

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

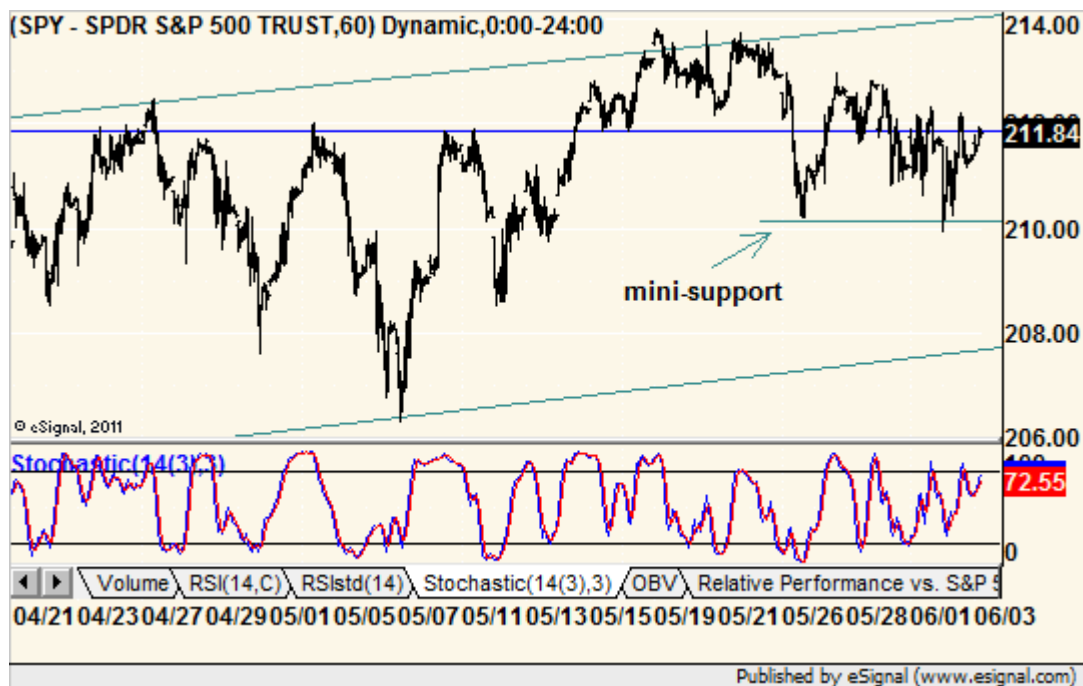
June 3, 2015 – You all may have sensed frustration in our tone recently as the market is doing very little. The tightest six-month range in decades may be fine for day traders but for anyone looking for a trend it is quite a pain in the portfolio. Here is an excerpt from a recent missive by trader Dave Landry:

“one of the secrets is waiting for opportunities... This is not to say that you should try to force the issue but when these Steve Winwood—“When-You-See-A-Chance-You-Take-It” setups present themselves you’re ready. As said in Market Wizards, you have to make sure that what you’re seeing is truly there, intuition vs. “into-wishing.”

You have to pick the best and leave the rest. And, if there isn’t anything worthwhile, you have to wait until there is...you’ve picked up on the fact that there’s not a whole lot of new action that should be taken.

For those readers in the money management business, you know what clients say. “We don’t pay you to sit in cash.” Ain’t that the truth? But wouldn’t it be great if they realized that they pay you to guide them into doing the right thing? Yeah, and you will be happy paying your doctor bill when they tell you to eat right and exercise instead of prescribing something.

Let’s move on to the charts.

