

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

**May 5, 2015** – Prices were up on Wall Street but volumes were down. And the **VIX** dipped back below 13 again. Meaning? Apathy. The market seems tired and not that eager to do any work so perhaps the Friday jobs report will give it a shot of five-hour energy. Too bad a trading day is six and a half hours long.

While stocks sleep, have you noticed that light sweet crude topped \$60 this morning? Or that gasoline is in a rising trend while crude waits for a good breakout? Or that copper is also in a rising trend this year? Fortunately food commodities are still weak.

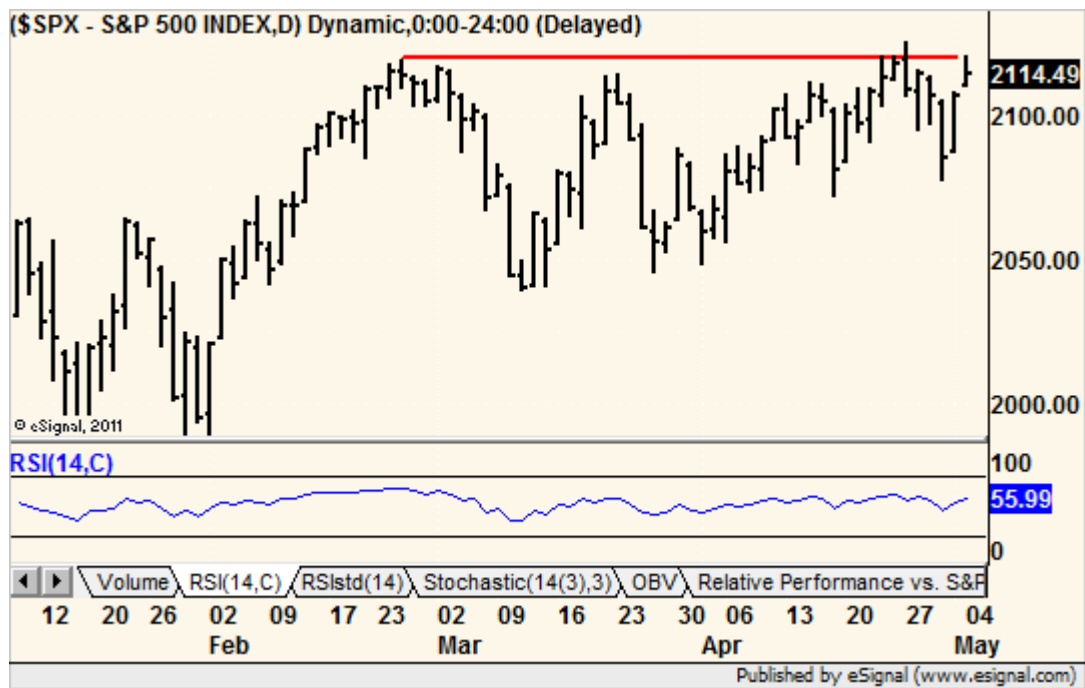


Here is the hourly chart with new markings. The bias is up and the current pause is a bull flag within the trend channel. Of course, that does not mean prices will break out to the upside now. The flag may continue several more hours before making a decision.

