

QUICK TAKES PRO

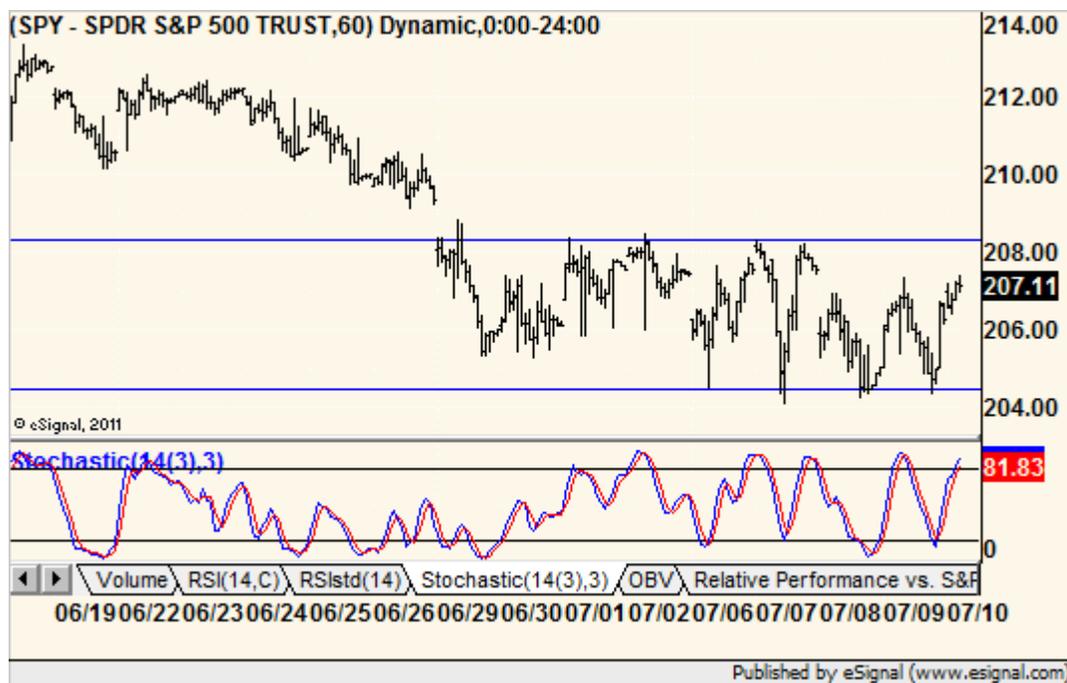
"TECHNICAL ANALYSIS FOR EVERYONE"

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July 10, 2015 – There are two forces at work today, in our opinion. The first is the fundamental news that a deal in Greece is closer. That's bullish. The second is that the market failed to hold a bounce once again. That's bearish.

In the premarket, the good news is winning but we will have to see yet again if the market can hold a bounce. If it cannot, then three strikes and you are out.

We have a few setups on the long side that look ready to try. They held up nicely during the recent turmoil and now look to be emerging from their patterns. While we still think cash is king there is always something that we can do to extract a little money from the market and the risk/reward profile is more favorable today than it was last week. Again, we are talking about these few stocks, not the market.

