

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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**July 30, 2014** - It seems that it is going to be a quiet morning as everyone waits on Ms. Yellen to speak this afternoon. Sanctions on Russia muted European activity. Twitter earnings lit up the after hours yesterday but aside from the social media ETF (**SOCL**) there does not seem to be much else affected.

Tuesday's session was rather floppy and as the afternoon wore on, prices just lost their will to stay up. But not much changed technically.

We continue to look for places to lighten up the portfolio as we wait for a signal that the bears have finally taken over. So far, not bear although the bull seems to be missing, too.

In sectors, with just a few exceptions, the action was listless, as well. Semiconductors failed to confirm Monday's hammer candles but did not exactly negate them, either. Banks did nothing. Coal had a good day according to the Dow sector index, which looks nothing like the **KOL** ETF.

Telecoms jumped on news from **WIN** but air freight sank on news from **UPS**. The latter sparked a short-term trend break in the Dow Transports, too. More on that below. Homebuilding sank to its lowest level of the year.

Monday's Chart of the Day also cleaned up. Yes, the pun refers to Waste Management (**WM**).

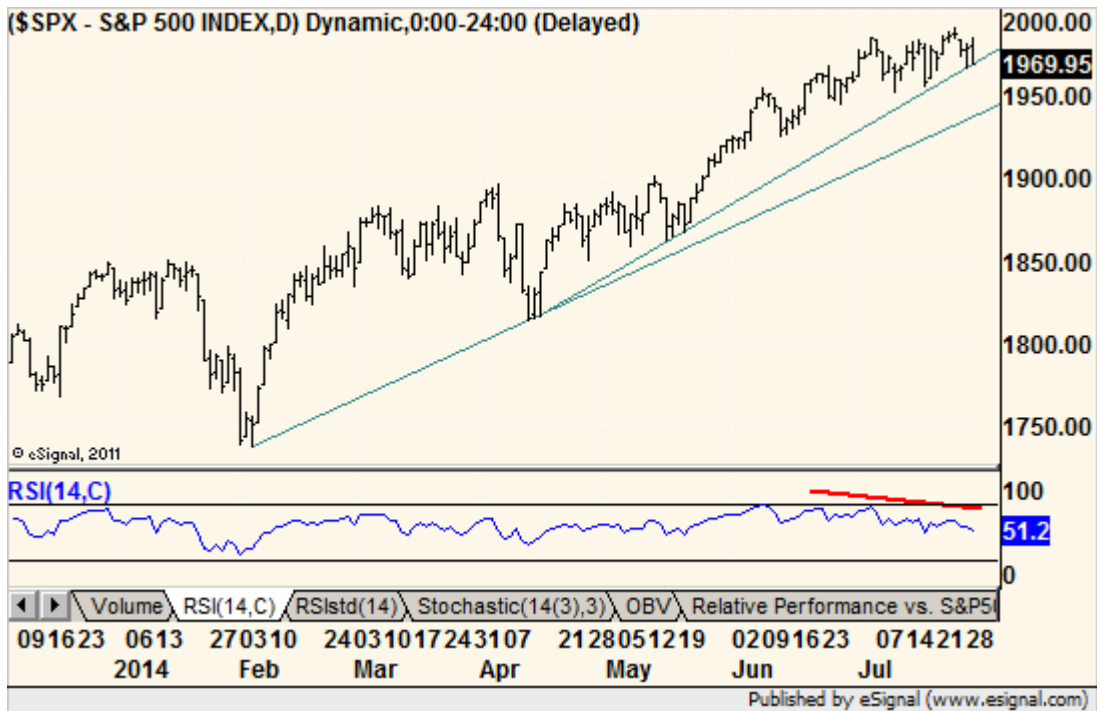


The hourly SPY chart failed to hold above resistance early in the day and tumbled from there. Currently, it is in no-man's land between support and resistance but we think the bias is to the downside - once morning strength is expended.

