

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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May 1, 2015 – Was it rising oil, falling dollar or rising bond yields? Perhaps all the good news yesterday and the Fed's supposed leaving the door open for a June rate hike spooked the market? Or maybe it was just the volatility we've been talking about with huge reactions to earnings both good and bad?

Maybe it was the lagging Russell, which was down over 2% (microcaps down 2.5%)? Tumbling biotechs?

How about most of the above? While our bullish views were definitely dinged yesterday there have been no important support breaks – from S&P 500 to Russell to Transports to Utilities - and we still cannot go with the bearish case at this time.



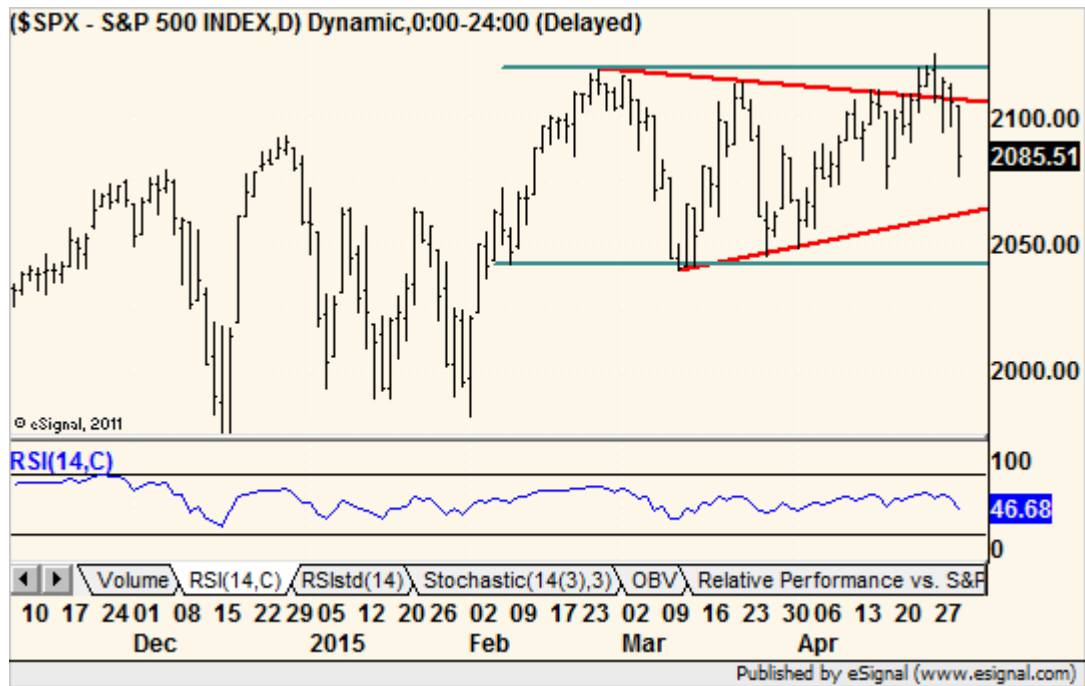
We have to admit that our view that the short-term trend was up is now proven to be incorrect. In fact, we see only fuzzy levels in this chart and will defer to the daily charts below for guidance. And that guidance will be the market back in its 2015 trading range.

Gold had a bad day despite the falling dollar. Oil hit a new high for the year and even though the energy sector fell we still like it.