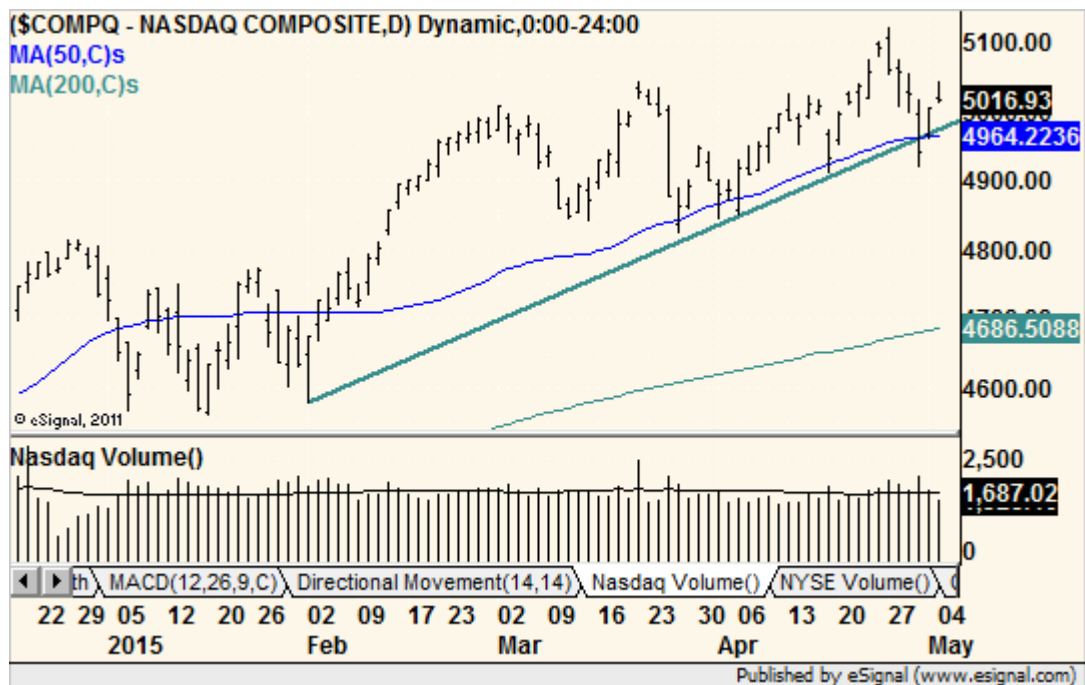
Since there is not much more to offer here in comments let's just give you some bullet points:

- Stocks bias still to the upside
- Small caps now lagging
- Oil and energy are bullish
- Gold is still stumbling but gold stocks look much better
- Industrial metals looking better, too.
- Banks on the verge of a breakout
- Healthcare and biotech in ranges after March-April stumbles.
- Ratio of consumer discretionary to consumer staples still rising (offense beats defense)

## Index Charts of the Day



This congestion zone seems to change all the time but overall we see persistent attempts at new highs. It may back down this morning but we are still bullish.



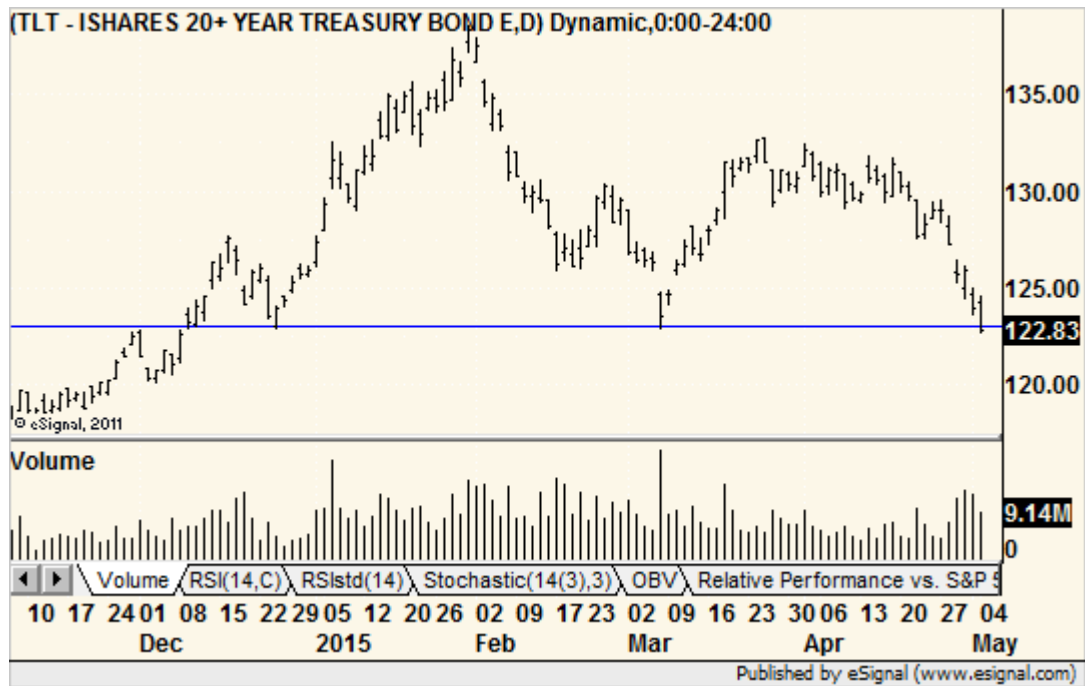
Volume was rather low yesterday but we cannot help but see an upward bias. Will it hold on the presumed morning decline?

