

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

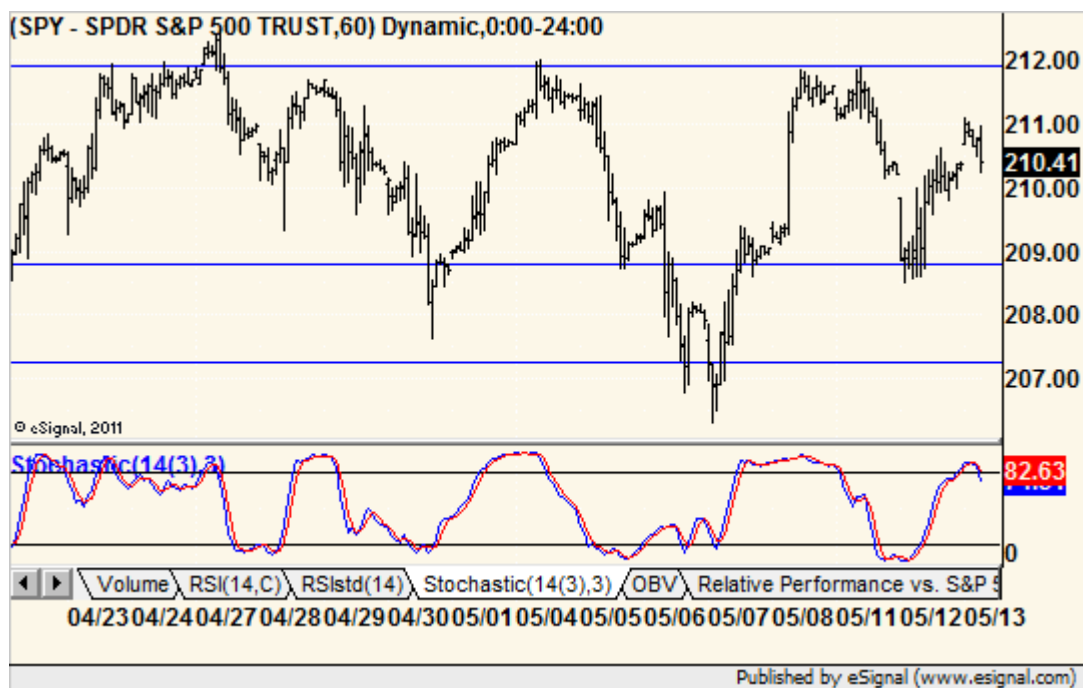
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May 13, 2015 – Nice intraday reversal yesterday to pull a rabbit out of a hat. Perhaps it was the oversold bounce in bonds that got stocks back in the game but nothing has really changed with stocks in a range and bonds in decline.

Today we got a weak retail sales report to vindicate our view that retail stocks were weak. Technicals often lead the fundamentals.

The only interesting event to report is the new low in the dollar index this morning.

