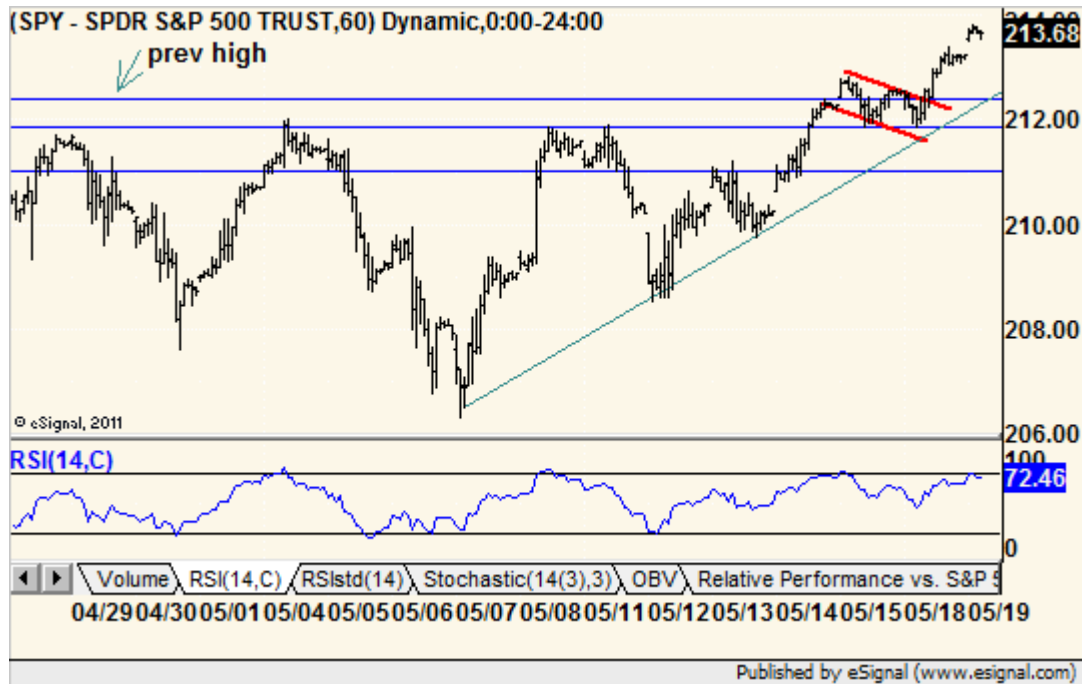


QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

May 19, 2015 – Once again, stocks snapped to attention after someone at the Fed hinted at a rate hike delay. We'd like to think that the breakout from the intraday flag highlighted in the chart below was the harbinger.



