

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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November 25, 2014 - What a bizarre Monday! While the media will trumpet yet another record high and analysts point to seasonal strength on low volume we look at the intraday charts. The Dow started big but trended lower the rest of the day. The Nasdaq and Russell 2000 trended higher the entire day. And the S&P 500 chopped around the flat line. So did the bulls win or not? Hard to say from the charts.

Today and tomorrow we'll only be running big picture stuff just to stay on top of any major changes that may be taking place. The biggest, in our view, is the shift back to commodities with bullish divergences in broader commodities ETFs. Gold, as you know, is awakening and oil is probably going to follow suit. Both gold and oil hit major supports and both are universally hated.

Along those lines, financials faded relative to the market. Yesterday's Barron's Online column covered that very topic, saying that most subsectors in the financials had technical breakouts but were still lagging or newly lagging. Either the financial pick up the pace or the market will have a weight around its neck.

We will have to say that the **XLY / XLP** ratio - basically aggressive vs. defensive sectors - took a slight upturn this month. Same for the fuller offense / defense ratio (**XLY & XLK** over **XLP & XLV**). Plus, the retail sector is starting to outperform although retail is part of XLY consumer discretionary and we don't want to double count.

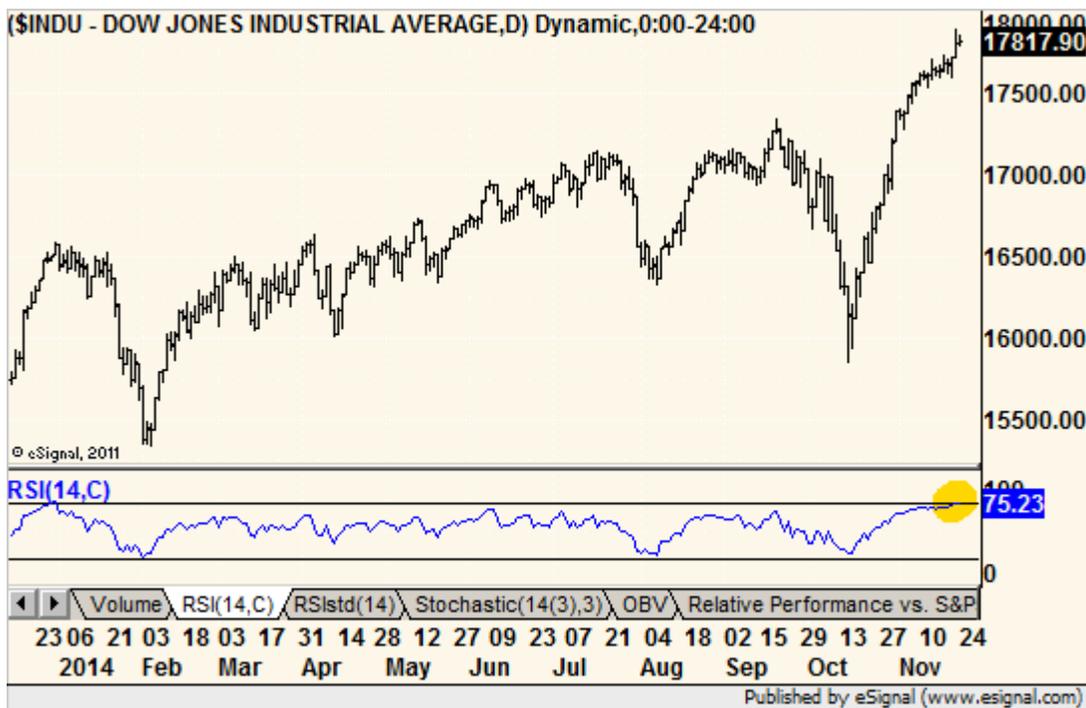
Countering all that is sentiment readings that are quite high. The market is too happy and that is bearish.



