

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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May 15, 2015 – So the S&P 500 finally makes a new closing high and all seems to be forgiven in the financial press. Do we have to bring up that it did not make a new intraday high? Or that the industrials did not make a new high? And neither did any other major index? And that volume was below average?

While any new high is a good thing, this trading range is not yet over. The market is still in decent shape with junk bonds still beating high grades (risk loving). And sentiment seems to be at a low, which is contrarian bullish but let's not get too comfortable just yet.

Gold had a pretty good day and even got some novices excited as both gold and silver crossed 200-day averages. We are still not ready to give it another go as there are still too many hurdles. Gold stocks, on the other hand, are a different story and the one we thought would break out (**ABX**) actually scored a bearish reversal yesterday. Something is funky in this group.

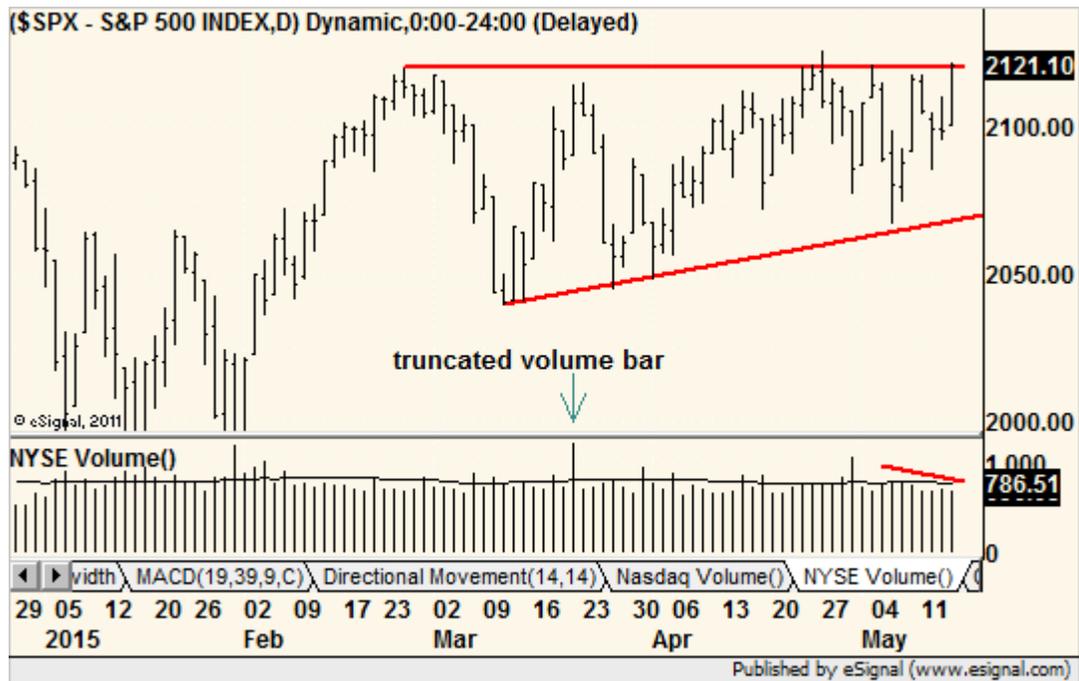
The big question is what is happening with transports. Yesterday reversed the action in all subsectors with most going up but marine transports going down. Only rails kept their trends. So what is up with the Dow Jones transportation Average? That chart is below but we can say that sentiment is rather bearish – maybe too bearish.



As we can see in the hourly chart, the **SPY** made a new high after breaching technical resistance. We do not consider the April all-time high much of a resistance in anything but the media. Anyway, the trend is up but it is already overbought in this time frame. We are still cautiously bullish.

And as such we cannot see too many solid setups today.

Index Charts of the Day



The media loved calling a new all-time high close but this is not a technical breakout. Volume was the lowest in weeks. That does not mean it won't break out but this was not it.



The Nasdaq took out resistance but is also not that impressive. Better than a poke in the eye, as they say.

