

QUICK TAKES PRO

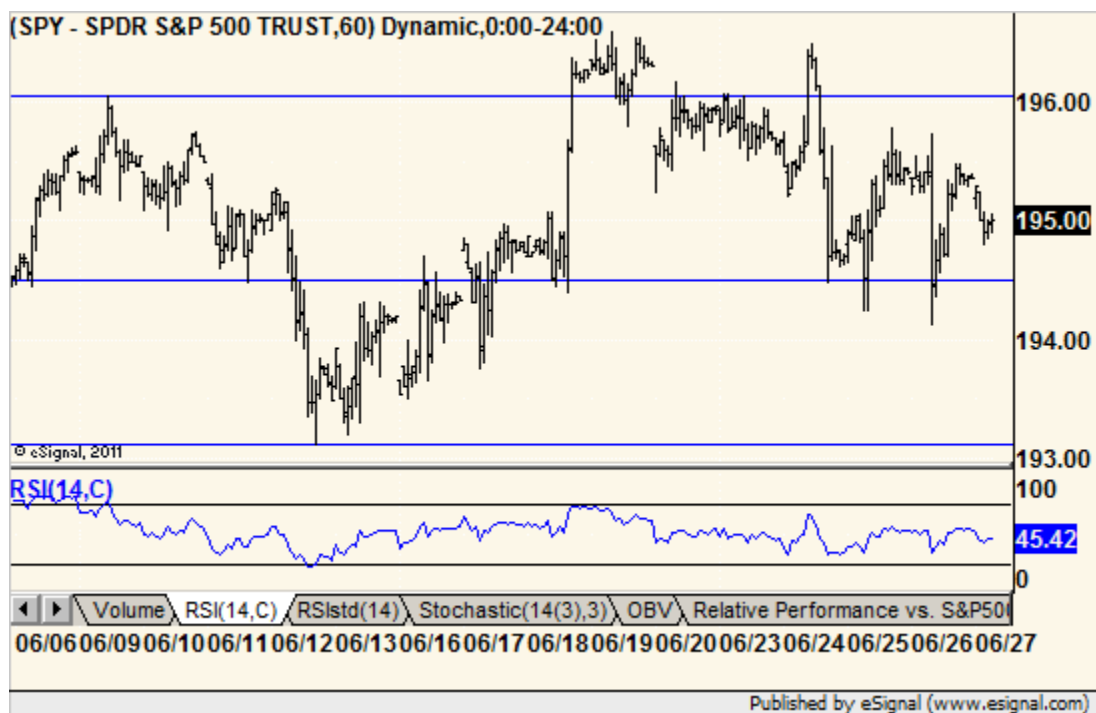
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

June 27, 2014 - Tuesday was a reversal. Wednesday reversed it. Thursday started to reverse again but reversed intraday. If we just focus on the day-to-day we'll get this kind of whiplash. The hourly chart, as we'll see below, is simply showing a trading range and put into context it is not so bad.

Yesterday, even though the market closed lower, NYSE breadth was virtually flat (negative 147). Gold and oil rested. Bonds, on the other hand, kept moving higher.

Right now, the evidence supports further gains in the stock market. However, there are a few things, bonds included, that make us think it is on borrowed - and leveraged - time. We'll participate but it is time to start easing off the gas. Fewer new longs. Less tolerance for non-performance. Looking for stocks that are giving signs of reversing to the downside even though we have not found many at this time.

