

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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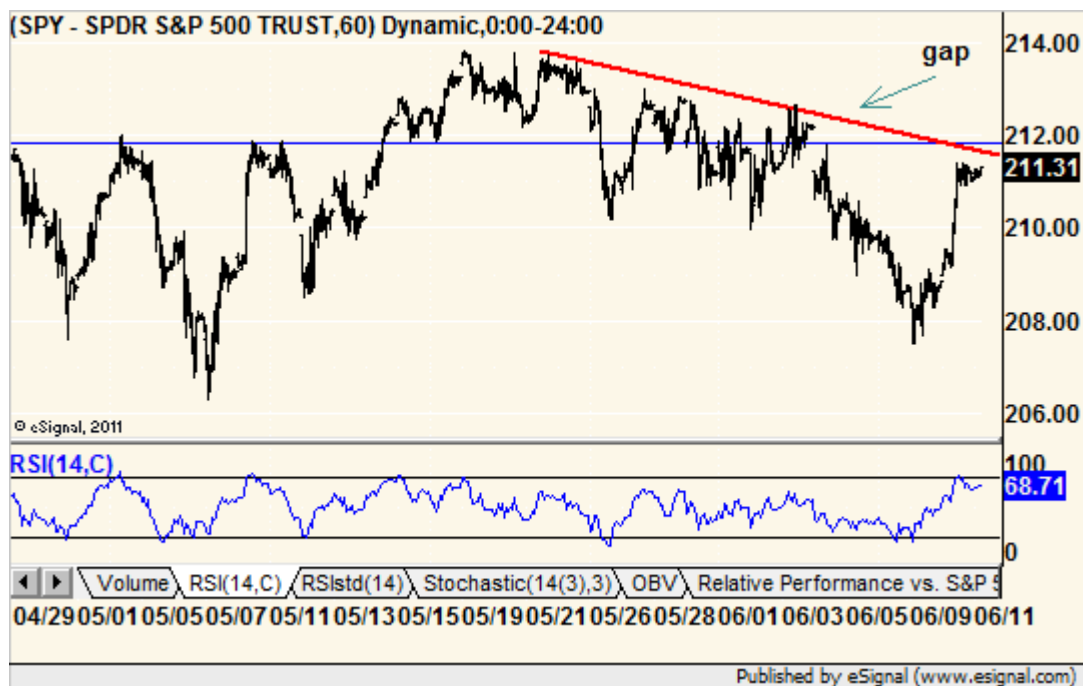
June 11, 2015 – Nice bounce. Mediocre volume. Good breadth. And 64 new 52-week lows on the NYSE (mostly not bond related, too).

Our point is that it was a relief rally, or at least that what day one looked like. We'll know next week if all is right with the world when the O'Neil follow-through day window opens up.

Think about that. Is all well? Bonds fell hard again yesterday and nothing has really changed with the Fed (and Greece). We are sticking with the strategy mentioned yesterday of looking for weak stocks that bounced and then shorting them (such as hotels). Until that kicks in we have a rather sparse Advice Tracker as we stay mostly on the sidelines.

For those who do not know, a follow-through day is a surge in both price and volume four to seven days into a rally attempt. Yesterday was day one. Monday will be day four.

In Europe, there were reversal patterns in many places including Germany. The DAX index scored a nice engulfing candle but beware that it is still in a down trend from April. As is the USA.