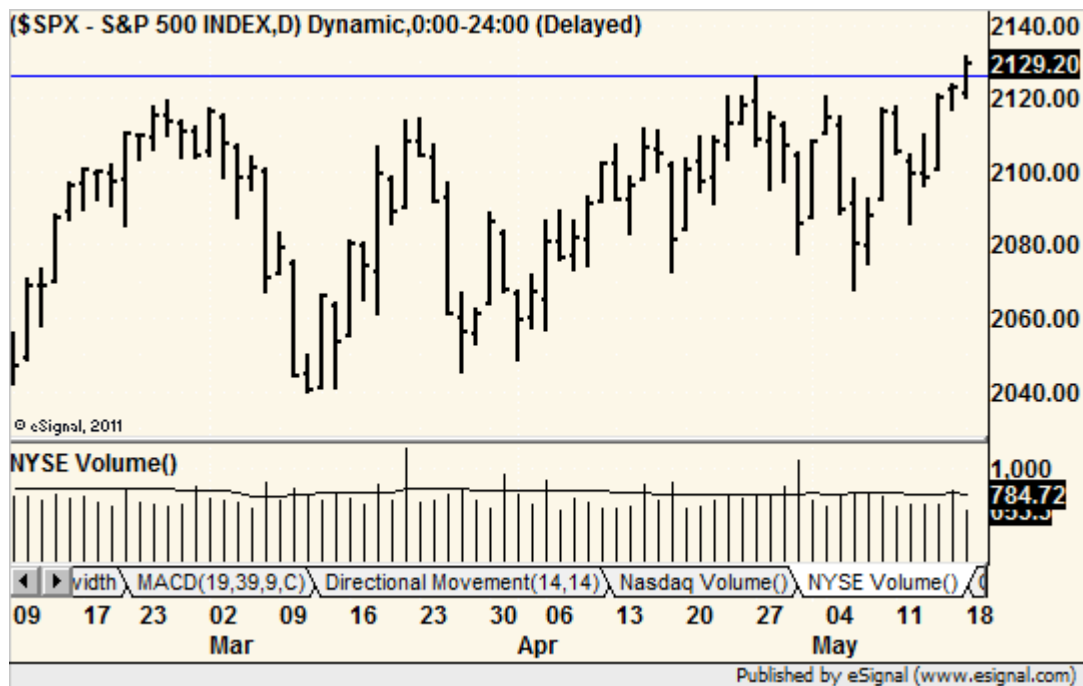
There is no denying the new high on the S&P 500 and Dow although it is a bit overbought intraday. The Russell is back above its 40-day average. On the wet blanket side, the transports did not break the small trendline we highlighted yesterday and the Nasdaq, while rallying, did not score any technical advances.

While everyone cheers the market, retail still looks shaky. **WMT** were not so great. **HD** beat but the stock dropped in the premarket (since then rallied big). And **URBN** and **DKS** got crushed.

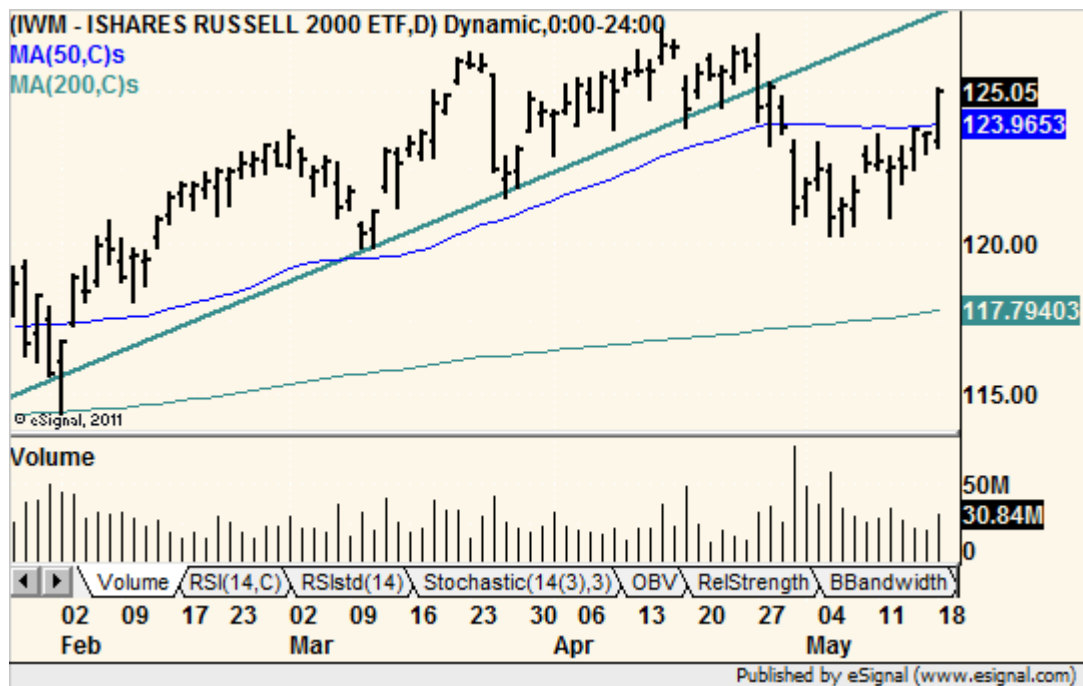
Today's fireworks revolve around the dollar as the euro fell sharply on ECB comments that it will front load its stimulus. European stocks, of course, liked that a lot. Germany is leading a breakout from the April-May flag pattern.

