

# QUICK TAKES PRO

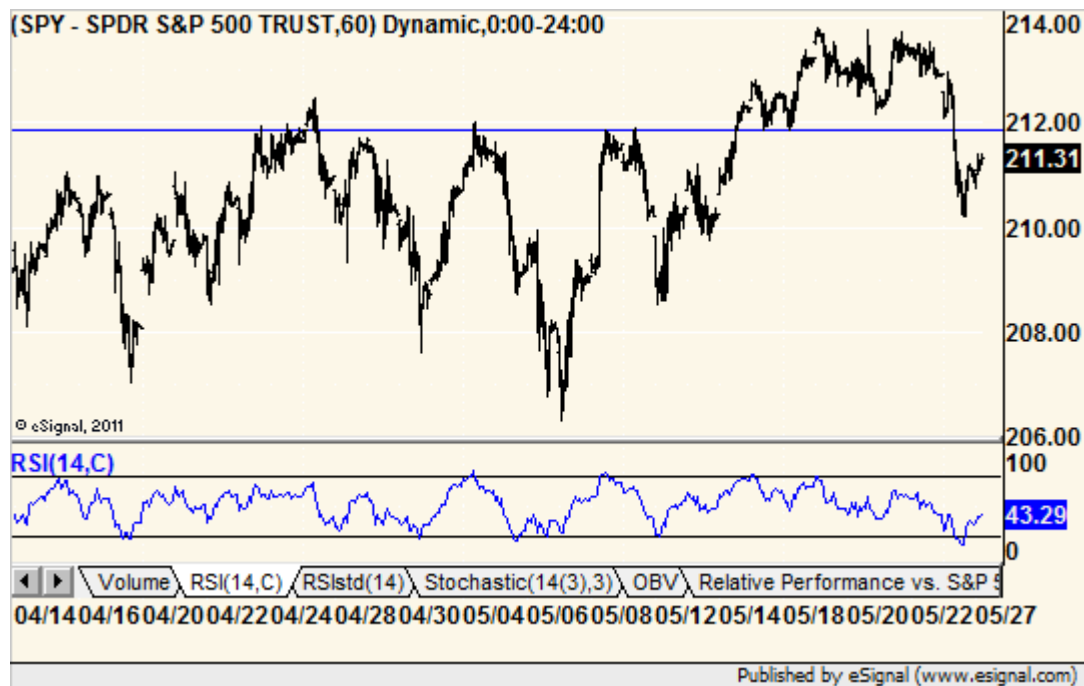
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**May 27, 2015** – The day did not start so bad but by the end it was a pretty bad Tuesday and return to work. The combination of pent up activity from last week's calm and the usual culprits of soaring dollar and failing Greece sent stocks tumbling.

But the dollar is not near its recent high and Greece is making far more waves than it is worth. Don't forget, the market lost 1% on lower than average volume. Plus the big indices are just a few days removed from all-time highs. Not exactly a bear market.

We'll take the bumps and bruises and hold the line. Cautiously bullish.