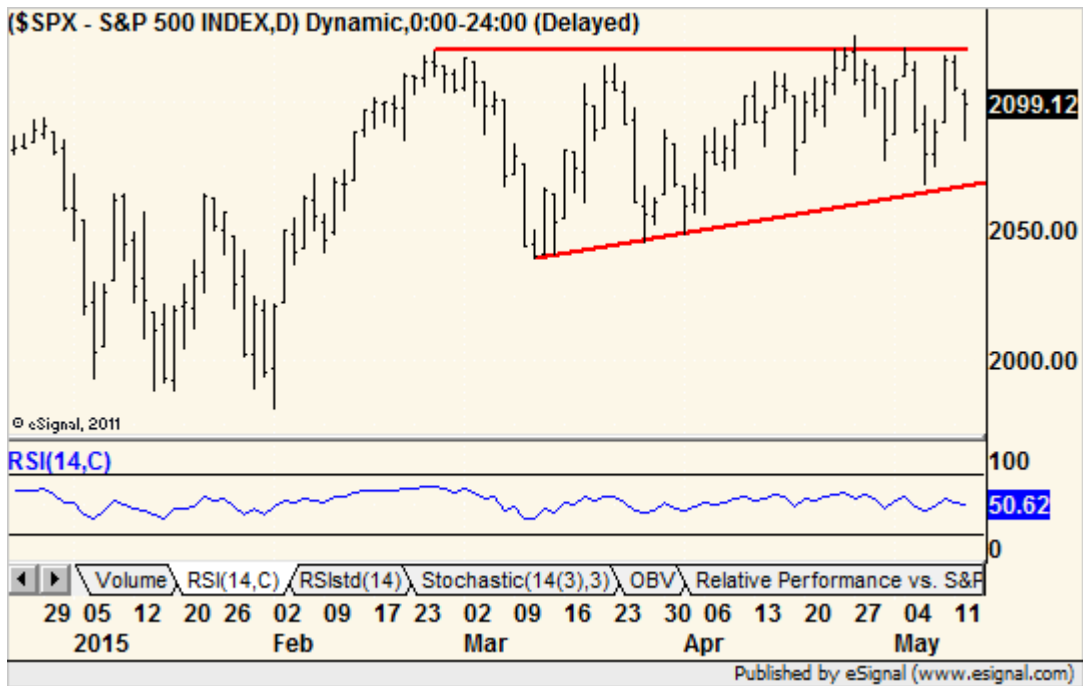
But overall, we see a choppy market with nothing much on which to latch (grammar police). We are more long than short but are now ready to trim even more of the non-performers.



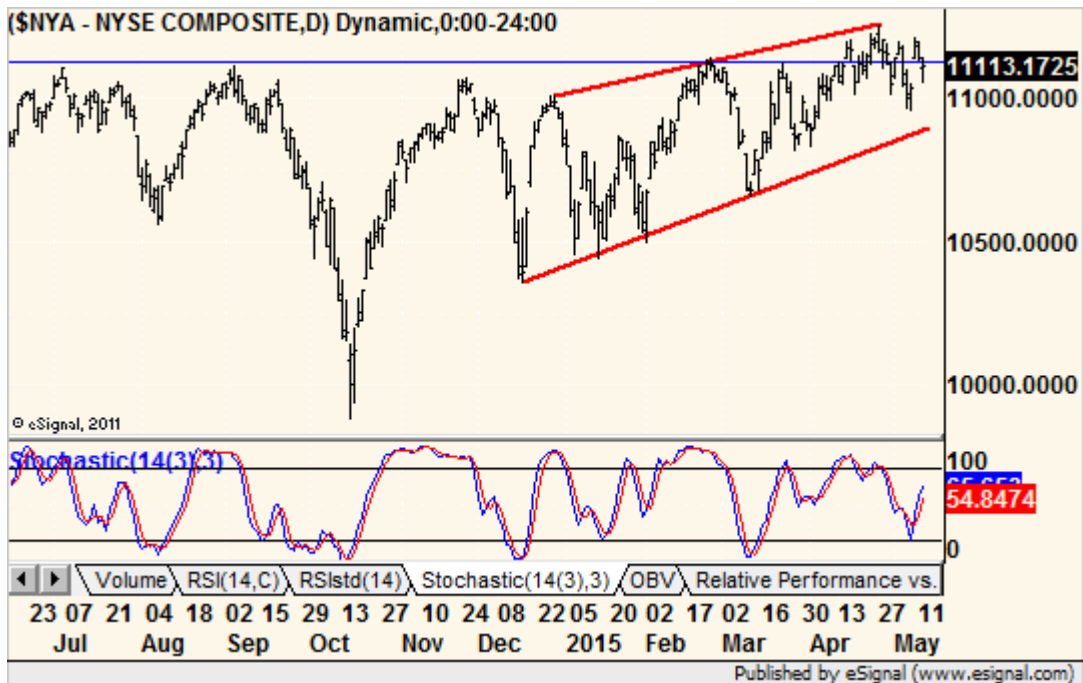
The hourly chart shows the nice bounce off support. However, stochastics is now warning of further downside. Note how it was overbought at much lower price levels than before. It is still a range-bounce market but the lower border is still well within its sights.

