

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

April 3, 2014 – Stocks got one step closer to a breakout yesterday although the media, looking solely at the S&P 500, declared it to be so. That index did indeed break through resistance but the scorecard is still full of indices that have not followed - Russell, Wilshire, Value Line and three of the four horsemen sector ETFs (four of four if we look at the PSE NYSE high tech index instead).

We are not going to fight it because we can get left behind waiting for the perfect setup. However, something about it feels wrong. "Everyone" is on the tube and financial media looking for more bull market so sentiment seems to have turned rather quickly. And the NYSE advance-decline was a net 452 yesterday - weak. Sigh. If only feelings made money.

So, we are going to look for stocks with good patterns in both directions.

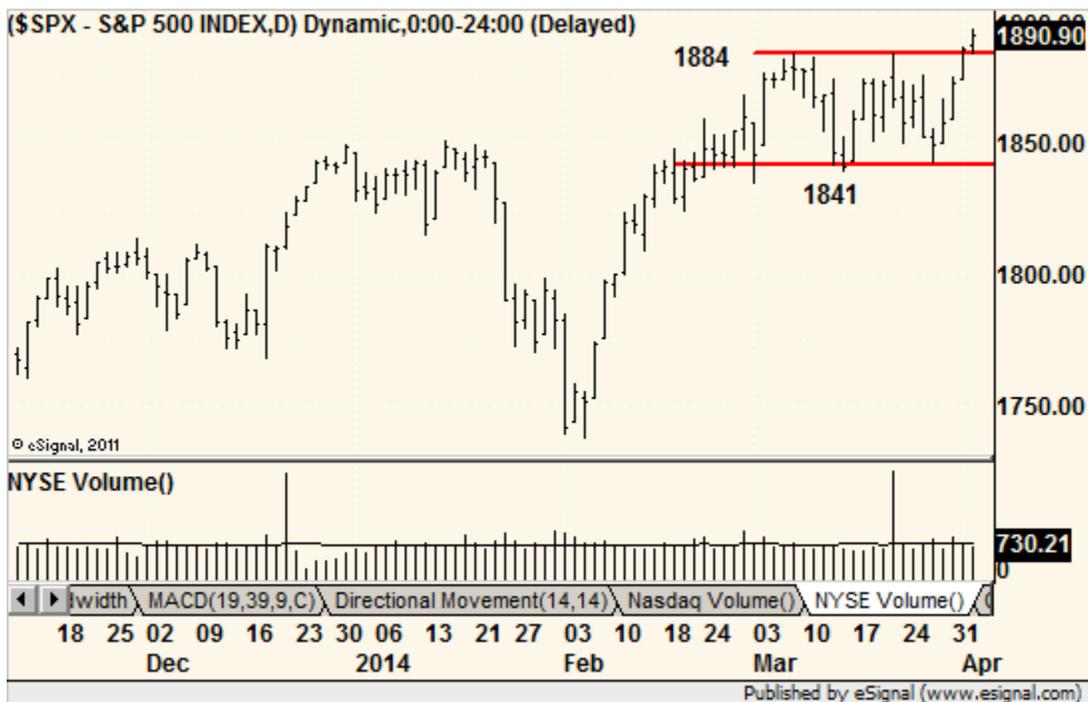


The hourly **SPY** chart is now through our subjectively set resistance zone although not at all-time highs. The more important feature is the fading hourly RSI. It's been a straight line run higher and again, a breakout without a pause is prone to failure. Of course, we said that yesterday.

