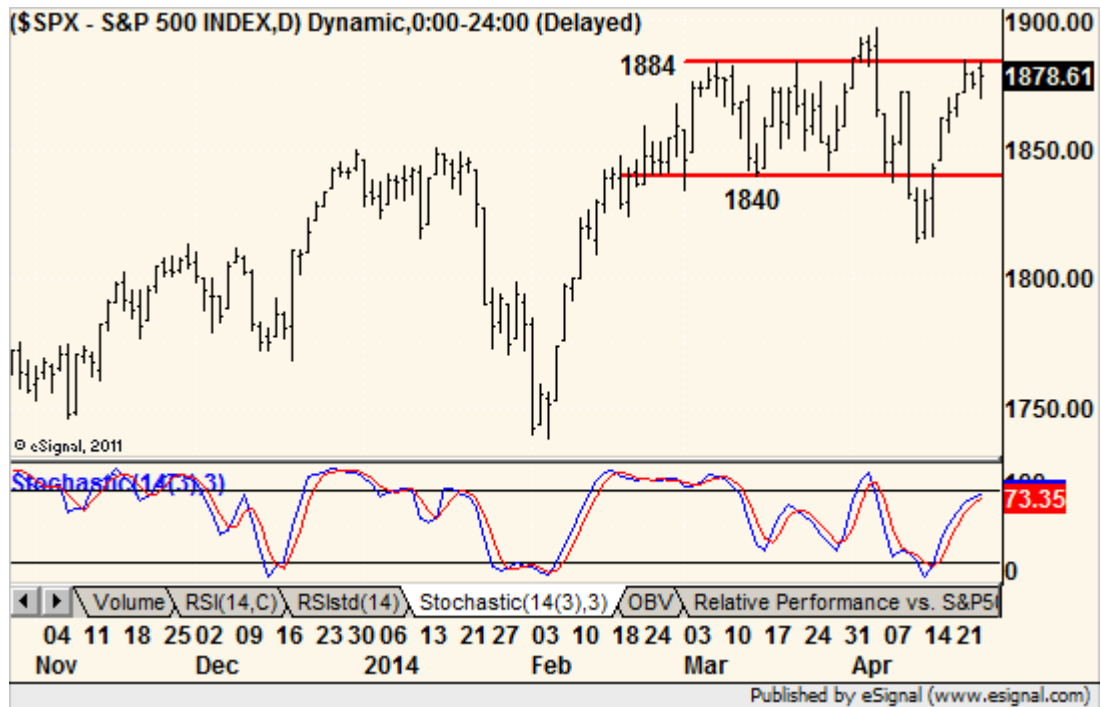
Boring? Why do we get the image of Indianapolis Colts coach [Jim Mora ranting about playoffs?](#)



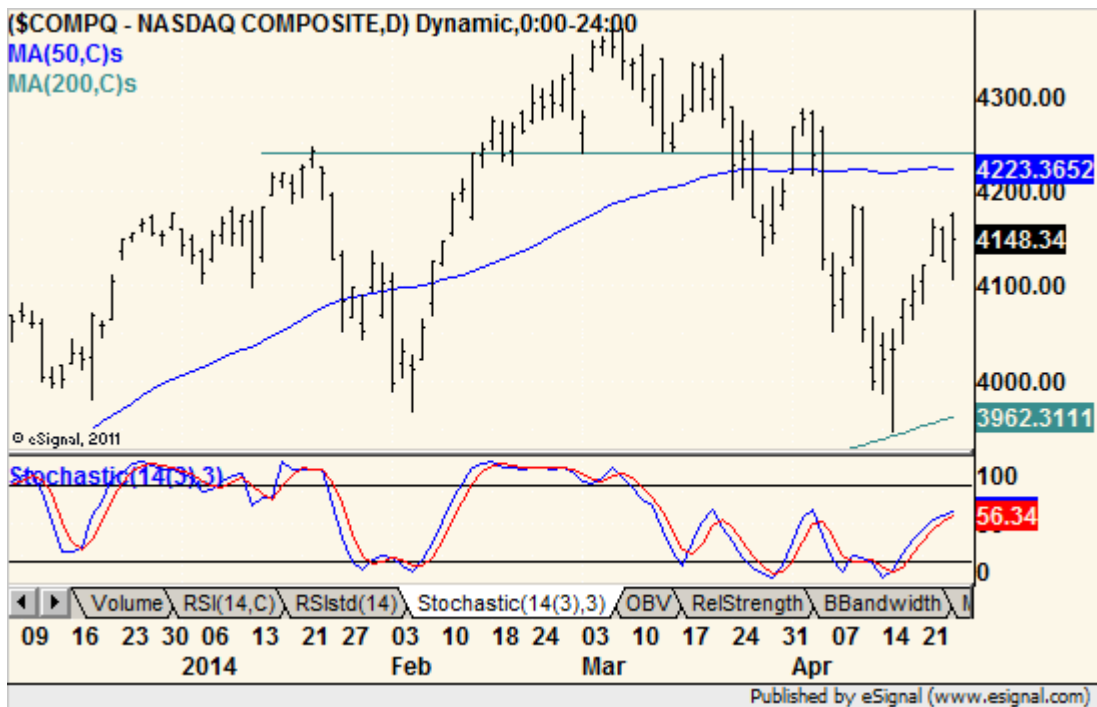
The hourly chart shows the old resistance band finally exerting its influence as prices now look to be fading. The bears cannot claim a short-term victory until this week's lows are taken out but that seems to be close.

