

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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July 7, 2014 - The market finally got what it wanted and this morning is feeling a bit of a hangover. German economic news disappointed this morning, true, but the Dow 17,000 goal was in place for so long that now that it is achieved the feeling has to be "now what?" Will Spoo 2K (S&P 500 hitting 2000) be the next rallying cry?

While these big round numbers are rarely actual technical levels, Dow 17K did stop that index several times and did turn into a valid chart point (see Index Charts of the Day).

Too bad the Russell was once again stopped at resistance from March. And the Nasdaq is indeed overbought. But who are we to argue with a bull market. The wiggles are part of the game.



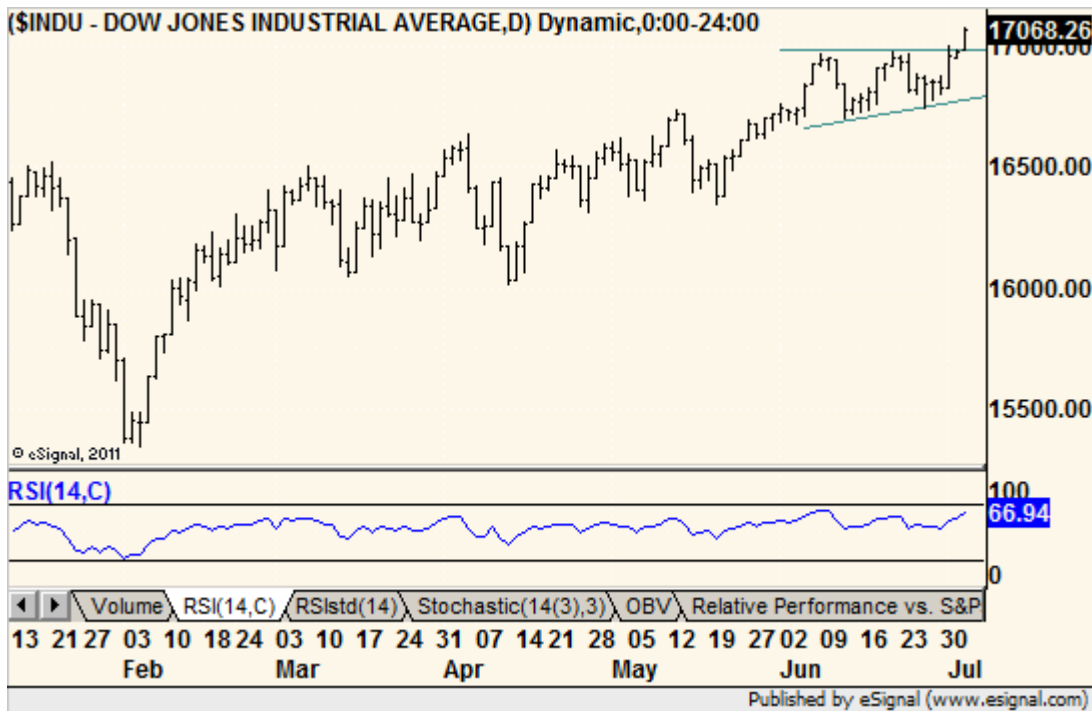
For the first time in a while there are lots of technical features to watch on the hourly **SPY** chart/.The bottom line is that this is a good time and place for a pullback. Calling an end to the trend is premature.

Oil has pulled back to its rising trendline so we'll start looking for reversal signal. Oil stocks barely pulled back so we probably will not get the entry levels we wanted.

