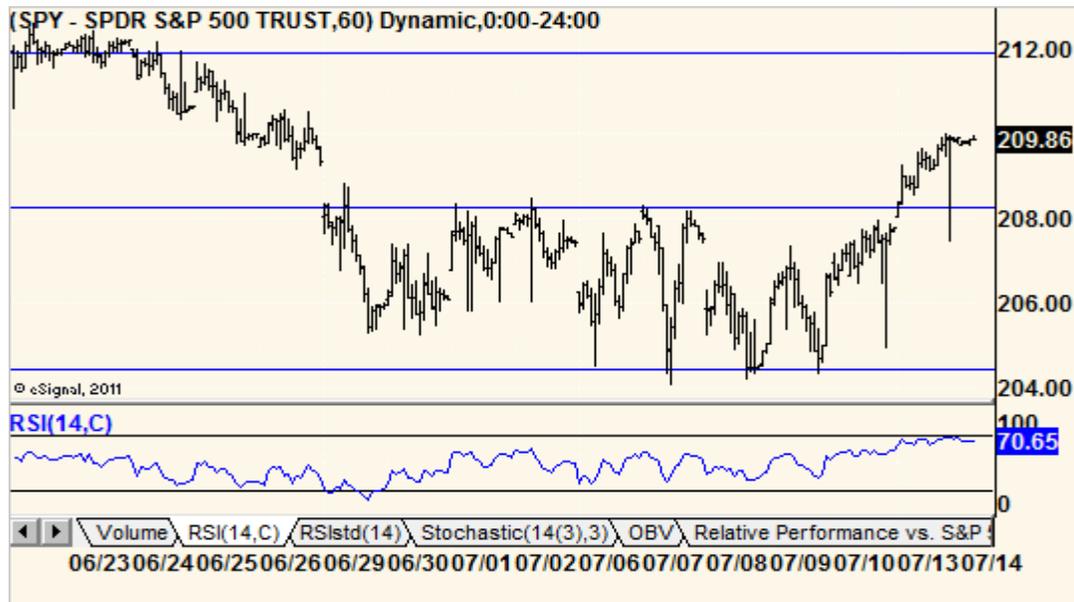


QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

July 14, 2015 – Give it to the bulls for holding on to the opening rally until the close. But the Greece deal is now yesterday's news – literally – because today we have the Iran deal to digest. The stock market is not doing much after that news but oil is down, presumably because lifting sanctions will turn on the spigots of Iranian oil exports. The other world player – China – saw its relief rally fizzle while Europe pauses at resistance. We'll run a few Europe charts below to show you what that means.



On the hourly **SPY** chart, the current stall is taking place right on schedule at the half-way point to the upper resistance line. The two trading ranges seen above are roughly equivalent in size and with hourly RSI reaching arguable overbought levels it is a good time to rest. Whether the market will continue to its target is the question but for now there is nothing much to read into the stall.

Today is day three in the follow-through day count so for our purposes there more reason to do nothing. Tomorrow will open the window in which the bulls want to see the price and volume surge. It is a good day to stay on the sidelines and watch the Pluto flyby on NASA TV.

