

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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July 1, 2014 - Welcome to the second half of the year. So far, it looks just like the first but we suppose that is a bit unfair. Let's hold off on that call until after the holiday weekend.

Yesterday turned out to be a big news day from Israel and Ukraine to the Supreme Court and the Veterans' Administration. Stocks started low then spent most of the day closer to flat and finally a weak finish. The Nasdaq was better and the Russell even better than that. Lots of interesting stuff in the daily charts as we'll see below.

In sectors, the utilities were among the leaders along with marine transport, homebuilders and, yes, gold. Gold itself started with a loss at the open but ended with a breakout in the **GLD** ETF. Could it be the sliding US dollar? That is a good bet.

Losers were airlines, defense, restaurants and travel. Aside from "one of these does not belong," the observation is that they all have fuel costs in common, at least tangentially. Diners may stay at home if gasoline keeps rising.

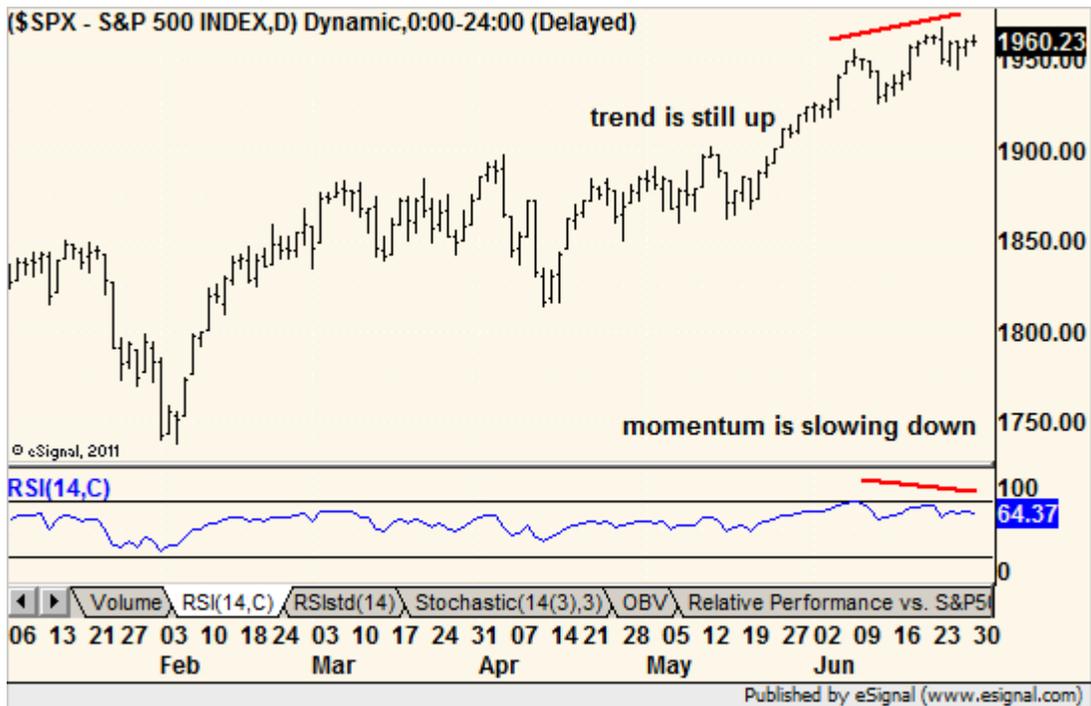
And speaking of gasoline, it is rising. That is not reflected in the futures market but at the pump there is no mistake. Crude oil, like gold, also started weak and finished strong, albeit still in the red. Was that the marker for the end of the correction? We still think it is better to wait for further declines in energy and energy stocks but if they breakout now we'll have to give up that hope. And it probably won't be good for the economy. **XLE** chart below.