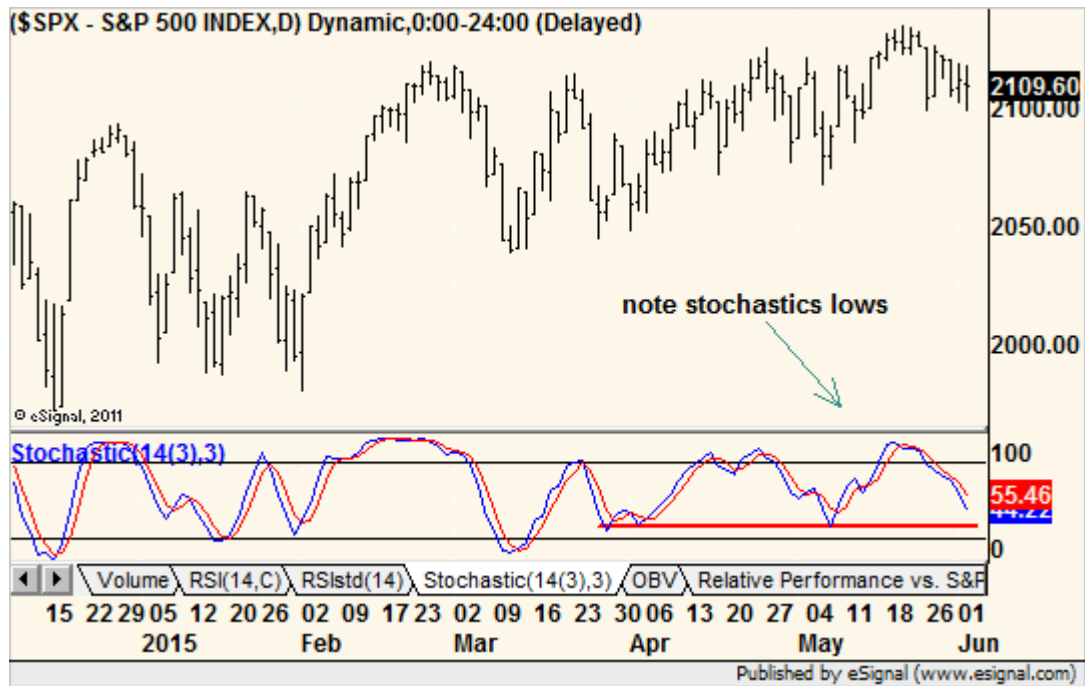


As you can see, the hourly chart looks virtually the same as it did 24 hours ago. The markets that moved were the dollar and bonds – both of which fell sharply. And bonds dragged utilities down, too. Chart below.

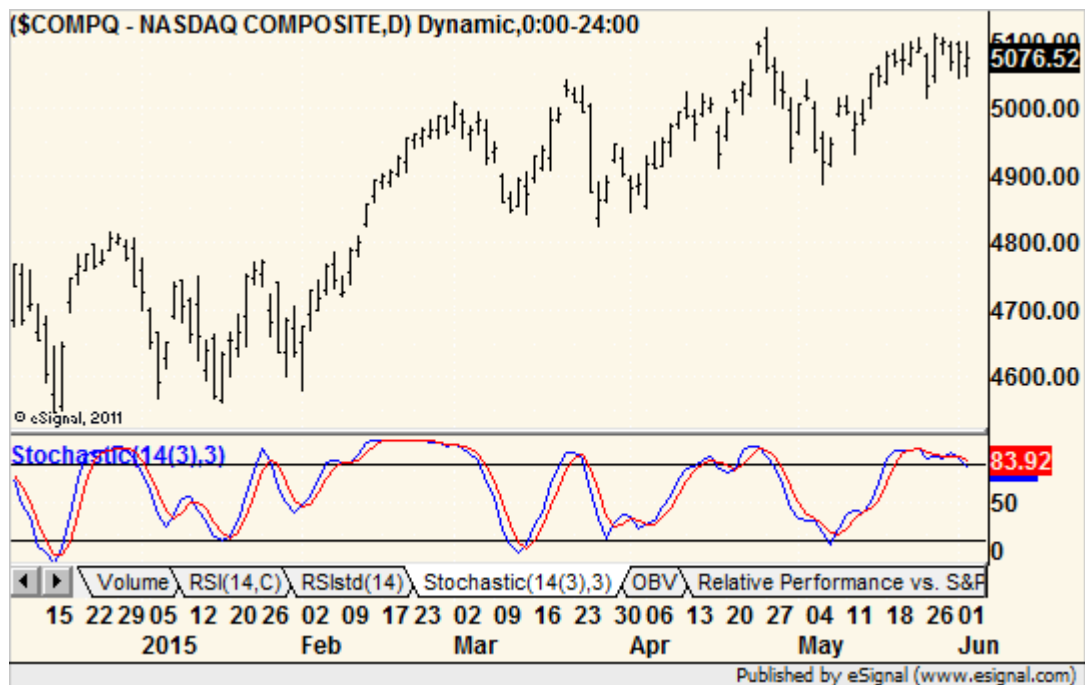
So what do we do? We are still worried about stocks in the short-term but not so much that we will flip from leaning long to leaning short. Reducing risk is another story and we will look to do so.

