

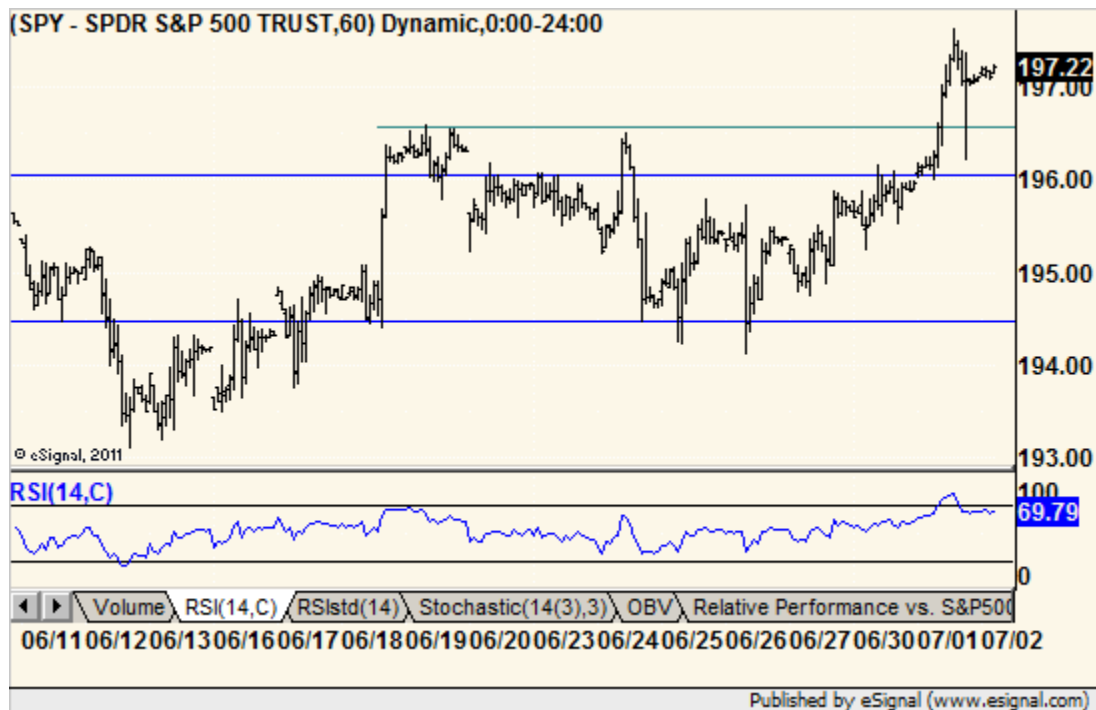
QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

July 2, 2014 - Stocks opened the new quarter with a bang as the Dow finally made a new high. The Russell had a new high intraday but did not hold it into the close. And the Nasdaq, while still below its bubbly high from 2000 was up very sharply.

Not doing so well were gold and oil but in the greater scheme of things their little pullbacks were of no surprise and little concern. Same for utilities although with the rather weak action in bonds this one is a bit more problematic. Check out the **TLT** chart below to see the market dropping back to its trendline. A strong market should not do that so soon after touching it two weeks ago.



With the hourly chart breaking through resistance near 196 overnight Monday into Tuesday, it should not have been too surprising to see a new all-time high. We did not expect such a huge rally but as we've been saying, we have to stick with the trend until there is proof it is over. On the chart, we've added support from the previous highs in the 195.50 area.

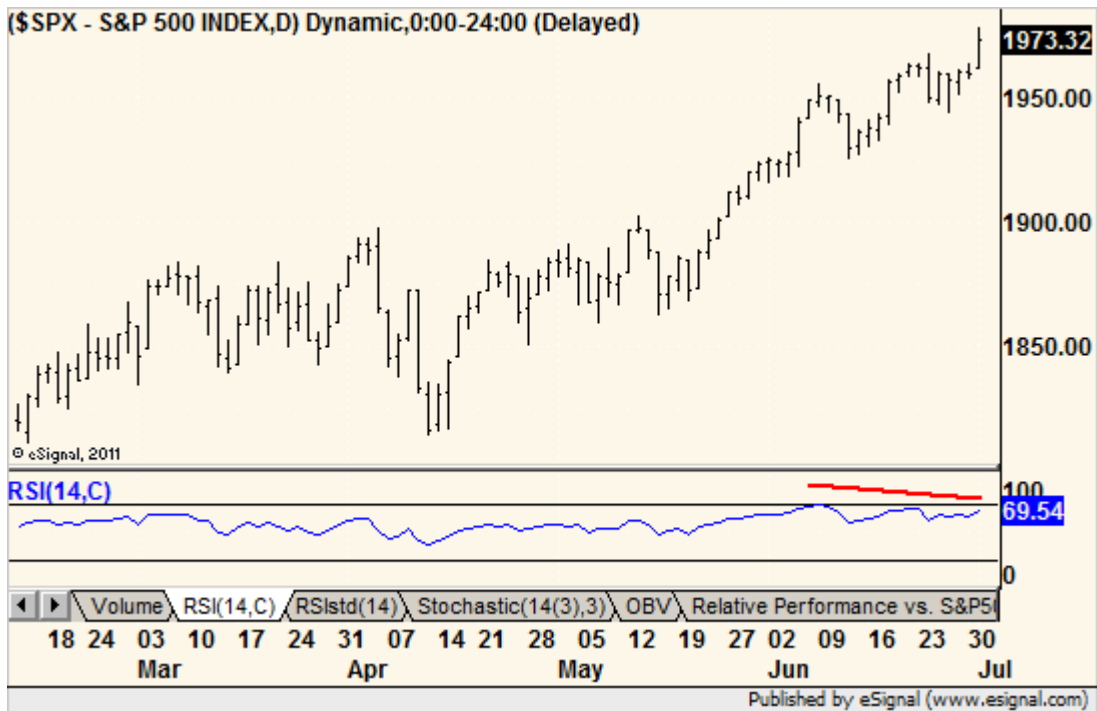
In sectors, semiconductors soared to new heights while medical supplies, travel and biotech had big gains. But then again, most of the market had big gains.