That's it for today. It is an uncomfortably short report for us.

Index Charts of the Day



Same old, same old. Still in the triangle. Yesterday we said the middle of the pattern was a good place for a bounce. Not bad.



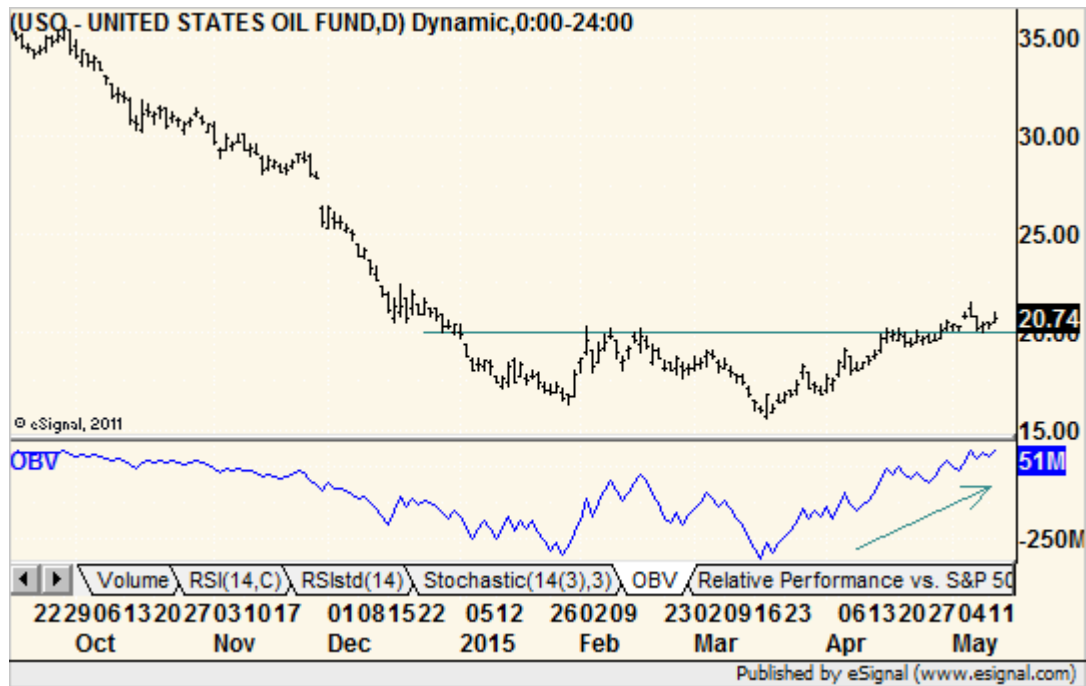
The NYSE composite sports and arguable rising wedge, which would lean bearish. However, it is really not that well-defined (with real contracting borders) so we'll heap on the salt. The trend bias still appears to be up.

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		
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
Paccar PCAR – Commercial vehicle maker with a breakout, test and breakout. We like the new highs in on-balance volume. A good buy right here.	New	5/13/15
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
Flowerserve FLS – If you are looking for shorts, this industrial machinery maker is already in decline and under its averages. Falling on-balance volume. Sell below support 55.40.	Triggered	5/12
Gap GPS – Retail is on our least favorite list and this one is set to gap down this morning after an earnings miss. If we can get a bounce back to 39 it might be a nice short. Missed it by 5 cents!	Removed	5/12
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
FedEx FDX –now squeezed between averages.		4/29
Verifone PAY – flat range can go either way		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.		5/11
Solar City SCTY – Another worth watching for a long. Tight range after base breakout.		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
Retail ETF XRT – now testing support break.		5/11
Homebuilders – We postulated that good action in home furnishings may be a good sign here. It was not – likely trumped by the bond market.		5/12
Updates		
none –		

