

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

May 11, 2015 – We were a bit cautious going into jobs Friday but when the market opened it went up and stayed there. That's bullish. Apparently the report was goldilocks – good enough to keep business growing but not too good as to spark the Fed into raising rates sooner.

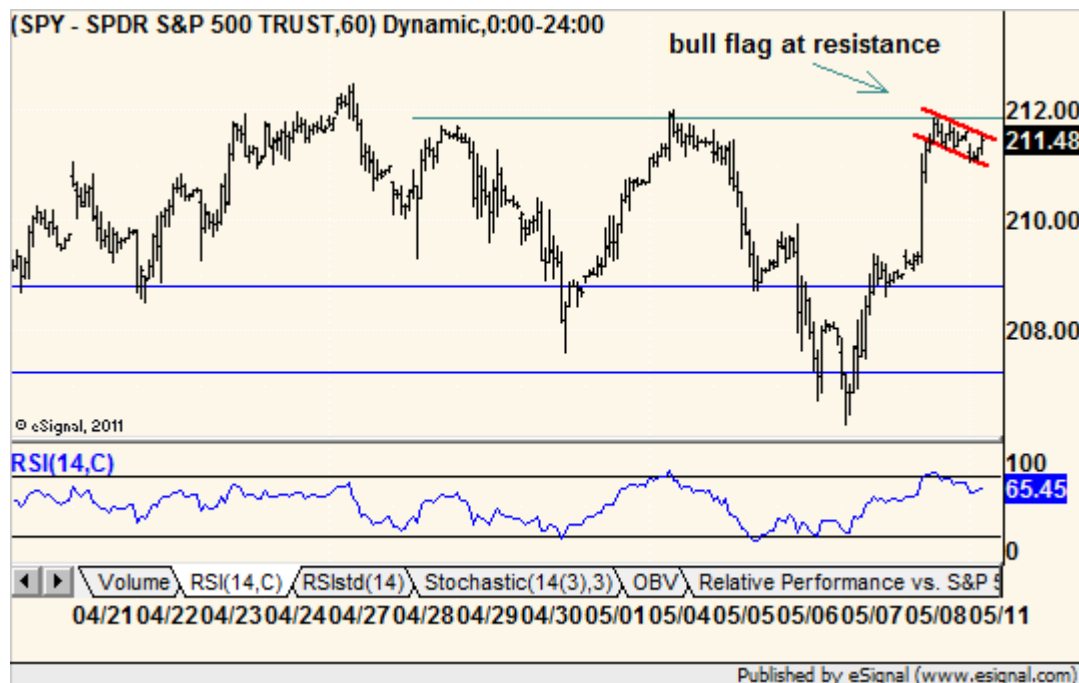
Yet with all the market's joy on Friday, the S&P 500 is still in its trading range. We can make a tepid argument that the Dow broke out higher and the Nasdaq saved a trend break. But the Russell is still below its broken trendline and the NYSE composite has not set a new high in two weeks. We will come back to the NYSE below to show something that does lean bullish.

As you can guess from that paragraph, the indices are moving every which way. Although we'd like to see breadth get back in gear it is not too bad as it is. And just to show that indicators are every which way, too, we can see the **VIX** tumbling all the way back below 13 yet again for a little of that exuberance Ms. Yellen was warning about last week.

So what does it all mean? For today, probably a day of rest. However, if the market starts to tumble and ends up giving back a good chunk of Friday then we can get back to last Thursday's worries and some of the charts we offered last week:

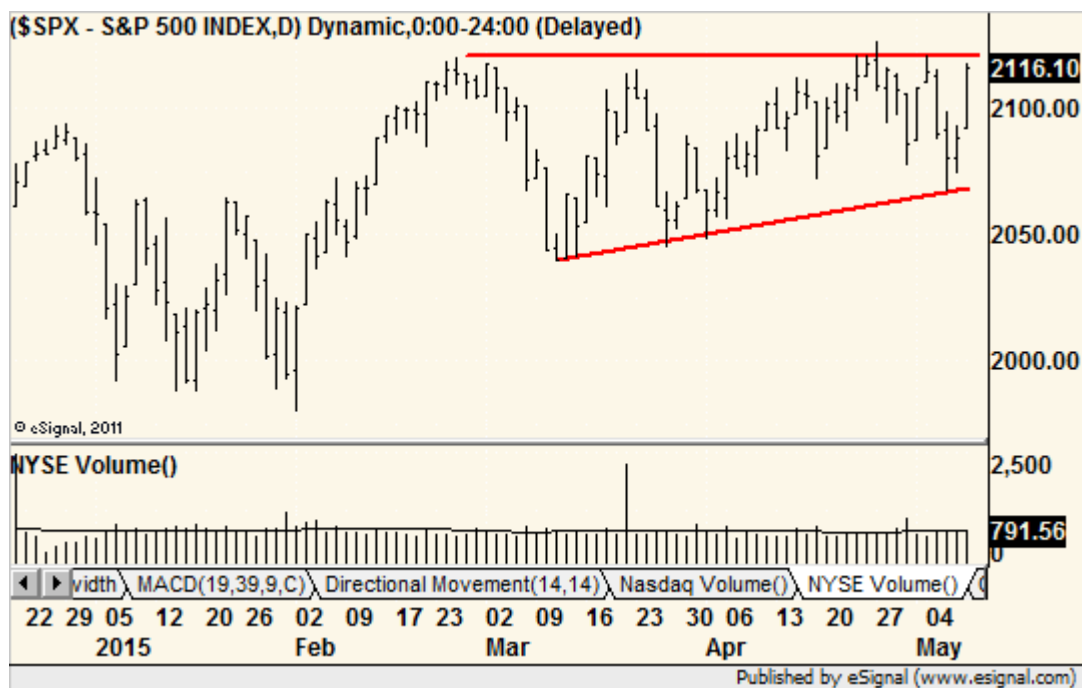
- The afore-mentioned Russell's trendline break
- 30-year T-bond yield breakout
- Crude oil breakout
- U.S. dollar trendline breakdown

But for now, things are not so terrible (said in Jackie Mason accent).