On the downside, previous winners lost ground - gold, utilities, oil services, soft drinks. We see nothing sinister here at all.

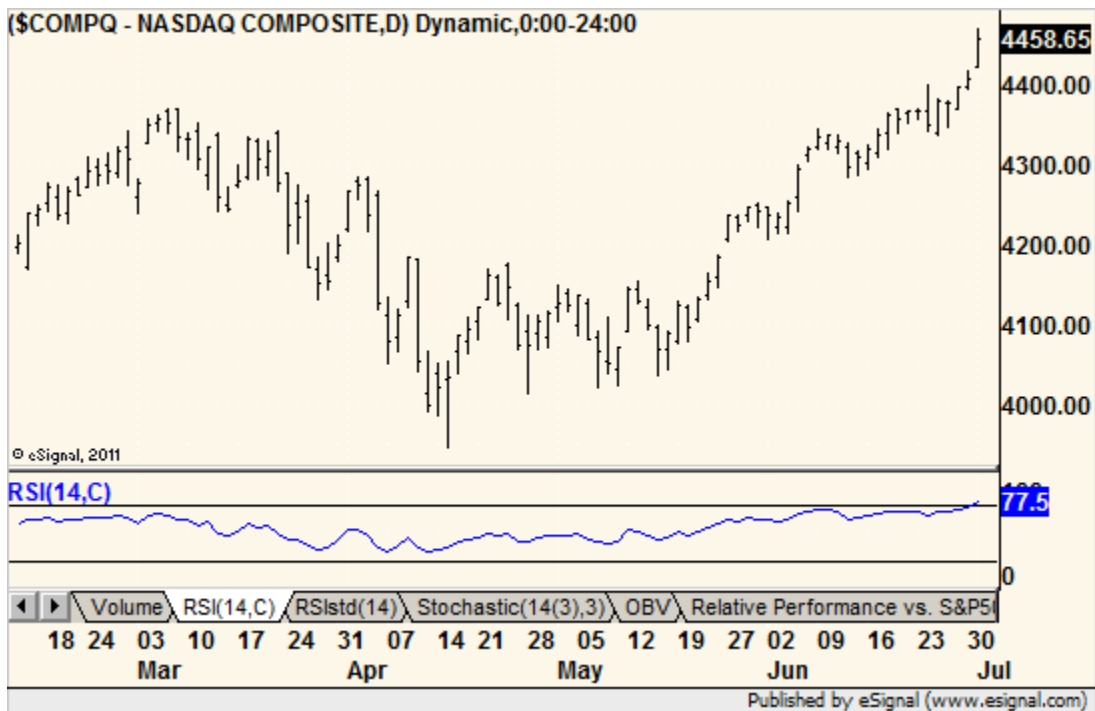
So, with the holiday coming and the big jobs report slated for Thursday, we don't expect much today. The ADP report gave the dollar a boost but stocks just wiggled. Also, today is not a new quarter. It is not a big news day. And the market is neither overbought nor coiling and that makes expectations tepid.

