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"TECHNICAL ANALYSIS FOR EVERYONE"

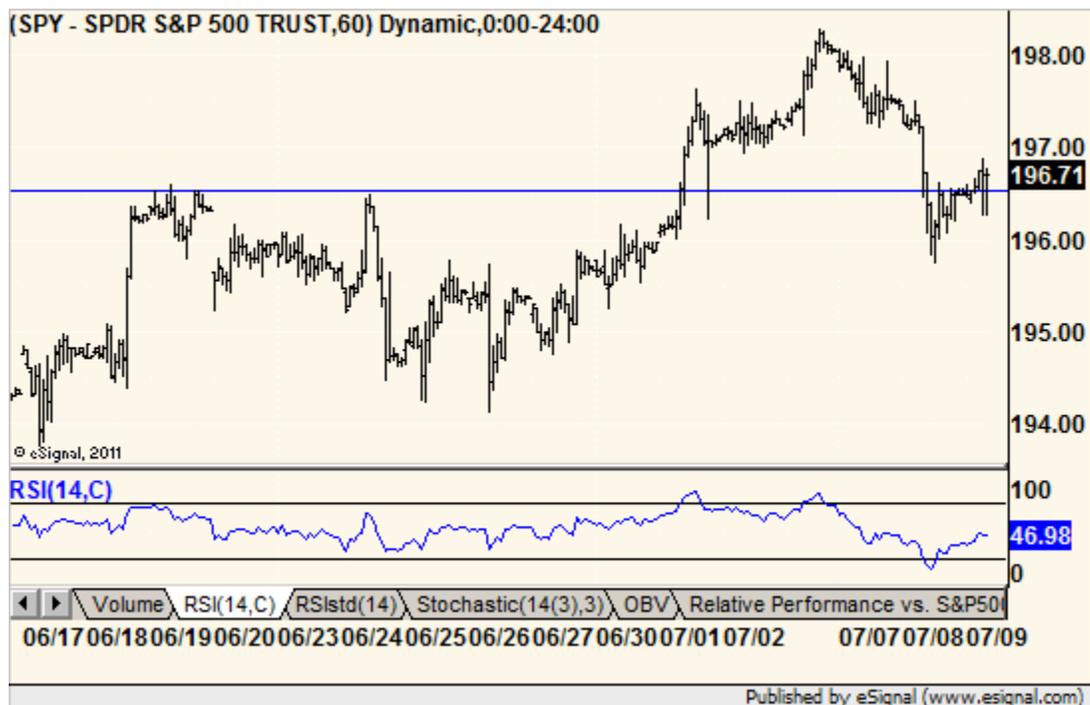
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RESEARCH LLC

July 9, 2014 - Well, that was not fun. We lost a few positions to stops and profits evaporated in a hurry. But the trend in the market remains up - yes, even with the Russell's failure at resistance. It seems that panic welled up rather quickly and that, to a contrarian, is a good sign. The Wall of Worry is not dead.

Don't take our tone as being long-term bullish. Even though Sell in May seems to have failed (recall our story on the 1987 comparison) we still have weak summer seasonals by month. Not to mention the lack of serious correction for many months (years?) and sentiment that was super overheated. Even now, the CNN fear/greed meter is a greedy 68 out of 100.

We are still mostly on long hold although we have a few ideas below. Airlines recovered nicely intraday to hold support so we have one to dabble in. And there is an unrelated stock with a breakout in a bad market day.

But we repeat - long hold. The Radar Screen is still very light and we are not carefree here.



The hourly **SPY** chart looks like a bear flag but we are not so sure. For now, we see it holding support.

As for oil, it is at the trendline but sans reversal signal. Indeed, it is lower in the premarket.

