

QUICK TAKES PRO

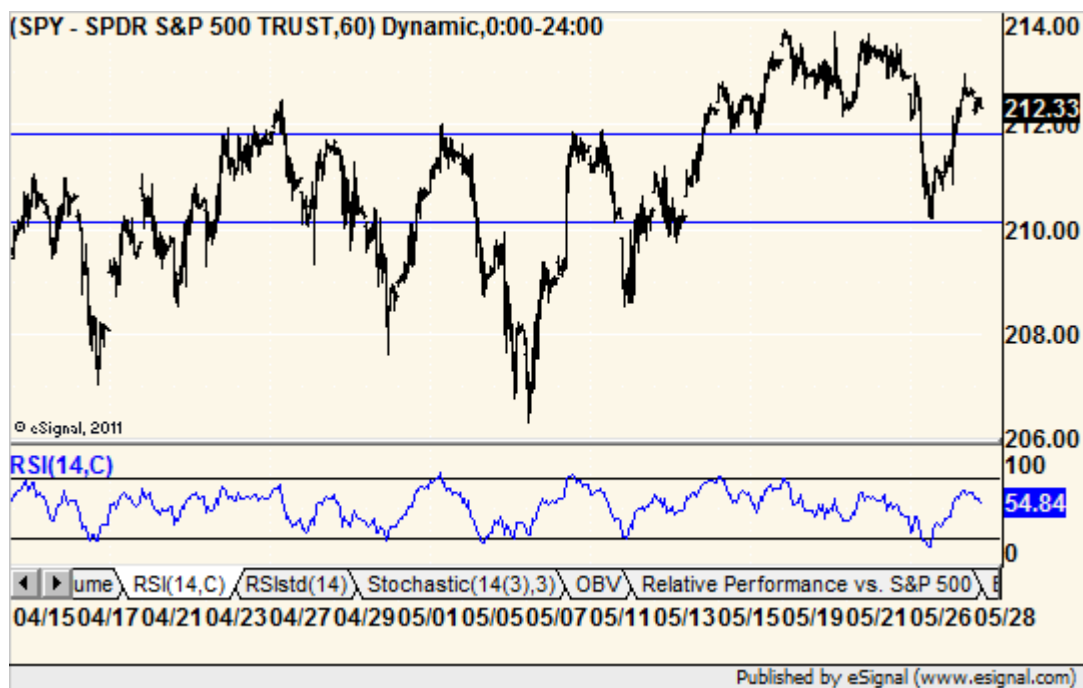
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

May 28, 2015 – The bears taketh and the bulls taketh right back. Most of Tuesday's losses were erased and tech closed higher, as did banks, telecoms, toys, publishing and a bunch of others. So much for the post-holiday panic.

But it was not all puppy dogs and lollipops. Transports are still broken while homebuilders, energy and retail are still weak. Tuesday's negative breadth was bigger than Wednesday's positive breadth. And the same went for volume.

We still think it is too early to abandon stocks but the path higher is now twisted and full of obstacles. Investors should stick with tech, biotech, healthcare, banks and large cap growth. Of course, that won't stop us from presenting any stock with a nice pattern.



The hourly chart looks like it wants to establish another trading range albeit at a slightly higher level.