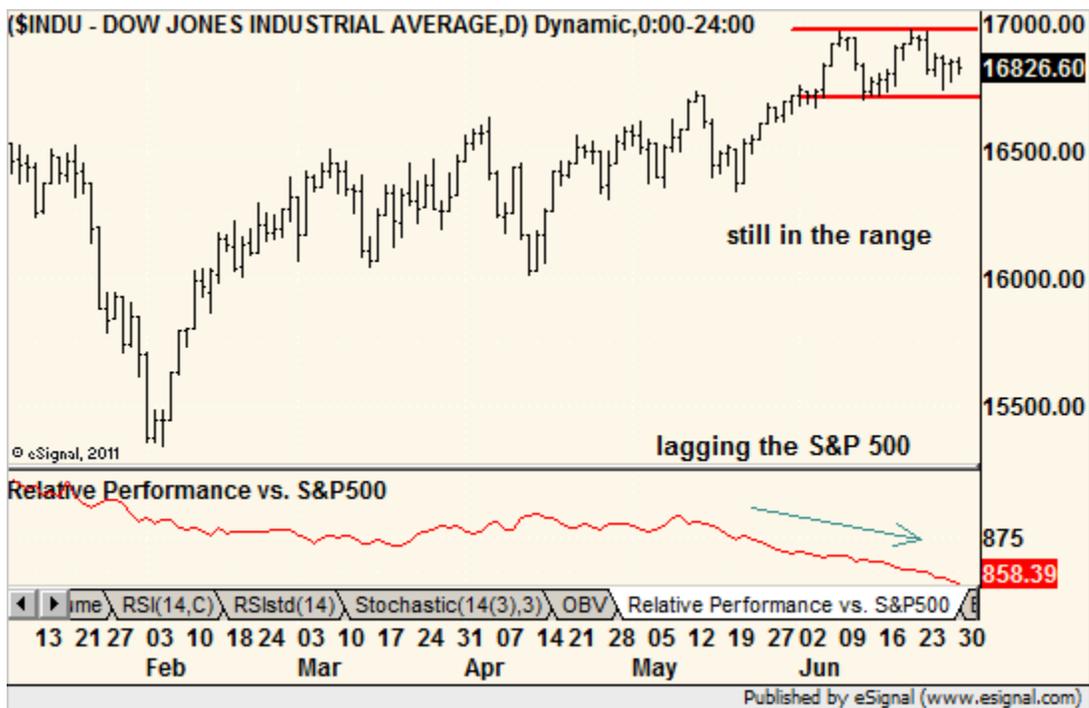
The hourly chart shows resistance being taken out although we are not happy that the trend from the low was so uninterrupted. We can argue that yesterday did see plenty of sideways action before the actual breakout overnight but the gut says it is not OK. Of course, the gut has been wrong for the past year so we are left with following the chart and staying the course. We remind you that put options remain silly cheap.

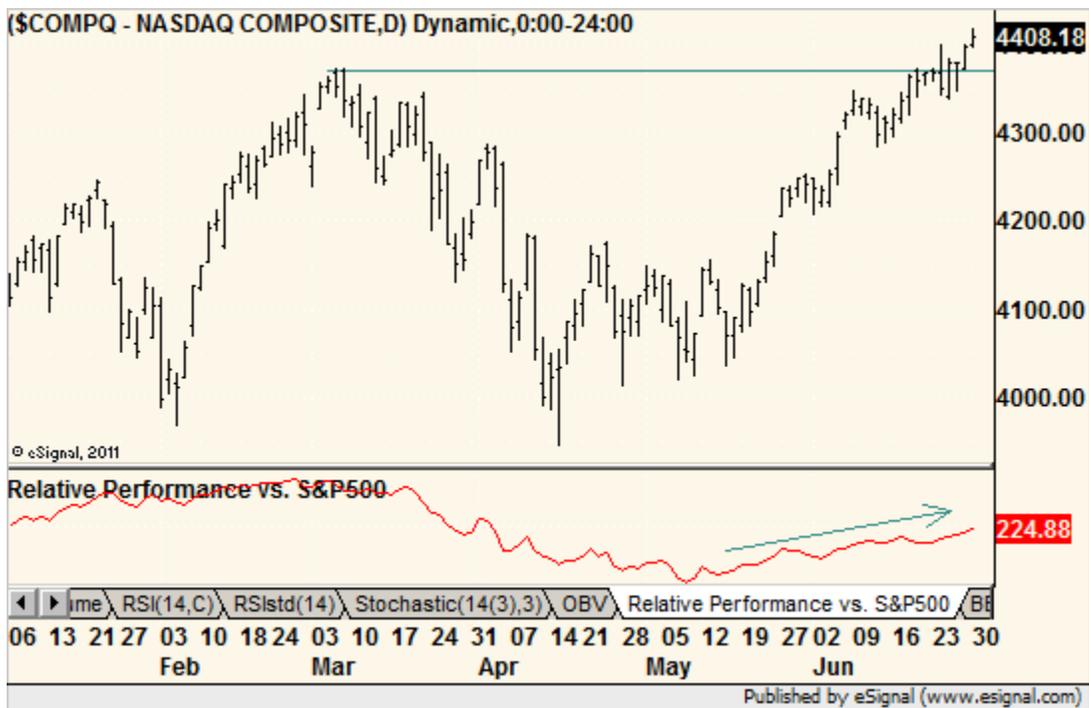
Reminder - The NYSE closes at 1pm Thursday and all day Friday.