## The Radar Screen

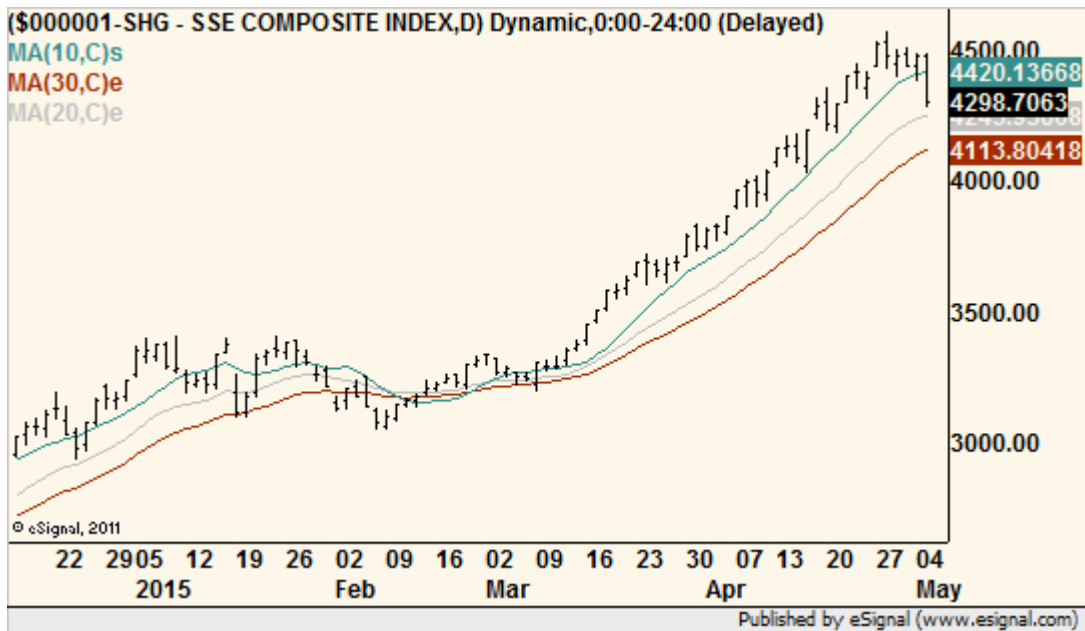
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Matrix Services MTRX</b> – Heavy construction stock now in a bull flag right at 200-day average. Buy close over 22.50		4/7
<b>Hewlett Packard HPQ</b> – Inverted head-and-shoulders breakout in advance of Carly Fiorina’s announcement? Looks good so we’ll go with it.	<b>Triggered</b>	5/4
<b>Bearish Implications</b>		
<b>Keurig GMCR</b> – A stock on precipice. It has a moving average death cross in February. Now that it bounced we will sell under 111. This one has been here a long time and it is starting to form a triangle.		3/30
<b>Dollar General DG</b> – Here is a retailer awaiting a better sell signal. Already has a short-term support break and trendline break. Sell bounce to 74.40	<b>Moved</b>	5/4
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Caterpillar CAT</b> – 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
<b>IBM</b> – Ditto. <b>Warning – potential inverted hammer</b>		4/30
<b>FedEx FDX</b> – Breakdown failure last month and now squeezed between averages.		4/29
<b>Verifone PAY</b> – Another stock to watch for a breakout. Note rising on-balance volume. Had a false attempt to break out over 36.50 so we will watch to see if it was a stumble or a failure.		5/4
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Banks ETF KBE</b> - Still waiting for a real breakout despite same in <b>JPM</b> and <b>GS</b> . Getting very close.		4/21
<b>Industrial Metals stocks</b> – <b>FCX, SCCO, TS, CCJ</b> looking better		4/27
<b>REIT ETF IYR</b> – This interest sensitive group is on the edge of a cliff.		5/4
<b>Consumer Products</b> - These staples stocks ( <b>CHD, PG, CL</b> ) look terrible and worse than the <b>XLP</b> ETF.		5/4
<b>Updates</b>		
<b>none</b> –		