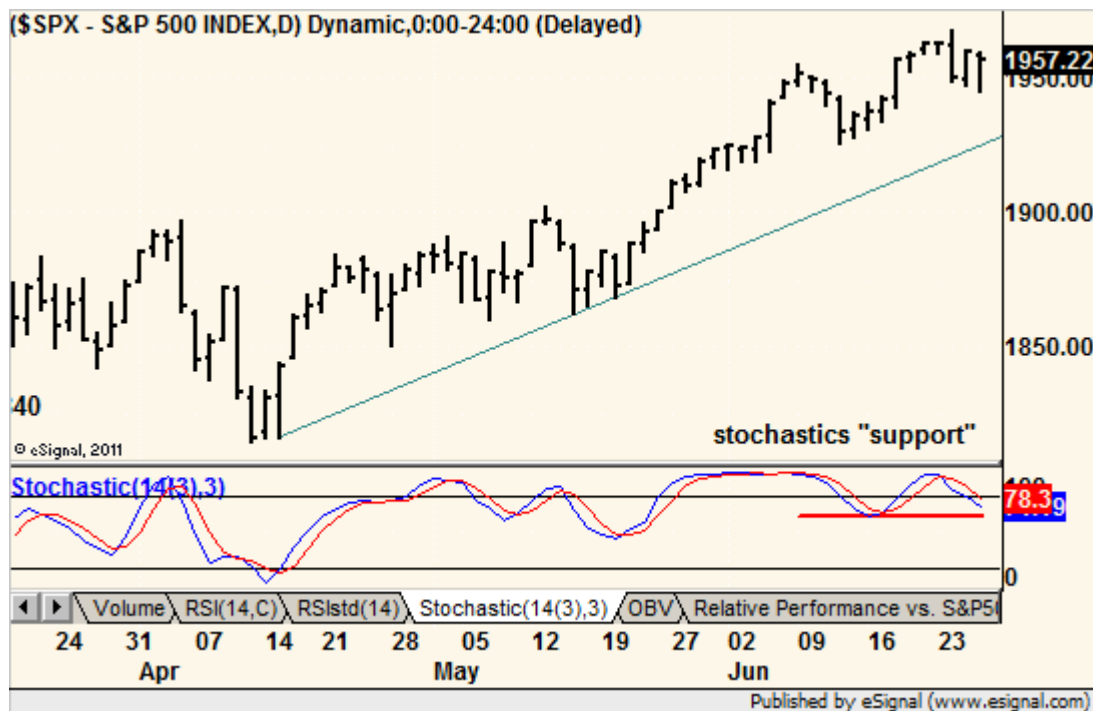


Another test and hold of support yesterday. Still in no-man's land so there is not a lot to do right here. We said the market needed to close either strong or weak to end the week and give us direction. Right now, it is neither.

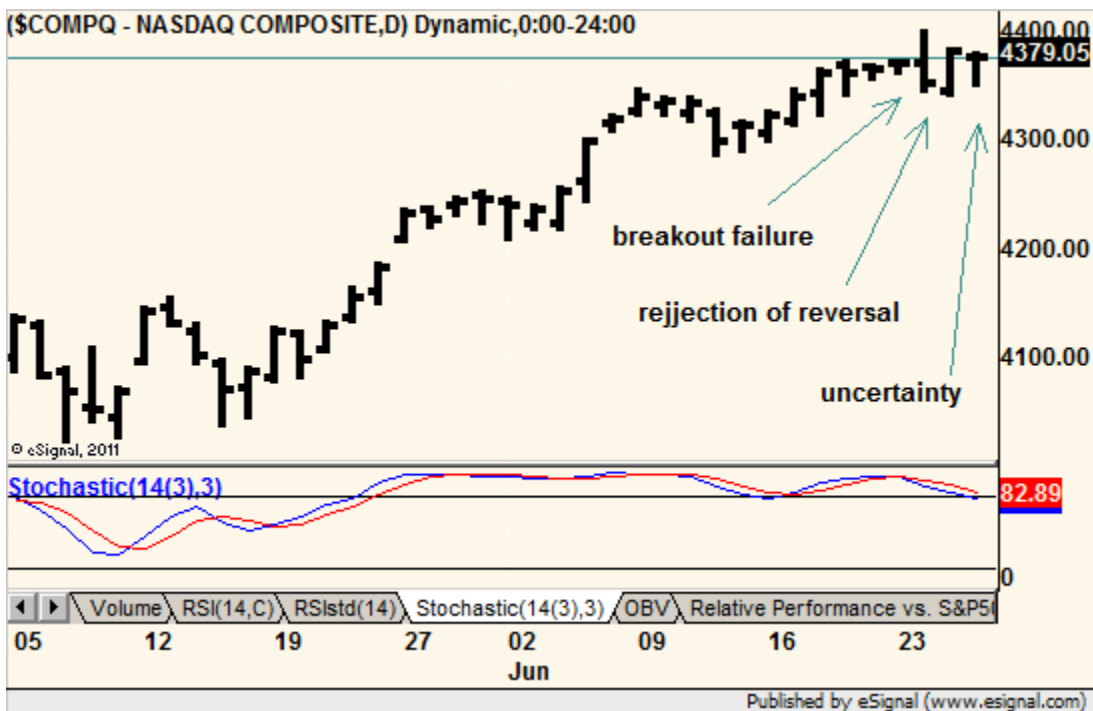
Observation - We ran deep through StockTwits and cannot find many, if any, short-side stock picks. This is a sentiment condition that should make everyone a little nervous. It does not end rallies but suggests that when they do end they really end.