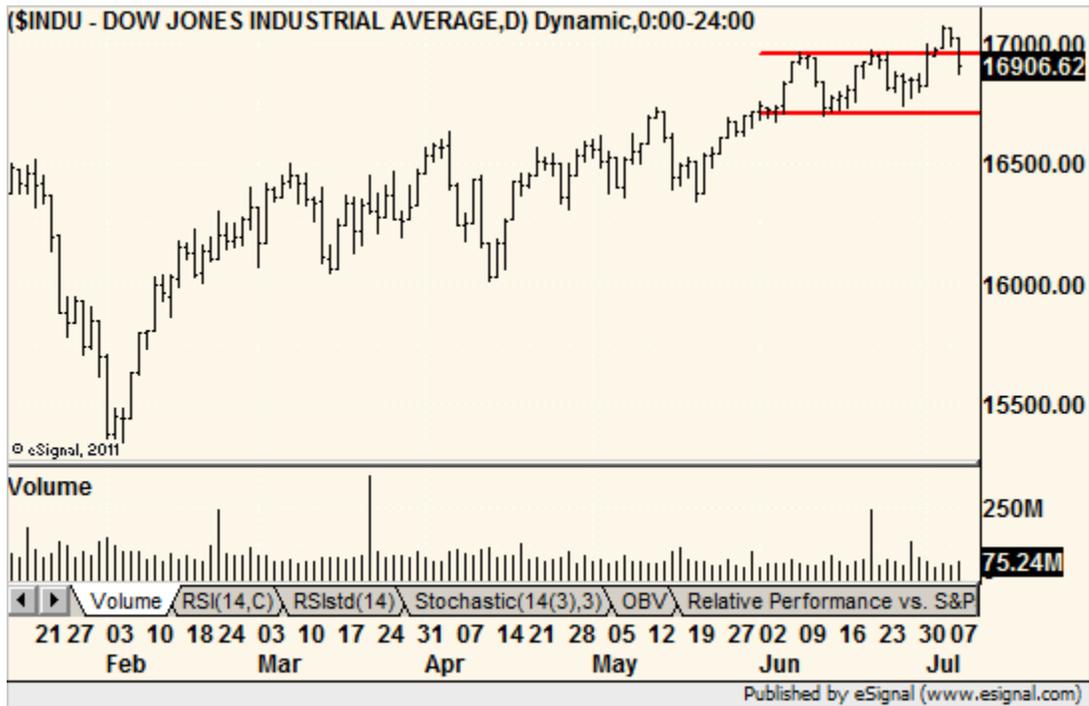
Gold, everyone here knows, is still on our "like" list despite the doubters.

That's it for comments today. No filler required.

