

QUICK TAKES PRO

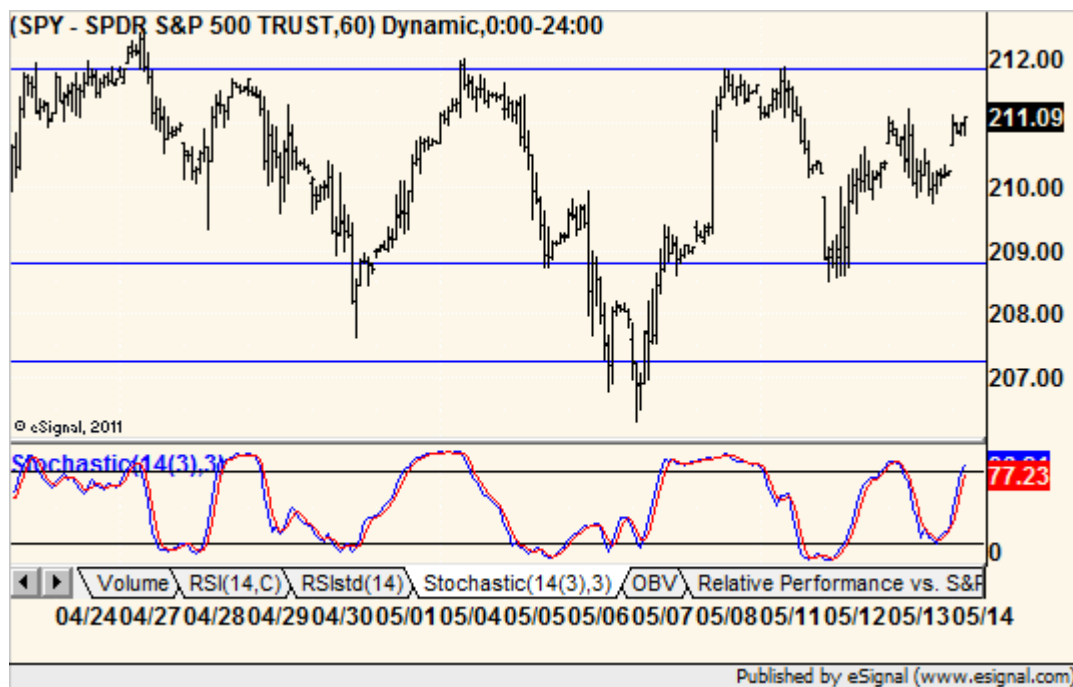
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

May 14, 2015 – There are two stories today. The first is the sinking U.S. dollar and the second is the possible breakdown in the transportation sector. Both charts below.

Retail sales provided a big drag on the market yesterday but for the Dow it was DuPont that did the damage. We still see retail as a weak sector. Charts for both, below.

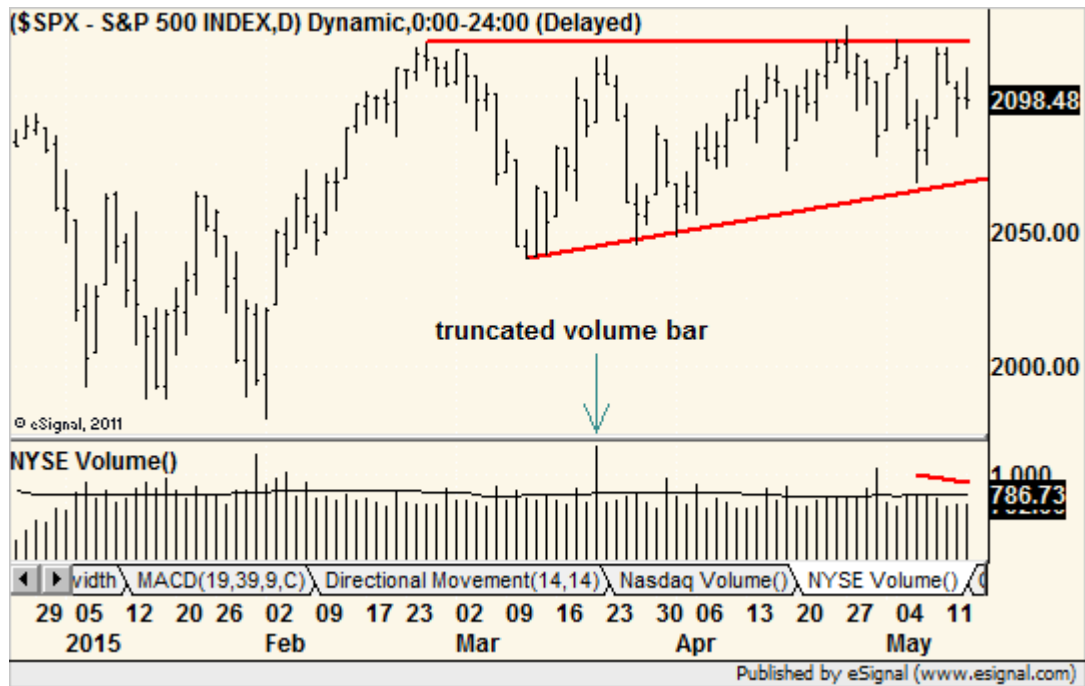
So, we've got some weakening sectors and some strengthening sectors (banks). Tech is still doing OK but falling bonds are creating problems for plenty of other area, especially the rate sensitive ones. The strategy is cautiously long and trimming the non-performers. The overall market (S&P 500) is still in its range but today it feels better than it did earlier in the week.