That's it. We see the stock market in wait-and-see mode right now with its trading range and lack of volume.

Index Charts of the Day



We view stochastics and other indicators as offering support and resistance, not as actual levels but as advance warning for price support and resistance breaks. Here, we see stochastics with a low earlier this month that could be the warning for a breakdown. It has not happened. The trend is still up. And not shown, the index has not yet closed below its 10-day average - the earliest warning.



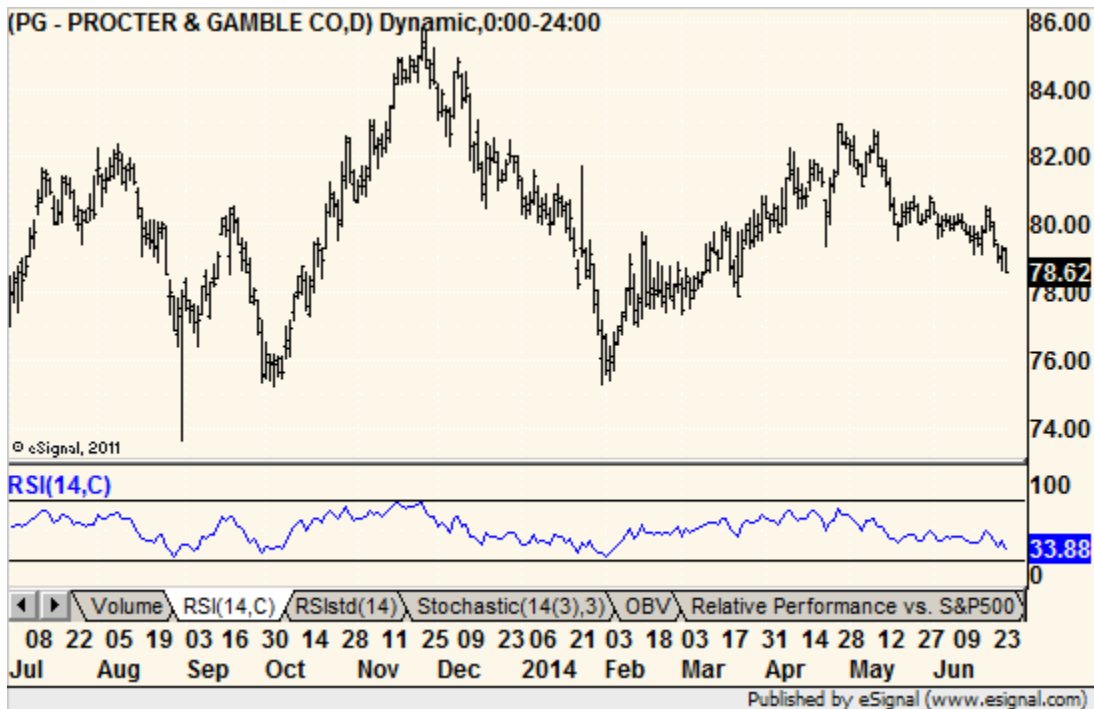
A close up of the Nasdaq shows lots of wiggling. All told, this looks to be a developing pause at resistance and the longer it stays there the better the odds for a successful upside break.

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.