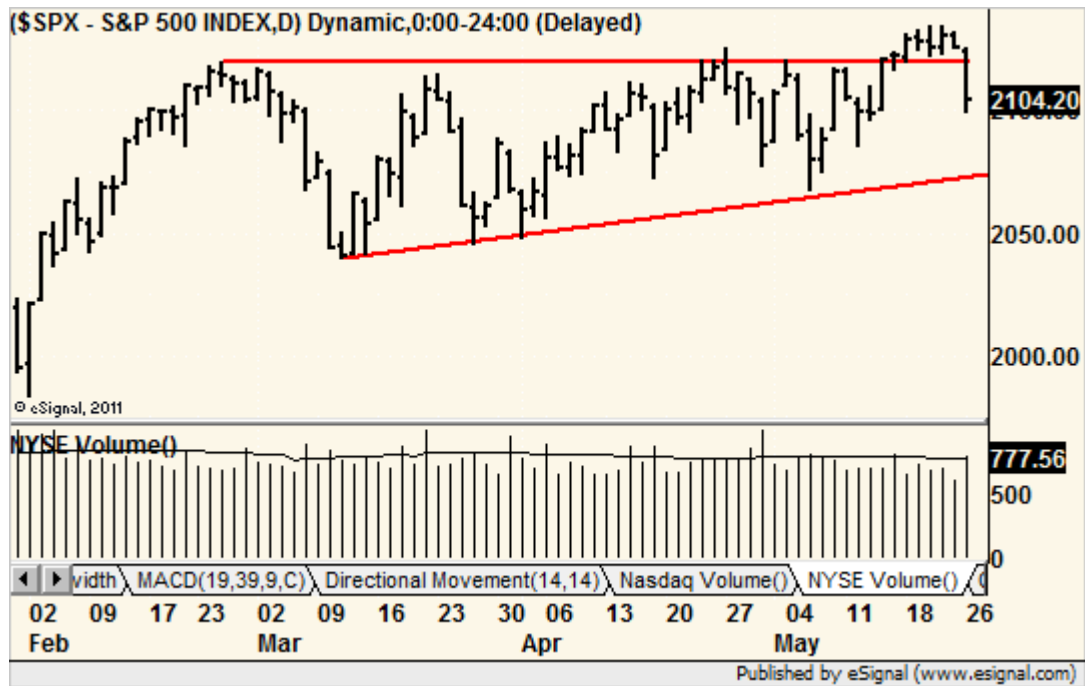


Support is broken and the overnight bounce has a bear-flag look to it. Other than that, there is little to go by on this chart. That suggests the market is still in a sideways range, albeit with an upward bias. The question is whether transports will get enough people to run away.

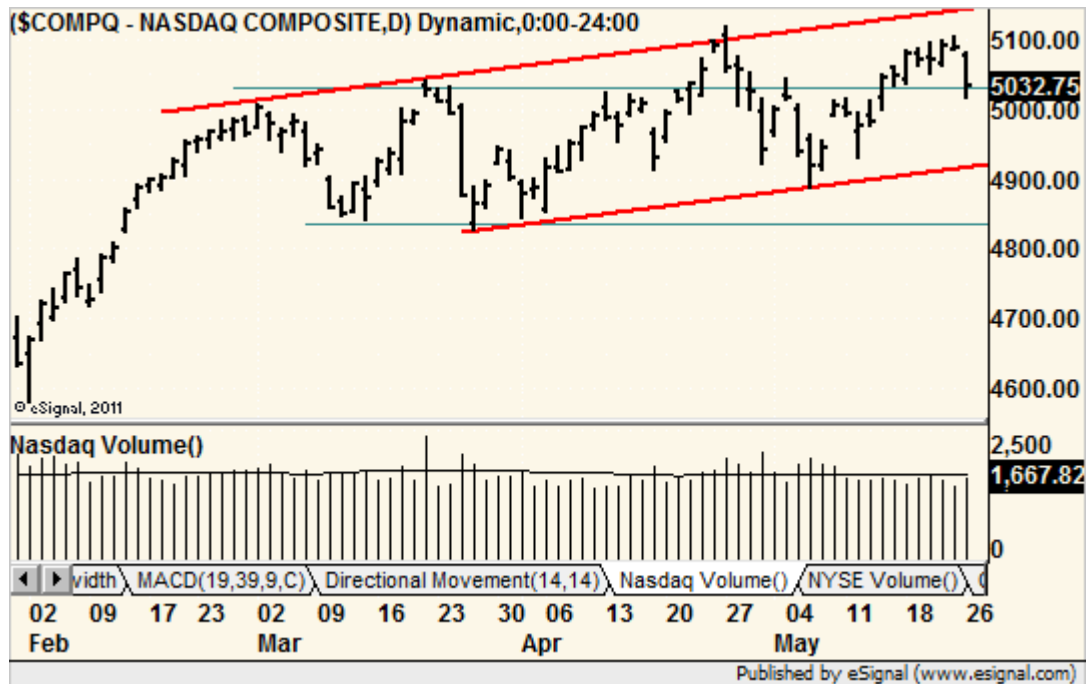
We do not think it will. It may keep the brakes on the rally but with other indicators still looking OK it is not a terrible market at all. Check out the junk to quality corporate bond ratio below.

Given the real lack of direction, we are not going to add to any longs or shorts again today. Below are environmental charts that still give the market to the bulls -just not enough to commit new money. Recall the chart last week showing summer is not the time to go away but prepare for volatility.

