

QUICK TAKES PRO

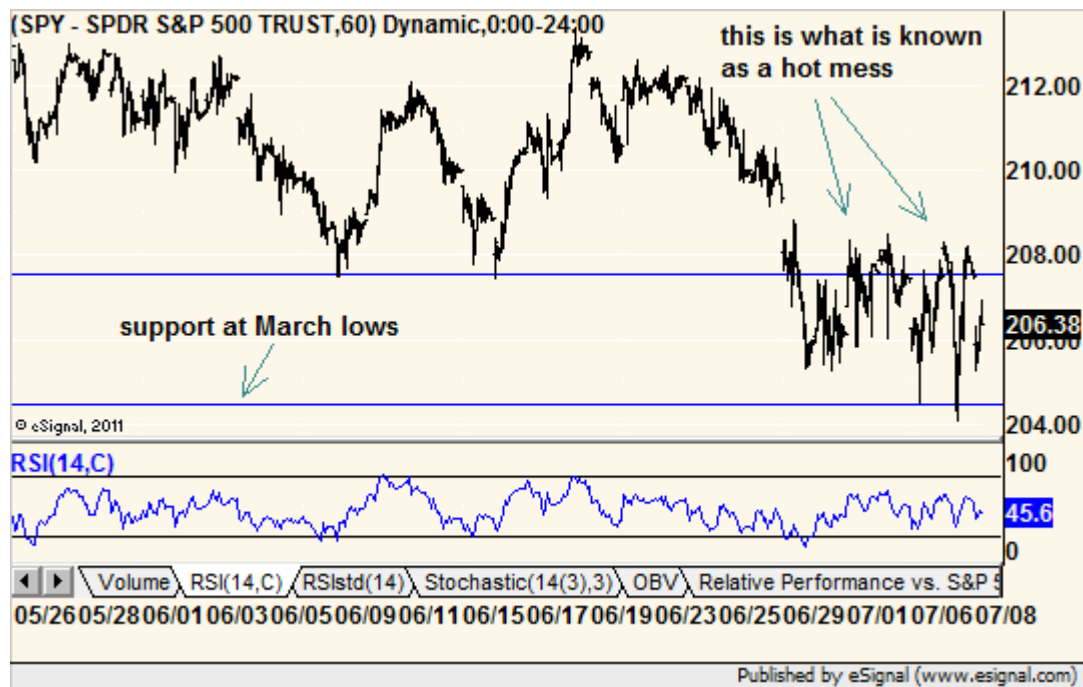
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

July 8, 2015 – Greece is so last Monday. Overnight, China tanked yet again to bring its loss since last month to more than 30%. Holy Kung Pao! There is no way to avoid the spillover from something like that and indeed Asia took it on the chin. Japan down 3% with a support break. Taiwan down 3% with a huge support break. All Asia Tigers markets in declining trend.

Europe is actually higher this morning because the West's rebound yesterday started when Europe closed. They are still catching up with that.

The S&P 500 dipped below its 200-day average yesterday before reversing to the upside and forming a rather big hammer candle on daily charts. The problem with that is it needs confirmation, something that is not likely at this moment. However, if the market does get its legs today to close higher then we will be forced to get back in very cautious bullish thinking for the short-term. Again, that has not yet happened and looking at the intraday chart we are quite pleased we made the decision last week to go to cash.



What do you say to this? A messy zone at a critical support level would be one idea.

Gold stocks sank big yesterday as the dollar was strong. The greenback is not the same today and **GDX** now sits on strong support. Chart below.

