

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

June 24, 2015 – Tuesday was a rather quiet day as the market waited for Greece – again. This morning it looks as if things are not going too well over there in terms of a fresh bailout and that makes us feel better knowing that at least someone smells something bad. In our view it is time to cut losses. But then again, we are not paid to have opinions on what the EU should do.

What we should do is maintain individual stock setups (leaning long) and not commit too heavily one way or the other until the market does.

It is interesting that a major blogger, with a sometimes questionable record, tells us that smart money has been selling into this rally. This time, we believe it. We don't have proof but we have noticed that there really is not a whole lot of follow-through after these big "Fed won't raise rates soon" or "Greece is saved" rallies. And today, once again, the short-term trend has been broken to the downside.



There really was not a lot of movement following Monday's initial strong open until this morning when the reason for that strong open weakened - a lot. Monday it was "Greek deal on." Today it is "well, not so fast."

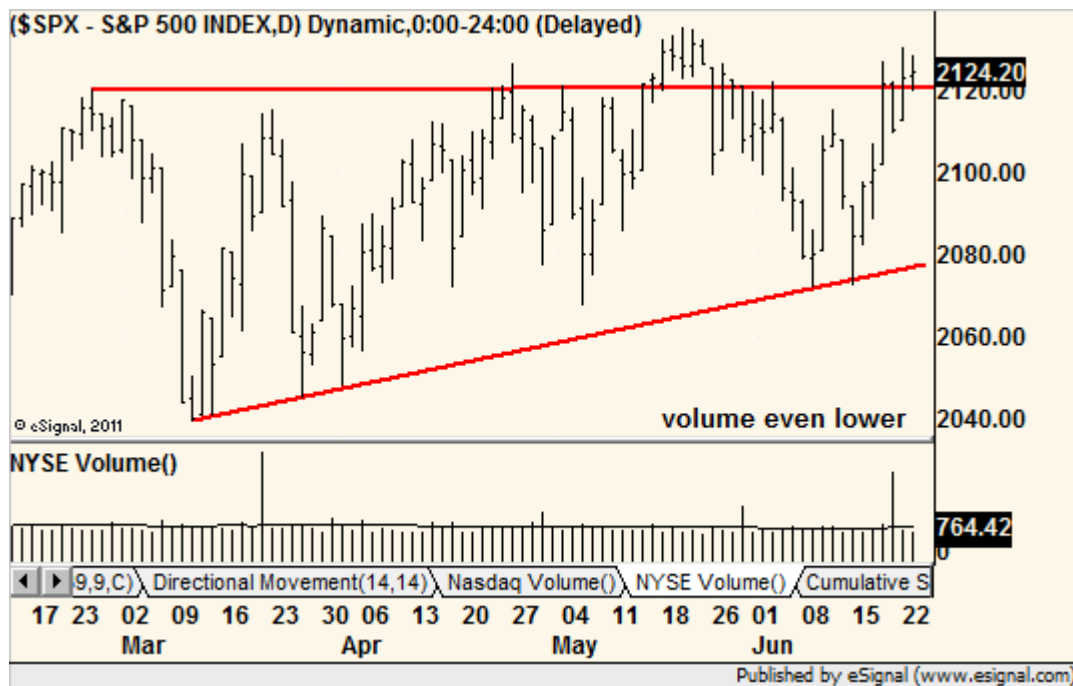
All we need now is for the Fed to say something because that is what it has been for the past month. Will the Fed raise rates in September? December? Not until next year? Right now the feeling is December although some pundits not think next year. Everyone has an opinion. Noise.

Check out the breadth chart below where the NYSE advance-decline line is in a short-term decline after breaking an intermediate-term up trend. Keep in mind the Nasdaq and small stocks are at new highs. True, the NYSE breadth does not track the Nasdaq but it is related. We'll call that apples and pears.