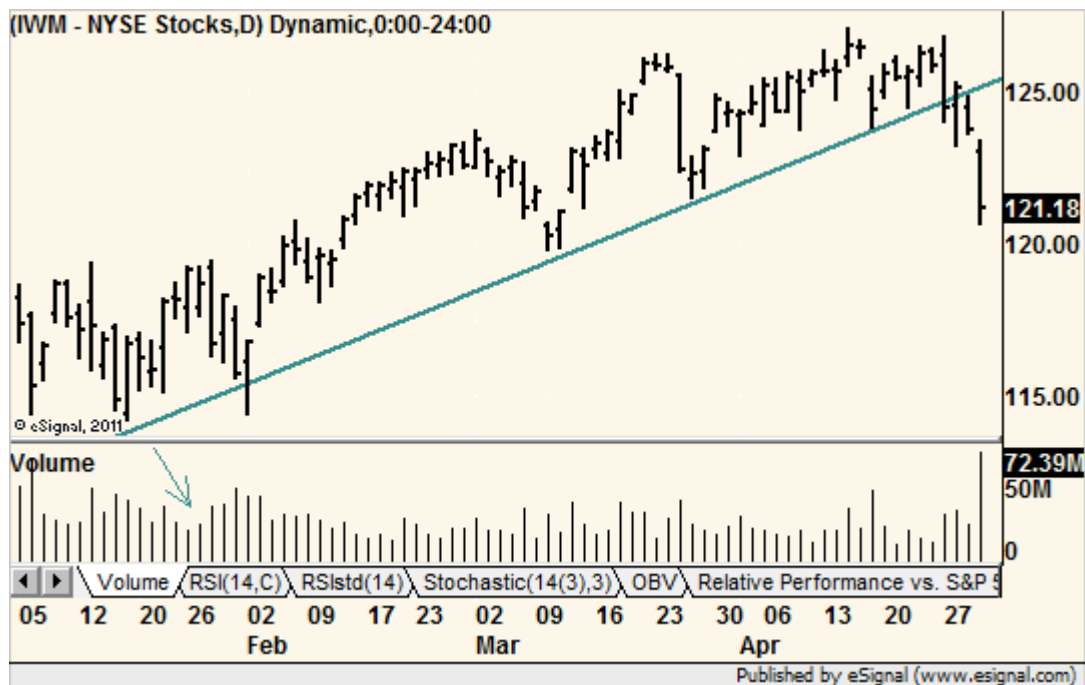
Getting back to the economic news, if things are so good then why did shipping stocks crater yesterday? Chart below. We bet the Fed say that, too.

We do not see the market as having fallen so far as to create new stock bargains. Some of the falling stocks such as **LNKD** are truly broken and not cheap. Maybe if the S&P 500 falls to support we'll see some good candidates appear but for now, things are in no-man's land. We'll continue to hold long.