The Radar Screen

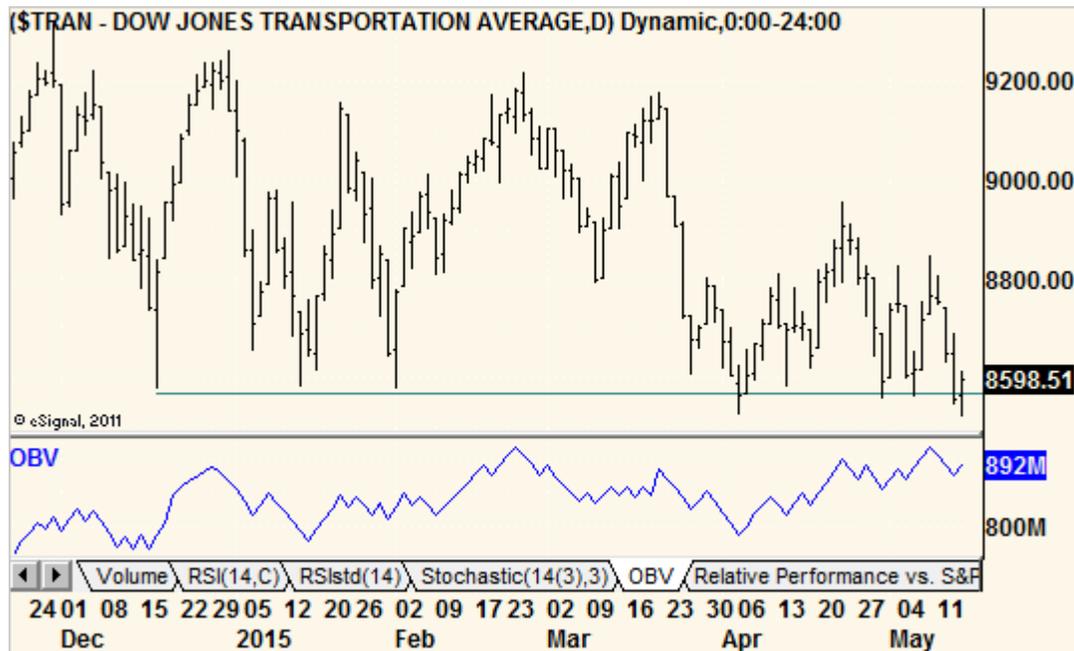
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
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. Hammer candle was confirmed so we're buying.	Triggered	5/11
United Parcel UPS – If the transports to rally then this one is poised to lead. Resistance and moving average breakouts pending. Buy 102	New	5/15
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. <u>This may take a while or it may never happen.</u>		5/5
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
FedEx FDX –now squeezed between averages. Still waiting for a better sign		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
Updates		
none -		