Don't forget, free money in Europe spreads all over the place, just like QE here did. Domestic stocks seem to have the wind again at their backs. But don't forget retail's weakness and the trend in interest rates (up). We can offset that with bank strength.

Index Charts of the Day



Once again, a price breakout with really pitiful volume.



Much better action for the Russell. Too bad the trendline from October is still broken.

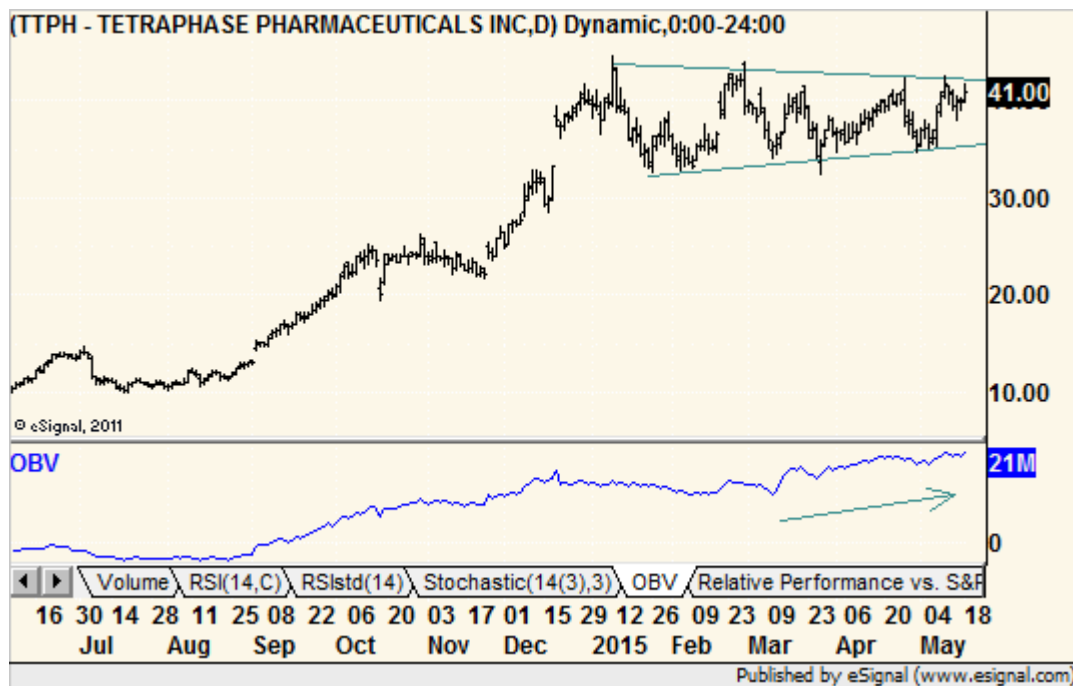
Bottom line – As we said yesterday, the market is not dead yet