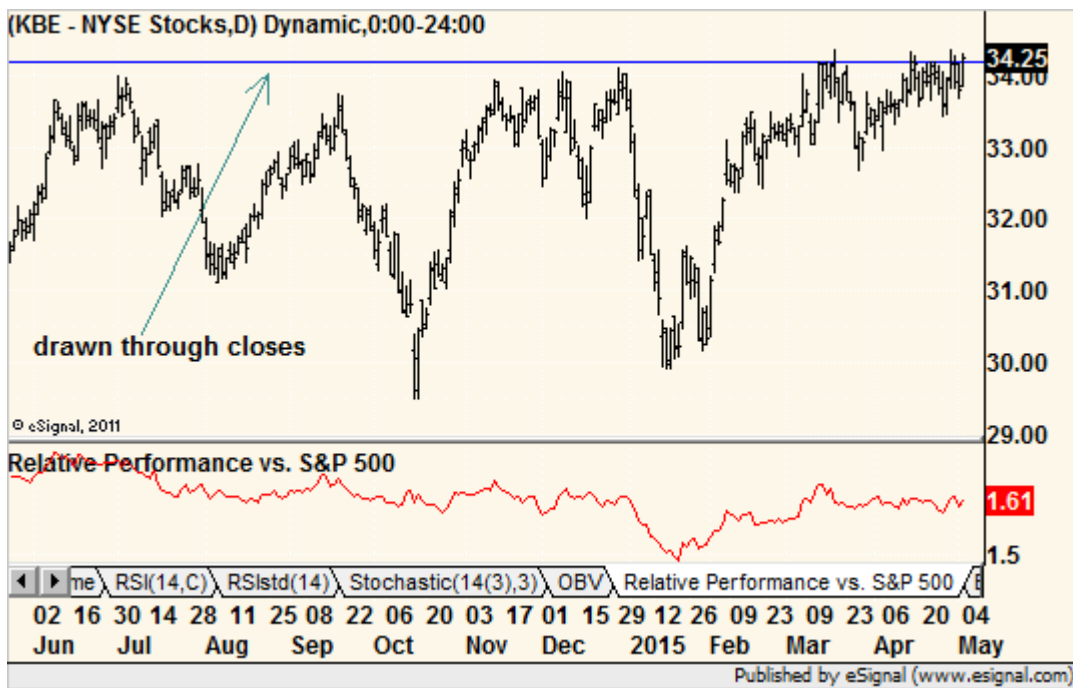
## Market Highlights



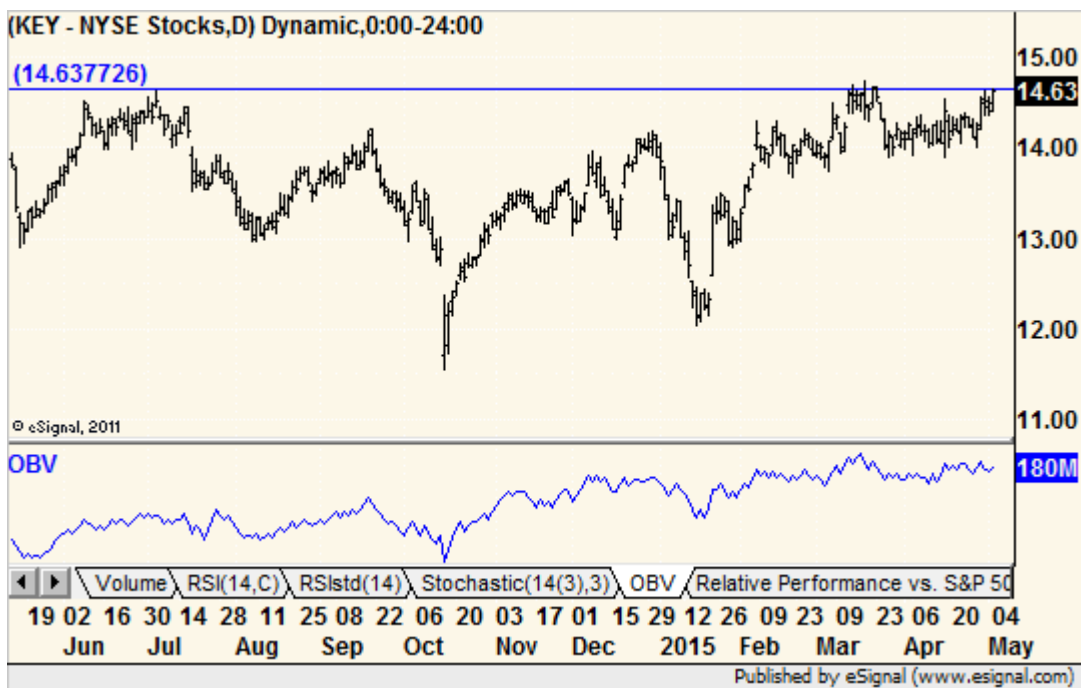
**Long T-bond ETF** – It is already below a trendline (not shown) so it is almost now or never for a bounce.