## Index Charts of the Day



Since it was not a classic breakout we do not consider this a breakout failure. The range continues.



Upward sloping range.

## The Radar Screen

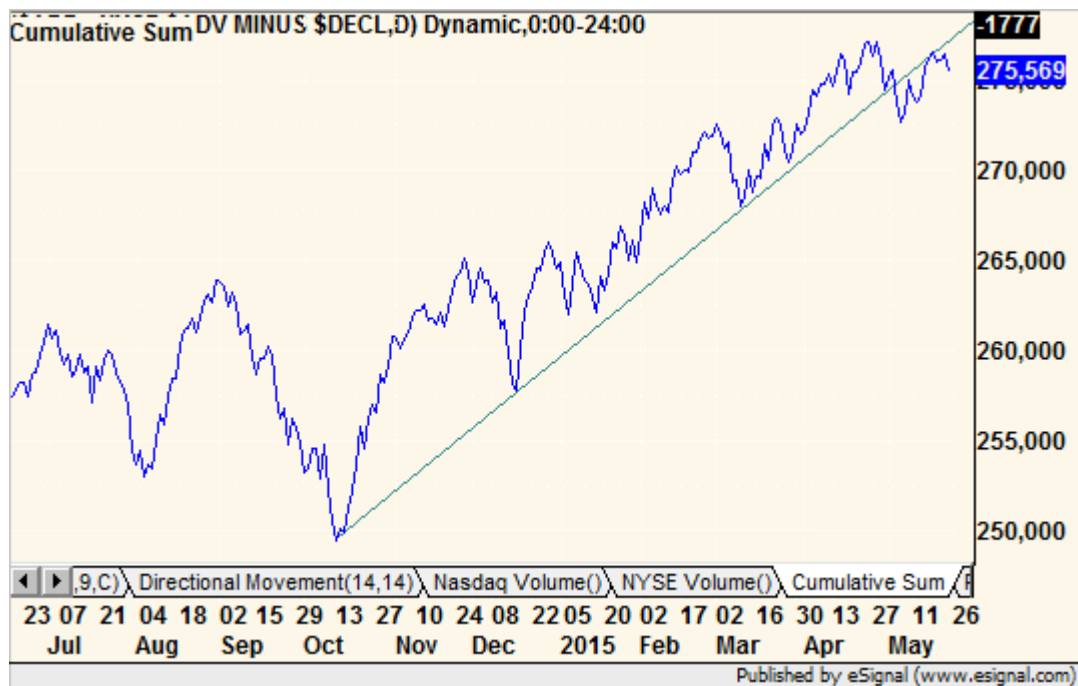
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>Parsley Energy PE</b> – An explorer/producer challenging resistance. Already through 200-day. Buy close over 18.10.		5/18
<b>Bearish Implications</b>		
<b>none</b> –		
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>none</b> –		
<b>Allstate ALL</b> – Now testing breakdown. Bounced off 200-day avg before bounce		5/20
<b>IBM</b> – 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
<b>Tetraphase Pharm TTPH</b> – 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.		5/19
<b>Hershey HSY</b> – Cocoa prices are zooming and Hershey looks terrible. Short candidate but we are still not bearish the market at this time.		5/22
<b>JB Hunt JBHT</b> – A trucker as a sell-the-bounce candidate.		5/26
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Oil services</b> – Still holding a base breakout.		5/6
<b>Retail ETF XRT</b> – now testing support break. Especially weak is apparel.		5/11
<b>General Motors GM</b> – After rejecting a merger proposal from Fiat Chrysler, GM is challenging a down trend line.		5/26
<b>eBay EBAY</b> – Looking strong. Challenging both long- and short-term resistance.		5/26
<b>Updates</b>		
<b>Shake Shack SHAK</b> – Not a bad prediction but it was not an official evening star. Still, the party looks to be over.		
<b>Apple AAPL</b> - sold off at resistance with falling on-balance volume.		

