

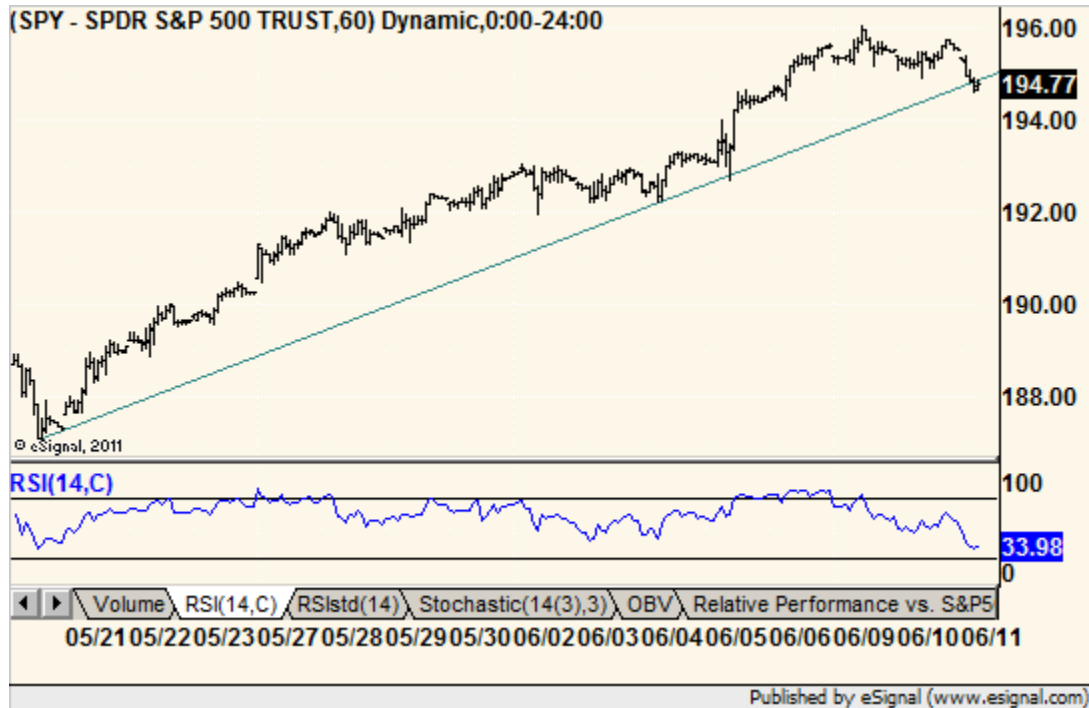
QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

June 11, 2014 - Another snoozer of a day even though the market had to mosey its way back to the flat line. The big winners were beer and gold.

The latter is important because gold itself is making a little noise. And given the performance by mining stocks we have to think the time is getting close for buying. Perhaps the nibble we are taking today (see Radar Screen) will open the floodgates for us.

