

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

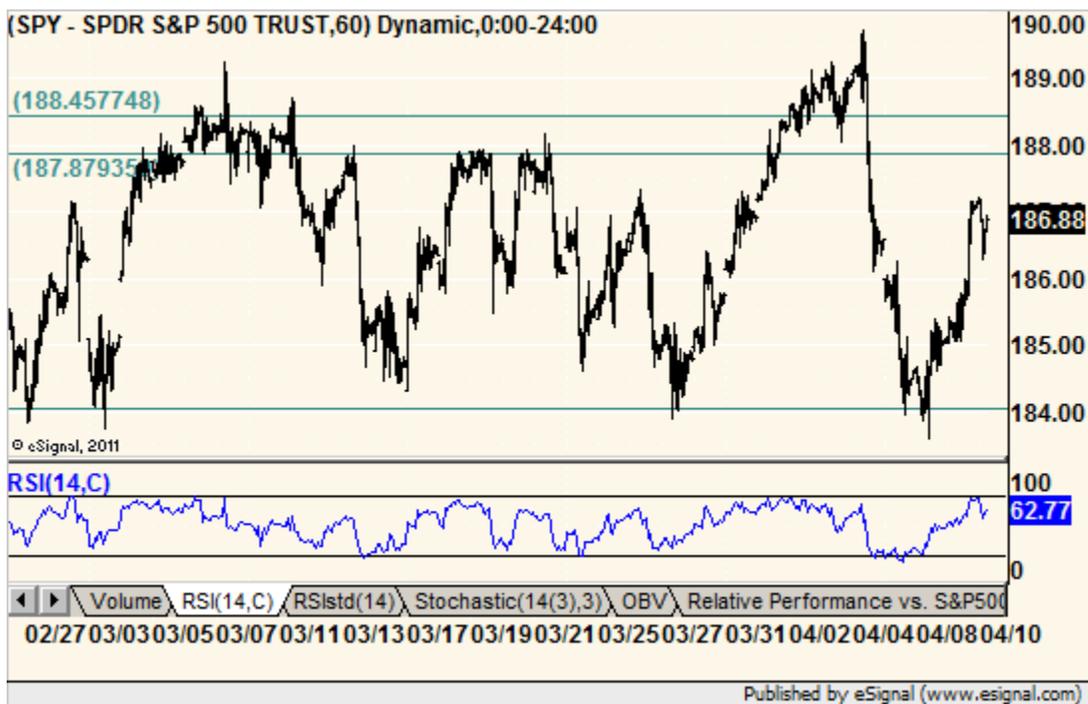
April 10, 2014 - All markets traded as the technicals indicated yesterday until it was revealed that the Fed, in a secret meeting, changed its policy. Michael Lewis was wrong. The market is not rigged by high frequency traders. It is rigged by the Fed who now makes decisions behind closed doors and partially based on what it will do to the stock market.

The dollar was up before the announcement and tanked afterward. Gold was down, albeit by only a little, before and way up after. Bonds were already resting on a risk-on day but fell even more. Homebuilders were sucking wind until the Fed. And banks, which were completely absent from the rebound rally in the morning, suddenly awoke.

But that is the environment in which we will have to deal. The Fed apparently will hold off on interest rate hikes until unemployment drops to levels not seen since the recession was just getting started. QE forever, we suppose. And that means stocks have their liquidity and their reason to move higher.

Wouldn't it be a kick in the pants if the market did not rally now? We do not mean today but over the rest of the month? It still is the seasonally strong half of the year.

But for all our whining, the S&P 500 is still in the middle of its Feb-Apr trading range. And the Nasdaq is still below its 50-day moving average. More on those below in Index Charts of the Day.



The intraday chart shows the **SPY** rocketing up towards resistance but since it is not even close it is officially in no-man's land. Risks exist in both directions so it is not the best time to initiate a trade.

Just for kicks, we've got an intraday chart of the **QQQ** Nasdaq-100 ETF on the next page.



Here, we see the rally back to the new declining trendline. It has more room to go but look what is coming into view. The red line is the 50-day average on the hourly chart. That is going to be a formidable ceiling and yes, we know we said the averages are not trade triggers. But they can amplify other support and resistance levels.

Yesterday's Barron's Online column covered energy stocks and how resilient they were during the recent market decline. Unfortunately, the market recovery in the afternoon stole some of its thunder and stocks that were covered already started to move higher. But they are still one of the better places to be no matter if you think the market will rally or will stall.

Many of the momo's did well yesterday, too, and from **GOOGL** to **Z**, there were some huge percentage gains. Sustainable? We don't know. Some look like dead cats to us but with the Fed back, who knows? We'd prefer stocks that held up a bit better than these did during the Nasdaq's two-month slide.

