

# QUICK TAKES PRO

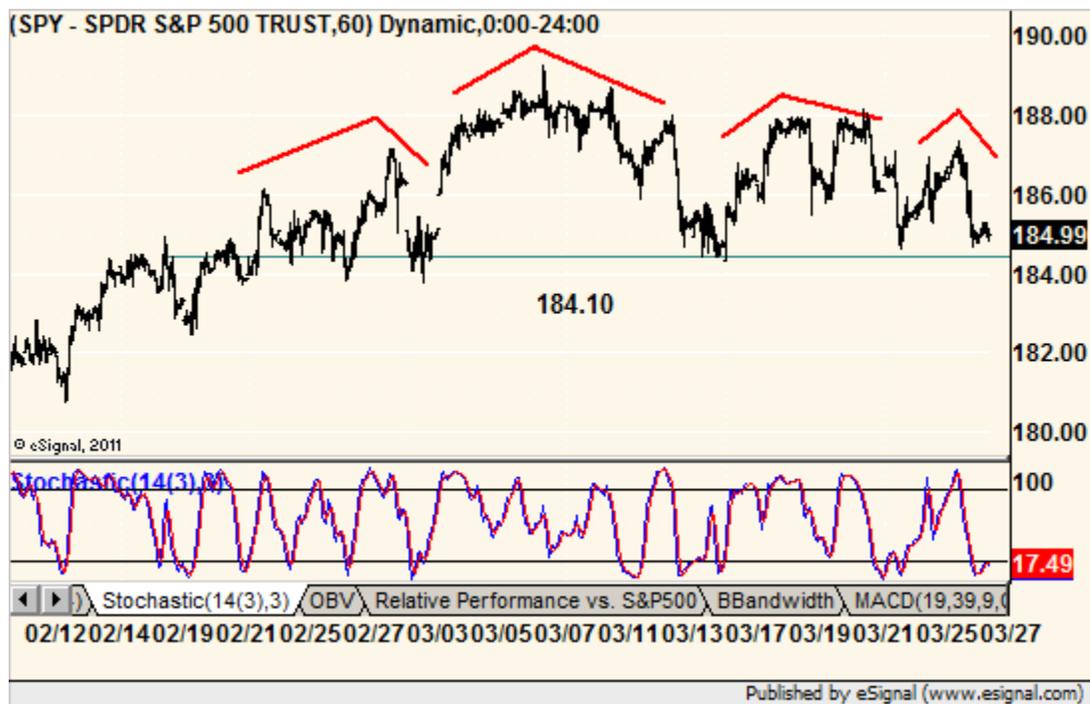
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**March 27, 2014** – Stocks soured as the President called for more sanctions against Russia - or so they say. Perhaps giant moves to the downside in household name stocks such as Facebook had a little more to do with it. The Nasdaq is below support and so is the Russell 2000 (charts below). And so is the Dow Transport index, for that matter. This market has been getting sketchier all week.

Leaders are breaking down (biotech, healthcare). Retail lost its way. Banks stalled even before Citigroup bonked after hours. Marine shipping was way down yesterday. Internet and real estate services have been falling for a few weeks already. You get the picture. There is plenty of stuff going wrong even as the "market" moves sideways.

We are still waiting for the S&P 500 to break down but we are more short than long right now. The only caveat is that sentiment seems to have soured a bit too quickly making the market prone to upside movement.