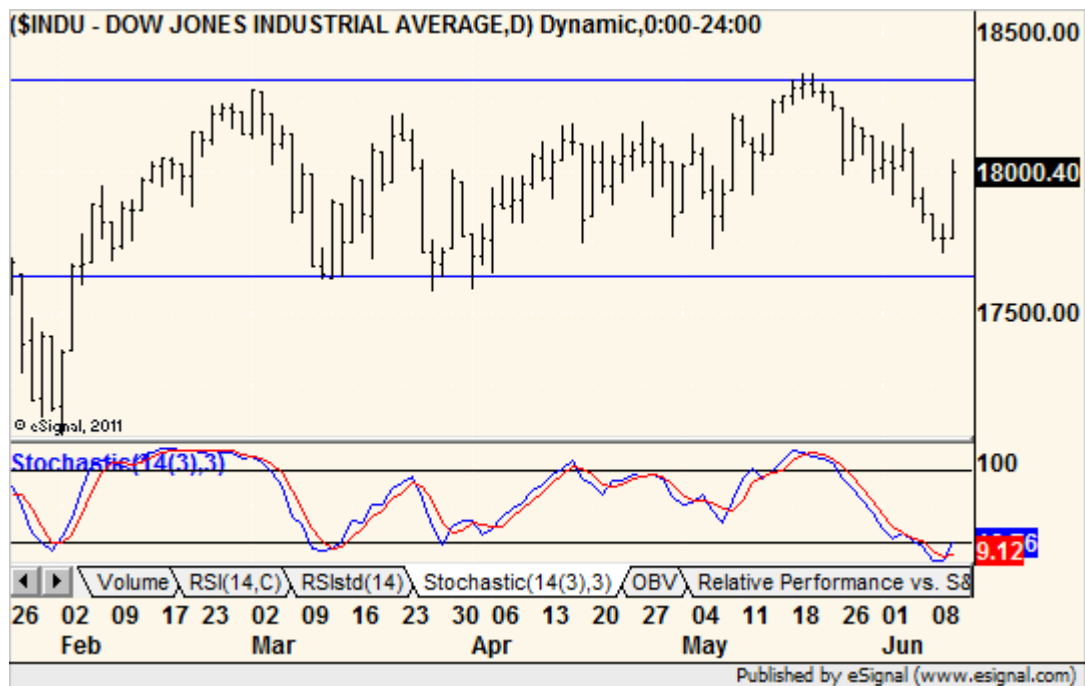


The hourly chart shows the nice vertical rally but it is already at resistance, a trendline and is overbought. We do see a pause just under the trendline so that is actually a positive but until it actually breaks out we cannot go with it. And even more important, since it was already such a big move we cannot see buying until there is a follow-through day next week.

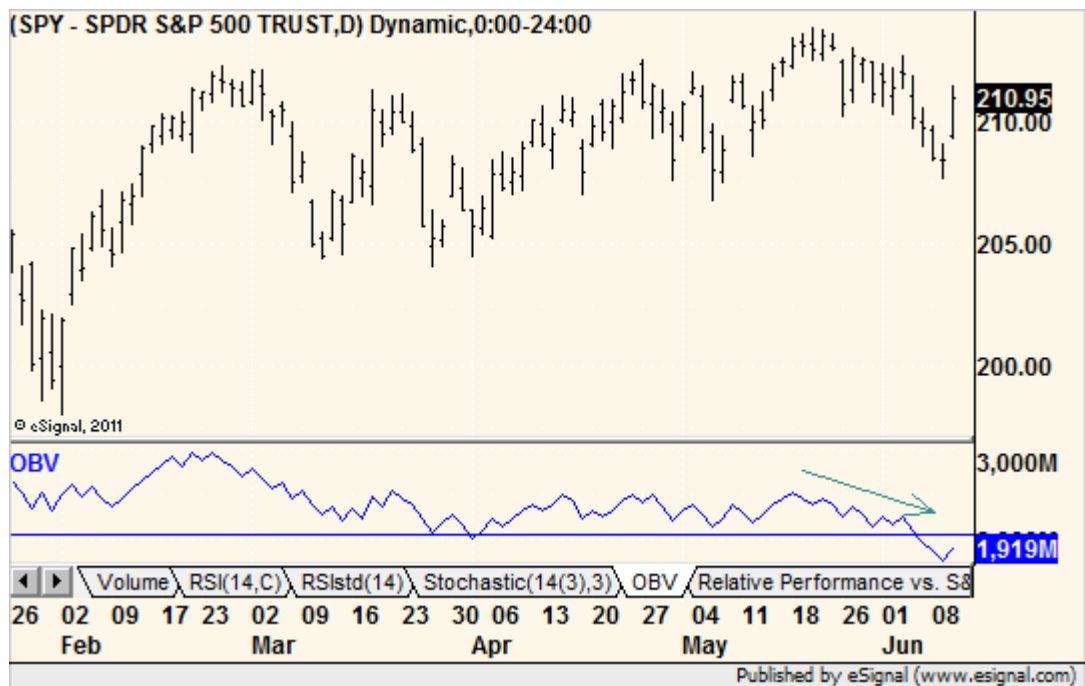
In sectors, insurance had a pretty good day (chart below).

Just for a little summary – banks good, insurance maybe and hotels bad.