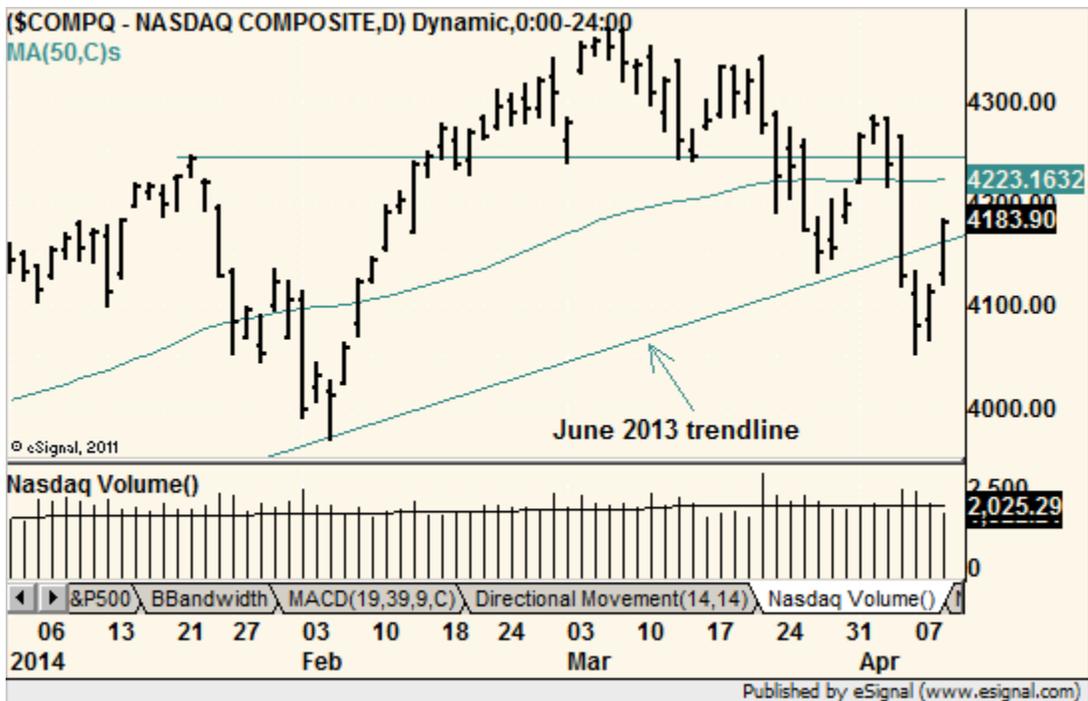
One stock that is finally interesting is Twitter. Everyone is down on it and it is practically a falling knife. But yesterday was an inside-day and the completion of a two-day harami candle pattern. With such lousy sentiment and low price it is worth a look. Chart below.

That's enough ranting. No new stock picks or pans today as we think traders are tired already. The jobless claims report this morning was near a seven-year low and that can already suggest the unemployment target is closer than everyone thought.

Index Charts of the Day



We know it is not the same as it was but volume was pathetic on the rally. It wasn't much for the major ETFs either. Or Futures.



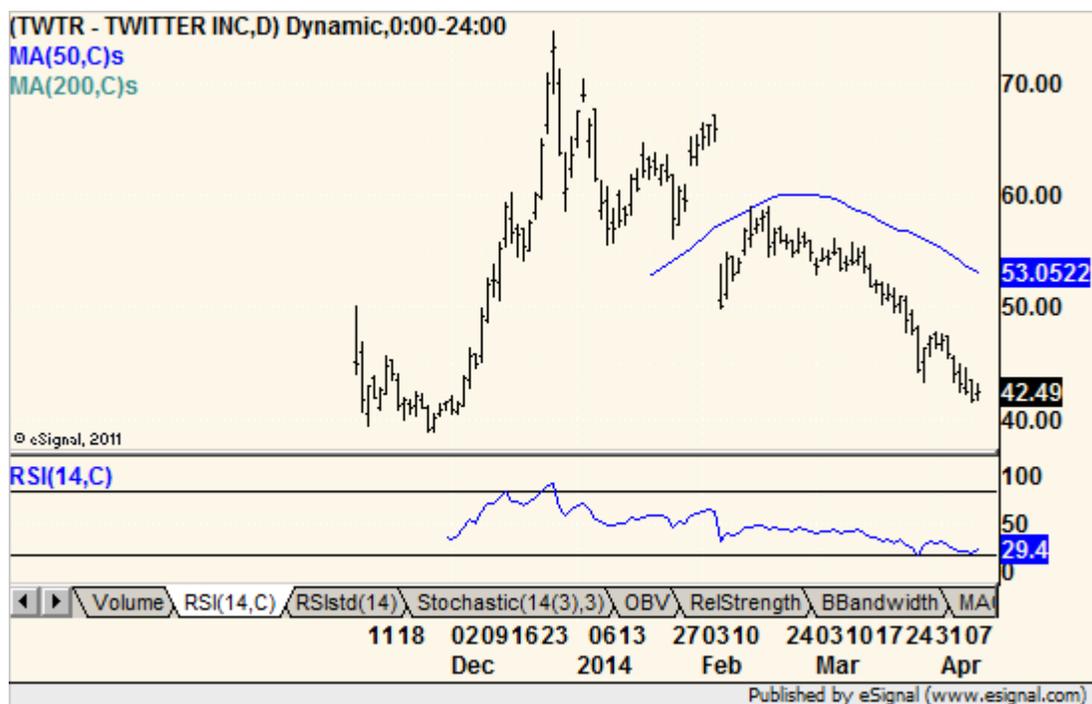
The Nasdaq had more than the 1% rally we said it needed to get us to consider changing our minds but it is still below resistance and the 50-day average. Volume was not even up to the level of pathetic so we are going to stick with our negative views here.