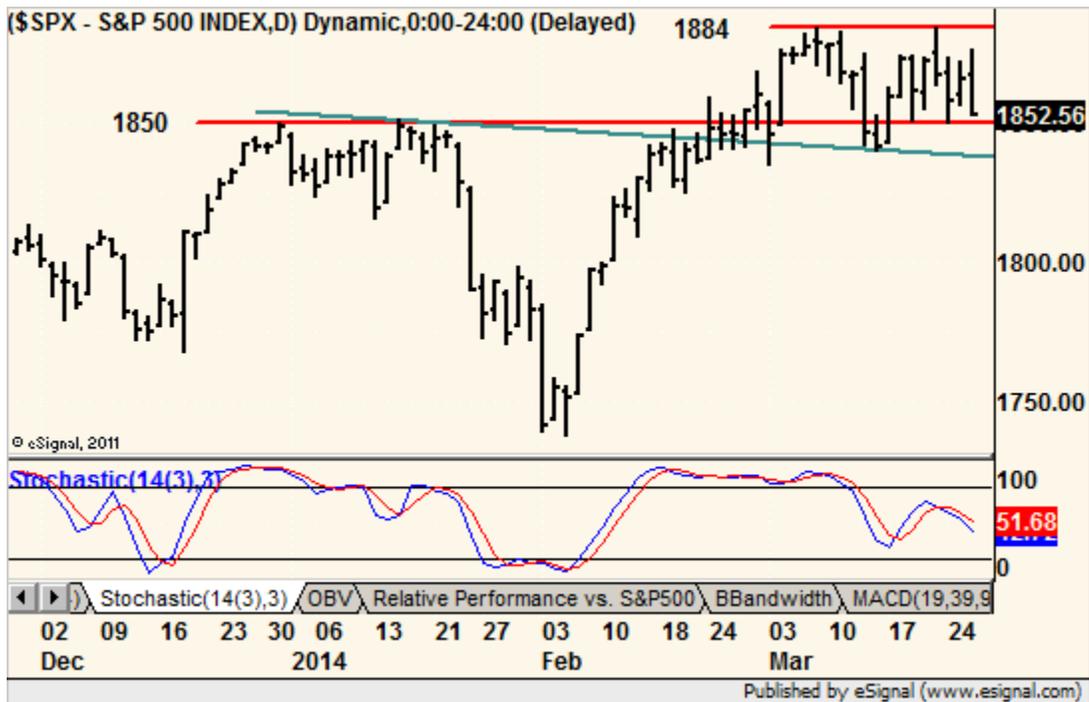
OK, we are starting to drift far away from what a head-and-shoulders means. We added a second right shoulder to go with the compound first right shoulder but as they say in Brooklyn (not really), forget about it. This is a sideways range with no upper level fanciness applied.

Check out the gold and miners charts below for a Fibonacci update.

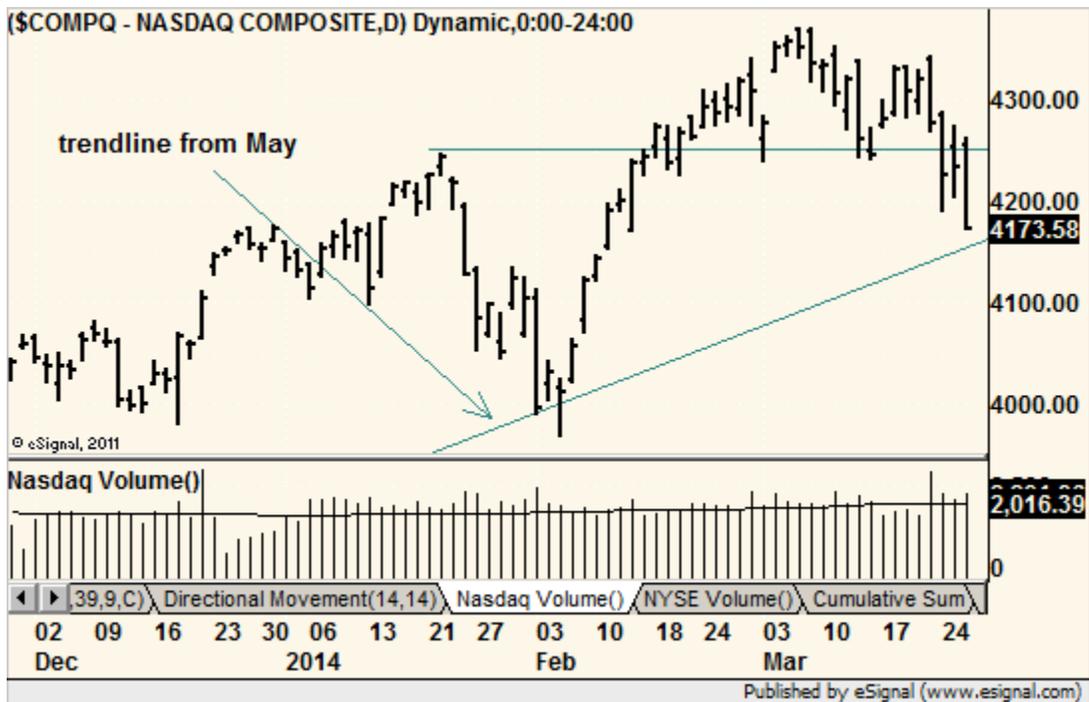
Finally, Treasuries may have broken out. Chart below. This may actually be the event that flattens the yield curve and sets up the stock (and economic) bears.

