

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

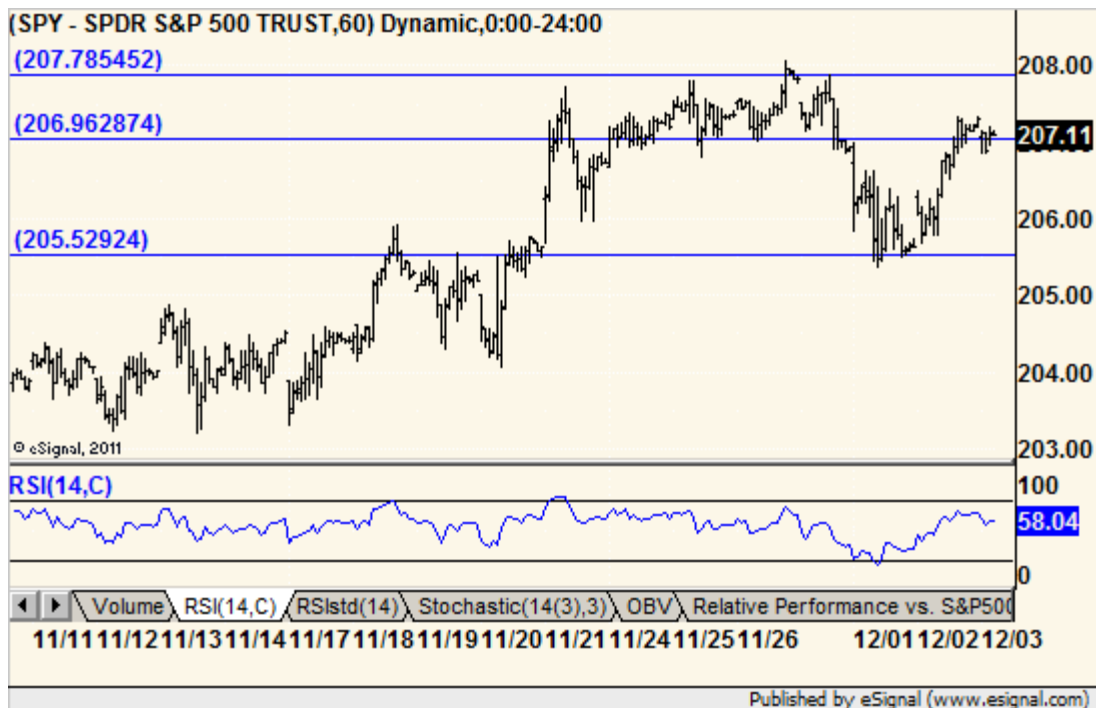
MICHAEL KAHN  
RESEARCH LLC

**December 3, 2014** – The argument now in a few chat rooms is whether the Hindenburg Omen fired again. Some say yes and that could be the second, which is the start of a cluster. It is a cluster - several signals firing within a short period of time - that has meaning. But again, if you are a purist, some of the criteria for the signal - then less important ones, in our view - were not quite right.

Let's not get hung up on details. This market is split with a good chunk soaring and a good chunk plunging and that is not healthy for any rally. And yes, we write this after the Dow went up triple digits Tuesday.

Did you notice that while oil dropped again, energy stocks rallied? Shale was split but majors and especially refiners did quite nicely. Refiners? As gasoline fell to a new low (crude did not). Something is happening that nobody has yet figured out. At least **XOM** regained everything it lost (intraday) since Friday's plunge.

In the broader market, the Russell led the pack and we will call it a worst to first bounce. It saved a breakdown, as we'll see in the Index Charts of the Day section below, but this looks to be a reflex rally, not the start of new leadership. The Russell was the most depressed so it bounced the most.



