

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**July 22, 2014** - It feels that the market is just wobbling with an equal down day to every up day. This morning we see futures erasing all of yesterday's loss but not more. One thing that is a bit more positive is that the Nasdaq ETF (QQQ) is bumping up against its July 16 high - a.k.a. - all-time high. But in the big picture, at least in our view, we do not see reason to jump on the bull side or the bear side in any big way. We're mostly long but not very interested in adding too much to it. And little is popping up as a must-do short.

What is working in the Advice tracker is still the same - gold and oil, even with the former's stumbles lately. West Texas crude is back above 105 only a week after being under 100. And other than one very bad day, gold has actually spent more time rising than falling.

The headlines are providing some humor. We've seen "crash coming" and "next stop 18,000" in so many words and today's wrapped them all up in a nice little package. Check this: "When Dow soars to 20,000 — then stocks crash?"

Who says you can't have your cake and eat it too? Rather, who says you can't have your waffles? Pass the syrup.

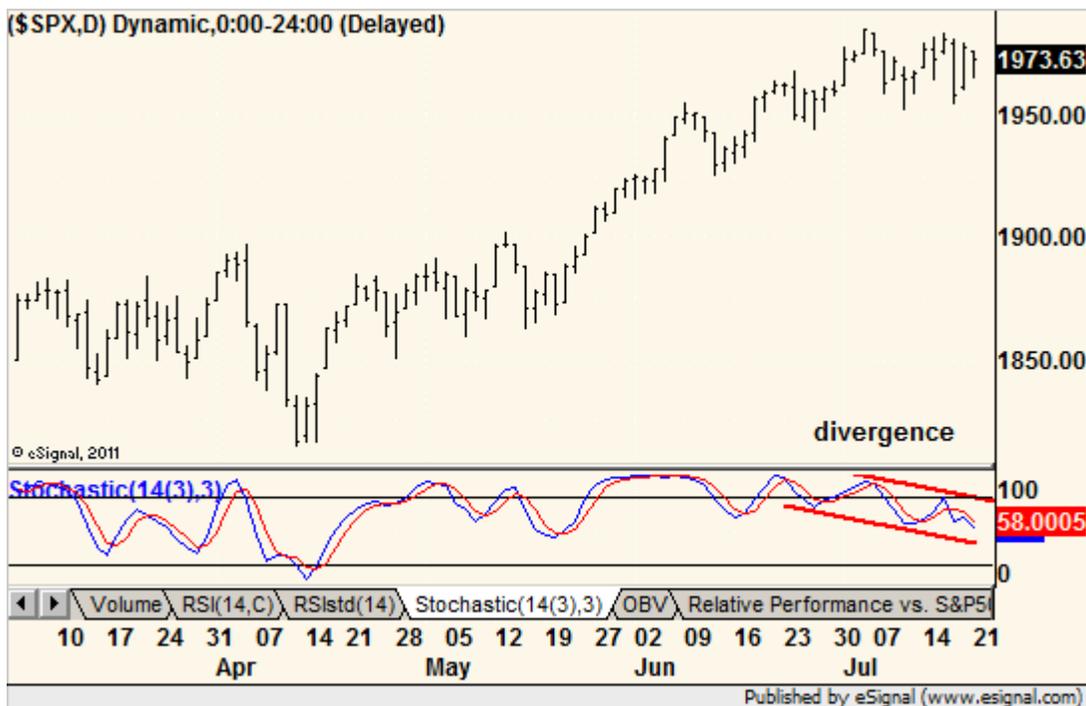


The hourly **SPY** shows the development of a new short-term support at yesterday's low. Momentum is holding on the positive side so seeing a run at new highs would be no surprise. But then again, with the QQQ already at resistance that is far from a prediction. We'll stick with the idea that resistance overhead is still a problem for short-term traders.

As for longer-term traders and investors, the Index Charts of the Day below will show some bearish momentum divergences for another reason not to get overly bullish.

Once again, the plan is "long hold" but with an eye open for short setups that may develop.