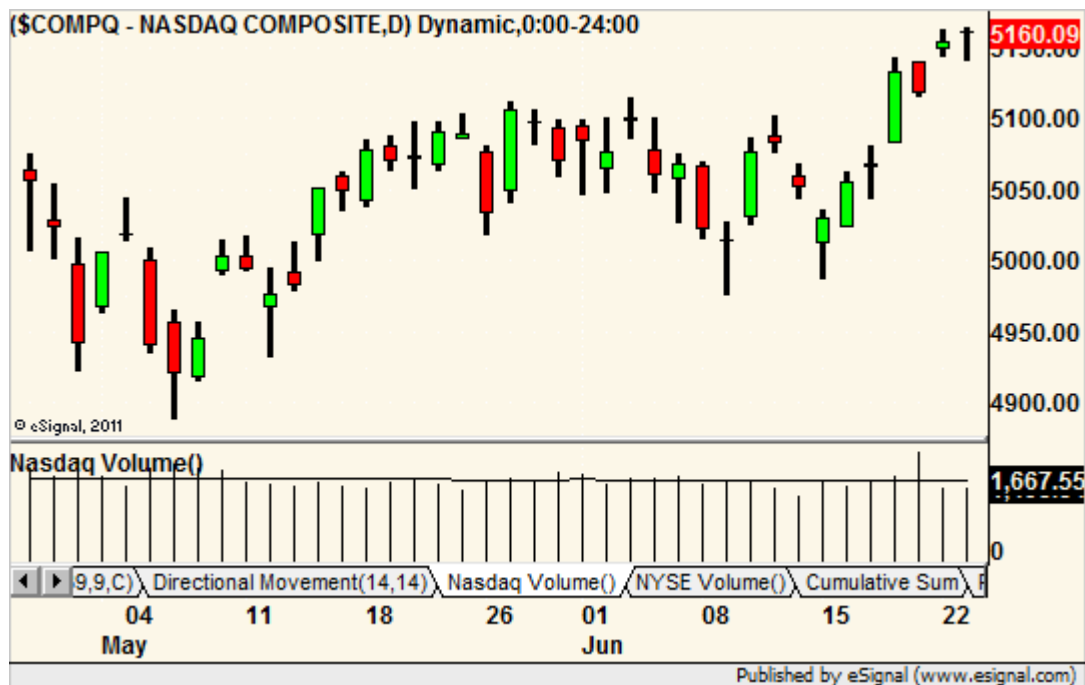
The Nasdaq adv-dec has a perpetual downward trend and is not that useful But check out the on-balance volume of the Russell ETF below. It is flat even as that index hits new highs.

Something is not quite right here and we think the market is being propped up by news hopes – Greece and a dovish Fed. If either of those changes then things could get dicey.