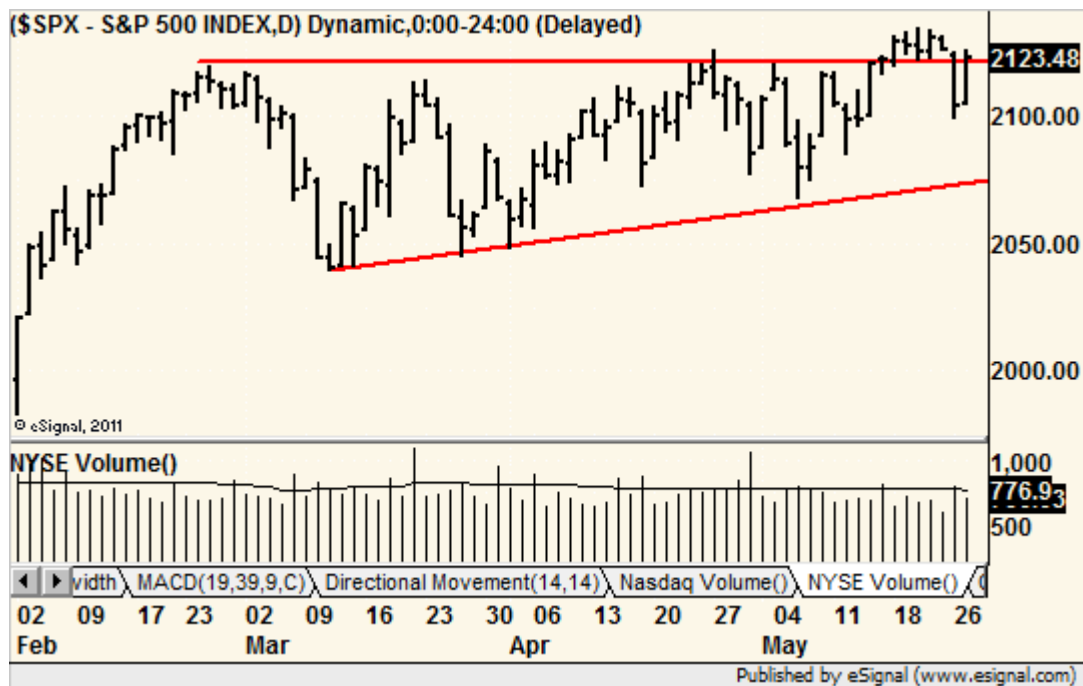
Overseas, China plunged after soaring all month. We said the end would be ugly but was this it? We will have to see if traders there buy this massive dip or not.

Indian stocks have been struggling and we have to think that 120 degree heat over there has something to do with it. The Sensex index has been in a down trend since February.

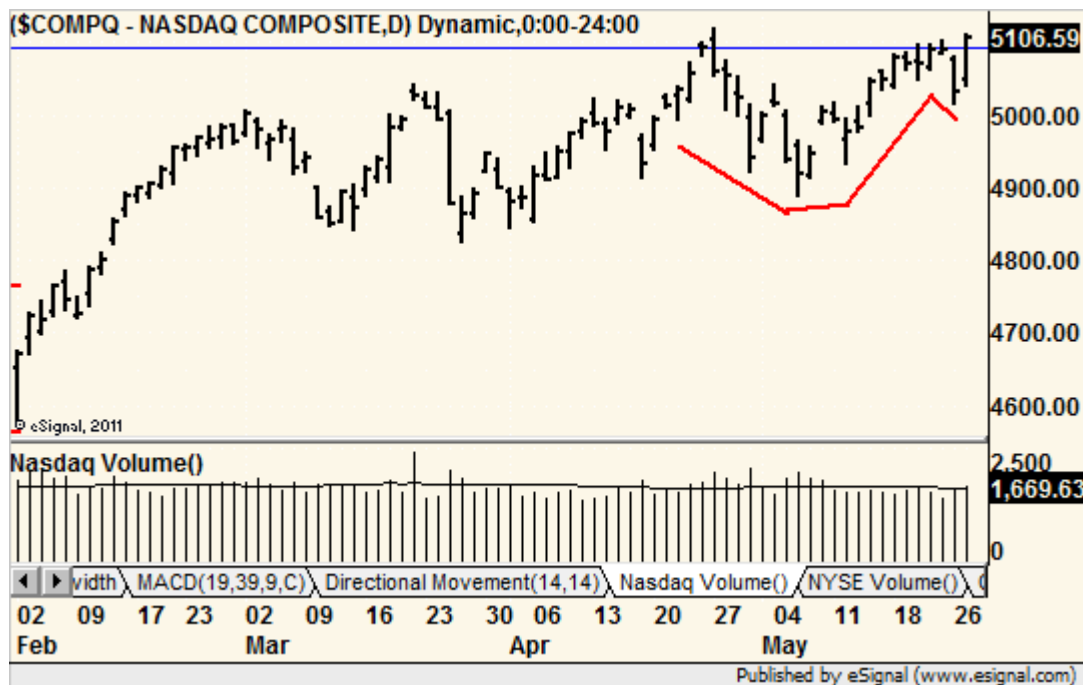
And Japan is enjoying a nice rally on the back of a super weak yen. It took out the 2007 low vs. the dollar and is now at a 13-year low.