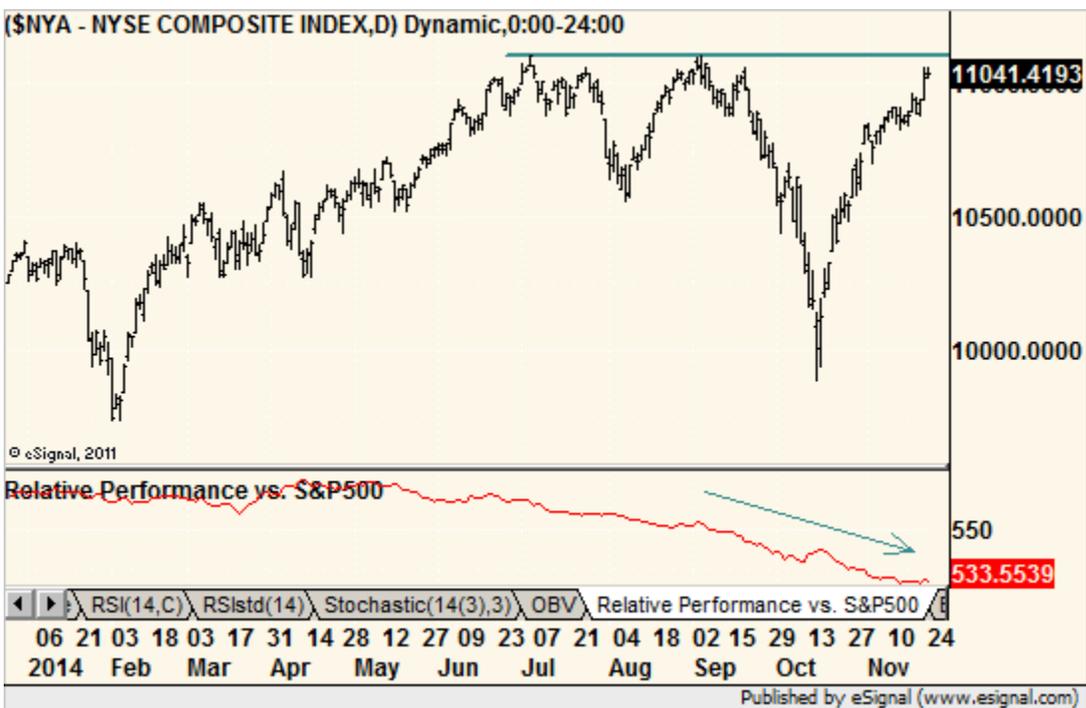
Here is the hourly chart with the channels drawn yesterday. They seem to be meaningless as the **SPY** drifted sideways through the smaller one after piercing the larger one last week. What does it mean? We'd say confusion. It seems that the easy thing to do is just stay long under the premise that we should just follow the trend. The easy thing is usually not the right thing.

Holiday schedule: Wednesday, Nov 26 - regular newsletter
Thursday, Nov 27 - NYSE holiday, no newsletter
Friday, Nov 28 - NYSE closes at 1pm NYT, no newsletter

Index Charts of the Day



Finally, RSI is in overbought territory.



This is an interesting view of the market. The NYSE composite, representing the average stock, is badly lagging and now approaching major resistance.

The Radar Screen

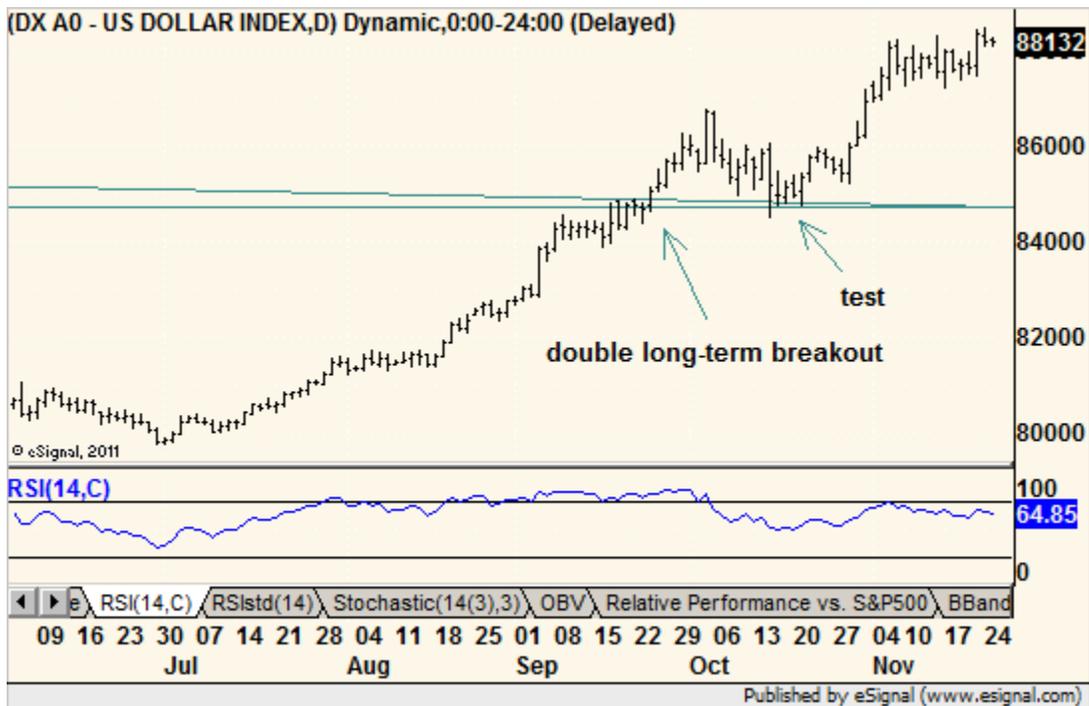
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Vishay Intertechnology VSH - 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
Bearish Implications		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Freeport McMoran FCX - Waiting on bowtie reversal pattern. Gapped up Friday on big volume but no bowtie just yet		11/19
Axiom ACXM - Inverted head-and-shoulders setup for this marketing database and intelligence company.		11/24
Sector Watch (observations that may spark ideas)		
Gold Miners - Time to buy		11/3
Marine Transportation - Major breakdown and successful test of that break.		11/5
Airlines - Still needs to correct but it may be doing it by sideways action.		11/7
Retail - Improved relative strength	Changed	11/14
Brokers - On-balance volume divergence for GS . Same for MS , RJF and PJC		11/20
Energy ETF XLE - Gap up now testing flag breakdown. However, it looks rather strong.		11/21
Updates		
EP Energy EPE - Big reversal may have killed the breakouts		