No new stock picks or pans but there are several already in the Radar Screen.

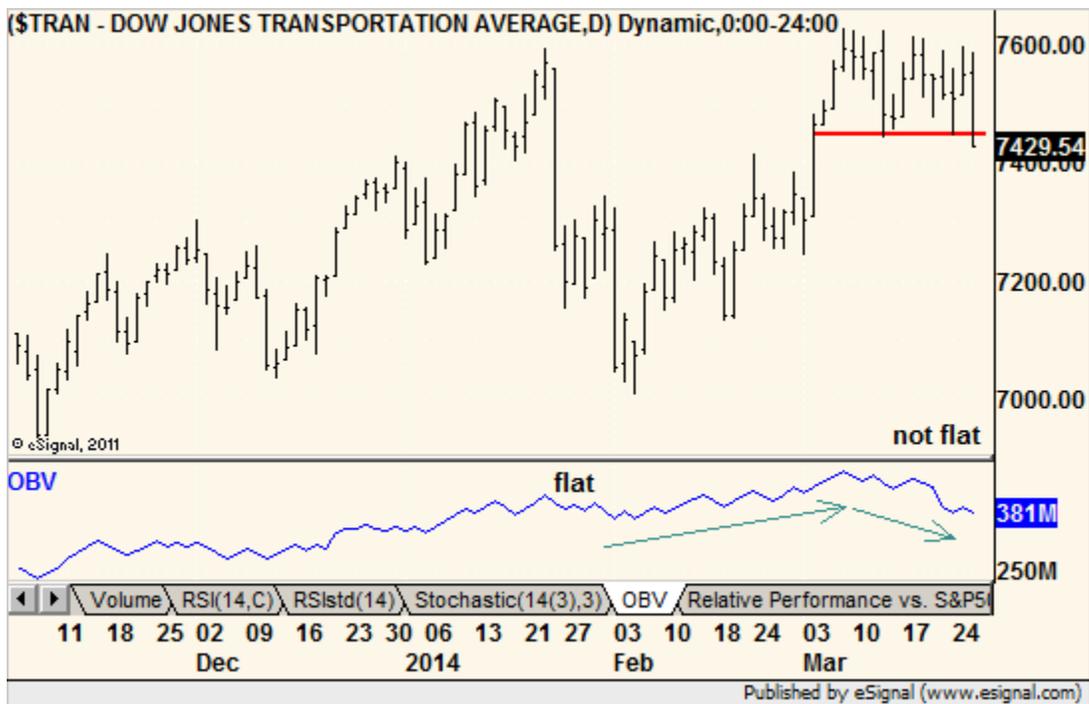
## Index Charts of the Day



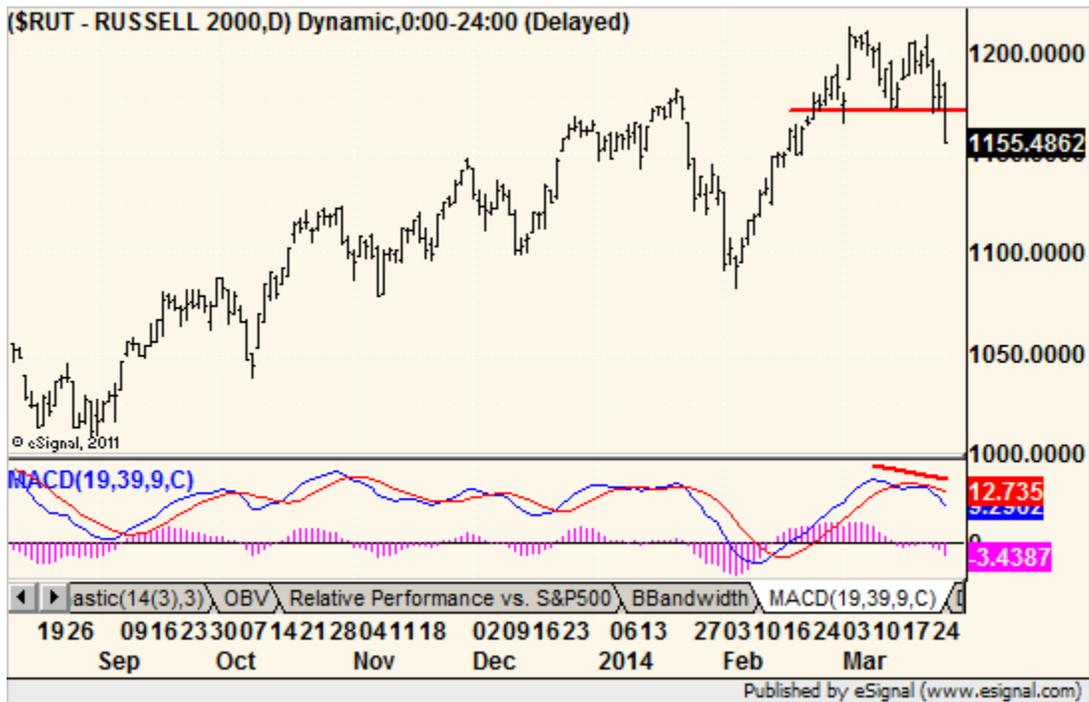
Wednesday was up and down but the sideways range persists.



The Nasdaq is considerably weaker but is now testing its rising trendline support. Volume was rather heavy on the decline so while we are not shorting this outright we take this as a bearish argument on the overall market.