The Radar Screen

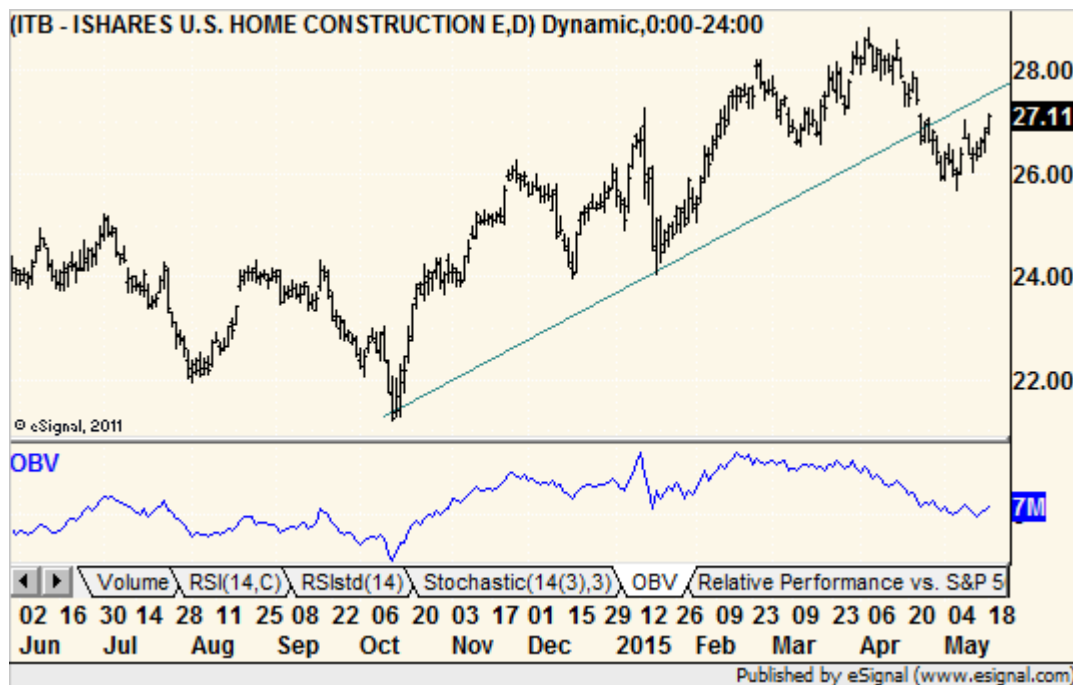
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Parsley Energy PE – An explorer/producer challenging resistance. already through 200-day. Buy close over 18.10.		5/18
Tetraphase Pharm TTPH – We keep going back and forth on biotechs and just took them of the bear list. This one looks ready for an upside breakout from a pennant. Note rising on-balance volume. Buy close over 42.	New	5/19
Bearish Implications		
Nasdaq Biotech ETF IBB – Too far from trigger.	Removed	5/5
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Verifone PAY – Breakout		5/4
Solar City SCTY – confirmed inverted hammer reversal	Changed	5/11
Jinko Solar JKS – Nice pause under tight resistance. Still holding nicely.		5/18
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout		5/6
Retail ETF XRT – now testing support break. Especially weak is apparel.		5/11
Solar ETF TAN –weekly chart shows a pause under resistance. New highs in price and relative performance would be a really good buy signal. <u>SCTY is an Elon Musk aberration.</u>		5/18
Updates		
BHP Billiton BHP – So much for bottoming pattern. Sold off hard Monday and again this morning. Never triggered so no harm done.		