Market Highlights



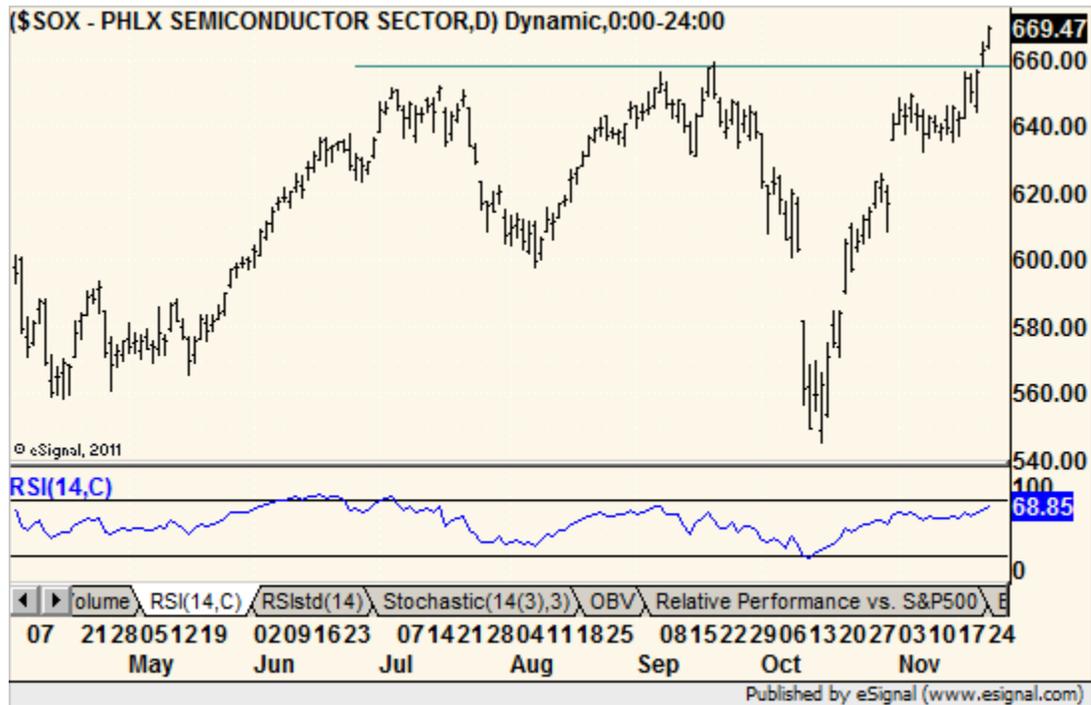
Long T-bond ETF - The rounded bottom within the rising trend continues.