And in the kicking ourselves department, our failed trade in **DO**, had be held on, soared yesterday with a pattern breakout. Same for many of its oil services peers **NE**, **RIG** and **CAM**. Energy is still holding firm although if the market really starts to fall we should not stay married to it.

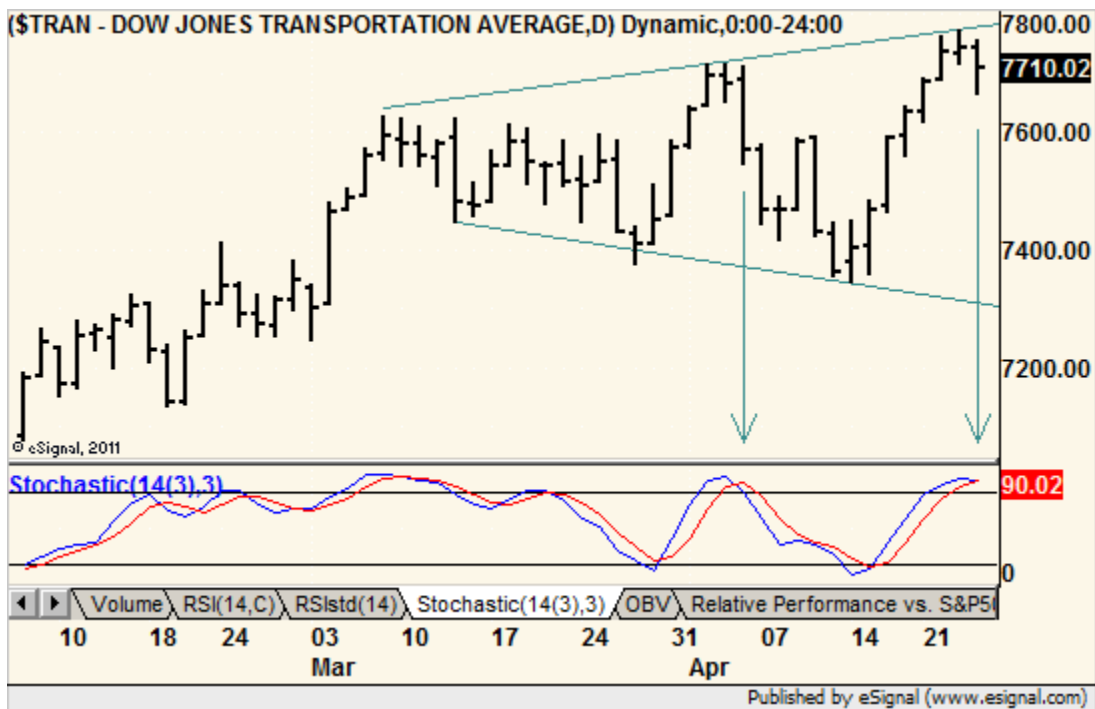
Index Charts of the Day



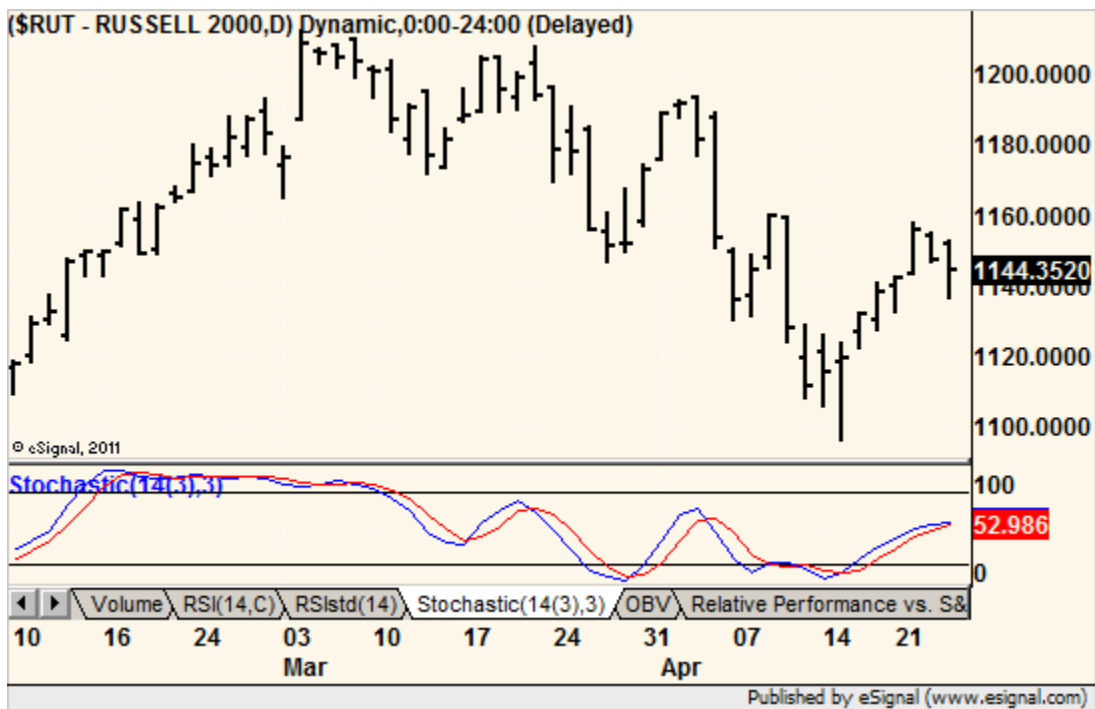
Still officially clinging to resistance but if it takes out yesterday's low that changes for the worse.



It is easy to see the Nasdaq's initial Apple pop higher and weak close. Still below the 50-day.



The transports sure look like they topped with a stochastics cross at the upper border of an expanding triangle.