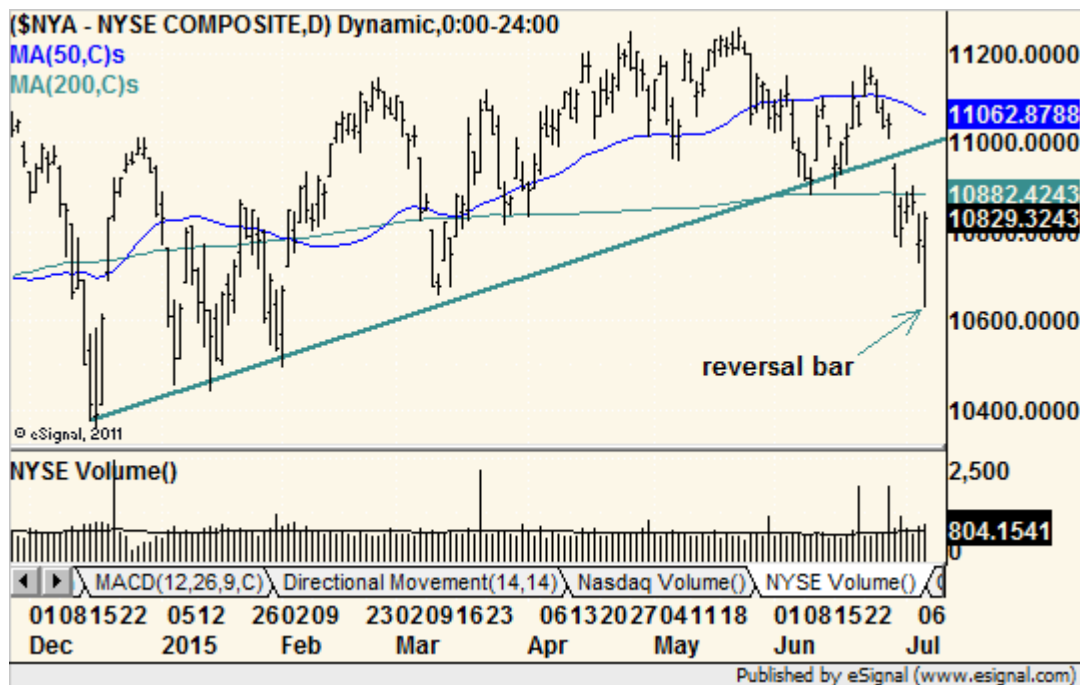
Gaming had a big up day but we'll have to see how it reacts to China overnight.

And finally, we see some cracks in the health care story. This is unfortunate since I wrote it up positively for Barron's Online just last week. The bull is not over but a correction now seems imminent.

Index Charts of the Day



The S&P 500 dipped below the 200-day average before finishing with a bullish hammer candle. It is still unconfirmed so it is not a buy signal just yet. Needs a positive close today and as of the premarket that seems unlikely. But if it does close green we are going to have to nibble on it.



The NYSE composite scored a nice reversal but it is broken. We'd go with a test of the breakdown if the reversal is confirmed today.

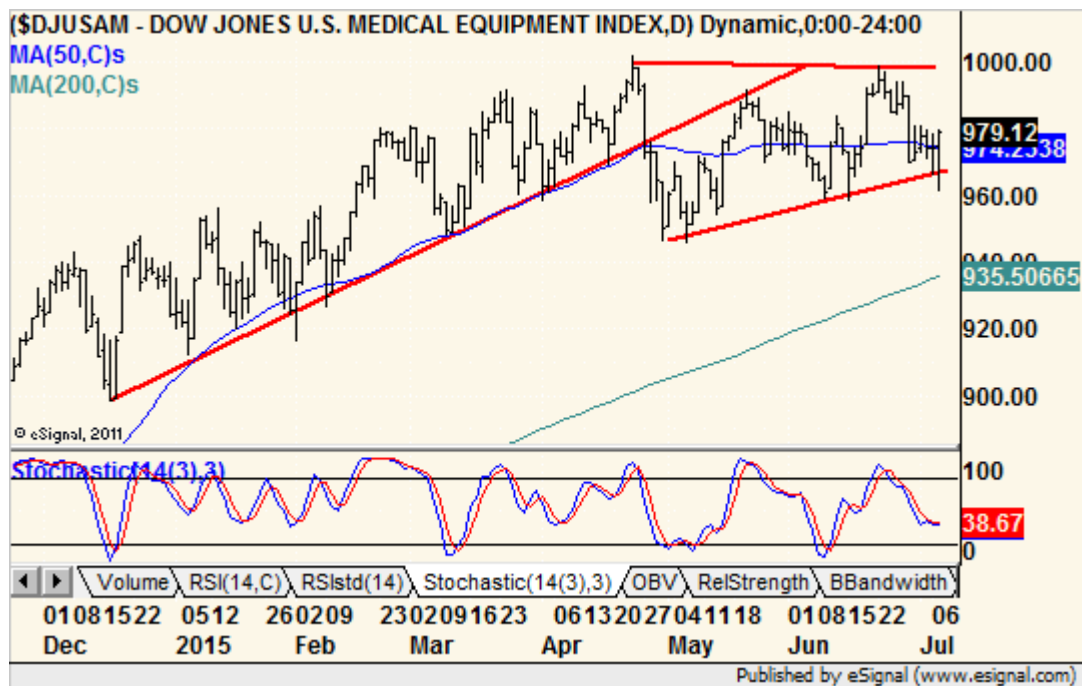
The Radar Screen

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.

