

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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June 9, 2015 – Here we are in a barrel, floating ever so much closer to the edge of Niagara. The hourly chart below has broken the supporting trend channel we've been following for the past few days and now people are picking up on that event. Four of nine sector ETFs are now below 200-day averages and the transports made a textbook test of last month's support breakdown.



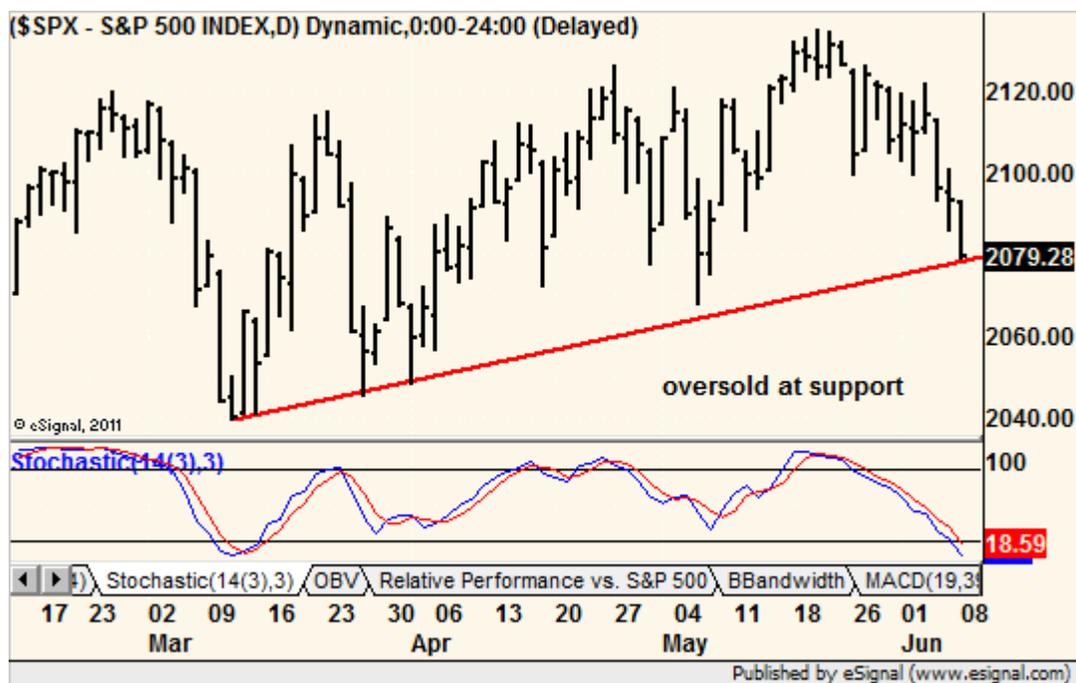
While the channel is broken, it is already up from its worst levels in what could be an oversold bounce. This is actually good for us because we will be able to calmly exit longs and get shorts ready for when (if) things head south again.

We can also see a weak open – which would break the trend in the S&P 500 index itself, getting some panicky selling to happen, which in turn would create a trap-door. Scared bulls fall through it and then the market comes back. But we do think this is not a market that should be bought right now.