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

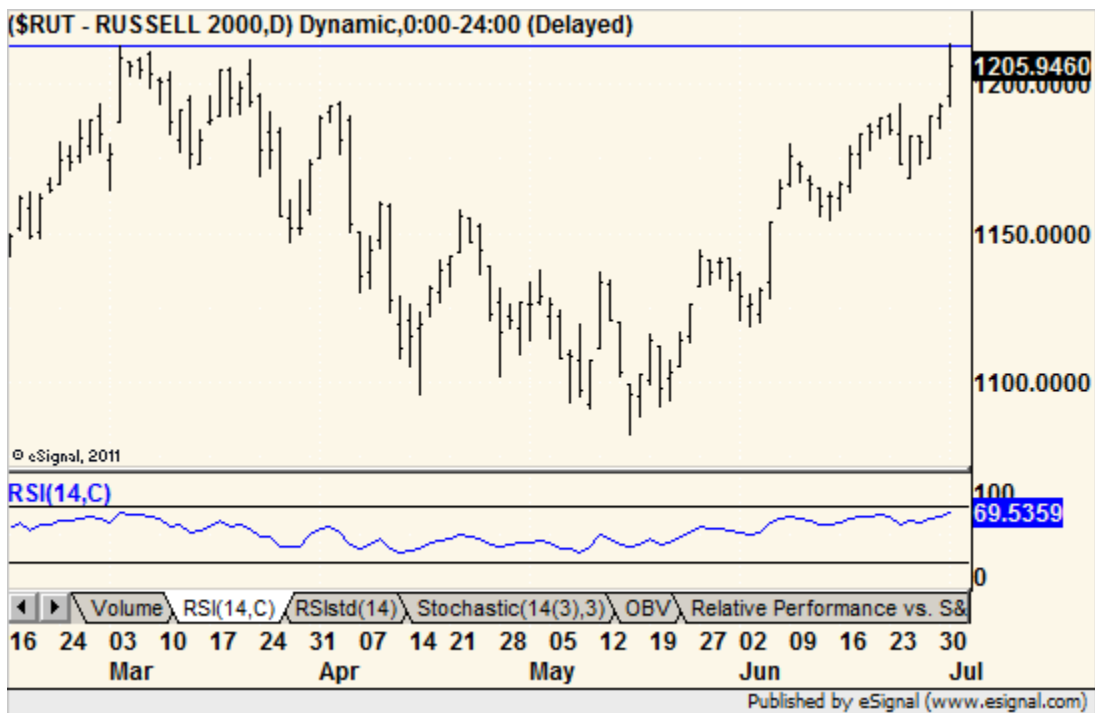
Index Charts of the Day



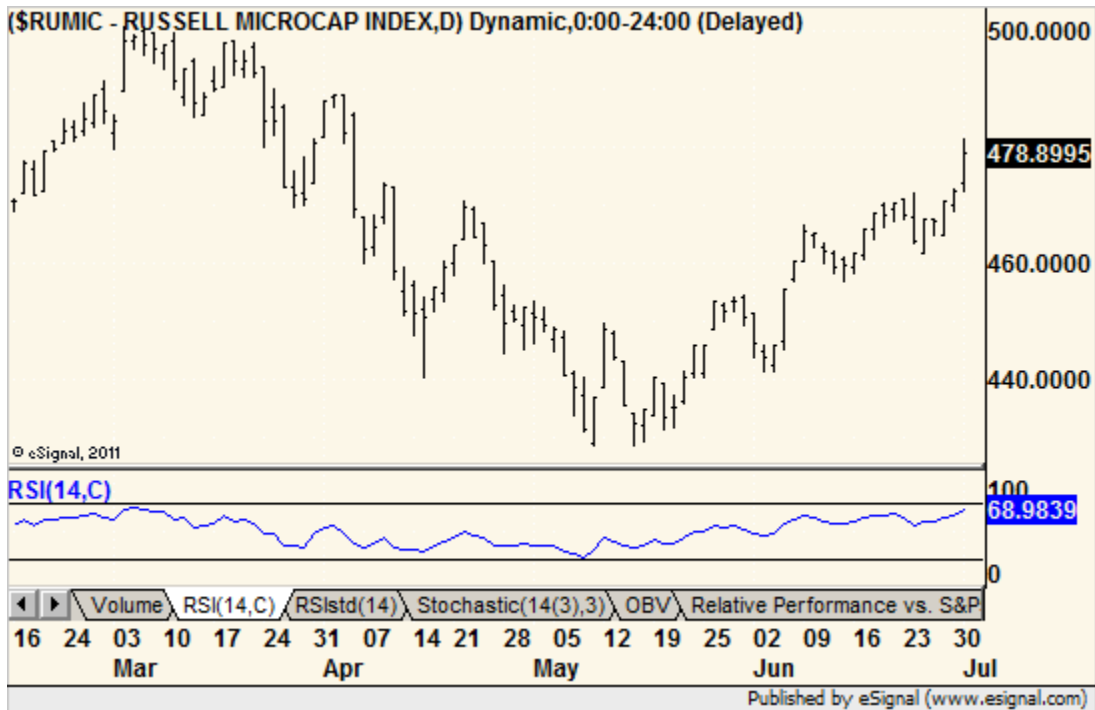
Even after the rally we still see RSI in divergence. Again, it is not a sell signal but rather an alert to look for one.



The Nasdaq is starting to look overbought but that is also not a sell signal by itself.



The Russell 2000 made an intraday high but did not close at a new high.



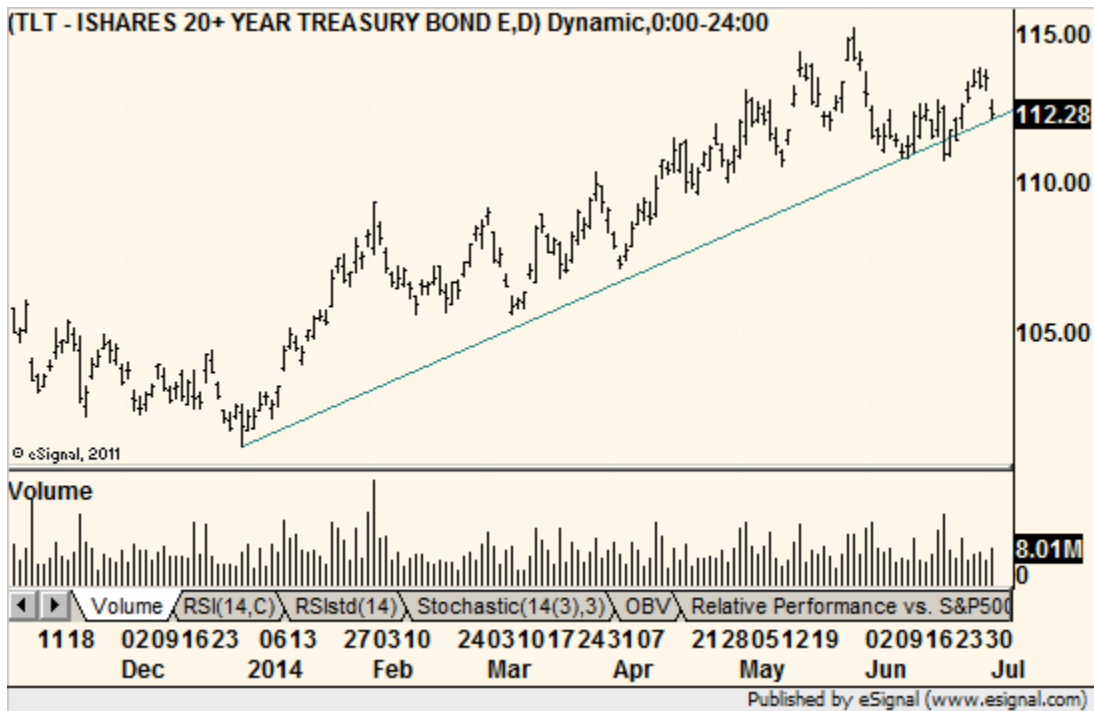
Russell Microcaps - This index was actually better than all the other majors yesterday but it is still far below its March high. Perhaps it is going to really catch up now.