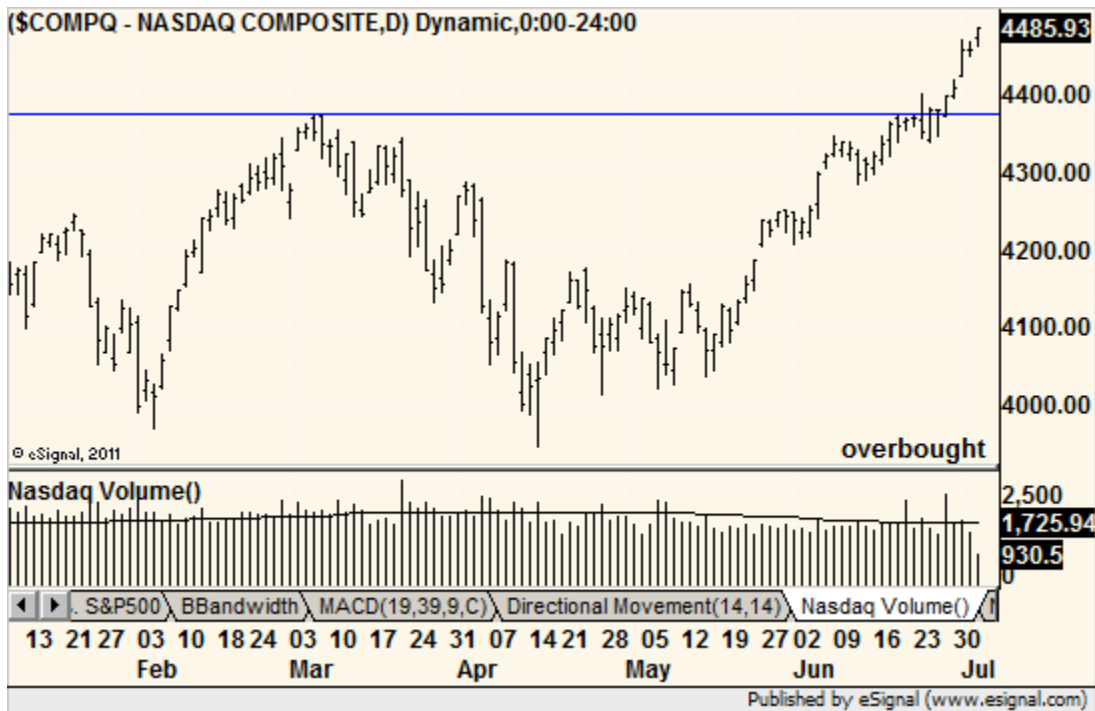
Gold dipped once again to the bottom of its two-week range and again we say that this is a rest in a new bull market.

Strategy - For stock, we are on hold. Nothing really looks shortable. A real concern is the uniformity of the advance now with just about all sectors near new highs.

Index Charts of the Day



There it is, Dow 17,000. Now we can all get back to watching the Kardashians. The chart shows an ascending triangle breakout and that is positive. Volume was way down but it was half-day.



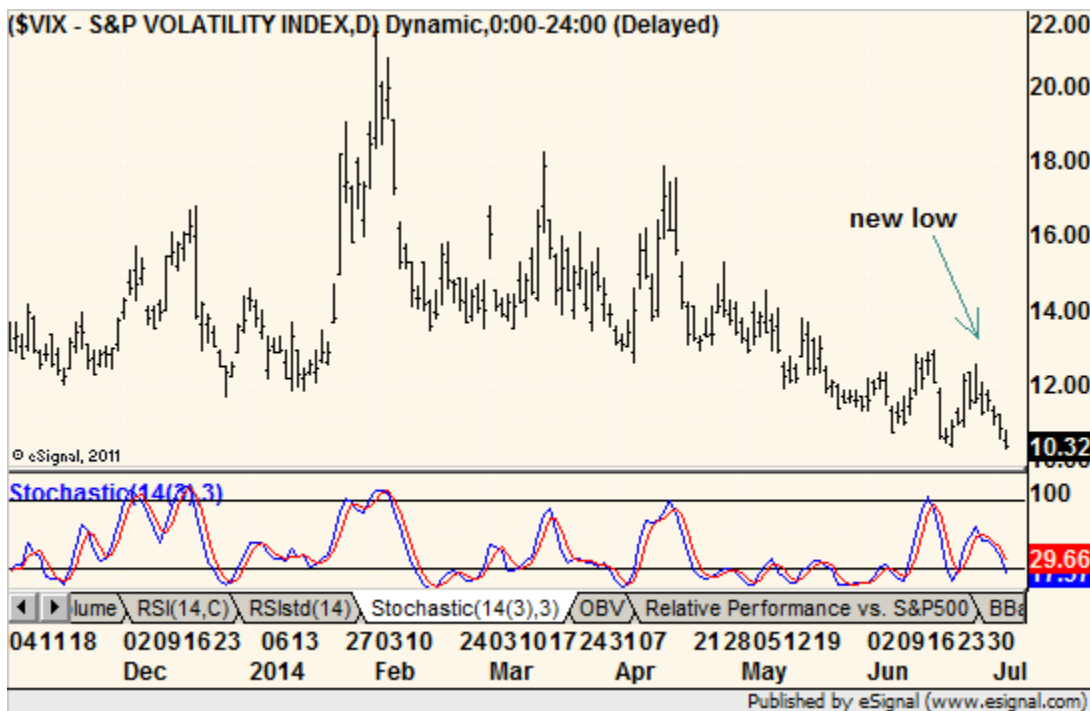
Holiday or not, last week's volume was on the slide and now prices are overbought.