Index Charts of the Day

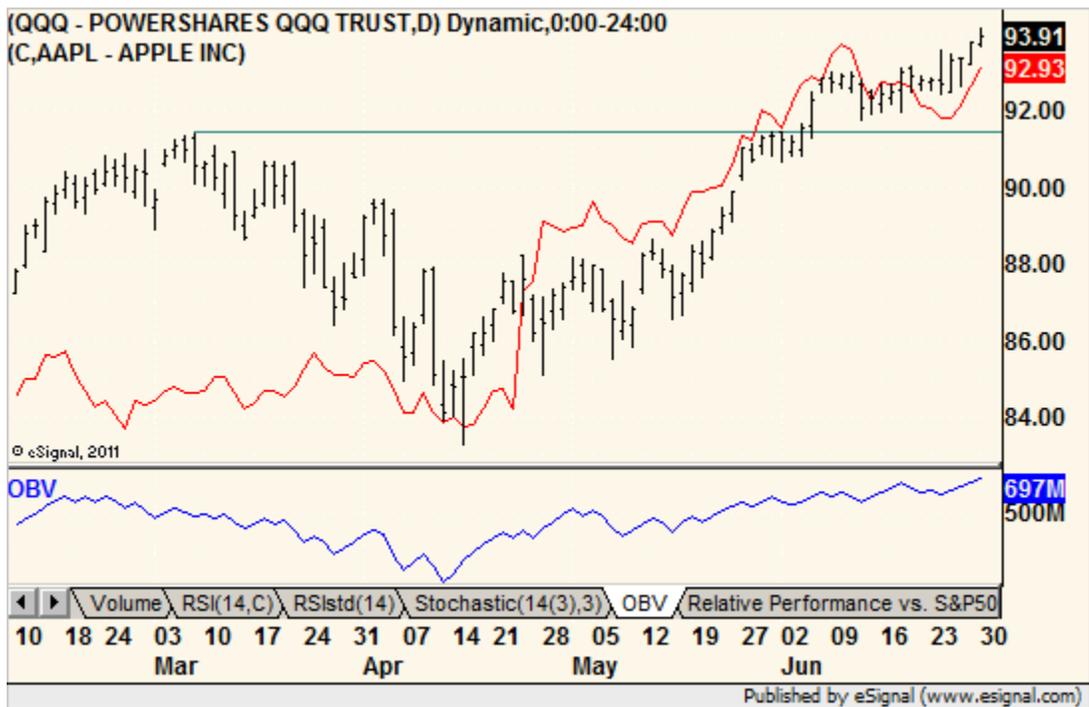


No other words needed.