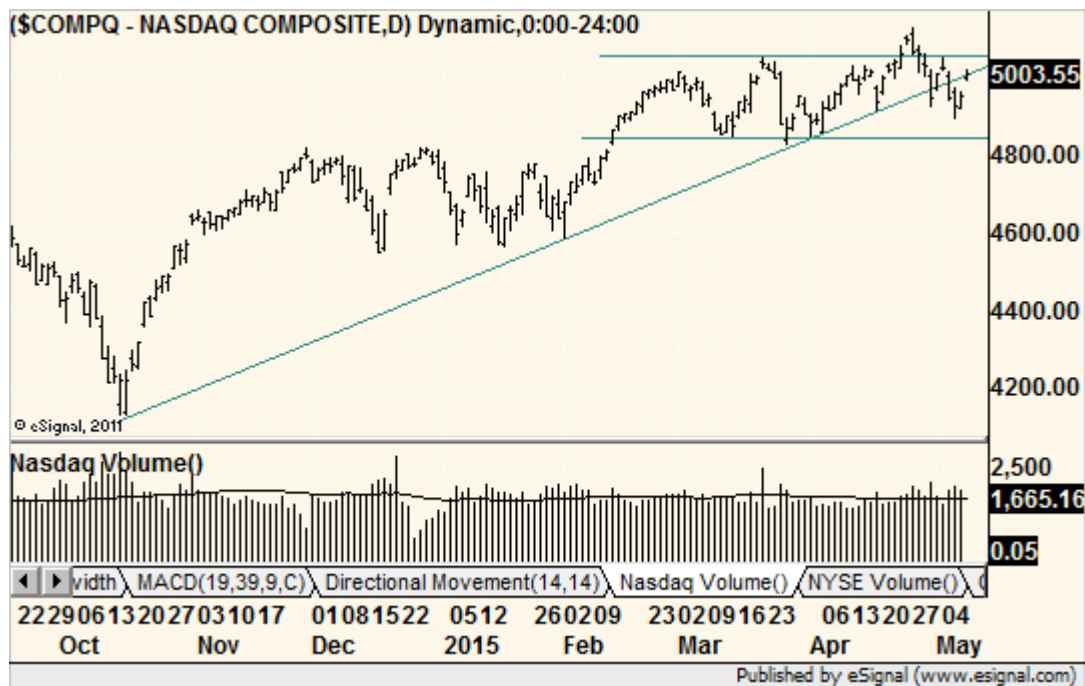


Which feature wins? A bull flag at resistance is actually a nice pre-breakout pause. But it has to break out and given the size of the Friday rally it may need more time to digest.