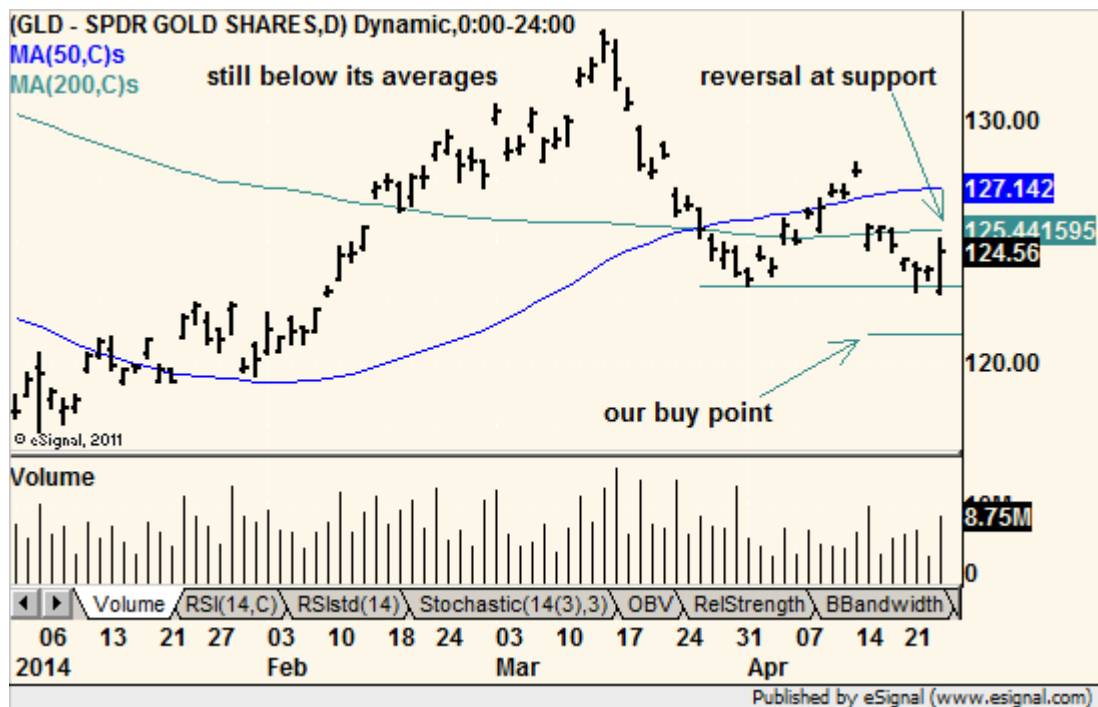
The Russell closed red yesterday without ever seeing trading above the previous day's high.

The Radar Screen

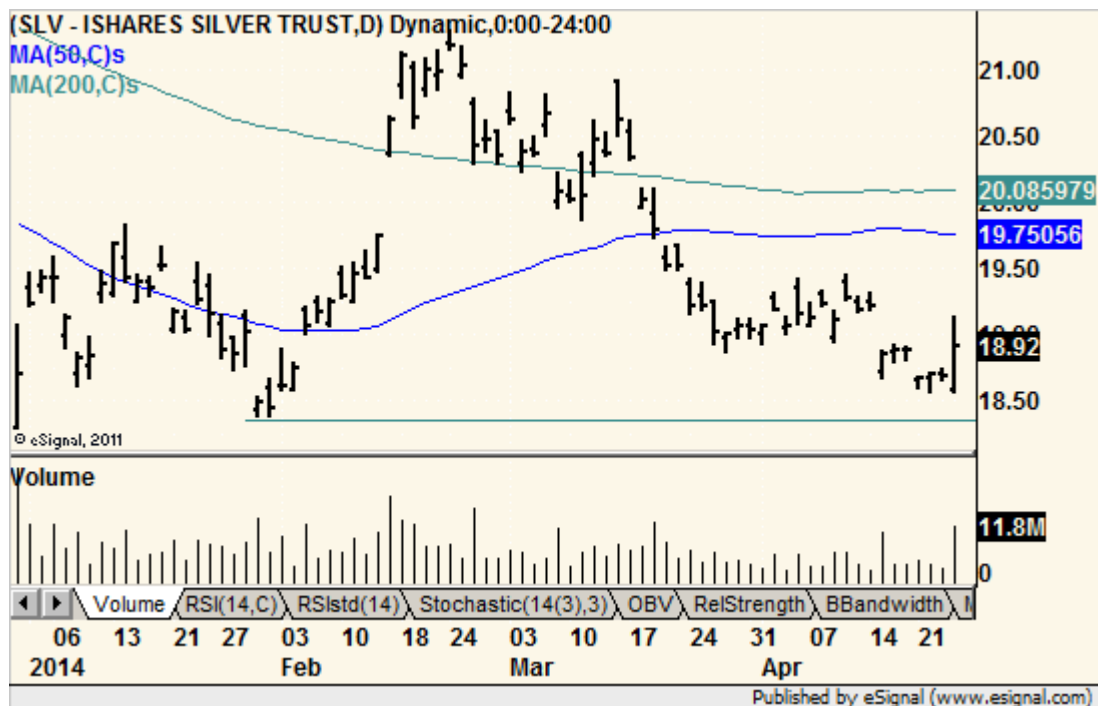
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
FirstEnergy FE - Another utility set up to catch up. The caveat is that it is still below its 200-day average but stochastics bottomed twice at levels that suggest strength. Oversold in weak markets gets to much lower levels of stochastics. Buying breakout above 34.50.	New	4/25
Bearish Implications		
Broadcom BRCM - Looking for a bounce to test the breakdown. Sell 30.50 where the 50-day average is. That is also just below broken trendline.	Triggered	4/15
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Nike NKE - Weekly double top in progress. If the bounce stalls at last week's high and then the stock falls, it would set up a big short on the support break. Still hanging on.		4/9
Gold ETF GLD - Back on the 200-day average and 50% retracement. Still not ripe at this time. Looking at May 5 at 121.85 - both .618 Fibonacci levels.		3/19
Priceline PCLN - At the crossroads of two trendlines.		4/22
Johnson Controls JCI - An autoparts and building controls maker in a triangle. Also being squeezed by its averages. So far, no breakout but we'll watch. <u>Looking for the breakdown now.</u>		4/23
Sector Watch (observations that may spark ideas)		
Energy - Resilient and leading		3/31
Utilities - Still looking strong.		3/31
Natural Gas stocks \$FUM - Leading but now overbought		4/4
Financials - Some of our canaries rallied but overall financials still look weak. Still watching JPM, AXP, KBE . Looking to see if MTG and ETFC fail.	Changed	4/15
Updates		
none - Defense sector had a bad day and we retract our "looking better" comment.		
Dunking Brands DNKN - We said it looked weak with a bear flag. It gapped down so we never really had the chance to safely sell it. Still weak.		
Canadian National Railway CNI - unsure of the pattern. We were looking for follow through after Wednesday's bearish reversal but it did not happen.		
Visa V - Gapping down this morning after a fail are resistance.		