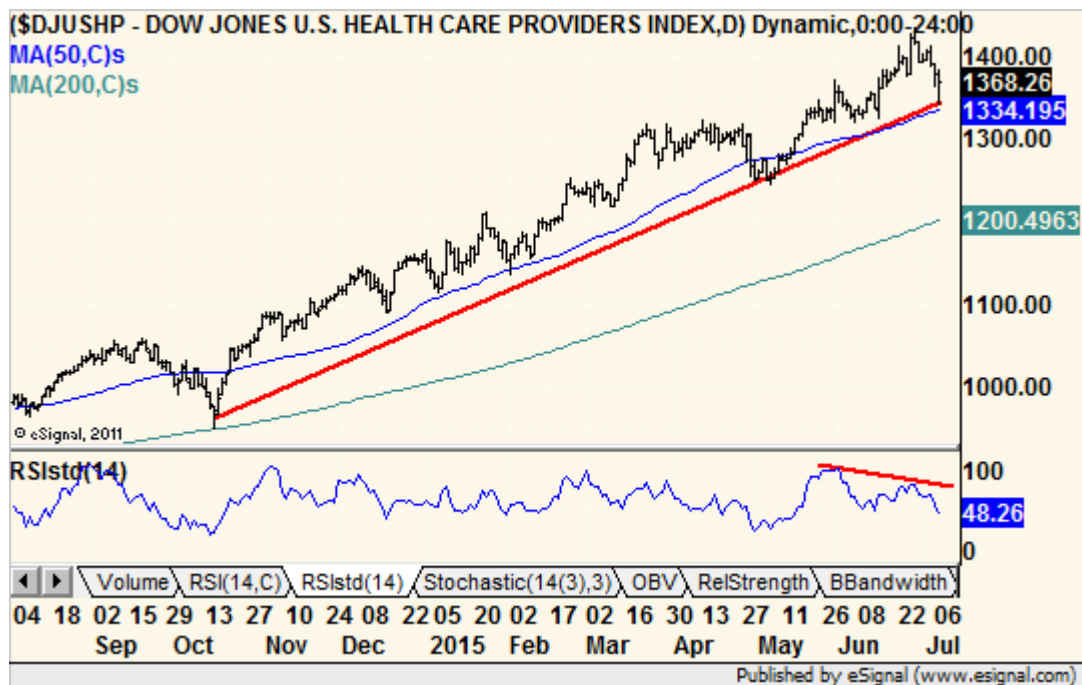
Bullish Implications		
none –		
Bearish Implications		
none –		
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Stocks we watched pre-Greece – MAN, SCHW, CCL (these three still look to be easing down to test breakouts).		6/29
Goodyear Tire GT – Looking to sell a bounce within a down channel.		7/1
Ashland ASH – Specialty chemical stocks testing support break.		7/1
Hewlett Packard HPQ – Looking nasty long-term. Sell the bounce of head-and-shoulders neckline.		7/2
Sanderson Farms SAFM – Falling on-balance volume suggest support will break. And it did.		7/2
Dow Chemical DOW – We mention it this week but here is the chart. Looks sellable on the test of the breakdown.		7/2
Sonoco Products SON – This is a packaging stock (unlike Sonoco the oil company). Sell the test of the breakdown.		7/2
WYNN Resorts WYNN – A gaming stock with a nice two-day rally. We'd like to see at least a crossover of these short-term averages.		7/2
Wal-Mart WMT – While we wait for clarity on the market, WMT scored a hammer candle and bullish one-day reversal on bar charts last week. Possible MACD crossover. Keep in mind the trend is still down here so this is a Radar Screen item for now. May have seen the follow-through buy trigger.		7/6
Align Technology ALGN – This is a medical supplies stock and it is bumping up against a strong resistance. With rising on-balance volume we'll wait for a breakout (rather than selling at resistance).		7/6
Altria MO – If consumer staples are coming back to the lead then this is a possible battle between resistance (trendline and averages) and positioning for a breakout. We certainly do like the 4% dividend yield. Huge breakout		7/7
Procter & Gamble PG – Big move higher yesterday . Will it stick?		7/7
Sector Watch (observations that may spark ideas)		
Utilities ETF XLU – Up with bonds but still looking lousy		6/30
Consumer Staples ETF XLP – Not even this defensive area could resist. 200-day average break unlike last month's.		6/30
Consumer Discretionary ETF XLY – No breakdown but on-balance volume falling.		6/30
Financial ETF XLF – Trend and 200-day average break. Not good, especially for the leading sector as of a week ago.		6/30
Tech ETF XLK – Tech broke again and slipped below the 200-day average.		6/30
Industrials ETF – Serious breakdown of pennant and both averages. Transports are in here.		6/30
Healthcare ETF XLV – Still hanging on to a rising trend. Health insurers leading		6/30
Non-ferrous metals index – Big breakdown on a flat to higher day. This includes the		7/1

