

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

June 2, 2015 – Stocks survived the first day of data but when we remove the news from the conversation we are left with more wiggles than trend. The tight range since the start of the year is already record breaking as it tries for a full six months of nothingness.

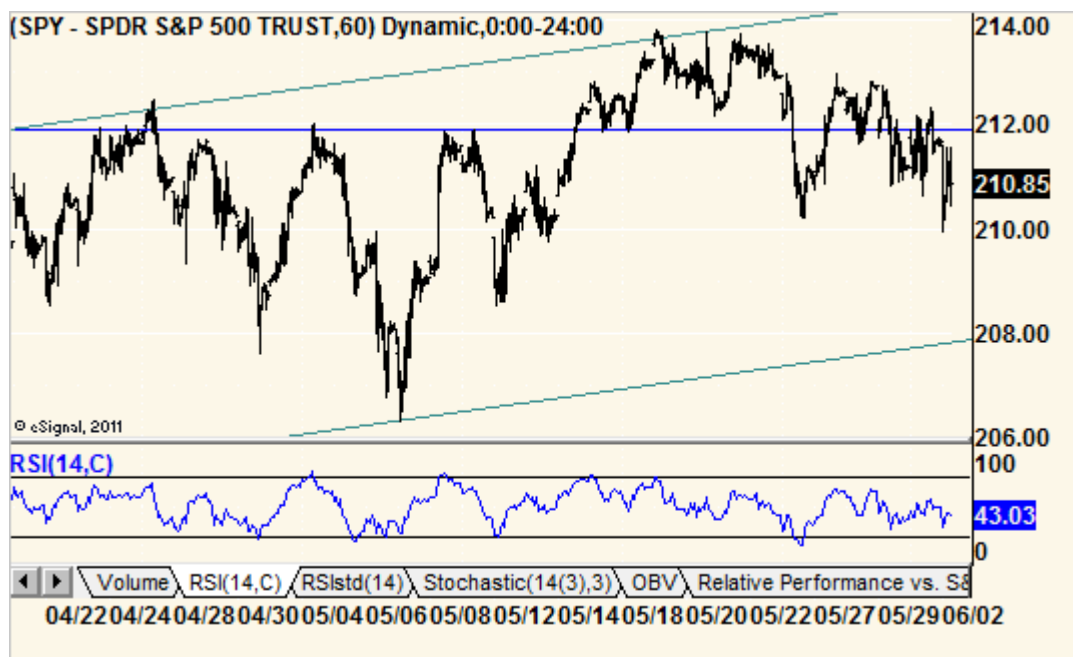
They say never to short a dull market but don't confuse a flat market with a dull market. There have been mini-trends and several sectors have been anything but dull. Energy, for one. Biotech. Social Media. Banks. You get the point.

This is why we are starting to prune the Advice Tracker to get rid of stocks that have just sat there for weeks. In fact, we are starting to get a little more worried about stocks in general so reducing risk (long exposure) is a good step to take.

And this came before this morning's latest round of Greece jitters. At some point, all of this smoke means there is real fire there.