The transports show internal weakness and a marginal downside break. Note how the January decline had flat on-balance volume but the current range has falling OBV. That's bearish.



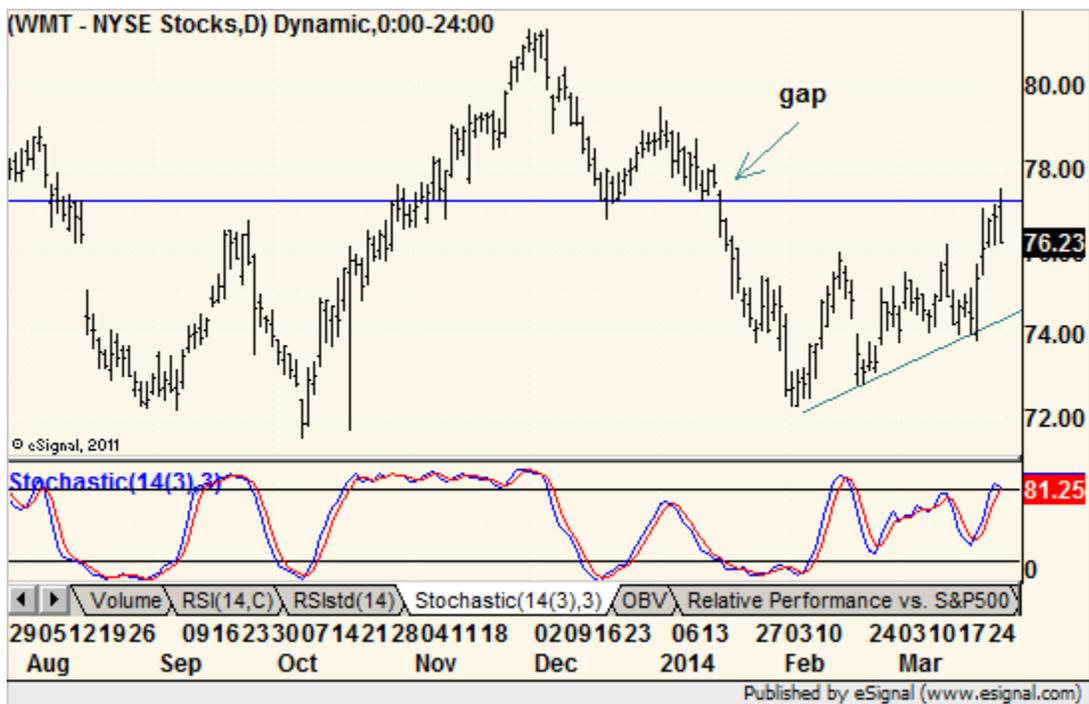
The small cap Russell 2000 has a better breakdown with MACD divergence. It is also below the 50-day average (not shown) but not by much.