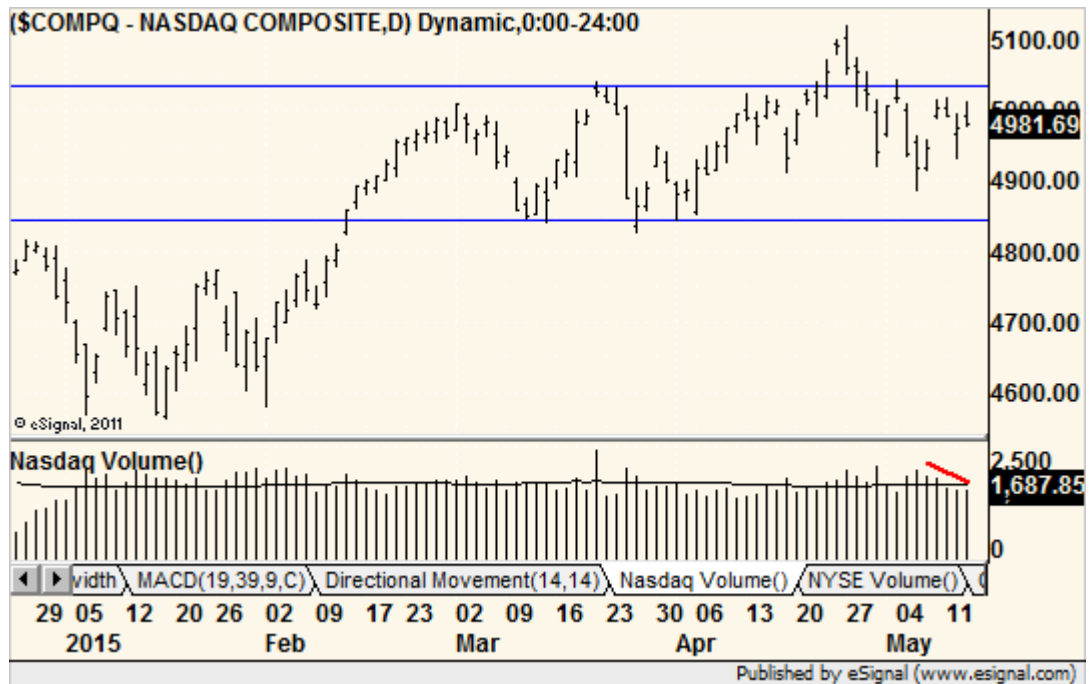
The hourly chart is strong this morning and appears to be heading to resistance. Stochastics has a shrinking range to suggest it is still overall range bound.

We'll let the charts below do the rest of the talking.

Index Charts of the Day



A whole lot of nothing going on here.