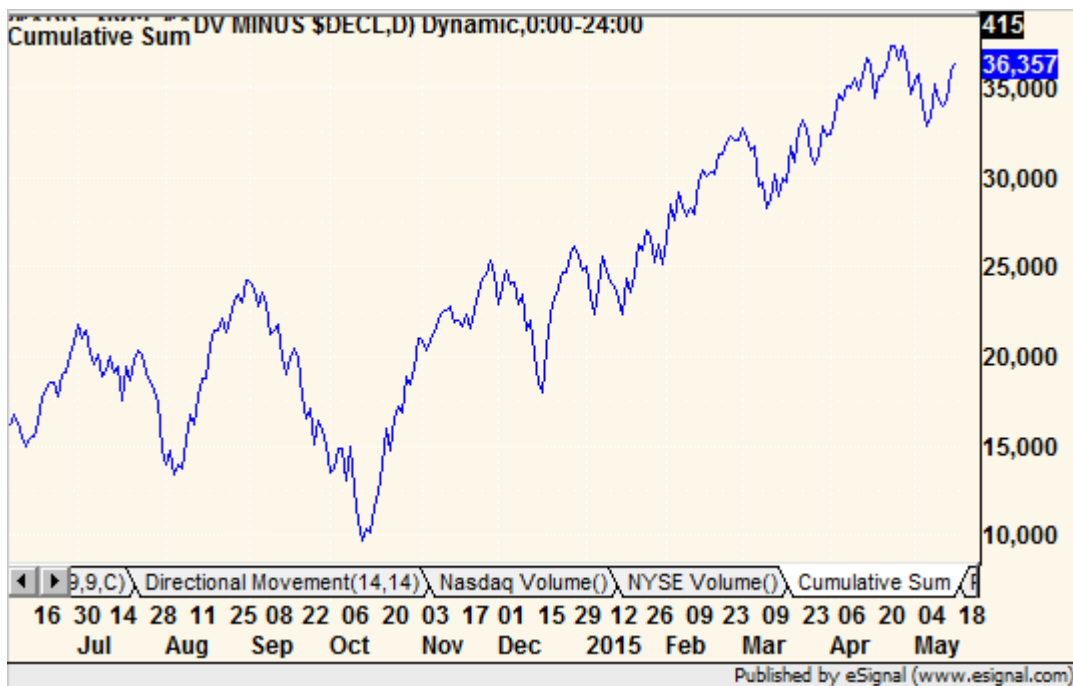
Market Highlights



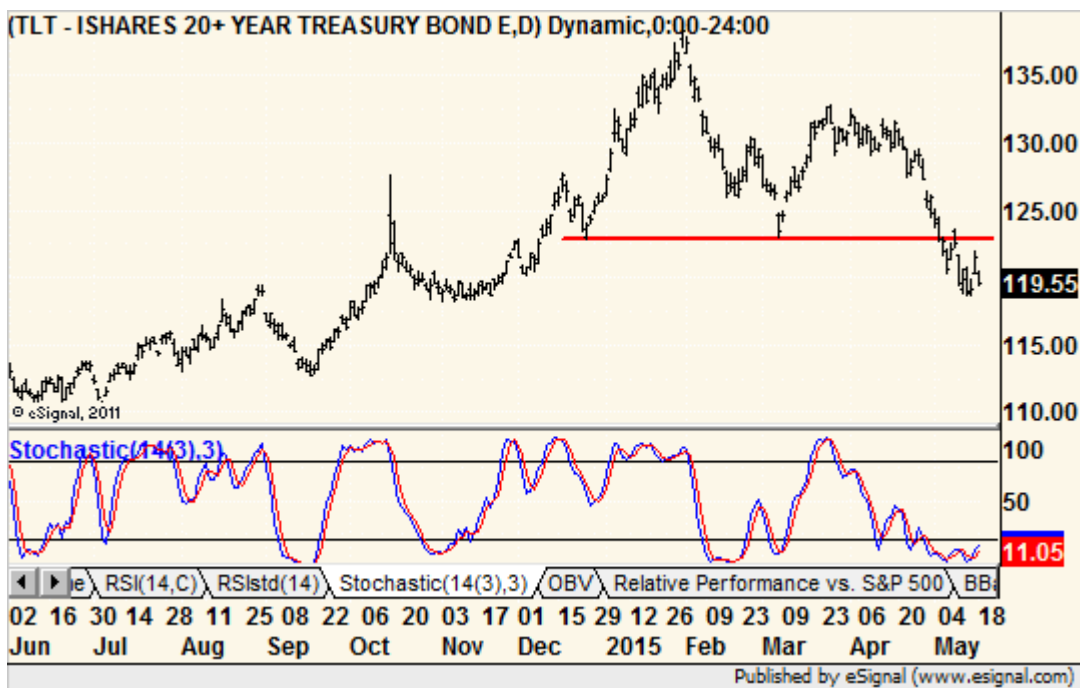
Tetraphase Pharma – We keep going back and forth on biotechs and just took them of the bear list. This one looks ready for an upside breakout. Note rising on-balance volume. Buy close over 42.