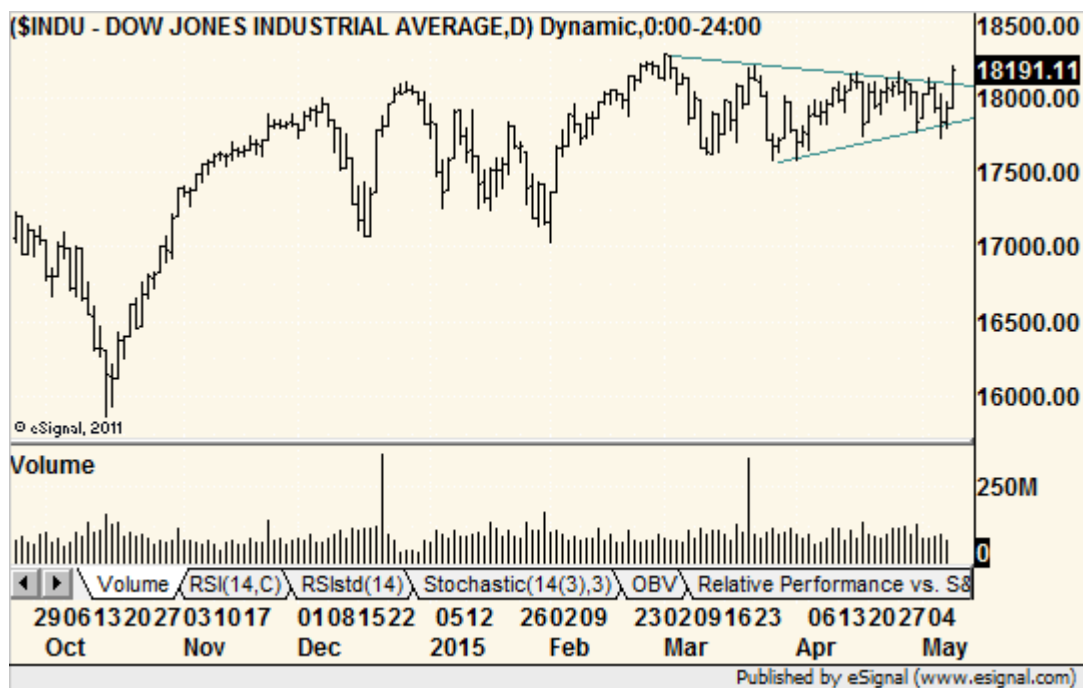
Index Charts of the Day



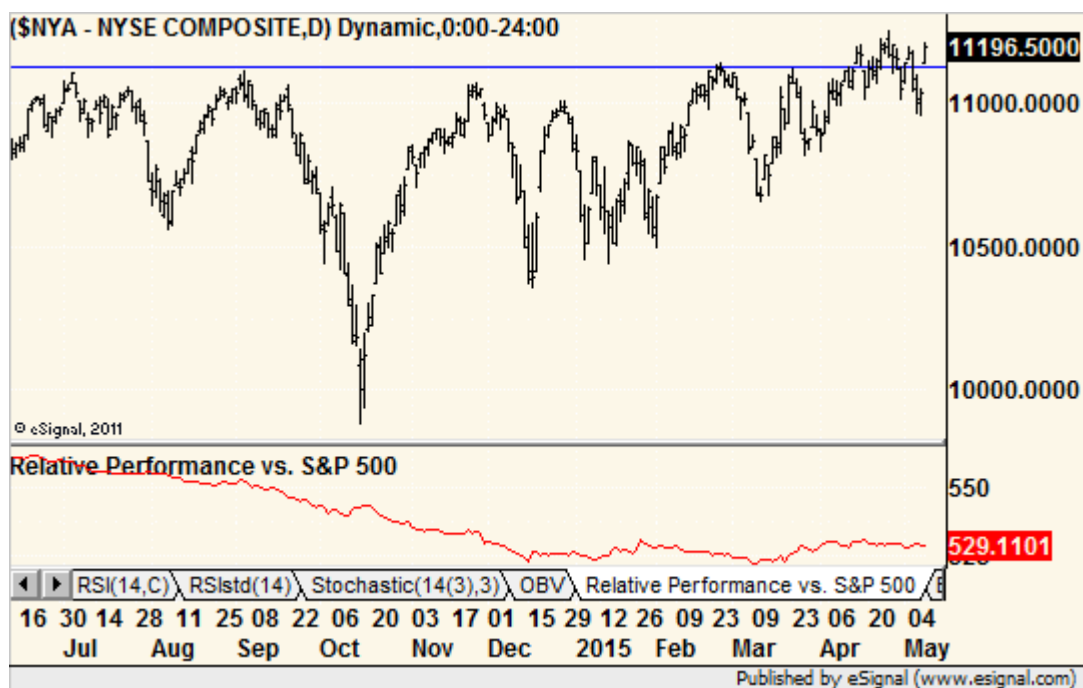
Big move. Still in the triangle. Not very impressive on the volume.



Still below resistance.



Do we give this breakout to the bulls? Not feeling it.



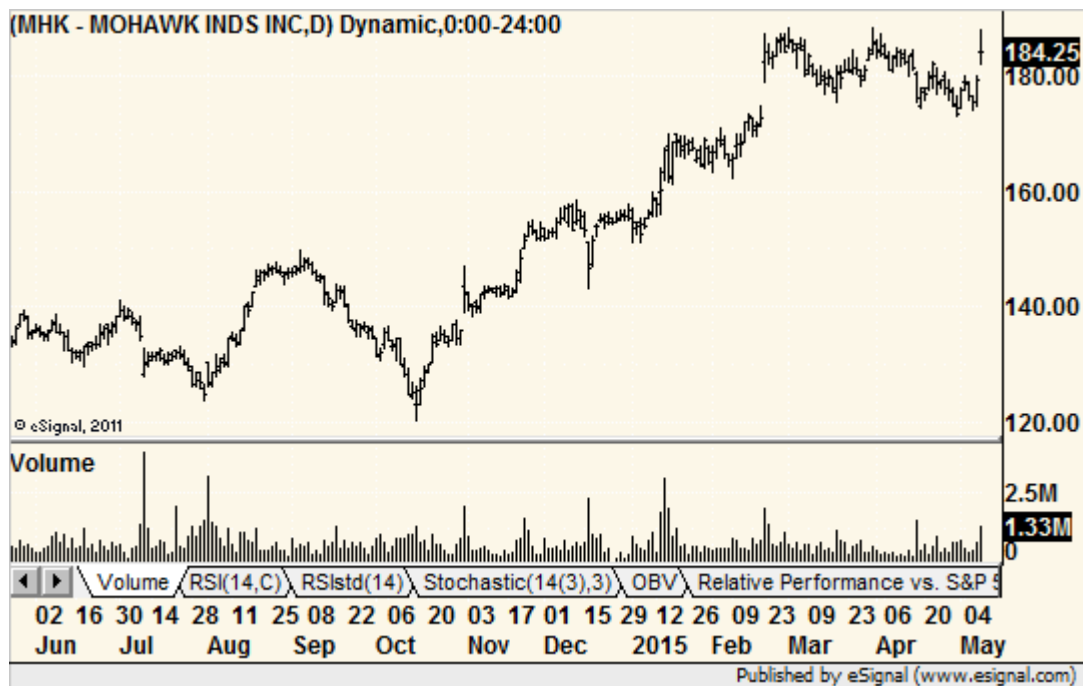
The NSYE composite is back above the old resistance but probably needs a new high to confirm the renewed power.