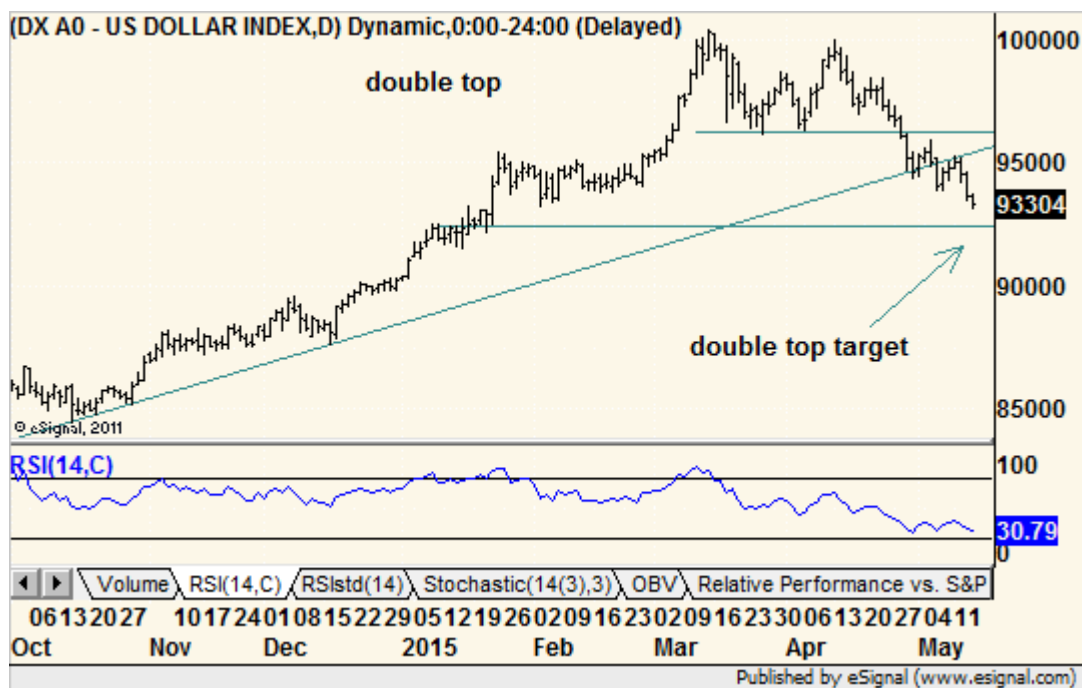
Ditto.

The Radar Screen

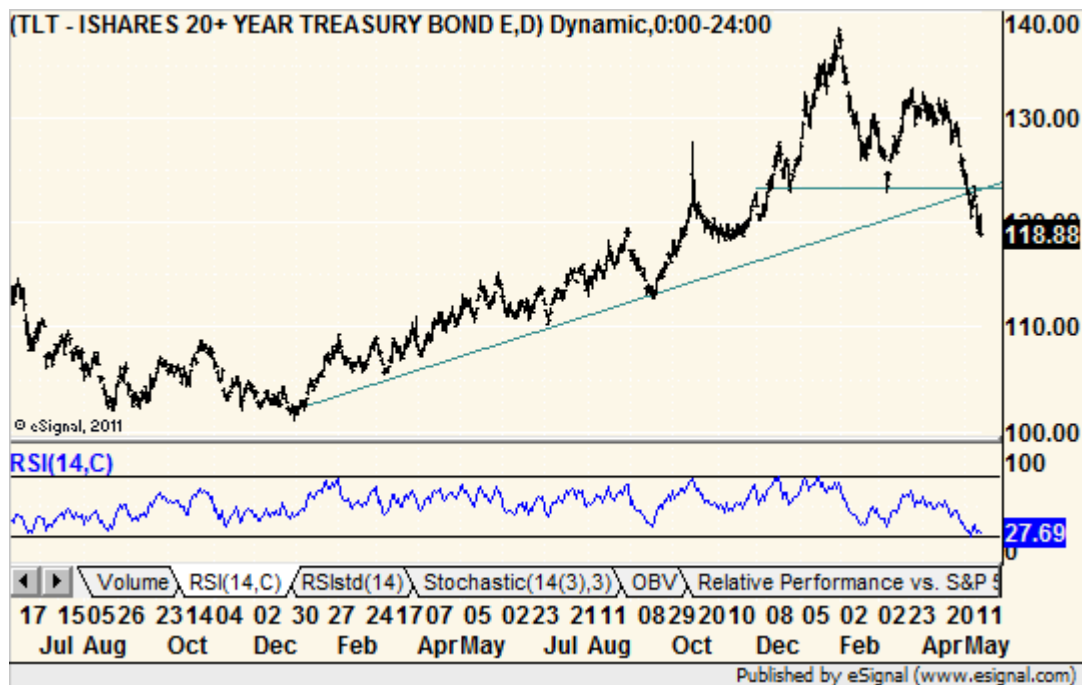
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.	Triggered	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.	Triggered	5/13
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. <u>Hammer candle was confirmed so we're buying.</u>	Moved	5/11
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		
FedEx FDX –now squeezed between averages. <u>Still waiting for a better sign</u>		4/29
Verifone PAY – flat range can go either way		5/4
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
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		
Rockwell Automation ROK - Probably should have stated a formal buy trigger. Goes ex-div today so maybe it wasn't a miss		