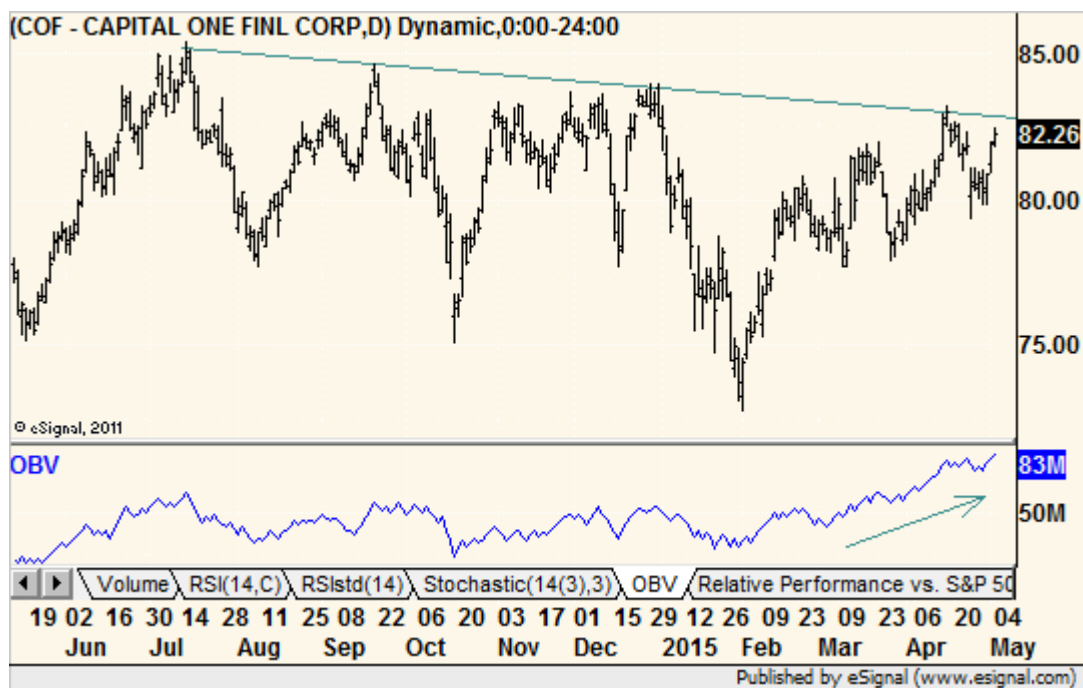
**China** – This one fell 4% overnight but there was hardly any technical damage at all. The only average broken was the 10-day simple.



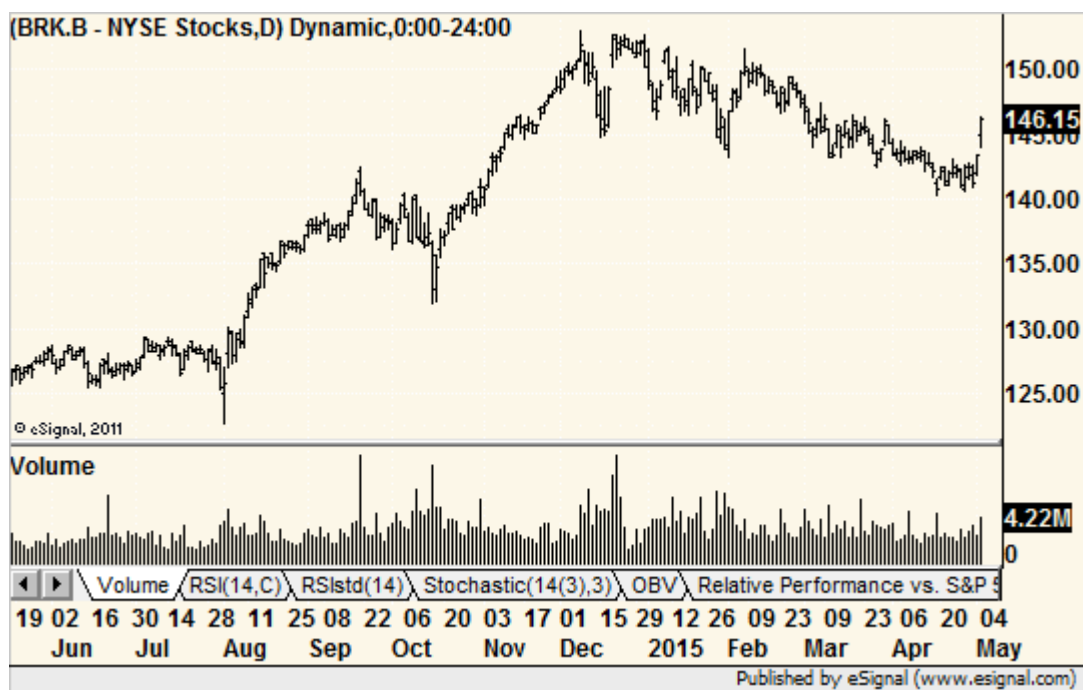
**Bank ETF** – So close to a breakout. This seems inevitable but wait for it.