The Radar Screen

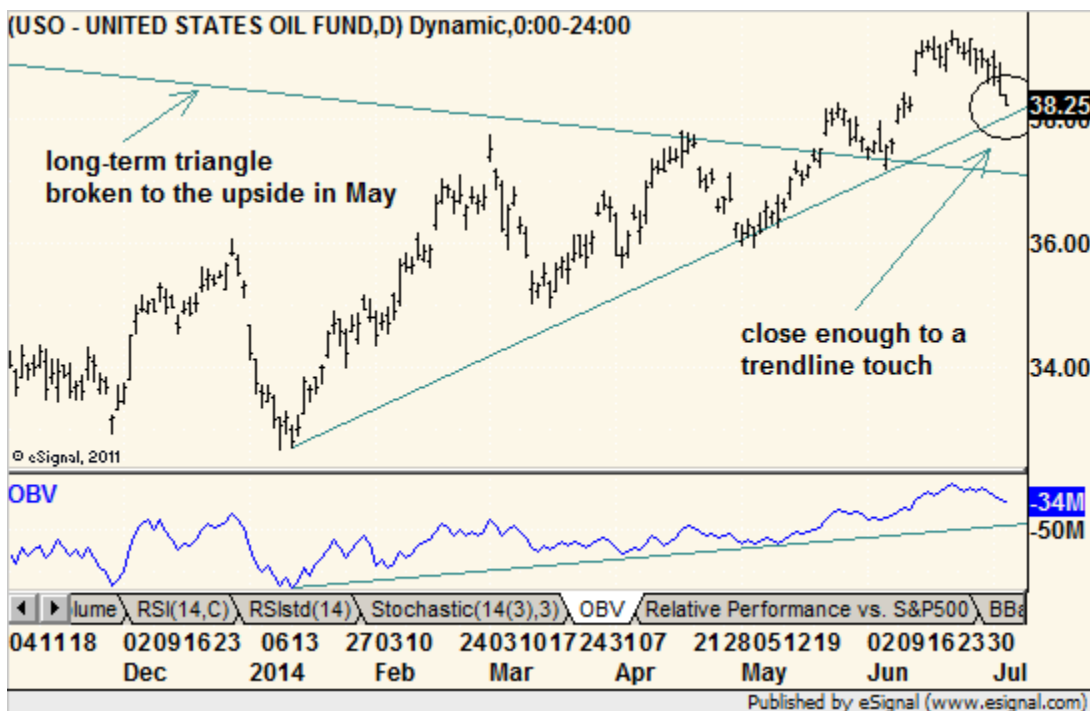
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Verizon VZ - Is this high dividend payer readying for a triangle breakout? Yes! Buying over Tuesday high 49.52. Big dividend goes ex-div on July 8.	Triggered	7/2
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
American Financial AFG - This property & casualty insurer is in a rising wedge with an on-balance volume breakdown. Sell 58.75		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. To the Upside		6/24
Australia ETF EWA - Nice rectangle.		6/24
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
Wal-Mart WMT - Falling wedge sets up a breakout but on-balance volume hints that nothing is coming. Wal-Mart suppliers index soaring (WMX)		
Sector Watch (observations that may spark ideas)		
Energy - Still looking for a pullback to buy		6/26
Credit Cards - breakout		7/2
Railroads - Ascending triangle for the index		7/3
Mortgage REIT - Big dividends but chart breakdowns		7/7
Updates		
Australia dollar ETF FXA - failed breakout now bearish		
Consumer Discretionary ETF XLY - resistance breakout		