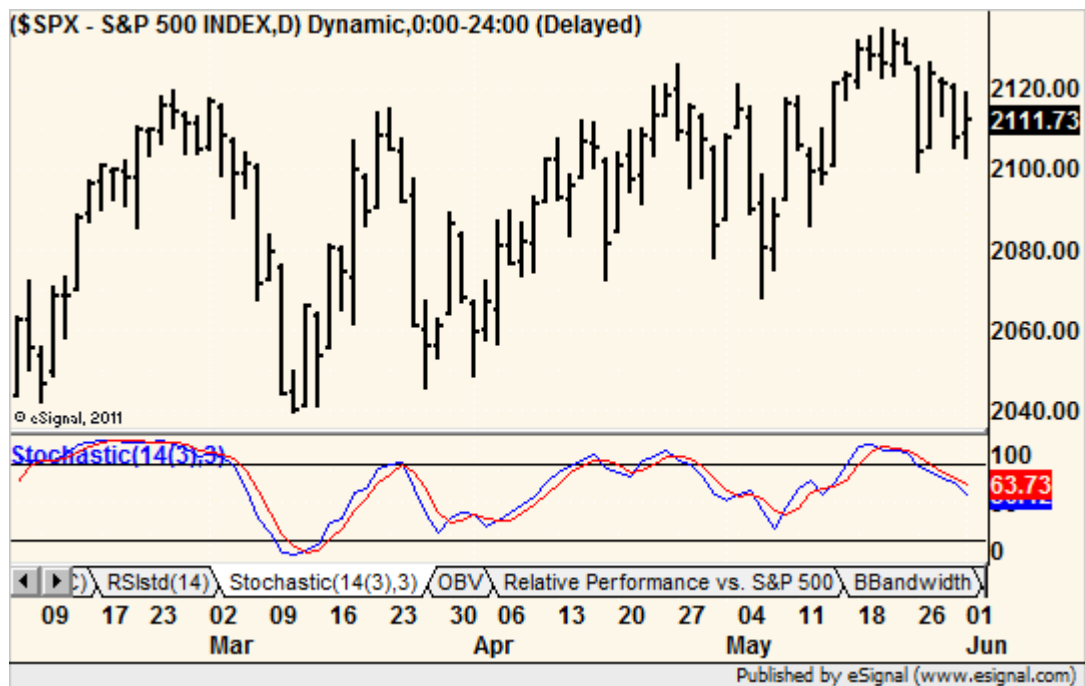
As for the technicals, we mulled over yesterday's chart of recent seasonal performance which showed June to be the worst month of the year. There is something substantial there for any technician to consider and we are indeed considering it. It did not help that one of our bank stocks really took a hit yesterday – after we published the other chart showing financials to be the worst sector in June over the past decade.

Recall that banks became our favorite sector on their breakout last month. That breakout has not yet failed so it is more of a worry than a sell but it certainly is not helping. If the market loses financials it will be left with only tech and healthcare and neither of those ETFs look particularly exciting on an absolute basis (charts below)

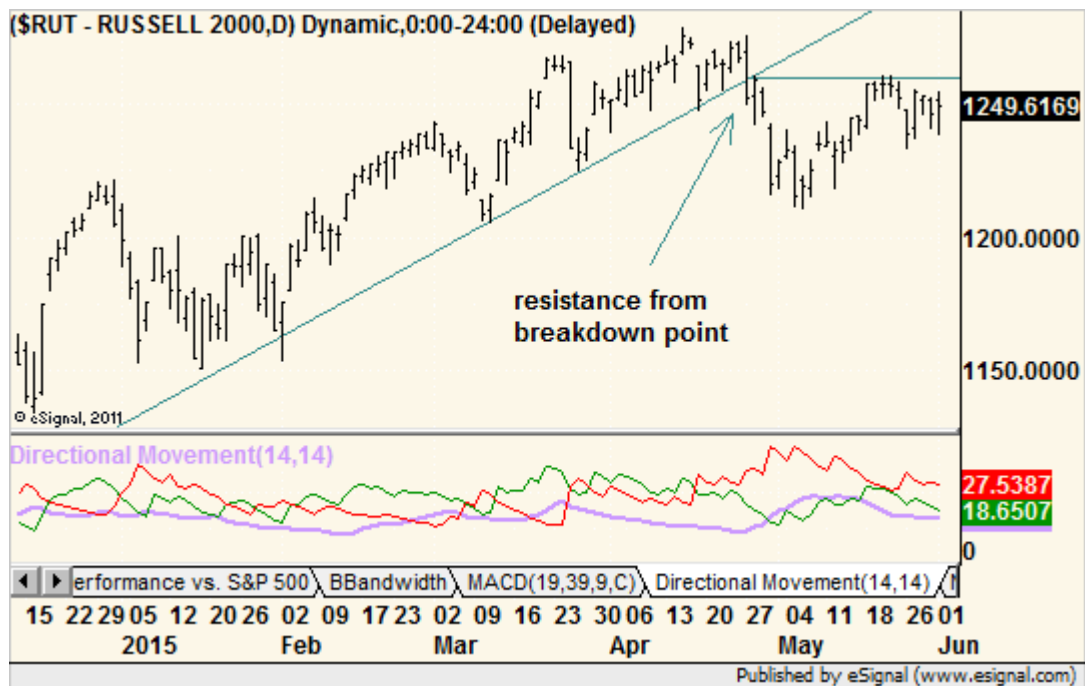


The hourly chart with the trend channel from the 2-hour chart shows trading spending more time below old resistance than above. The bottom of the channel still seems to be the path of least resistance. And we would not be surprised to see the channel rise to meet price rather than price fall to meet channel. **But even so we see no compelling reason to add more longs right now.**

Index Charts of the Day



Just a lotta nothing. Just a slight upward bias but is that enough to make us happy?