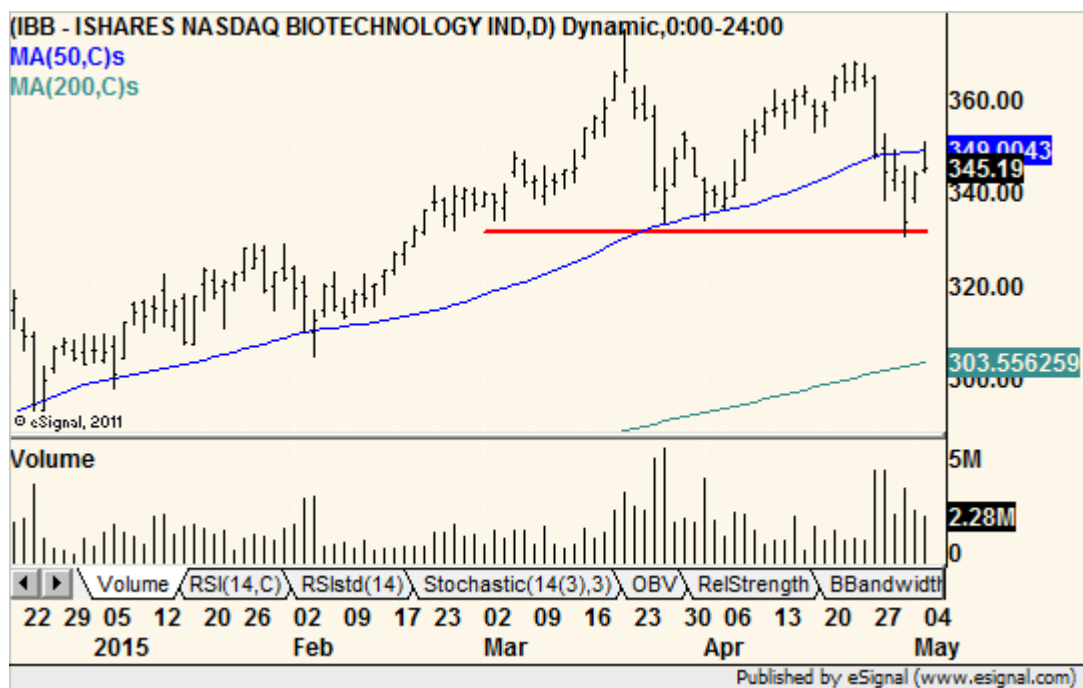
**Keycorp** – Here is a bank poised to lead if and when they break out.