likes of FCX, BHP, RIO, TCK and SCCO .		
Banks ETF KBE – Gapped down to a test of trendline. Danger!		7/2
Heavy Construction – Bearish. FLR, PWR, KBR, JEC		7/7
Updates		
Steel ETF SLX – Bull hammer from oversold. Possible gap reversal? Not yet happened.		
Carnival CCL – May have scored a bull reversal at the end of a bull flag on news it may be serving Cuba. Lower in the premarket today.		

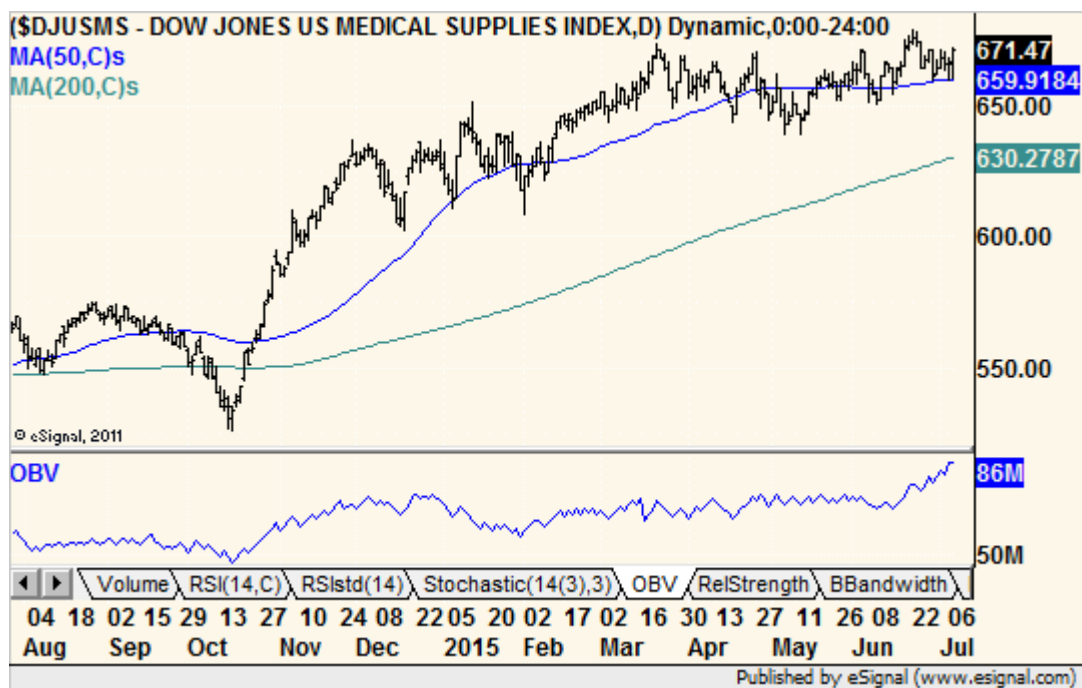
Market Highlights