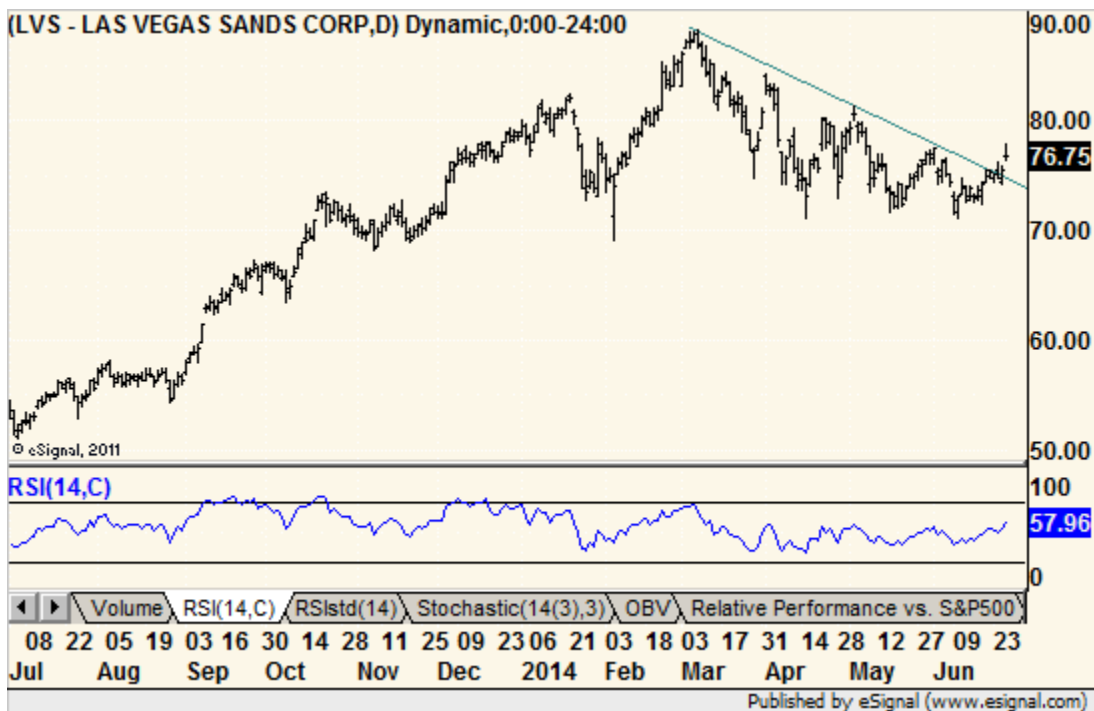
Bullish Implications		
3-D Systems DDD - This is the in-vogue 3D printing stock from last year. Look fairly similar to Solar City before its rebound breakout and its business is certainly in the eyes of futurists. Small handle-like pattern at gap resistance from last month. Another breakout now draws us in to buy.	Triggered	6/23
Mastec MTZ - This is a heavy construction stock (infrastructure) and it scored a big hammer at support. <u>Needs to take out Wednesday high 29.81 on close</u>		6/26
Bearish Implications		
none -		5/28
Unknown Implications		
none -		5/28
Holding Tank - red shade leans bearish, green shade leans bullish		
Hartford Financial HIG - Ascending triangle. Waiting to see how it breaks.		6/24
Australia ETF EWA - Nice rectangle.		6/24
CH Robinson CHRW - This trucker looks overbought to us. We'd like to see a pullback and then check out the weekly chart for the right setup to buy.		6/24
Sector Watch (observations that may spark ideas)		
Energy - Way overbought so we would love a pullback to buy		6/26
Tobacco - Also overbought and we'd like to buy a pullback		6/26
Updates		
Lorillard LO - I wrote up this tobacco stock yesterday for another website saying it was a hammer at support. A good buy with a nice dividend		