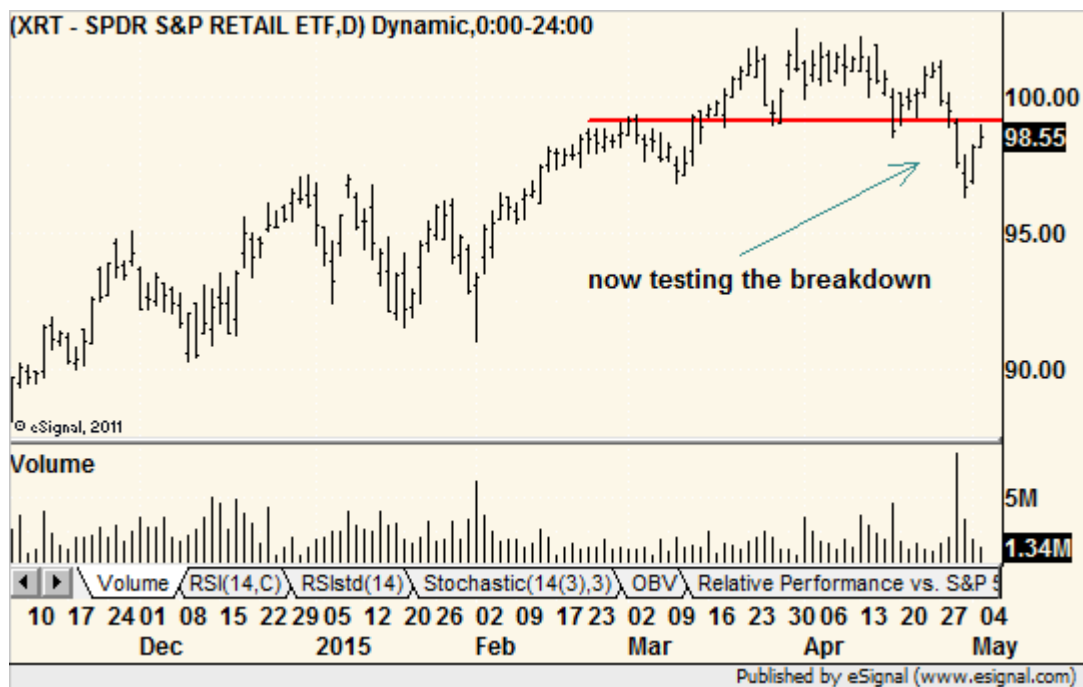
**Capital One** – Here is another. Check out that on-balance volume.



**Berkshire Hathaway** – The Oracle speaks in Omaha and the stock did this. We are not playing.



**Nasdaq Biotech ETF** – Yesterday, we asked, “breakdown saved?” It looked that way until the ETF failed intraday at the 50-day average. Still watching.



**Retail ETF** – We will follow this one to see what happens. So far, this is a breakdown. “Will it stick?” is the question we asked yesterday. We may find out today.

## 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>PM</b>	PHILIP MORRIS INTL INC	83.21	6.5%	82.00	78.11	4/14	20
	<b>ABB</b>	ABB LTD	21.40	-1.8%	21.25	21.80	4/14	20
	<b>GILD</b>	GILEAD SCIENCES INC	105.66	3.2%	100.00	102.34	4/14	20
	<b>XOM</b>	EXXON MOBIL CORP	89.11	2.9%	85.00	86.63	4/14	20
	<b>FLR</b>	FLUOR CORP NEW	58.72	-2.0%	58.00	59.93	4/21	13
	<b>KOP</b>	KOPPERS HOLDINGS INC	23.73	4.8%	22.50	22.64	4/22	12
	<b>PSX</b>	PHILLIPS 66	80.84	-0.7%	77.25	81.38	4/24	10
	<b>VZ</b>	VERIZON COMMUNICATIONS INC	50.52	1.0%	48.00	50.00	4/27	7
	<b>ABX</b>	BARRICK GOLD CORP	13.17	-1.4%	12.75	13.36	4/29	5
	<b>XLE</b>	ENERGY SELECT SECTOR SPDR	82.66	-0.7%	80.00	83.25	4/29	5
	<b>ORCL</b>	ORACLE CORP	44.59	2.6%	42.25	43.44	5/1	3
	<b>ETFC</b>	E TRADE FINANCIAL CORP	29.32	1.0%	27.75	29.03	5/1	3
	<b>HPQ</b>	HEWLETT PACKARD CO	33.65	-0.4%	32.00	33.80	5/4	0
<u>Short</u>	<b>WSM</b>	WILLIAMS SONOMA INC	75.89	0.8%	79.00	76.51	4/17	17

**Notes:** New long in **HPQ** at the open yesterday.

Raised stop in **KOP** after a nice move.

Tweaked stops in **ETFC** and **ORCL**.

## Subscriber Corner

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

Note to Sarah: The dollar is still holding to its rising trend but it should have bounced already if it were really bullish. Of course, “should” is our interpretation, not the market’s.



## Other Information

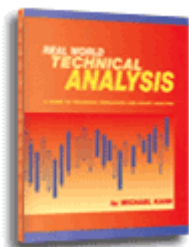
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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