

QUICK TAKES PRO

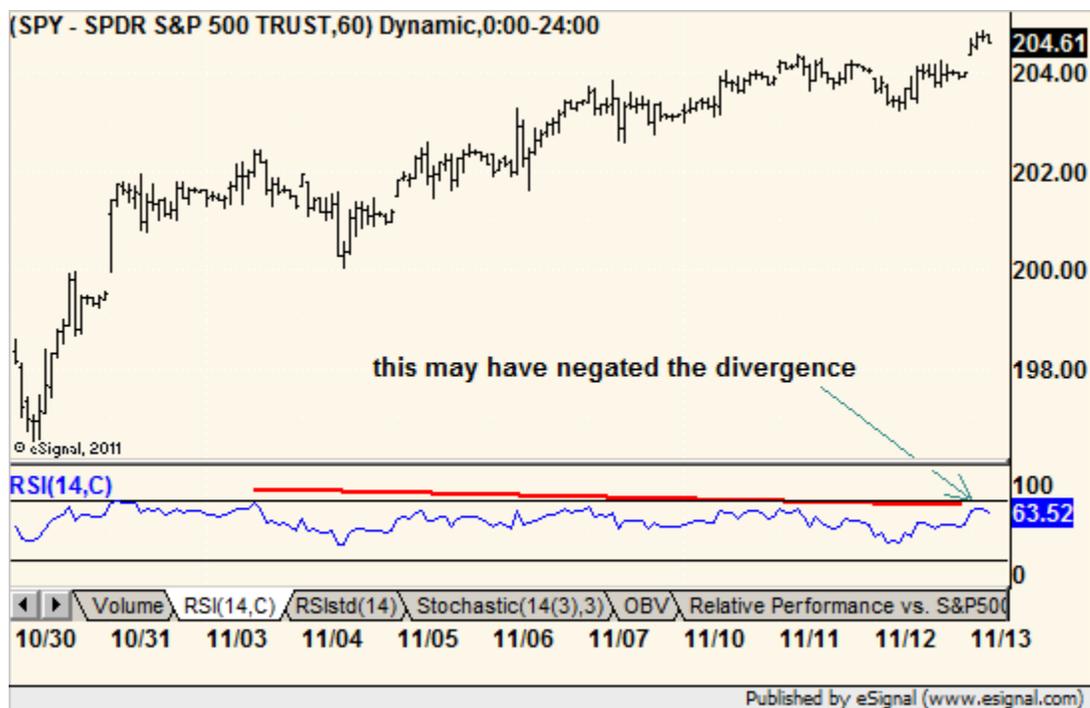
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

November 13, 2014 – Stocks ended Wednesday essentially unchanged as volume barely beat out Tuesday's light pseudo-holiday lethargy. Where is the pent up demand?

In yesterday's Barron's Online column I covered a few of the ratios we discussed here in the morning. One point made about the Russell 2000 was that for a high beta group its rebound has been merely market pacing. This suggests that something is structurally wrong in small caps and wrong in the market by extension. Small caps "should have" rebounded more sharply than the S&P 500, even if it were only short-lived. The lack thereof is not good news.

However, prices are up in the premarket as the NY Fed President said it was too early to raise interest rates. Fine, we get it. But the market is still overbought in the short-term.