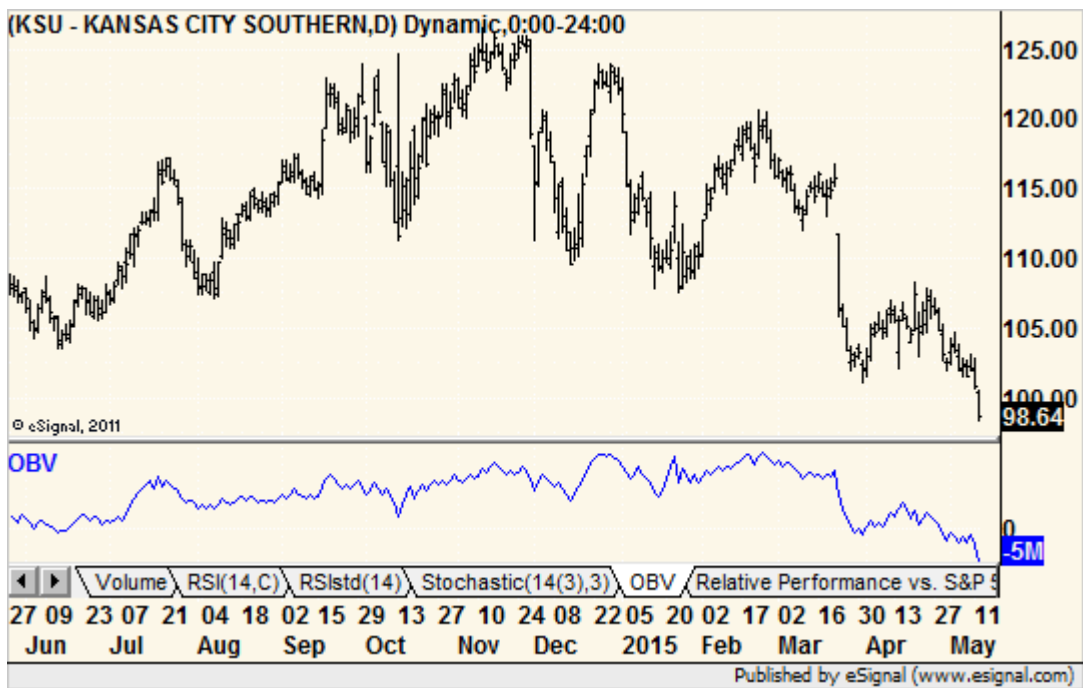
Market Highlights



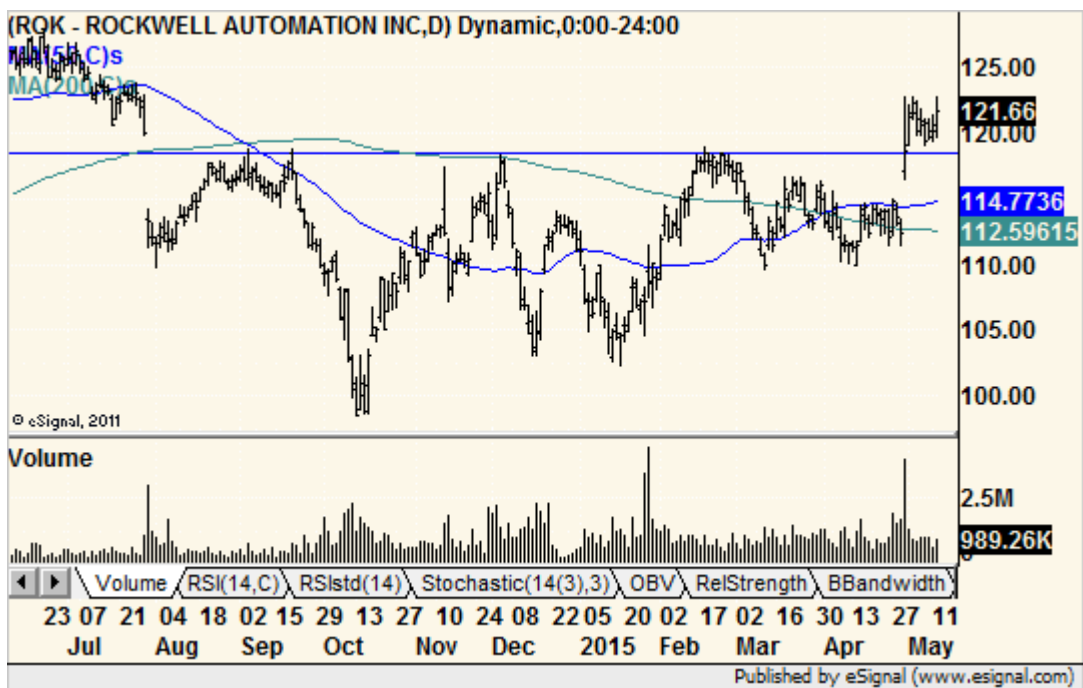
Oil ETF – Despite fundamental pundits saying too much supply and not enough growth, oil has broken out from its base.