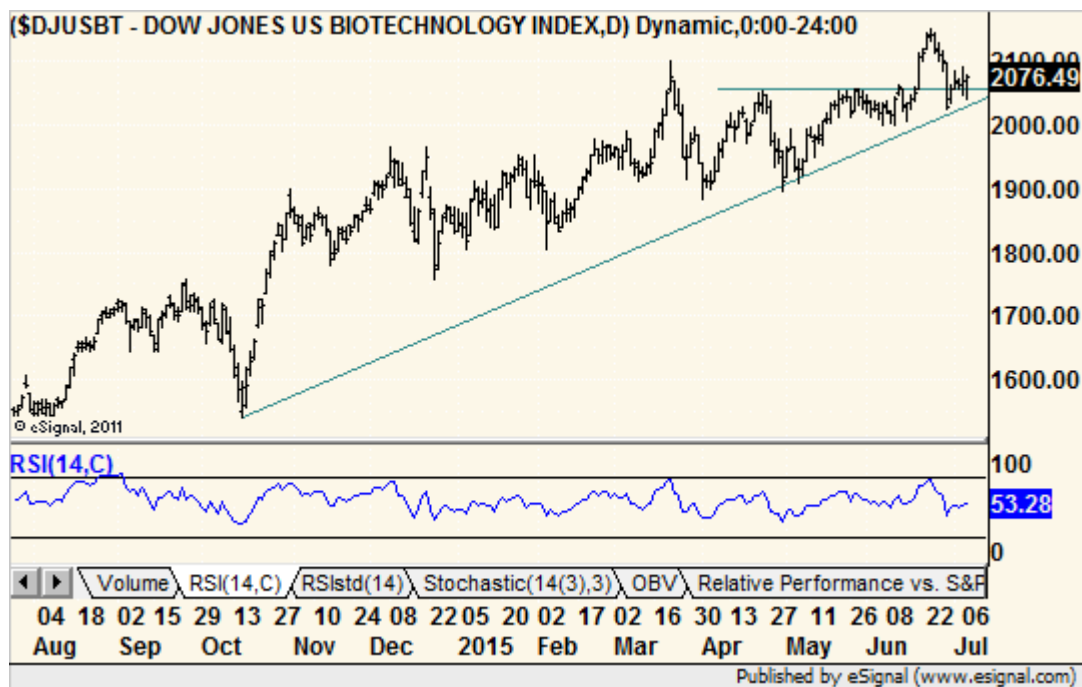
Medical Supplies – More sideways than up. Temporary breakdown of the triangle yesterday so if it starts back down it will be bull trend over for now. If it confirms the reversal we would then look for the triangle top as a target.



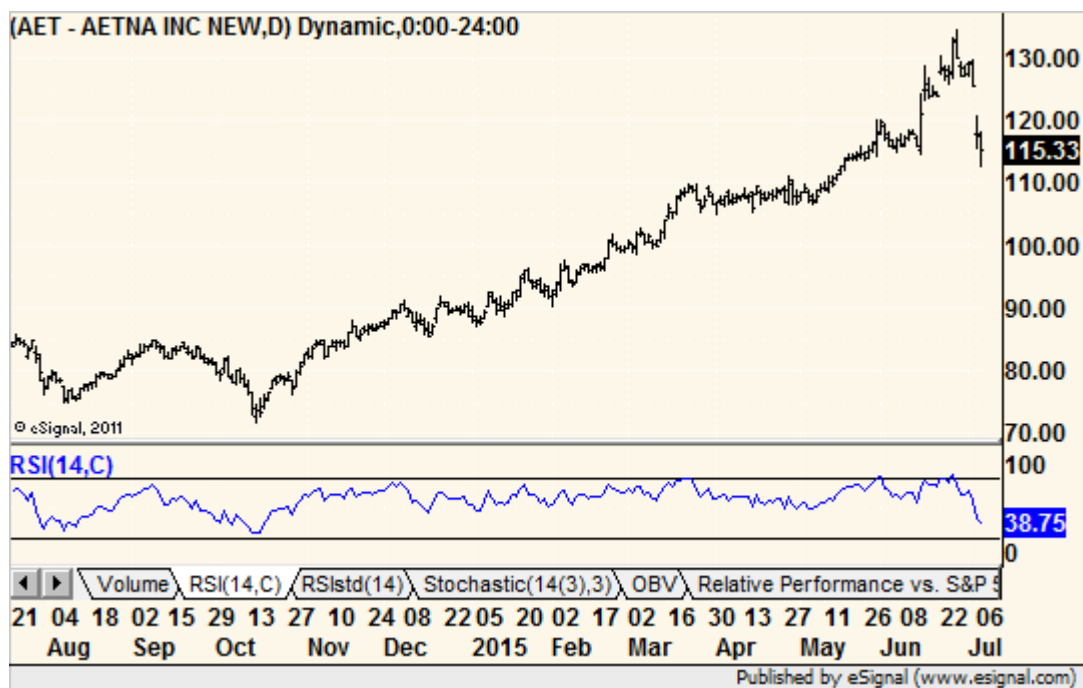
Health Care Providers – This includes insurance and it sports a serious challenge to the trendline right now. It has not broken just yet.