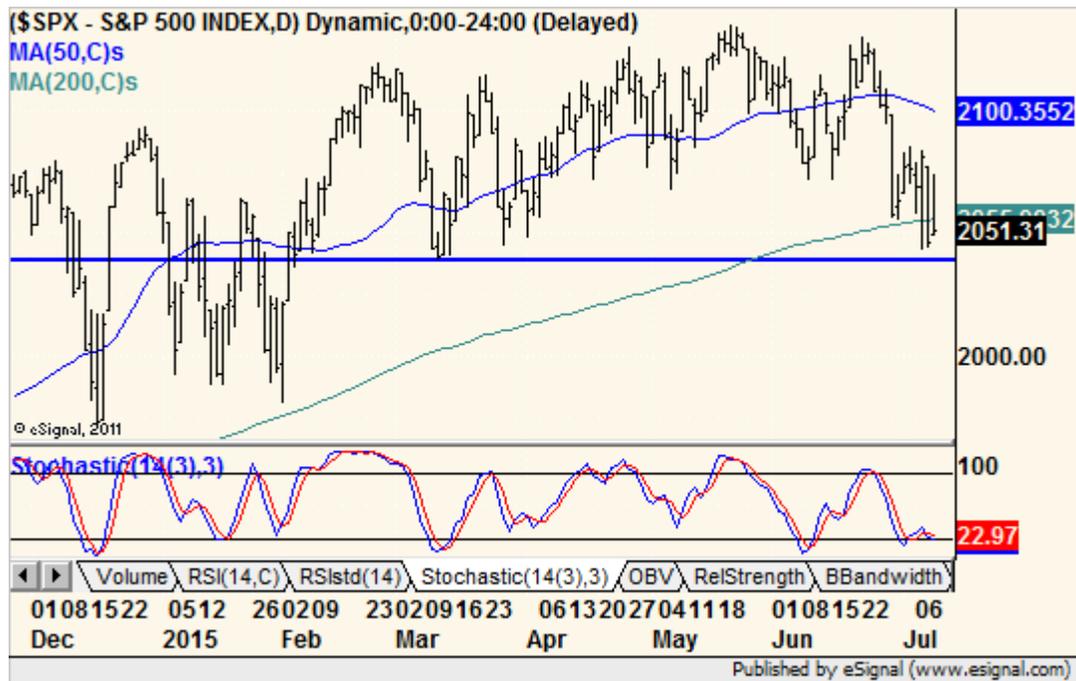


Not much has changed in the hourly chart although we moved the resistance level a bit higher to match actual highs. Stochastics is on the high side after the overnight rally so any disappointment in the Greece deal could face serious selling.

And as for the O'Neil follow-through day setup, yesterday was supposed to be day one but it failed. Today could be another shot at a "day one" but we will have to see.

Europe is putting up some big numbers this morning perhaps sending sentiment to a frothy extreme already. And China still in a big bear market rally.

Index Charts of the Day



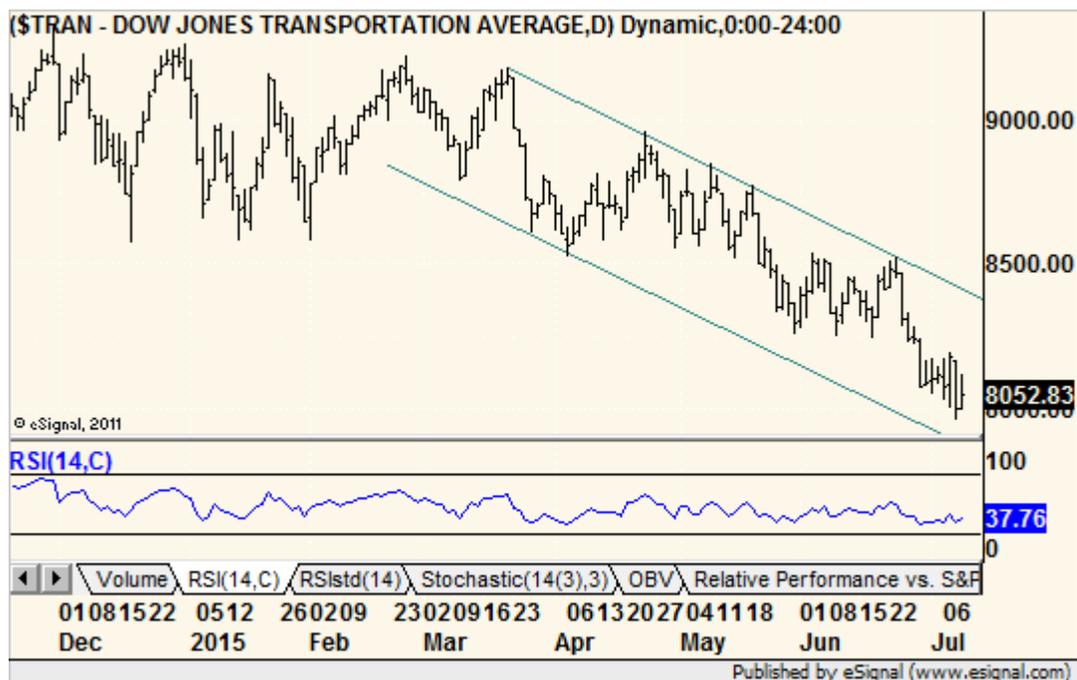
This is two days in a row closing below the 200-day average. Note key support just below. If it were not for news outside the market we'd expect this to fail.



The Dow is below March support but the Dow Theory sell signal, in our view, would not happen until the Feb low is taken out.



The Russell 2000 shows its own May low as critical support because it is also the top of last year's big range and the 200-day average.



The transports have a crystal clear falling trend channel and are not oversold.