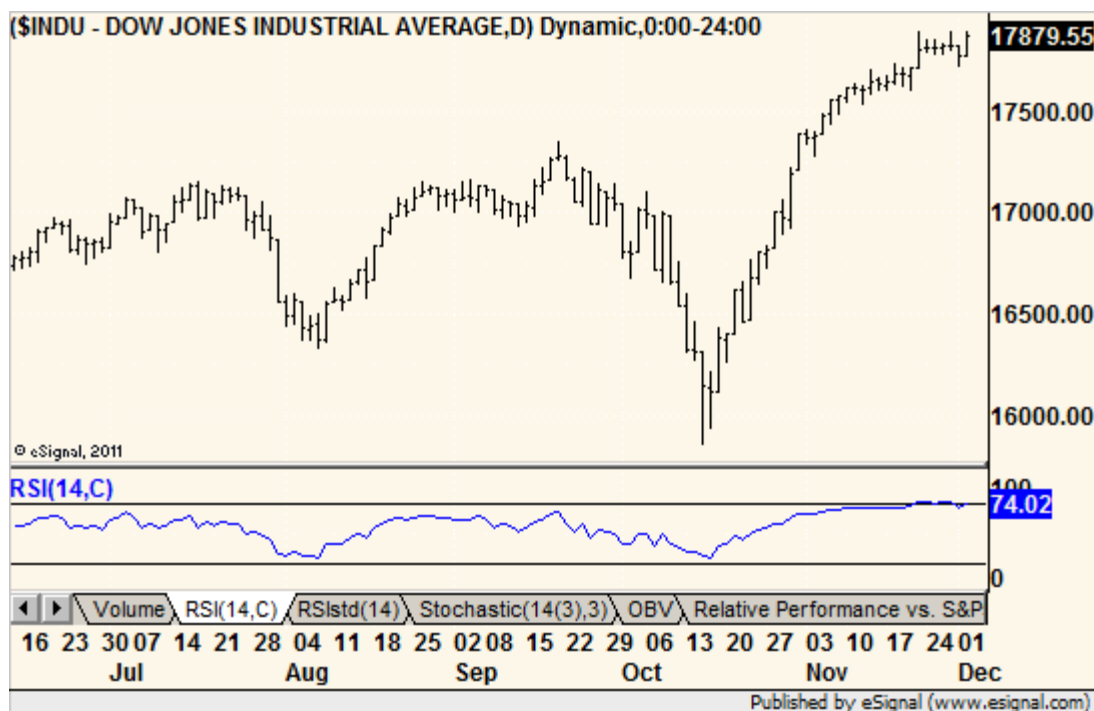
It is time to bring back the hourly **SPY** chart. Here, we have eyeballed a few support/resistance levels leaving the ETF sitting right on one of them. No conclusions, just levels that we find to be important.

Autos were in the news with good sales and **GM** had a nice little - we mean little - breakout (chart below). Tesla did not fare that well and is on the verge of a trendline breakdown (yesterday's free chart of the day). Is it too naïve to think nobody cares for an electric car when gasoline looks to be heading to 2 bucks a gallon?