Medical Supplies – Flat all year although with rising on-balance volume. This is contrary to the other health sectors.



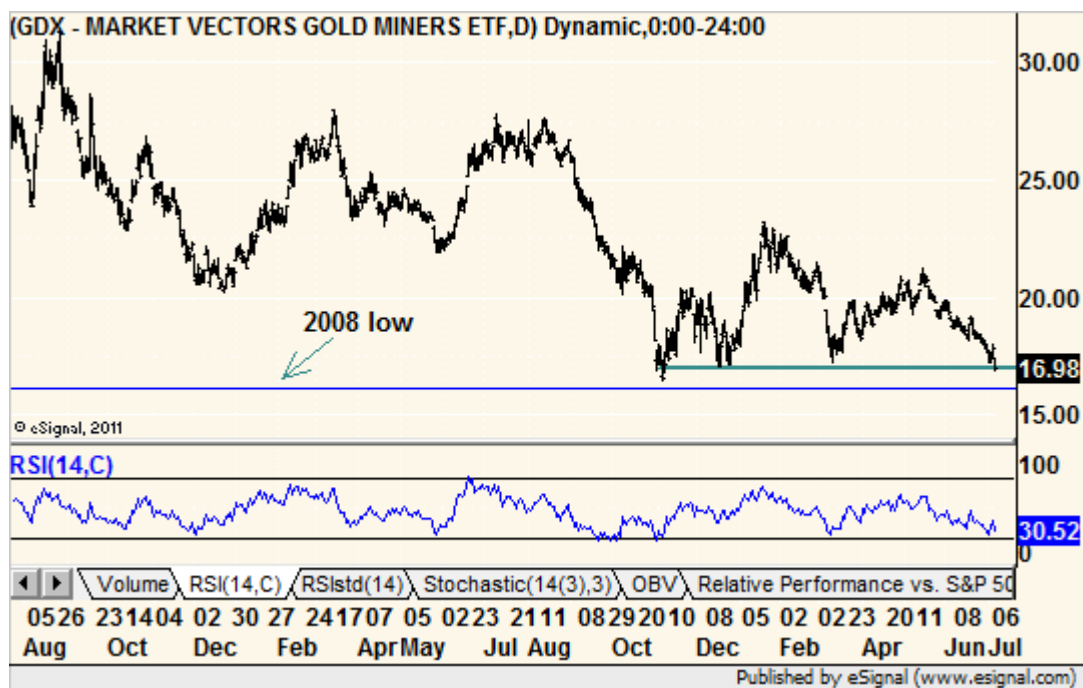
Biotech – If it cannot capitalize on yesterday's reversal at support then we have to worry.



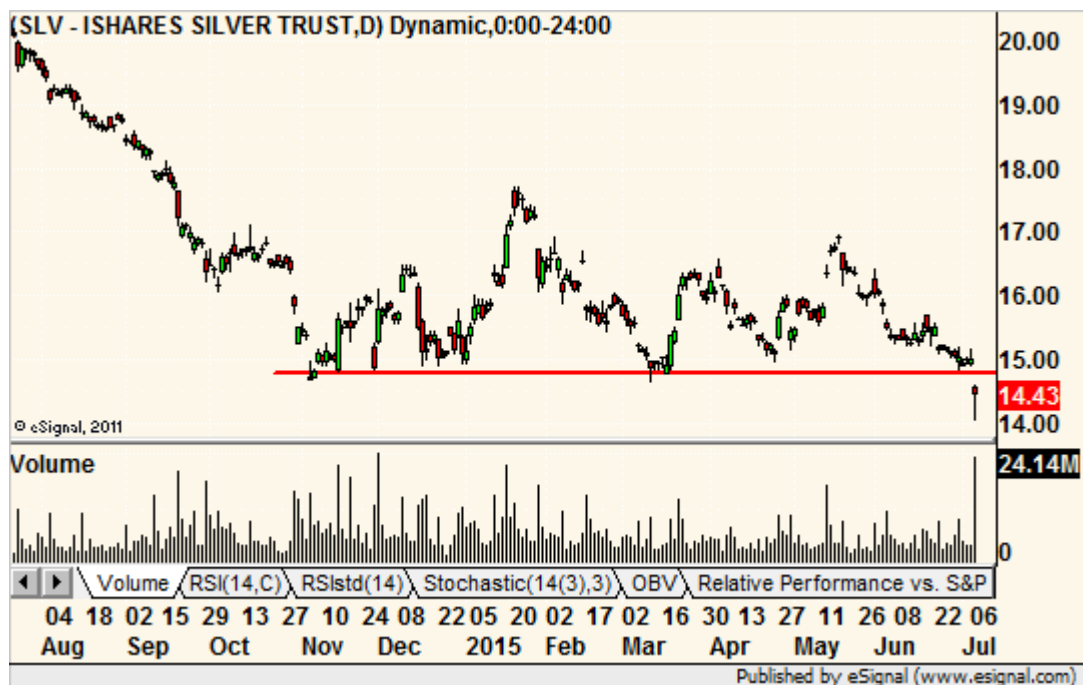
Aetna – Insurers are the real problem. Lots of merger activity but then there is this.



