

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

May 22, 2015 – The long Memorial Day holiday unofficially kicks off today and we can expect senior traders to head for the hills – or beaches – before the close. That leaves the junior traders in charge and when we combine lower volume with inexperience we can get some big moves. "Can" does not mean "will." It is just something to know and chances are that whatever happens under that scenario will get undone on Tuesday when the big dogs return to clean it up.

This afternoon Janet Yellen talks about the economy (1 pm Eastern). Good timing, eh Fed chief? More reason to prepare for volatility but again we think the market is just as likely to peter out late in the day.

Since this is not a day to make a real strategic moves let's take a romp around the market and the world for a big picture type of feel.

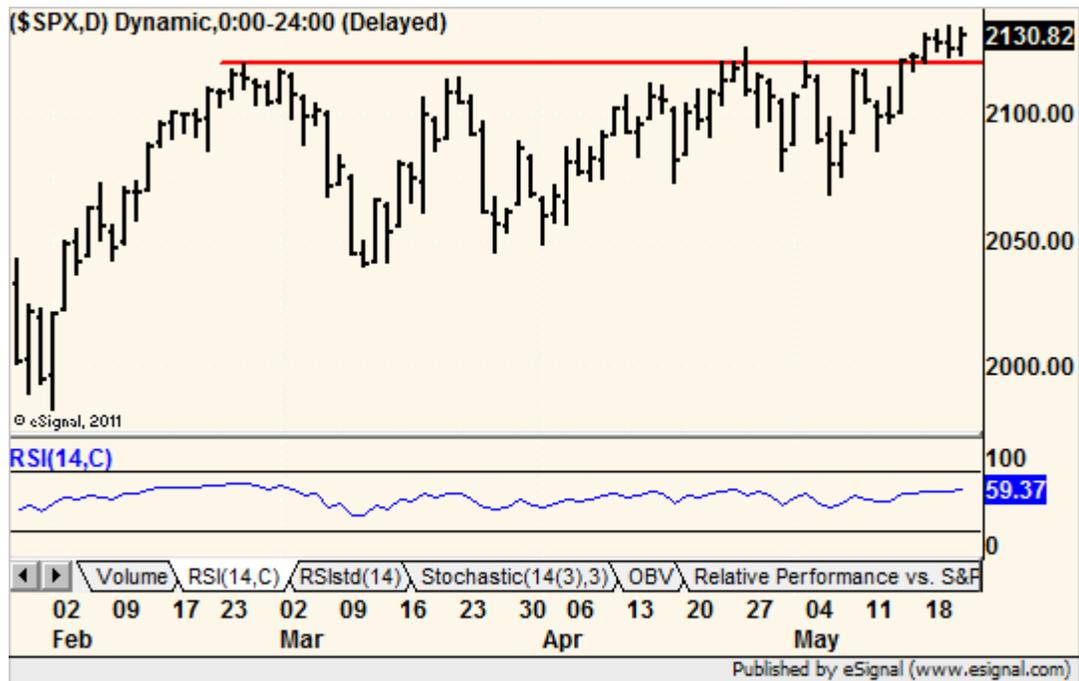
1. China soared again overnight
2. Russia and Saudi Arabia (oil dependent) are still in decent rising trends.
3. Major Europe coming out of a bull flag
4. Latin America bearish RSI divergences
5. Precious metals still going nowhere
6. Oil still clawing higher despite one-day setback this week
7. Grains still weak
8. Interest rates still rising
9. Dollar just tested (successfully, so far) its trendline breakdown
10. Banks leading followed by tech and biotech
11. Energy, consumer (especially retail) and industrial lagging