Homebuilder ETF – Still not crazy about it with that falling on-balance volume.



NYSE advance-decline – Not at new highs but moving in the right direction.



Bonds ETF – Should open at a new low 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>	ABB	ABB LTD	22.15	1.6%	21.25	21.80	4/14	34
	XOM	EXXON MOBIL CORP	86.85	0.3%	85.00	86.63	4/14	34
	FLR	FLUOR CORP NEW	58.98	-1.6%		59.93	4/21	27
	KOP	KOPPERS HOLDINGS INC	25.97	14.7%	25.25	22.64	4/22	26
	PSX	PHILLIPS 66	81.33	-0.1%	77.25	81.38	4/24	24
	VZ	VERIZON COMMUNICATIONS INC	49.60	-0.8%	48.00	50.00	4/27	21
	XLE	ENERGY SELECT SECTOR SPDR	80.74	-3.0%	80.00	83.25	4/29	19
	ORCL	ORACLE CORP	44.24	1.8%	42.25	43.44	5/1	17
	ETFC	E TRADE FINANCIAL CORP	29.84	2.8%	28.25	29.03	5/1	17
	HPQ	HEWLETT PACKARD CO	33.25	-1.6%	32.00	33.80	5/4	14
	COF	CAPITAL ONE FINL CORP	84.56	2.1%	80.00	82.80	5/6	12
	KEY	KEYCORP NEW	14.86	0.7%	14.25	14.75	5/11	7
	KBE	SPDR S&P BANK ETF	35.07	1.4%	33.50	34.58	5/11	7
	GT	GOODYEAR TIRE & RUBR CO	31.24	2.8%	29.75	30.38	5/13	5
	PCAR	PACCAR INC	65.77	-0.5%	64.00	66.08	5/13	5
	FB	FACEBOOK INC	80.88	2.5%	78.50	78.94	5/14	4
	UPS	UNITED PARCEL SERVICE INC	101.91	-0.1%	78.50	102.03	5/15	3
<u>Short</u>	WSM	WILLIAMS SONOMA INC	78.35	-2.3%	79.00	76.51	4/17	31
	XRT	SPDR S&P RETAIL ETF	99.61	-2.4%	100.00	97.23	5/6	12
	DG	DOLLAR GEN CORP NEW	74.49	-0.1%	76.50	74.40	5/7	11
	FLS	FLOWSERVE CORP	57.56	-3.8%	59.00	55.40	5/12	6

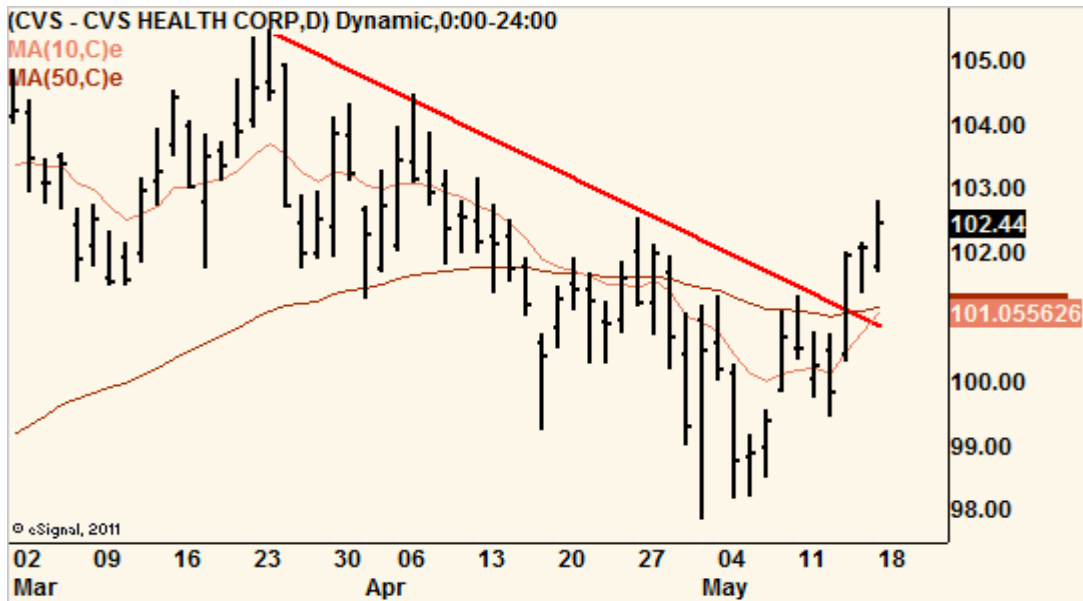
Notes: Sold **FLR** at the open for lack of performance.