The Russell seems to have failed at resistance. The bottom study shows the red negative component of directional movement maintaining above the green positive component. Leans bearish. Two-pager on the directional movement system - [click here](#).

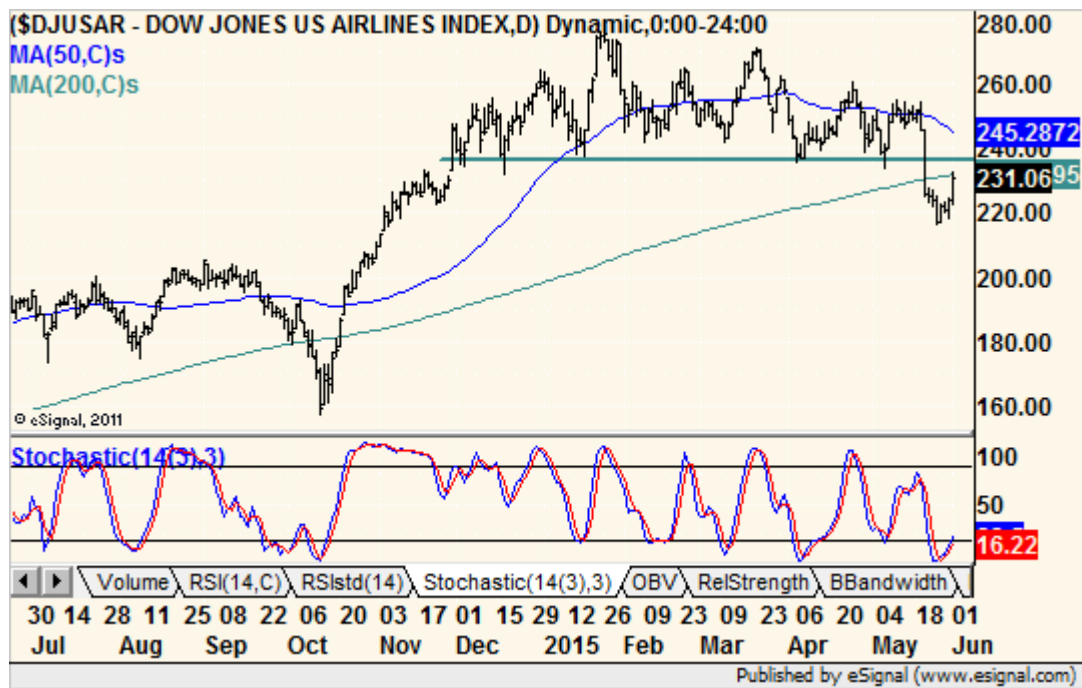
The Radar Screen

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.

>> You have correctly noticed that this list is shrinking.

Bullish Implications		
IBM – Now setting up for a fresh breakout. I wrote this up for a website. Buy 173 target 180 and then 194.		5/21
Bearish Implications		
JB Hunt JBHT – A trucker as a sell-the-bounce candidate. It may not get there but we want 86.50. <u>Did not confirm bull hammer</u>	Removed	5/26
Allstate ALL – Sitting on 200-day average in a bear-flag-like configuration. Sell breakdown below 67.30.	Triggered	5/20
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
KLA Tencor KLAC – We'd like to say this one is next but on-balance volume is flat and it is trading between its major averages. But price rules. Keep an eye on it		5/28
Seaworld SEAS – No longer looks ready. Moving on.	Removed	5/28
Yum Brands YUM – Restaurant with bearish RSI divergence. Not a sell signal just yet but it is a warning.		5/29
GoPro GPRO – We said it looked like a bottom but did not set a buy trigger. However, it may be pausing to allow us to try again. <u>Nope/ Missed it</u>	Removed	
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout. Now or never.		5/6
REIT ETF IYR – On the edge of a cliff. ST support, LT trendline		5/27
Updates		
Bonds ETF – Big fail at March resistance		
BP BP – Moved below support but still interesting to us as a long candidate		