The Radar Screen

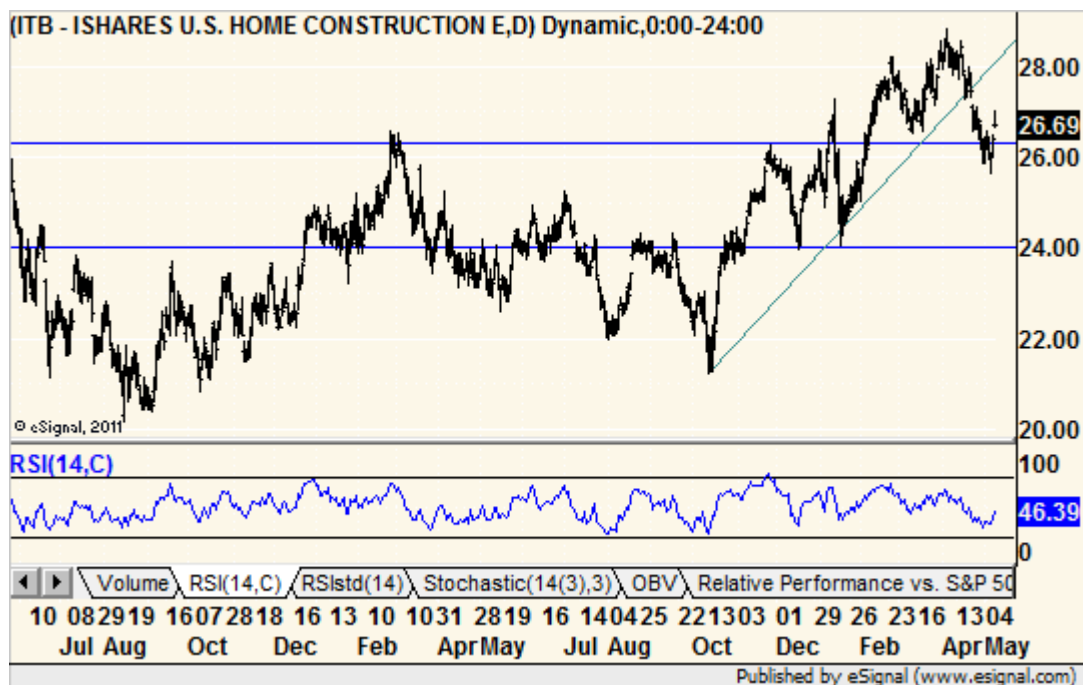
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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. Heading the wrong way but the flag is still intact. Buy close over 22.00 (revised). <u>Another case of proving patience matters. No harm done.</u>	Removed	4/7
Keycorp KEY – Here is a bank poised to lead if and when the sector breaks out. Failed attempt Tuesday to breach resistance. Buy 14.75.		5/5
Banks ETF KBE - Still waiting for a real breakout despite same in JPM and GS . Green Wednesday. Buy close over Tuesday high 34.43.		4/21
Goodyear Tire GT – A strong long-term chart with a possible short-term flag breakout. New high in on-balance volume. Buy close over 30.		5/8
Bearish Implications		
Nasdaq Biotech ETF IBB – This is more or less a stop-and-reverse play. It bounced off support but then failed at the 50-day average. If it breaks support now it will be game over. Sell close below 333.60		5/5
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Caterpillar CAT - Looks like we've missed the initial buy. <u>May have to wait for next breakout from week-long range.</u>		4/24
IBM – We wish we already had it but not enough to buy this pattern.	Removed	4/30
FedEx FDX –now squeezed between averages.		4/29
Verifone PAY – 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
Facebook FB – I poo-pooed most social media stocks with one exception. And now it is in a place that looks interesting. Oversold at the 200-day.	New	5/11
Solar City SCTY – Another worth watching for a long. Tight range after base breakout.	New	5/11
Sector Watch (observations that may spark ideas)		
Consumer Products - These staples stocks (CHD , PG , CL) look terrible and worse than the XLP ETF.		5/4
Oil services – Still holding a base breakout		5/6
Airlines – sitting on important support		5/6
Healthcare ETF XLV – Held critical support		5/7
Updates		
Cameco CCJ – Uranium miner followed through on hammer bottom		
Potash POT - Fertilizer maker negated its bullish reversal		