We still are bearish on retail yet **WSM** jumped huge yesterday. It is close to the stop so we'll let it ride.

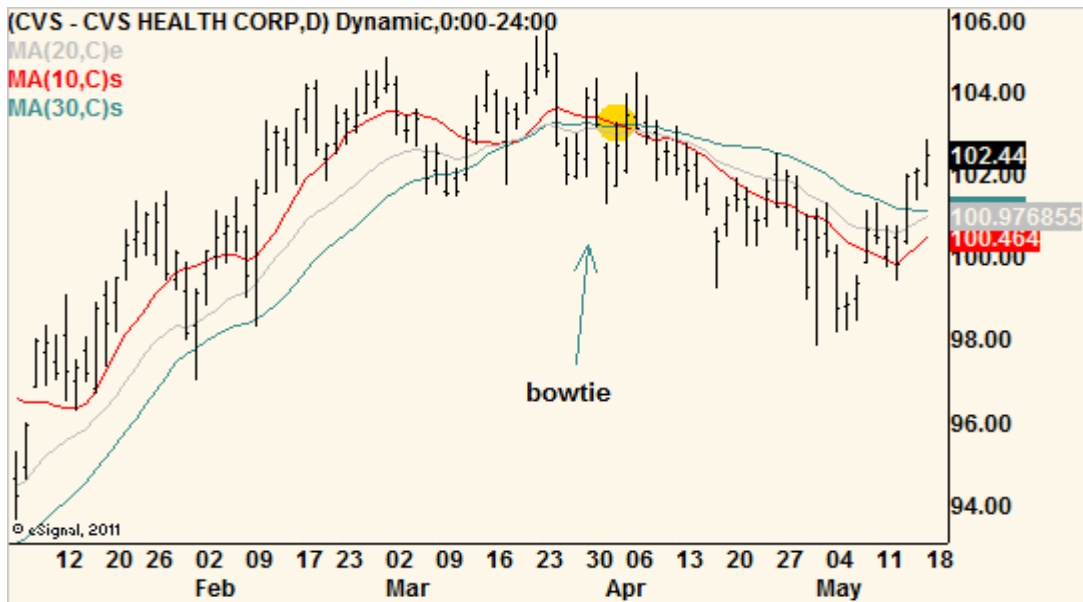
Tweaked stop on **GT** long.

Subscriber Corner

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



CVS – The most important feature here is the breakout through the trendline. However the subscriber asked about at 10-50 expo moving average crossover. We do not see that here although it seems to be inevitable. See next chart...



Here is the same chart without the trendline. The moving averages are part of the Landry bowtie system – 10-simple, 20-expo and 30-expo. The idea is that when the averages cross together we get a signal. CVS “bowtied” down in March but has not bowtied up at this time.

We prefer the trendline breakout signal in this case. While there is resistance at the old high that should not deter short-term trading.

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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