The lower border of the channel above would be the line in the sand between leaning long and going short.

Index Charts of the Day



In this chart we project where a low in stochastic might happen. If correct, then we expect soft price action for a while.



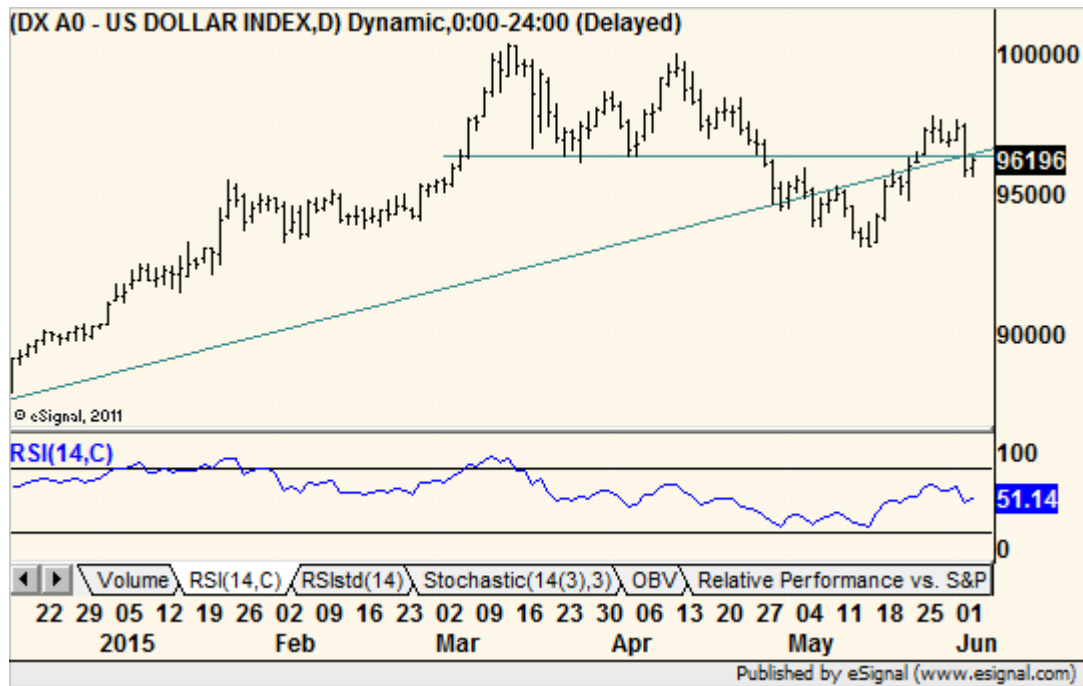
Stochastics staying higher for the Nasdaq indicating more strength. The price pattern is not exciting, however, so we wait for some sort of sign that the malaise is ending.