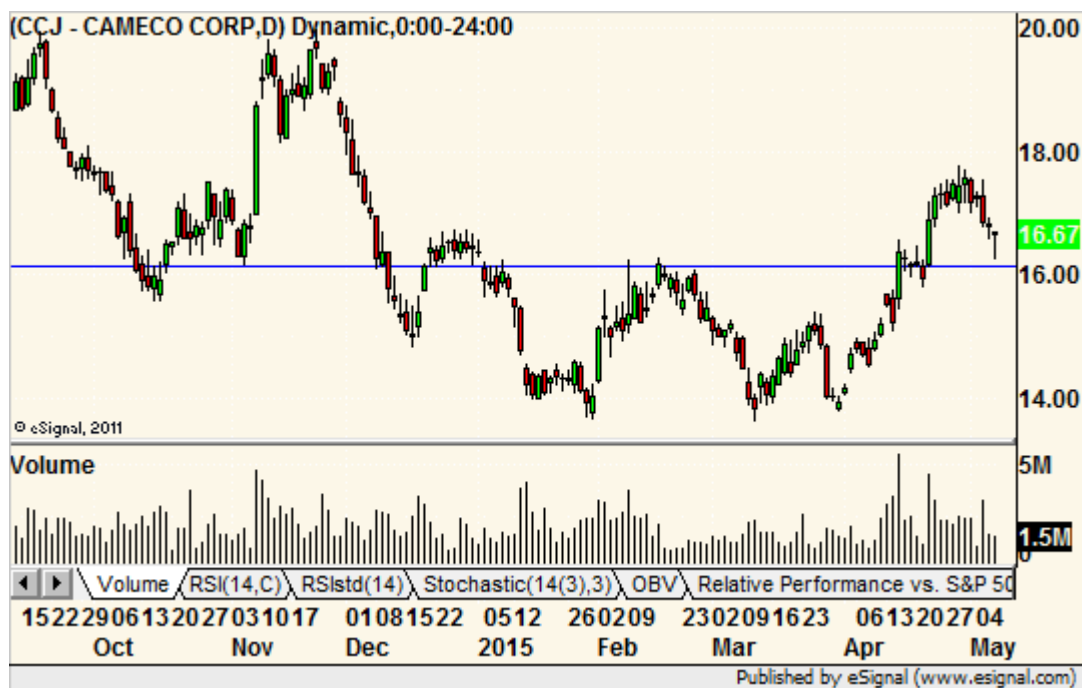
Market Highlights



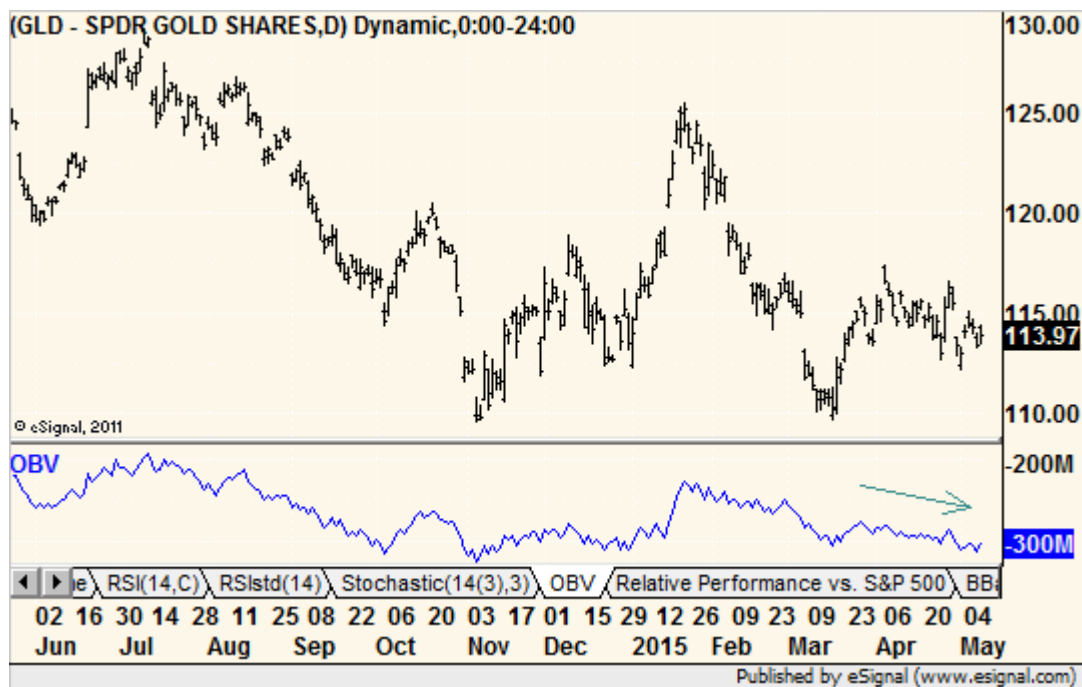
Mohawk – This is not for trading but for sector analysis. Here we have a carpet maker in the home furnishings group with a huge breakout after earnings. Unfortunately, it scored a doji candle (not shown). There were big moves in **WHR** (appliances), **LEG** (furniture), **HNI** (furniture), **STLY** (furniture) and **TPX** (mattresses). And **KOP** (chemicals and lumber) soared Friday. Could this mean the homebuilding swoon is over? See next chart...



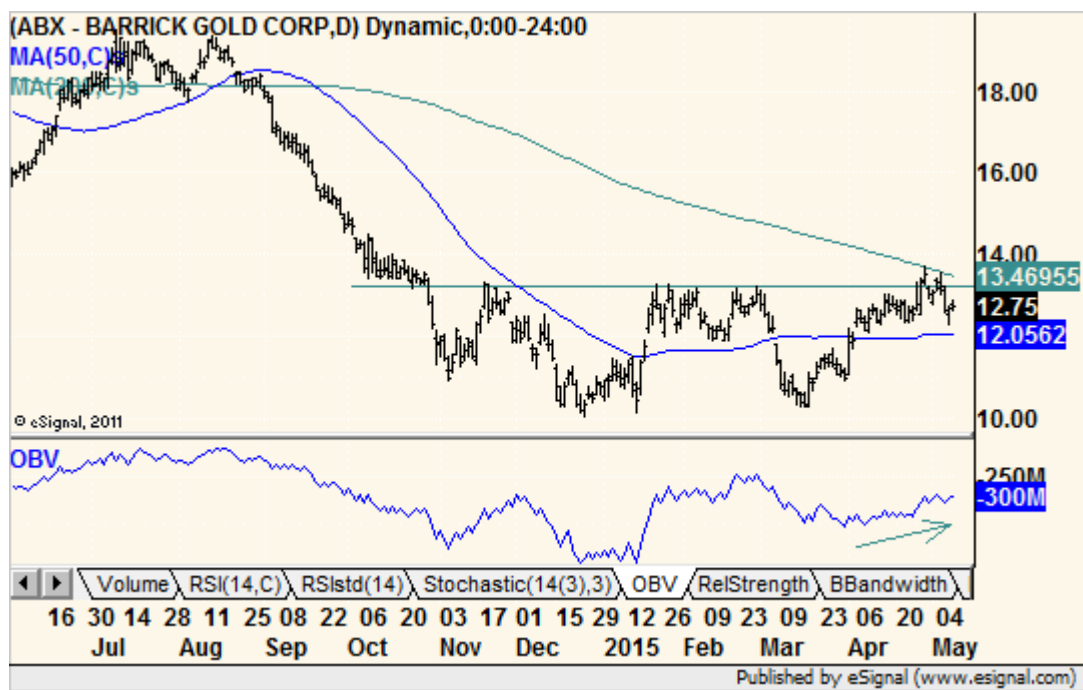
Homebuilder ETF – A nice rebound off support but the trendline is still broken.