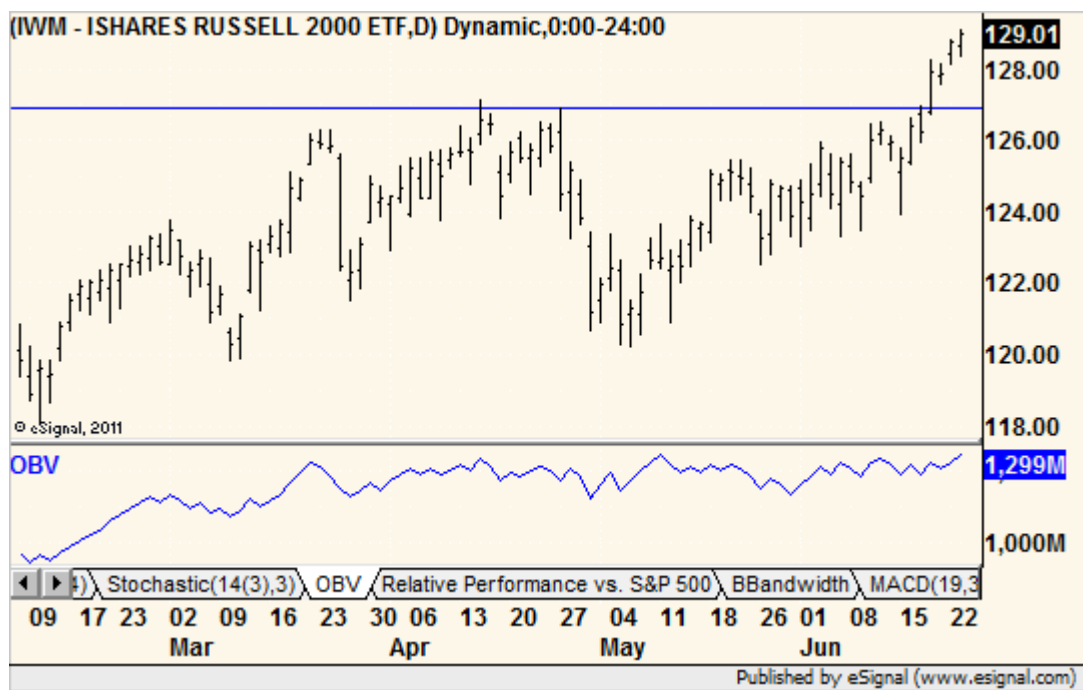
Index Charts of the Day



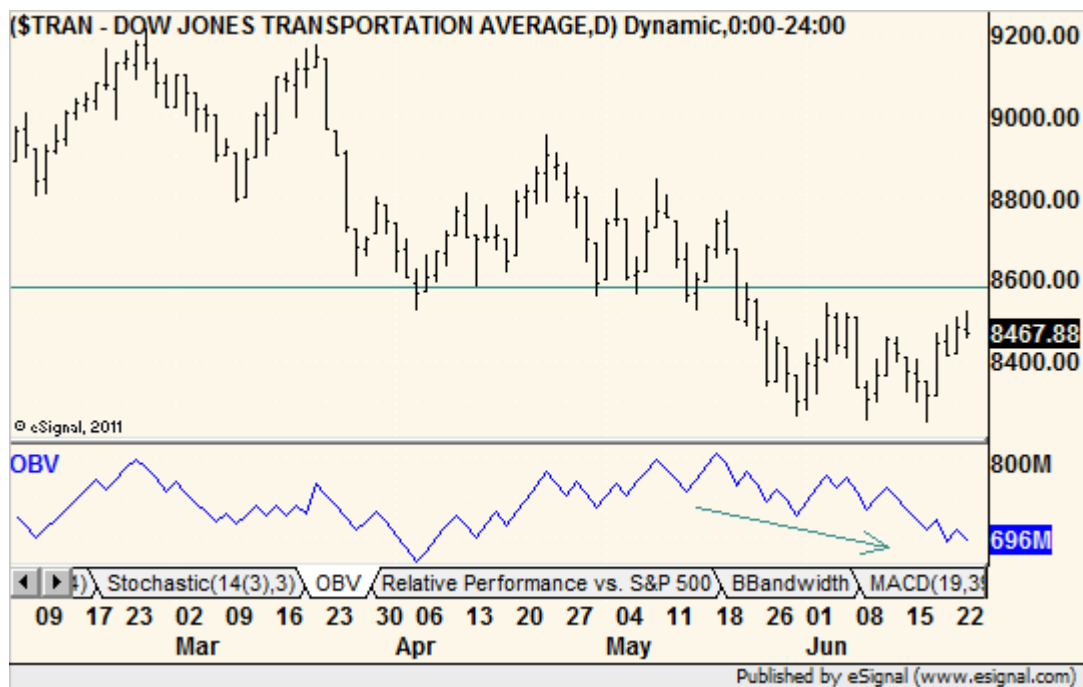
Not much movement yesterday and even lower volume. Since this is a resistance area we have to give it the benefit of the doubt. But big stocks are not where the strength has been anyway.



The Nasdaq is very jumpy at every open so candle analysis has to be taken with a grain of salt. But here we see a hanging man after a spinning top so the trend is really weakened. Low volume for two days in a row when prices hit records is also not bullish.



The Russell 2000 is soaring but on-balance volume is flat – even after the breakout. Seems more like lack of sellers than a plethora a buyers.