## 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>Hasbro HAS</b> - Here is the toy maker stock that we promised Friday. Nice pause at resistance with rising on-balance volume. Buy 55.60. <u>Recent range now looks like it can break either way.</u>		
<b>Bob Evans Farms BOBE</b> - This is a restaurant stocks and it survived a total thrashing March 5 on an earnings miss by rallying back immediately. It had another big volume gain Friday so we'll buy the breakout over 52.10.		3/24
<b>Agco AGCO</b> - This was in the Quick Takes section and it has a bottoming pattern in place. Just reversed at resistance 54.55 but if it takes that out in the near future is will be a buy.		3/26
<b>Bearish Implications</b>		
<b>Boeing BA</b> - We are finally going to set a sell trigger here as the defense sector, while still leading, is starting to weaken. Boeing is by far the weakest in the group. Selling 121.		3/21
<b>Celgene CELG</b> - Here is a biotech with a typical breakdown pattern. It is oversold but a bounce back to test the support break, the 200-day average break and possibly the declining trendline/50-day average combination would be the strategy. Sell bounce to <u>148 although this may not happen</u>	<b>Changed</b>	3/25
<b>Rockwell Collins COL</b> - We are waiting for defense, the other leader, to break, too. Here is a component stocks with a nice bearish trigger at a support and 50-day average break below 79.40. Yes, the average is below that price but it is rising daily and averages should not be precise triggers.	<b>Triggered</b>	3/25
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Gold ETF GLD</b> - Fibonacci price and time suggests a buy on April 9 at a price of 126.34. <u>Price happened but time is way, way off. We are now looking for the 61.8% Fibo at 121.80</u> Chart below	<b>Changed</b>	3/19
<b>FirstEnergy FE</b> - An electric utility with a possible rounded bottom. We'd like to see it form a "handle" here before breaking out. Forgive the incorrect use of "handle" but a pause at resistance is harder to say.		3/24
<b>Electronic Arts EA</b> - Watching a bearish reversal taking place well above its 50-day average. <u>This one has fallen quite a bit already so we are going to re-evaluate it today.</u>	<b>Changed</b>	3/24
<b>MasterCard MA</b> - Bearish reversal at the 50-day average. <u>Missed it.</u>	<b>Removed</b>	3/24
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Defense</b> - Watching this leader. Bearish RSI divergence now in place but the trend is still up.		
<b>Biotech</b> - Time to decide between exhaustion gap and bull flag. Breakdown		3/7
<b>Homebuilders</b> - Failed at resistance. Breakdown		3/11
<b>Banks</b> - Banks of all kinds just broke out through resistance. <u>Did not participate in rally Tuesday - bearish.</u>		3/13
<b>Toys</b> - Looking decent for the bulls. <u>Index now testing upside breakout</u>		3/14
<b>Updates</b>		
<b>Orient Express Hotels OEH</b> - May have already broken support		

## Market Highlights



**Wal-Mart** - We were long here but got whipsawed out on the mini-trendline violation. However, now retail is breaking and this one just reversed at resistance.



**Long T-bond ETF** - Arguable breakout yesterday. Still has rising on-balance volume.



**Gold Miners ETF** - Getting close to that 61.8% retracement level. Time, however, seems too short as we had the target April 9. See next chart...