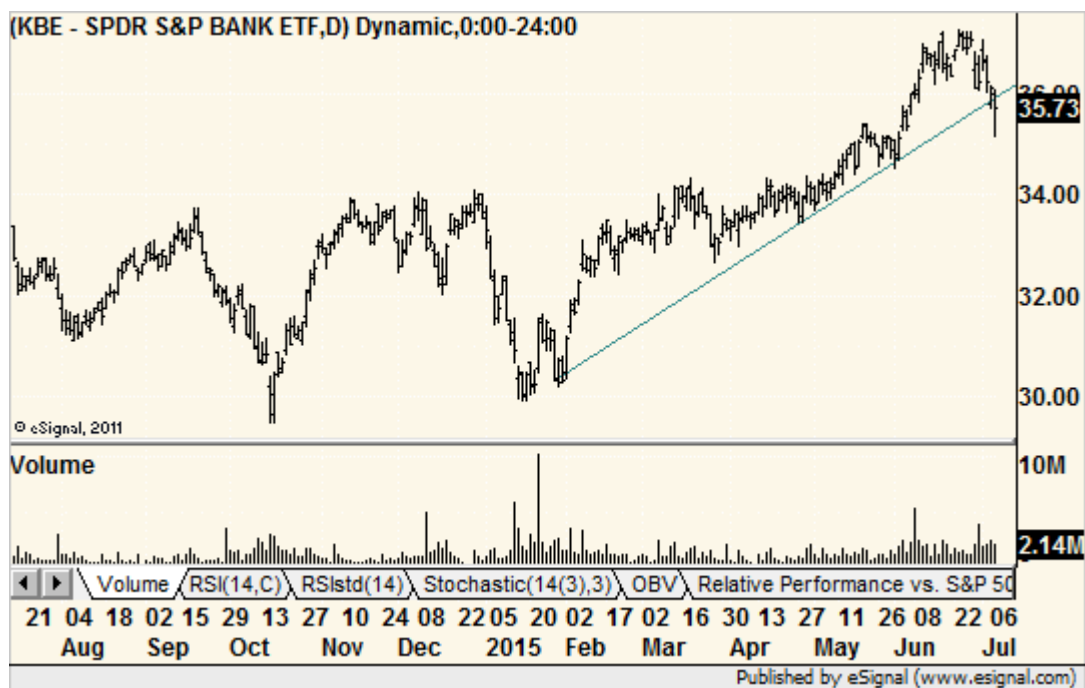
Junk / Quality Corporate bond ratio – This is bearish.