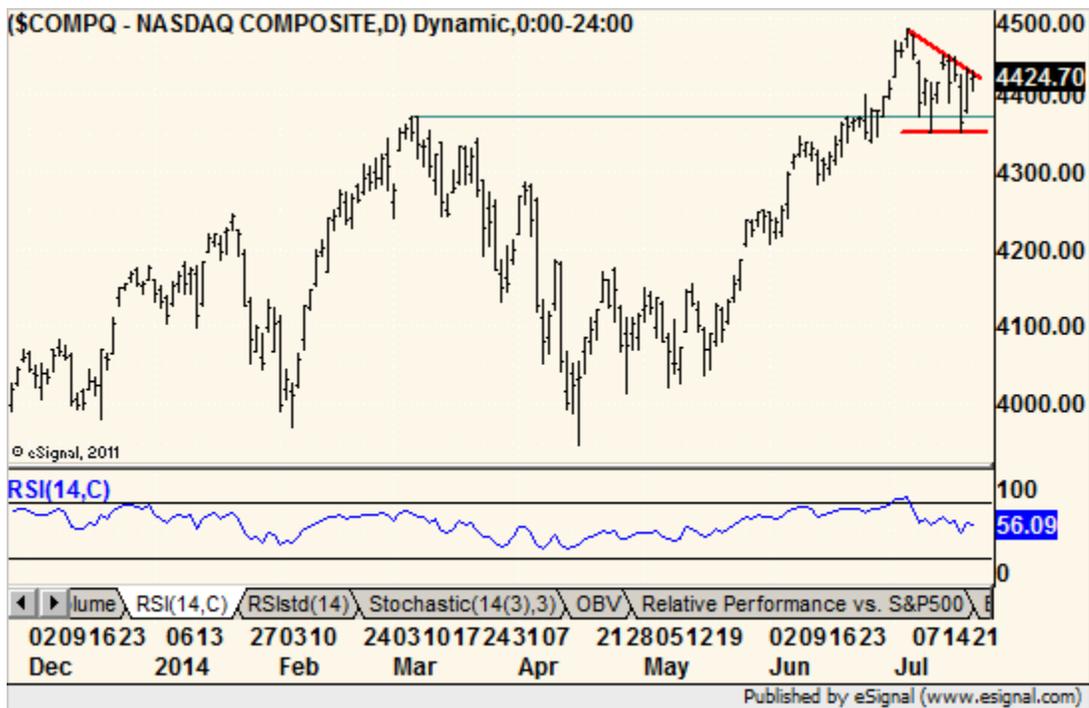
## Index Charts of the Day



We now see a rather big divergence in stochastics. This tells us that daily closes are starting to appear in the middle of daily ranges instead of the upper end and that is a loss of momentum.



We are not going to label this as a tradable RSI divergence but the indicator shows slightly reduced momentum in the neutral zone. In other words, no power at all as the Dow just coasts. Any outside shock will spoil the party.



The Nasdaq sports either a test of its breakout or a triangle. Both lean bullish - that is unless the red support line breaks.



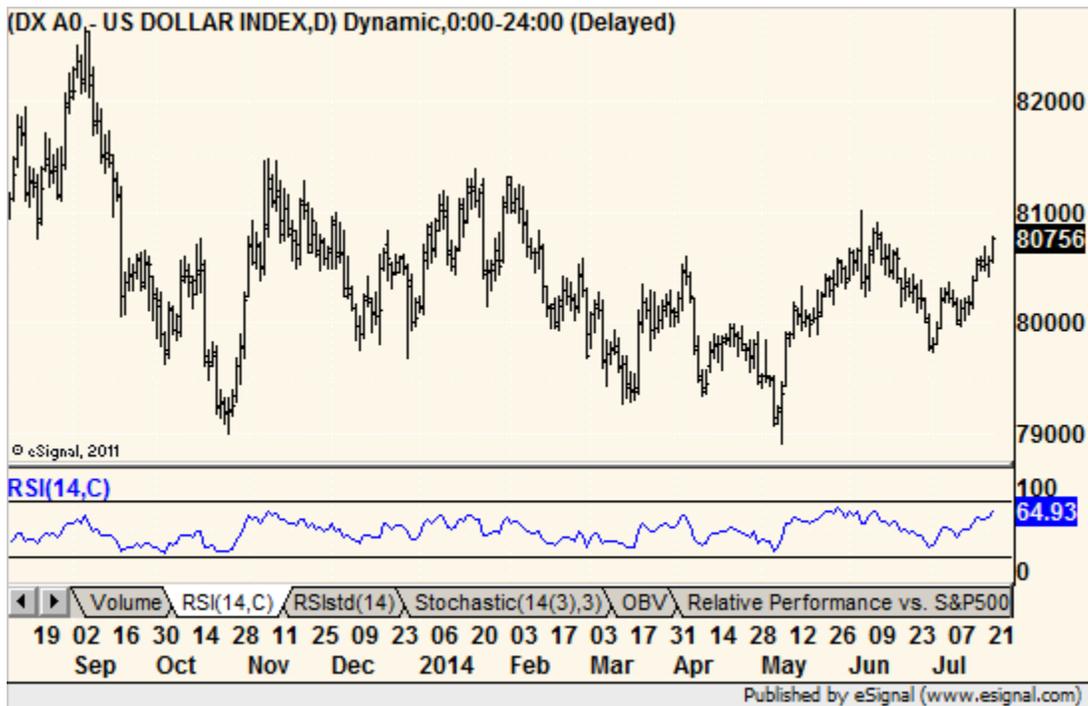
The Russell 2000 is still on life support.