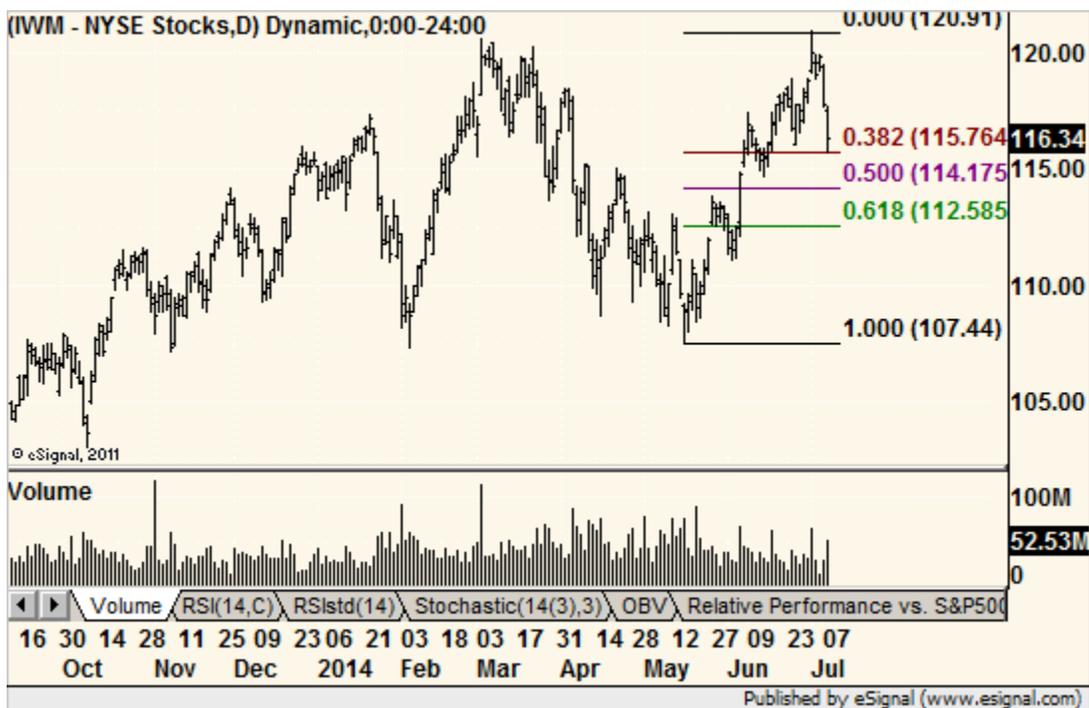
Index Charts of the Day



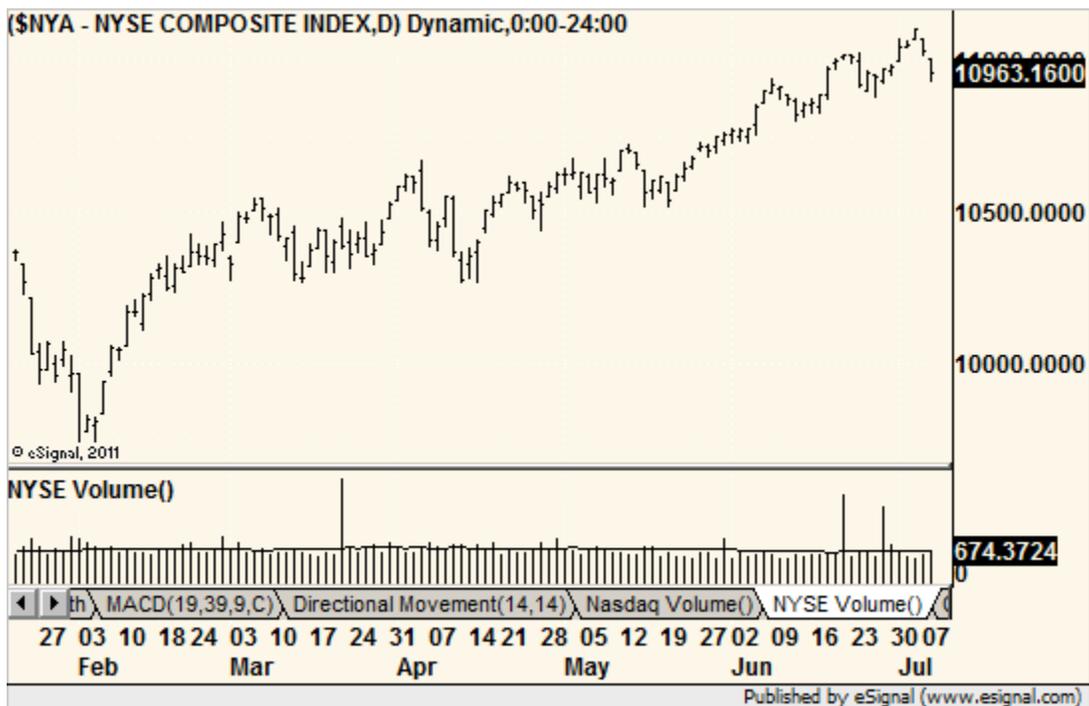
The S&P 500 is still above its 20-day average. No panic needed.



The problem with a failed breakout is that it often becomes a bearish signal. So far, we still have to allow this to be just a test of the breakout but any further losses and it changes tone for the worse.



The Russell ETF shows a big drop after hitting resistance but it has already retraced a Fibonacci 38.2%. This might be over and if it is not we'd expect a bounce here.



Check out the NYSE composite. Still looks like a rising trend and volume on the sell-off was still low.

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		
American Airlines AAL - Viewed in close-only line format, we see a hold at the 50-day average and a higher low in on-balance volume. This is a good risk but unfortunately it is jumping in the premarket. If it dips back to 41 and the market stays positive we'd take it.	New	7/9
Leapfrog Enterprises LF - This toymaker has a rounded bottom but it is a pattern that is difficult to set a specific breakout. However, this one looks to have its breakout and on a bad market day. Looks good here.	New	7/9
Bearish Implications		
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		
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
Church & Dwight CHD - Consumer staples stock with a possible topping pattern. <u>Looking to sell a bounce</u>		7/7
Computer Associates CA - Put this software stock on your watch list with a trend break and basing pattern. Well, Tuesday was bad but we'll keep it here		7/8
Sector Watch (observations that may spark ideas)		
Energy - Still looking for a pullback to buy		6/26
Railroads - Ascending triangle for the index		7/3
Mortgage REIT - Big dividends but chart breakdowns		7/7
Airlines - Big hammer candle	New	7/9
Updates		
Blackberry BBRY - Not a bad finish considering how overbought it was. Perhaps now pausing before a new rally attempt		
Oil ETF USO - Still waiting for a buy signal now that is held supporting trendline		