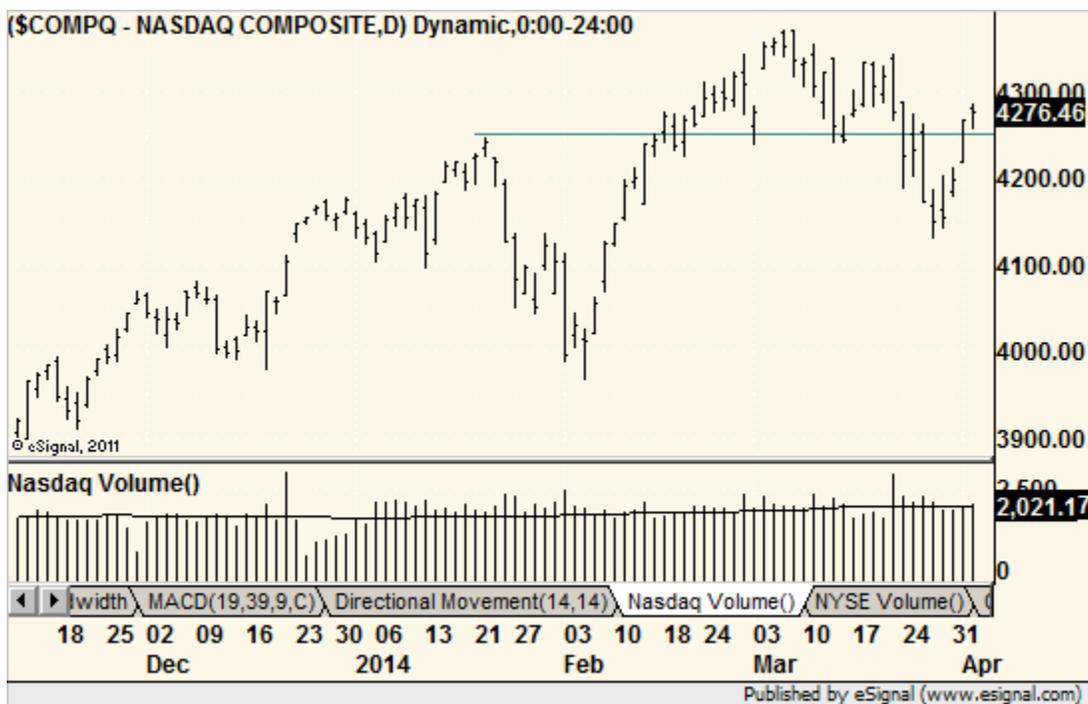
Gold had a nice day yesterday but has already given it up in the premarket today. We need everyone to give up after being burned by what they thought was a recovery. That would set the sentiment picture in our favor as the metal slides down to our "hoped for" buy level (see Radar Screen). Gold stocks, however, seem to be trying to move higher already.

Finally, from international markets, Canada is hot! New high, solid rising trend, not overbought. Just something to consider when mining for opportunities. Chart below.

Index Charts of the Day



The index is now clearly above resistance but again it failed to rest even for a few hours before doing it. That suggests it was momentum, not a change in market mood, that did it. We have volume up to see if anything unusual happened - and it did not.



This is the second closed above former support and that is bullish. However, this index is still far from a breakout.