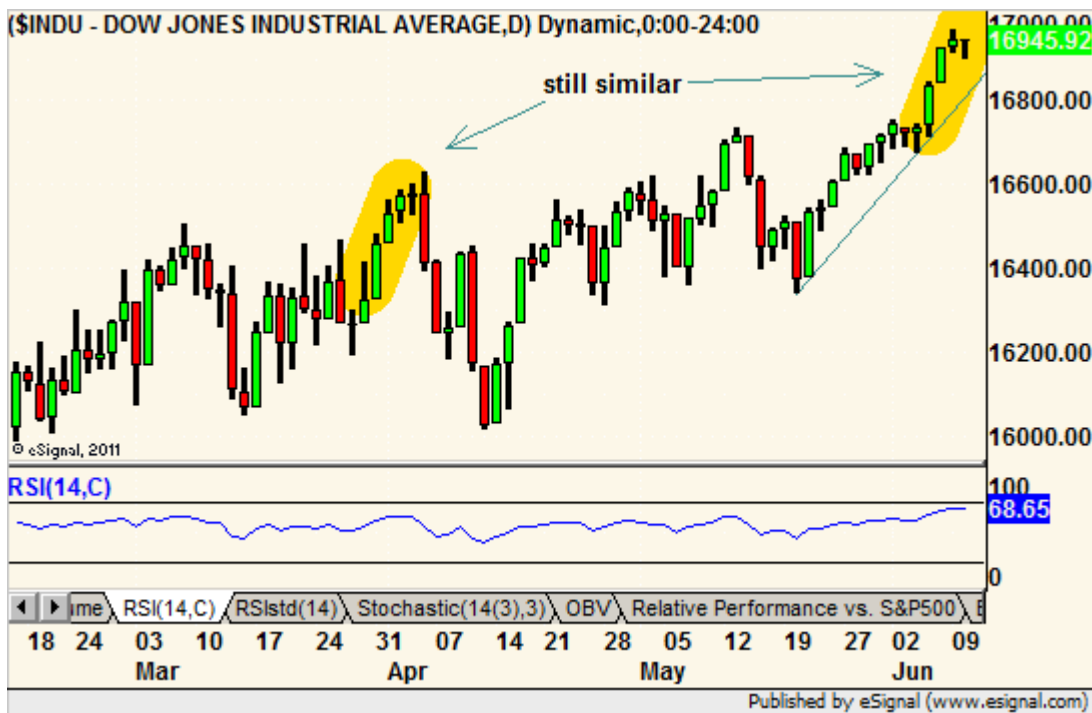


The hourly chart now shows the **SPY** testing its trendline. As of the close yesterday it looked as if it was going to just mark time until the trendline rose up to meet it. However, overnight there was some selling to accelerate the test. For now, the trend is intact but there is a lot of trading left ahead for today.

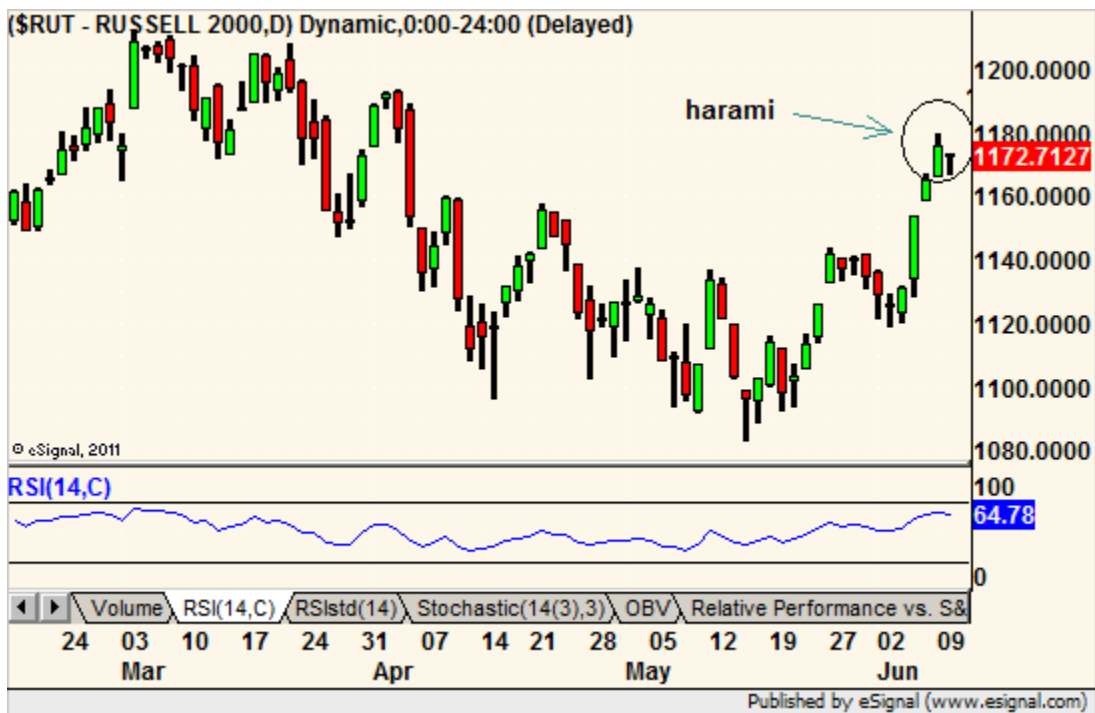
So, if the trendline breaks, where will it go? Of course, nobody knows but first support is at the early June range in the 192.50 area. But is that low enough for investors to finally sell? The daily chart puts another trendline from January into the 189-190 area so the answer has to be no. Below that, however, we will see the 2014 range breakout negated and that will be a truly negative sign.

One more observation, municipal bonds seems to have cracked just a bit. See the **MUB** ETF.