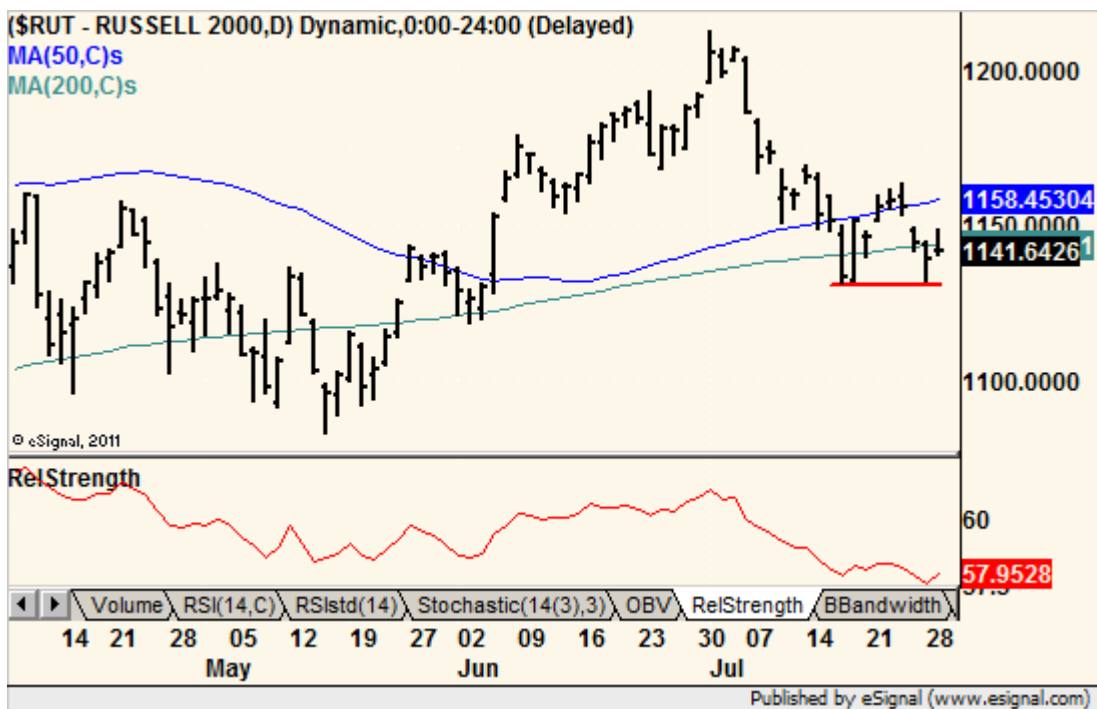
So, we wait for the Fed this afternoon.

**Travel Schedule** - We'll be on the road Thursday and Friday so emails will take a bit longer to answer. No change in publishing schedule.

## Index Charts of the Day



Absolutely nothing different in the S&P 500 today. The RSI divergence remains.



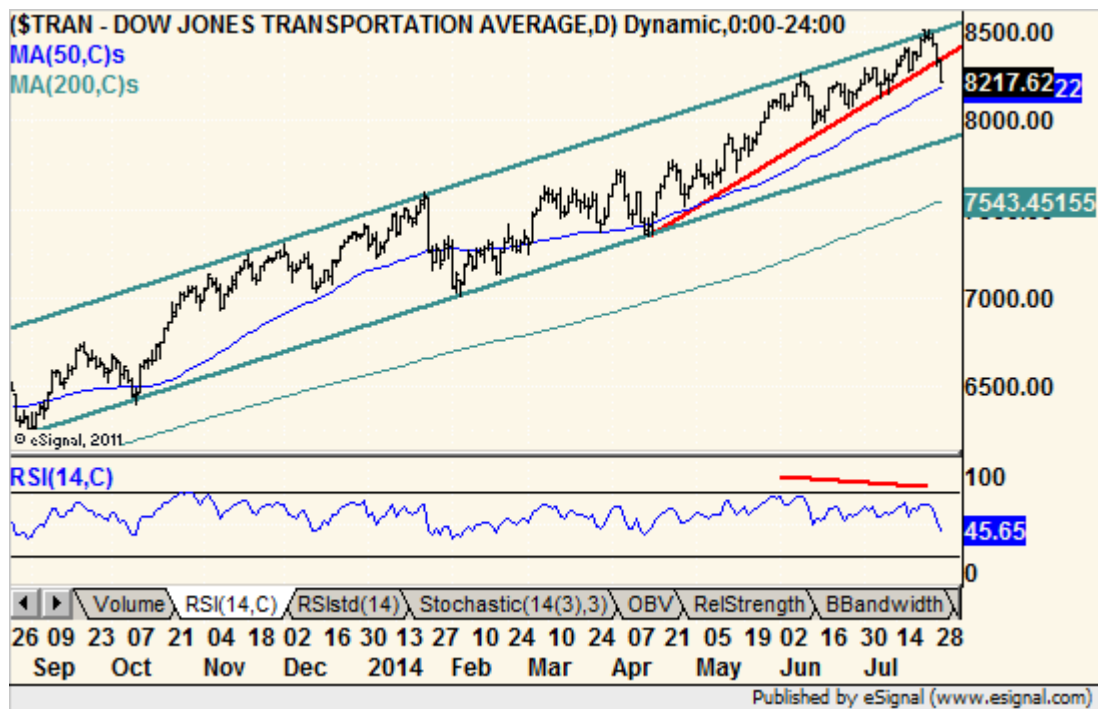
Still a negative bias for the Russell but here, too, nothing new.