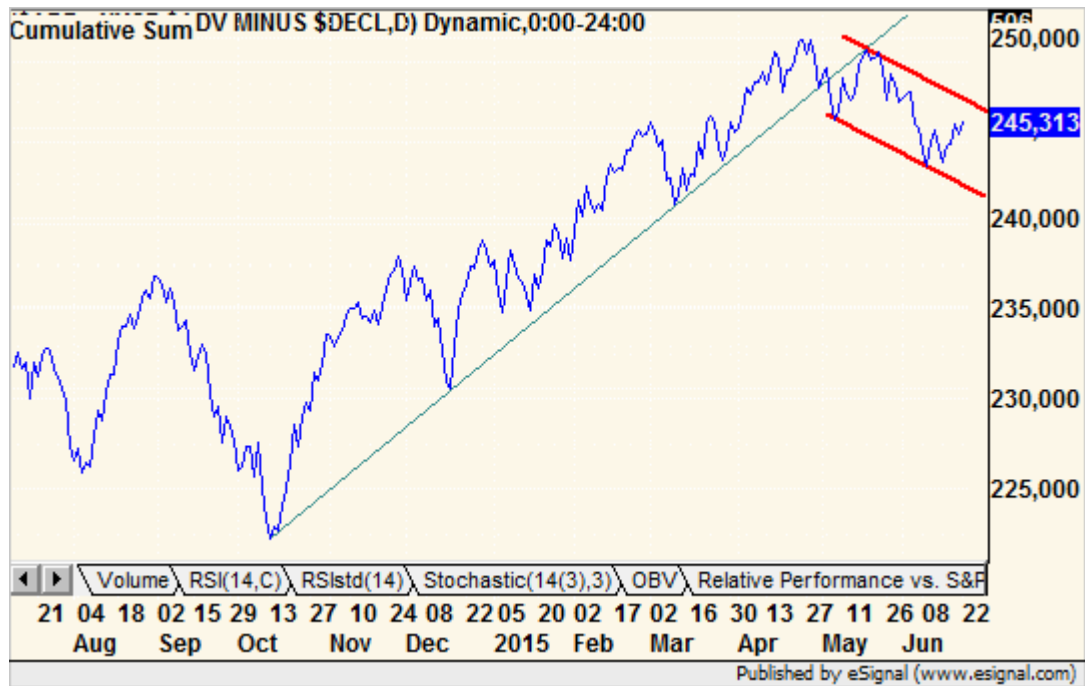
As long as we are talking on-balance volume, the transports are bleeding it.