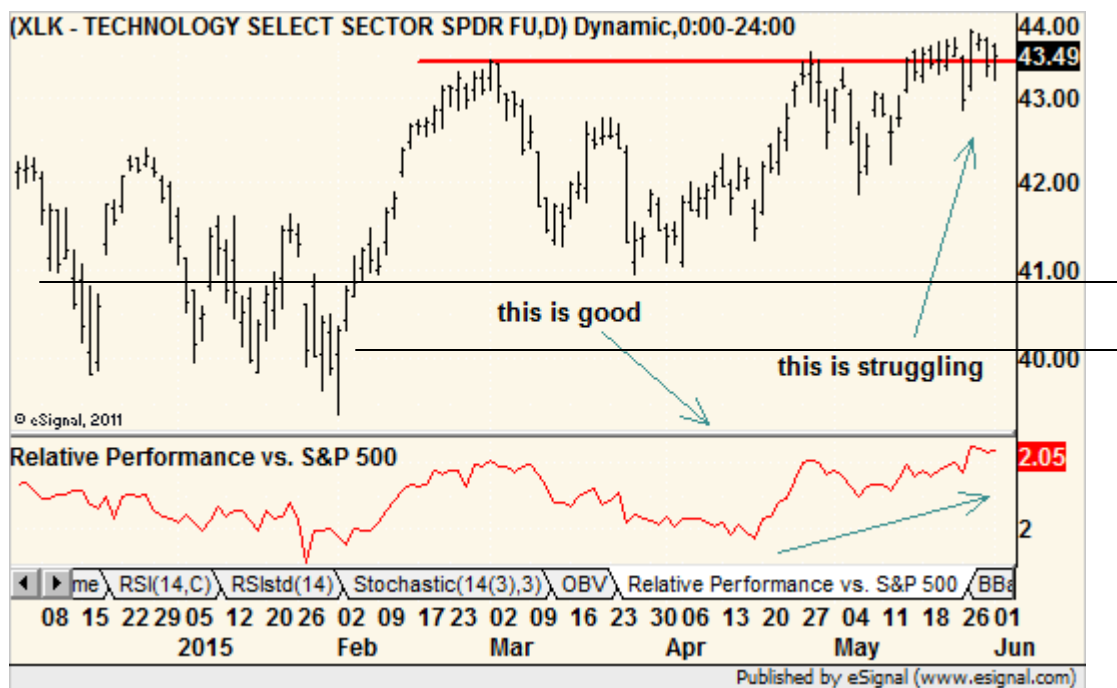
Market Highlights



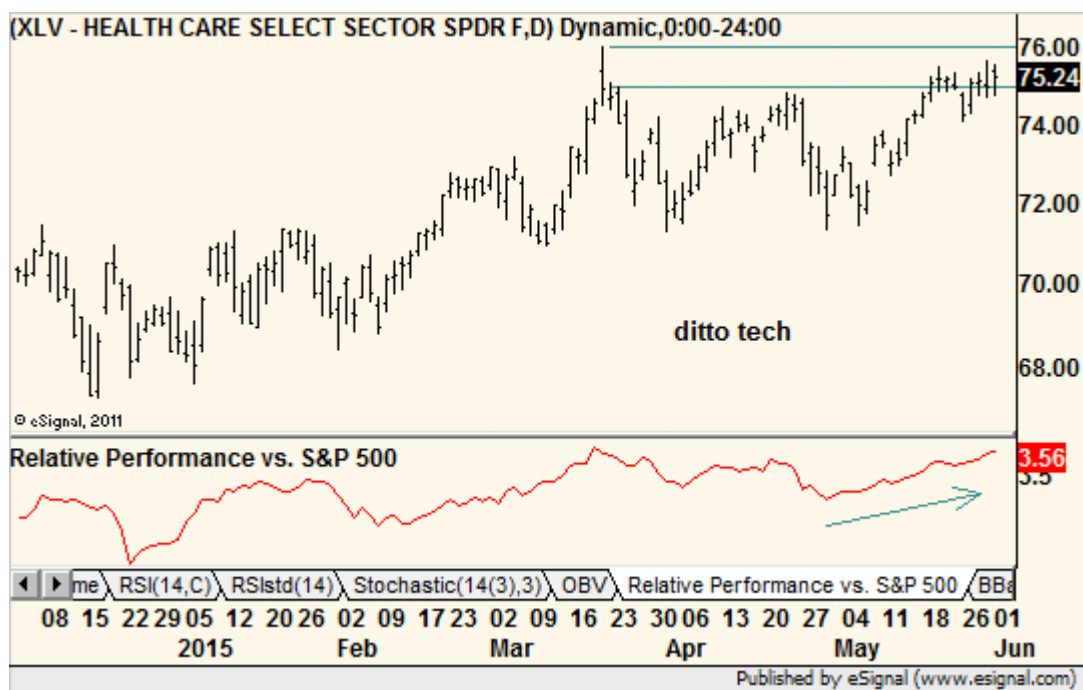
Airlines Index – It was a big rebound rally but volume (not shown) was modest. Note 200-day average as resistance. Bottom line – this is still broken.