Index Charts of the Day



We get the feeling that we will get a crack in the market very soon the way we did in April. However, until it actually happens the trend is up. In other words, don't trade on our "feeling."



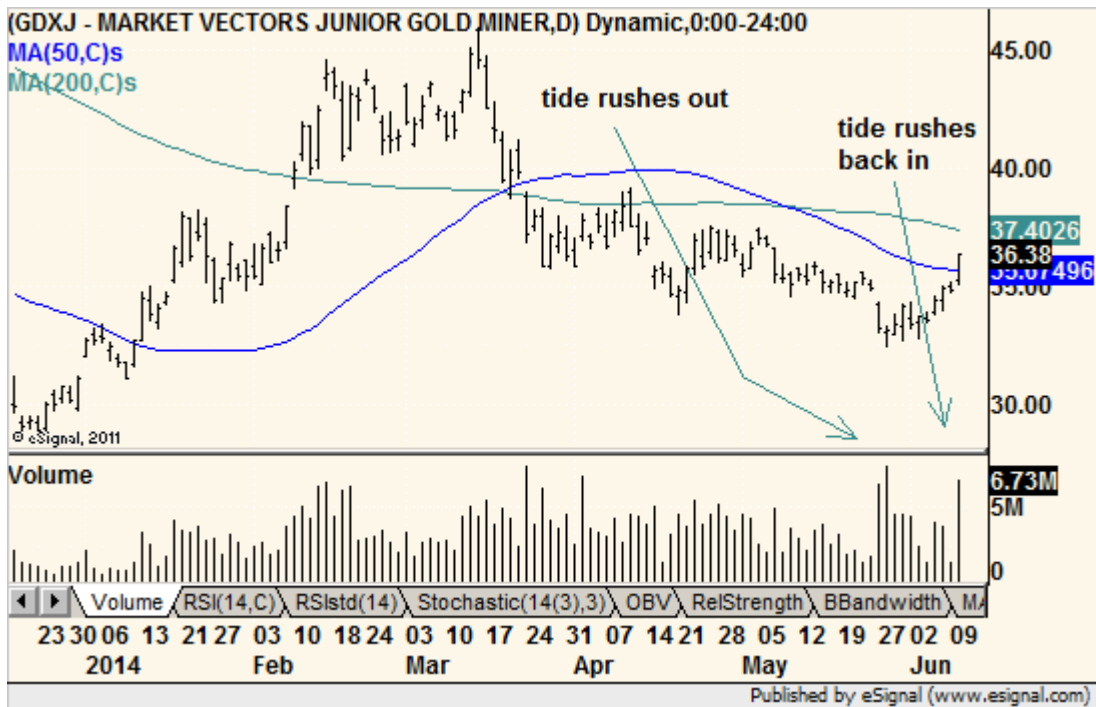
The candle pattern for the Russell over the past two days was a harami. In Western charts it was an inside-day. Both suggest indecision with the current trend and another reason not to chase it.