Finally, copper is sitting on a trendline. A break there would not be a good thing for the economy's psyche. Chart below.

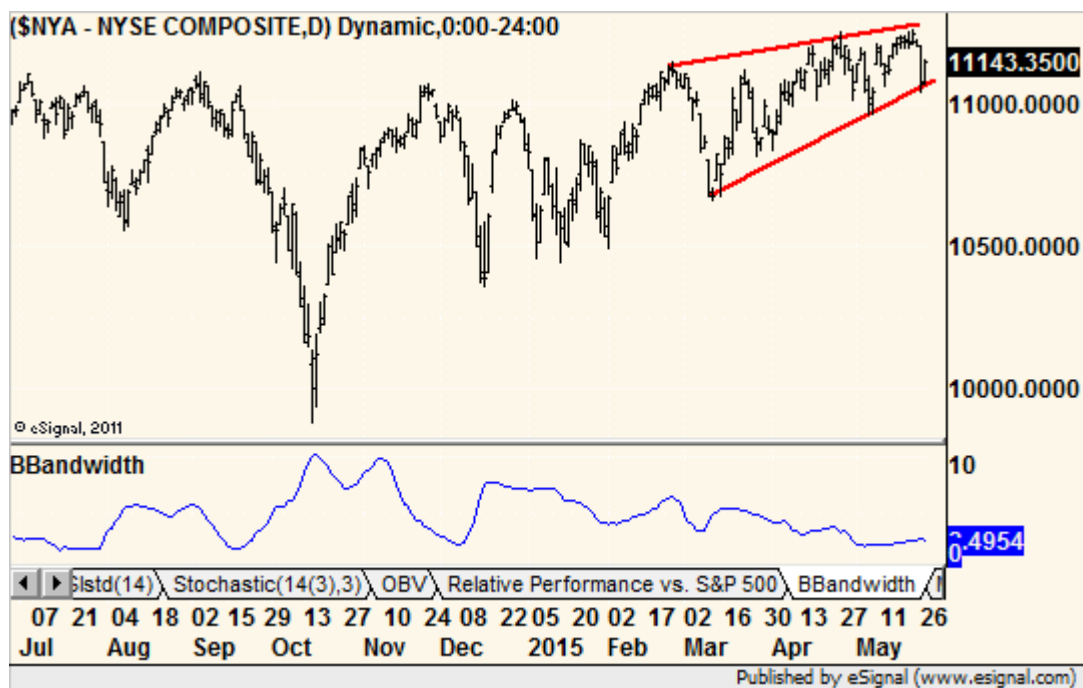
Index Charts of the Day



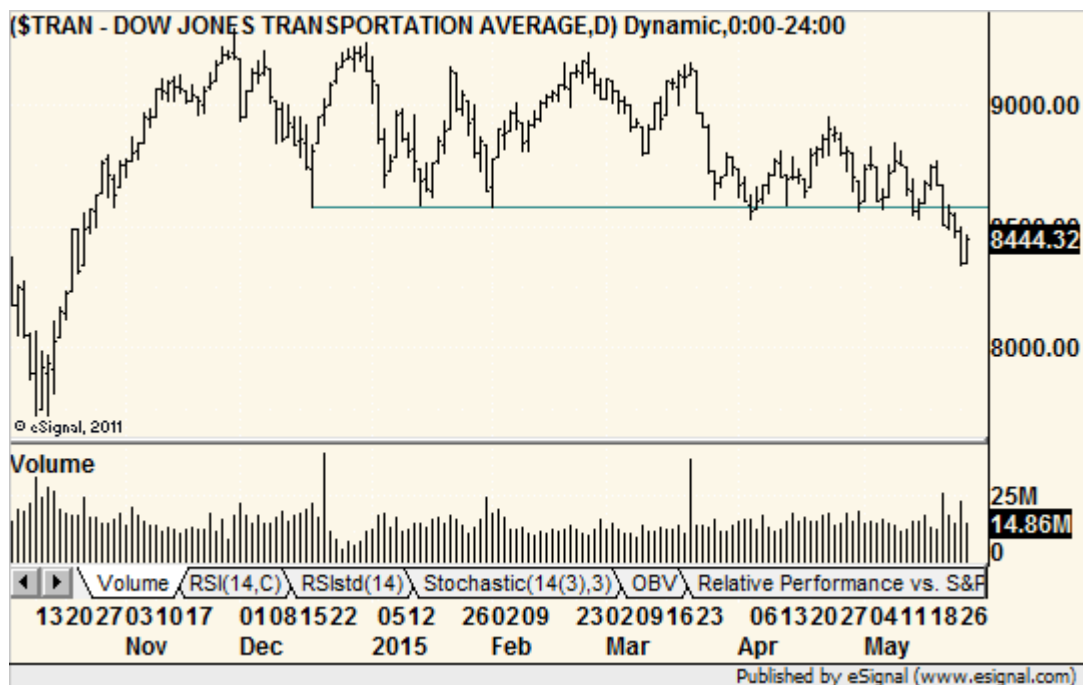
Back above the red line after a one-day shake-em-out. Probably more bullish than bearish except volume was really low.