The Radar Screen

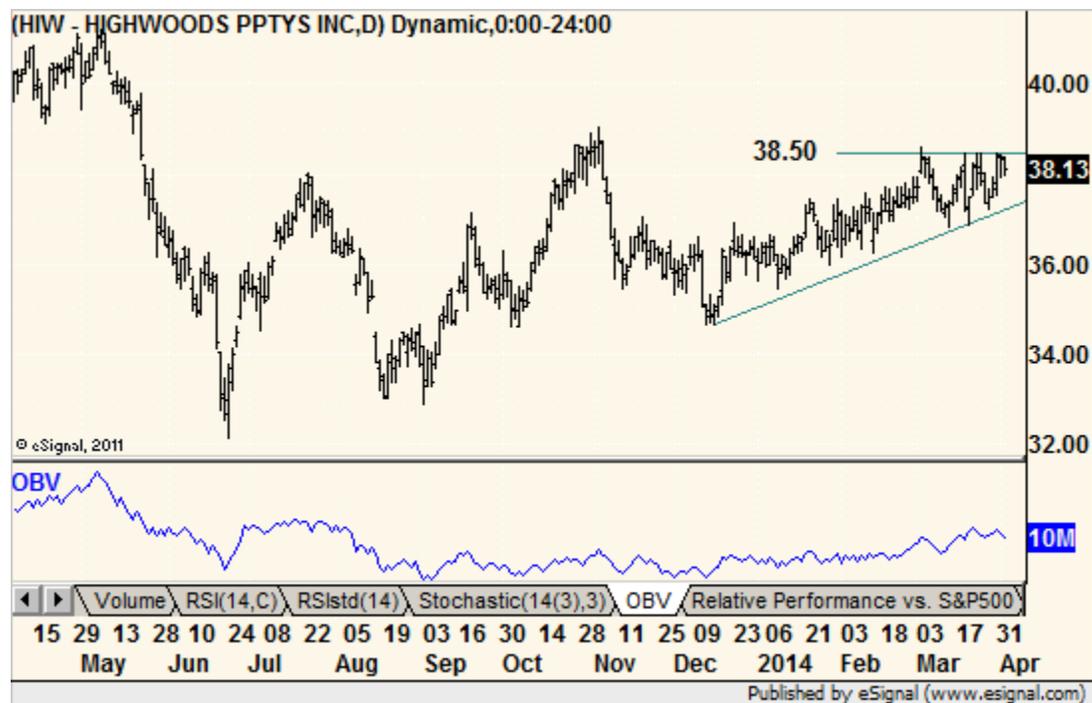
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Gold ETF GLD - Fibonacci price and time suggests a buy on April 9 at a price of the 61.8% Fibo at 121.80		3/19
Healthcare Realty Trust HR - This REIT appears to be ready to complete a base. It is already above both major averages and sports rising on-balance volume during the current sideways range. Nice dividend, too. Buy 24.75.		4/2
Highwoods Properties HIW - This is an office and industrial REIT and it is testing resistance at 38.50. On-balance volume is rising during the pause. On close.	New	4/3
PMC-Sierra PMCS - This chip stocks traded at 250 back in the day. The line on the chart is the neckline for a weekly inverted head-and-shoulders so it already has that breakout. Pausing for the past month, it is on the verge of a new breakout. Buy above Wednesday high of 7.82.	New	4/3
Coca Cola Enterprises CCE - This Coke bottler is in a nice rectangle pattern in a bull run. Buy the breakout above 48.00 on close. This one looks high but the range is a tight 1.75 points. Therefore, volatility is lower.	New	4/3
Bearish Implications		
CVS Caremark CVS - After a nice run following its ban on cigarettes, this retailer scored an abandoned baby (island gap reversal) and now has a bearish RSI divergence. Sell under last week's low at 73.85.		3/31
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Newmont Mining NEM - This one never had the same shape as the rest of the gold sector. Now it looks as if it formed the trough of the right shoulder.		3/28
Kellogg K - This cereal maker caught our eye as something looking a lot better.		3/31
Target TGT - This one is well off investor radar now but it has a bull flag pattern under a major trendline. Already above the 50-day average. Keep watching.		4/1
McDonalds MCD - Lots of bad press now with Taco Bell competing in breakfast. But the stock, which failed to hold a breakout already, had two hot days. Note on-balance volume is still trending up. Watching.		4/1
DuPont DD - A nice flag pattern with rising on-balance volume. May have had its upside breakout Tuesday. Indeed.		4/1
Sector Watch (observations that may spark ideas)		
Defense - Possibly coming out of a bull flag now. Breakout!		3/1
Banks - The breakout failure now may itself be failing. Quite uncertain here.		3/13
Toys - Looking decent for the bulls again. New high		3/14
Credit Cards - Perhaps MA, V will give us second chance to sell them. Watching AXP , too.		3/28
Energy - Upside breakout despite falling oil.		3/31
Utilities - Nice breakout Monday in the DJUA but bonds have weakened		3/31
Updates		
none -		