The Radar Screen

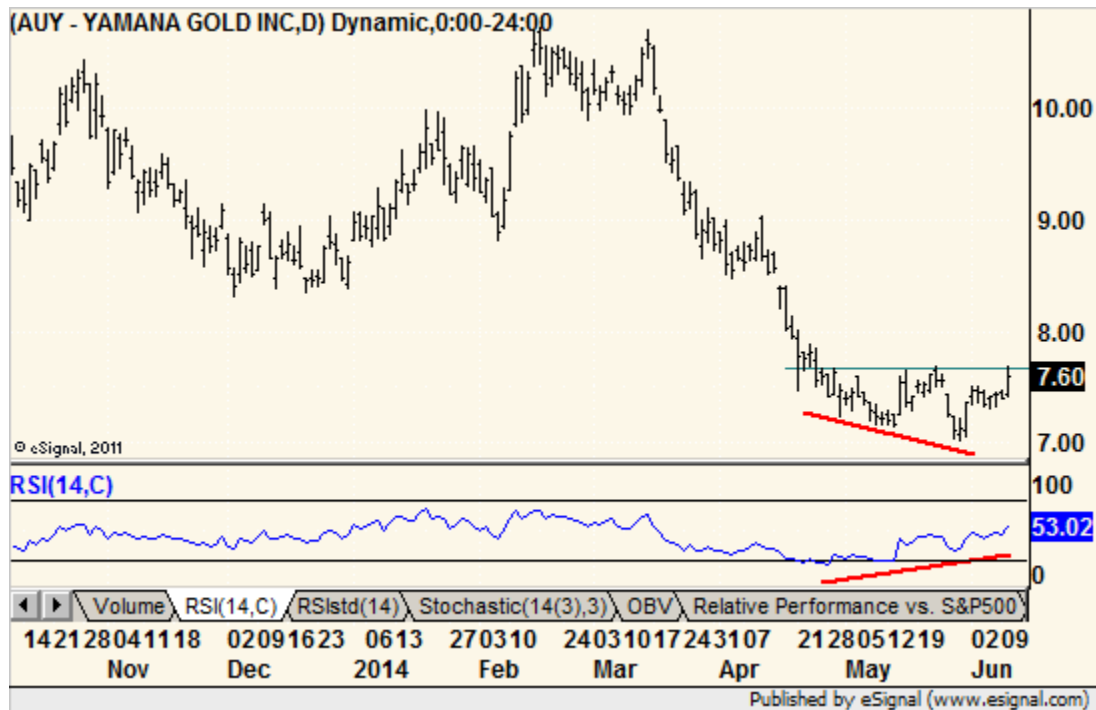
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Corning GLW - Ascending triangle breaks out at 21.75.		5/28
Paychex PAYX - Rising stochastics in a trading range makes it lean bullish. Buy range breakout over 41.65.	Moved	5/28
Novagold NG - Here is a miner with an actually good chart. Above its averages and trendline. The caveat is the low price but it looks pretty good right now.	New	6/11
Bearish Implications		
none -		5/28
Unknown Implications		
Coca Cola KO - Did not participate Tuesday and now in a tight range. Sell break of support at 40.45 on close. Buy close over 41.28.		5/28
Holding Tank - red shade leans bearish, green shade leans bullish		
Xilinx XLNX worth watching in both directions.		5/28
Yamana Gold AUY - We were looking for a higher low but this stock held its ground over the past week instead of dipping. Now at the neck of a funky inverted head-and-shoulders with RSI divergence. It may be time to pick some up very soon. See gold stock charts below.		6/3
Intuitive Surgical ISRG - Left in the dust by its sector but now stirring. Bollinger Bands squeeze and stochastics holding a high level suggests a pending breakout.		6/10
Sector Watch (observations that may spark ideas)		
Telecoms - Flattened out over the past month with RSI divergence		6/9
Gaming - Still lagging. Never recovered.		6/10
Industrial machinery group - Keep this sector in mind for opportunities should the market have a nice orderly pullback now.		6/10
Oil Services ETF OIH - Overbought		6/10
Semiconductor index SOX - Now approaching upside target for the triangle breakout and also the top of the channel. Overbought RSI. Not a good place for new buying.		6/10
Updates		
Panera Bread PNRA - We had in the Holding Tank leaning bullish but removed it yesterday for lack of conviction. I tanked Tuesday.		
Restaurant group - Hit resistance and fell hard. Our love for it is over.		