Index Charts of the Day



The Dow shows an oversold bounce in a trading range. It was big and it was exciting but it was not a breakout.



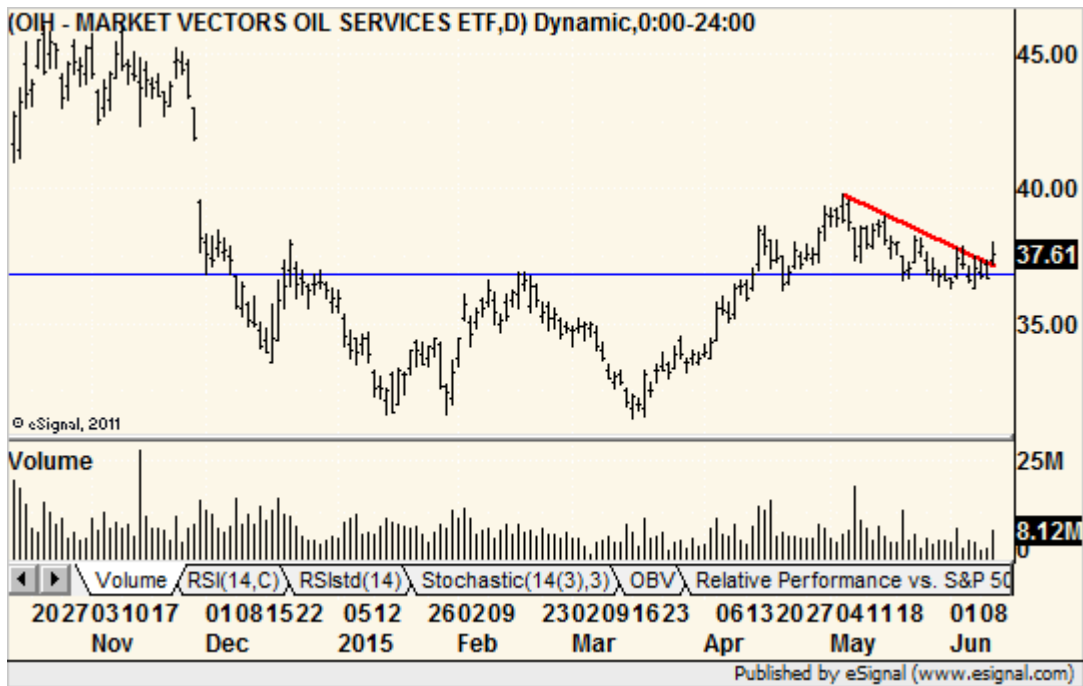
Money is fleeing the spyder ETF. On-balance volume now below where it was in October (after the Ebola panic).