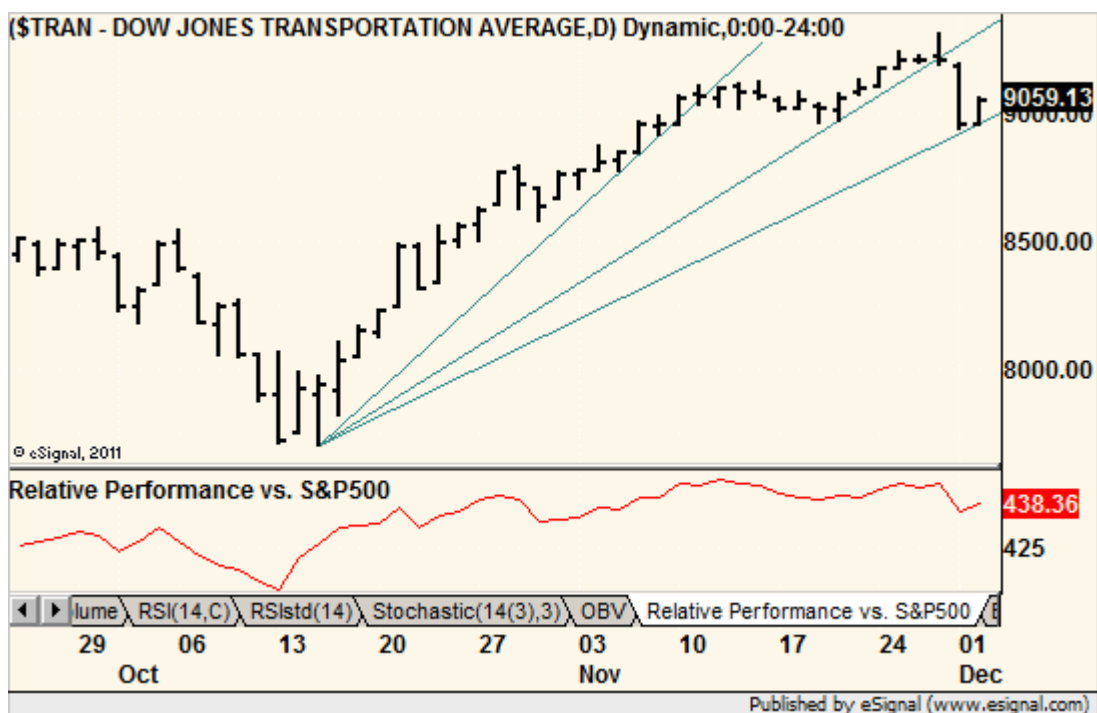
Telecoms were hit hard. Rails bounced back big but are still broken. And healthcare surged back into the lead.

Bottom line - the market is running around like a headless chicken. How long can it run? Who knows? But it seems very likely to fall so we are treading lightly.