Market Highlights



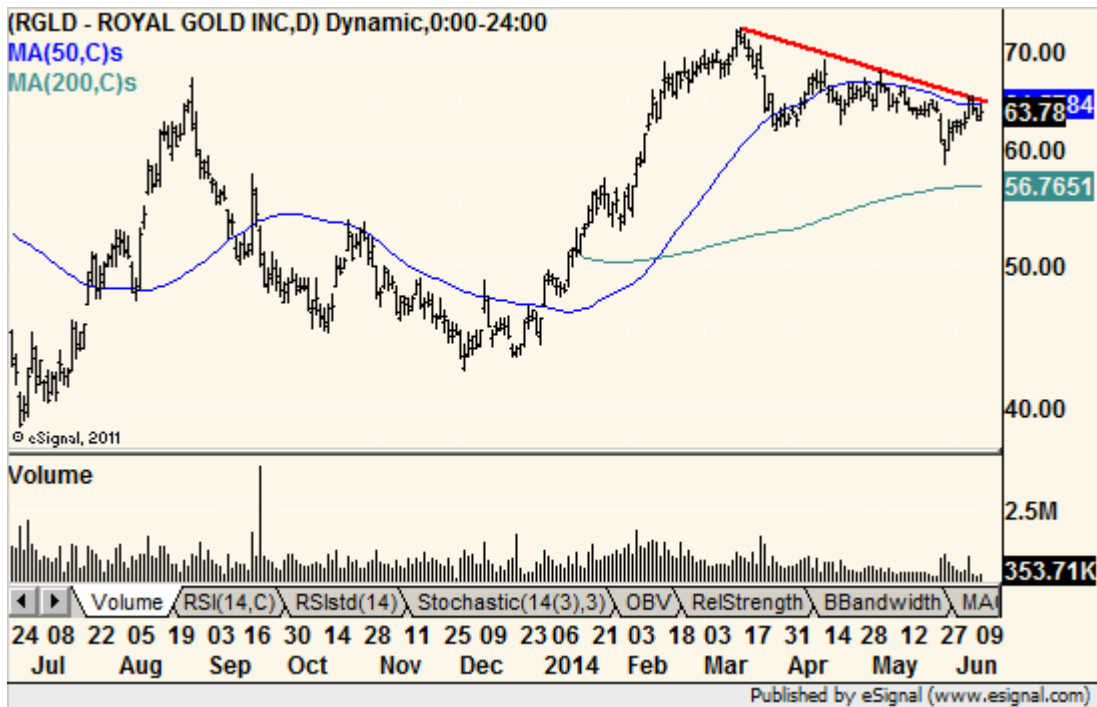
Junior Gold Miners ETF - A big day with big volume. This is the hallmark of a reversal with a final purge and then big return of buyers. Not unlike a follow-through day, either.



Yamana Gold - We were looking for a higher low but this stock held its ground over the past week instead of dipping. Now at the neck of a funky inverted head-and-shoulders with RSI divergence. It may be time to pick some up very soon.



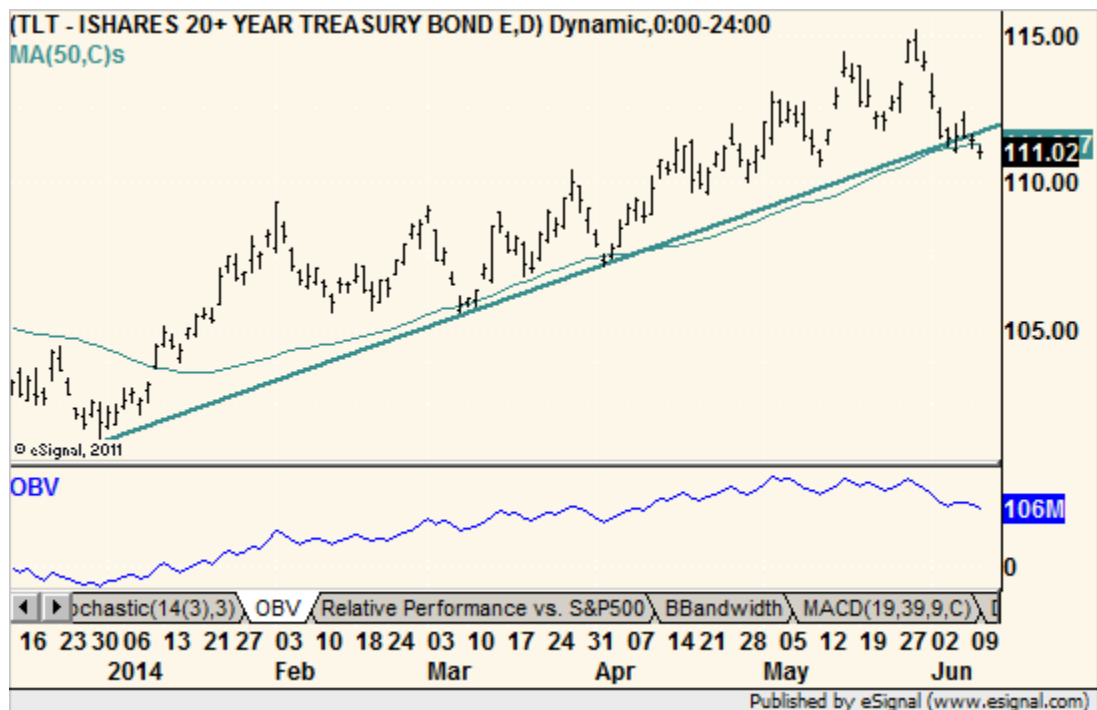
Novagold - Here is a miner with an actually good chart. Above its averages and trendline. The caveat is the low price but it looks pretty good right now.