The Radar Screen

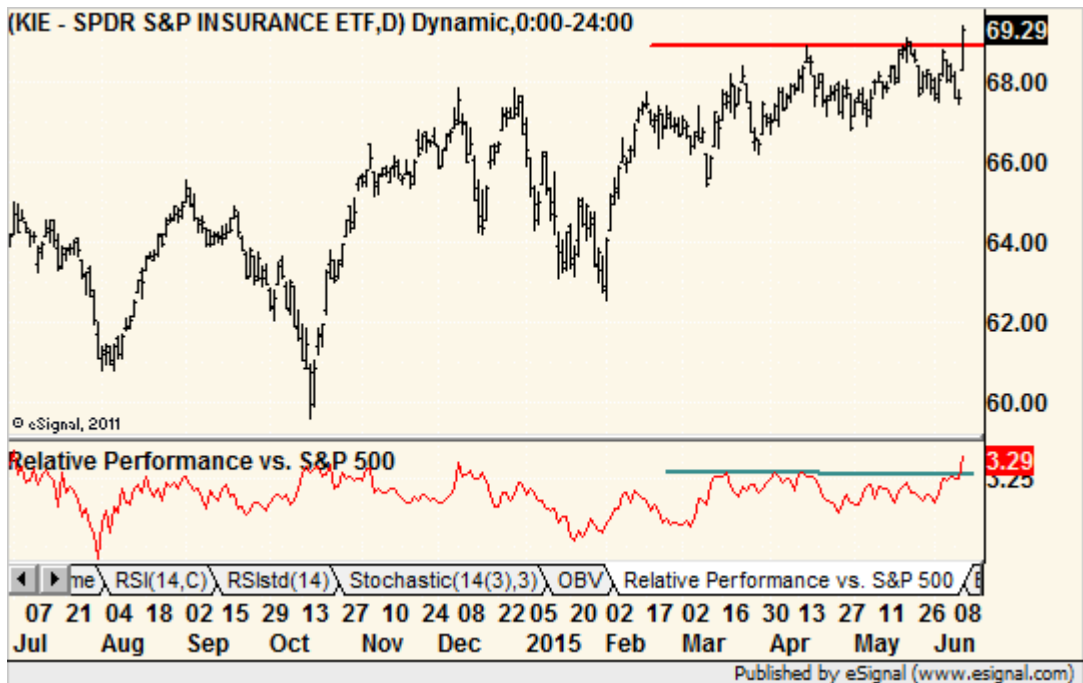
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
none –		
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 (breakout), SFUN (breakout), AGU, MOO	Changed	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 support and resistance. Breakout without us		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. Did not bounce Wednesday suggesting it is very weak.		6/8
3M MMM – A Dow stock with a gradual topping pattern. A good one to consider for a short on a bounce.		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.		6/9
Manpower MAN – Not exactly a weekly cup-with-handle but it has the same feel. Waiting for a long-term breakout.		6/9
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout. Chart below		5/6
Retail – A few retailers with potential. BKE, GES, SPLS.	Changed	6/5
SPDR Insurance ETF KIE – Absolute and relative breakout. This seems to be led by stocks already in rallies and not new ones breaking out to join them. That suggests trend following and not bottom fishing is a better plan if you are interested.	New	6/11
Hotels – This one was in the red yesterday as the market soared. Very weak as we mentioned above. Here, we see the sector index below the 50-day average and arguably below support. This is a good place to mine for shorts. Add HOT and WYN to the above MAR and HST .	New	6/11
Nasdaq biotech ETF IBB – Still holding on but with a bearish stochastics divergence	New	6/11
Updates		
none –		