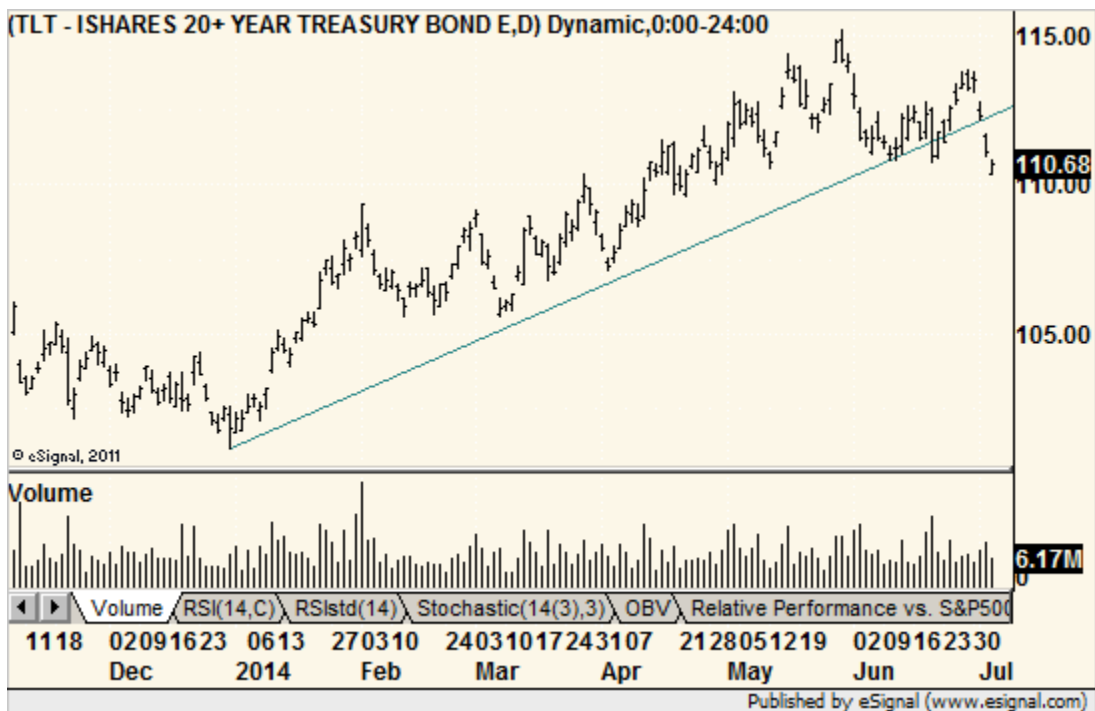
Market Highlights



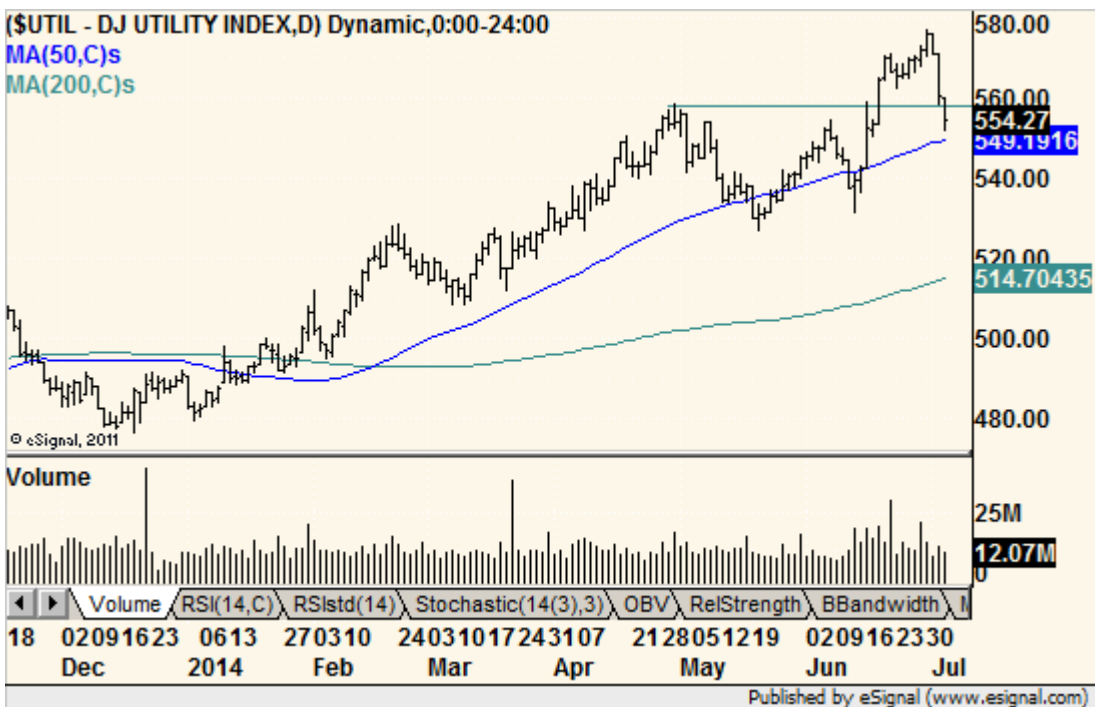
VIX - There's a new low. But is it a sell signal? Not with its own stochastics still above oversold.



Oil ETF - This is close enough to a trendline touch. Now we wait for a signal it is ready to resume its rally.