Royal Gold - This miner never really fell and is now challenging the trendline and 50-day average.



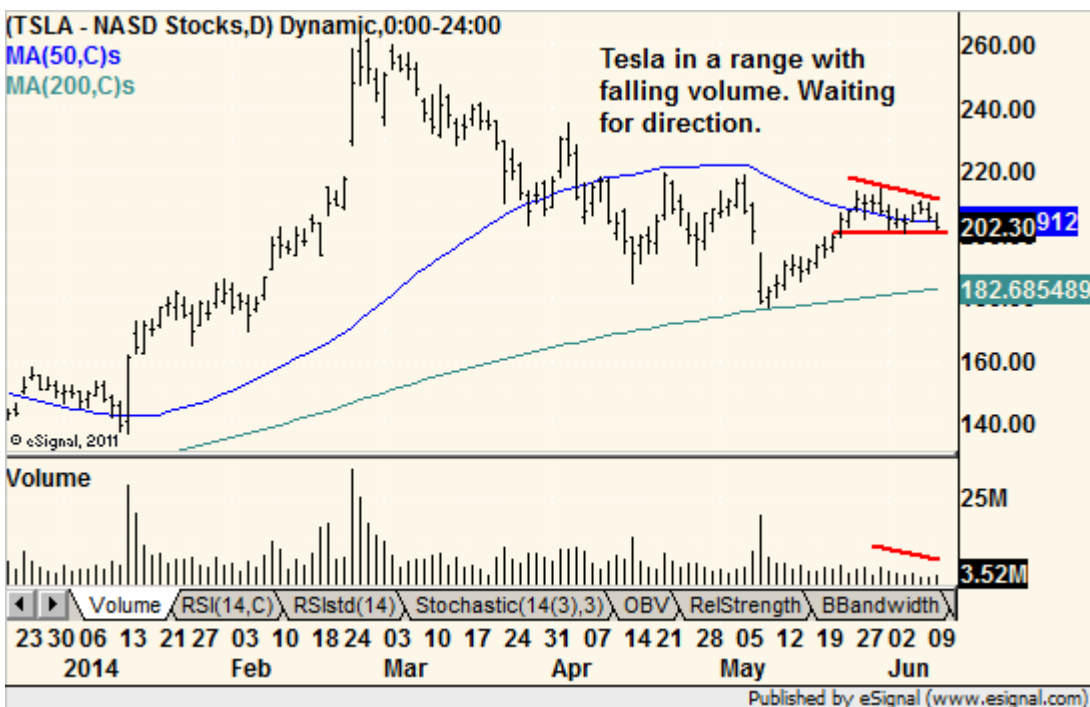
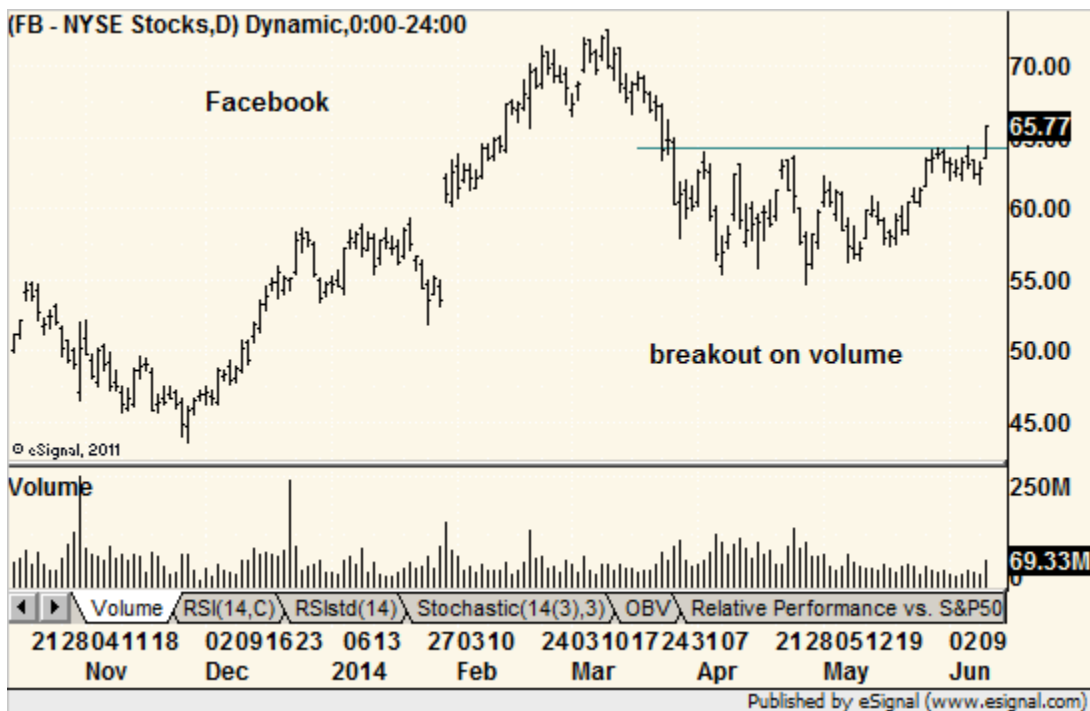
Banks ETF - Banks have had a very good few days but look at it in context of a giant fan lines pattern from November 2012 (that's when the current bull market leg began). Even better, the red line may be the neck line for a big head-and-shoulders top. We cannot know that just yet but we'll watch it.