Market Highlights



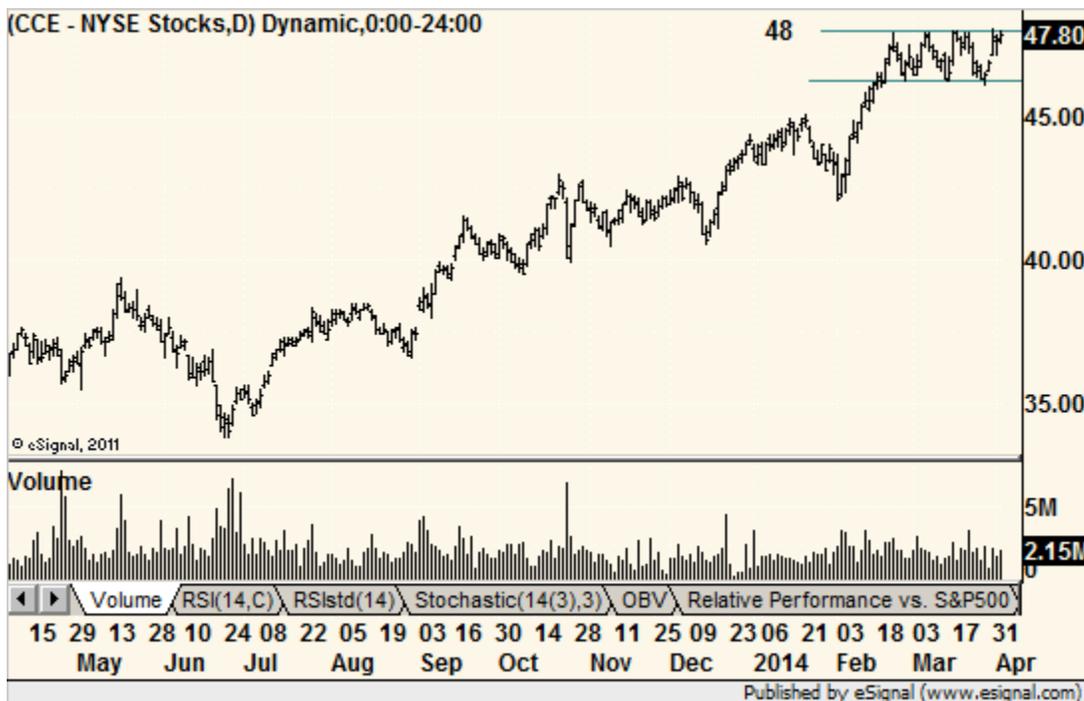
Canada TSX index - Just a solid bull market. The caveat is that it has run into major resistance from 2011. Therefore, if the breakout fails, so will the attempt to move above long-term resistance.



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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>	JTP	NUVEEN QUALITY PFD INCOME FD	8.12	3.7%	8.00	7.83	1/23	69
	CORN	TEUCRIUM CORN FUND	34.25	8.5%	34.00	31.57	2/6	55
	SYMC	SYMANTEC CORP	20.01	6.9%	19.70	18.71	3/21	12
	HAS	HASBRO INC	56.29	1.2%	55.00	55.60	3/28	5
	LNKD	LINKEDIN CORP	183.38	-3.1%	180.00	189.29	3/28	5
	AGCO	AGCO CORP	55.26	1.3%	53.00	54.55	3/31	2
	DO	DIAMOND OFFSHORE DRILLING INC	48.52	-0.8%	46.75	48.90	4/1	1
<u>Short</u>	JNPR	JUNIPER NETWORKS INC	26.35	-3.6%	27.00	25.39	3/11	22
	ACHC	ACADIA HEALTHCARE COMPANY INC	45.98	0.2%	48.00	46.09	3/11	22
	UPS	UNITED PARCEL SERVICE INC	97.97	-2.0%	100.00	96.00	3/21	12
	CRM	SALESFORCE COM INC	59.00	-1.7%		58.00	3/25	8

Notes: Stopped out of **CRM** intraday.

Raised stop on **SYMC** to be very tight. It is close enough to our 21 target that we do not want to get greedy.

Covered short in **COL** at the open for a 1.4% loss in 7 days. The sector broke out to the upside the day before.

Note - **JTP** goes ex-div 4/11 with a nice payout

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

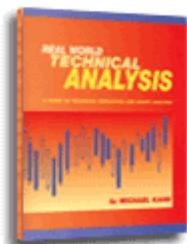
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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