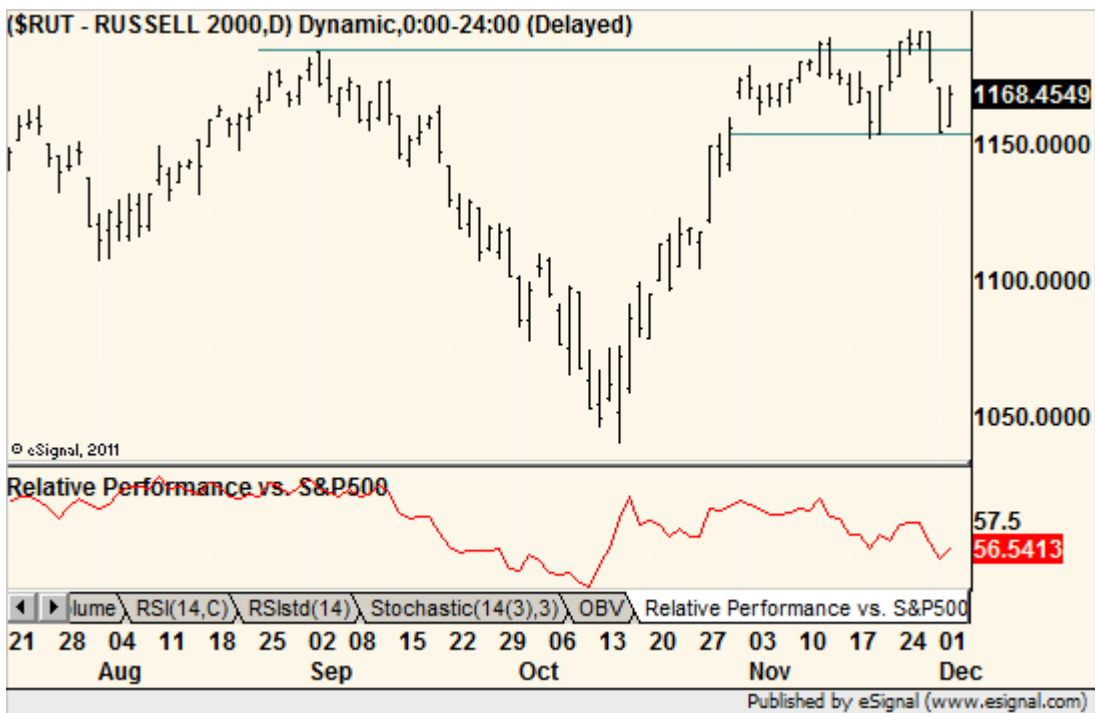
## Index Charts of the Day



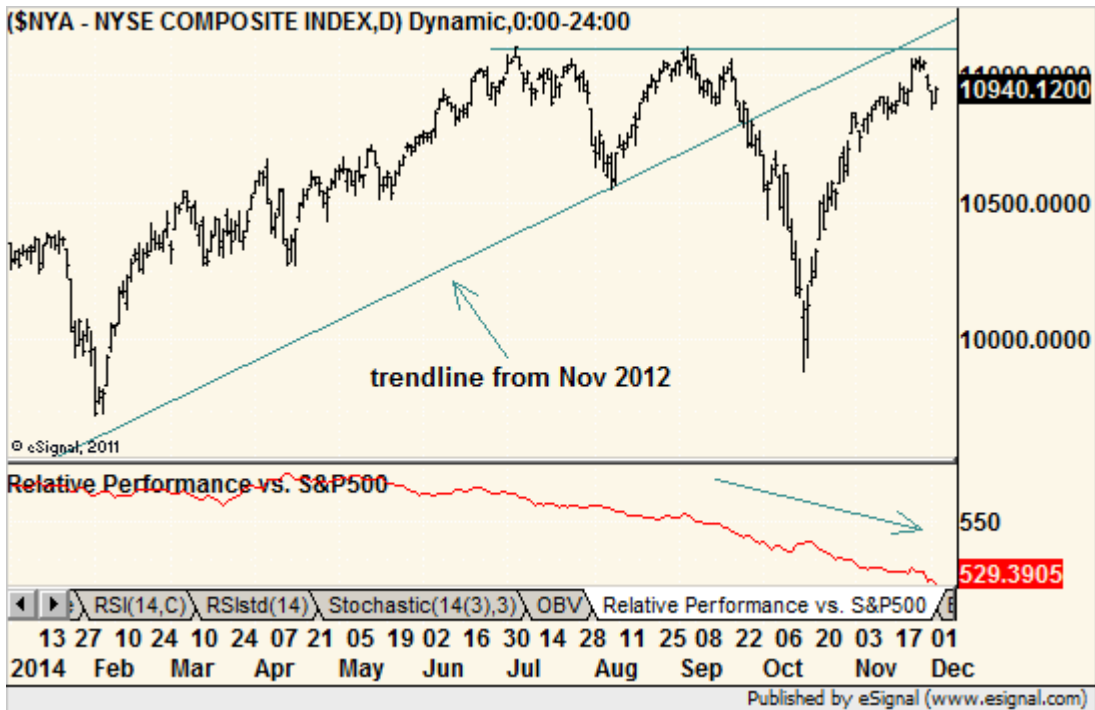
New closing high for the Dow (not S&P 500). Still in a tight week-long range.



Possible set of fan lines? They are a bit steep and the first one is arguable but if the last one breaks we'd take it as a sign this index is heading for a fall. Two-pager on fan lines, [click here](#).



The Russell did bounce off support so it lives on. But it is lagging badly.