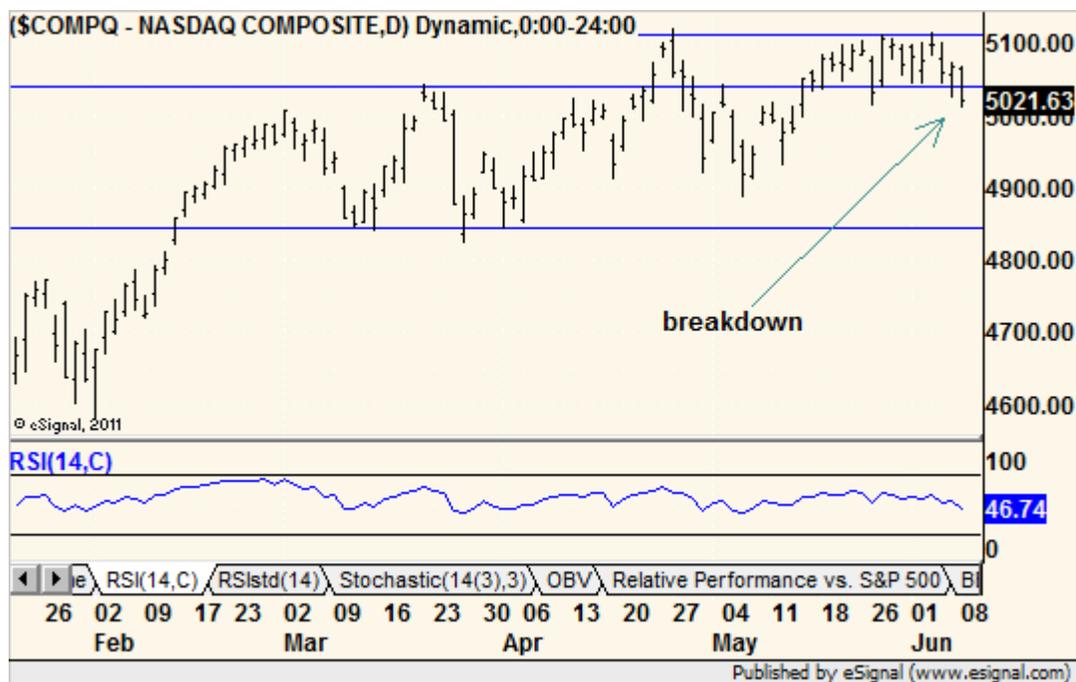
What's happening in gold and oil? Nothing. There are better setups in **CORN** and **WEAT** ETNs with bullish RSI divergences at support. Bonds? Weak. Dollar? We still think the bull market is over although it has been quite bumpy over the past few weeks.

There is nothing to do today except perhaps continue to lighten up on longs. No rush, at least not in the premarket. We cannot predict if the market will suddenly give up today and force us to get out but until it does we'll expect to calmly move more to cash.