The Radar Screen

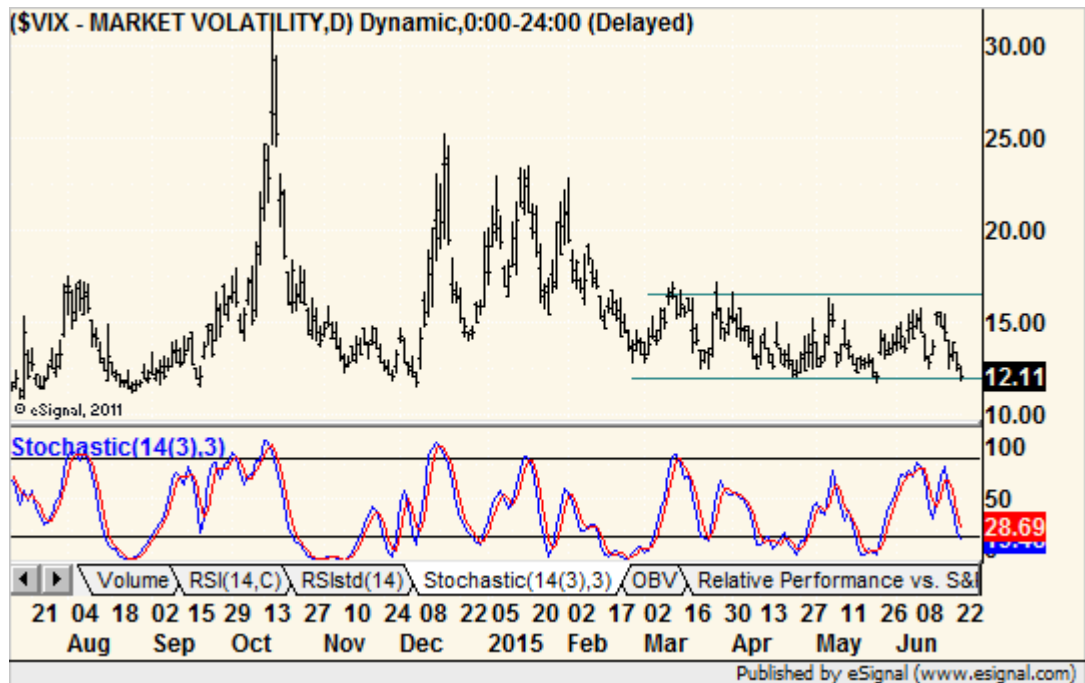
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
IBM –If you liked the MSFT setup then this one is similar. Big tech with a bull flag at support. Buy 169 on close.		6/17
Weyerhaeuser WY – Peer IP got clocked Monday. <u>No harm done</u>	Removed	6/17
Costco COST – This retailer came back to its prior breakout and 200-day average. MACD has a crossover but it would be better to wait for a price breakout. We'll go with a close over Friday's high of 141.48.		6/22
UnitedHealth UNH – Inverse head-and-shoulders. Buy the breakout above 122.15. Note rising on-balance volume throughout.	Triggered	6/22
Bearish Implications		
none –		
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Long-term setups – SFUN (breakout), AGU , MOO		6/3
Manpower MAN – Not exactly a weekly cup-with-handle but it has the same feel. Watching for now. Breakout. <u>Unless it pulls back, we missed it.</u>		6/9
Buckle BKE – A retailer with potential. Needs a flag breakout. Got it		6/5
Schwab SCHW – This discount broker led the financial ETF higher Monday and the price chart looks pretty good. However, on-balance volume is pretty bad		6/23
American Express AXP – This one may have come back to life with a flag breakout and test of 50-day average breakout.		6/23
Carnival CCL – Smoking hot performance for this cruise line. RCL is not far behind. CUK was even hotter. We have to wait for a pullback.		6/23
Sector Watch (observations that may spark ideas)		
Nasdaq biotech ETF IBB – Huge upside breakout. Finally overbought		6/11
REITs ETF IYR – down trend intact		6/23
Updates		
Cempra CEMP – We said, “Another good-looking biotech chart. But the triangle breakout. Note stochastics has been very regular and just signaled a bottom.” It was up over 5% Tuesday – without us.		