## 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.

<b>Bullish Implications</b>		
<b>Juniper Networks JNPR</b> - This networker has not responded to its positive technicals but they keep on coming. Here, we see rising on-balance volume as prices flounder. The 200-day average held as support. Buy break of the trend at 24.50.	<b>Triggered</b>	7/21
<b>Bearish Implications</b>		
<b>Amkor Technology AMKR</b> - While the big techs show good earnings with mixed chart results, here is a semiconductor stock (actually, they do testing and packaging) with a bearish setup. Sell close under 10.60.		7/18
<b>Las Vegas Sands LVS</b> - This one gets a lot of exposure in this report and it is now sitting on support. Sell close under 71.35	<b>Moved</b>	7/17
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Franklin Resources BEN</b> - Not doing anything so we'll move on	<b>Removed</b>	7/17
<b>Beazer Homes BZH</b> - We are removing it because this was a frog in boiling water. We should have sold it last week when we found it.	<b>Removed</b>	7/18
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Energy</b> - We are back in.		6/26
<b>Gold miners</b> - A bit better again		7/10
<b>Utilities</b> - Seems to be heading to rising January trendline		7/14
<b>Latin America</b> - looks interesting <b>ILF</b> (new high), <b>ECH</b> (bull reversal at support), <b>EPU</b>		
<b>Financial Exchanges</b> - <b>CME, ICE, NDAQ</b> all strong	<b>New</b>	7/22
<b>Paper</b> - Weak. <b>IP</b> breakdown, <b>KS, MWV</b> in a range	<b>New</b>	7/22
<b>Updates</b>		
<b>none</b> -		