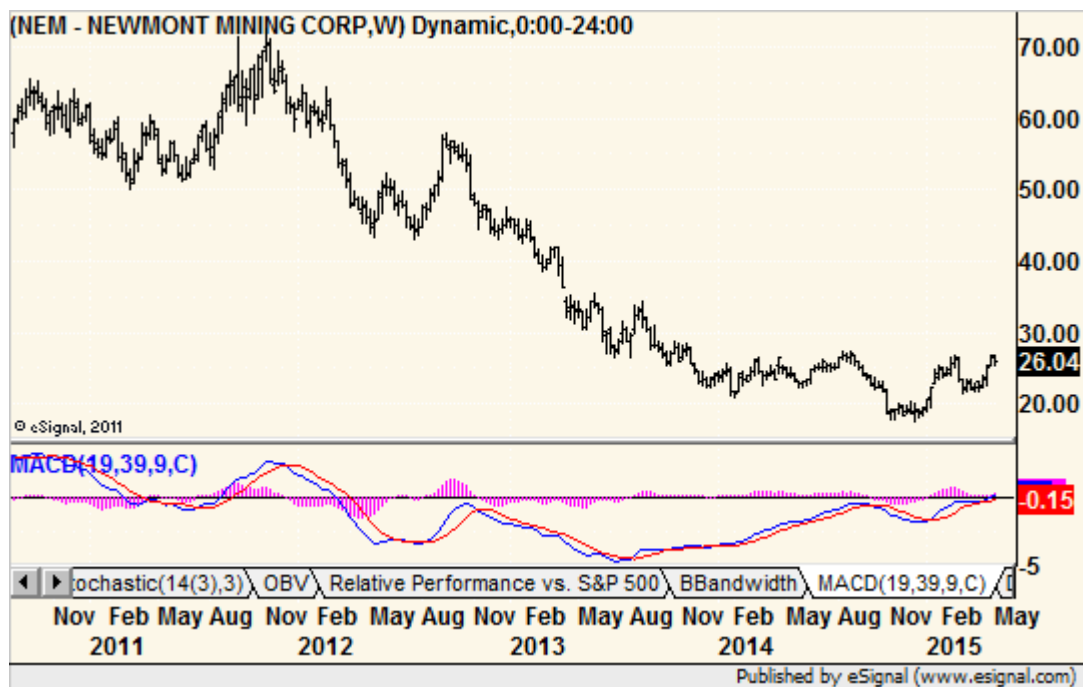
Cameco – This uranium miner scored a hammer candle at support. Volume was low but it is an interesting chart to watch for upside confirmation.



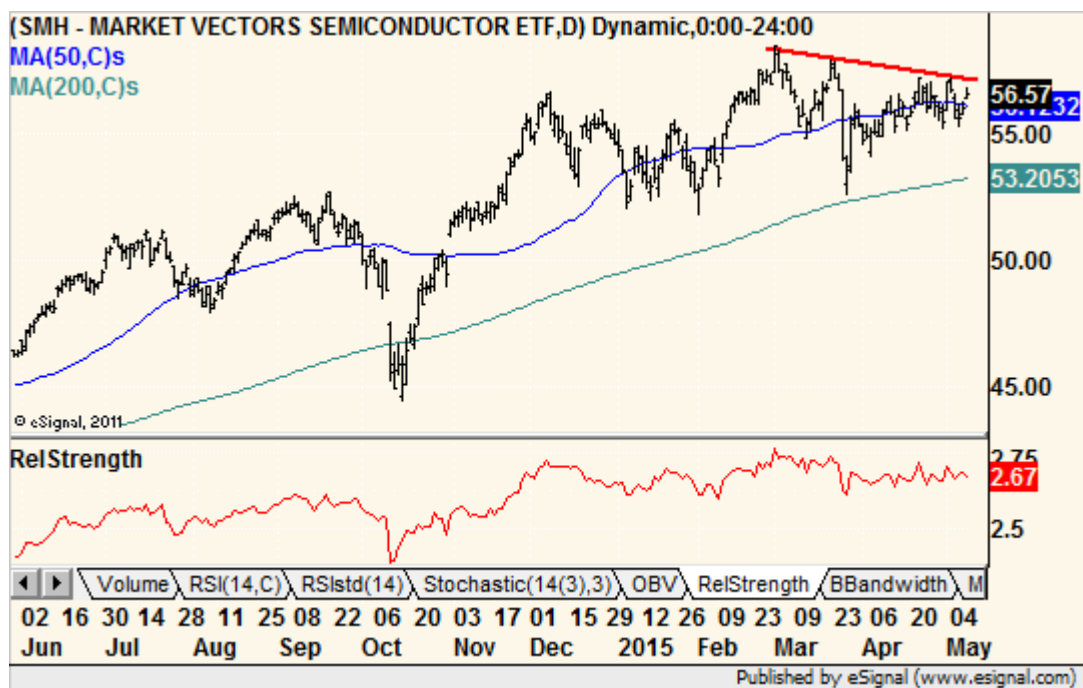
Gold ETF – This chart actually makes us angry. On-balance volume is lousy yet gold stocks don't look terrible. They whipsawed us so check out the next chart.