The Radar Screen

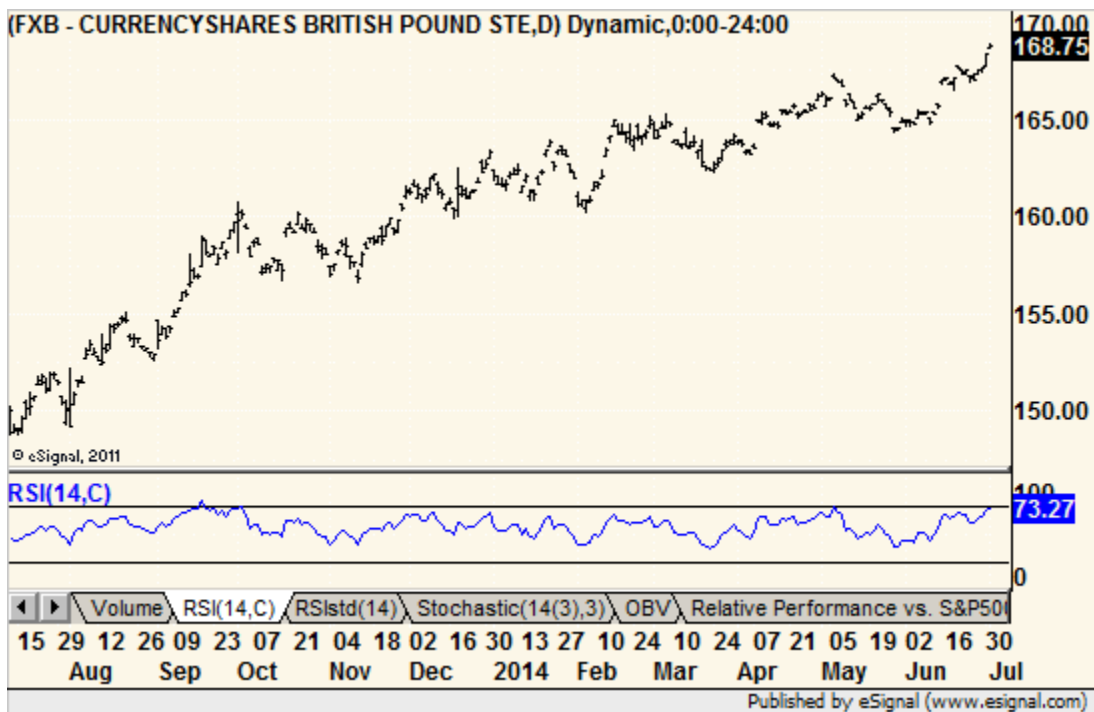
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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. Sell under 91.70		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. <u>Looks like a breakout but it has not made a new high yet.</u>		6/24
Australia ETF EWA - Nice rectangle.		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.		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. "Should" have fallen more by now.		6/26
Updates		
None -		