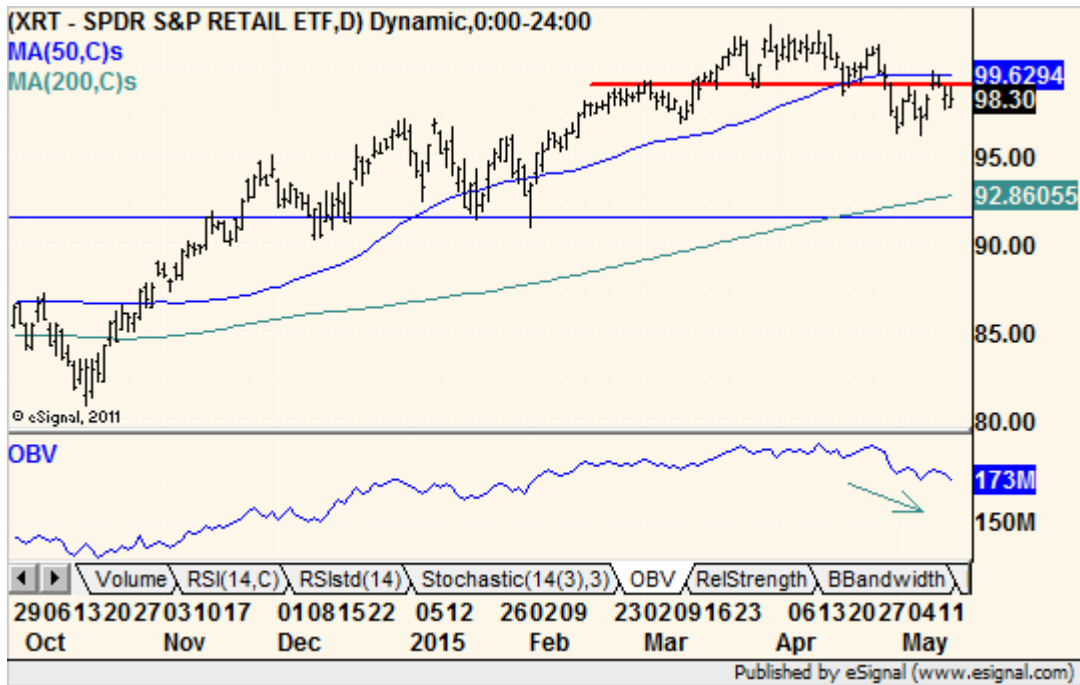
Market Highlights



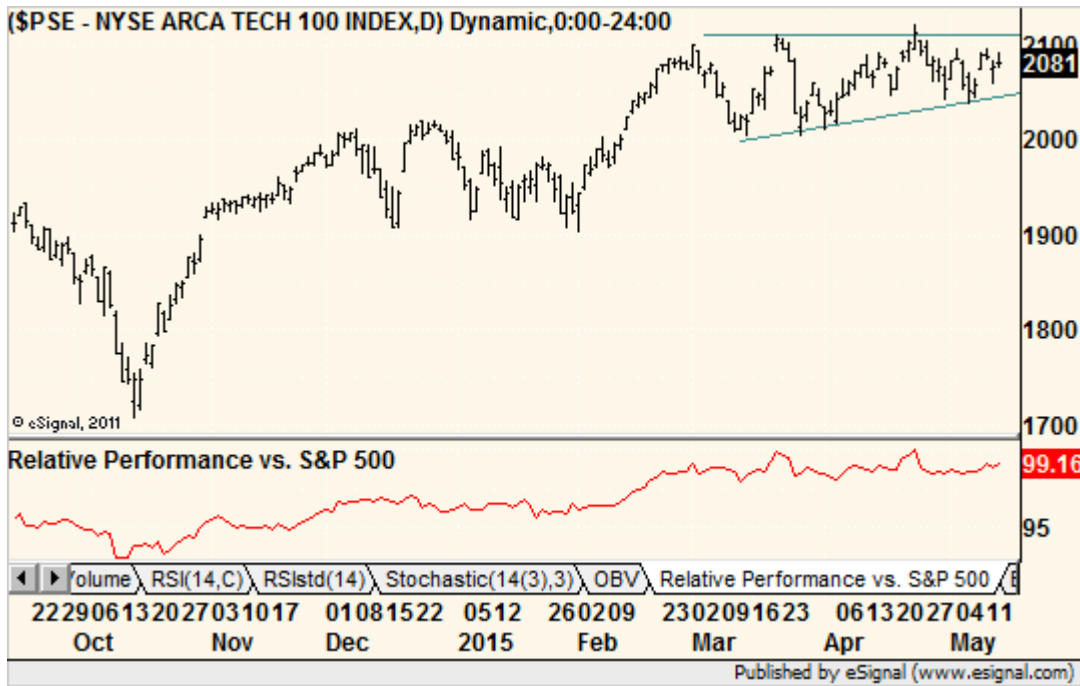
Dollar Index – The measured move for the double top breakdown is shown above. Just under 92.5. Two-pager on measuring the move, [click here](#). New subscribers, it is part of the service.