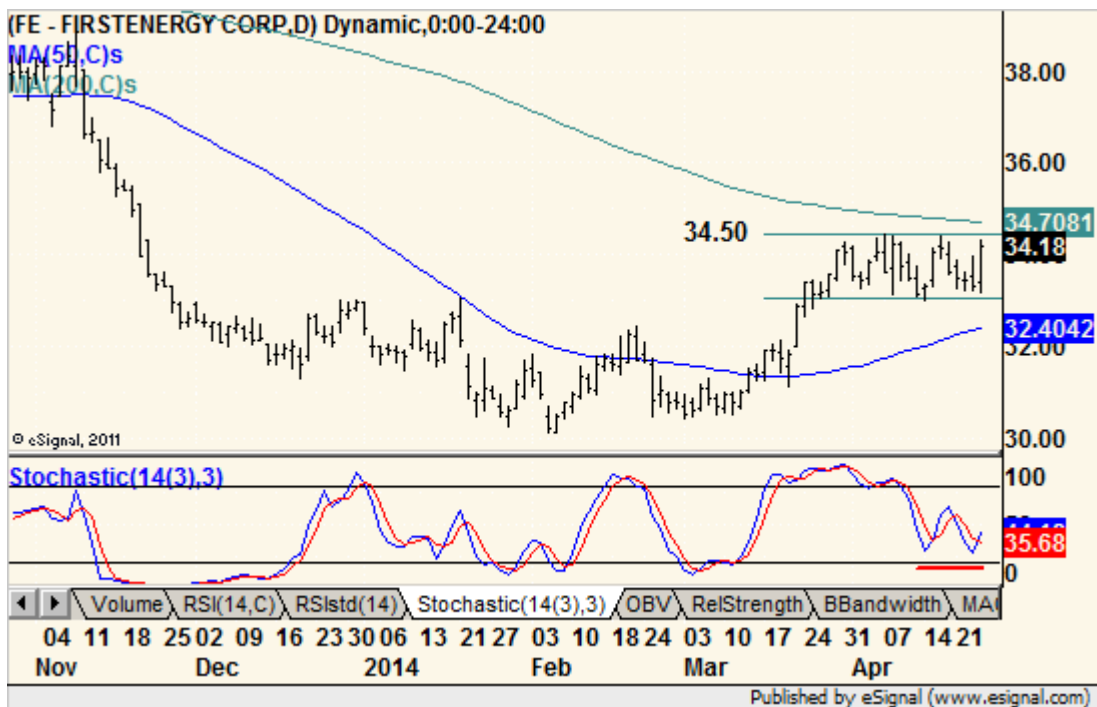
Market Highlights



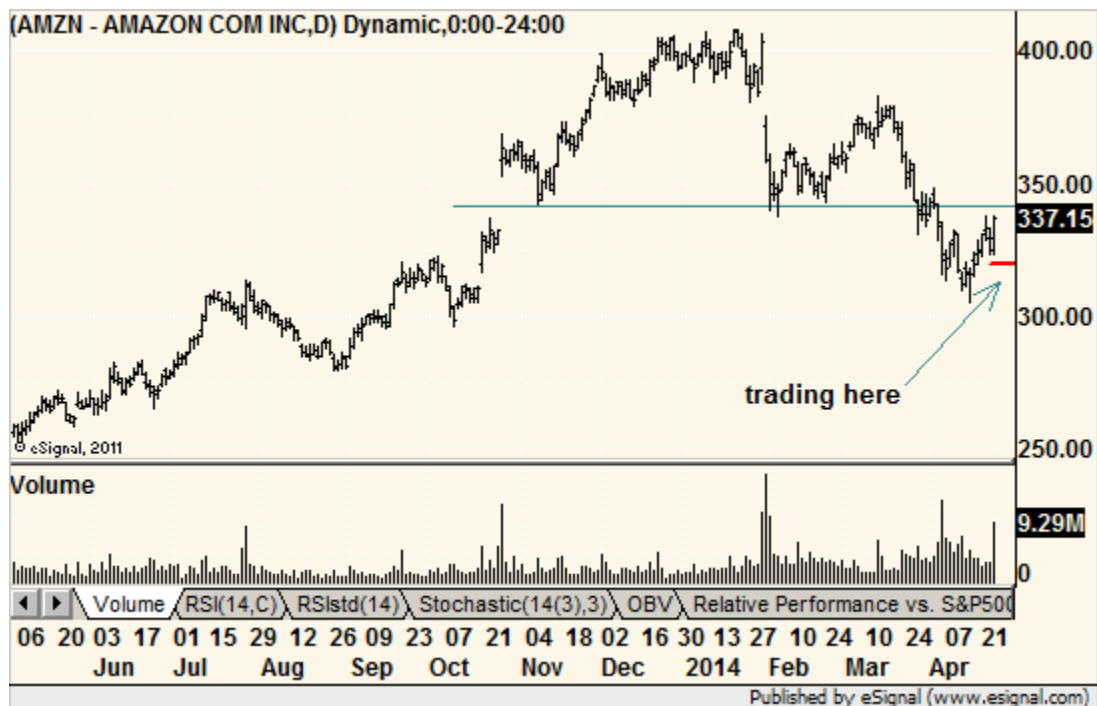
Gold ETF - A bullish reversal at support but it is still below major averages. Volume was good but not exceptional so there is no suggestion of the