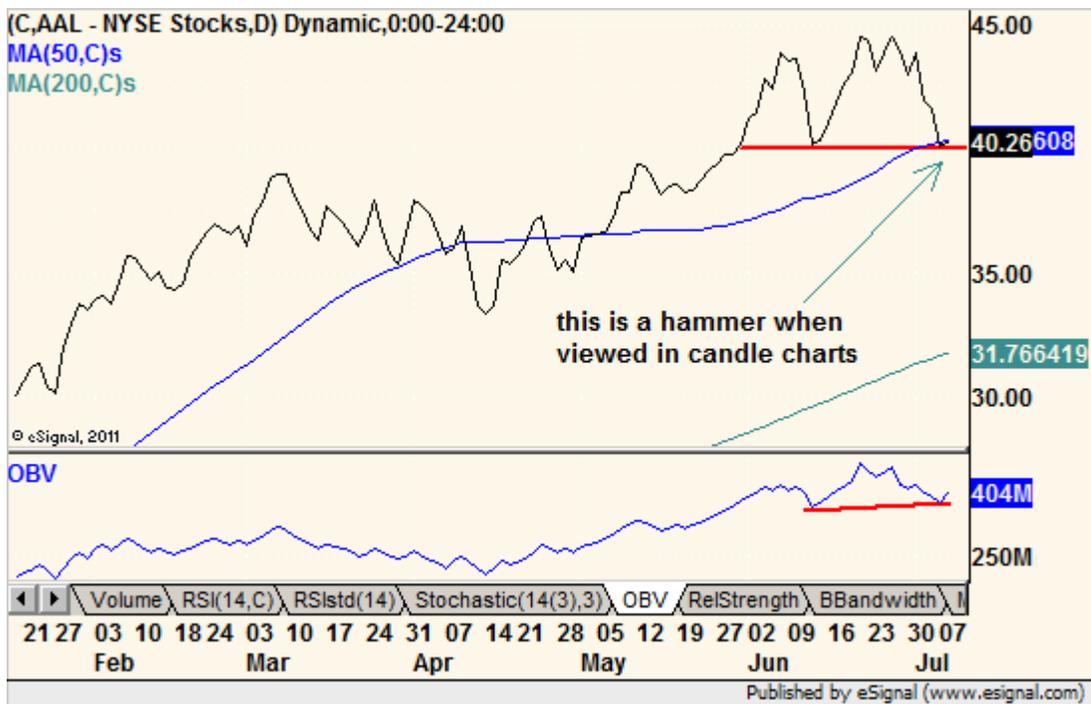
Market Highlights



Long T-bond ETF- Some call this a bull flag. We see a trend break and test. Neither is definitive but it is very hard to think bonds have much rally left at this time.



Airlines index - A hammer candle and failed trend breakdown are bullish. We think it is OK to speculate long in DAL, UAL, AAL, HA. See next chart