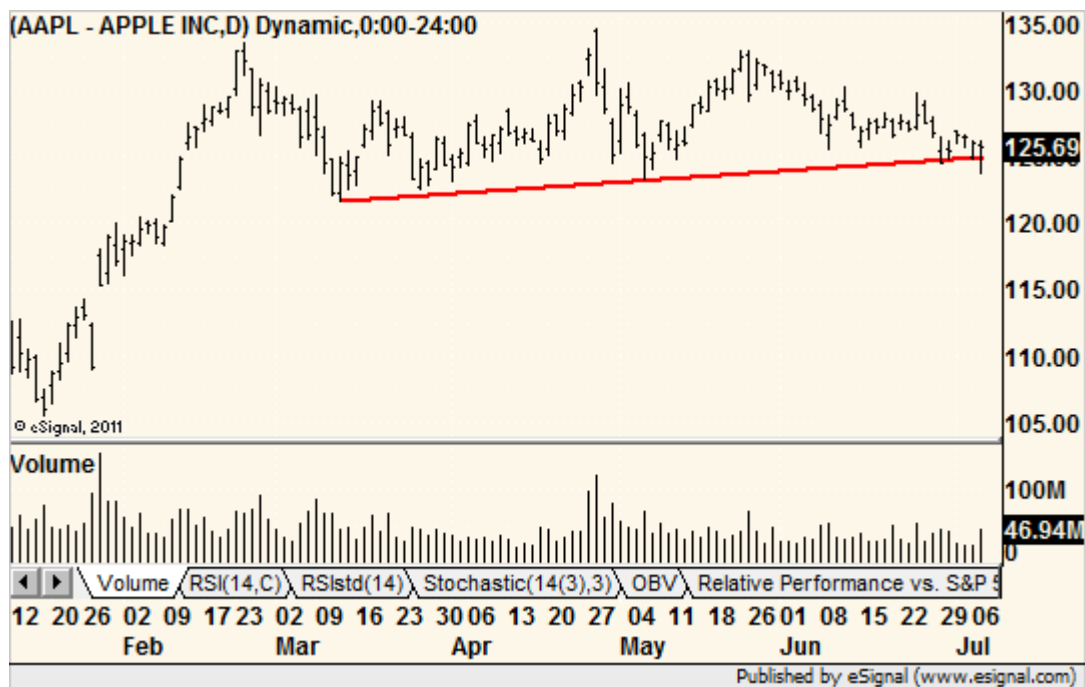
Gold Miners ETF – This is a good support area. Not a long-term buy, by any means, but something to consider when you hear everyone trashing the metal. See next chart...



Silver ETF – Huge volume breakdown but a hammer candle. This could be a selling climax and false breakdown but we won't know for a day or two.



Banks ETFD – If this breakdown sticks we will assume banks do not believe the Fed will move in 2015. And that would be bearish for the economy although maybe supportive for stocks.



Apple – Just saved a breakdown yesterday. If this does break then watch out below.

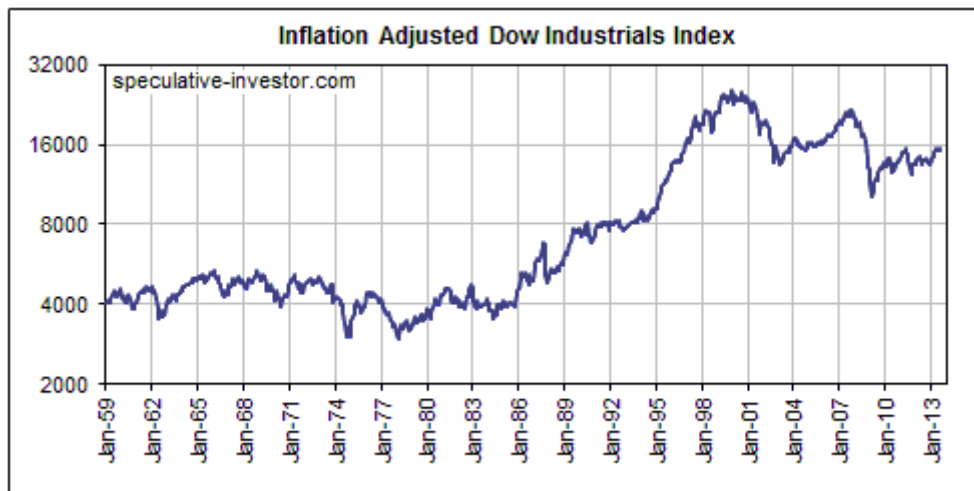
The Big Picture

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

Secular Bear Market



Here is the Dow with the three secular bears of the past century. They are all of different shape but each bull and bear phase is on the order of 18 years. The current is in year 15 and that suggests one more dip is ahead. We won't say it will reach the bottom of the pattern because neither did the ones before.



For kicks, this is the inflation adjusted Dow. Looks like a bear here.

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. Symbols in **green** were closed by us. 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>	UNH	UNITEDHEALTH GROUP INC	118.00	-3.4%		122.15	6/23	14
<u>Short</u>	none							

Notes: Did not dodge the bullet on the second shot Tuesday and our last stronghold has failed. Health care now seems to be mortal and ready to correct.

That's it, we are all cash. And looking at the intraday path over the past two days and overnight it is the best place to be.

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

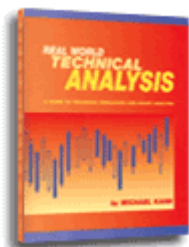
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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