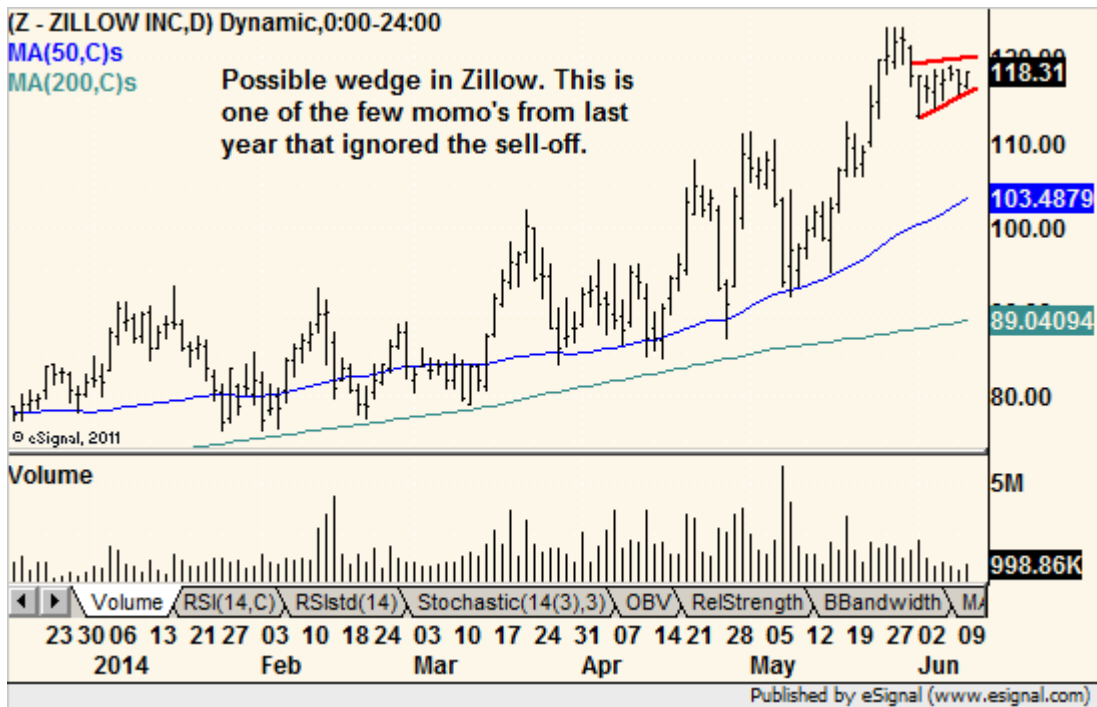
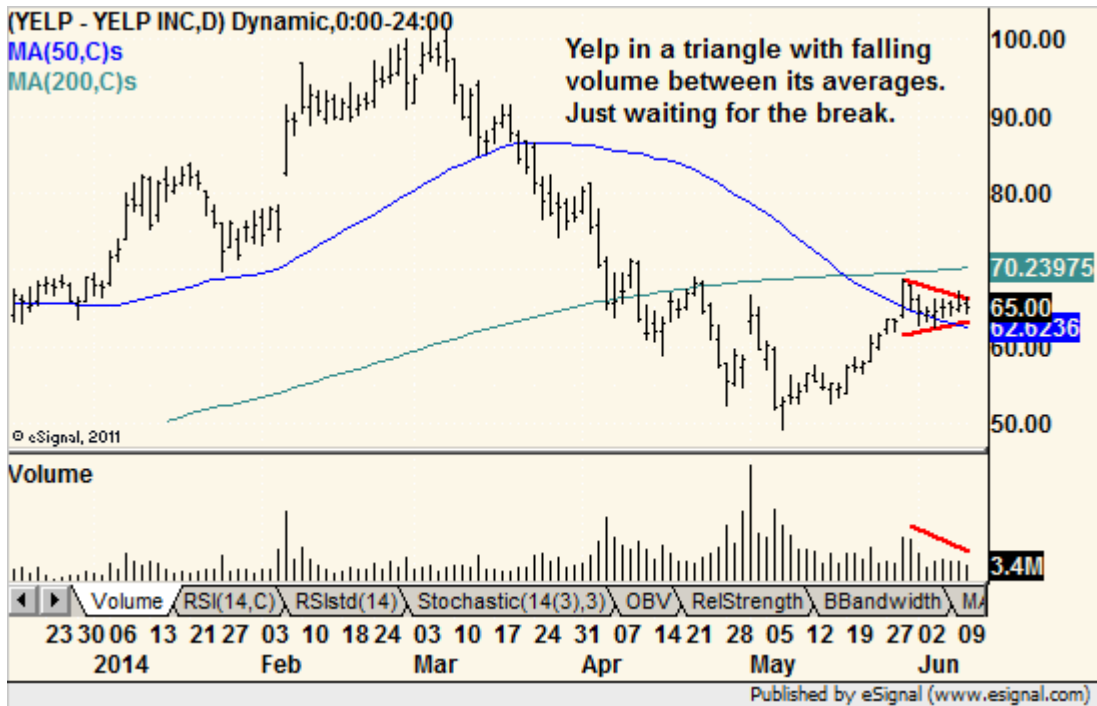