tide rushing back in. We are going to wait.



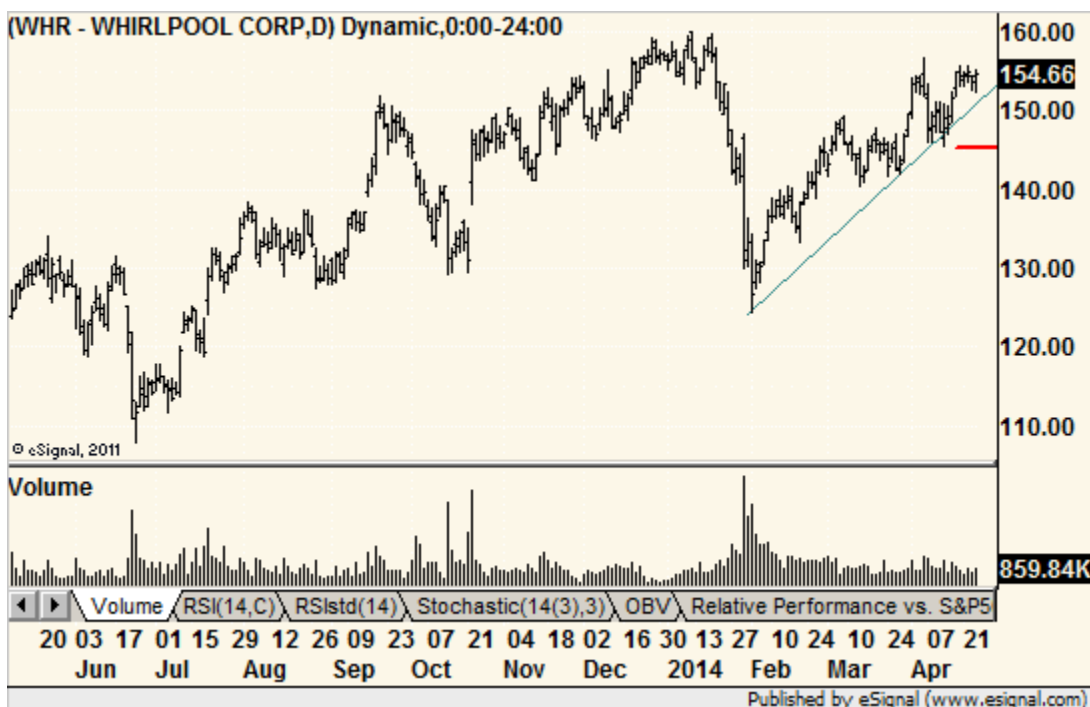
Silver ETF - Volume here was exceptional but the chart looks rather jerky. Futures volume was good but futures open interest is soaring. That leans bearish.