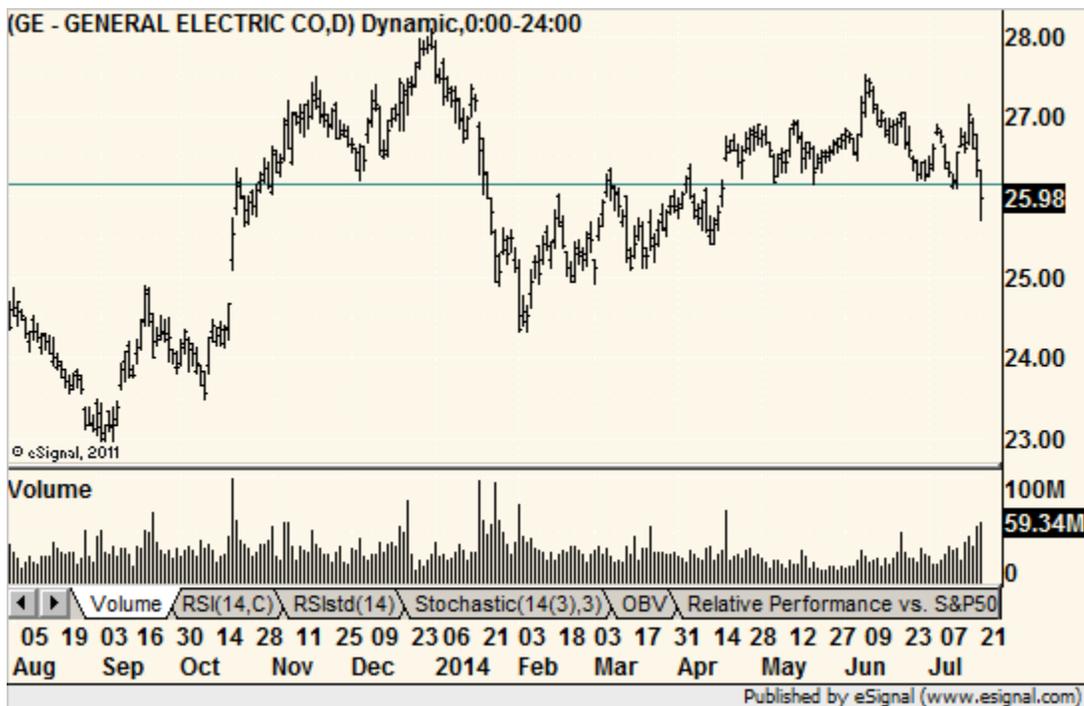
## Market Highlights



**US dollar index** - Strengthening, especially this morning, against the euro. Not so much against the rest of the world.



**Long T-bond ETF** - After setting a new high, this ETF closed back below its May high. This is not so bullish but we'll wait for confirmation before thinking it is bearish.



**GE** - Breakdown although now intraday oversold.



**Intercontinental Exchange** - A breakout. As for the rest of the financial exchange group, similar for **CME**. **NDAQ** already at resistance from its 2014 highs.

## 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>	<b>KMI</b>	KINDER MORGAN INC DEL	37.61	10.5%	36.00	34.05	6/4	47
	<b>MRO</b>	MARATHON OIL CORP	39.77	7.3%	39.00	37.07	6/5	46
	<b>GOOGL</b>	GOOGLE INC	598.44	7.4%	580.00	557.11	6/5	46
	<b>RGLD</b>	ROYAL GOLD INC	77.88	16.6%	74.00	66.77	6/12	39
	<b>LLY</b>	LILLY ELI & CO	63.64	2.6%	61.50	62.03	6/20	31
	<b>COL</b>	ROCKWELL COLLINS INC	80.43	0.1%	78.00	80.34	6/23	28
	<b>BMY</b>	BRISTOL MYERS SQUIBB CO	48.92	1.3%	47.50	48.30	6/23	28
	<b>MTZ</b>	MASTEC INC	30.31	1.3%	29.50	29.92	6/27	24
	<b>VZ</b>	VERIZON COMMUNICATIONS INC	50.70	1.6%	49.00	49.90	7/3	18
	<b>LF</b>	LEAPFROG ENTERPRISES INC	7.74	-0.1%	7.35	7.75	7/9	12
	<b>INFY</b>	INFOSYS LTD	53.49	-4.7%	53.00	56.15	7/11	10
	<b>XOP</b>	SPDR S&P OIL & GAS EXPLORATION	78.52	-0.5%	76.50	78.93	7/15	6
	<b>JNPR</b>	JUNIPER NETWORKS INC	24.45	-0.2%	23.50	24.50	7/21	0
<u>Short</u>	<b>AFG</b>	AMERICAN FINL GROUP INC OHIO	58.27	0.0%	60.00	58.27	7/10	11
	<b>USB</b>	US BANCORP DEL	42.12	1.9%	43.50	42.90	7/11	10
	<b>ALL</b>	ALLSTATE CORP	58.01	0.8%	60.00	58.46	7/15	6

**Notes:** New long in **JNPR** on an intraday trigger.

Raised stop in **RGLD**.

Also raised stop in **LF**, which is fighting its way back from losses.

**INFY** was a bad trade from the start as we had an intraday trigger and the stock jumped up but closed with a big reversal. Just hanging on.

## Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.



**Cameco** - The subscriber asked for targets on this breakout from yesterday's report. It has more or less already hit its first target, which is the height of the base projected up from the breakout.

The second target is 2x that distance. It also happens to coincide with the 61.8% Fibonacci retracement of the 2014 decline, based on daily closes.

This is an uncomfortable breakout because it did not give us a chance to get in easily. That suggests it is stronger than we think but you have to apply your own risk tolerance filter here. It is also overbought intraday.

## 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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