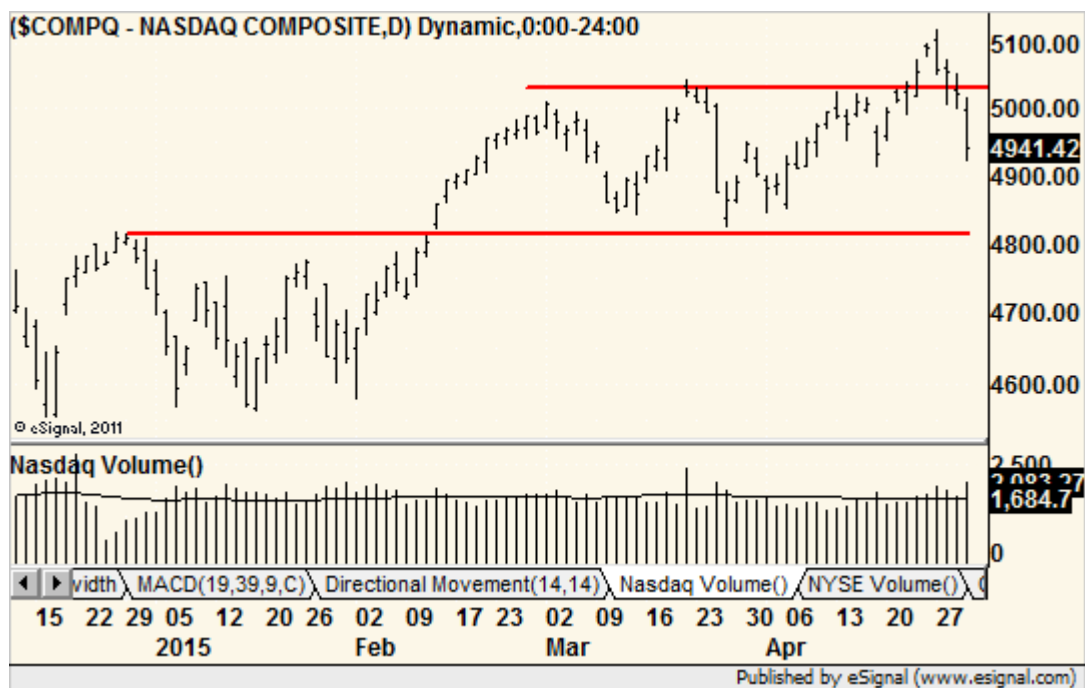
Index Charts of the Day



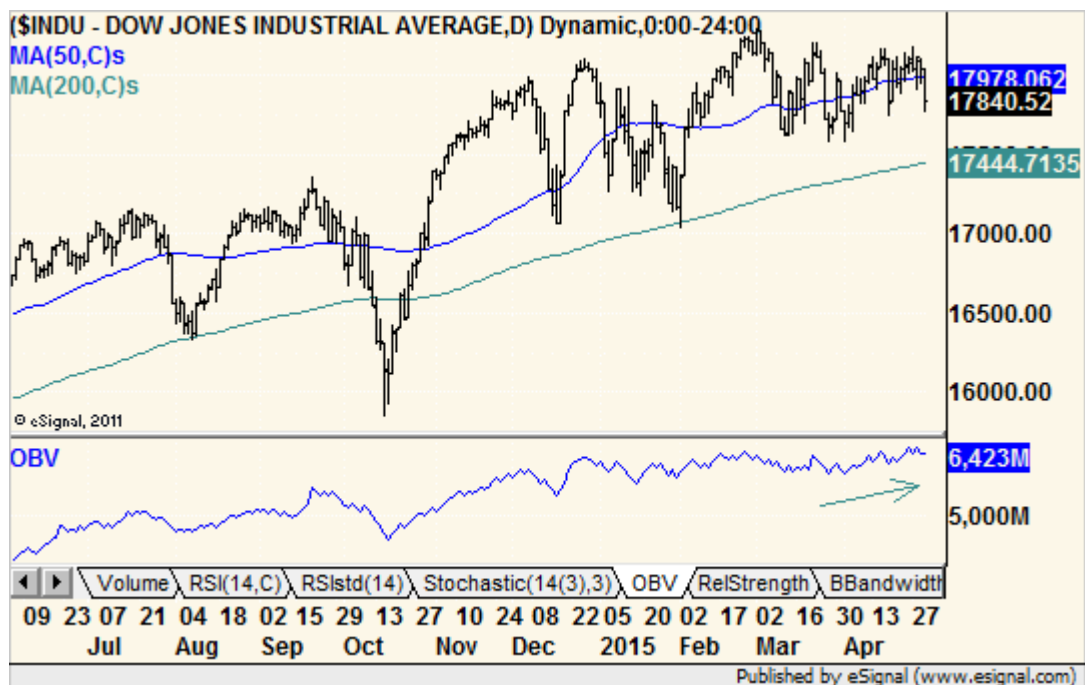
The breakout has failed so we have to no call the triangle an invalid interpretation. Now we can look at either an ascending triangle with a flat top and rising bottom or a simple flat trading range. We favor the former.



This is the Russell 2000 ETF to show volume. The trend break is real but volume seems panicky already. If this were at the end of a few weeks of decline we'd call it a selling climax. But after just a few days we can't classify it at all. See the Big Picture section for more in the Russell.



Back in the old range after the breakout failure. This pullback may not be over yet but it is not a change in major trend at this time, either.



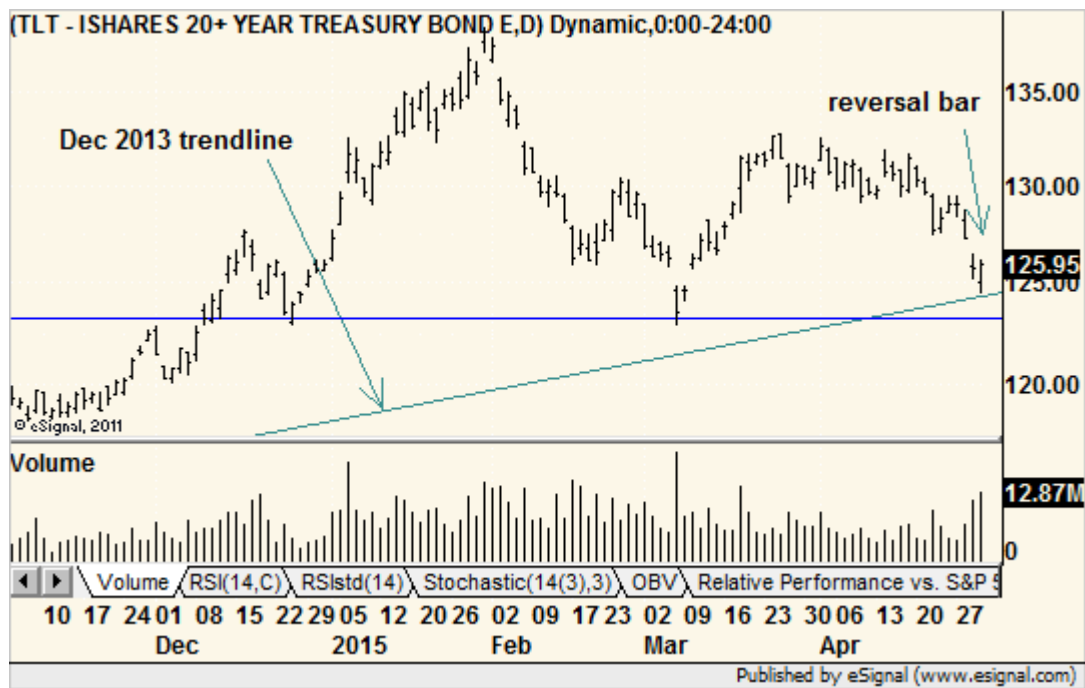
Here is the Dow since we have not seen it here in a while. On-balance volume is still climbing so we cannot get too negative.