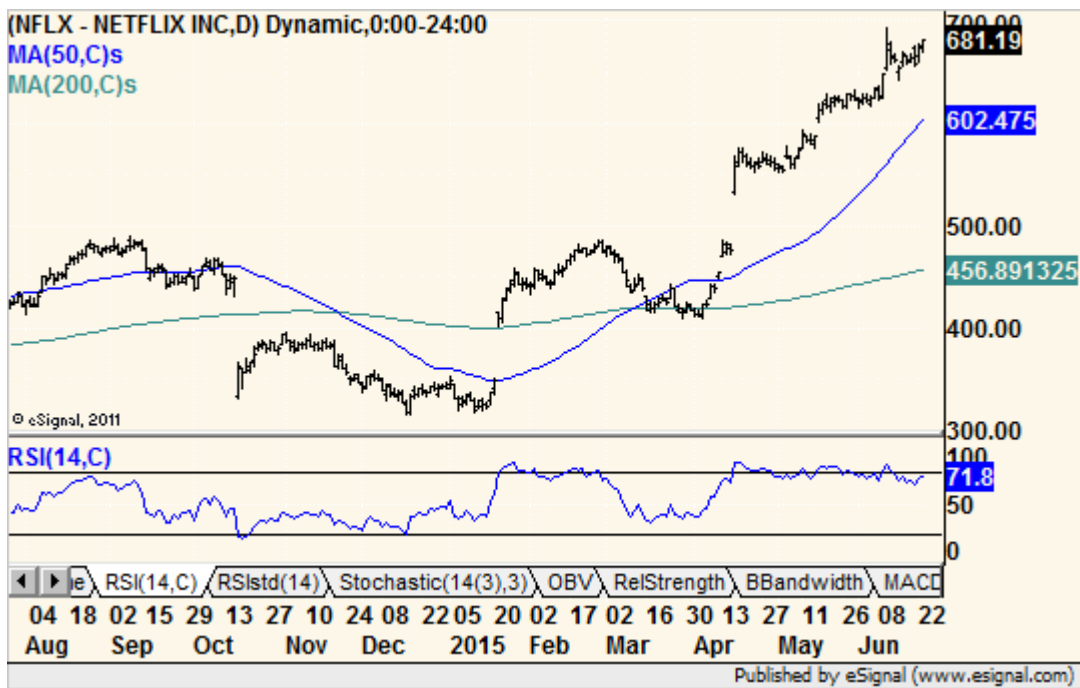
Market Highlights



NYSE advance-decline – Amid the hoopla over new highs in the Nasdaq, Russell and midcaps there is this breadth indicator still in a down trend.



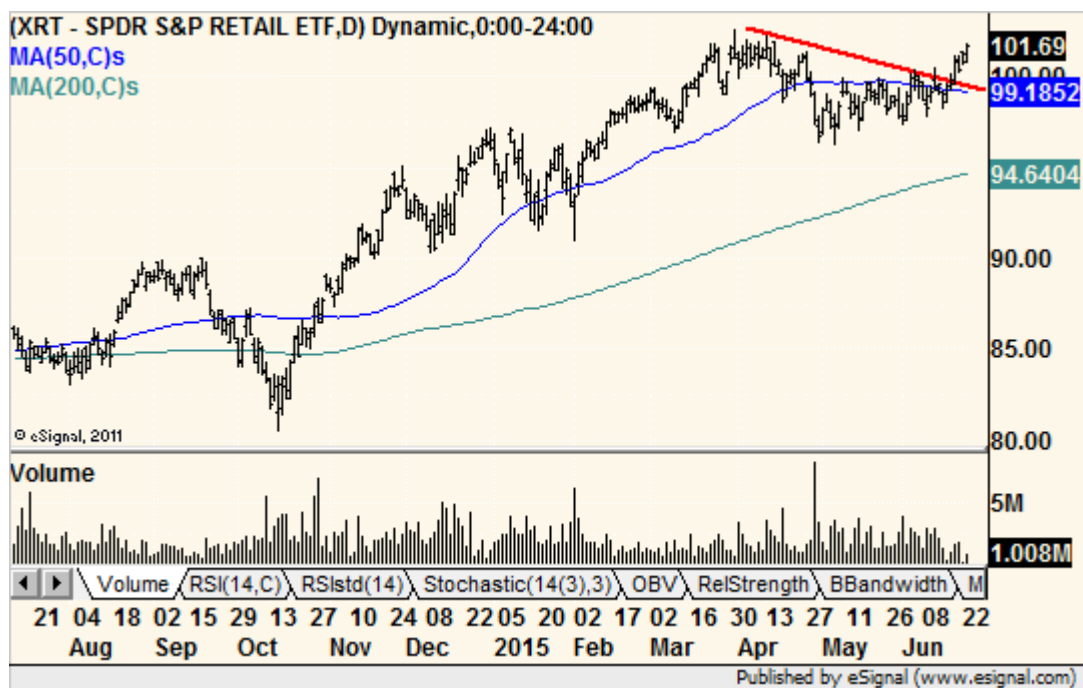
VIX – At the bottom of its 2015 range again. The coincided with price highs this year.



Netflix – Announce a split and traded at 703 after hours. We see nothing wrong here other than a really high P/E, which, of course, is not in this chart.



Tech ETF – This may be more of a comment on big cap rather than tech but it is not a leader.



Retail ETF – Nice price breakout but we are concerned over the rapidly shrinking volume as it did it.

Not much to trade today. It looks as if only a limited group is worthy (financials, bios) and that means the rest is dead weight.