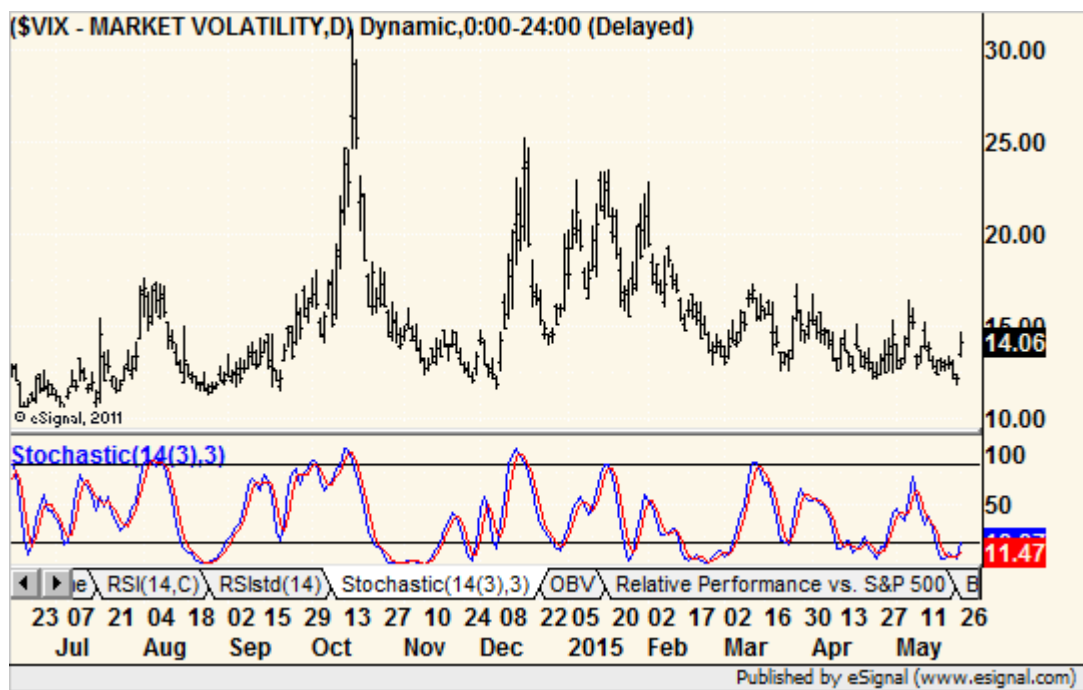
## Market Highlights



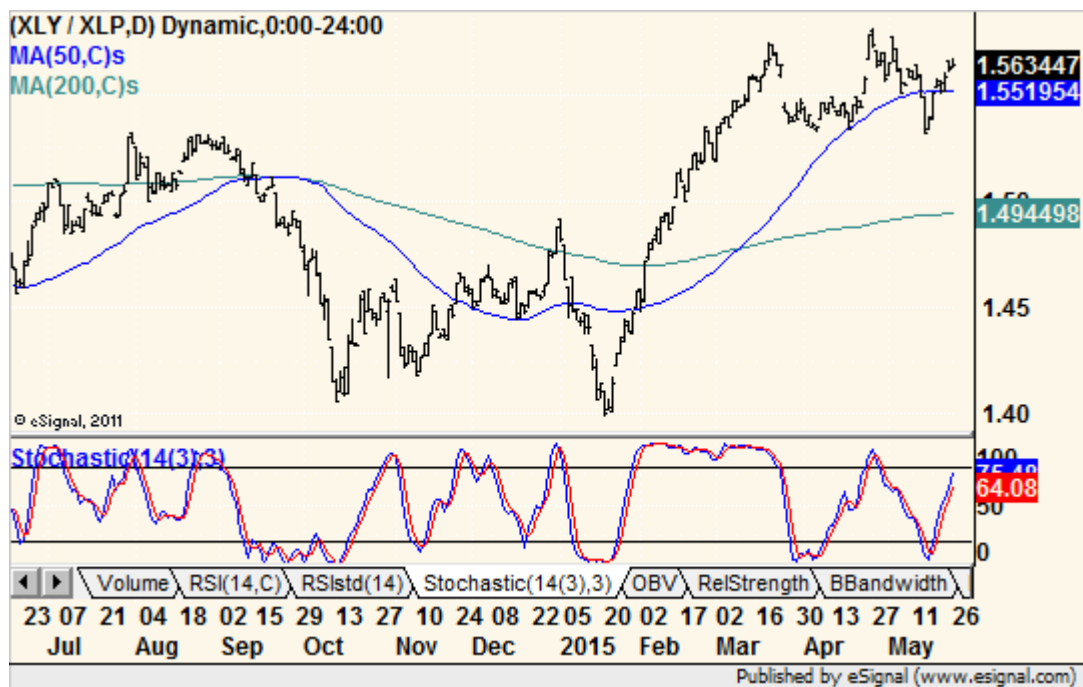
**Junk to Quality Corporate Bond ratio** – This looks like a healthy appetite for risk.