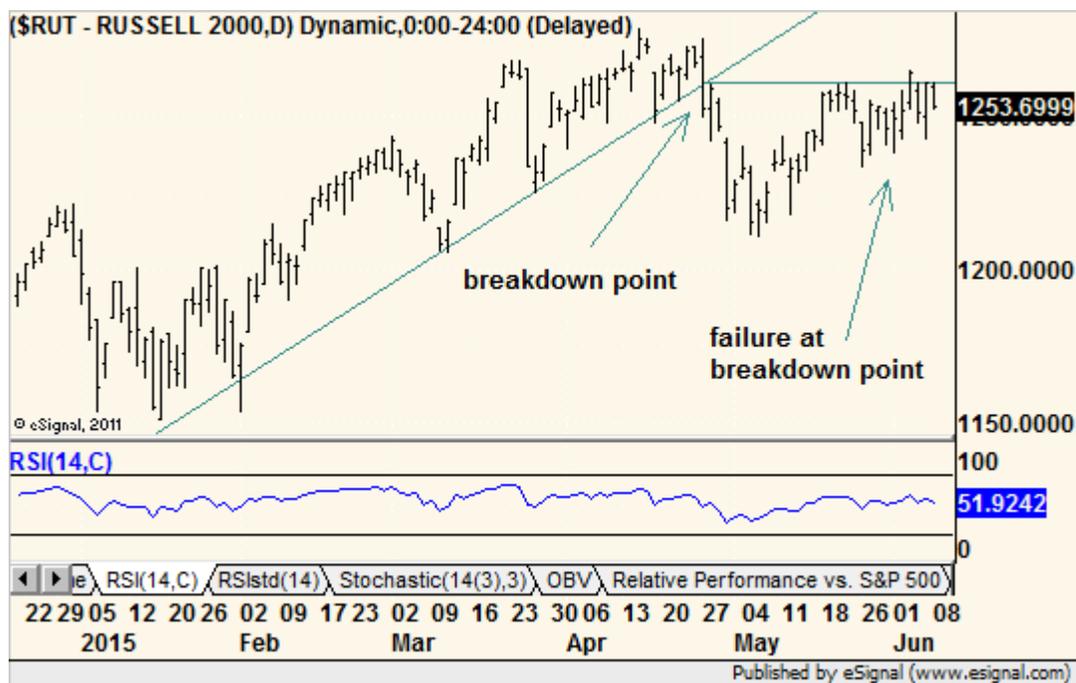
Index Charts of the Day



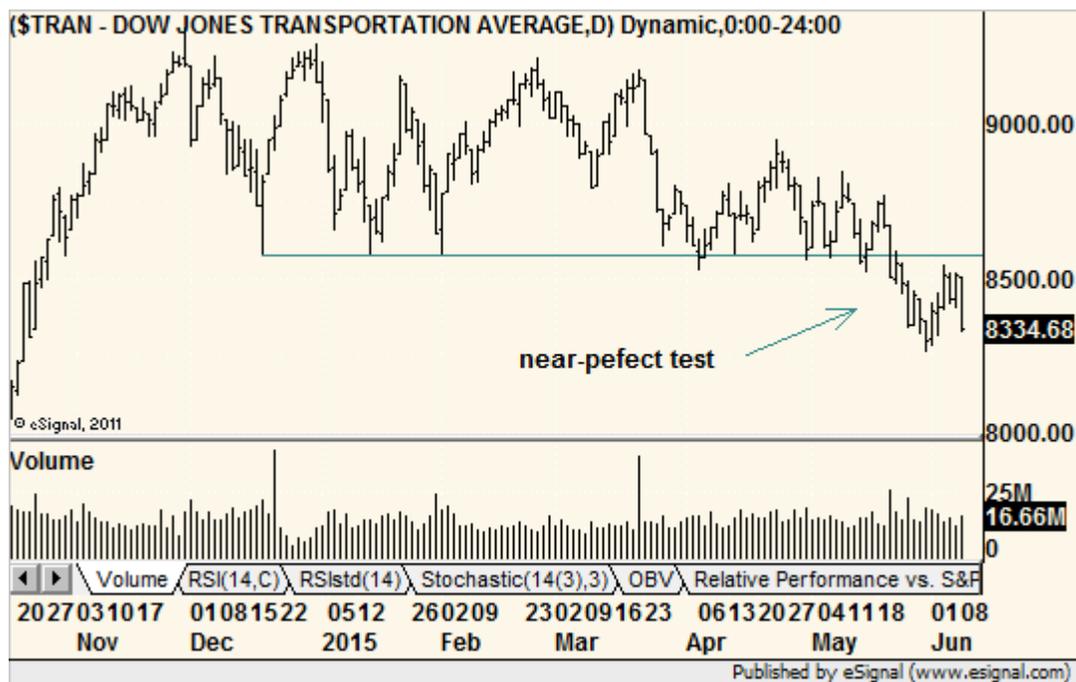
The red line here is not broken as it is the in the hourly **SPY** chart above because the lows in that one occurred away from regular session hours.



The Nasdaq is similar but gives us a decent downside target (lower line) should the near-term support break.



The Russell failed at the trendline breakdown point. This tells us that people who missed selling the first break took their second chance.



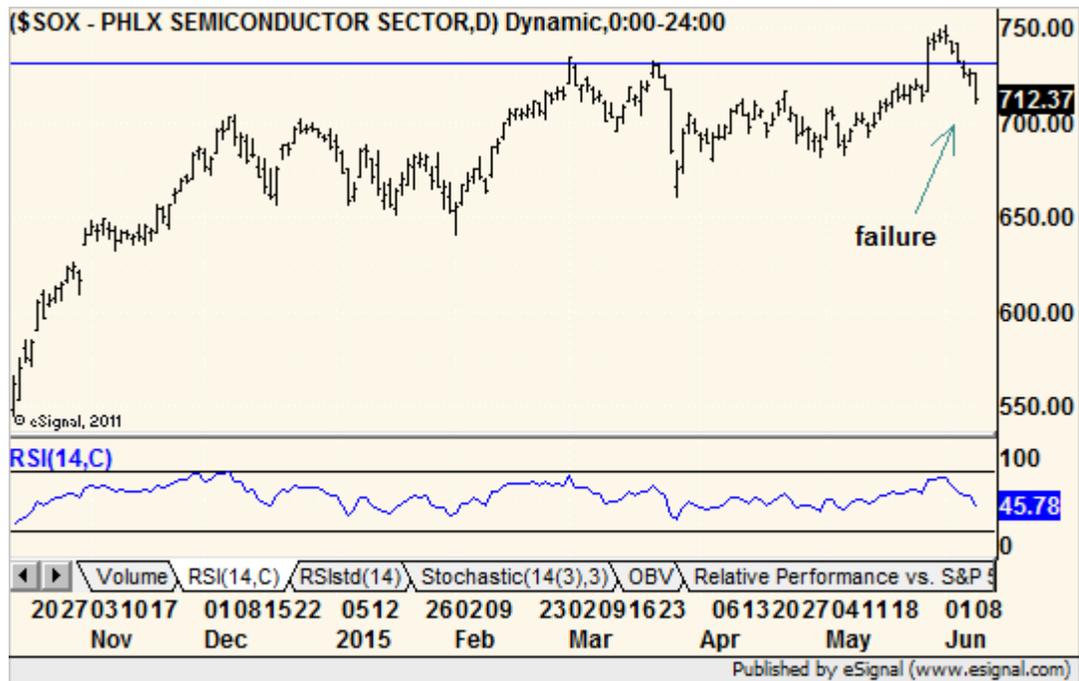
The transports broke support, fell, came back to test it in a flag-like pattern and then broke down again. Text book.