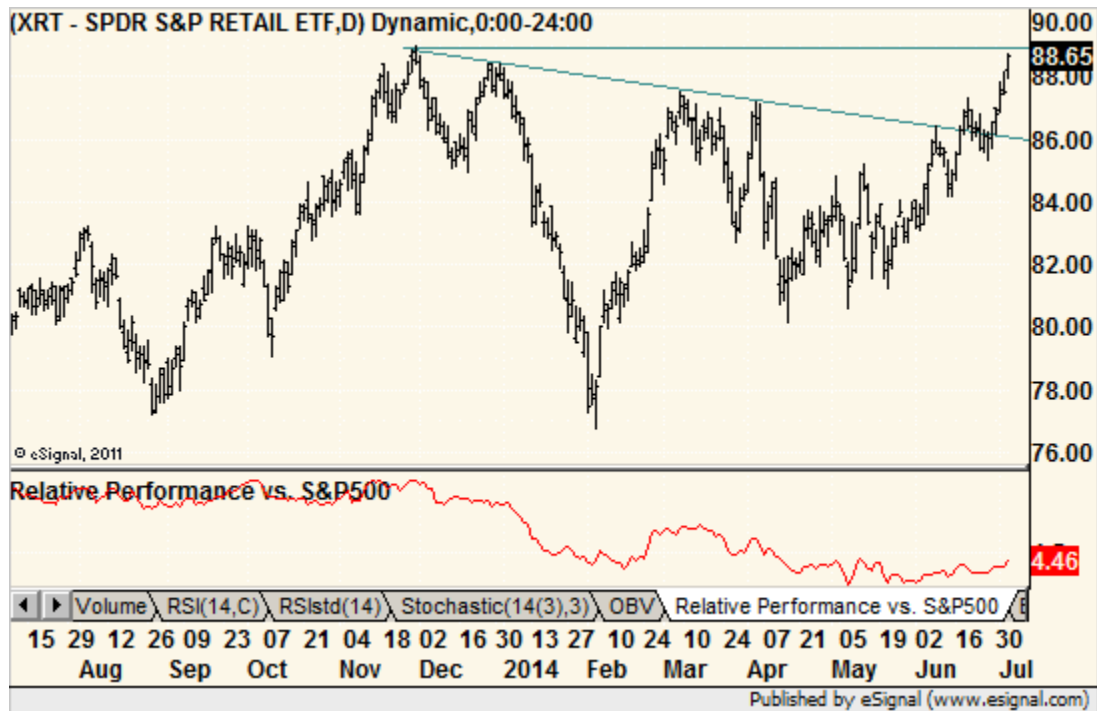
Long T-bond ETF - That is a confirmed breakdown. It may bounce today as it wiggles in a new declining channel but this is negative. Check out higher volume last week on the decline.



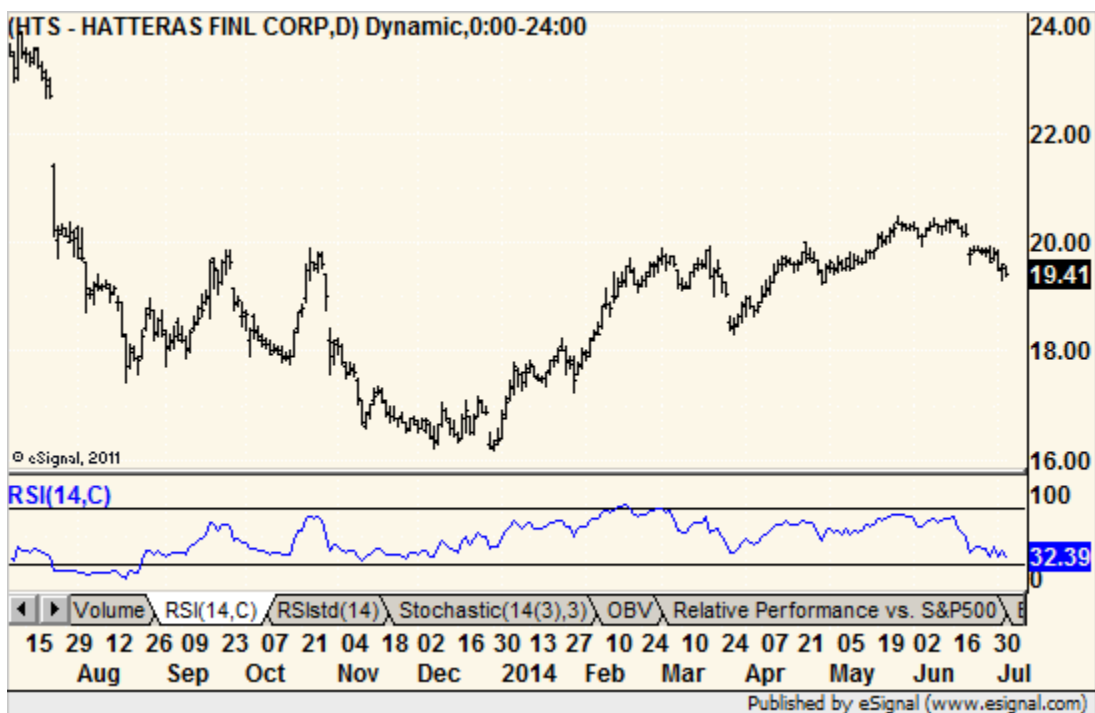
Dow Utilities - With bonds getting crushed, utilities are in danger. Still above the 50-day average but this must be monitored closely.