The Radar Screen

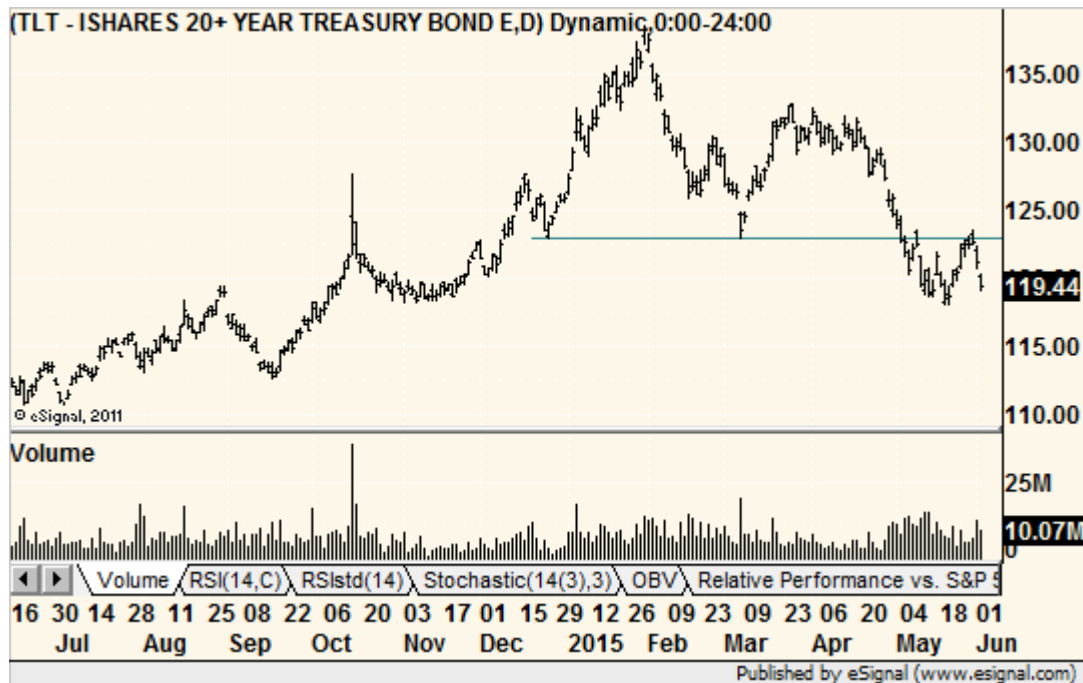
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
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		
none –		
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
Yum Brands YUM – Restaurant with bearish RSI divergence. Not a sell signal just yet but it is a warning.		5/29
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout. Now or never. Tuesday was good.		5/6
REIT ETF IYR – On the edge of a cliff. ST support, LT trendline		5/27
Updates		
BP BP – confirmed bullish hammer candle		
Airlines – From Monday hero to Tuesday goat.		
Junk Bonds ETF JNK – We cited a gap down in yesterday's report but forgot that it went ex-dividend June 1. However, yesterday's loss confirmed the breakdown.		