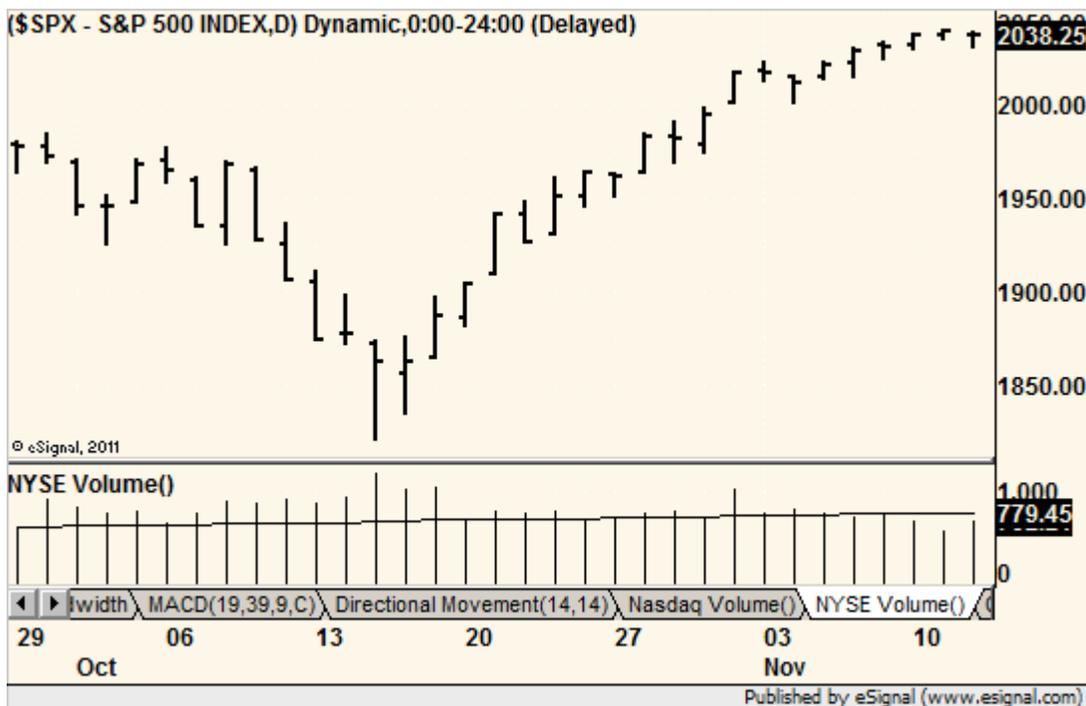


The hourly RSI divergence is on the verge of being negated with the overnight price pop. Again, with all the warnings we are cautious but the trend just has not turned yet. We do not think buying is a good risk right here but then again until there is proof of a top - even a short-term one - we cannot sell either. It's a hold.

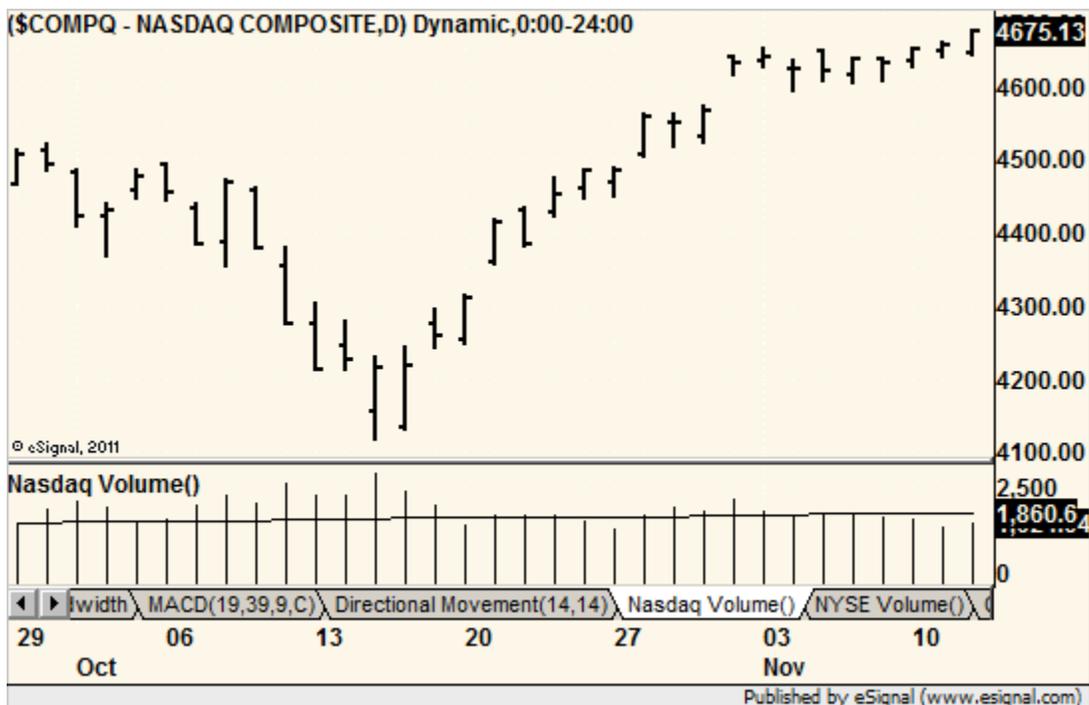
Retail had a good day with Macy's (M) and JCP earnings sending the XRT ETF over the top through resistance. In fact, many department stores did well including DDS and JWN. So did apparel stores such as AEO, PSUN, ARO and ZQK. That subsector list goes on and on.