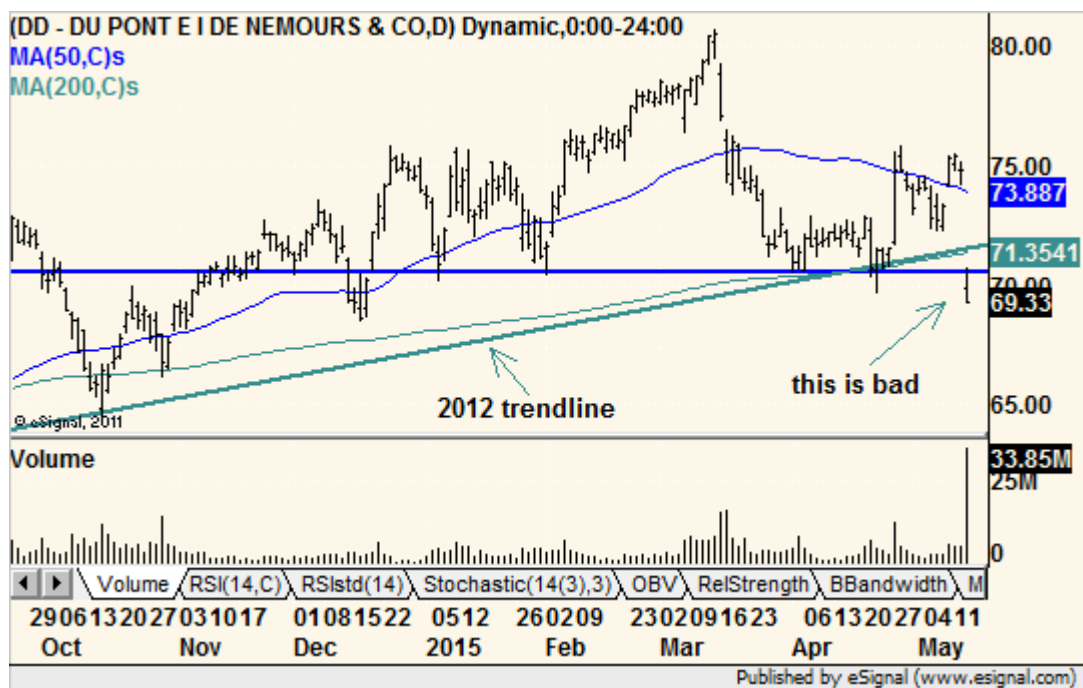
Bonds ETF – Always room for an oversold bounce but this trend is down.



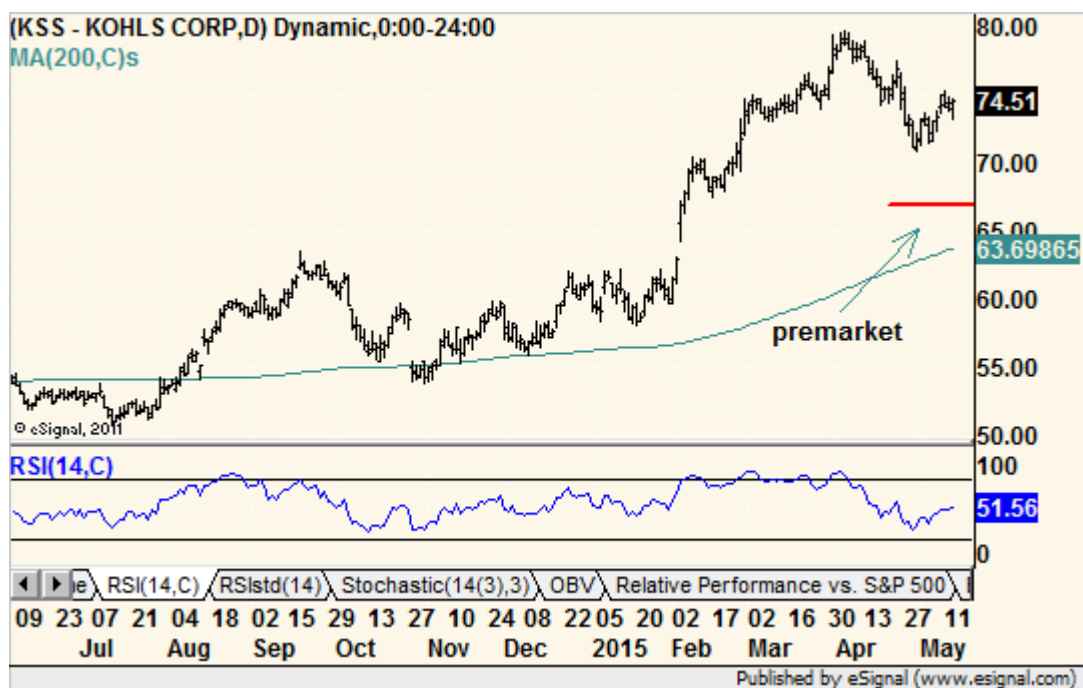
Retail ETF – Looks like a rectangle breakdown and test. First measured target was met last month. Second target is just below the 200-day average.