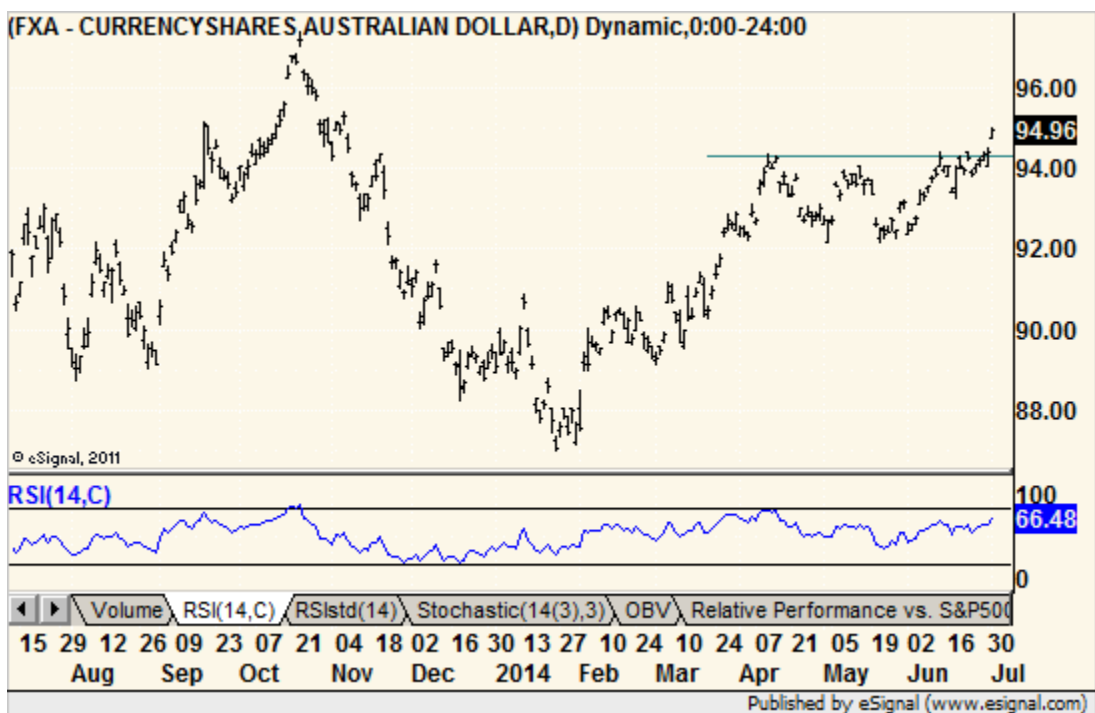
Market Highlights



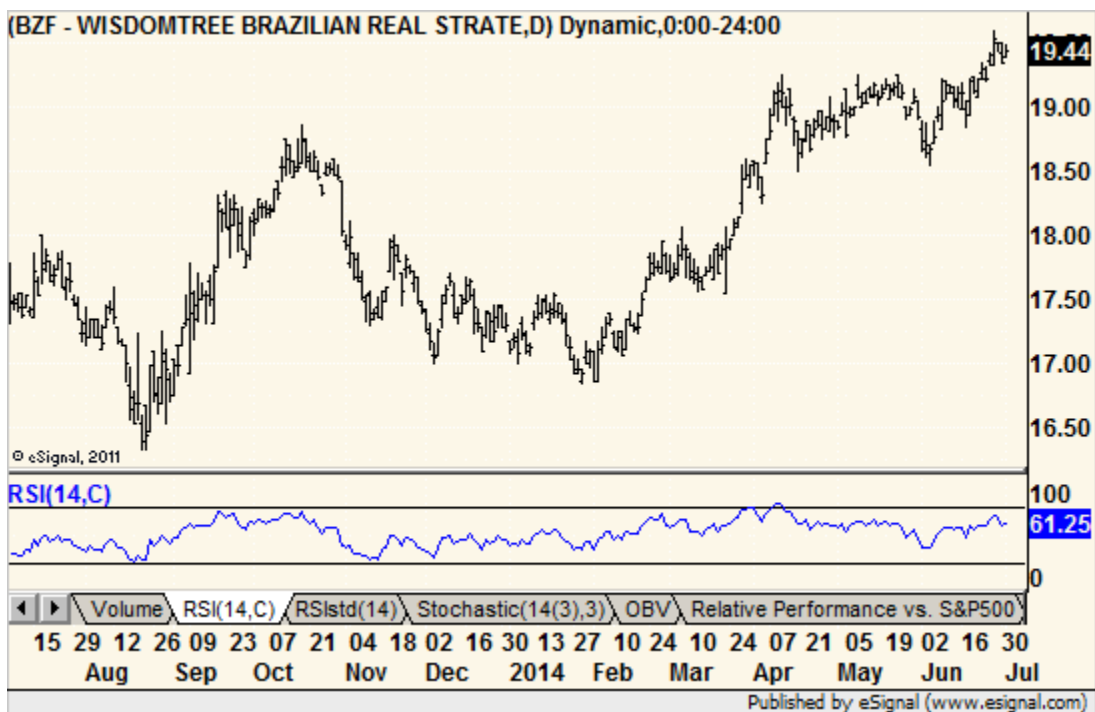
Long T-bond ETF - The trend is still up but after the bounce last week, the quick return to the trendline is not a good thing. Again, no breakdown but we are watching - especially since the ADP report sent the ETF down in the premarket.



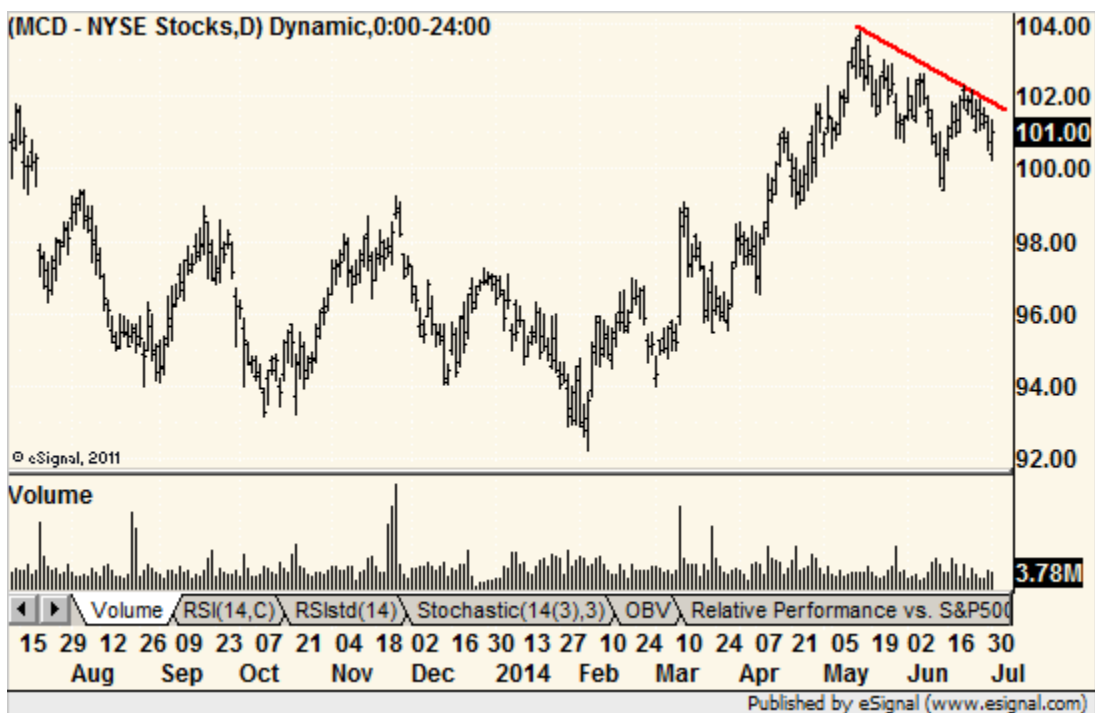
British pound ETF - The euro may be struggling but the pound is now at a 9-year high. A bit on the overbought side but not enough to take action.