The Radar Screen

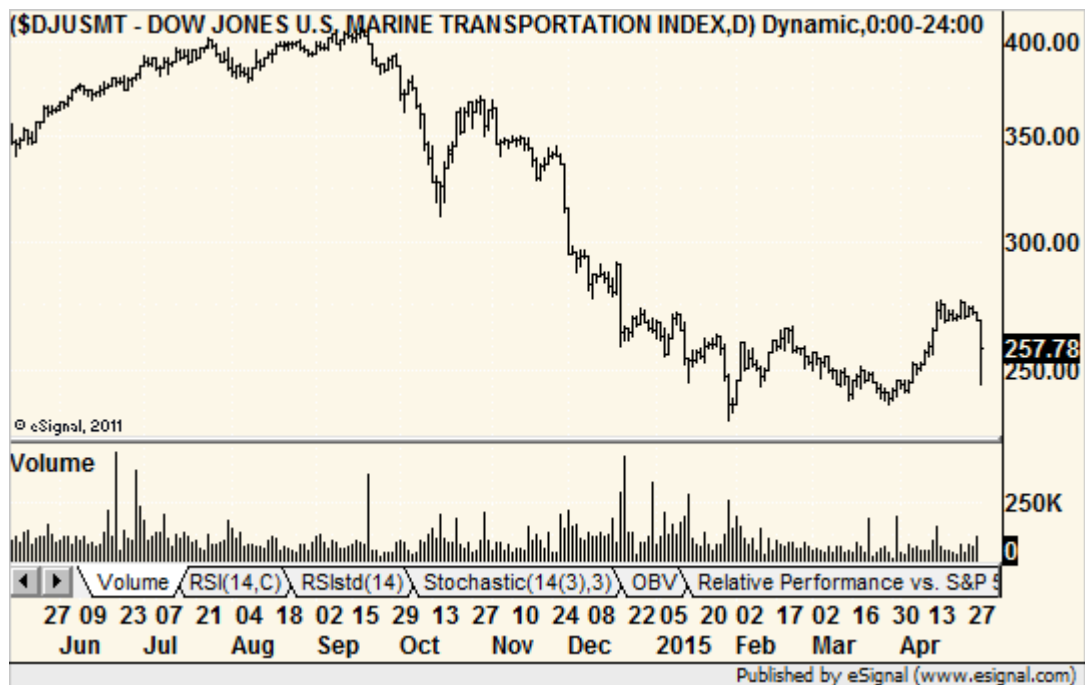
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Matrix Services MTRX – Heavy construction stock now in a bull flag right at 200-day average. Buy close over 22.50		4/7
Energy ETF XLE – Challenging top of handle in cup/handle-like bottoming pattern. Buying	Triggered	4/30
Oracle ORCL – Tested trendline breakout on lower volume. Looks good.	New	5/1
E*Trade ETFC – Broke out from the rectangle pattern and came back to test it. Looks good here.	New	5/1
Bearish Implications		
Keurig GMCR – A stock on precipice. It has a moving average death cross in February. Now that it bounced we will sell under 111.		3/30
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Caterpillar CAT – Breakout failure so far. Keep watching as strength now would catch everyone off guard and likely be a buy. Looks like we've missed it. We'll keep it here for a few more days in case it dips.		4/24
IBM - Ditto		4/30
FedEx FDX – Breakdown failure last month and now squeezed between averages.		4/29
Sector Watch (observations that may spark ideas)		
Banks ETF KBE - Still waiting for a real breakout despite same in JPM and GS . Getting very close.		4/21
Industrial Metals stocks – FCX , SCCO , TS , CCJ looking better		4/27
Updates		
British pound ETF FXB – island reversal lower at resistance		