NYSE Arca Tech 100 – The former PSE tech index is pacing the market but sports an ascending triangle shape that leans bullish. Basically, it means tech is OK. Note – this index does not have the Apple weighting bias that **XLK** has.



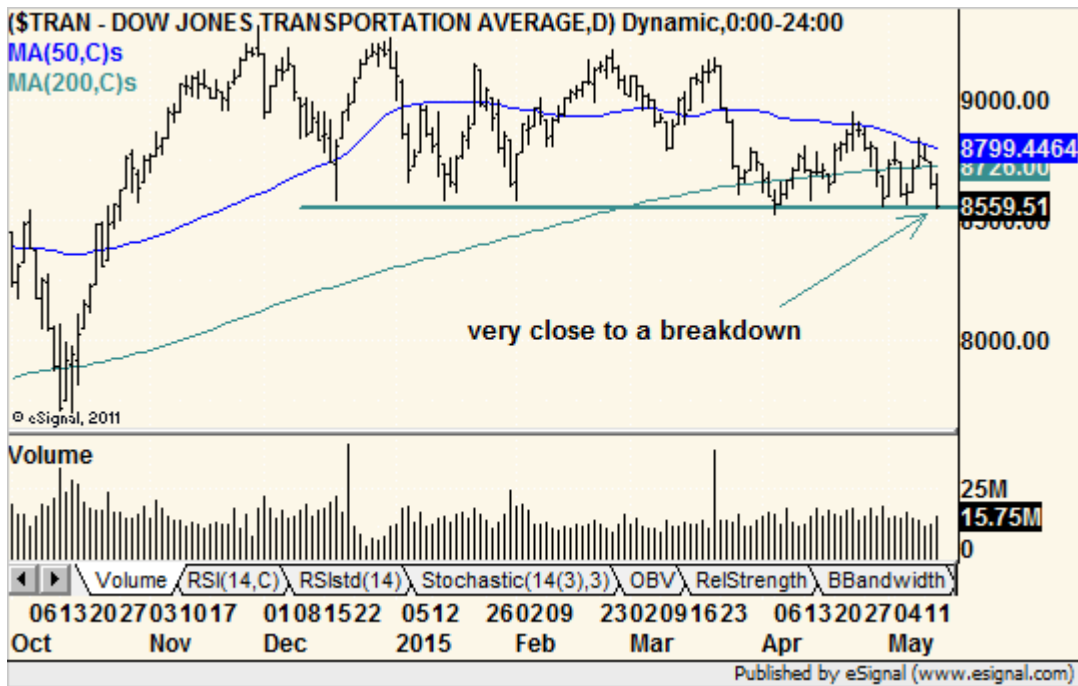
DuPont – The caption says it all.



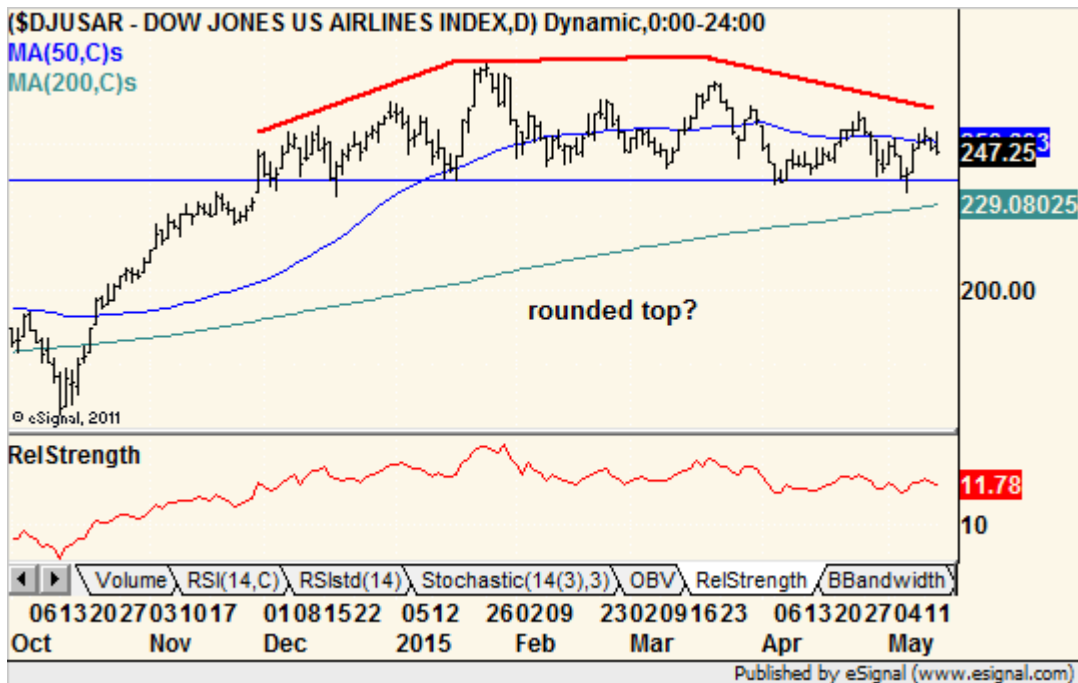
Kohls – Another retail loser after earnings. This stock is broken and not cheap despite being above the 200-day average.