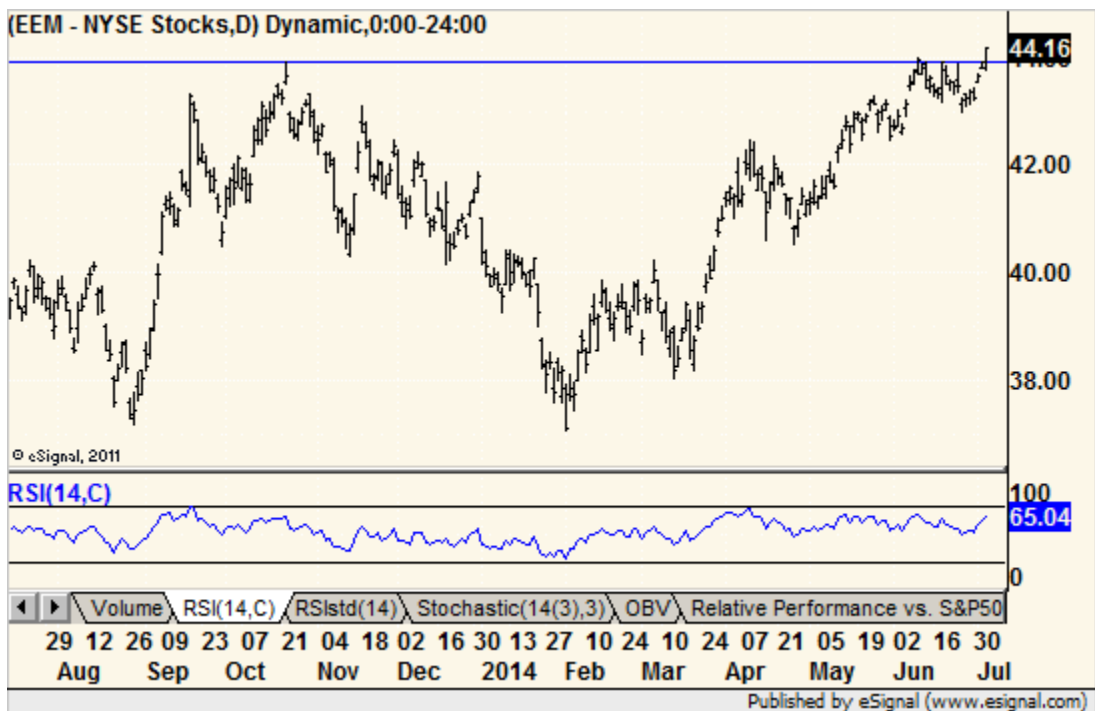
Intel - Looking a tad overbought - actually extremely overbought. Volume in the last leg up (not shown) was falling to create a divergence.