A new closing high for the Nasdaq. We can argue the shape of a cup-with-handle pattern (two-pager, [click here](#)) although volume did not confirm.



The NYSE composite has a wedge shape that often leans bearish. Note tight bandwidth in Bollinger Bands (indicator on bottom). But, it is not a sell signal until there is an actual breakdown.



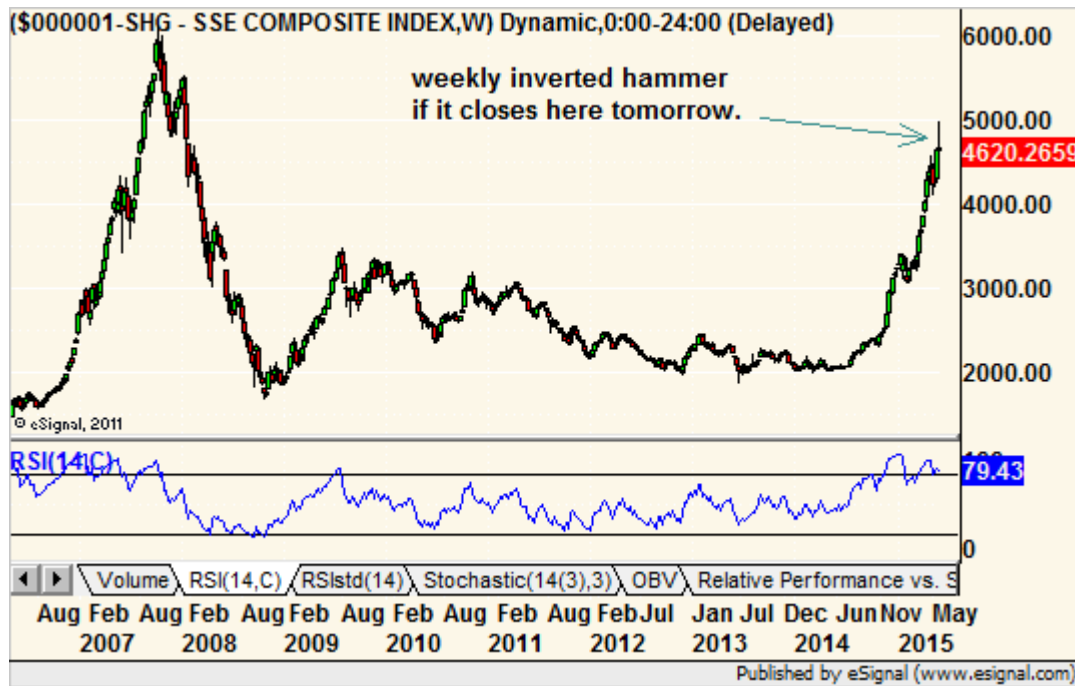
Transports still broken. Weak bounce yesterday.