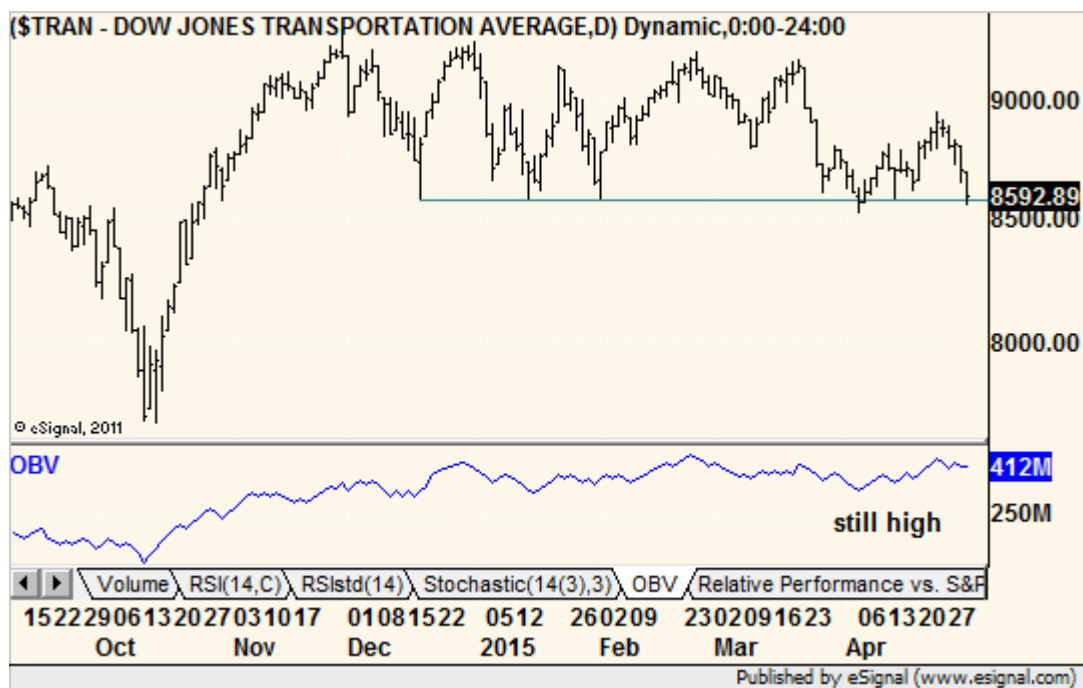
Market Highlights



Long T-bond ETF – Reversed at the trendline on big volume. Also fairly close to horizontal support so this leans bullish if it can close higher today. So far in the premarket that looks unlikely.



Marine Transportation Index – If all the economic news is so good then why are shippers getting hammered? And this is both oil and dry shippers.



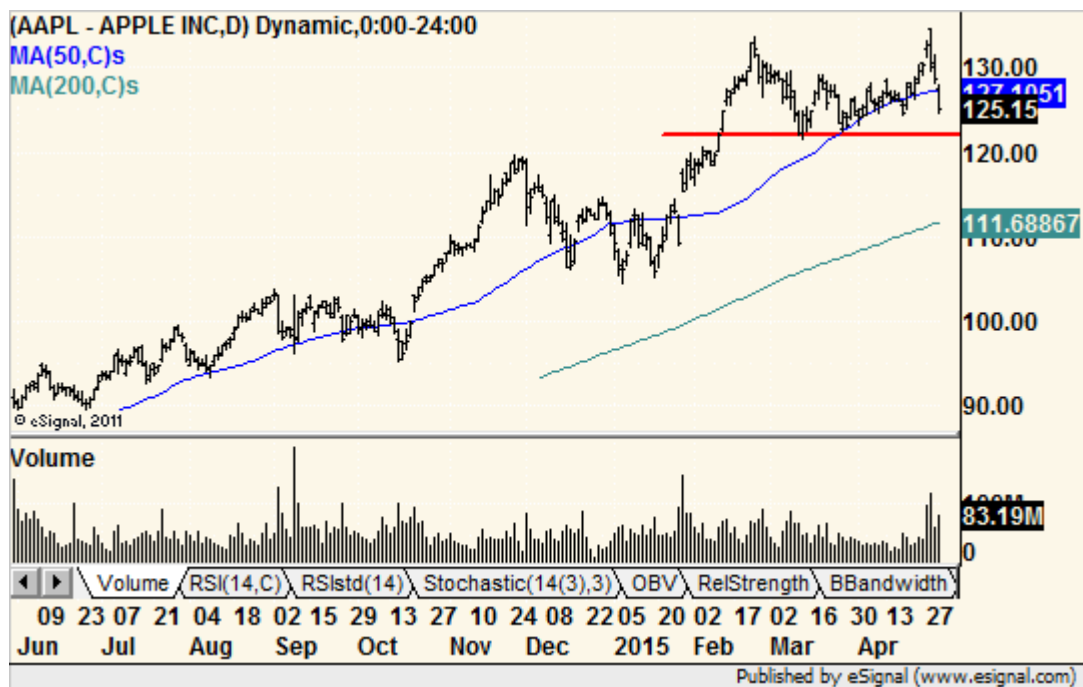
Transports – Although marine is very weak, the major index landed on big support. And on-balance volume has not fallen by much to suggest selling was passive.