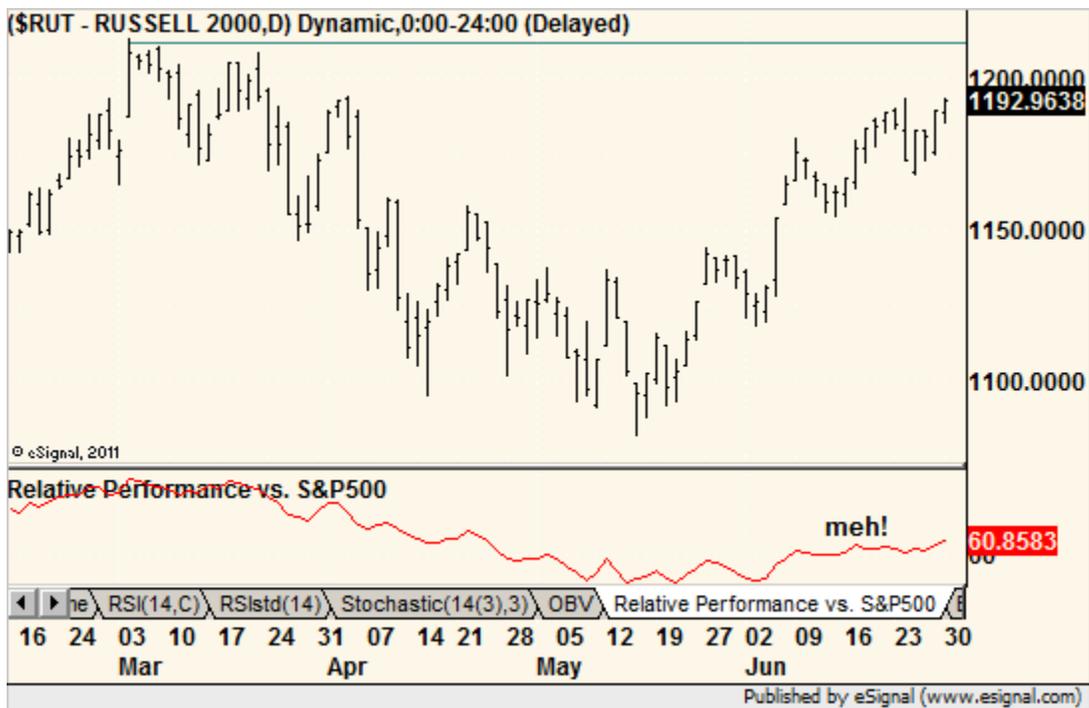




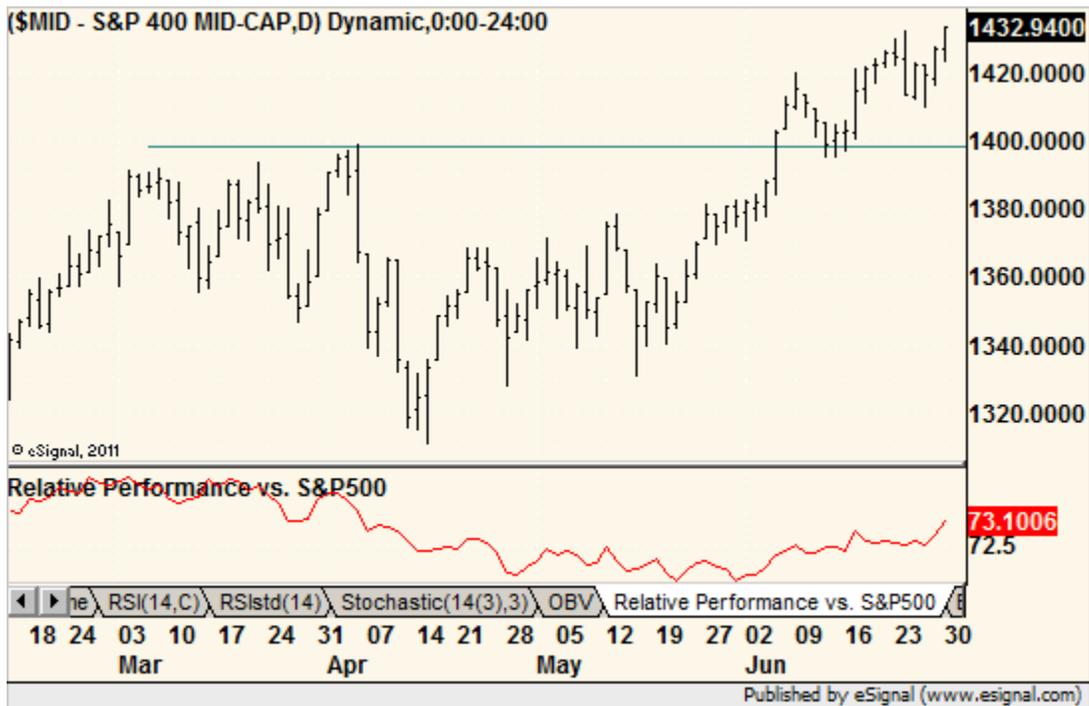
Nothing wrong on the Nasdaq



Nasdaq 100 ETF with Apple (in red) - This just shows that big Nasdaq stocks broke out and not just because of Apple. Indeed, Apple was weak enough to cancel the breakout this month but that did not happen.