## The Radar Screen

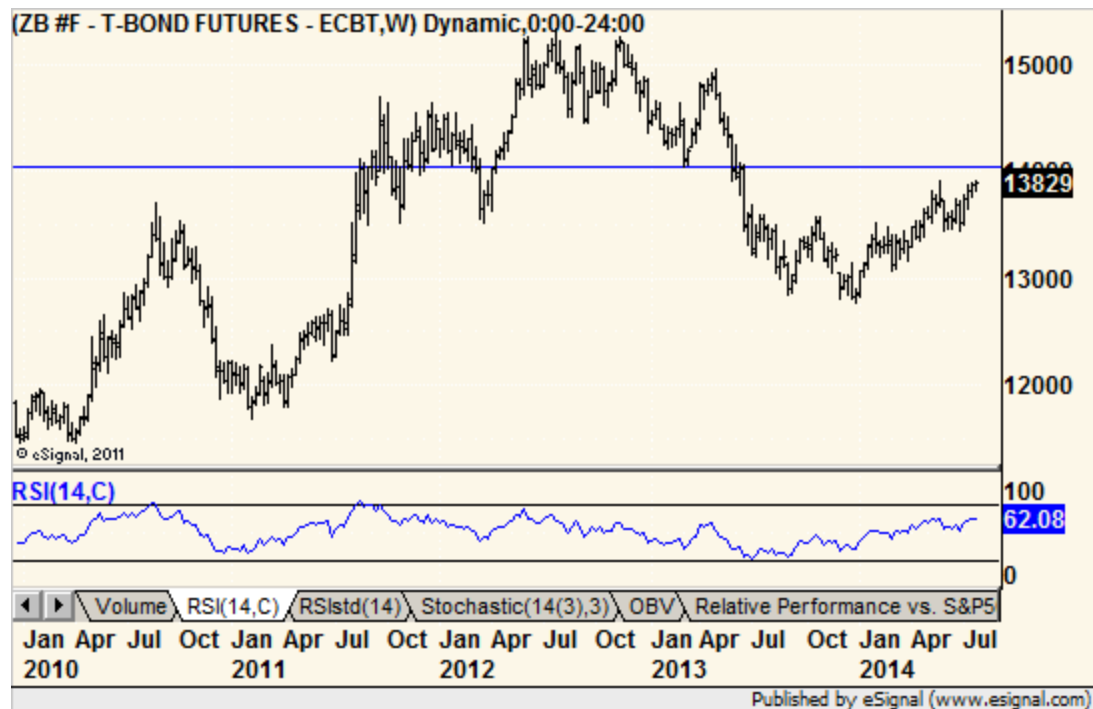
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>none -</b>		
<b>Bearish Implications</b>		
<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. <u>This might take a while</u>		7/17
<b>Comcast CMCSA</b> - Now between the trendline and resistance. Also sporting a Bollinger Band "divergence" of a high above the bands and a higher high back within. This is a momentum loss and a warning. Sell close under 54. <u>Even after Tuesday fireworks, we'll keep the trigger.</u>		7/28
<b>Unknown Implications</b>		
<b>Priceline PCLN</b> - Pennant formation with falling on-balance volume but above the 50-day average. Sell close under 1210. Buy close over 1250.		7/28
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Junk Bonds ETF JNK</b> - This is a key item to watch		
<b>Oracle ORCL</b> - Descending triangle after downside breakaway gap. Waiting for a bit more clarity but it leans bearish.		7/28
<b>Royal Dutch Shell RDS.A</b> - Looking at big oil. This one is in a tight range sitting on the 50-day average. Big 3.9% dividend yield.		7/29
<b>Tiffany TIF</b> - With all the action in discount retail, this luxury stock looks to be rolling over. It is already below the 50-day average and lagging the market. <u>Now looking to sell a bounce.</u>		7/29
<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. May be moving sideways into the line now.		7/14
<b>Latin America</b> - looks interesting <b>ILF, ECH, EPU</b>	<b>Removed</b>	
<b>Financial Exchanges</b> - <b>CME, ICE, NDAQ</b> all strong - breakouts confirmed		7/22
<b>Homebuilders</b> - not much to cheer.		7/23
<b>Airlines</b> - toppy		7/25
<b>Updates</b>		
<b>US Steel X</b> - Soaring supersonic on earnings		