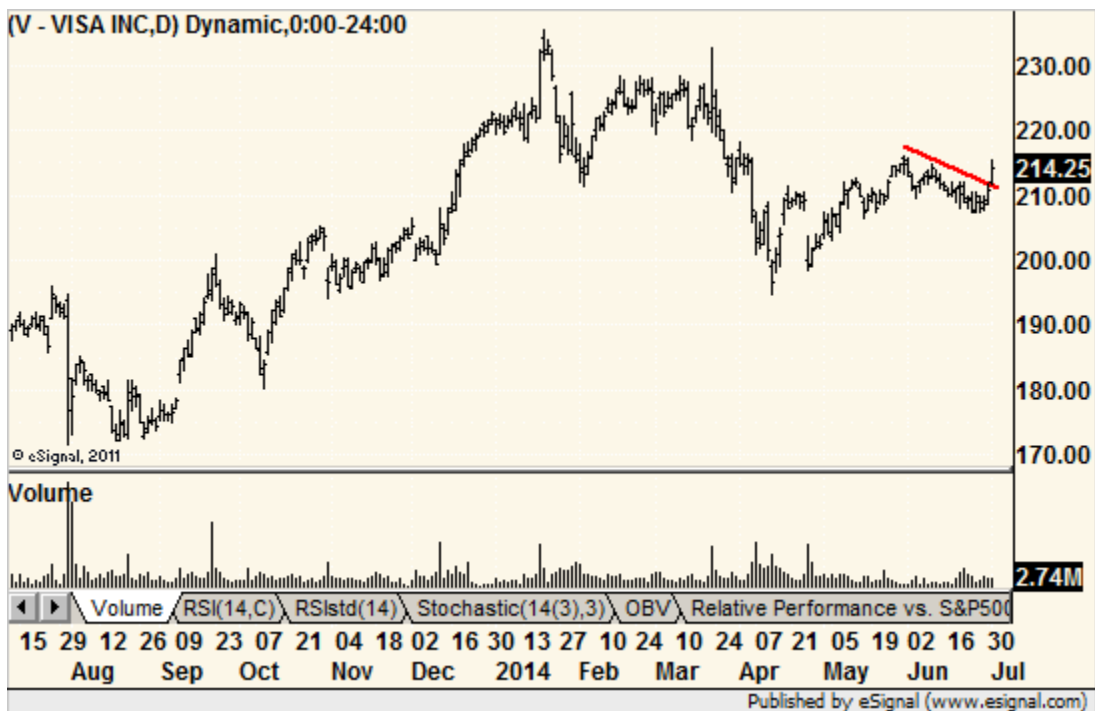
Australia dollar ETF - That's a breakout.



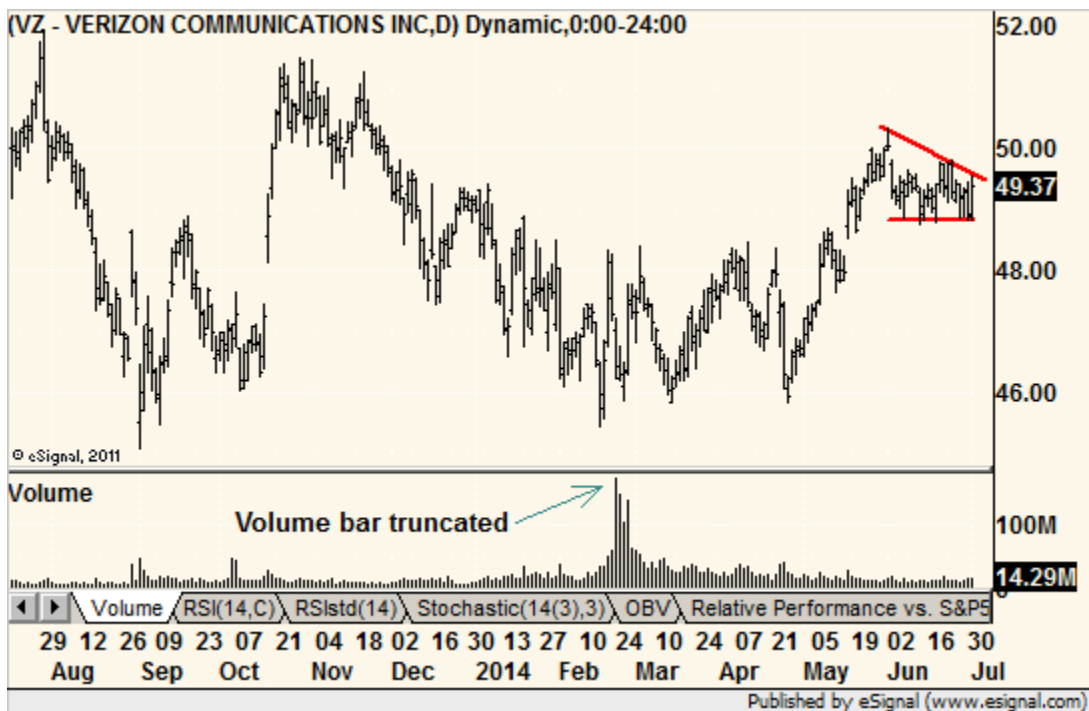
Brazil real fund - Also in rally mode. The US dollar is taking a beating everywhere except against the euro - even after this morning's ADP report.