Elsewhere, oil continues to ease lower to test last week's low. Brent is at a new low below \$80 so European market watchers are in more of a tizzy than their counterparts here. Check out the chart below showing the big picture for Brent. Way oversold in our view.

Index Charts of the Day



Although the market is higher in the premarket and the S&P 500 is at a new high, this chart shows very little movement for the past week. If prices stay high then we'll have to consider that it is an upside breakout. If they fail to stay up then we'd say the fuel is all used up here.



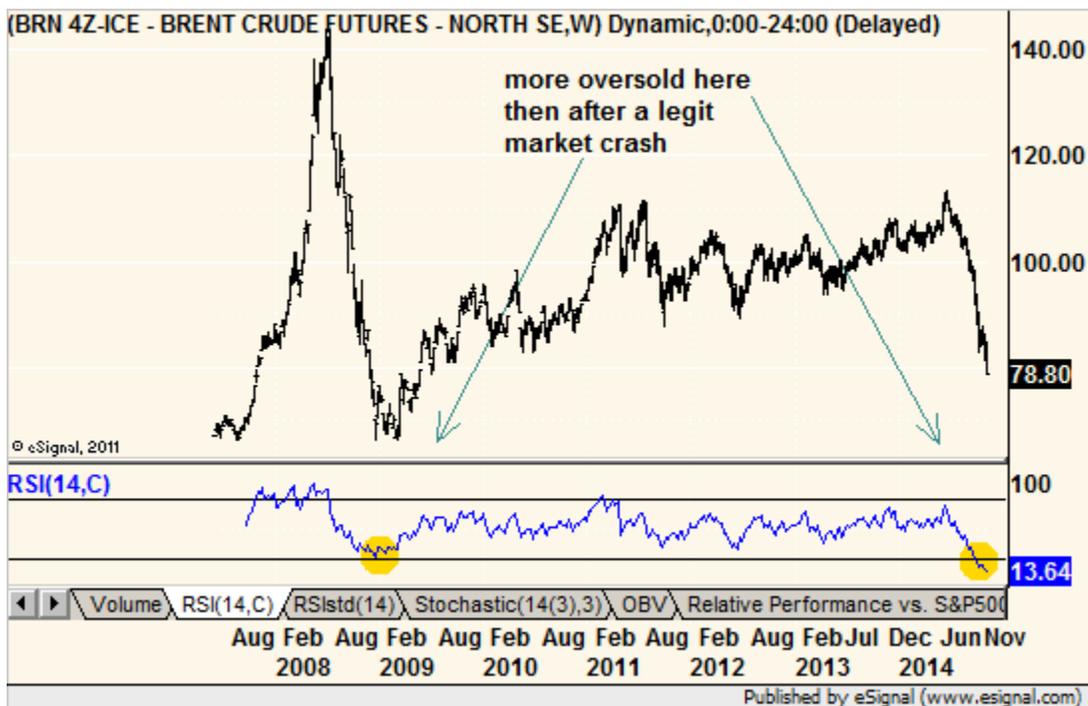
There is something about a new high on really low volume that smells funny.