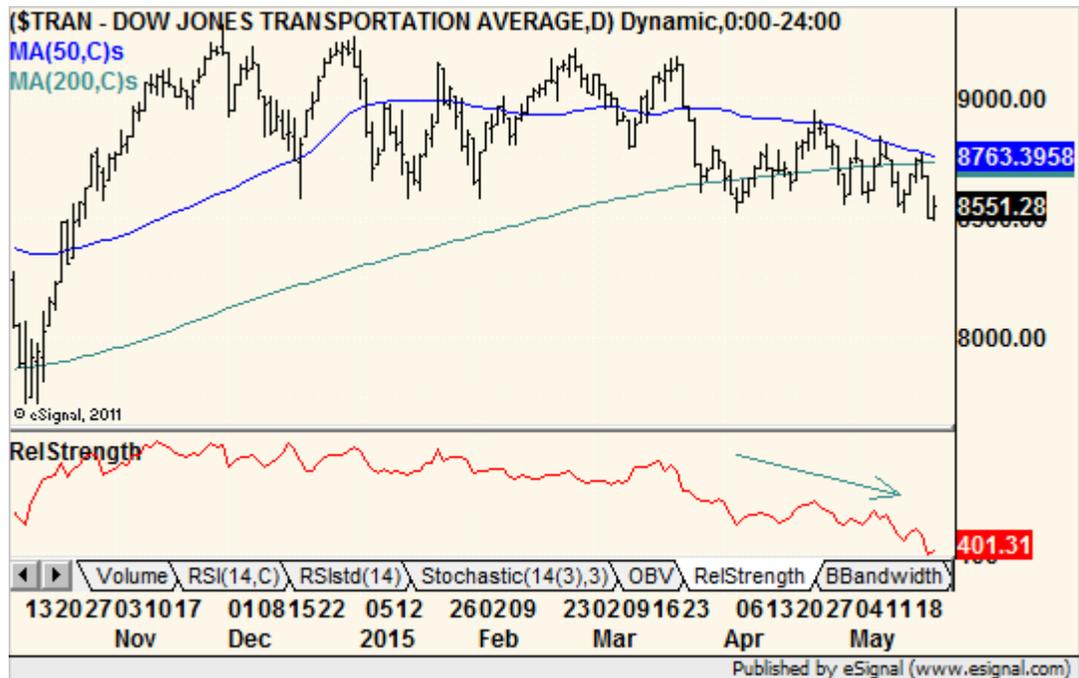
The hourly chart shows the new highs but lack of movement thereafter. Could this be yet another new trading range or just the holiday pause? One thing that is not here is a bearish forecast. Down within the new range, perhaps but nothing that says sell.

No newsletter Monday as the markets are closed for **Memorial Day**. Make it a safe one and we'll see you back here on Tuesday.

Index Charts of the Day



It's a breakout although not very impressive. With four full days traded above the red line we cannot argue. A calm before the holiday?



We often see rallies right after death crosses so that implies the transports will bounce before falling further. But this is a weak chart.

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
Bearish Implications		
Target TGT – Good earnings before the bell Wed and the stock jumped. However, it is still within the falling channel and still below the gap. Closed well off its highs and is still bearish. Sellable here.	Triggered	5/20
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
none –		
Allstate ALL – Now testing breakdown. Bounced off 200-day avg before bounce		5/20
IBM – We missed the major base breakout but avoided the mess of the past few weeks. Now setting up for a fresh breakout. The target for the base breakout is the top of the gap at 183-ish. The pause happened halfway top the target, as is often the case		5/21
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. Closed up 11.95% Wed well above our limits. Maybe it will come back to us.	Moved	5/19
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
Updates		
Best Buy BBY – Closed up big but still well off its highs.		
Alibaba BABA – Shoulda, woulda.		

Market Highlights



Campbell Soup – Boring ol' CPB has a great chart right here.



Hershey – Cocoa prices are zooming and Hershey looks terrible. Short candidate but we are still not bearish the market at this time.

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	21.93	0.6%	21.25	21.80	4/14	37
	XOM	EXXON MOBIL CORP	87.21	0.7%	85.00	86.63	4/14	37
	KOP	KOPPERS HOLDINGS INC	25.88	14.3%	25.25	22.64	4/22	29
	PSX	PHILLIPS 66	81.00	-0.5%	77.25	81.38	4/24	27
	VZ	VERIZON COMMUNICATIONS	49.90	-0.2%	48.00	50.00	4/27	24
	ORCL	ORACLE CORP	44.28	1.9%	42.25	43.44	5/1	20
	ETFC	E TRADE FINANCIAL CORP	29.84	2.8%	28.25	29.03	5/1	20
	HPQ	HEWLETT PACKARD CO	33.83	0.1%	32.00	33.80	5/4	17
	COF	CAPITAL ONE FINL CORP	85.11	2.8%	82.00	82.80	5/6	15
	KEY	KEYCORP NEW	14.92	1.2%	14.25	14.75	5/11	10
	KBE	SPDR S&P BANK ETF	35.13	1.6%	33.50	34.58	5/11	10
	GT	GOODYEAR TIRE & RUBR CO	31.89	5.0%	30.50	30.38	5/13	8
	PCAR	PACCAR INC	65.54	-0.8%	64.00	66.08	5/13	8
	FB	FACEBOOK INC	80.48	2.0%	78.50	78.94	5/14	7
	UPS	UNITED PARCEL SERVICE INC	102.05	0.0%	99.00	102.03	5/15	6
<u>Short</u>	WSM	WILLIAMS SONOMA INC	78.57	-2.6%	79.00	76.51	4/17	34
	XRT	SPDR S&P RETAIL ETF	99.54	-2.3%	100.00	97.23	5/6	15
	DG	DOLLAR GEN CORP NEW	73.29	1.5%	76.50	74.40	5/7	14
	FLS	FLOWSERVE CORP	57.64	-3.9%	59.00	55.40	5/12	9

Notes: Raised stop in **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>.

Other Information

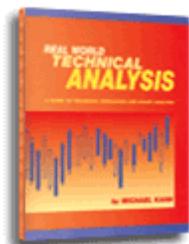
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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