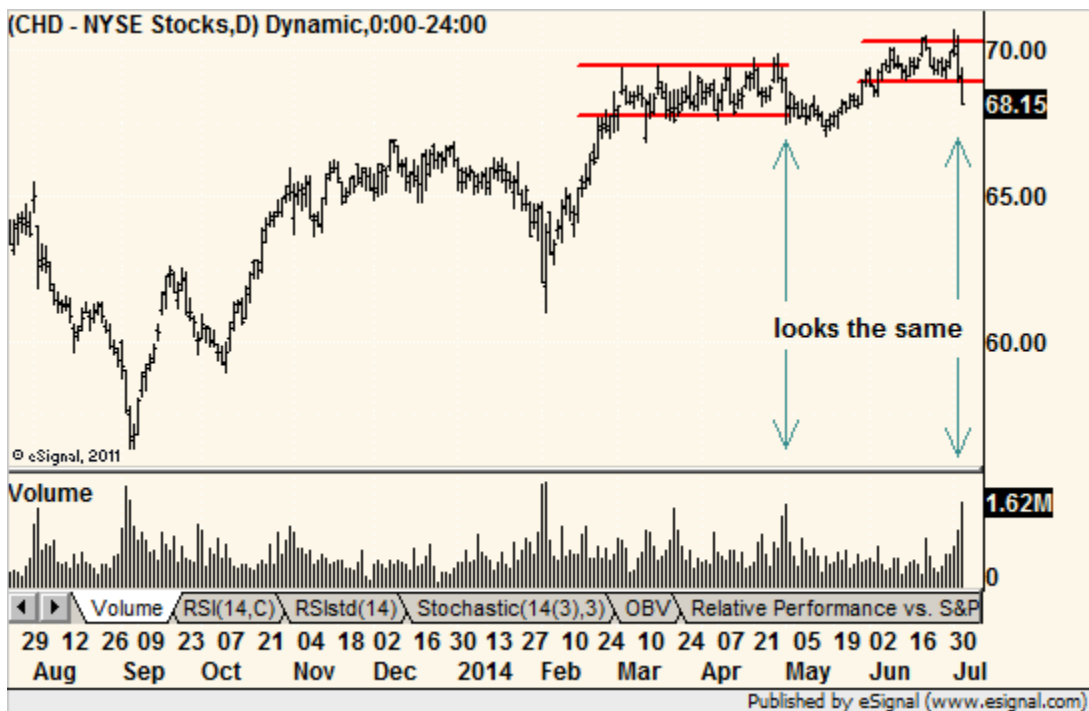
Retail ETF - No longer left in the dust but now at resistance.



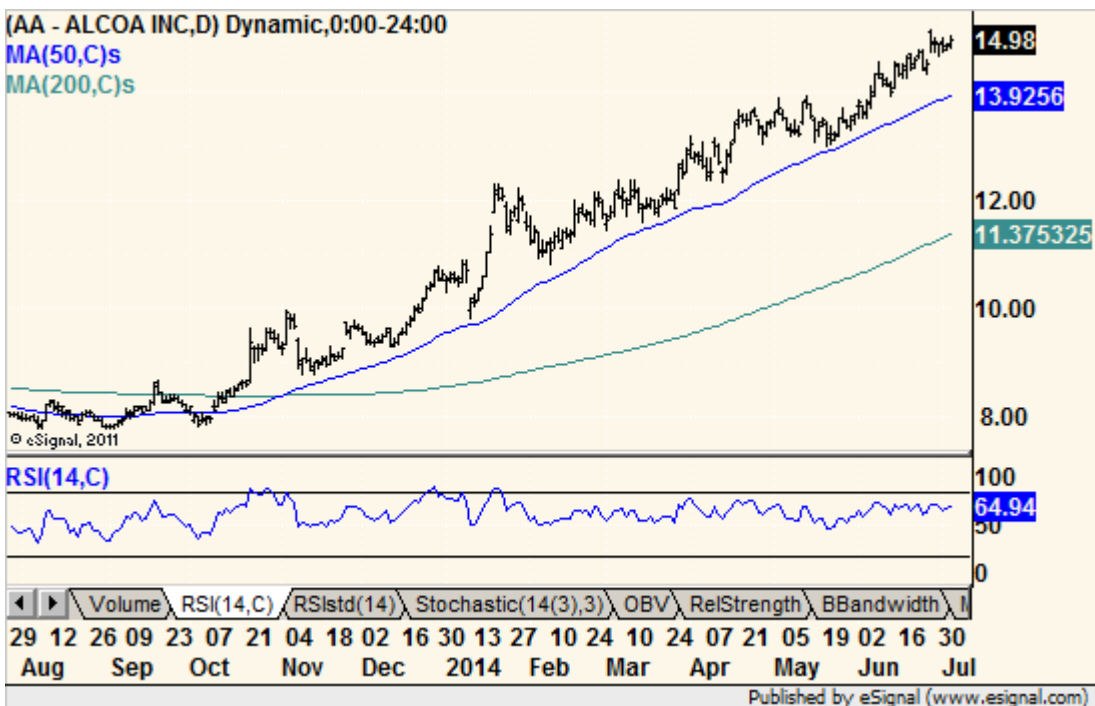
Hatteras Financial - This is just a representative stock in the mortgage REIT group. Breakdowns are not good. Big dividends are still in place so it is not all bad. **NLY** still has a trailing P/E of only 4.



Emerging Markets ETF - Breakout.