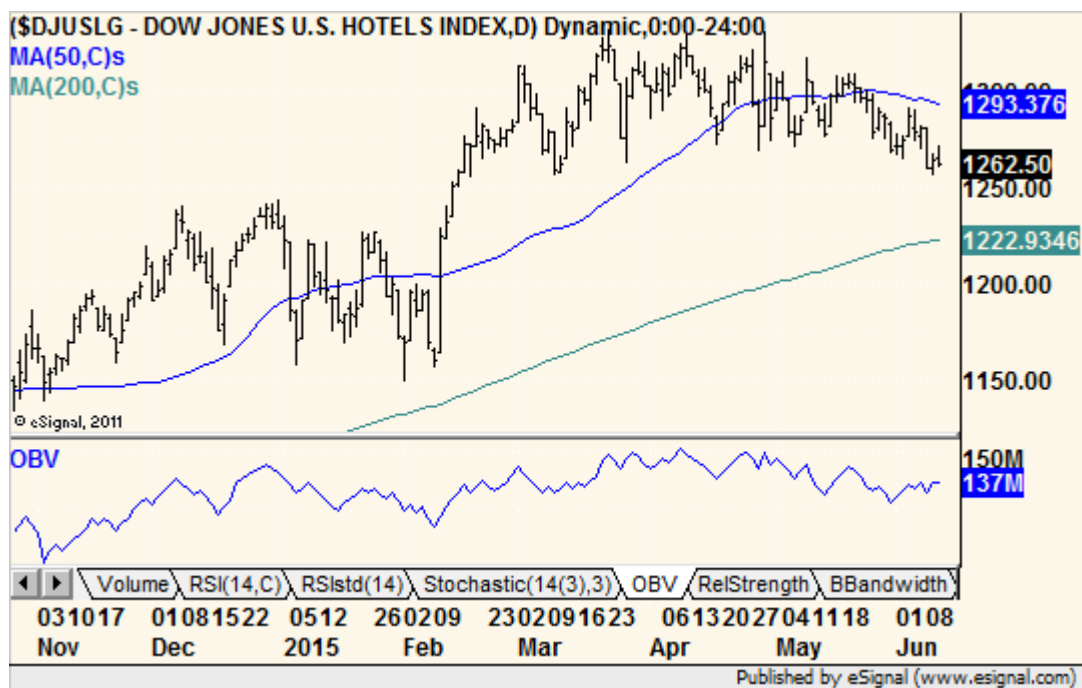
Market Highlights



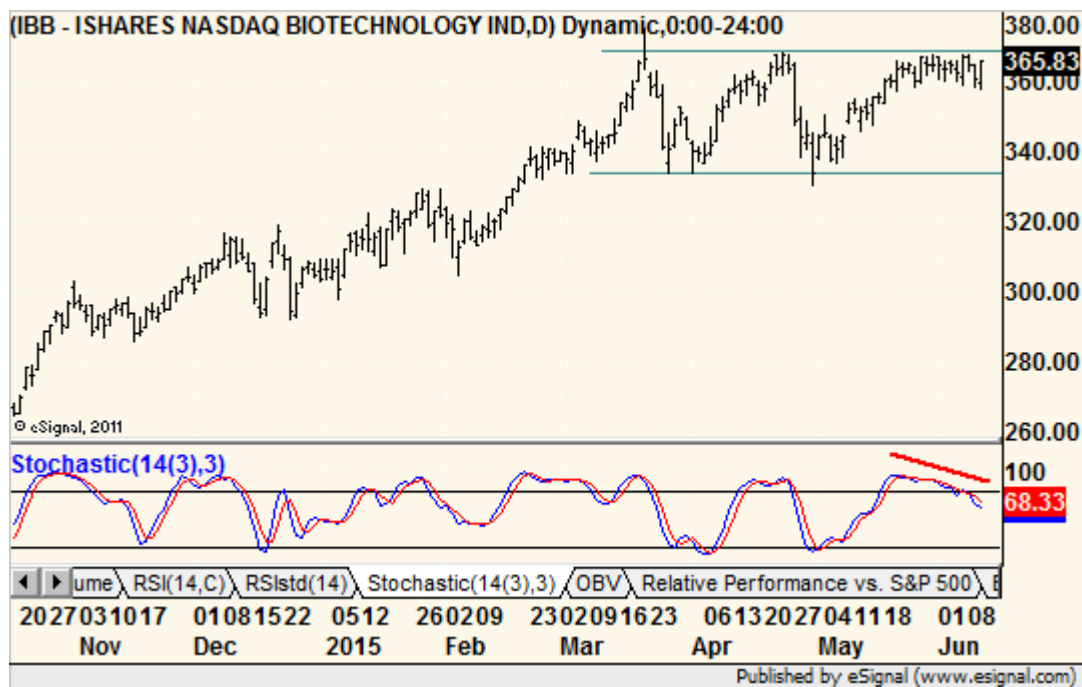
Oil Services ETF – Still holding on to a base breakout. Now may be emerging from a correction. If we though oil was ready to move we'd buy this. But we don't.



SPDR Insurance ETF – Absolute and relative breakout. This seems to be led by stocks already in rallies and not new ones breaking out to join them. That suggests trend following and not bottom fishing is a better plan if you are interested.



Hotels sector – This one was in the red yesterday as the market soared. Very weak as we mentioned above. Here, we see the sector index below the 50-day average and arguably below support. This is a good place to mine for shorts. Add **HOT** and **WYN** to the ones in the Radar Screen **MAR** and **HST**.



Nasdaq biotech ETF – Still holding on but with a bearish stochastics divergence.

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>	COF	CAPITAL ONE FINL CORP	86.93	5.0%	83.00	82.80	5/6	35
	KEY	KEYCORP NEW	15.41	4.5%	14.75	14.75	5/11	30
	KBE	SPDR S&P BANK ETF	36.84	6.5%	35.50	34.58	5/11	30
	GM	GENERAL MTRS CO	35.59	-1.4%	34.75	36.11	5/28	13
	XLNX	XILINX INC	47.00	-1.4%	45.75	47.68	5/28	13
<u>Short</u>	FLS	FLOWSERVE CORP	54.43	1.8%	56.50	55.40	5/12	29
	ALL	ALLSTATE CORP	66.91	0.6%	68.00	67.30	6/1	9

Notes: We don't mind trailing stops higher every day in the banking sector. Today was **KBE** again.

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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The Big Picture

In this section, we take a macro look at things.

Sector Watch

In this section, we take a closer look one sector of the market.

Today's Lesson

In this section, we take a look at a topic in technical analysis in real-time, not textbook time.

Quick Takes

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

Market Highlights