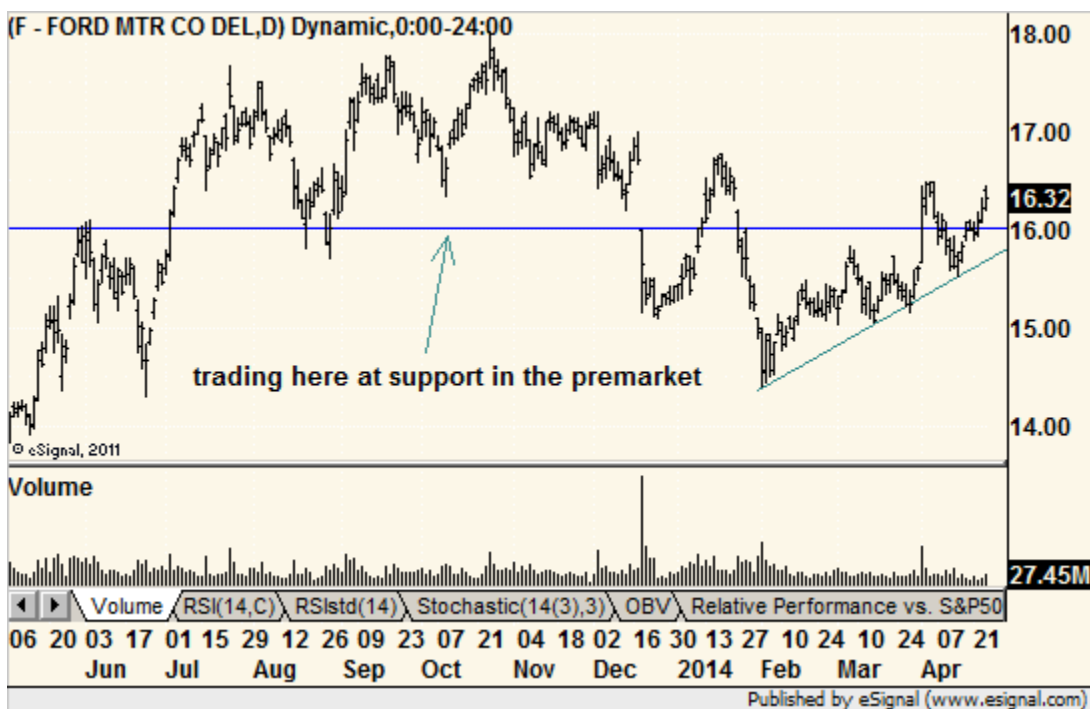
FirstEnergy - Another utility set up to catch up. The caveat is that it is still below its 200-day average but stochastics bottomed twice at levels that suggest strength. Oversold in weak markets gets to much lower levels of stochastics. Buying breakout above 34.50.



Amazon - Funky earnings. Successful test of recent support breakdown.