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
IBM – Now setting up for a fresh breakout. I wrote this up for a website. Buy 173 target 180 and then 194.	Moved	5/21
General Motors GM – After rejecting a merger proposal from Fiat Chrysler, GM is challenging a down trend line. Breakout. Time to buy.	Moved	5/26
Xilinx XLNX – I wrote this up for a website last week. A nice pause at resistance and then a breakout. Looks good	New	5/28
Bearish Implications		
JB Hunt JBHT – A trucker as a sell-the-bounce candidate. It may not get there but we want 86.50.	Moved	5/26
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
Tetraphase Pharm TTPH – We waited for a correction back to us and then failed to set the trigger. Moving on.	Removed	5/19
Hershey HSY – Cocoa prices are zooming and Hershey looks terrible. Short candidate but we are still not bearish the market at this time.		5/22
eBay EBAY – Looking strong. Challenging both long- and short-term resistance.		5/26
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout. <u>Yes, even today May 28</u>		5/6
Retail ETF XRT – now testing support break. Especially weak is apparel.		5/11
REIT ETF IYR – On the edge of a cliff. ST support, LT trendline		5/27
Updates		
Shake Shack SHAK – Lactose intolerant indeed!		

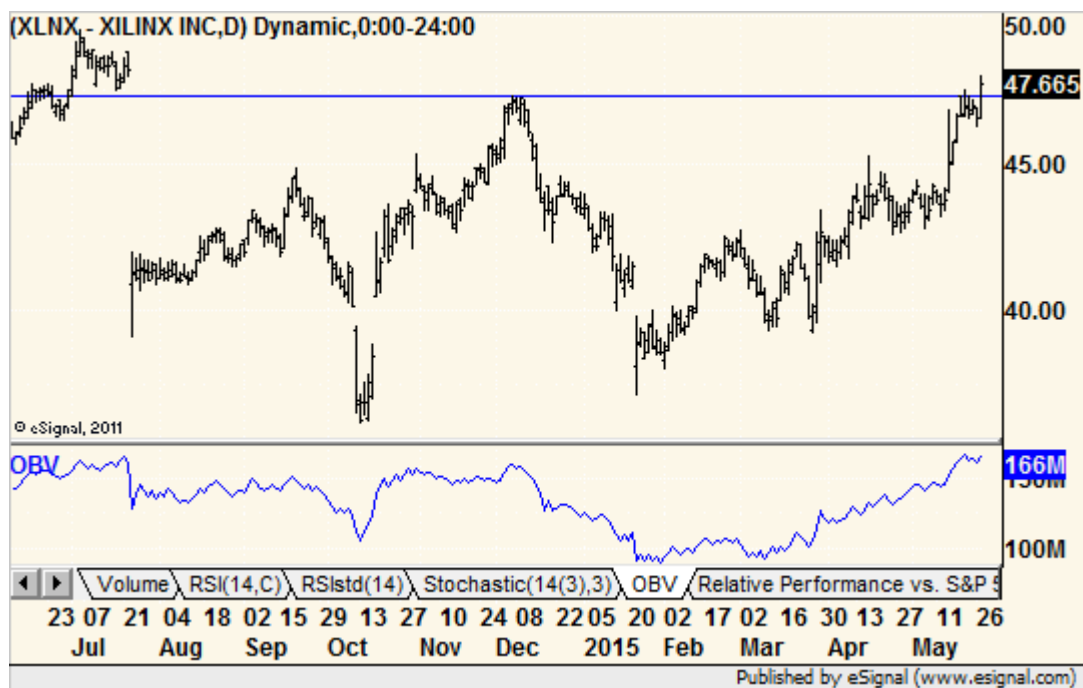
Market Highlights



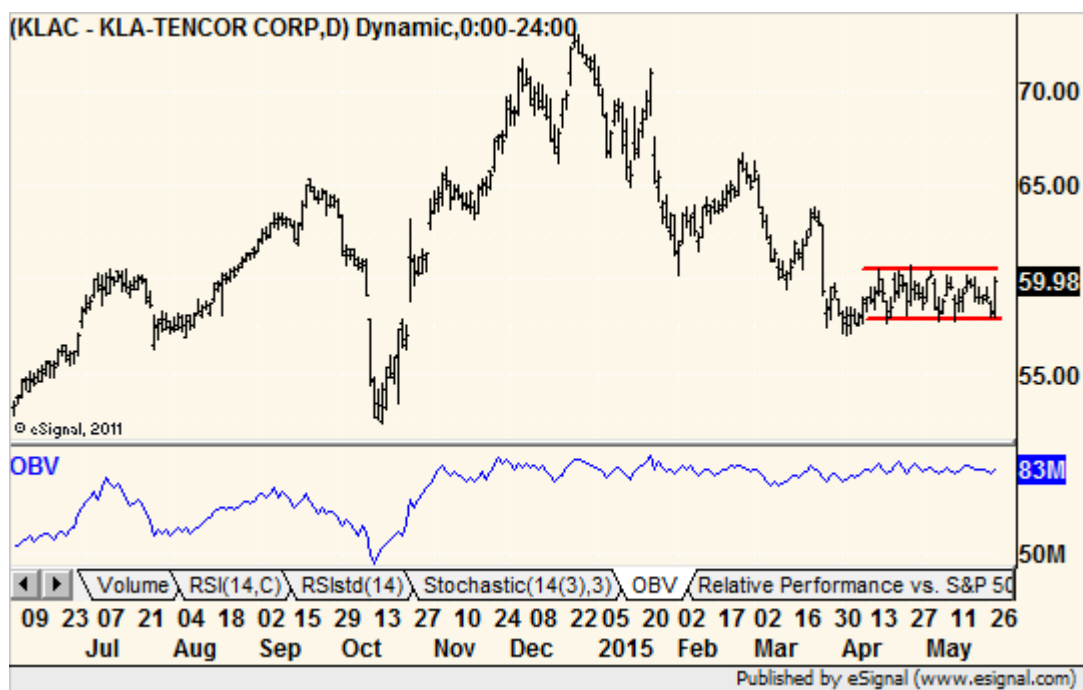
China – A big intra-week reversal.



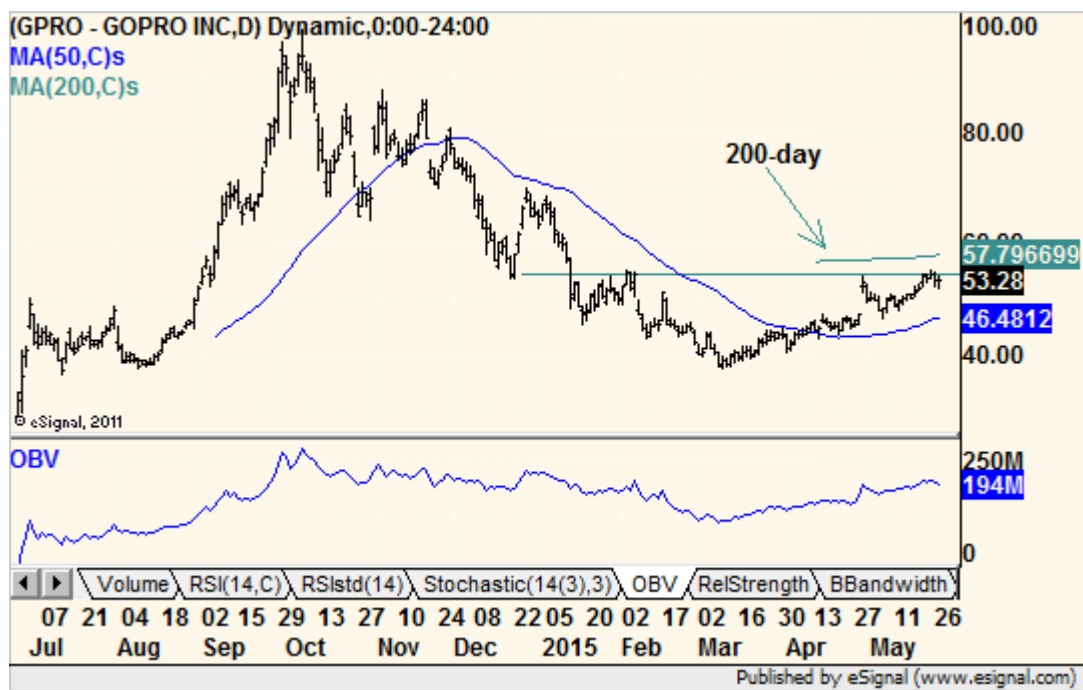
Copper – Already failed at the 200-day average and now threatens to break the 50-day and the 2015 trendline.