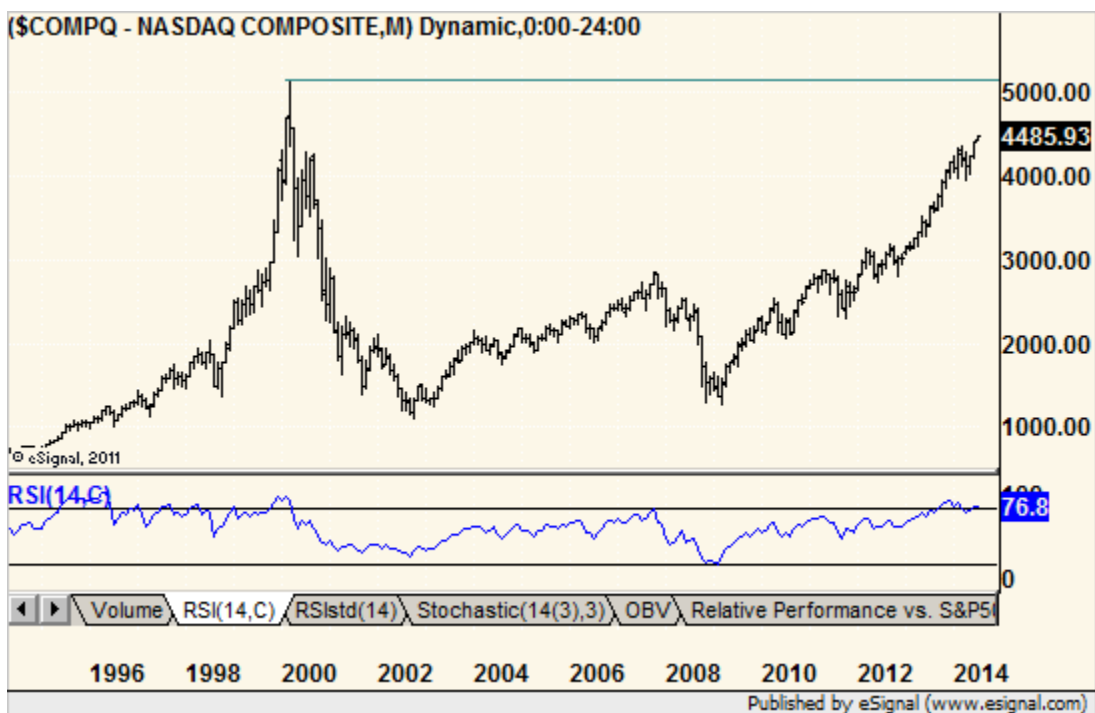
Church & Dwight - Consumer staples are lagging again but this one has a pattern that did not really work as a short last time. If the market really weakens, and we are not forecasting it will, then this might be a place to look for selling.



Alcoa - With earnings season here again, Alcoa sports a rising trend and nothing else. We are eager to see if anything changes after its news is released.

The Big Picture

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



The Nasdaq is 14% away from its 2000 peak. Note that monthly RSI has not been overbought since 2007. It is not a sell signal but the environment is right for one.

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	76.57	4.2%	72.50	73.50	5/30	36
	KMI	KINDER MORGAN INC DEL	35.65	4.7%	34.50	34.05	6/4	31
	MRO	MARATHON OIL CORP	40.32	8.8%	39.00	37.07	6/5	30
	GOOGL	GOOGLE INC	593.08	6.5%	560.00	557.11	6/5	30
	RGLD	ROYAL GOLD INC	76.19	14.1%	72.00	66.77	6/12	23
	KEYW	KEYW HLDG CORP	13.41	15.4%	12.60	11.62	6/13	22
	MYL	MYLAN INC	51.79	3.4%	50.00	50.11	6/17	18
	LLY	LILLY ELI & CO	63.06	1.7%	60.00	62.03	6/20	15
	IBB	ISHARES NASDAQ BIOTECHNOLOGY	266.02	4.1%	255.00	255.64	6/20	15
	COL	ROCKWELL COLLINS INC	79.27	-1.3%	78.00	80.34	6/23	12
	BMY	BRISTOL MYERS SQUIBB CO	48.44	0.3%	47.50	48.30	6/23	12
	DDD	3-D SYS CORP DEL	61.62	7.3%	59.00	57.42	6/26	9
	MTZ	MASTEC INC	31.16	4.1%	29.50	29.92	6/27	8
	VZ	VERIZON COMMUNICATIONS INC	49.71	-0.4%	48.00	49.90	7/3	2
<u>Short</u>	none							

Notes: Raised stops on **KEYW** (again) and **MTZ** (just a little)/

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

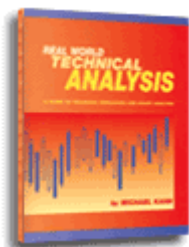
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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