Market Highlights

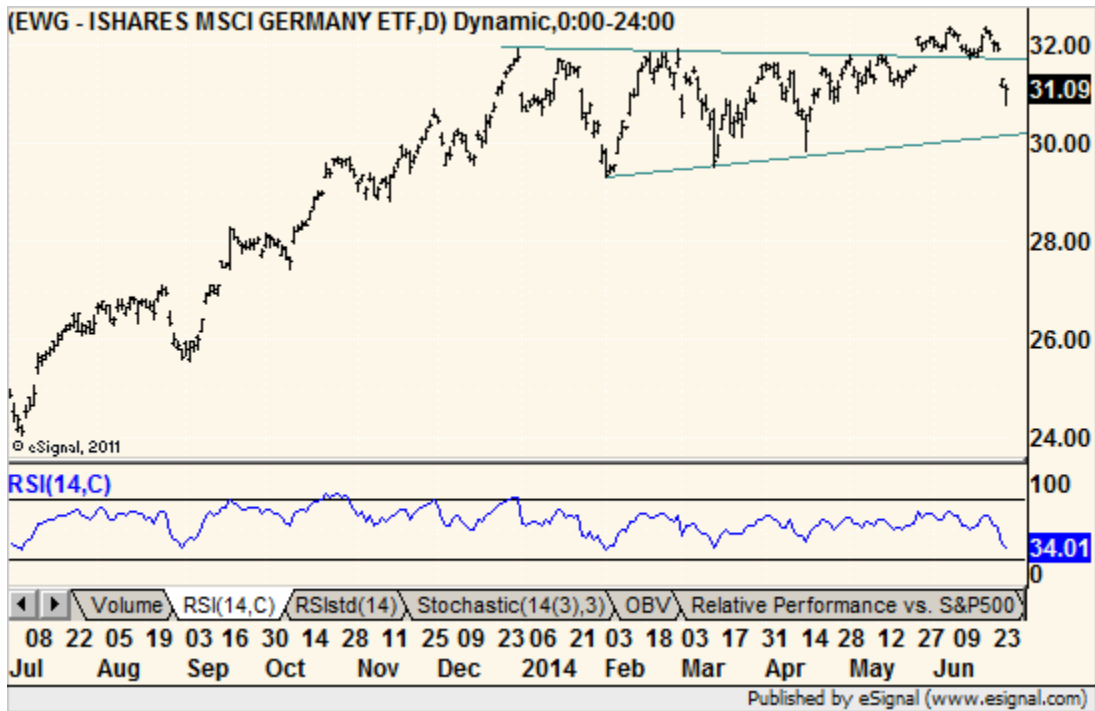


Procter & Gamble - This one is leading the consumer non-durables lower. Many are still near highs but show divergences.

Other notable stocks falling (any sector) - **GE, BA, WMT, MRK**



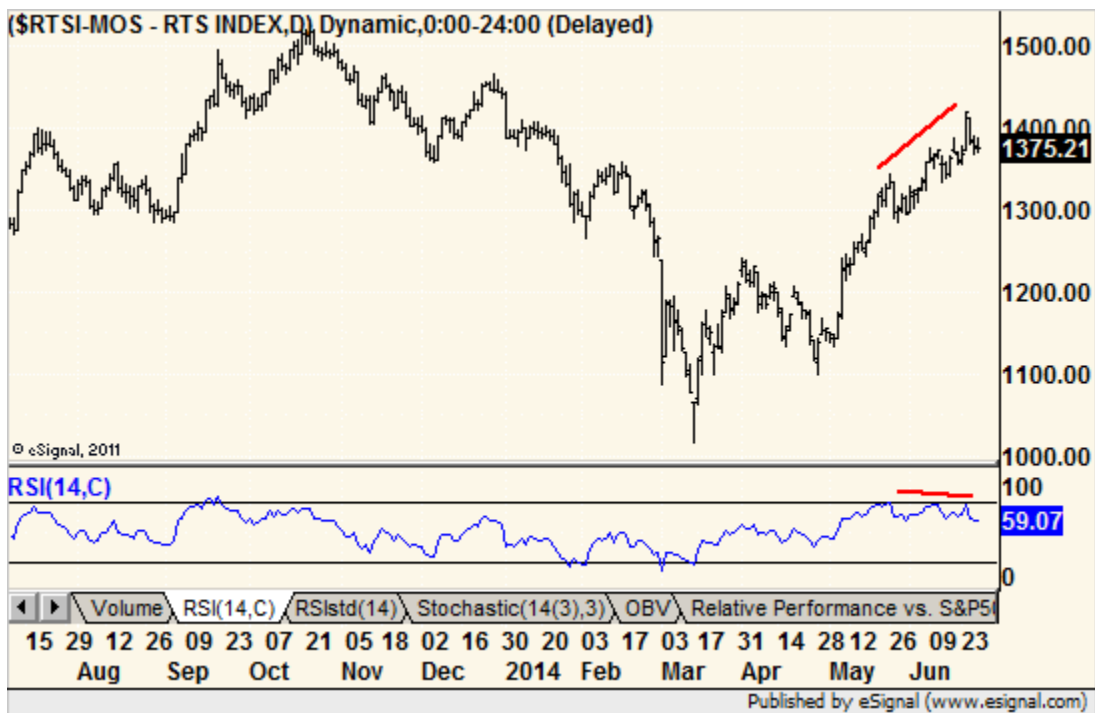
Las Vegas Sands - Meanwhile, gaming went from laggard to leader. This one was a Chart of the Day and it is following through on its breakout.