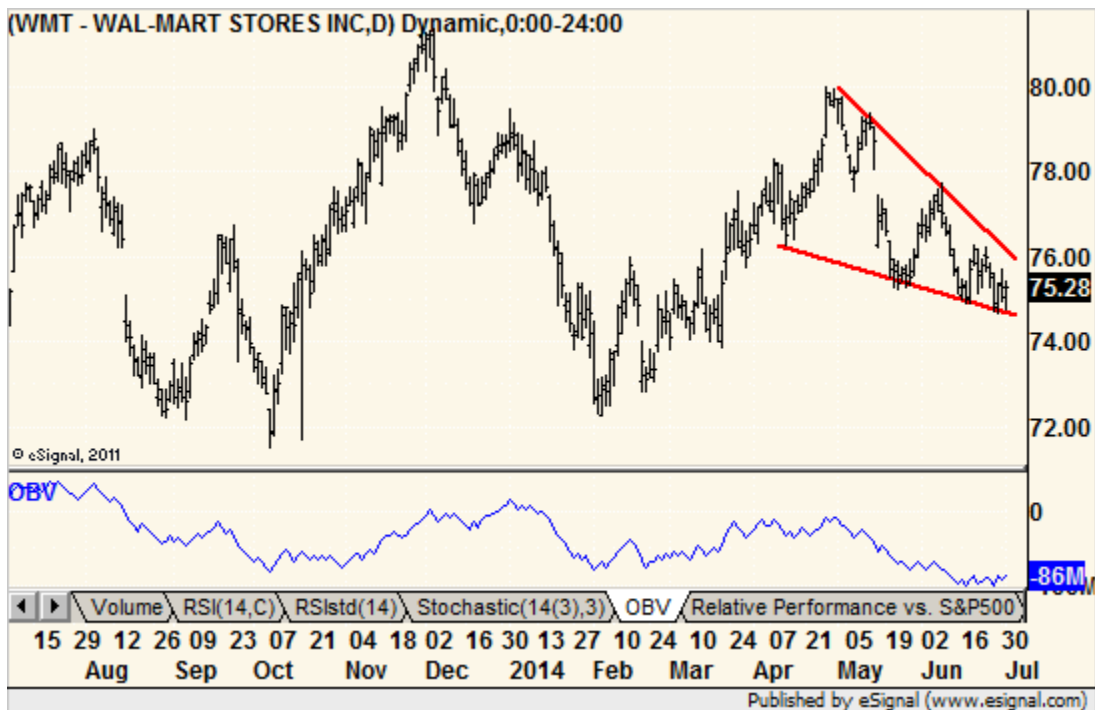
McDonalds - Still easing lower but keep an eye on the resistance line. Same for its peers **RT**, **RRGB**, **WEN**. Some, such as **BKW** and **JACK**, are a bit better.



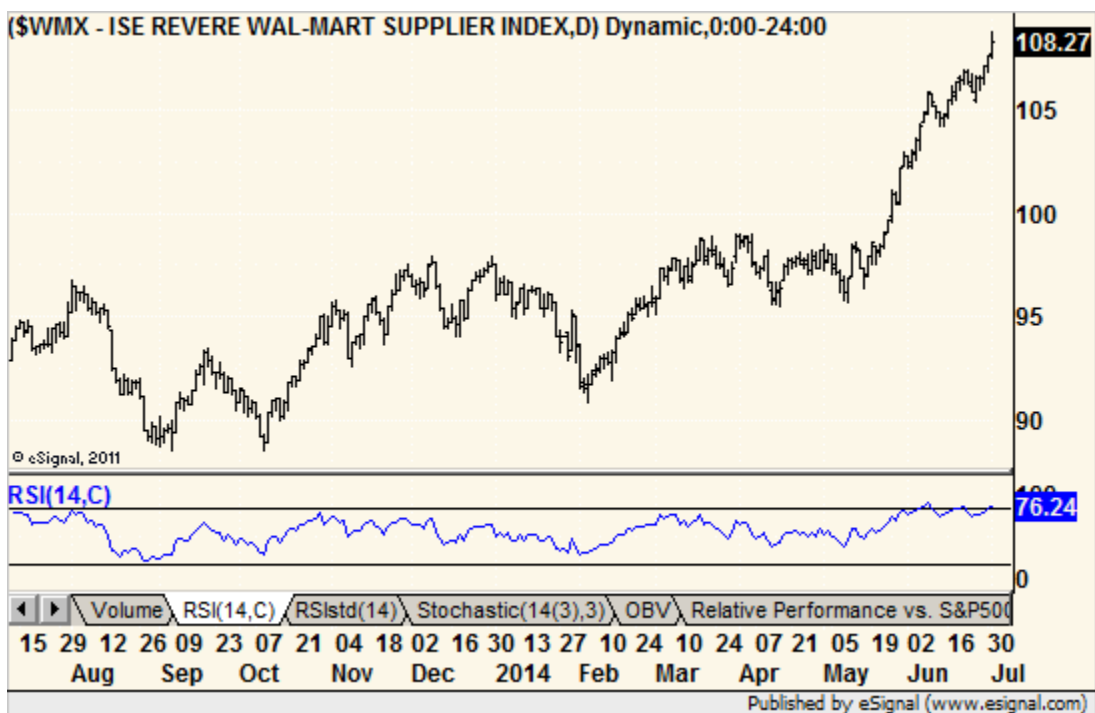
Visa - Good action in credit cards although volume here was pretty modest.