The small cap Russell 2000 is still limping along relative to the market. It is also still well below its previous high



The midcaps are moving along better relative to the market and have cleared their previous high. They even tested that breakout making them solid.

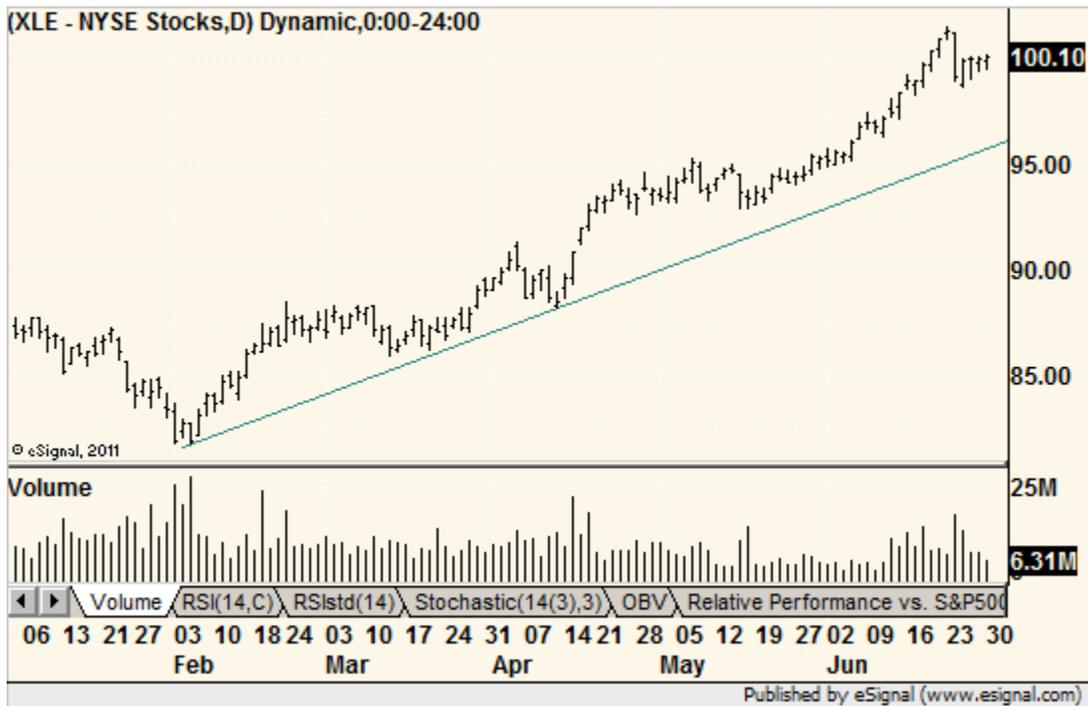
The Radar Screen

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.