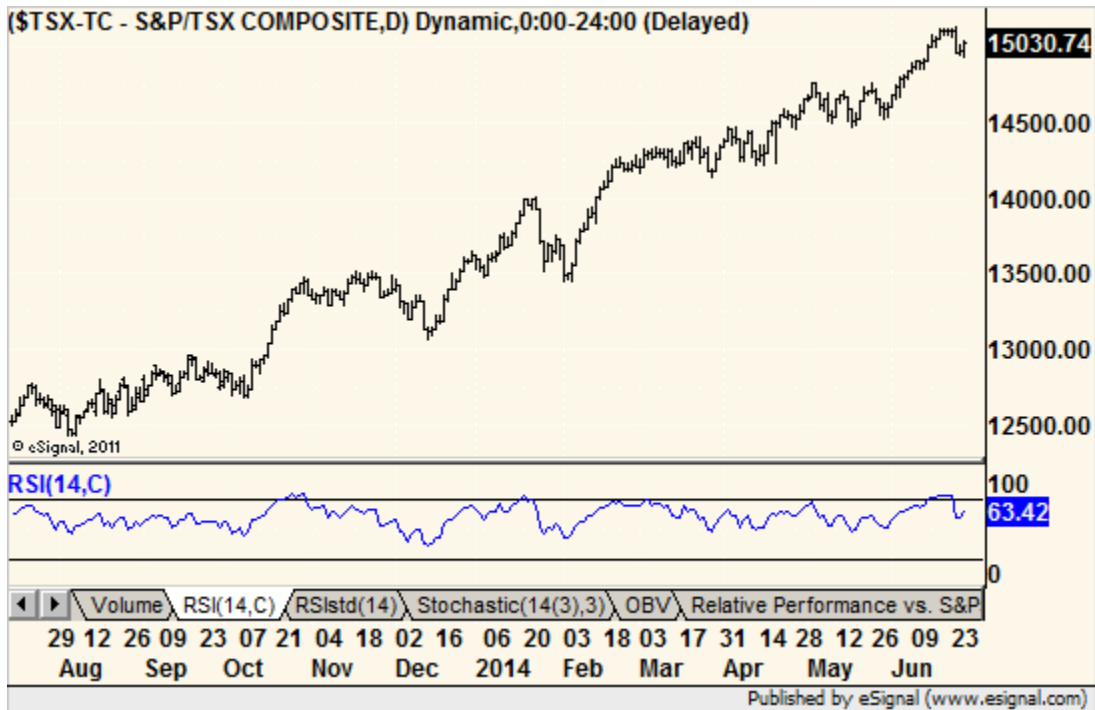
Germany ETF - A little update. This is a breakout failure.



France CAC index - A breakdown.



Russia RTS Index - The rebound is slowing and looks like it might be over.



Canada TSX Index - Still going strong.

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>	WYN	WYNDHAM WORLDWIDE CORP	75.41	2.6%	72.50	73.50	5/30	27
	KMI	KINDER MORGAN INC DEL	36.00	5.7%	34.50	34.05	6/4	22
	MRO	MARATHON OIL CORP	39.63	6.9%	39.00	37.07	6/5	21
	GOOGL	GOOGLE INC	584.77	5.0%	555.00	557.11	6/5	21
	ILMN	ILLUMINA INC	170.98	4.2%	167.00	164.09	6/5	21
	HSY	HERSHEY CO	96.56	-1.5%	96.00	98.00	6/6	20
	RGLD	ROYAL GOLD INC	74.04	10.9%	70.00	66.77	6/12	14
	KEYW	KEYW HLDG CORP	11.93	2.7%	11.20	11.62	6/13	13
	MYL	MYLAN INC	51.87	3.5%	49.00	50.11	6/17	9
	LLY	LILLY ELI & CO	63.04	1.6%	60.00	62.03	6/20	6
	IBB	ISHARES NASDAQ BIOTECHNOLOGY	256.38	0.3%	245.00	255.64	6/20	6
	UTX	UNITED TECHNOLOGIES CORP	115.75	-2.0%	115.00	118.11	6/20	6
	COL	ROCKWELL COLLINS INC	78.32	-2.5%	78.00	80.34	6/23	3
	PAYX	PAYCHEX INC	41.26	-0.9%	40.00	41.65	6/23	3
	BMJ	BRISTOL MYERS SQUIBB CO	49.55	2.6%	47.50	48.30	6/23	3
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	50.50	-4.5%	51.00	48.25	5/15	42

Notes: We were surprised that **HSY** offered no bounce at all and it is closing in on its stop. The loss is very small so we will let it ride.

Otherwise, it was not a bad day. Raising two stops in **KEYW** and **LLY**

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

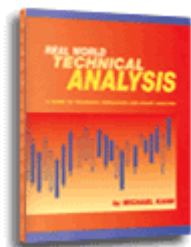
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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