Paccar – Commercial vehicle maker with a breakout, test and breakout. We like the new highs in on-balance volume. A good buy right here.



Kansas City Southern – This railroad is in serious trouble. Maybe sell a bounce.



Rockwell Automation – Nice base breakout, pause and breakout. Goes ex-div tomorrow (65 cents).

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	83.51	6.9%		78.11	4/14	28
	ABB	ABB LTD	21.74	-0.3%	21.25	21.80	4/14	28
	GILD	GILEAD SCIENCES INC	104.21	1.8%		102.34	4/14	28
	XOM	EXXON MOBIL CORP	87.02	0.5%	85.00	86.63	4/14	28
	FLR	FLUOR CORP NEW	59.28	-1.1%	58.00	59.93	4/21	21
	KOP	KOPPERS HOLDINGS INC	26.75	18.2%	25.25	22.64	4/22	20
	PSX	PHILLIPS 66	80.50	-1.1%	77.25	81.38	4/24	18
	VZ	VERIZON COMMUNICATIONS INC	49.62	-0.8%	48.00	50.00	4/27	15
	XLE	ENERGY SELECT SECTOR SPDR	80.59	-3.2%	80.00	83.25	4/29	13
	ORCL	ORACLE CORP	43.57	0.3%	42.25	43.44	5/1	11
	ETFC	E TRADE FINANCIAL CORP	29.39	1.2%	28.25	29.03	5/1	11
	HPQ	HEWLETT PACKARD CO	32.92	-2.6%	32.00	33.80	5/4	8
	COF	CAPITAL ONE FINL CORP	82.91	0.1%	79.50	82.80	5/6	6
	KEY	KEYCORP NEW	14.72	-0.2%	14.00	14.75	5/11	1
	KBE	SPDR S&P BANK ETF	34.68	0.3%	33.50	34.58	5/11	1
<u>Short</u>	WSM	WILLIAMS SONOMA INC	76.68	-0.2%	79.00	76.51	4/17	25
	XRT	SPDR S&P RETAIL ETF	98.59	-1.4%	100.00	97.23	5/6	6
	DG	DOLLAR GEN CORP NEW	74.80	-0.5%	76.50	74.40	5/7	5
	FLS	FLOWSERVE CORP	55.41	0.0%	59.00	55.40	5/12	0

Notes: Sold **PM** and **GILD** at the open yesterday when it looked as if the market was in trouble. The afternoon reversal may have negated that thought.

We've got some positions in place for a month and most are doing nothing. Therefore, we will look for the right time to dump them.

Other Information

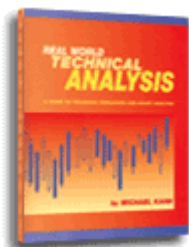
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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