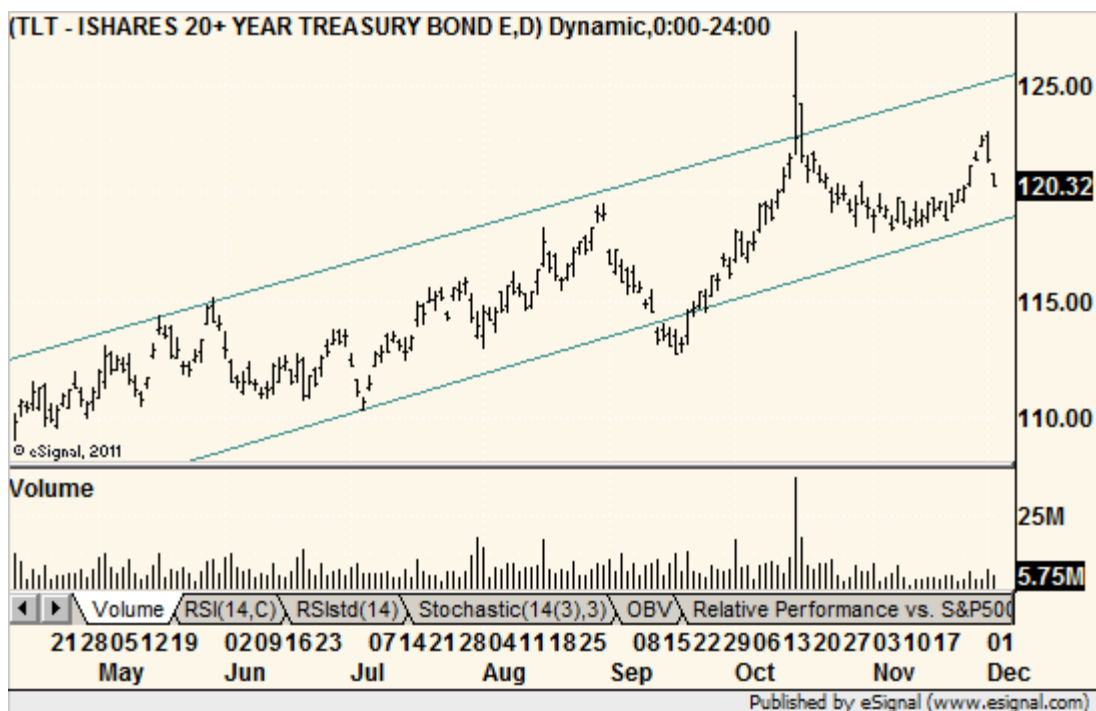
We showed the resistance level here before but now we are adding the old 2012 trendline. It is not as perfect as some have charted it but it is good enough. Note, this is a log scale. Bottom line - the NYSE composite is lagging the S&P 500 and facing a very strong ceiling.

## The Radar Screen

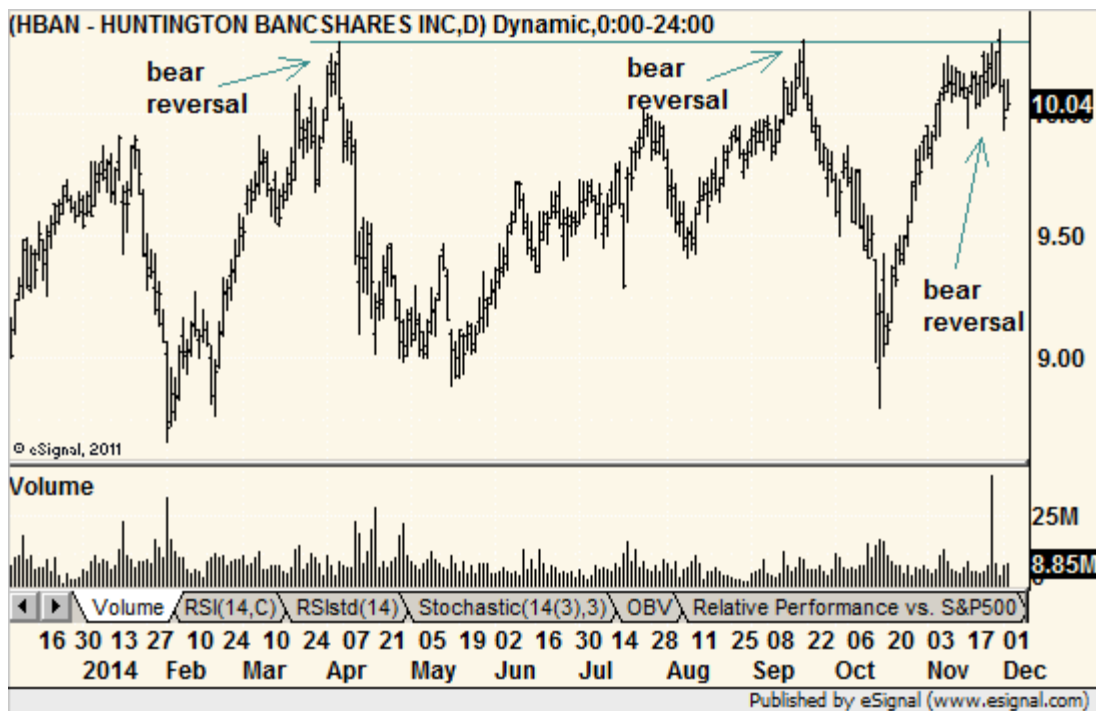
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Vishay Intertechnology VSH</b> - This electronic component maker is now bumping up against resistance. On-balance volume is already back to its 2014 high so we are on alert for a breakout. Buying close above 14.05.		11/17
<b>Bearish Implications</b>		
<b>Tesla TSLA</b> - Yesterday, we showed it on the trendline and 200-day average. Today, it is trading below it for a breakdown. We are going to sell the open.	<b>New</b>	12/3
<b>Huntington Bancshares HBAN</b> - Regional banks broke down Monday and rebounded weakly Tuesday. This one is working on a major reversal at resistance so we are going to sell it here. Warning, it is very low priced.	<b>New</b>	12/3
<b>Keycorp KEY</b> - Another regional bank ripe to sell. Note failure under trendline and 200-day average.	<b>New</b>	12/3
<b>BB&amp;T BBT</b> - One more regional bank to sell. Remember, you do not have to sell them all!	<b>New</b>	12/3
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Axiom ACXM</b> - Inverted head-and-shoulders setup for this marketing database and intelligence company.		11/24
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Industrials</b> - surprisingly weak relative to the market.		12/2
<b>Regional Banks</b> - <b>KRE</b> ETF has failed in a breakout attempt. Aside from stocks in bearish section above, look at <b>STI, FITB, RF, PNC</b>	<b>New</b>	12/3
<b>Updates</b>		
<b>China</b> - Still hot but now very overbought.		