Market Highlights

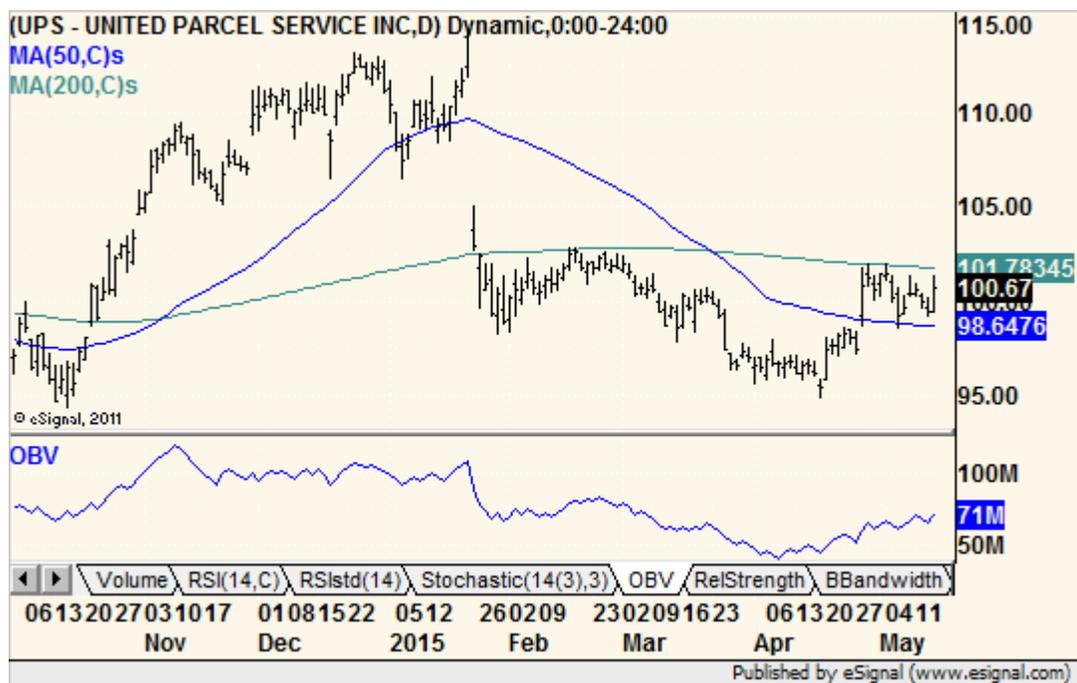


Apparel Retailer Index – Look at the performance yesterday. It is clear which sector is heading the wrong way.



Transports – We changed our tune a little. Yesterday, we said it was on the verge of a breakdown since it could not lift off support. But upon closer inspection we saw it did make a new closing low Wednesday and then reversed to the upside Thursday. It is not a buy signal but sentiment is very bearish and on-balance volume is actually rising. If, repeat if, this confirms a reversal we may get a sharp rebound.

The problem is that rails and trucks still look terrible. Perhaps air freight will be the “driver” if this rallies. We did call it “feisty” yesterday. See next chart...



UPS – We have **FDX** in the Radar Screen as an unknown but if the transports to rally then this one is poised to lead. Buy 102



Russia ETF – We are not trading this but does it tell us something about oil? We think it does and it is bullish.

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	22.19	1.8%	21.25	21.80	4/14	30
	XOM	EXXON MOBIL CORP	86.97	0.4%	85.00	86.63	4/14	30
	FLR	FLUOR CORP NEW	59.94	0.0%	59.00	59.93	4/21	23
	KOP	KOPPERS HOLDINGS INC	26.35	16.4%	25.25	22.64	4/22	22
	PSX	PHILLIPS 66	81.63	0.3%	77.25	81.38	4/24	20
	VZ	VERIZON COMMUNICATIONS INC	49.97	-0.1%	48.00	50.00	4/27	17
	XLE	ENERGY SELECT SECTOR SPDR	80.35	-3.5%	80.00	83.25	4/29	15
	ORCL	ORACLE CORP	44.38	2.2%	42.25	43.44	5/1	13
	ETFC	E TRADE FINANCIAL CORP	29.59	1.9%	28.25	29.03	5/1	13
	HPQ	HEWLETT PACKARD CO	33.70	-0.3%	32.00	33.80	5/4	10
	COF	CAPITAL ONE FINL CORP	84.47	2.0%	80.00	82.80	5/6	8
	KEY	KEYCORP NEW	14.93	1.2%	14.25	14.75	5/11	3
	KBE	SPDR S&P BANK ETF	35.00	1.2%	33.50	34.58	5/11	3
	GT	GOODYEAR TIRE & RUBR CO	30.86	1.6%	29.25	30.38	5/13	1
	PCAR	PACCAR INC	66.82	1.1%	64.00	66.08	5/13	1
	FB	FACEBOOK INC	81.37	3.1%	78.50	78.94	5/14	0
<u>Short</u>	WSM	WILLIAMS SONOMA INC	75.72	1.0%	79.00	76.51	4/17	27
	XRT	SPDR S&P RETAIL ETF	97.65	-0.4%	100.00	97.23	5/6	8
	DG	DOLLAR GEN CORP NEW	73.46	1.3%	76.50	74.40	5/7	7
	FLS	FLOWSERVE CORP	57.09	-3.0%	59.00	55.40	5/12	2

Notes: New long in **FB** at the open.

Tweaked stops in **COF** and **GT**

Subscriber Corner

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

Send in your requests! We mean it. Do it.

Other Information

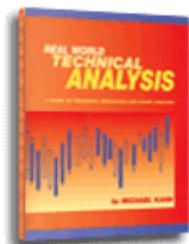
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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