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		
Tile Shop TTS - Selling climax. A move above resistance at 9.13 would be a good entry. <u>Going the wrong way but we'll keep it here for a while longer.</u>		11/7
Noodles NDLS Inverted head-and-shoulders, rising on-balance volume, good momentum, and above the 50-day average. <u>Broke the neckline of an inverted H/S pattern on a monster gap but now it has pulled back sufficiently. We'll buy over Wednesday's high at 24.25. If it falls more, then we'll reset yet again.</u>	Moved	11/6
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Choice Hotels CHH - Here, we see a reversal at resistance. Some will argue that this is a cup-with-handle pattern although the shape and volume are wrong. Still, we have a range at resistance where a break in either direction will tell us the next move. Possible downside break		11/3
Hyatt Hotels H - A rather weak stock for such a strong week in the market. Big decline Tuesday.		11/3
Ford F - Just watching the support/resistance line at 14.50. Breakout		11/10
Odyssey Marine Exploration OMEX - This deep water explorer is not looking for oil but for minerals and salvage. Its chart shows an inverted head-and-shoulders with rising RSI. Huge volatile Tuesday. Not so sure any more.		11/11
Sector Watch (observations that may spark ideas)		
Gold Miners - Extreme bearish sentiment and nearing its 2008 lows.		11/3
Hotels - Some, not all, have weakened considerably.		11/3
Marine Transportation - Major breakdown and successful test of that break.		11/5
Energy - A few pattern breakdowns Tuesday. Still avoiding save for a few drillers if they break double bottoms- RIG, DO, NBR		11/5
Airlines - Very far above moving averages. Looks like it will snap back.		11/7
Broadline retailers ETF - This group contains TGT, WMT, COST and AMZN among others. On-balance volume has been rising for months even as the sector index floundered. A positive sign.		11/11
Updates		
none -		

Market Highlights



Brent Crude Oil - We'd say that this market is in a panic and therefore has fallen too far already.



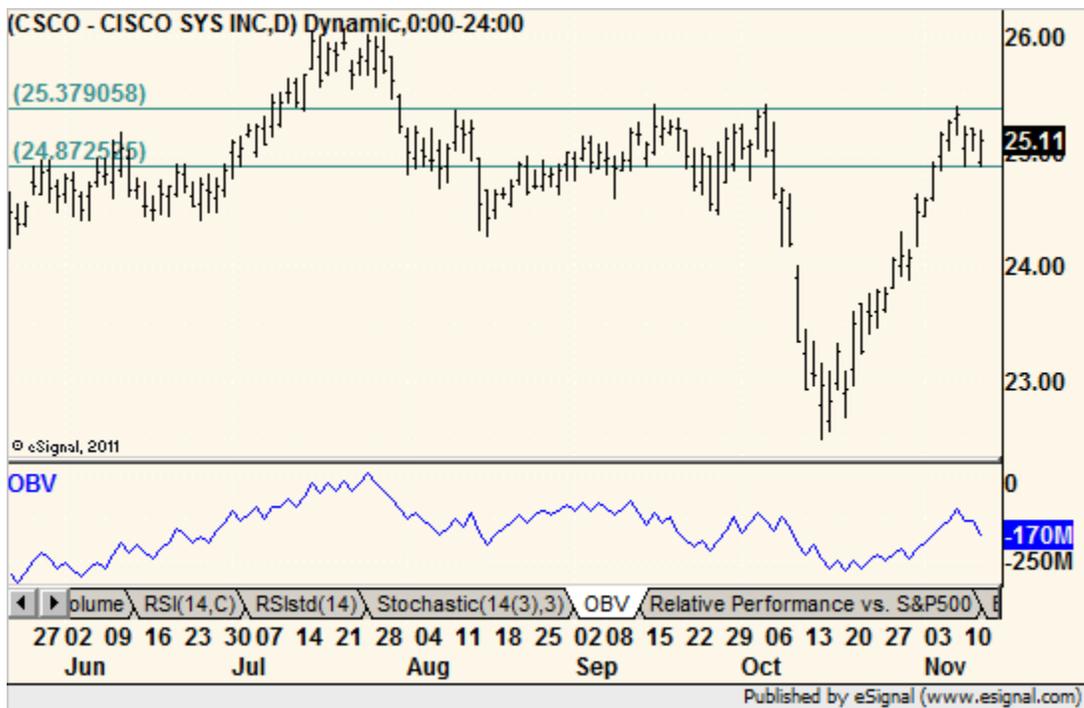
Emerging markets ETF - With weak commodities, emerging markets remain soft. This charts shows the test of a long-term trendline breakout is failing. And now a moving average death cross is pending. **Meaning - money is still headed to the US from the rest of the world.**