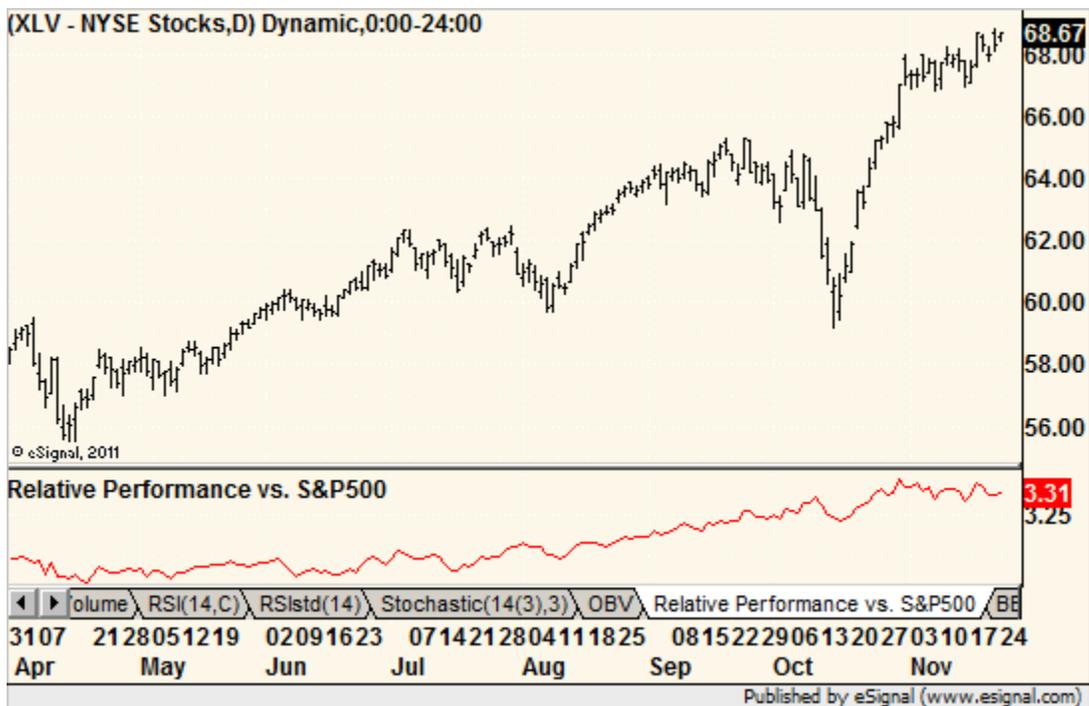
Dollar Index - The trend is still up but momentum is fading fast.



Oil ETF - RSI divergence and a huge departure below its major averages suggest a snap-back rally.



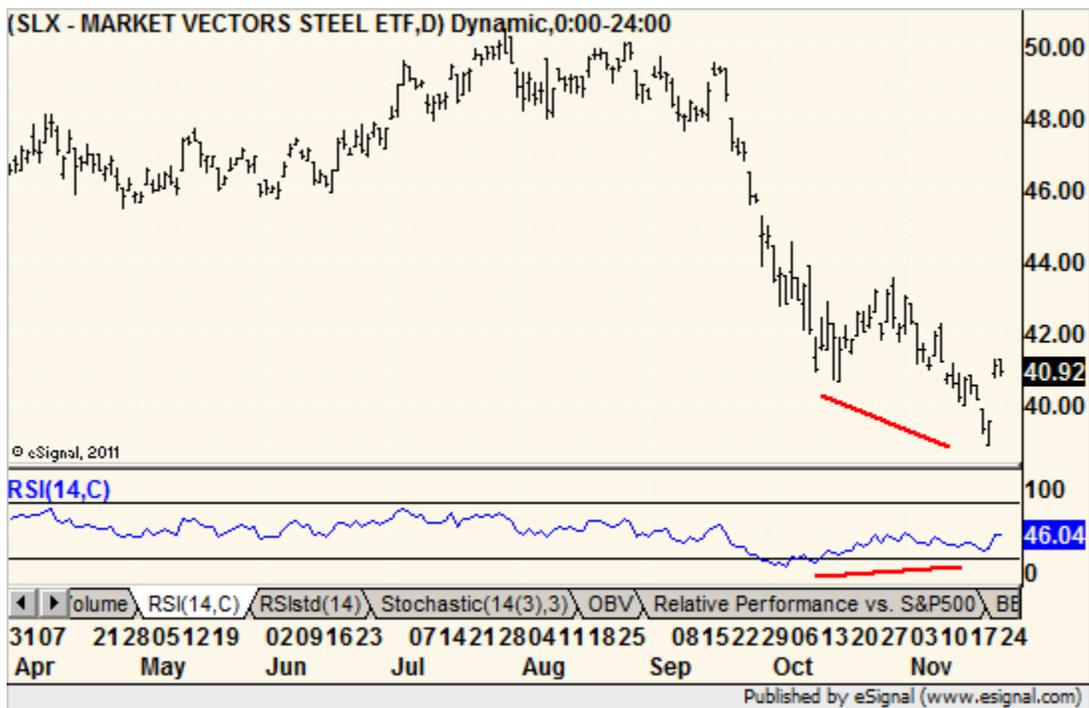
Semiconductor index - Breakout but looks like it needs to rest. It is not officially overbought so that is just a gut feeling.