## Market Highlights



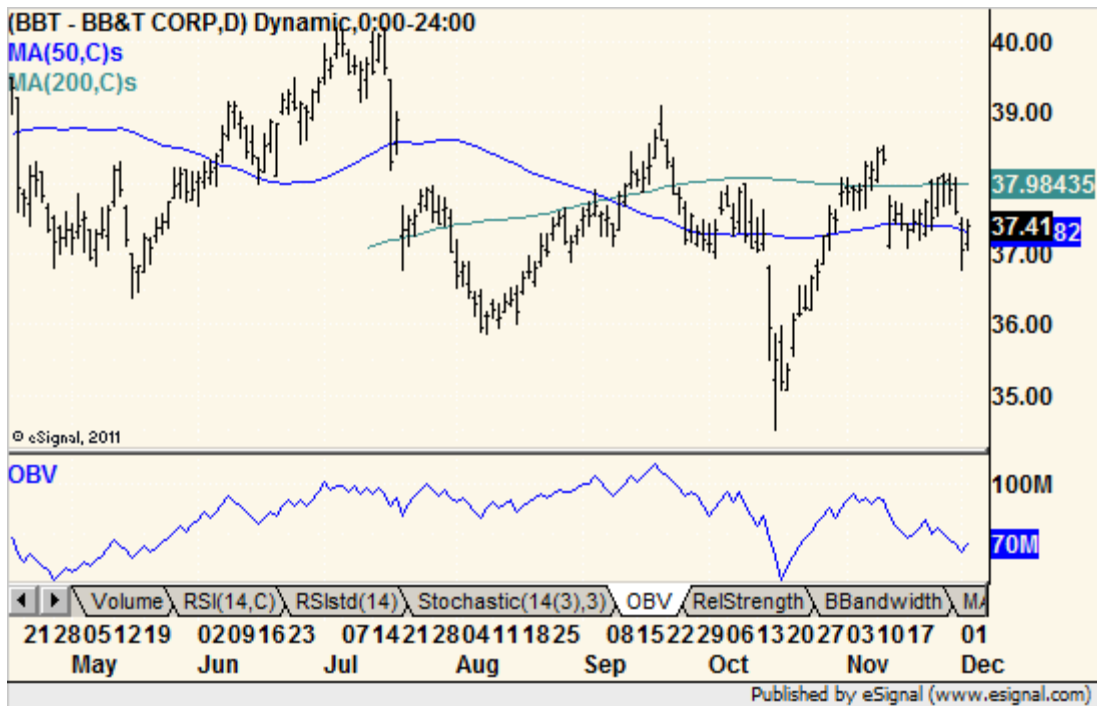
**Long T-bond ETF** - Treasuries fell hard for two days so the "risk off" thing we cited yesterday was not quite accurate. It is not risk-on, either as the message is mixed. Markets do not like mixed.