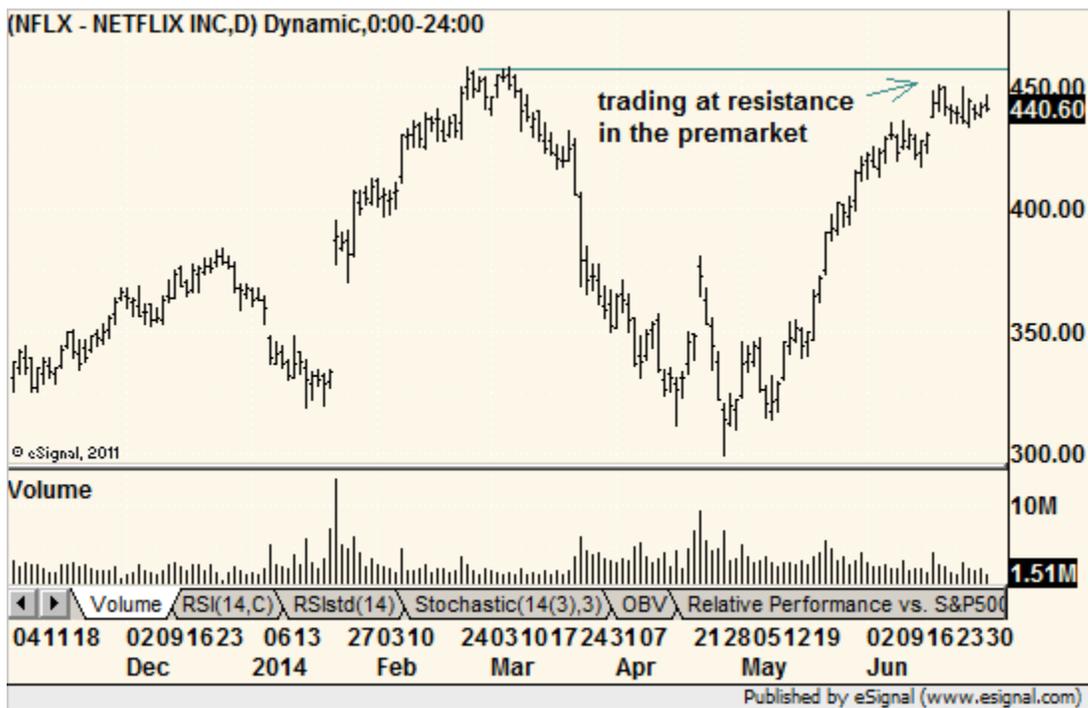
Bullish Implications		
none -		5/28
Bearish Implications		
Chubb CB - More problems in insurance. This one has a potential double top and already sports falling on-balance volume. <u>Sell under 91.70</u>	Moved	6/30
Unknown Implications		
none -		5/28
Holding Tank - red shade leans bearish, green shade 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. <u>Looks like this may not happen so we are moving on.</u>	Removed	6/24
American Financial AFG - This property & casualty insurer is in a rising wedge with an ion-balance volume breakdown. Just watching as a potential sell. <u>Big bullish reversal yesterday</u>		6/30
US Bancorp USB - Not sure which way this goes. A cup-with-handle leans bullish but a failed breakout last week leans bearish.		6/30
Sector Watch (observations that may spark ideas)		
Energy - Way overbought so we would love a pullback to buy. <u>"Should" have fallen more by now.</u>		6/26
Updates		
None -		