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.

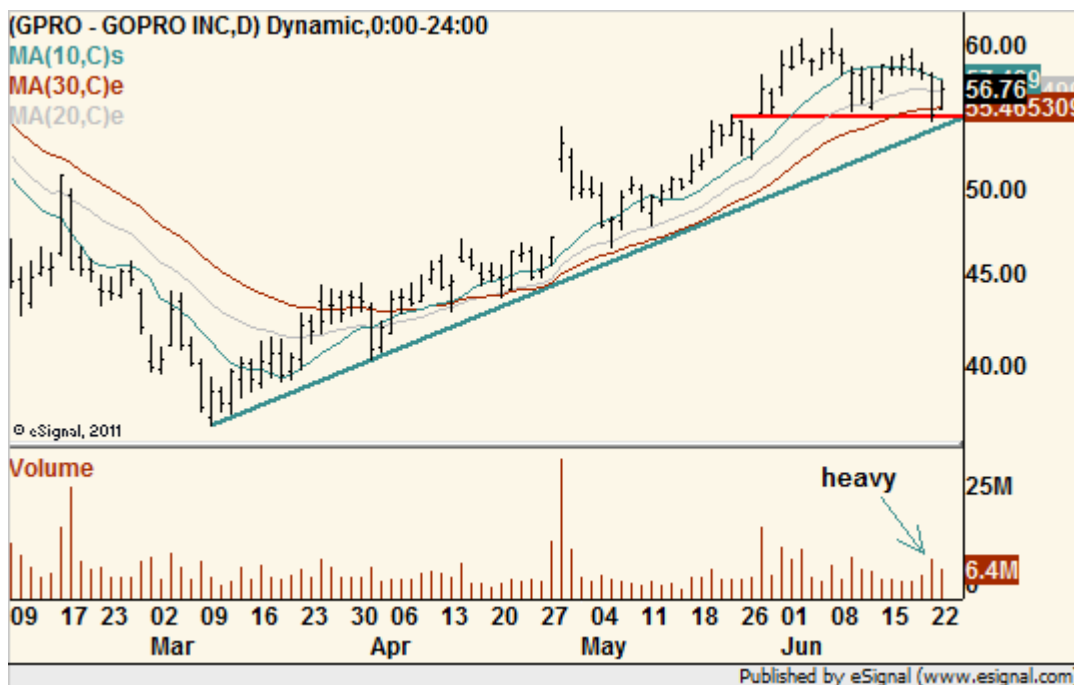
	<u>Symbol</u>	<u>Name</u>	<u>Last</u>	<u>P/L</u>	<u>Stop</u>	<u>Price in</u>	<u>Date in</u>	<u>#Days</u>
<u>Long</u>	COF	CAPITAL ONE FINL CORP	89.38	7.9%	85.00	82.80	5/6	48
	KEY	KEYCORP NEW	15.65	6.1%	15.00	14.75	5/11	43
	KBE	SPDR S&P BANK ETF	37.20	7.6%	35.50	34.58	5/11	43
	GM	GENERAL MTRS CO	36.30	0.5%	34.75	36.11	5/28	26
	XLNX	XILINX INC	46.11	-3.3%	45.75	47.68	5/28	26
	MSFT	MICROSOFT CORP	45.91	-1.3%	45.00	46.50	6/18	5
	PG	PROCTER & GAMBLE CO	79.79	-0.7%	78.00	80.33	6/18	5
	PWR	QUANTA SVCS INC	30.25	-0.5%	29.00	30.41	6/22	1
	UTHR	UNITED THERAPEUTICS CORP DEL	185.89	-1.7%	179.00	189.09	6/22	1
	HSIC	SCHEIN HENRY INC	145.68	-0.1%	140.00	145.87	6/22	1
	UNH	UNITEDHEALTH GROUP INC	122.74	0.5%	140.00	122.15	6/23	0
<u>Short</u>	FLS	FLOWSERVE CORP	54.10	2.4%	56.00	55.40	5/12	42
	MAR	MARRIOTT INTL INC NEW	77.59	-1.3%	80.00	76.55	6/12	11
	HST	HOST HOTELS & RESORTS INC	20.29	-2.7%	20.75	19.75	6/15	8

Notes: Raised stop on **KEY**.