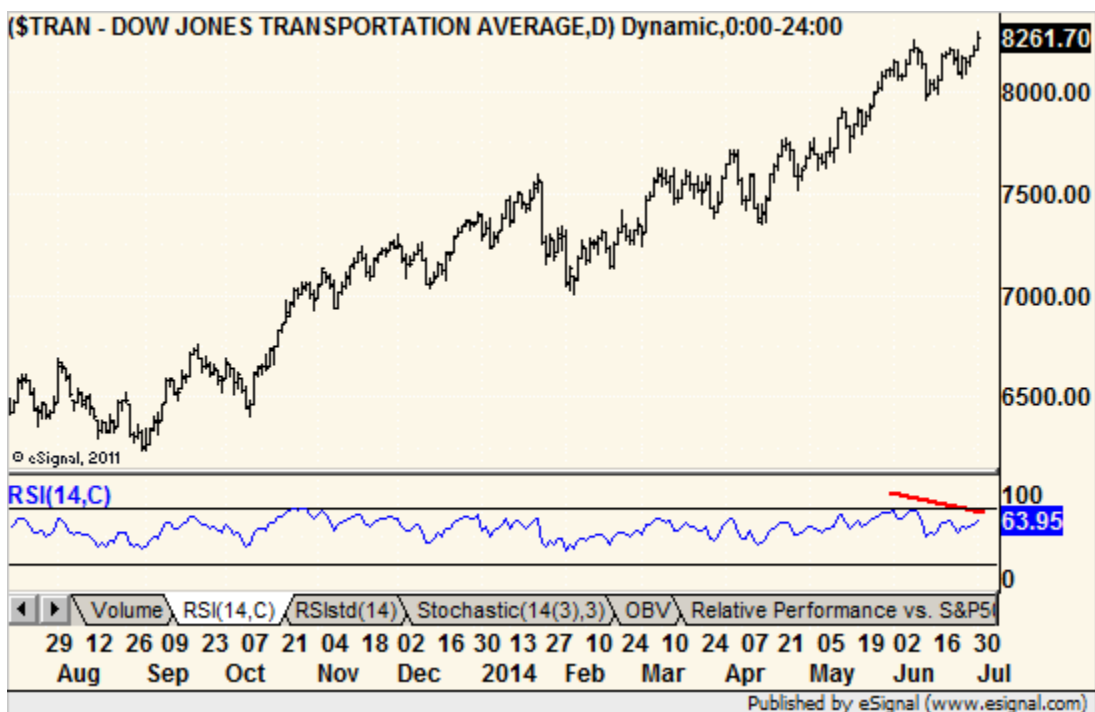
Verizon - Is this high dividend payer readying for a breakout?



Wal-Mart - Falling wedge sets up a breakout but on-balance volume hints that nothing is coming. See next chart...



Wal-Mart suppliers index - We wonder if Wal-Mart is forced to mark down inventory to move it when its stock price falls but its suppliers' rise. They are moving merchandise but not making much money from it. Not good for the economy, in our view.



Dow Transports - Possible RSI divergence but again, no reason to sell just yet.

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	75.61	2.9%	72.50	73.50	5/30	32
	KMI	KINDER MORGAN INC DEL	36.05	5.9%	34.50	34.05	6/4	27
	MRO	MARATHON OIL CORP	39.76	7.3%	39.00	37.07	6/5	26
	GOOGL	GOOGLE INC	591.49	6.2%	560.00	557.11	6/5	26
	ILMN	ILLUMINA INC	182.70	11.3%	sell	164.09	6/5	26
	HSY	HERSHEY CO	96.91	-1.1%	sell	98.00	6/6	25
	RGLD	ROYAL GOLD INC	75.35	12.9%	70.50	66.77	6/12	19
	KEYW	KEYW HLDG CORP	13.16	13.3%	12.25	11.62	6/13	18
	MYL	MYLAN INC	51.89	3.6%	50.00	50.11	6/17	14
	LLY	LILLY ELI & CO	62.50	0.8%	60.00	62.03	6/20	11
	IBB	ISHARES NASDAQ BIOTECHNOLOGY	263.12	2.9%	250.00	255.64	6/20	11
	UTX	UNITED TECHNOLOGIES CORP	115.93	-1.8%	115.00	118.11	6/20	11
	COL	ROCKWELL COLLINS INC	79.24	-1.4%	78.00	80.34	6/23	8
	PAYX	PAYCHEX INC	42.13	1.2%	41.00	41.65	6/23	8
	BMY	BRISTOL MYERS SQUIBB CO	48.12	-0.4%	47.50	48.30	6/23	8
	DDD	3-D SYS CORP DEL	63.46	10.5%	59.00	57.42	6/26	5
	MTZ	MASTEC INC	30.83	3.0%	29.00	29.92	6/27	4
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	51.00	-5.4%		48.25	5/15	47

Notes: Finally stopped out of short in **RJF**, which was inevitable. It fought the good fight but after 47 days it was done.

Raising stops in **GOOGL**, **KEYW**, **IBB**, **PAYX** and **DDD**.

Selling **ILMN** as it is now hitting resistance. We are not enamored with its 100 P/E either.

Also selling **HSY** as it is just dead money. If "should" have continued higher after bouncing off support a few days ago but it fell yesterday and higher volume. Sayonara to this loser.

Other Information

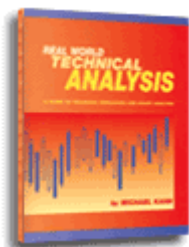
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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