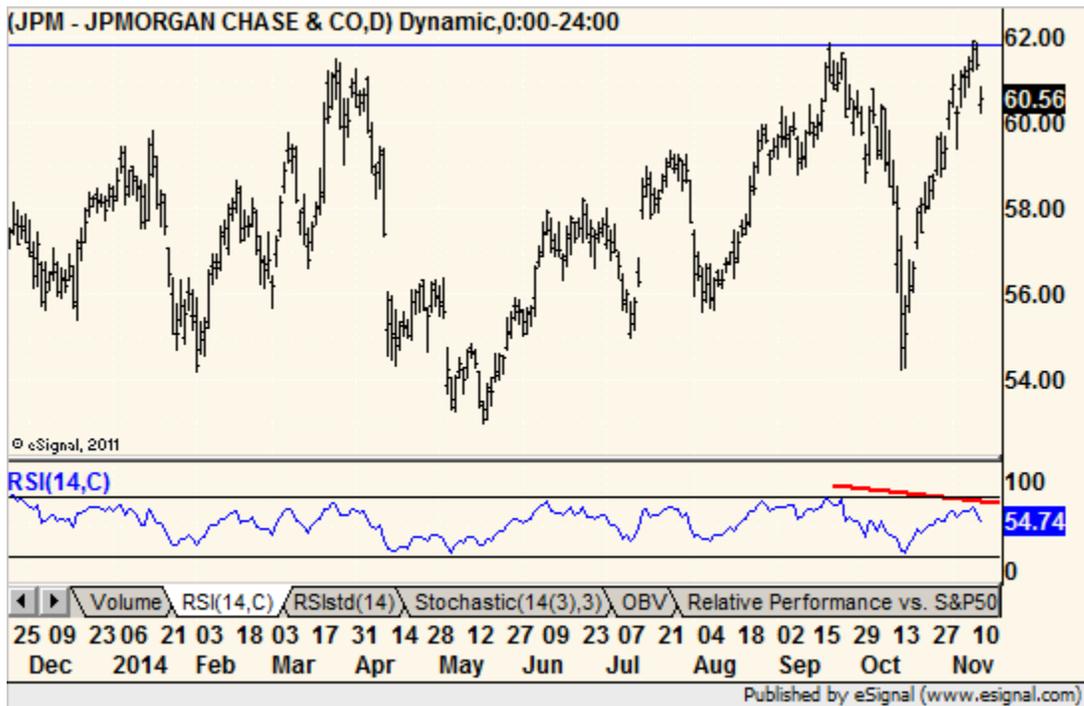
Utilities ETF - A big drop yesterday but no real technical damage - yet.



Biotech ETF - It's up in the premarket today but momentum and on-balance volume still trend lower. It is also getting rather far above its 200-day average, too. Note the reversal bar last month is still in effect. Another sector that is shaky even as it rises.



Cisco - This one was rocked after the bell in both directions after earnings but is still in the range shown. A close above or below would be the signal for the next move.