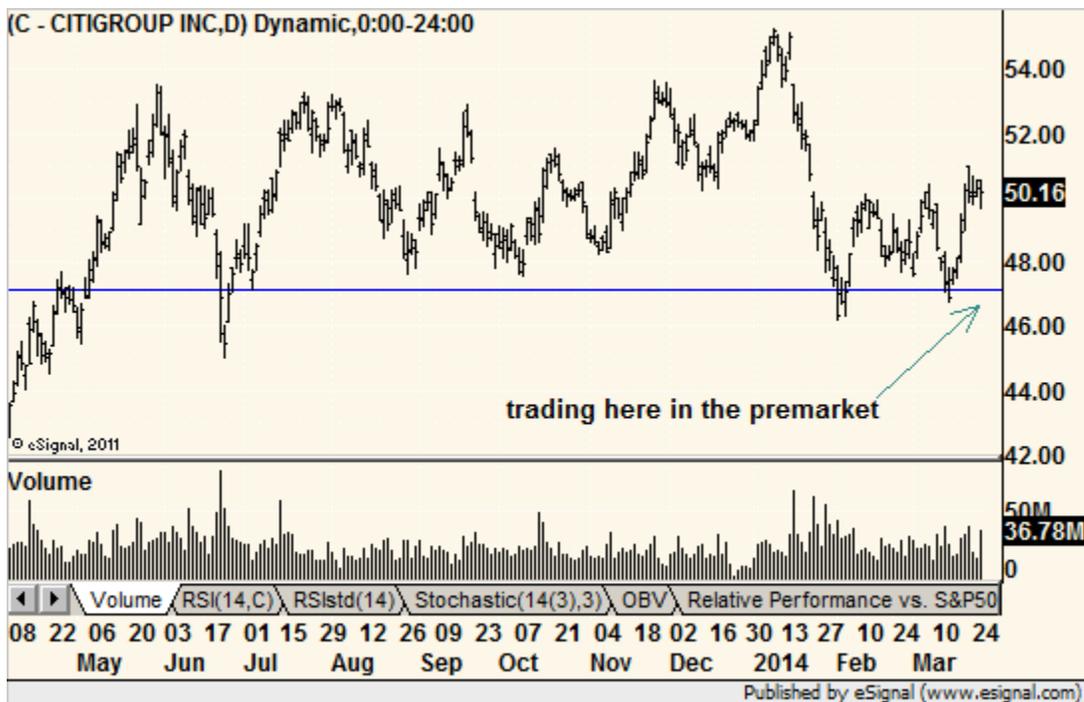
**Gold ETF** - We had the 38.2% Fib as the price target for gold but the time element was much longer (April 9). This chart suggests we move the Fib down to the 61.8% level.



**Facebook** - Just showing the decline yesterday. It landed on support and a trendline.



**Twitter** - Falling knife.



**Citigroup** - Bad news sent it tumbling after hours yesterday, which is too bad for us as we were short last week and got stopped out. We'd be in the black right now. Aside from sour grapes, this does not help the bank sector although the ETF is little changed this morning.



**Copper ETN** - Bull reversal last week gaining no traction. However, the pattern is still in effect so keep watching.

## 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>	<b>JTP</b>	NUVEEN QUALITY PFD INCOME FD	8.13	3.8%	7.80	7.83	1/23	62
	<b>CORN</b>	TEUCRIUM CORN FUND	33.45	6.0%	32.50	31.57	2/6	48
	<b>DBC</b>	POWERSHARES DB COMMODITY ETF	25.90	-2.4%	25.50	26.53	3/3	23
	<b>SYMC</b>	SYMANTEC CORP	18.79	0.4%	18.00	18.71	3/21	5
<u>Short</u>	<b>JNPR</b>	JUNIPER NETWORKS INC	25.70	-1.2%	27.00	25.39	3/11	15
	<b>ACHC</b>	ACADIA HEALTHCARE COMPANY INC	45.43	1.5%	48.00	46.09	3/11	15
	<b>UPS</b>	UNITED PARCEL SERVICE INC	96.75	-0.8%	101.00	96.00	3/21	5
	<b>INCY</b>	INCYTE CORP	51.75	16.6%	56.00	60.35	3/21	5
	<b>CRM</b>	SALESFORCE COM INC	55.21	5.1%	59.00	58.00	3/25	1
	<b>COL</b>	ROCKWELL COLLINS INC	78.96	0.6%	82.00	79.40	3/26	0

**Notes:** Getting a little impatient with **DBC**. **CORN** is in a triangle with bullish implications so we'll hang on.

We tightened stops on the short side, especially on **INCY** as it was way too wide. It still is but it is volatile

New short in **COL** triggered Wednesday.

The sea of red has changed for the better and the market seems to be tipping to the south. Our longs are interest rates, commodities and a special gap down washout. There is nothing "regular" there.

## 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

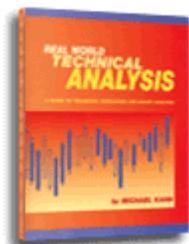
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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