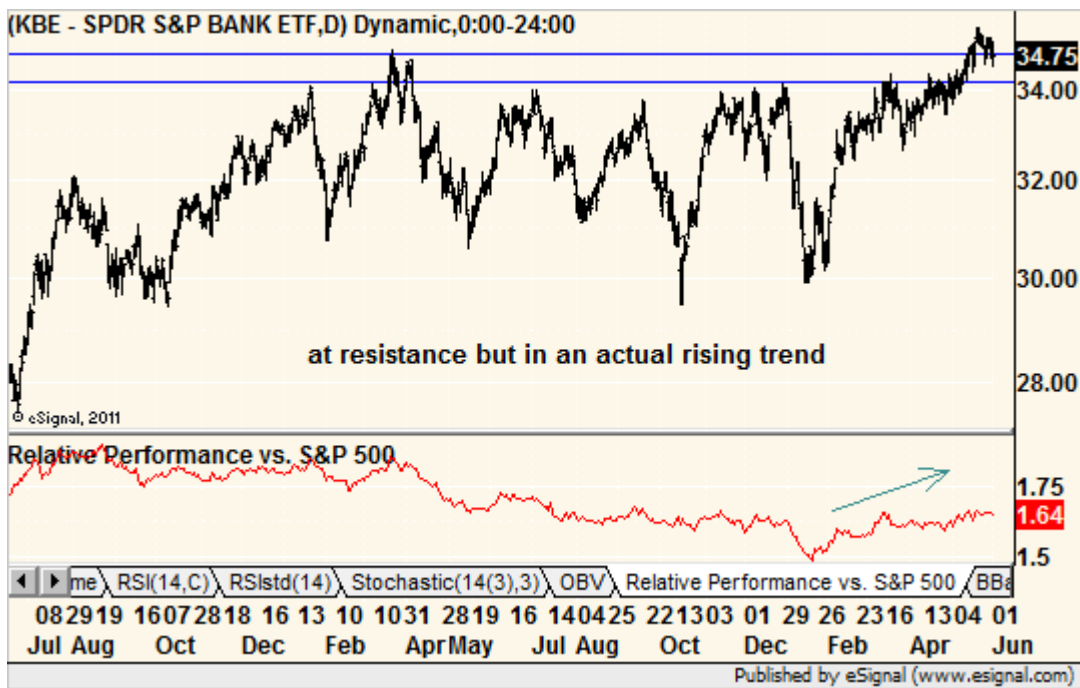
Apple – The market’s bellwether is in a range that has run into a larger trendline. What happens here may be very important for the entire market. Check out which way on-balance volume is heading. Hint – it’s not up.