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 – Obviously, the setup is gone. | Removed | 5/21 |
| Schlumberger SLB – Getting too far from the setup. | Removed | 6/4 |
| Bearish Implications | | |
| Yum Brands YUM – Restaurant with bearish RSI divergence. Sell close under 90 as that breaks support. | | 5/29 |
| Unknown Implications | | |
| none – | | |
| Holding Tank - red shade leans bearish, green shade leans bullish | | |
| Long-term setups – LGF, SFUN, AGU, MOO | | 6/3 |
| Penn Gaming PENN – While LVS and WYNN fall apart, this gaming stock is on the verge of a breakout. If the others recover, this could be a nice long. For now, we watch both supporting trendline and resistance. | | 6/8 |
| Host Hotels HST – This is a weekly chart and it has arguably broken down. Daily on-balance volume is falling like a knife. We'll watch for a little bounce unless the market falls apart. A big 4% dividend may cushion the blow. | | 6/8 |
| Marriott MAR – Weekly chart looks to be rolling over. Would like a slight bounce to sell. | | 6/8 |
| 3M – A Dow stock with a gradual topping pattern. A good one to consider for a short on a bounce. | New | 6/9 |
| Travelers TRV – We are already short ALL . This one looks like it will bounce as the moving average death cross happens – and then we will short it. | New | 6/9 |
| Manpower MAN – Not exactly a cup-with-handle but it has the same feel. Waiting for a long-term breakout. | New | 6/9 |
| Sector Watch (observations that may spark ideas) | | |
| Oil services – Still holding a base breakout. <u>Really</u> | | 5/6 |
| Retail – Went from disliked here to instant leader. TGT, AEO, BKE, GES, SPLS is dead flat. | | 6/5 |
| Updates | | |
| China – Another day, another record (for the year). | | |