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 buy on April 9 at the 61.8% Fibon at 121.80. Possibly too aggressive a downside but we'll hold it for now		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 on close	Changed	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. Buy close above resistance.		4/3
Target TGT - This one had a trend breakout before the market thumping and held up rather well. We are going to buy it here. I wrote this up for ProfitableTrading.com last week.	Triggered	4/1
Twitter TWTR - Yesterday was an inside-day and the completion of a two-day harami candle pattern. Not participating in the rally is bearish but it is so far below its 50-day average and sports a bullish, albeit tiny, RSI divergence. If you want to play, this is a good time to do it.	New	4/10
Bearish Implications		
Monster Beverage MNST - Sell bounce to test head-and-shoulders breakdown at 68.	Triggered	4/9
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Newmont Mining NEM - Now approaching the neckline of an inverted H/S	Changed	3/28
Home Depot HD - Watching a long, slow topping process.		4/8
Yahoo YHOO - Testing breakdown		4/8
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.		4/9
Sector Watch (observations that may spark ideas)		
Energy - Resilient and leading	Changed	3/31
Utilities - Still looking strong	Changed	3/31
Natural Gas stocks \$FUM - Looks like a successful test of a resistance breakout		4/4
Updates		
Diamond Offshore DO - Tuesday's breakout failed in a big way Wednesday, which is especially bad given the strong sector. The only news we saw was an analyst downgrade so we are still holding.		
Hang Seng Index Hong Kong - Followed through on upside breakout		
Stoxx 50 - Pan Europe blue chip index still in its triangle pattern.		

Market Highlights



Twitter - Yesterday was an inside-day and the completion of a two-day harami candle pattern (not shown). Not participating in the rally is bearish but it is so far below its 50-day average and sports a bullish, albeit tiny, RSI divergence. If you want to play, this is a good time to do it.



Gold ETF - Just a little perspective. Our target for a 61.8% retracement was too aggressive but the Fibonacci time retracement was not bad. Currently in no-man's land. FYI - silver still not moving at all.

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	8.26	5.5%	8.00	7.83	1/23	76
	CORN	TEUCRIUM CORN FUND	34.69	9.9%	34.00	31.57	2/6	62
	SYMC	SYMANTEC CORP	20.64	10.3%	sell	18.71	3/21	19
	AGCO	AGCO CORP	56.04	2.7%	53.00	54.55	3/31	9
	DO	DIAMOND OFFSHORE DRILLING INC	47.69	-2.5%	47.00	48.90	4/1	8
	TGT	TARGET CORP	61.21	-0.9%	59.00	61.77	4/9	0
<u>Short</u>	JNPR	JUNIPER NETWORKS INC	25.31	0.3%	26.75	25.39	3/11	29
	ACHC	ACADIA HEALTHCARE COMPANY INC	44.17	4.3%	45.00	46.09	3/11	29
	UPS	UNITED PARCEL SERVICE INC	97.85	-1.9%	100.00	96.00	3/21	19
	CVS	CVS CAREMARK CORPORATION	74.45	-0.8%	76.50	73.85	4/7	2
	MNST	MONSTER BEVERAGE CORP	68.89	-1.3%	71.50	68.00	4/9	0

Notes: New long triggered at the open but **TGT** did not participate in the rally. Stop is tight.

New short triggered as **MNST** went up to and through our trigger. Stop is tight.

Selling long in **SYMC** as it is close enough to the target we set when we bought it.

JTP goes ex-div tomorrow. We want that nice fat dividend.

CORN scored a bearish reversal but our stop is tight enough to handle it.

The short in **ACHC** scored a bullish morning star candle pattern but again, the stop is now tight enough to handle it.

Subscriber Corner

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



Short S&P 500 ETF - No signal here but we wanted to show that this unleveraged inverse ETF is exactly the opposite of the **SPY** ETF. If we get a sell signal on the **SPY**, then we will get a buy signal on the **SH**.

We see money flowing in but it tailed off just a bit. Money flowing out of the **SPY** did not ease.

Other Information

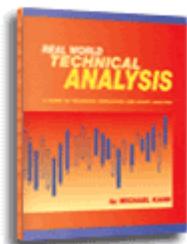
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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