Market Highlights

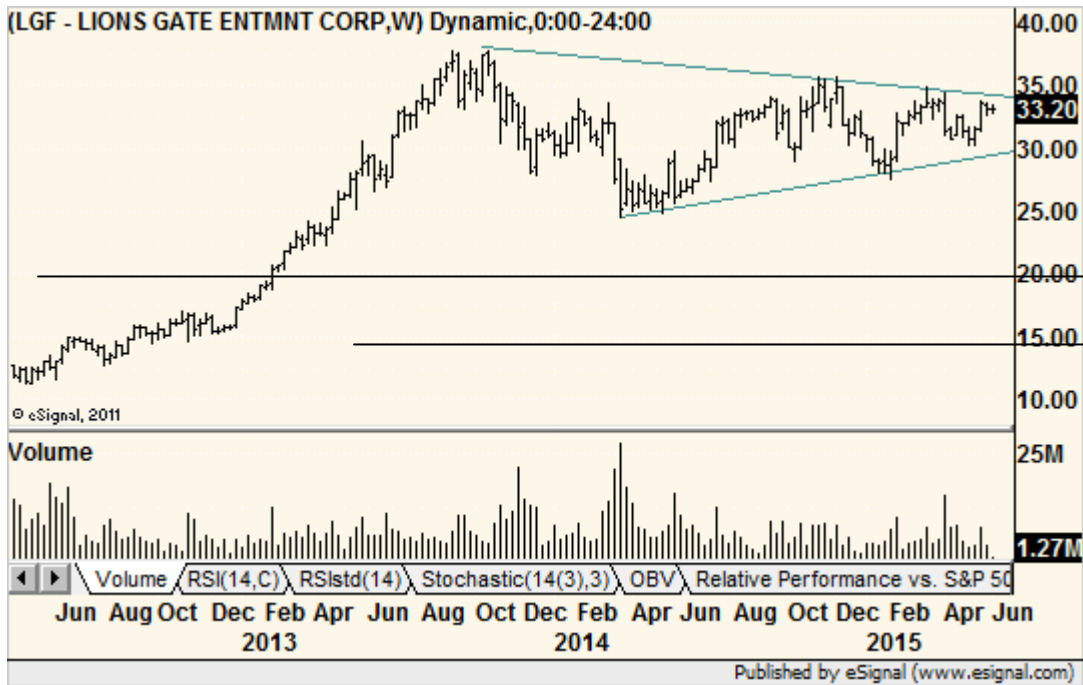


US dollar index – It's not text book but this could still be a successful test of the trendline breakdown (and support breakdown). Sentiment among pundits seemed to have turned too bullish too quickly.

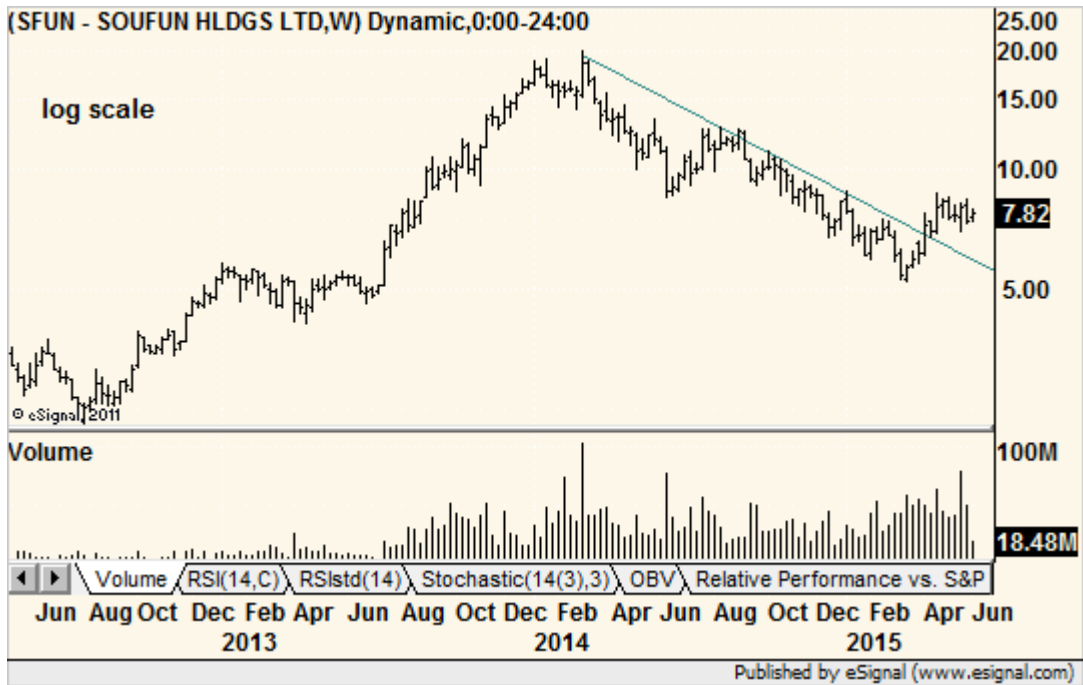


T-bonds ETF – Just a weak market with a successful test of a support break.