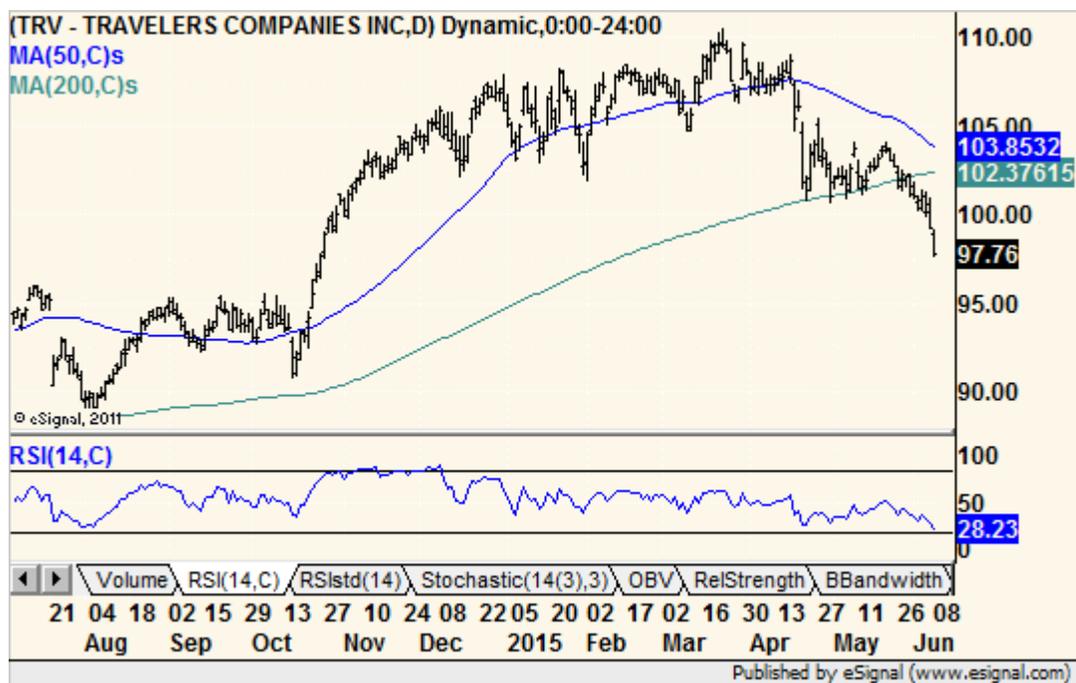
Market Highlights



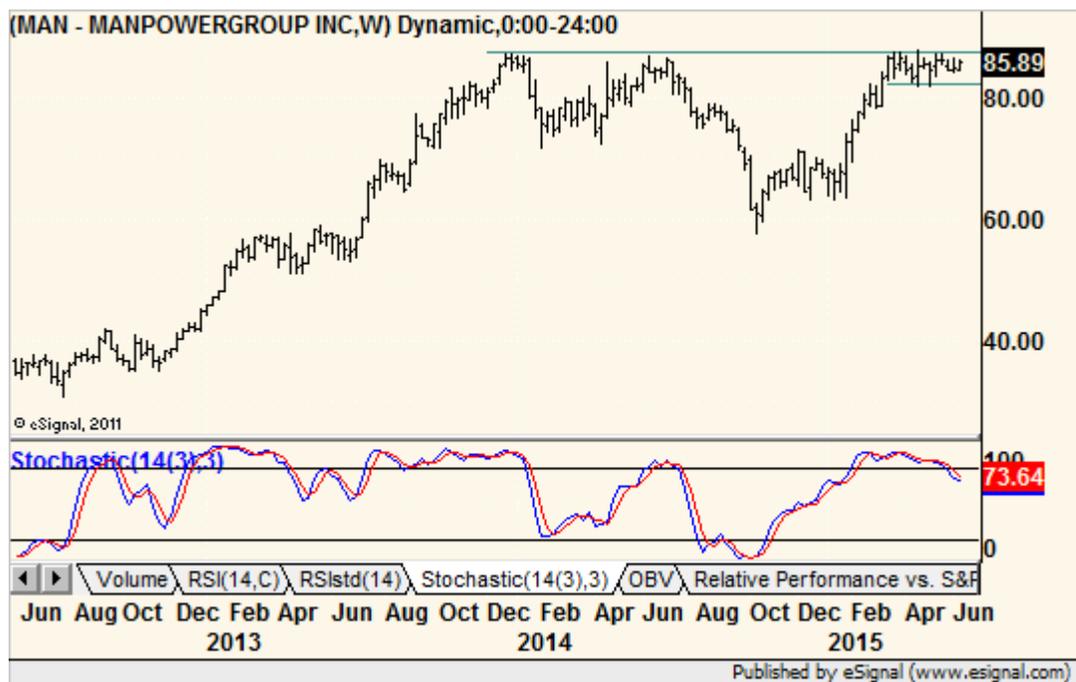
Semiconductors – Breakout failure.



3M – A Dow stock with a gradual topping pattern. A good one to consider for a short on a bounce.



Travelers – We are already short **ALL**. This one looks like it will bounce as the moving average death cross happens – and then we will short it.



Manpower – Not exactly a cup-with-handle but it has the same feel. Waiting for a long-term breakout.