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		
Manpower MAN – We've been following this one for a while and it held up well. Now looking to emerge from a bull flag after a breakout test. Buy close over 90.75.	Moved	6/29
Carnival CCL – Another we've been watching with bull flag and breakout test. Jumping up today so we'll buy if it stays there. Buy close over 50.50	Moved	6/29
Goodyear Tire GT – Bull flag now testing weekly breakout. Buying now limit 29.75 for a quickie.	Moved	7/1
Bearish Implications		
Hewlett Packard HPQ – Looking nasty long-term. Sell the bounce of head-and-shoulders neckline. We'll sell 31.50.		7/2
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Sanderson Farms SAFM – Falling on-balance volume suggest support will break. And it did. <u>Looking to sell a bounce.</u>		7/2
Dow Chemical DOW – Looks sellable on the test of the breakdown.		7/2
Sonoco Products SON – This is a packaging stock (unlike Sonoco the oil company). Still looking to sell a bounce. .		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
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
Sector Watch (observations that may spark ideas)		
Financial ETF XLF – Trend 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 XLI – 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 weakening	Changed	6/30
Non-ferrous metals index – Big breakdown on a flat to higher day. This includes the likes of FCX, BHP, RIO, TCK and SCCO .		7/1
Banks ETF KBE – Gapped down to a test of trendline. Danger!		7/2
Heavy Construction – Bearish. FLR, PWR, KBR, JEC		7/7
Chemicals – Look terrible.	New	7/9
Updates		
none –		

Market Highlights



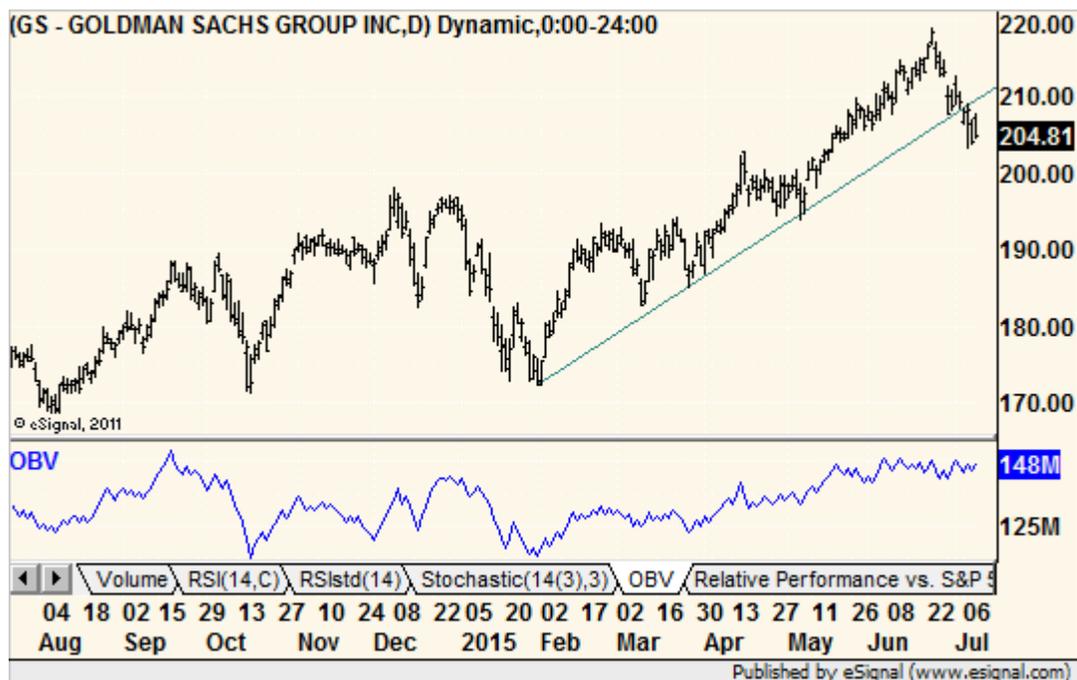
Stoxx-50 – The Euro blue chip index bounced on cue but is still not out of the woods.



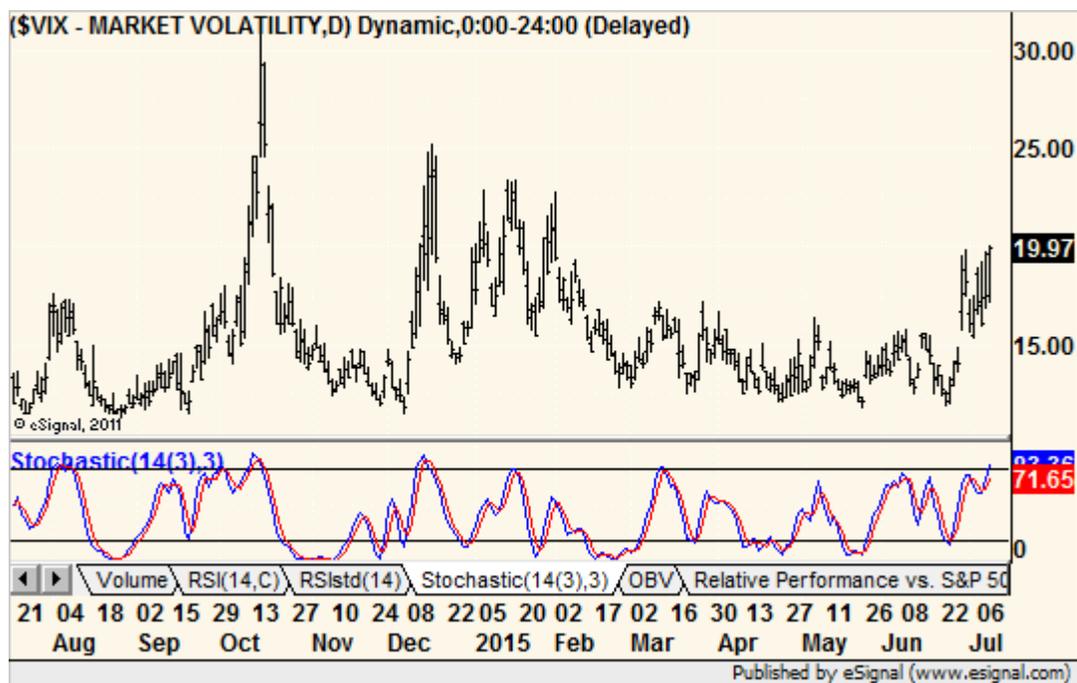
Semis – Big failure yesterday but oversold conditions make this look like an overshoot of support. In other words, expect a bounce but this is a weak looking chart overall.