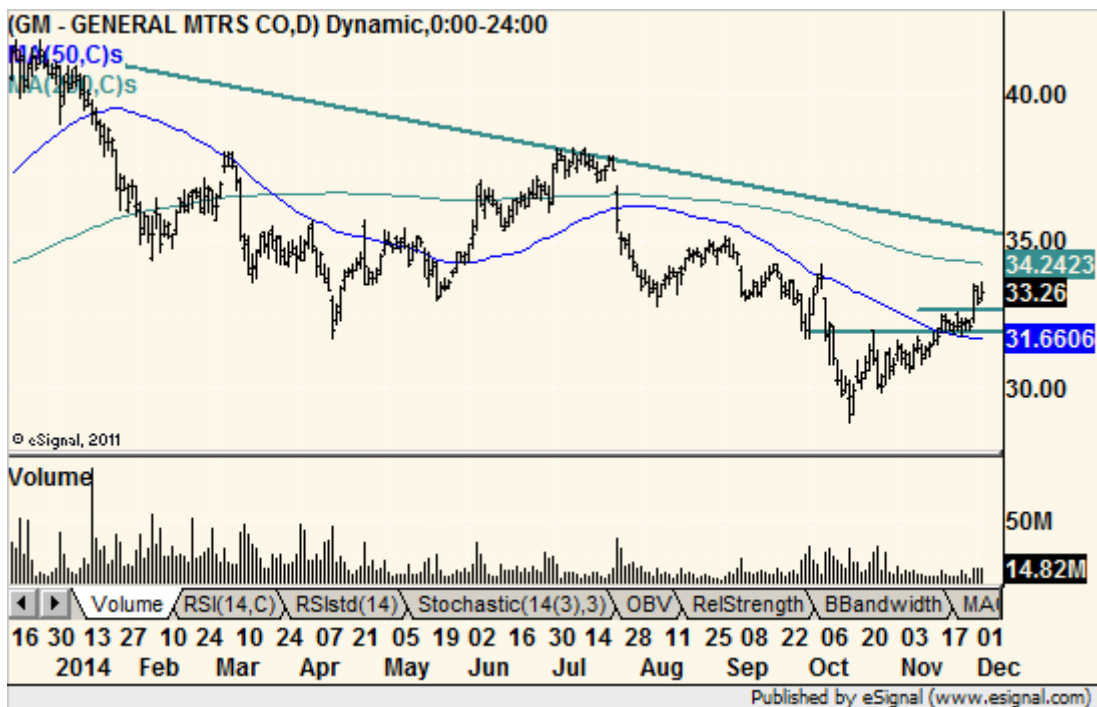
**Huntington Bancshares** - Regional banks broke down Monday and rebounded weakly Tuesday. This one is working on a major reversal at resistance so we are going to sell it here. Warning, it is very low priced.