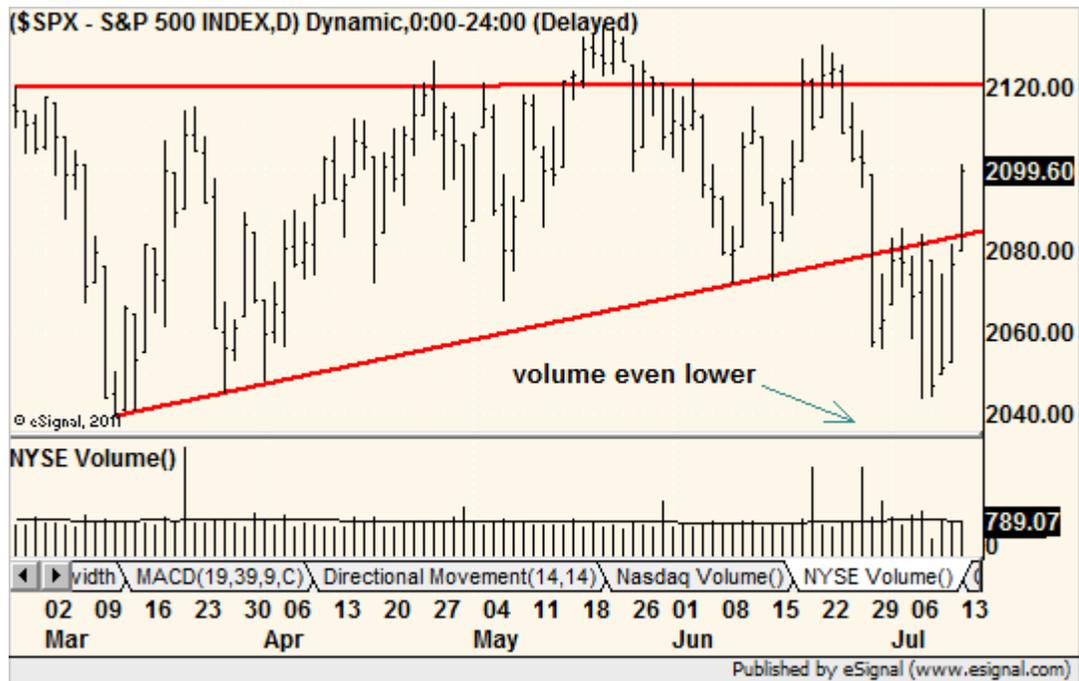
Of course, not everyone can stay on the sidelines. Some have clients demanding a strategy so let's sum it.

1. The market rallied on Greece news but the deal has yet to be ratified across the EU.
2. Homebuilding and retail are outperforming (weak retail sales today, however) but tech is badly lagging. Banks are now up in the air as earnings roll in.
3. Basic materials are badly lagging.
4. Bonds are in a bearish short-term trend meaning long interest rates are rising.
5. Crude oil is in a world of hurt
6. Gold is still doing nothing but silver is better.

So, there are plenty of technical cross currents that look bearish in the near-term even though the specter of a Greek bailout continues to buoy the market. The current bounce can take the market back to old highs at the top of 2015 trading ranges but beyond that we cannot see. That is why we wait for at least a follow-through day signal. And what happens if the Greek deal is not ratified?

We remain in cash with a few opportunistic longs. A breakout to new highs would probably send prices higher for a while so we do not feel compelled to rush into things.

Index Charts of the Day



Back in the old triangle so that is no longer a valid pattern. We have to pivot back to the 2015 trading range. But notice volume getting lower every day with the shutdown day a glaring hole in the pattern.



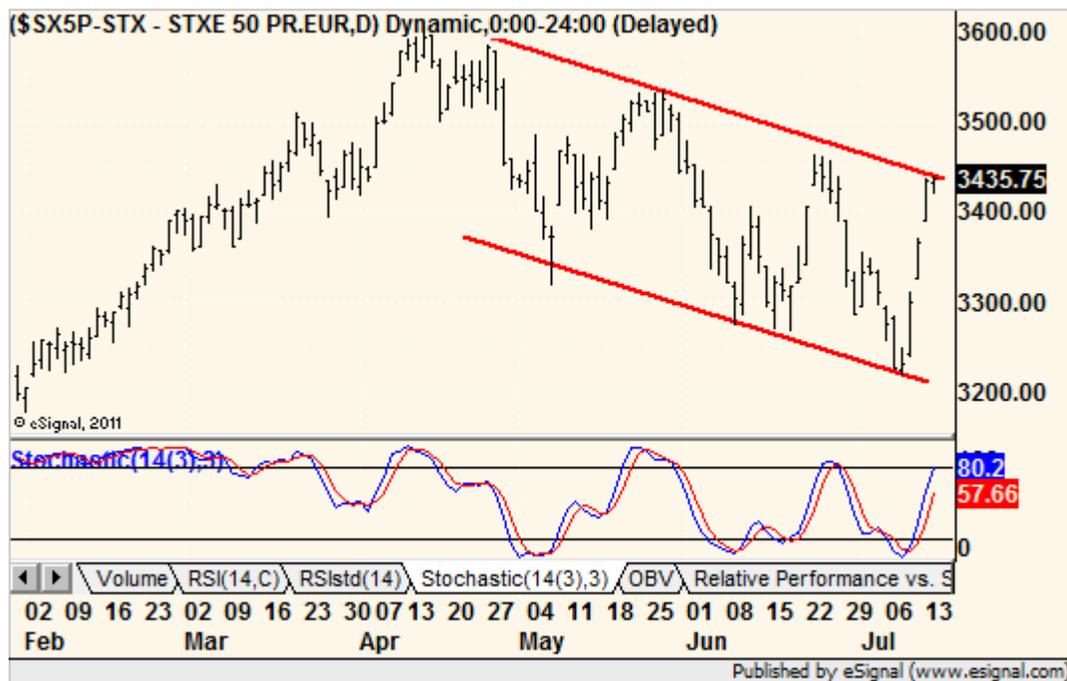
Ditto Nasdaq volume. The trendline is a bit different so this is actually a test of the breakdown.