Silver ETF – Hammer candle confirmed. This is now a false breakdown and actually bullish. But as we have seen before it has not lasted. Always skeptical but eyes open.



Goldman Sachs – Price breakdown but on-balance volume holding steady. Price rules but OBV can throttle it back.



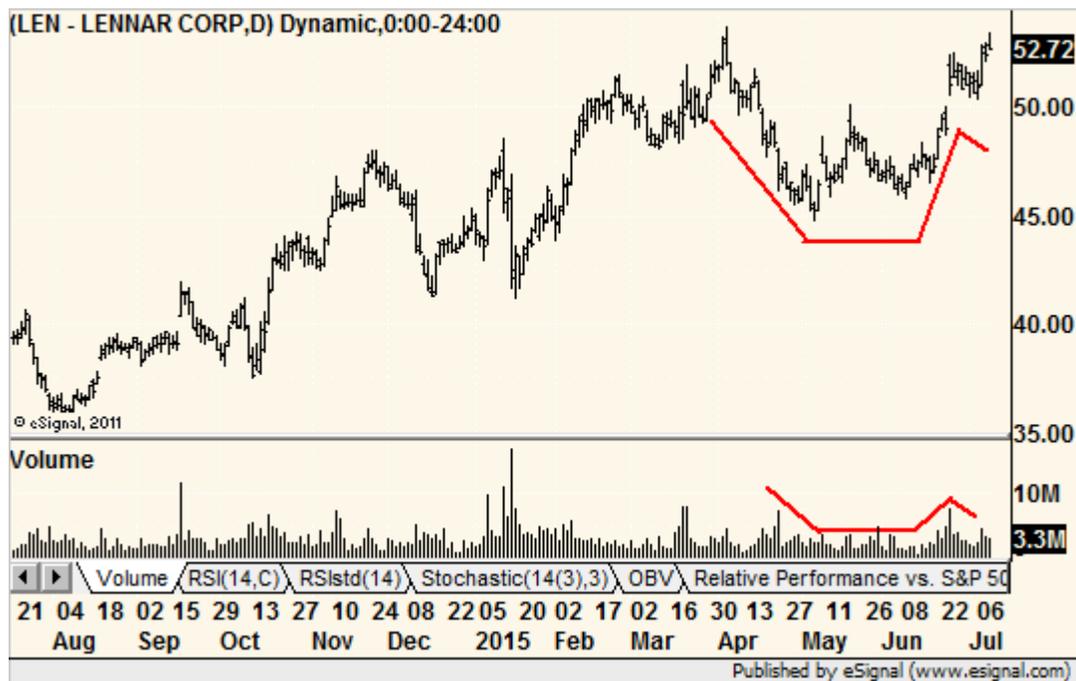
VIX – Edging higher although it is expected to drop today. This is not the panicky **VIX** spike as we saw in October (Ebola). Possibly more sustainable.



Advance-decline – This is not encouraging.

Today's Lesson

In this section, we take a look at a topic in technical analysis in real-time, not textbook time.



Lennar – While the homebuilder ETF looks like nothing, there are a few homebuilder stocks with this cup-with-handle pattern. Note how volume also matches the price pattern, as it should. We are not ready to buy this because bonds are still in a down trend but it is something to consider if there is clarity in Greece.

Two-pager on cup-with-handle, [click 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.

Notes: The Advice Tracker is completely empty right now as we are 100% in cash.

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

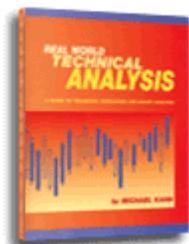
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

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