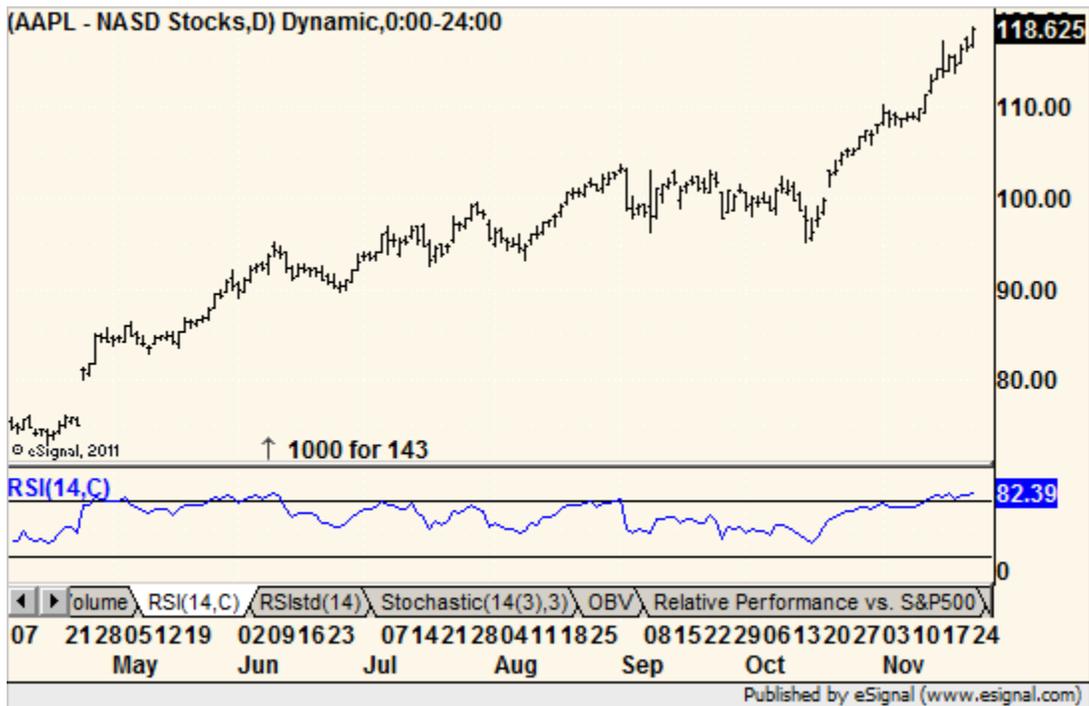
Healthcare ETF - Fading in relative performance and in momentum (not shown).



Nasdaq biotech ETF - Has similar features to the healthcare ETF above but somehow looks stronger. Again, a gut feel. Big Kahuna Gilead (**GILD**) is trending lower



Steel ETF - An awakening but the trend is still down. Watch to see if it can create some sort of base here. Also look at other basic materials that would feed China, even (shudder) coal, the perennial disappointment.



Apple - Overbought although that is not a sell signal.

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	67.92	8.3%	66.00	62.71	10/27	28
	KKD	KRISPY KREME DOUGHNUTS INC	20.20	10.7%	19.50	18.25	10/28	27
	K	KELLOGG CO	65.12	0.9%	64.50	64.53	11/6	18
	YUM	YUM BRANDS INC	76.39	3.9%	73.00	73.50	11/10	14
	DKS	DICKS SPORTING GOODS INC	49.68	4.0%	47.50	47.75	11/14	10
	LULU	LULULEMON ATHLETICA INC	46.93	2.0%	44.75	46.00	11/20	4
	REXX	REX ENERGY CORPORATION	8.26	2.0%	7.90	8.10	11/20	4
	NDLS	NOODLES & CO	24.17	5.1%	22.75	23.00	11/21	3
	GDXJ	MARKET VECTORS JUNIOR GOLD MINER	28.51	-3.7%	27.00	29.61	11/21	3
<u>Short</u>	TIVO	TIVO INC	12.94	-0.3%	13.50	12.90	11/10	14
	JPM	JPMORGAN CHASE & CO	60.96	-1.6%	62.75	60.00	11/20	4
	YHOO	YAHOO INC	51.83	-2.4%	53.00	50.60	11/20	4

Notes: Our apologies for not adding Friday's triggered longs to this table yesterday. **GDXJ** was bought at the open Friday on an unfortunate gap up. Still looks good to us.

We are also proud of our patience with **NDLS** as it eased lower and lower. That gave us a nice entry when it finally resumed its strength. Let's hope it continues

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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