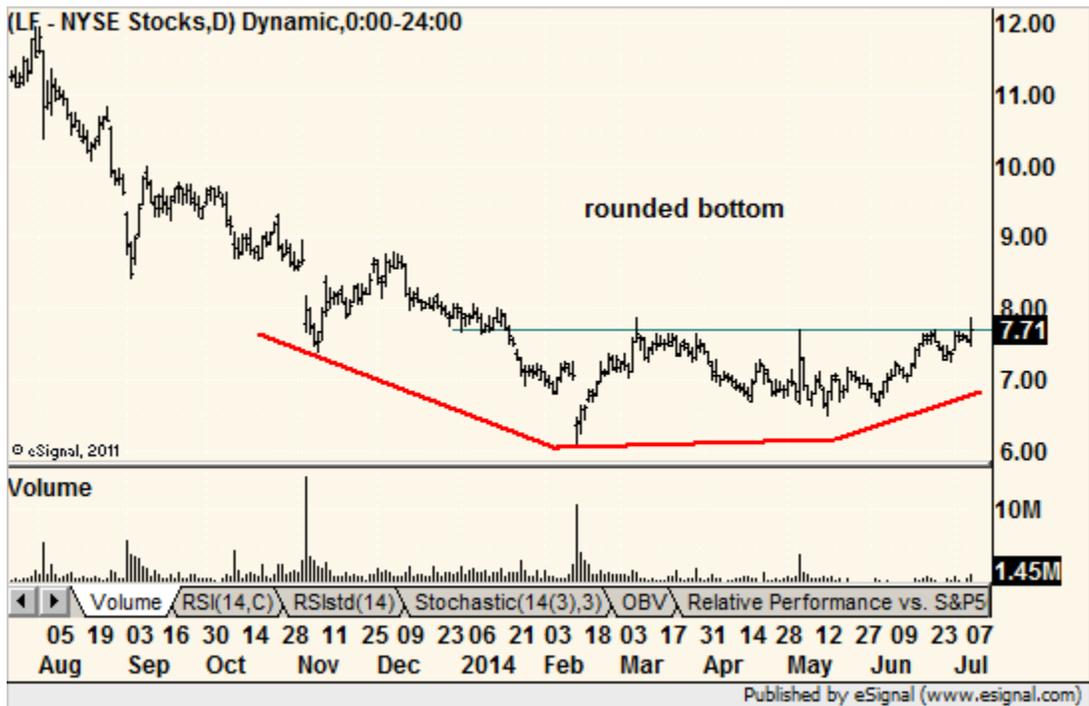
American Airlines - Viewed in close-only line format, we see a hold at the 50-day average and a higher low in on-balance volume. This is a good risk but unfortunately it is jumping in the premarket. If it dips back to 41 and the market stays positive we'd take it.



Platinum - Don't limit yourself to gold when talking about precious metals. Platinum has a nice breakout and test.



Allstate - Ahead of earnings, this one is on hold with a negative bias in on-balance volume (two-pager on OBV, [click here](#) - new subscribers, it is part of the service).



Leapfrog Enterprises - This toymaker has a rounded bottom but it is a pattern that is difficult to set a specific breakout. However, this one looks to have its breakout and on a bad market day. Looks good 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. 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	75.82	3.2%	72.50	73.50	5/30	39
	KMI	KINDER MORGAN INC DEL	35.53	4.3%	34.50	34.05	6/4	34
	MRO	MARATHON OIL CORP	39.44	6.4%	39.00	37.07	6/5	33
	GOOGL	GOOGLE INC	578.40	3.8%	560.00	557.11	6/5	33
	RGLD	ROYAL GOLD INC	74.73	11.9%	72.00	66.77	6/12	26
	MYL	MYLAN INC	50.27	0.3%	50.00	50.11	6/17	21
	LLY	LILLY ELI & CO	62.46	0.7%	60.00	62.03	6/20	18
	IBB	ISHARES NASDAQ BIOTECH ETF	255.00	-0.3%		255.64	6/20	18
	COL	ROCKWELL COLLINS INC	78.33	-2.5%	78.00	80.34	6/23	15
	BMY	BRISTOL MYERS SQUIBB CO	47.86	-0.9%	47.50	48.30	6/23	15
	DDD	3-D SYS CORP DEL	59.00	2.8%		57.42	6/26	12
	MTZ	MASTEC INC	30.70	2.6%	29.50	29.92	6/27	11
	VZ	VERIZON COMMUNICATIONS INC	48.76	-2.3%	48.00	49.90	7/3	5
<u>Short</u>	none							

Notes: Lots of damage Tuesday. **DDD** fell sharply so the 3-D printing breakout now seems dead. Whereas we were once up double digits we end with a very small gain.

Also stopped out if **IBB** for a tiny loss. This is bad because here, too, we had a nice gain at one point.

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

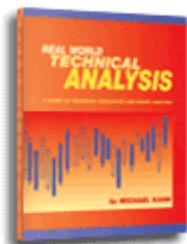
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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