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		
Hewlett Packard HPQ – Looking nasty long-term. Sell the bounce of head-and-shoulders neckline. We'll sell 31.00 . <u>Dropping the trigger down a tad.</u>	Changed	7/2
Sonoco Products SON – This is a packaging stock (unlike Sonoco the oil company). Still looking to sell a bounce to 44.00.		7/2
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Sanderson Farms SAFM – No bounce so no trade. Still a weak stock	Removed	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. <u>I wrote this up in Barron's as the crossover is pending.</u>		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
Goldman Sachs GS – Price breakdown but on-balance volume holding steady. Price rules but OBV can throttle it back. <u>We may move this to a sell tomorrow.</u>		7/10
Sector Watch (observations that may spark ideas)		
Financial ETF XLF – Trend break.		6/30
Tech ETF XLK –Tech broke again and slipped below the 200-day average.		6/30
Industrials ETF XLI –breakdown of pennant and averages. Transports are here.		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 – Testing trend break.		7/2
Heavy Construction – Bearish. FLR, PWR, KBR, JEC		7/7
Chemicals – Look terrible.		7/9
Updates		
Under Armour UA – Cup-with-handle breakout		

Market Highlights



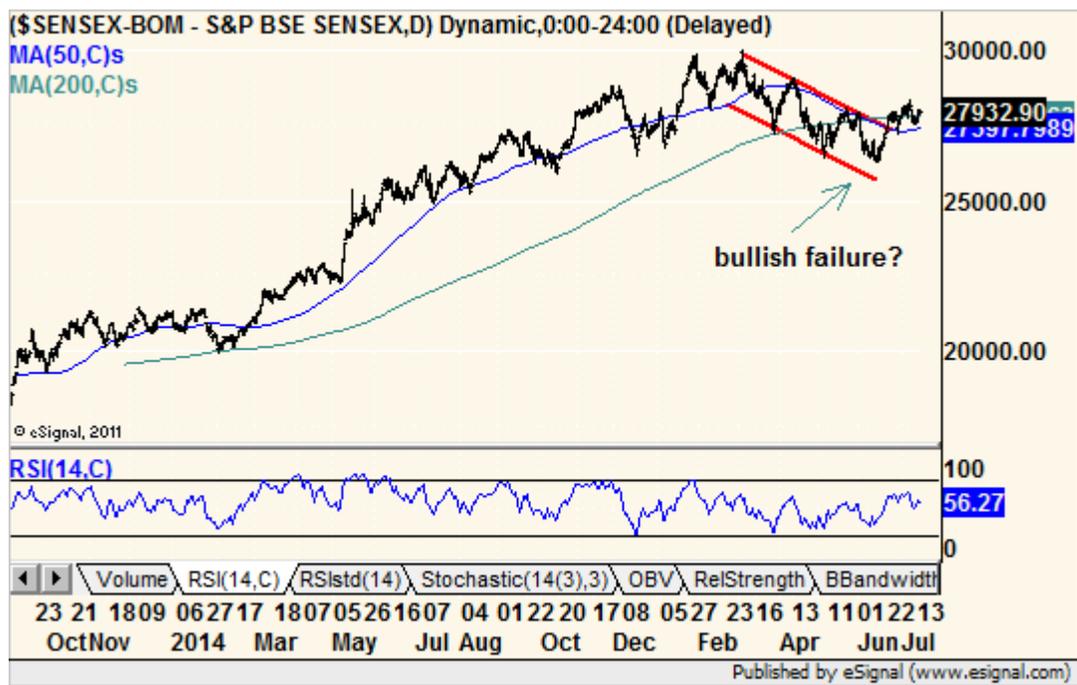
Stoxx-50 – The Euro blue chip index looks mostly the same today as it did yesterday. Now at resistance and short-term overbought.