New long in **UNH** as it moved through resistance.

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.



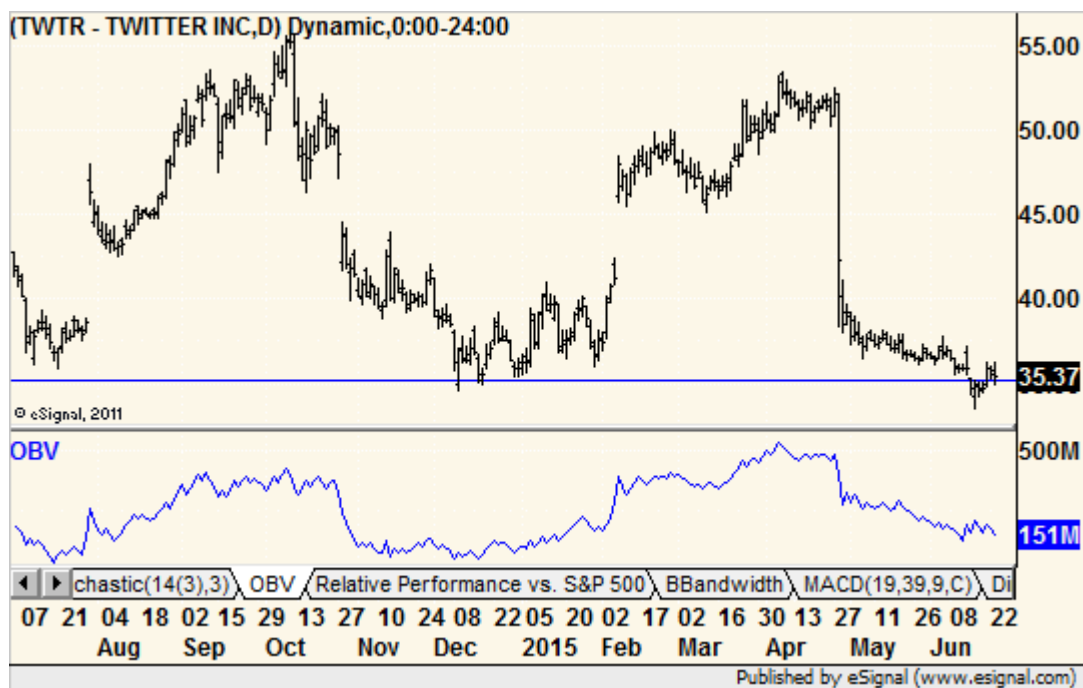
GoPro – This chart shows a stock coming down to test a trendline (log scale) and support from early June and the May gap. That would be good and it probably still is, however, volume on the decline picked up and the short moving averages are in position to bowtie down when the averages cross together).

So, we can take this as a low risk long entry with a stop just below support. Or we can wait to see if it really can bounce off support with a move back above the top of the descending triangle pattern.

As an aside, we just got my daughter one and this product is as hot as ever.

We think the choice is buying a little lower to really test support and make it an even lower risk trade (two-pager, [click here](#)) or a little higher to prove it is rallying. Your choice.

Note: peer **AMBA**'s drop was severe but it did not break any trends and the short averages, while broken, did not bowtie. It did drop more after hours. Is this a bad stock dragging down a good one? We'll leave the fundamentals to you.



Twitter – This is a broken stock and there is no accumulation yet according to on-balance volume. Broken stocks take time to heal and we still think this one needs more.

With that said, it did stop at support and it did score a bullish one-day reversal last week. Was that enough? Not really. However, the rumor mill is busy with buyout chatter. A little bit now might be almost like a call option. We can establish a real position when there is a better sign of life.

Other Information

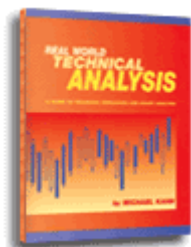
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

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