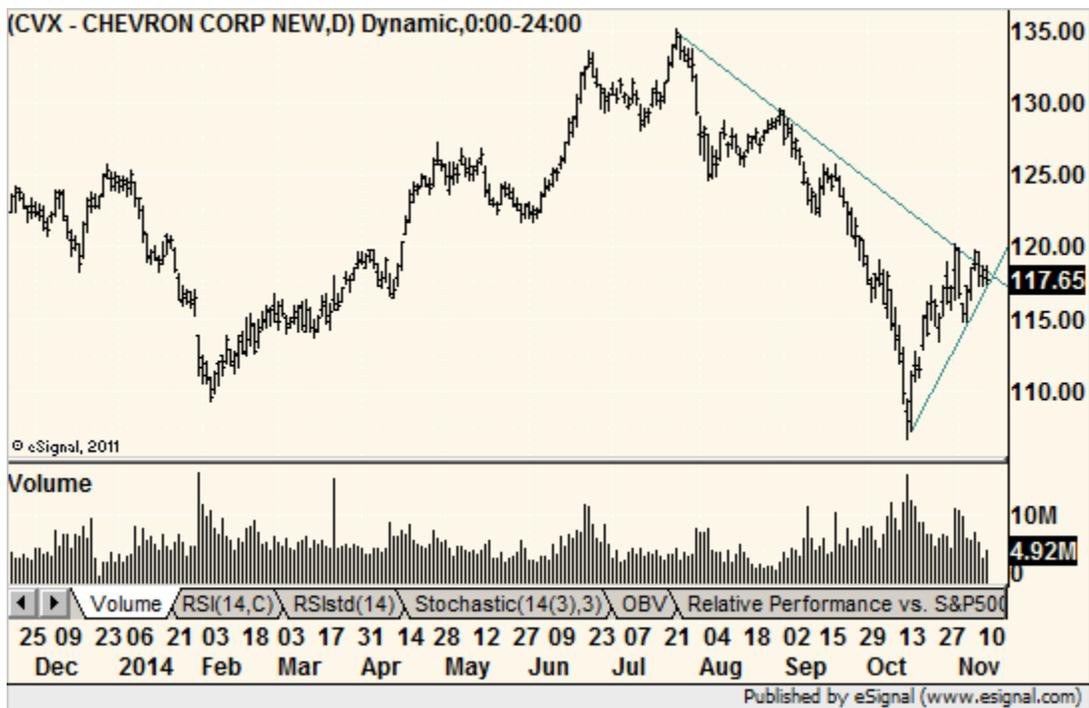
JPMorgan - Gaps down at resistance with bearish RSI divergence.



GE - Breakout and pause waiting for a new breakout.



Pfizer - Breakout but market dependent. If the market weakens then this one probably will too.



Chevron - Which trendline will win?



3M - Do we really need indicators to say this is overbought?

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>	ALL	ALLSTATE CORP	67.17	7.1%	64.00	62.71	10/27	16
	KKD	KRISPY KREME DOUGHNUTS INC	20.15	10.4%	19.50	18.25	10/28	15
	K	KELLOGG CO	63.68	-1.3%	62.75	64.53	11/6	6
	YUM	YUM BRANDS INC	74.56	1.4%	72.00	73.50	11/10	2
<u>Short</u>	SBAC	SBA COMMUNICATIONS CORP	113.20	-2.2%	116.00	110.69	11/4	8
	CNI	CANADIAN NATL RY CO	71.71	-4.1%	72.00	68.78	11/4	8
	TIVO	TIVO INC	13.15	-1.9%	13.50	12.90	11/10	2

Notes: Raised the stop in **KKD** again. Also raised in **YUM**.

K looks like it is finally ready to get back in rally mode.

Short **CNI** is just about stopped out so we'll "hope" it will start back down again.

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 Perry - The decennial cycle looks at performance for each year in a decade. Years ending in "5" have a very positive track record.

Other Information

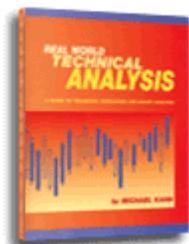
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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