Portugal – Also at resistance. Note the very steep drop and recovery. This country is worried and could nose dive if the Greek deal falls through.



Germany – Of course, stronger than Portugal and the other PIIGS with a bounce off the 200-day but how it has an arguable trend break needs explanation. Technically, we still do not believe it is a breakout.



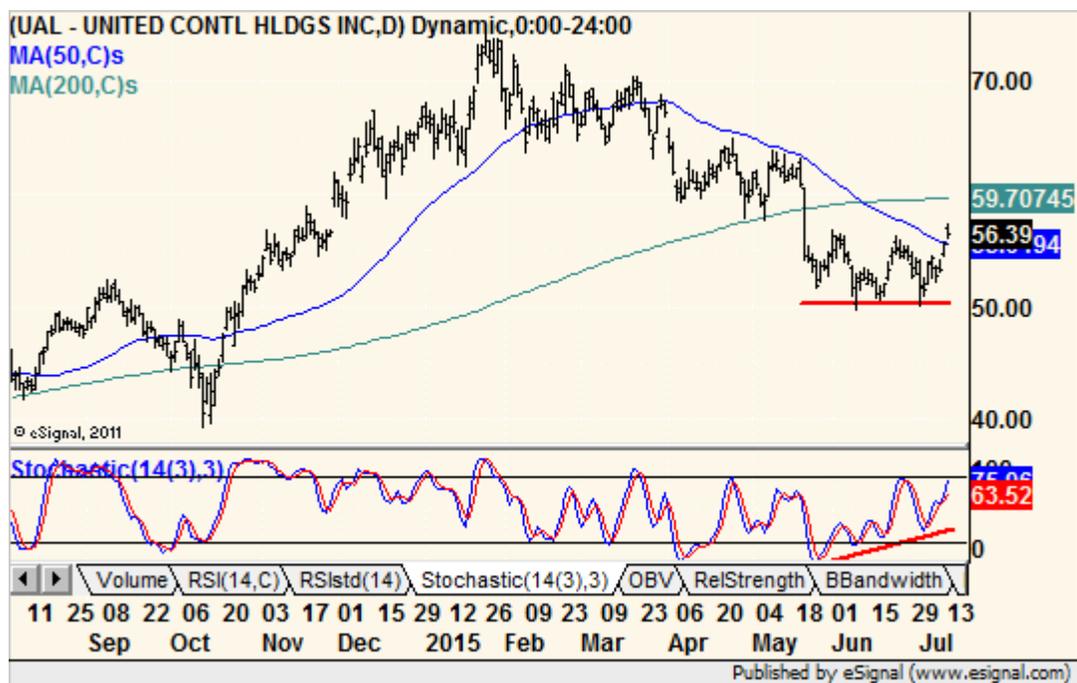
India – This is arguably a bull flag breakout with a pause. If it keeps firming it will recapture the 200-day average and considering all the world’s events this is rather isolated from it all. If you have a global portfolio, exposure here would probably be a good thing.