Utilities – Not quite a breakdown and here, too, on-balance volume is staying strong.



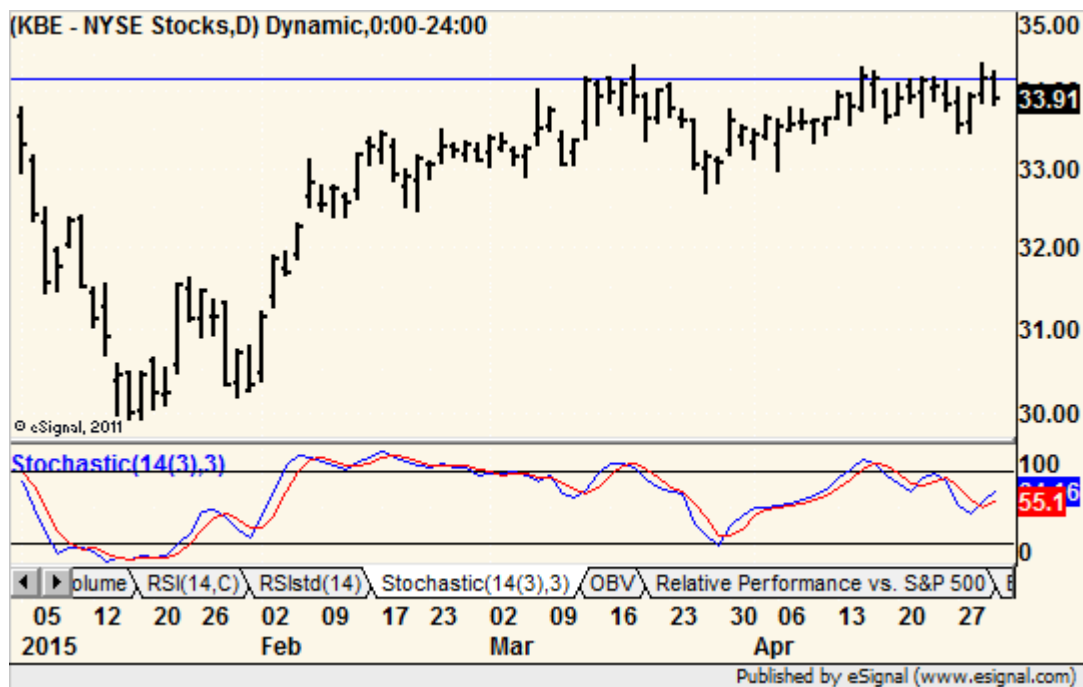
Biotech Index – Looks broken. Will a bull flag form or is this it for the group. We will have to follow for a few days to find out.



Apple – It is not a double top until the red line is broken. For now, it is a trading range.