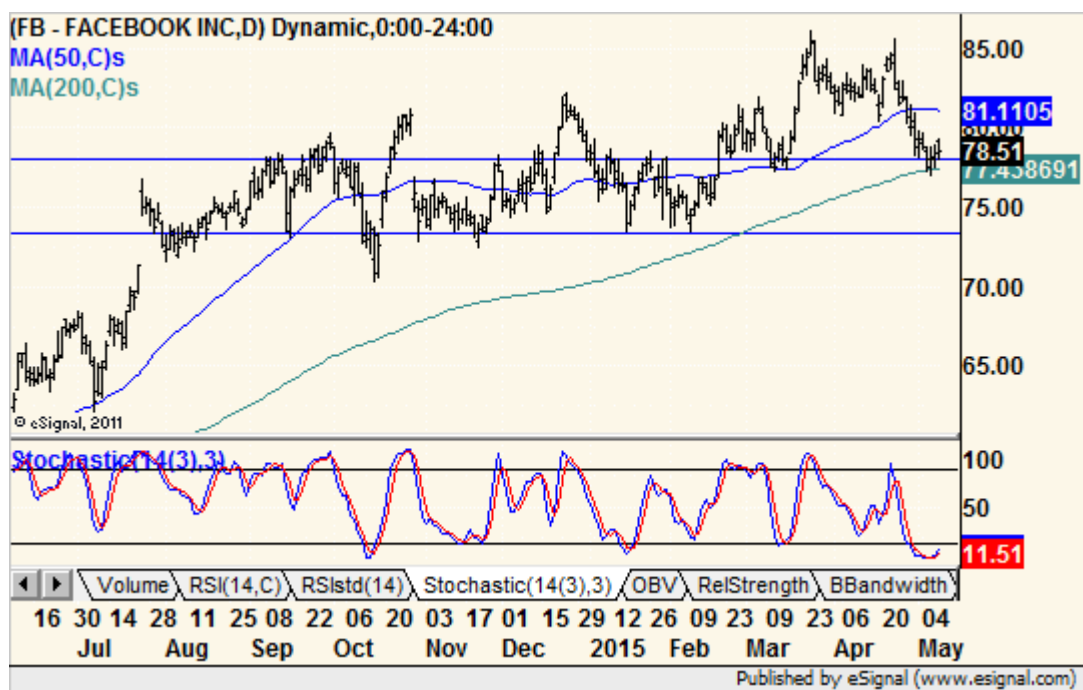
Barrick Gold – We tried and lost on this one but it is still interesting. Do not ignore the sector just because we blew a trade. Keep watching.



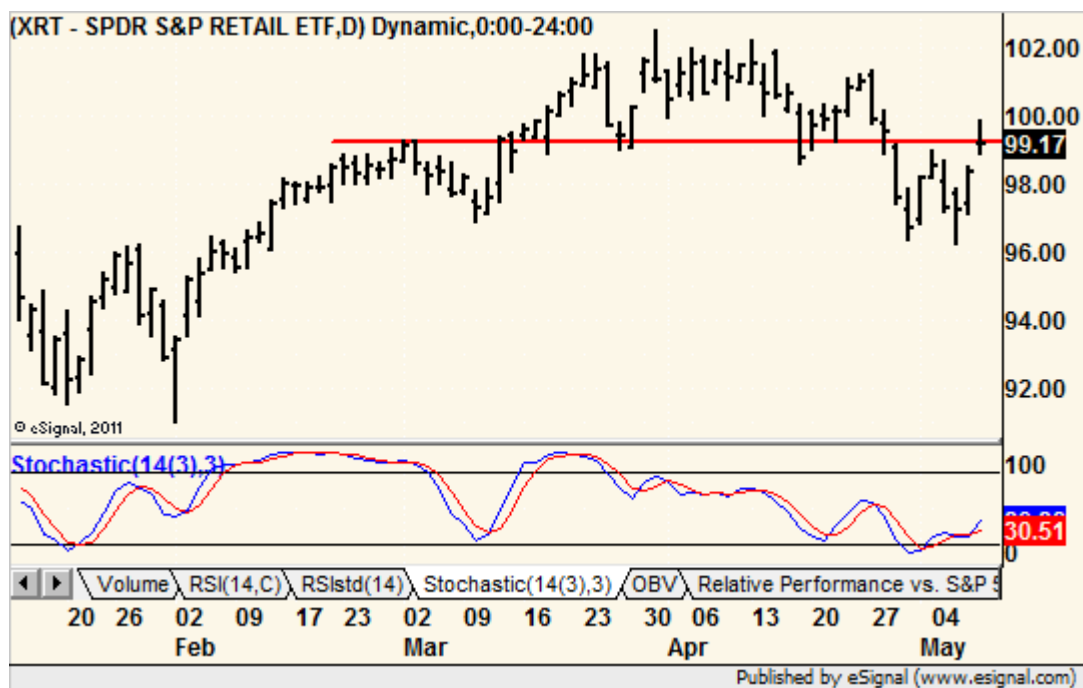
Newmont Mining – This is a weekly inverted head-and-shoulders in progress.