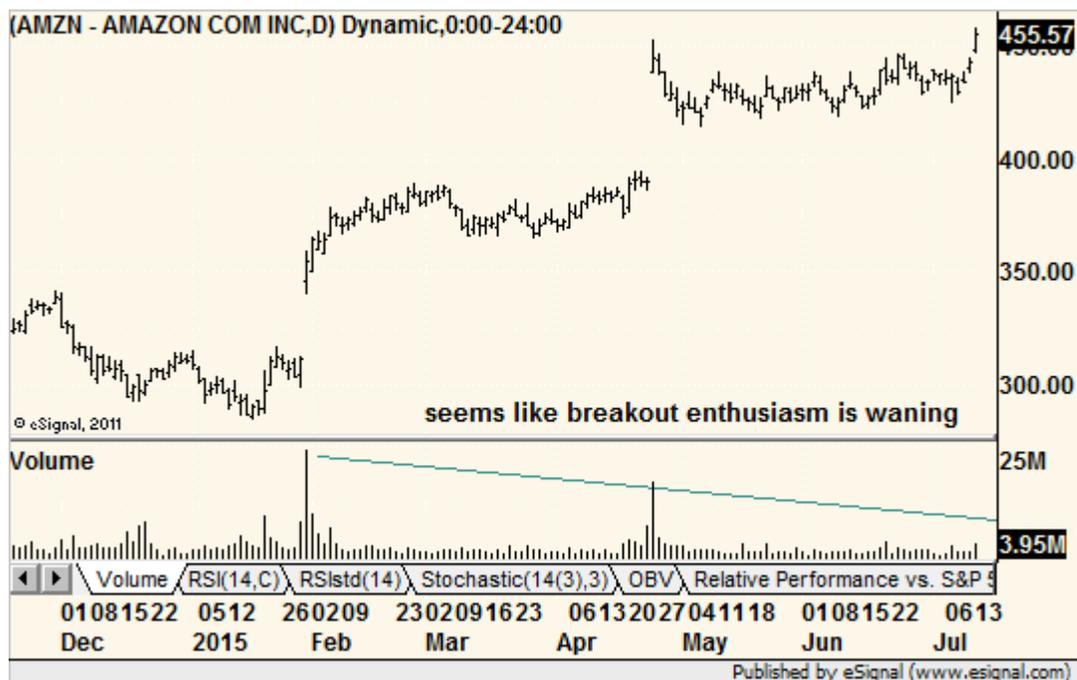
Australia – Looking weak, even with a breakout. We’d avoid.



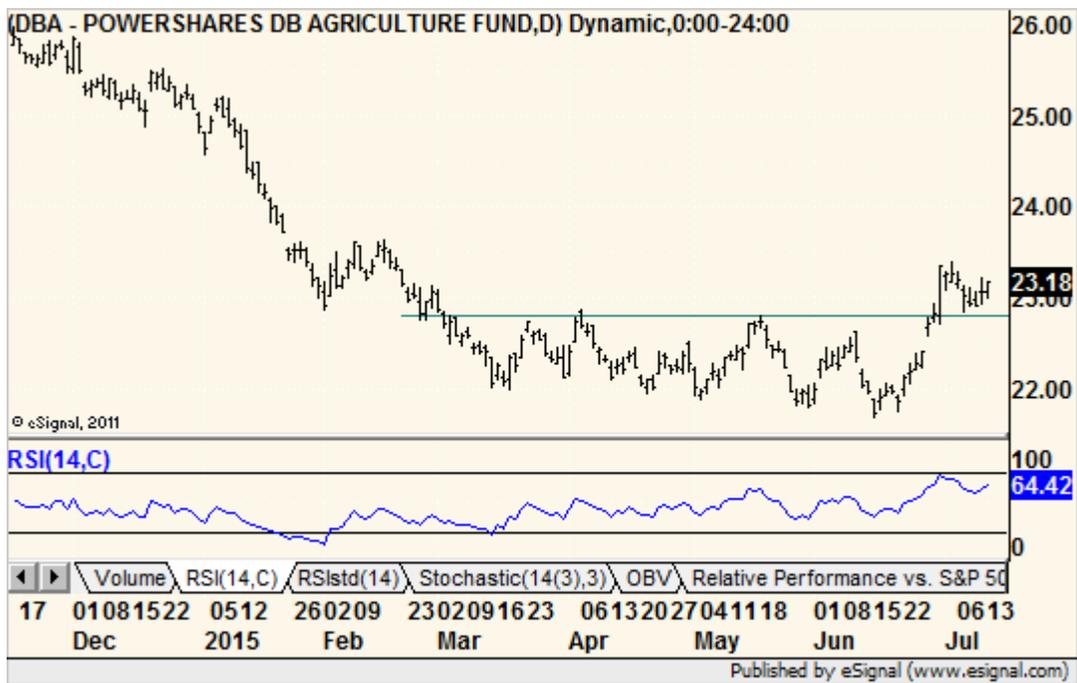
Junk bond ETF – Still looking lousy. Risk off.