Sector Watch

In this section, we take a closer look one sector of the market.



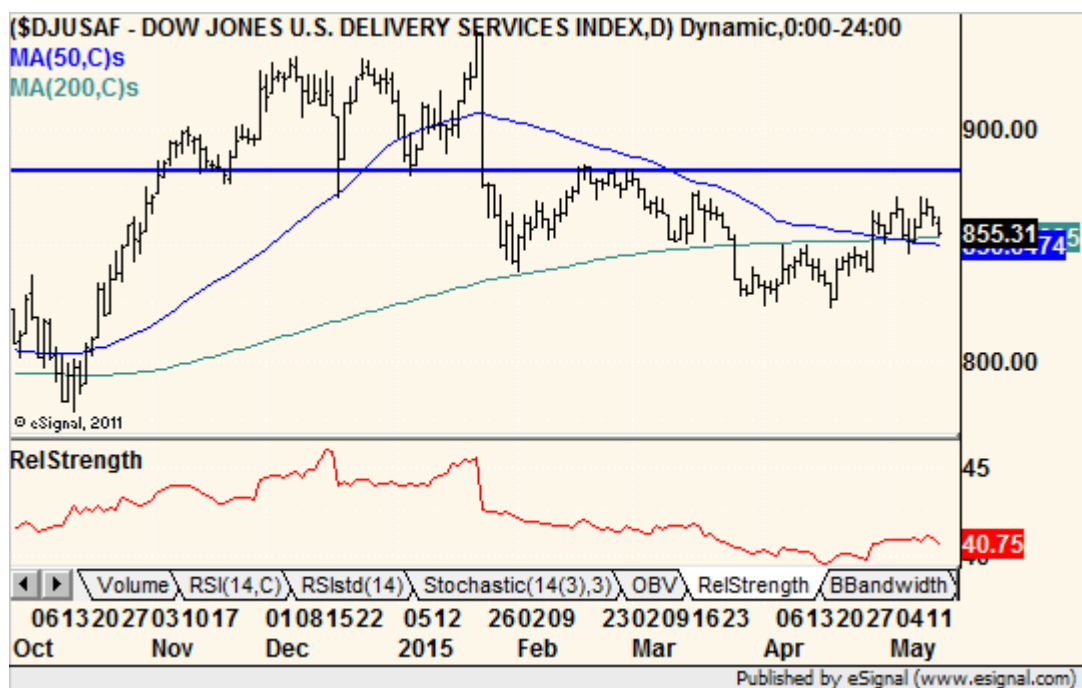
Transports – Could not lift off support and now below both major averages. A death cross seems likely.



Airlines – Same basic shape but not quite as bad in terms of support and averages. However, this could be a big rounded top formation.