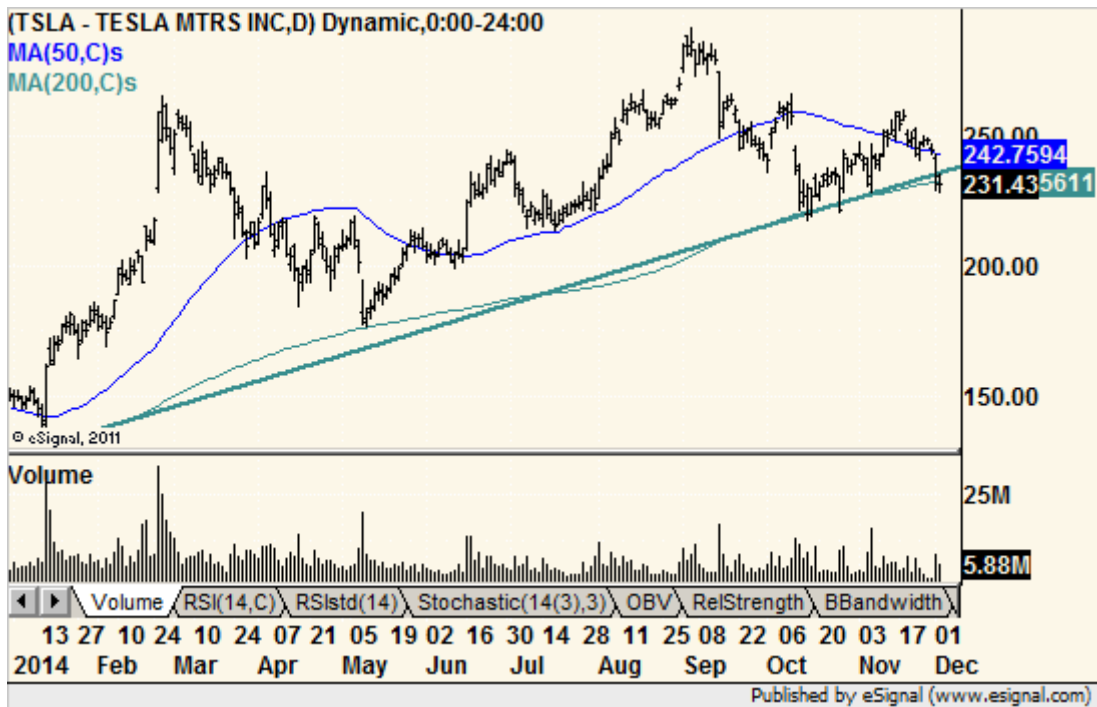
**Keycorp** - Another regional bank ripe to sell. Note failure under trendline and 200-day average.



**BB&T** - One more regional bank to sell. Remember, you do not have to sell them all!



**General Motors** - Looks better than it has in a while but it is not out of the woods yet. Big resistance coming in the 34.50 area.



**Tesla** - Yesterday, we showed it on the trendline. Today, it is trading below it for a breakdown. We are going to sell the open.



## 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.

	Symbol	Name	Last	P/L	Stop	Price in	Date in	#Days
Long	<b>ALL</b>	ALLSTATE CORP	68.11	8.6%	sell	62.71	10/27	36
	<b>K</b>	KELLOGG CO	66.58	3.2%	64.50	64.53	11/6	26
	<b>YUM</b>	YUM BRANDS INC	78.36	6.6%	75.00	73.50	11/10	22
	<b>DKS</b>	DICKS SPORTING GOODS INC	48.75	2.1%		47.75	11/14	18
	<b>LULU</b>	LULULEMON ATHLETICA INC	46.06	0.1%	46.00	46.00	11/20	12
	<b>NDLS</b>	NOODLES & CO	24.68	7.3%	23.50	23.00	11/21	11
Short	<b>TIVO</b>	TIVO INC	12.07	6.9%	12.75	12.90	11/10	22
	<b>JPM</b>	JPMORGAN CHASE & CO	61.08	-1.8%	62.75	60.00	11/20	12
	<b>YHOO</b>	YAHOO INC	50.67	-0.1%	53.00	50.60	11/20	12

**Notes:** Stopped out of **DKS** on the general retail weakness. This one was a nice find coming from a low base but it ran into the weak black Friday data and backed down.

Selling **ALL** as it is time after a nice run. No need to be greedy and we do have to offset the gold ETF loss a bit.

Raising stop on **NDLS** just a bit.

## 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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