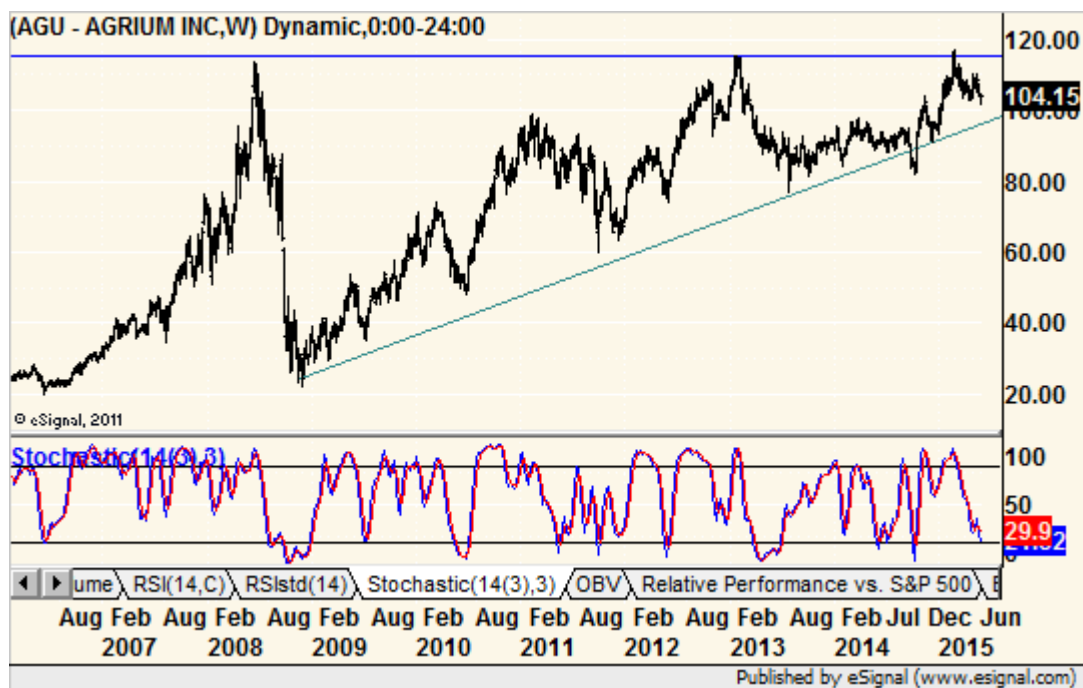
Let's take a look at some long-term charts with promise.



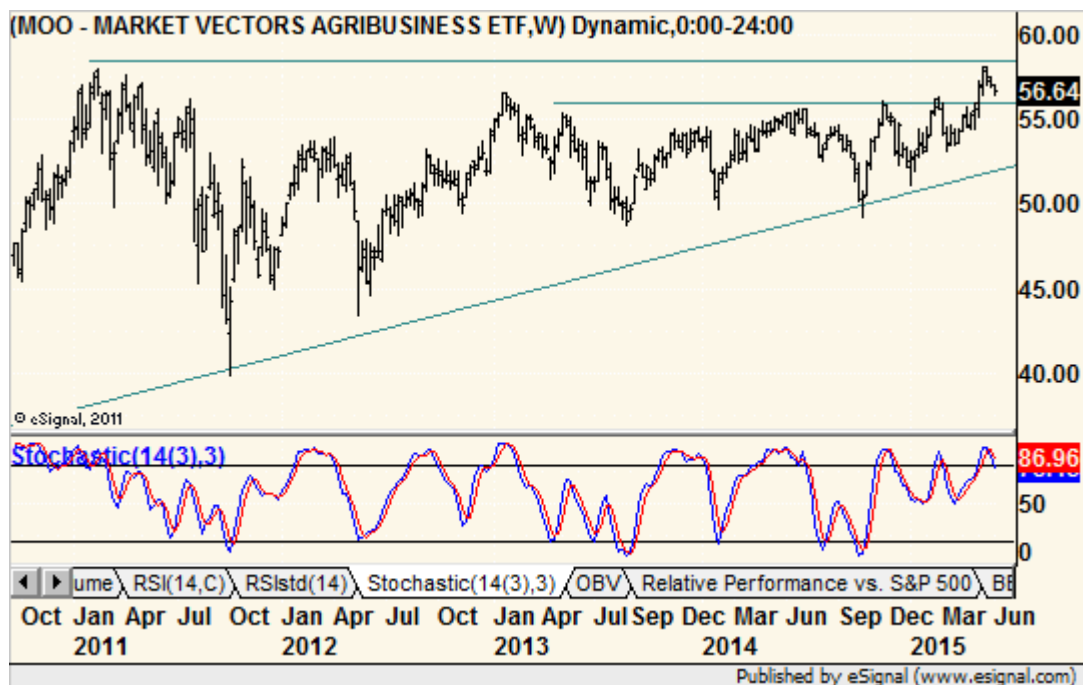
Lions Gate Entertainment –This one has a two-year triangle nearing a breakout.