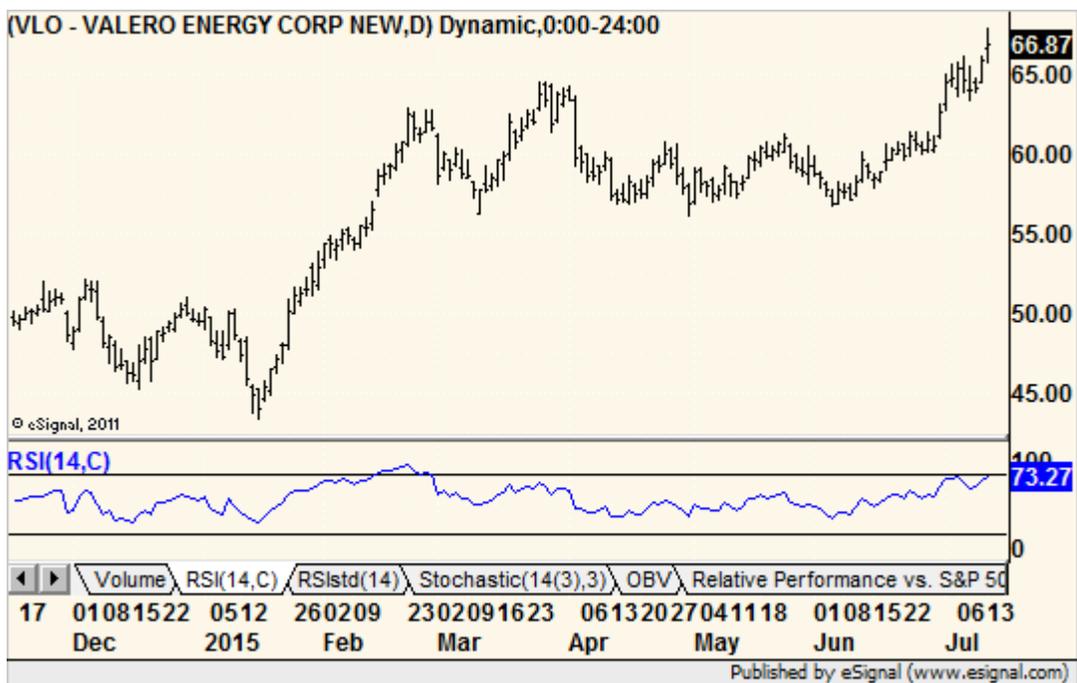
United Continental – Everyone hates airlines but oil is so weak that this double-ish bottom breakout looks buyable. We are not doing it but if you are feeling feisty...



Amazon – New high but look at each time it gaps up. Less and less volume until it is hard to even see. We are skeptical.



Ag fund – Industrial commodities look lousy but food commodities in this ETF have a base breakout.



Valero Energy – Oil refiners look very good although now overbought. That tells us that oil prices – their inputs – will stay low.



Boeing – Looks like a breakout but falling volume suggests it will probably be better on a pullback.



Altria – We are still suckers for dividend stocks. This tobacco maker is pausing after a breakout.

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>	MAN	MANPOWERGROUP INC	91.86	0.0%	88.00	91.89	7/10	3
	CCL	CARNIVAL CORP	51.83	2.5%	49.00	50.58	7/10	3
	GT	GOODYEAR TIRE & RUBR	29.41	0.4%	28.50	29.30	7/10	3

Notes: No change and frankly disappointing performance.

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

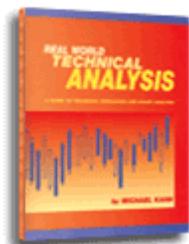
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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