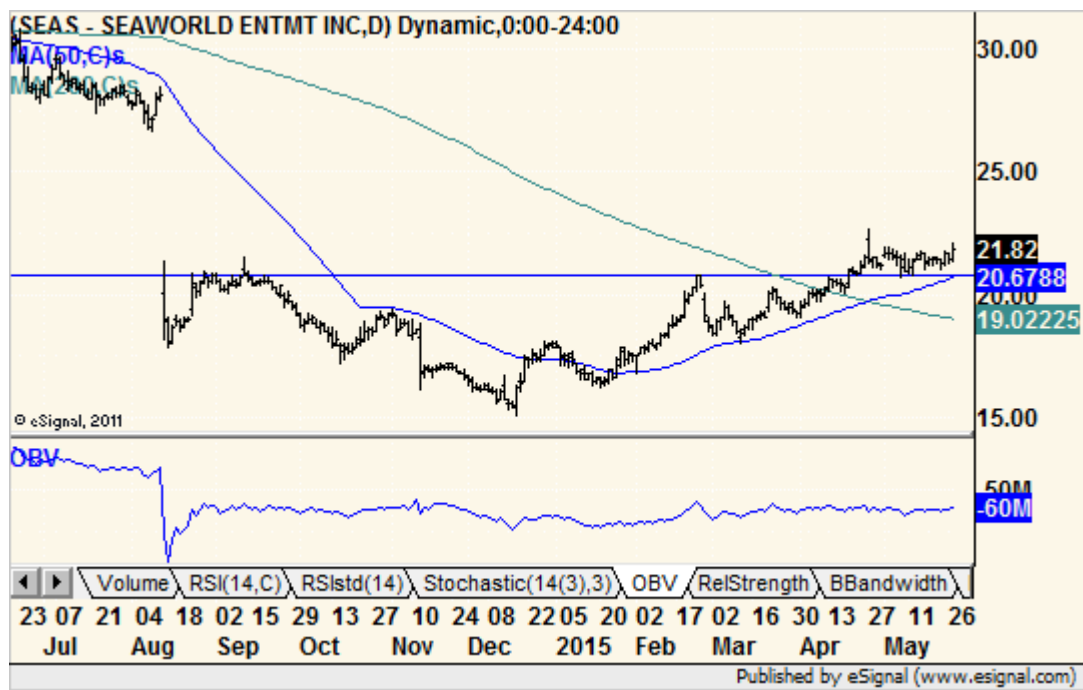
Xilinx – I wrote this up for a website last week. A nice pause at resistance and then a breakout. Looks good.



KLA Tencor – We'd like to say this one is next but on-balance volume is flat and it is trading between its major averages (not shown). But price rules. Keep an eye on it.



GoPro – Looks like a bottom.



Seaworld – Looks ready. Mentioned here a few weeks ago.

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	21.90	0.5%	21.25	21.80	4/14	43
	XOM	EXXON MOBIL CORP	85.11	-1.8%	85.00	86.63	4/14	43
	KOP	KOPPERS HOLDINGS INC	25.49	12.6%	25.25	22.64	4/22	35
	PSX	PHILLIPS 66	79.19	-2.7%	77.25	81.38	4/24	33
	VZ	VERIZON COMMUNICATIONS	49.57	-0.9%	48.00	50.00	4/27	30
	ORCL	ORACLE CORP	44.14	1.6%	42.25	43.44	5/1	26
	COF	CAPITAL ONE FINL CORP	84.63	2.2%	82.00	82.80	5/6	21
	KEY	KEYCORP NEW	14.95	1.4%	14.25	14.75	5/11	16
	KBE	SPDR S&P BANK ETF	35.15	1.6%	33.50	34.58	5/11	16
	GT	GOODYEAR TIRE & RUBR CO	32.24	6.1%	31.00	30.38	5/13	14
	PCAR	PACCAR INC	66.20	0.2%	64.00	66.08	5/13	14
	FB	FACEBOOK INC	80.55	2.0%	78.50	78.94	5/14	13
	UPS	UNITED PARCEL SERVICE INC	100.92	-1.1%	99.00	102.03	5/15	12
<u>Short</u>	WSM	WILLIAMS SONOMA INC	79.00	-3.2%	79.00	76.51	4/17	40
	XRT	SPDR S&P RETAIL ETF	98.64	-1.4%	100.00	97.23	5/6	21
	DG	DOLLAR GEN CORP NEW	72.94	2.0%	76.50	74.40	5/7	20
	FLS	FLOWSERVE CORP	55.65	-0.4%	59.00	55.40	5/12	15

Notes: Raised stop on **GT**. It is overbought and we would not blame anyone for cashing in now.

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.



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