Soufun Holdings – This is a real estate Internet portal and home furnishing and improvement website in China. Yes, we thought it was solar, too, before checking. Anyway, this is a bear market trendline breakout. Now pausing for several weeks. A breakout from the pause would be a good buy signal.



Agrium – A fertilizer stock at multi-year resistance. There is short-term money to be made on a breakout from the 2015 decline but the breakout above 115-116 would be the real money maker.



Agribusiness ETF – Agrium above is a member of the ETF. Similar pattern. Now testing the short-term resistance breakout. The long-term breakout above last month's high could have real legs although we can make a case that a breakout from the one-month pullback is all that is needed to get that move going.

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	22.01	1.0%		21.80	4/14	49
	XOM	EXXON MOBIL CORP	85.14	-1.7%	85.00	86.63	4/14	49
	PSX	PHILLIPS 66	79.10	-2.8%	77.25	81.38	4/24	39
	VZ	VERIZON COMMUNICATIONS	49.22	-1.6%		50.00	4/27	36
	ORCL	ORACLE CORP	43.51	0.2%		43.44	5/1	32
	COF	CAPITAL ONE FINL CORP	83.95	1.4%	82.00	82.80	5/6	27
	KEY	KEYCORP NEW	14.64	-0.7%	14.25	14.75	5/11	22
	KBE	SPDR S&P BANK ETF	35.15	1.6%	34.00	34.58	5/11	22
	GT	GOODYEAR TIRE & RUBR CO	32.22	6.0%	31.00	30.38	5/13	20
	FB	FACEBOOK INC	80.45	1.9%	78.50	78.94	5/14	19
	UPS	UNITED PARCEL SERVICE INC	99.00	-3.0%		102.03	5/15	18
	GM	GENERAL MTRS CO	36.22	0.3%	34.75	36.11	5/28	5
	XLNX	XILINX INC	47.78	0.2%	45.75	47.68	5/28	5
	BABA	ALIBABA GROUP HLDG LTD	90.51	-0.9%	86.00	91.35	5/29	4
	MDVN	MEDIVATION INC	125.00	-4.7%		131.14	5/29	4
<u>Short</u>	XRT	SPDR S&P RETAIL ETF	98.49	-1.3%	100.00	97.23	5/6	27
	DG	DOLLAR GEN CORP NEW	74.98	-0.8%	76.00	74.40	5/7	26
	FLS	FLOWSERVE CORP	55.42	0.0%	57.50	55.40	5/12	21
	ALL	ALLSTATE CORP	67.13	0.3%	69.50	67.30	6/1	1

Notes: We sold three positions for lack of performance over many weeks' time.

Stopped out of **UPS** as its breakout could not last in the face of the transportation breakdown.

Also stopped out of **MDVN** – a total crappy trade and admittedly an embarrassment. Did not see any real news on why but something must be wrong. That's why we use stops.

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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