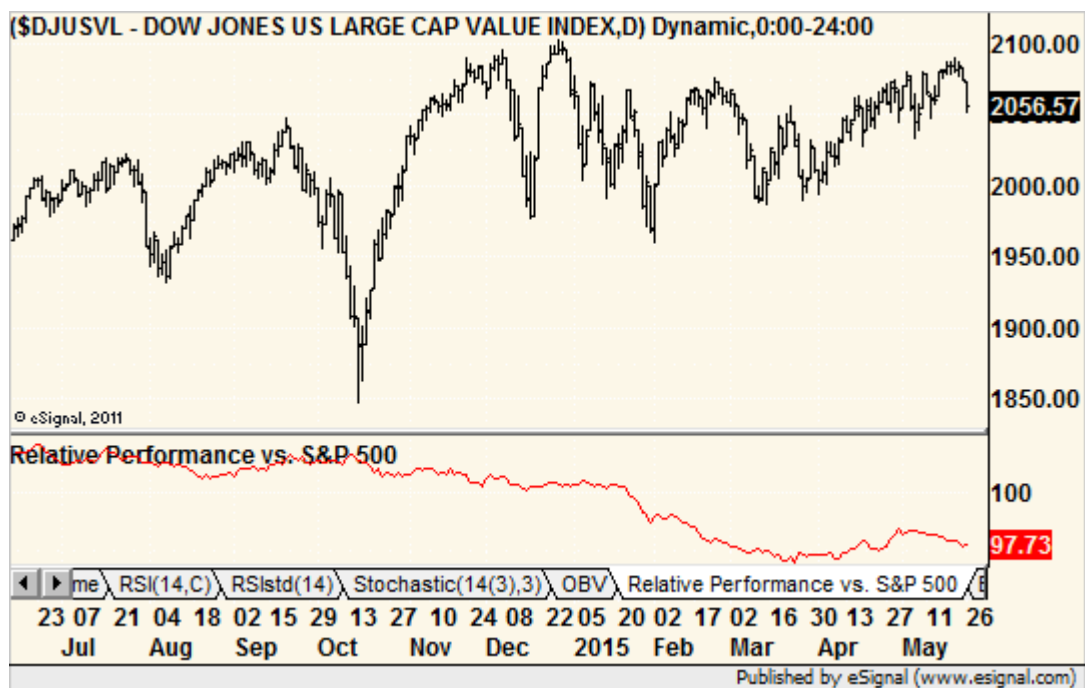
**NYSE advance-decline** – We can argue that the trendline is broken and now being tested. We can also argue that this is a transition to a flat breadth indicator (from a rally) and that is not bad.