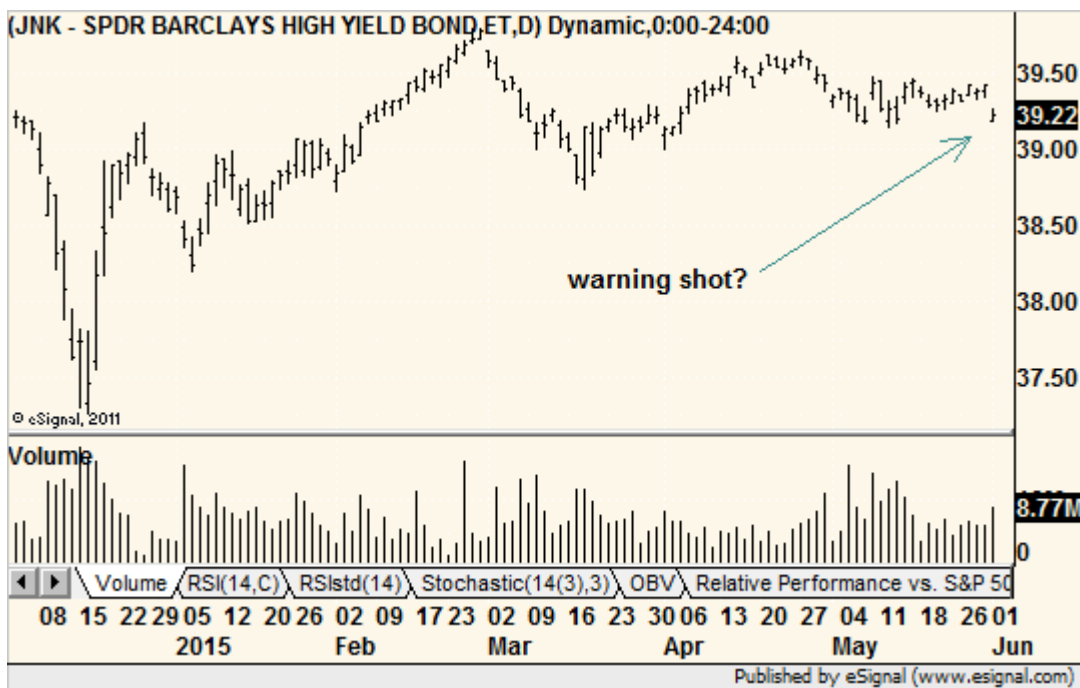
Tech ETF – A relative winner but an absolute struggler. So much for one of the market’s engines.



Healthcare ETF – Same as tech. Relative leader but absolute struggler.



Banks ETF – This one is still OK relative and absolute. We just worry about the seasonals now.



Junk bond ETF – Bond sold off hard yesterday and so did junk, even when stocks were up nicely. A warning shot across the bow?

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	21.67	-0.6%	sell	21.80	4/14	48
	XOM	EXXON MOBIL CORP	85.13	-1.7%	85.00	86.63	4/14	48
	PSX	PHILLIPS 66	79.35	-2.5%	77.25	81.38	4/24	38
	VZ	VERIZON COMMUNICATIONS	49.22	-1.6%	sell	50.00	4/27	35
	ORCL	ORACLE CORP	43.79	0.8%	sell	43.44	5/1	31
	COF	CAPITAL ONE FINL CORP	83.39	0.7%	82.00	82.80	5/6	26
	KEY	KEYCORP NEW	14.51	-1.6%	14.25	14.75	5/11	21
	KBE	SPDR S&P BANK ETF	34.75	0.5%	34.00	34.58	5/11	21
	GT	GOODYEAR TIRE & RUBR CO	32.41	6.7%	31.00	30.38	5/13	19
	FB	FACEBOOK INC	80.29	1.7%	78.50	78.94	5/14	18
	UPS	UNITED PARCEL SERVICE INC	99.48	-2.5%	99.00	102.03	5/15	17
	GM	GENERAL MTRS CO	36.18	0.2%	34.75	36.11	5/28	4
	XLNX	XILINX INC	48.33	1.4%	45.75	47.68	5/28	4
	BABA	ALIBABA GROUP HLDG LTD	90.78	-0.6%	86.00	91.35	5/29	3
	MDVN	MEDIVATION INC	128.33	-2.1%	125.00	131.14	5/29	3
<u>Short</u>	XRT	SPDR S&P RETAIL ETF	97.79	-0.6%	100.00	97.23	5/6	26
	DG	DOLLAR GEN CORP NEW	72.81	2.2%	76.00	74.40	5/7	25
	FLS	FLOWERVE CORP	54.85	1.0%	57.50	55.40	5/12	20
	ALL	ALLSTATE CORP	66.92	0.6%	69.50	67.30	6/1	0

Notes: New short in **ALL** triggered intraday.

We are pruning some longs that have done nothing in weeks.

Also dropping a few stops on the shorts.

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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