Market Highlights

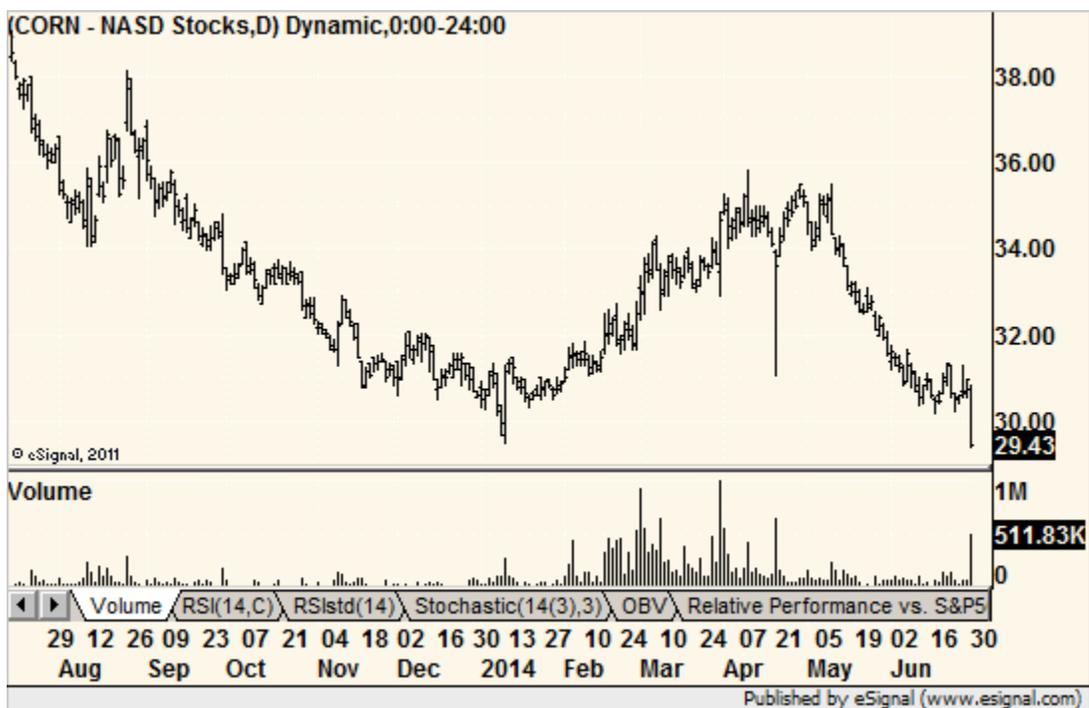
Not much in highlights today



Energy ETF - We expected this to move from the consolidation down to test the trendline but it is still holding firm.



Netflix - An analyst upgrade sent it to resistance in the premarket.



Corn ETN - All grains took a beating yesterday. We still show the theme in commodities of "plants weak, animals strong." The former includes coffee and cotton, too.



Copper ETN - Metals, such as copper, are 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	75.72	3.0%	72.50	73.50	5/30	31
	KMI	KINDER MORGAN INC DEL	36.26	6.5%	34.50	34.05	6/4	26
	MRO	MARATHON OIL CORP	39.92	7.7%	39.00	37.07	6/5	25
	GOOGL	GOOGLE INC	584.67	4.9%	555.00	557.11	6/5	25
	ILMN	ILLUMINA INC	178.54	8.8%	170.00	164.09	6/5	25
	HSY	HERSHEY CO	97.37	-0.6%	96.00	98.00	6/6	24
	RGLD	ROYAL GOLD INC	76.13	14.0%	70.50	66.77	6/12	18
	KEYW	KEYW HLDG CORP	12.57	8.2%	11.80	11.62	6/13	17
	MYL	MYLAN INC	51.56	2.9%	50.00	50.11	6/17	13
	LLY	LILLY ELI & CO	62.17	0.2%	60.00	62.03	6/20	10
	IBB	ISHARES NASDAQ BIOTECHNOLOGY	257.03	0.5%	245.00	255.64	6/20	10
	UTX	UNITED TECHNOLOGIES CORP	115.45	-2.3%	115.00	118.11	6/20	10
	COL	ROCKWELL COLLINS INC	78.14	-2.7%	78.00	80.34	6/23	7
	PAYX	PAYCHEX INC	41.56	-0.2%	40.00	41.65	6/23	7
	BMY	BRISTOL MYERS SQUIBB CO	48.51	0.4%	47.50	48.30	6/23	7
	DDD	3-D SYS CORP DEL	59.80	4.1%	57.00	57.42	6/26	4
	MTZ	MASTEC INC	30.82	3.0%	29.00	29.92	6/27	3
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	50.73	-4.9%	51.00	48.25	5/15	46

Notes: Stop raised in **ILMN** on the breakout. Also raised yet again on **KEYW** to trail the rally. And tweaked on **RGLD** because it was too wide. It probably still is but we can always raise it again.

The stop was raised on **MYL** because it has a big reversal bar in place but has not broken down. The stop reflects that breakdown.

Finally, stops raised on the two newest positions **DDD** and **MTZ** as they are already working.

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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