Long T-bond ETF - This looks like a breakdown but the vertical movement was not convincing. Need a little bit more loss to confirm. Hanging by a thread.

Quick Takes

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





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>	FCX	FREEMPORT-MCMORAN COPPER GOLD	34.36	-2.1%	33.75	35.08	5/19	21
	CAG	CONAGRA FOODS INC	32.47	0.9%	31.75	32.17	5/29	11
	DD	DU PONT E I DE NEMOURS & CO	69.47	0.7%	67.50	68.97	5/29	11
	WYN	WYNDHAM WORLDWIDE CORP	74.20	1.0%	71.50	73.50	5/30	10
	TAN	GUGGENHEIM SOLAR ETF	40.06	-4.6%	39.50	42.00	5/30	10
	FCG	1ST TRUST ISE-REVERE NAT GAS	22.61	-0.4%	22.00	22.70	5/30	10
	APD	AIR PRODS & CHEMS INC	123.32	2.9%	119.00	119.85	5/30	10
	PPG	PPG INDS INC	205.80	1.7%	198.00	202.33	6/2	7
	BDX	BECTON DICKINSON & CO	119.45	0.8%	115.00	118.50	6/3	6
	KMI	KINDER MORGAN INC DEL	35.07	3.0%	33.75	34.05	6/4	5
	MRO	MARATHON OIL CORP	38.17	3.0%	36.00	37.07	6/5	4
	GOOGL	GOOGLE INC	568.30	2.0%	545.00	557.11	6/5	4
	CBS	CBS CORP NEW	61.13	1.1%	59.00	60.48	6/5	4
	PAG	PENSKE AUTOMOTIVE GRP INC	48.48	0.3%	46.50	48.35	6/5	4
	ILMN	ILLUMINA INC	175.40	6.9%	165.00	164.09	6/5	4
	IRBT	IROBOT CORP	36.00	1.6%	35.00	35.43	6/6	3
	HSY	HERSHEY CO	97.03	-1.0%	95.00	98.00	6/6	3
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	50.09	-3.7%	51.00	48.25	5/15	25
	CRM	SALESFORCE COM INC	53.06	-5.2%	54.00	50.29	5/22	18
	SCHW	SCHWAB CHARLES CORP NEW	26.11	-3.0%	26.50	25.33	6/2	7

Notes: Tightened stop again on **ILMN**. Also tightened stop on **FCG** as it is just sitting there and the stop was too wide for the pattern.

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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