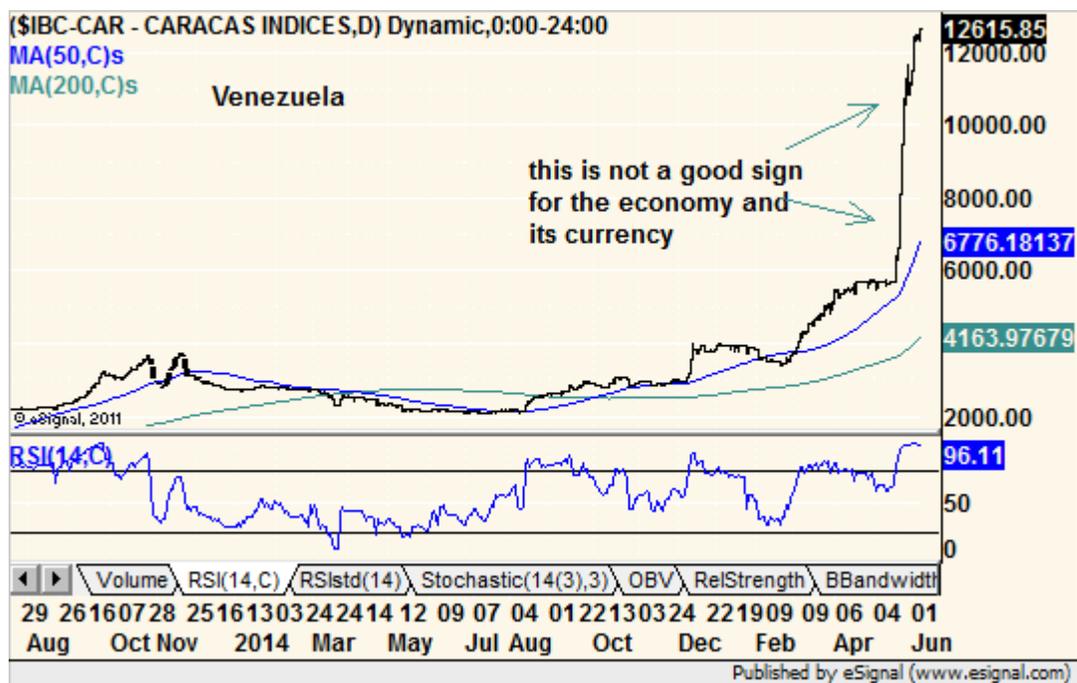
Quick Takes

In this section, we take a fast look at charts with just captions.

Countries breaking averages







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> | PSX | PHILLIPS 66 | 77.25 | -5.1% | | 81.38 | 4/24 | 45 |
| | COF | CAPITAL ONE FINL CORP | 84.94 | 2.6% | 82.00 | 82.80 | 5/6 | 33 |
| | KEY | KEYCORP NEW | 15.11 | 2.4% | 14.50 | 14.75 | 5/11 | 28 |
| | KBE | SPDR S&P BANK ETF | 36.01 | 4.1% | 34.75 | 34.58 | 5/11 | 28 |
| | FB | FACEBOOK INC | 80.67 | 2.2% | sell | 78.94 | 5/14 | 25 |
| | GM | GENERAL MTRS CO | 34.99 | -3.1% | 34.75 | 36.11 | 5/28 | 11 |
| | XLNX | XILINX INC | 46.33 | -2.8% | 45.75 | 47.68 | 5/28 | 11 |
| | BABA | ALIBABA GROUP HLDG LTD | 88.29 | -3.3% | 87.00 | 91.35 | 5/29 | 10 |
| | | | | | | | | |
| <u>Short</u> | FLS | FLOWSERVE CORP | 53.95 | 2.7% | 56.50 | 55.40 | 5/12 | 27 |
| | ALL | ALLSTATE CORP | 65.82 | 2.2% | 68.00 | 67.30 | 6/1 | 7 |

Notes: Finally stopped out of **PSX**.

Selling **FB** as there is no bullish pattern anymore.

Raising stop on **KEY** to trail it higher.

Raising stop on **BABA** as it already lost its way but we want to give it just a little more time.

And lowering the stops on both shorts to trail them.

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

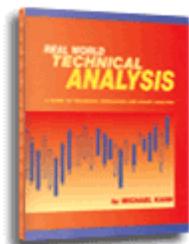
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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