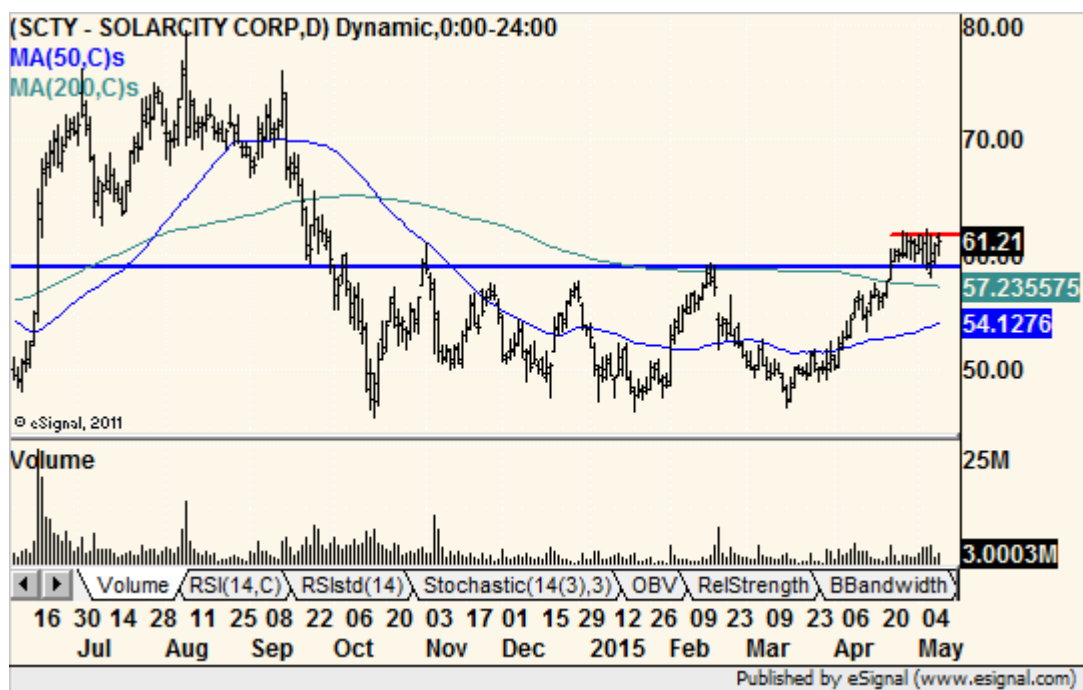
Semiconductor ETF – On the verge.



Facebook – I poo-pooed most social media stocks in my column but with one exception. And now it is in a place that looks interesting.



Retail ETF – Testing the breakdown.



Solar City – Another worth watching for a long.

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>	PM	PHILIP MORRIS INTL INC	85.19	9.1%	82.00	78.11	4/14	26
	ABB	ABB LTD	21.89	0.4%	21.25	21.80	4/14	26
	GILD	GILEAD SCIENCES INC	103.85	1.5%	100.00	102.34	4/14	26
	XOM	EXXON MOBIL CORP	88.99	2.7%	85.00	86.63	4/14	26
	FLR	FLUOR CORP NEW	59.66	-0.5%	58.00	59.93	4/21	19
	KOP	KOPPERS HOLDINGS INC	26.13	15.4%	24.50	22.64	4/22	18
	PSX	PHILLIPS 66	81.63	0.3%	77.25	81.38	4/24	16
	VZ	VERIZON COMMUNICATIONS INC	50.14	0.3%	48.00	50.00	4/27	13
	XLE	ENERGY SELECT SECTOR SPDR	81.76	-1.8%	80.00	83.25	4/29	11
	ORCL	ORACLE CORP	44.01	1.3%	42.25	43.44	5/1	9
	ETFC	E TRADE FINANCIAL CORP	29.16	0.4%	27.75	29.03	5/1	9
	HPQ	HEWLETT PACKARD CO	33.41	-1.2%	32.00	33.80	5/4	6
	COF	CAPITAL ONE FINL CORP	83.16	0.4%	79.50	82.80	5/6	4
	NKE	NIKE INC	102.44	-5.6%	98.00	108.50	5/7	3
<u>Short</u>	WSM	WILLIAMS SONOMA INC	77.01	-0.6%	79.00	76.51	4/17	23
	GMCR	KEURIG GREEN MTN INC	98.65	12.5%		111.00	5/5	3
	XRT	SPDR S&P RETAIL ETF	99.17	-2.0%	100.00	97.23	5/6	4
	DG	DOLLAR GEN CORP NEW	74.85	-0.6%	76.50	74.40	5/7	3

Notes: Took the gift Friday in **GMCR** short.

Raised stop in **KOP** long after a soaring Friday performance.

Subscriber Corner

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Other Information

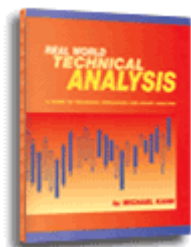
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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