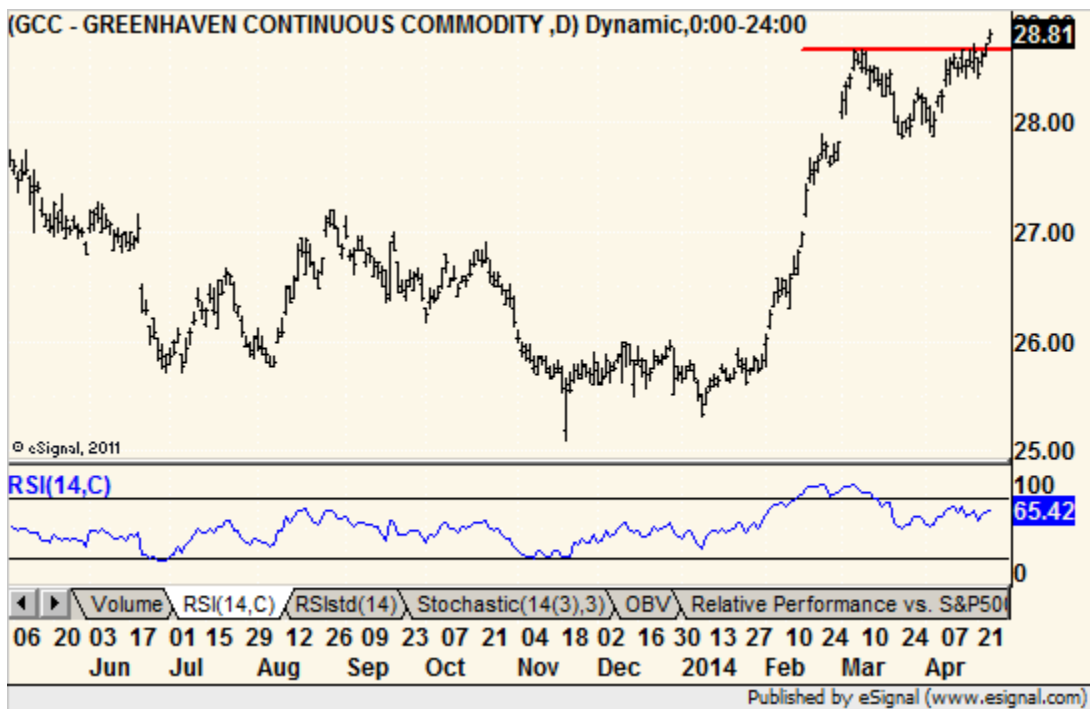


Whirlpool - Earnings miss, technical breakdown.



Ford - Profit miss and while the stock is down there was no technical breakdown. Not buying, however.

>>> Seeing a theme here? Earnings season is not going well so that fundamental argument is taken away from the bulls.



Greenhill Continuous Commodities Fund - Breakout for the CRB index replacement.

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>	HR	HEALTHCARE RLTY TR	24.98	0.3%	24.00	24.91	4/15	9
	ED	CONSOLIDATED EDISON INC	56.96	1.9%	55.50	55.89	4/15	9
<u>Short</u>	ACHC	ACADIA HEALTHCARE COMPANY INC	40.22	14.6%	42.50	46.09	3/11	44
	UPS	UNITED PARCEL SERVICE INC	98.64	-2.7%	100.00	96.00	3/21	34
	CVS	CVS CAREMARK CORPORATION	73.07	1.1%	76.00	73.85	4/7	17
	CA	CA INC	30.57	-0.4%	32.00	30.46	4/22	2
	GS	GOLDMAN SACHS GROUP INC	160.85	-0.4%	168.00	160.26	4/22	2
	BRCM	BROADCOM CORP	31.14	-1.7%	32.00	30.50	4/24	0

Notes: New short in **BRCM** as it gapped up through our trigger. It is way down this morning so it is in good shape.

Subscriber Corner

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

Don't make me come to your office to get requests!

Other Information

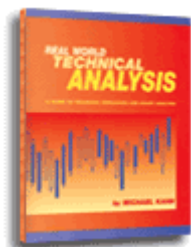
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



24/7 Website archive – <http://www.quicktakespro.com/archive> (password needed)

Customer Support - <http://www.quicktakespro.com/support.html>

Recommended reading - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

Refer a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we'll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2014