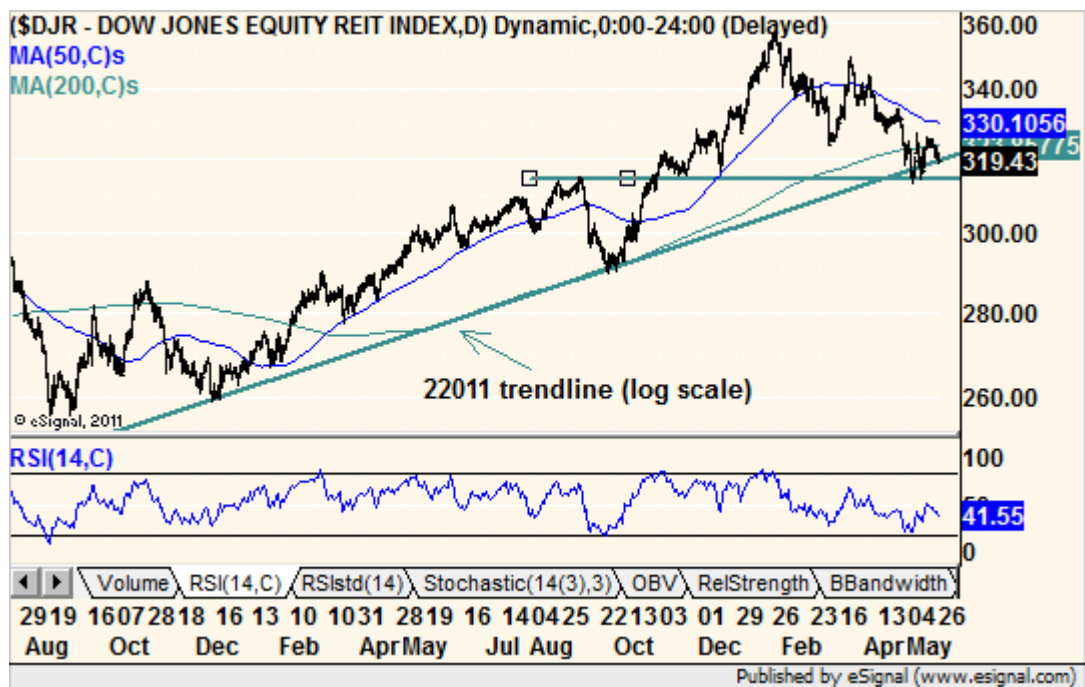
**VIX** – The fear index was low and stochastics suggested it was time for a sell off. It still points to more downside room but there is nothing unusual to learn here.



**Consumer Discretionary / Staples ratio** – Not bad here, either. Marking time but not tilting back to defense.



**Large Cap Value** – Lagging. Large Cap growth is holding up better. Even more pronounced in small caps vs small cap total index.



**REIT index** – On the edge of a cliff.

## 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>	<b>ABB</b>	ABB LTD	21.57	-1.1%	21.25	21.80	4/14	42
	<b>XOM</b>	EXXON MOBIL CORP	85.35	-1.5%	85.00	86.63	4/14	42
	<b>KOP</b>	KOPPERS HOLDINGS INC	25.85	14.2%	25.25	22.64	4/22	34
	<b>PSX</b>	PHILLIPS 66	79.36	-2.5%	77.25	81.38	4/24	32
	<b>VZ</b>	VERIZON COMMUNICATIONS	49.42	-1.2%	48.00	50.00	4/27	29
	<b>ORCL</b>	ORACLE CORP	43.33	-0.3%	42.25	43.44	5/1	25
	<b>ETFC</b>	E TRADE FINANCIAL CORP	29.37	1.2%		29.03	5/1	25
	<b>HPQ</b>	HEWLETT PACKARD CO	33.75	-0.1%		33.80	5/4	22
	<b>COF</b>	CAPITAL ONE FINL CORP	83.95	1.4%	82.00	82.80	5/6	20
	<b>KEY</b>	KEYCORP NEW	14.82	0.5%	14.25	14.75	5/11	15
	<b>KBE</b>	SPDR S&P BANK ETF	34.77	0.5%	33.50	34.58	5/11	15
	<b>GT</b>	GOODYEAR TIRE & RUBR CO	31.99	5.3%	30.50	30.38	5/13	13
	<b>PCAR</b>	PACCAR INC	65.41	-1.0%	64.00	66.08	5/13	13
	<b>FB</b>	FACEBOOK INC	79.34	0.5%	78.50	78.94	5/14	12
	<b>UPS</b>	UNITED PARCEL SERVICE INC	100.52	-1.5%	99.00	102.03	5/15	11
<u>Short</u>	<b>WSM</b>	WILLIAMS SONOMA INC	77.78	-1.6%	79.00	76.51	4/17	39
	<b>XRT</b>	SPDR S&P RETAIL ETF	98.15	-0.9%	100.00	97.23	5/6	20
	<b>DG</b>	DOLLAR GEN CORP NEW	72.95	2.0%	76.50	74.40	5/7	19
	<b>FLS</b>	FLOWSERVE CORP	55.53	-0.2%	59.00	55.40	5/12	14

**Notes:** Sold **ETFC** at the open yesterday for lack of performance. If opened lower and then closed higher but it was still time to move on.

Stopped out of **HPQ**. This was a disappointment as it broke out nicely last week with us already on board but it failed.

## 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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