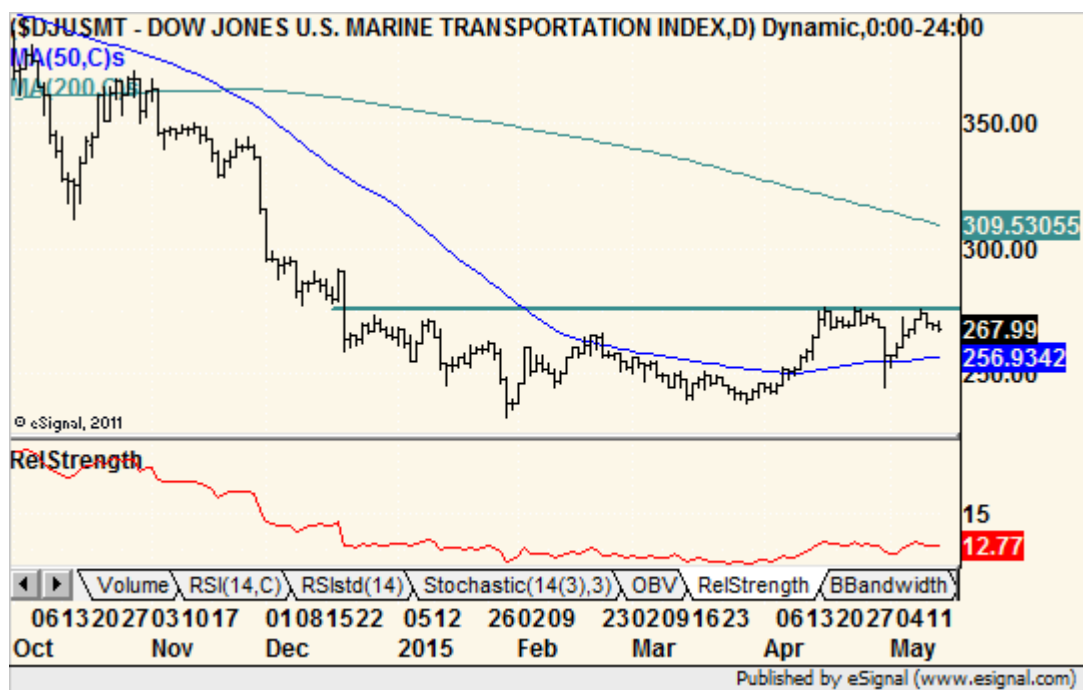
Trucks – This looks to have already broken down.



Air Freight – This one got a little feisty in April and May but it was the first transportation subsector to break down.



Railroads – The weakest link in transportation.



Marine Transport – This one actually looks to be bottoming. This is the only transportation group that would benefit from rising oil prices.

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>	ABB	ABB LTD	22.00	0.9%	21.25	21.80	4/14	29
	XOM	EXXON MOBIL CORP	86.56	-0.1%	85.00	86.63	4/14	29
	FLR	FLUOR CORP NEW	60.04	0.2%	59.00	59.93	4/21	22
	KOP	KOPPERS HOLDINGS INC	26.60	17.5%	25.25	22.64	4/22	21
	PSX	PHILLIPS 66	80.77	-0.7%	77.25	81.38	4/24	19
	VZ	VERIZON COMMUNICATIONS INC	49.73	-0.5%	48.00	50.00	4/27	16
	XLE	ENERGY SELECT SECTOR SPDR	80.38	-3.4%	80.00	83.25	4/29	14
	ORCL	ORACLE CORP	43.79	0.8%	42.25	43.44	5/1	12
	ETFC	E TRADE FINANCIAL CORP	29.46	1.5%	28.25	29.03	5/1	12
	HPQ	HEWLETT PACKARD CO	33.30	-1.5%	32.00	33.80	5/4	9
	COF	CAPITAL ONE FINL CORP	83.65	1.0%	79.50	82.80	5/6	7
	KEY	KEYCORP NEW	14.92	1.2%	14.25	14.75	5/11	2
	KBE	SPDR S&P BANK ETF	34.83	0.7%	33.50	34.58	5/11	2
	GT	GOODYEAR TIRE & RUBR CO	30.38	0.0%	29.00	30.38	5/13	0
	PCAR	PACCAR INC	66.57	0.7%	64.00	66.08	5/13	0
<u>Short</u>	WSM	WILLIAMS SONOMA INC	75.79	0.9%	79.00	76.51	4/17	26
	XRT	SPDR S&P RETAIL ETF	98.30	-1.1%	100.00	97.23	5/6	7
	DG	DOLLAR GEN CORP NEW	73.74	0.9%	76.50	74.40	5/7	6
	FLS	FLOWSERVE CORP	56.46	-1.9%	59.00	55.40	5/12	1

Notes: New longs – **GT** at the close and **PCAR** at the open.

Raised stop in **KEY**.

Raised stop in **FLR** to a very tight level. Now or never for this one we've had for too long.

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

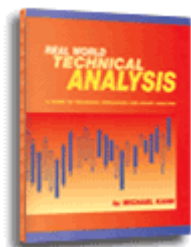
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



24/7 Website archive – <http://www.quicktakespro.com/archive> (password needed)

Customer Support - <http://www.quicktakespro.com/support.html>

Recommended reading - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

Refer a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we’ll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>



<http://www.talkmarkets.com/contributor/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2015