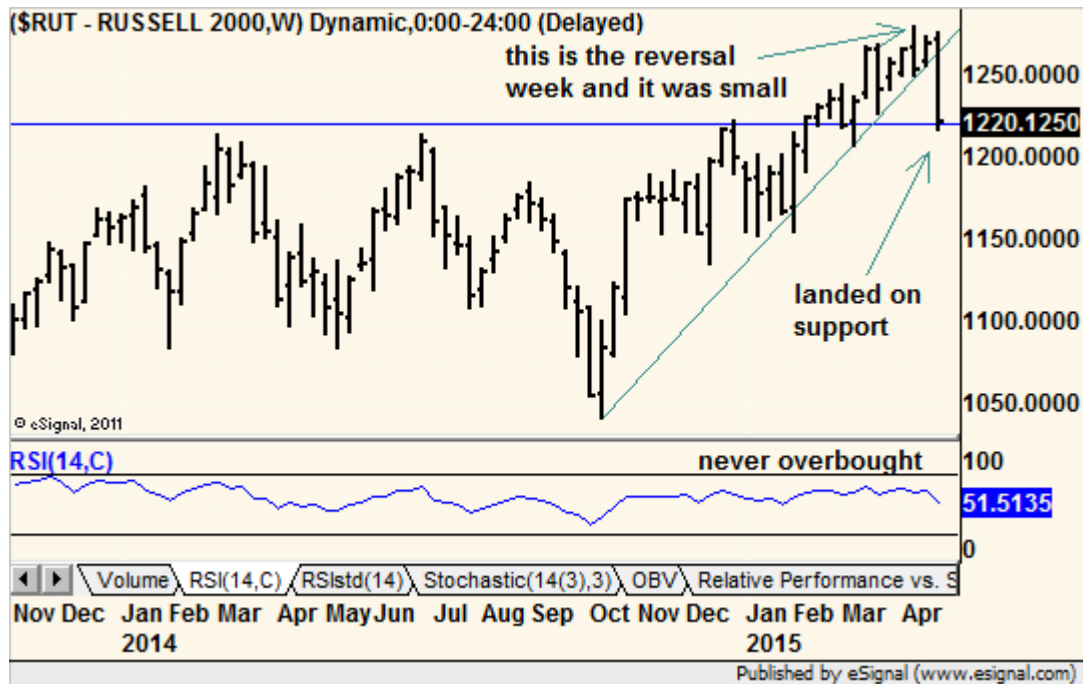
Consumer discretionary ETF – The breakout failed. Normally, we'd say the ETF will move to, or not through, support.



Banks ETF – Still hanging around resistance. That leans bullish but wait for the breakout.

The Big Picture

In this section, we take a macro look at things.



Russell 2000 – This weekly chart shows several items and together they do not make a story. The reversal bar came two weeks ago and did not break the trend. The big decline this week did break the trend but the index was never overbought and it was not a reversal bar (did not make a higher high first).

This could be a correction that happened all at once.

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>	FB	FACEBOOK INC	80.00	-4.5%		83.81	3/30	31
	PM	PHILIP MORRIS INTL INC	83.47	6.9%	82.00	78.11	4/14	16
	ABB	ABB LTD	21.77	-0.1%	21.25	21.80	4/14	16
	GILD	GILEAD SCIENCES INC	100.51	-1.8%	100.00	102.34	4/14	16
	XOM	EXXON MOBIL CORP	87.37	0.9%	85.00	86.63	4/14	16
	VIAB	VIACOM INC NEW	69.45	-1.4%	69.00	70.45	4/14	16
	FLR	FLUOR CORP NEW	60.14	0.4%	58.00	59.93	4/21	9
	KOP	KOPPERS HOLDINGS INC	22.48	-0.7%	22.00	22.64	4/22	8
	STJ	ST JUDE MED INC	71.00	1.2%		70.15	4/22	8
	PSX	PHILLIPS 66	79.31	-2.5%	77.25	81.38	4/24	6
	VZ	VERIZON COMMUNICATIONS INC	50.44	0.9%	48.00	50.00	4/27	3
	ABX	BARRICK GOLD CORP	13.02	-2.5%	12.75	13.36	4/29	1
	XLE	ENERGY SELECT SECTOR SPDR	82.68	-0.7%	80.00	83.25	4/29	1
<u>Short</u>	WSM	WILLIAMS SONOMA INC	73.53	4.1%	79.00	76.51	4/17	13

Notes: A bad day for us as **FB** and **STJ** were stopped. FB was floundering and we maybe should have sold on the reversal a few days ago. Social media in general is hurting now. And **STJ** was a victim of the big decline in medical stocks. It actually still has its upside breakout but a stop is a stop.

New long in **XLE** at the open yesterday. Very little damage.

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

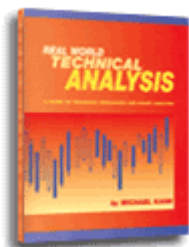
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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