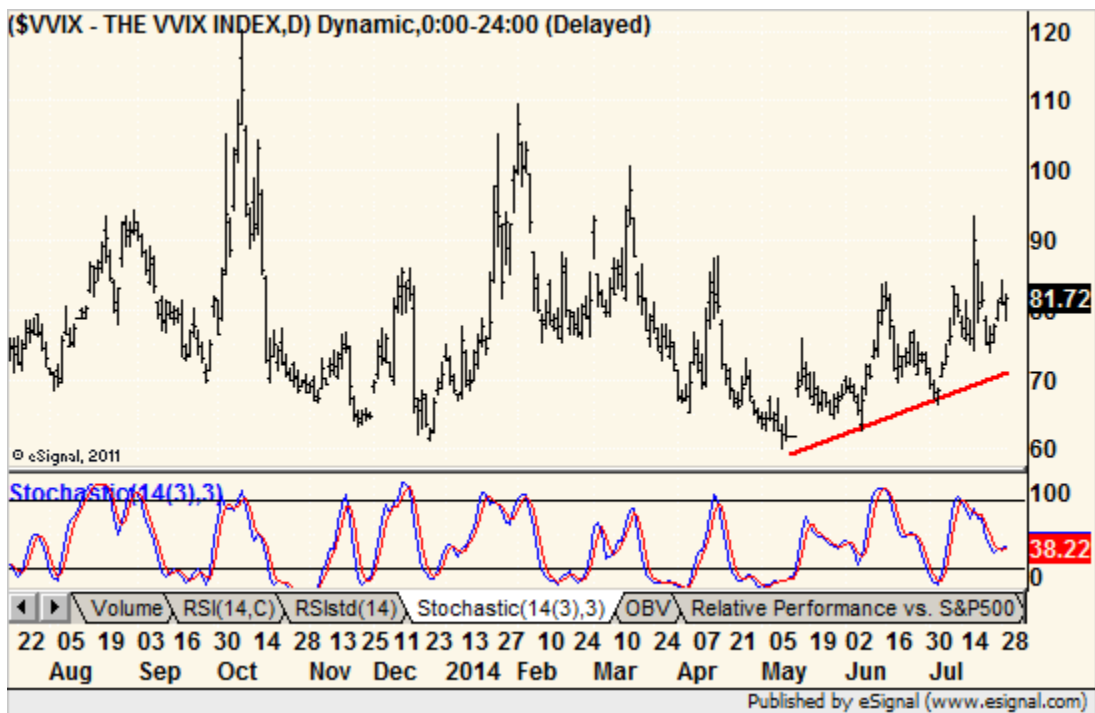
## Market Highlights



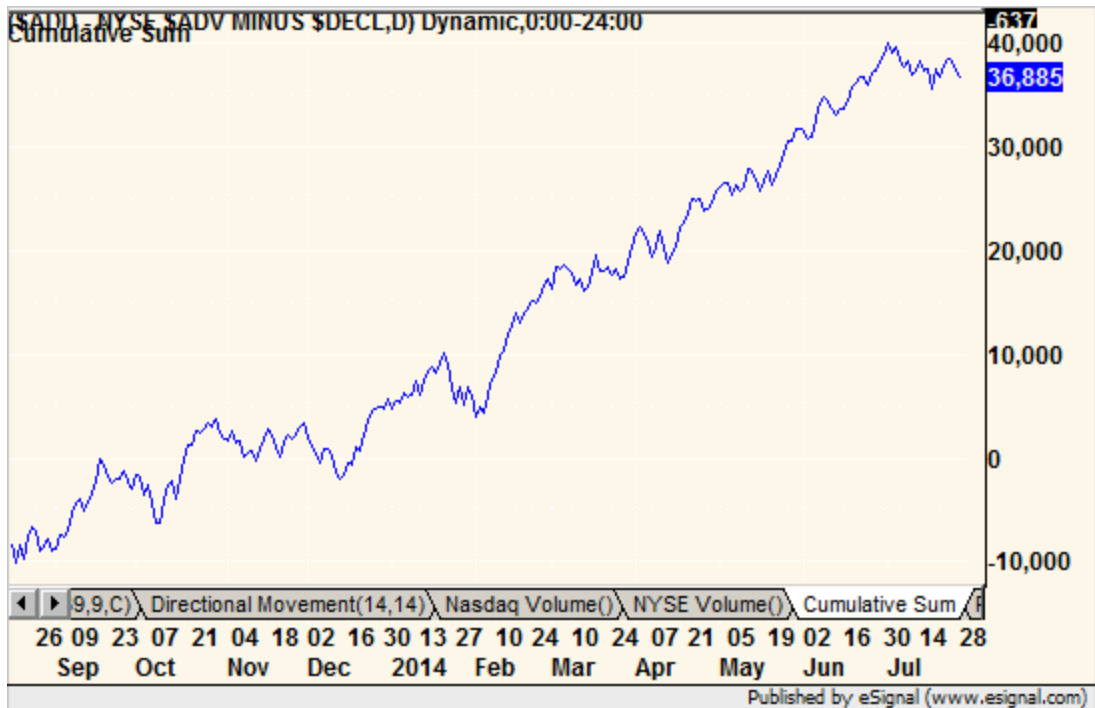
**Transports** - Thanks to **UPS**, the trannies broke a short-term trendline but not the 50-day average. Still, with waning RSI and resistance from the top of the channel it does look to be time for them to come back down, perhaps to the 8000 area.



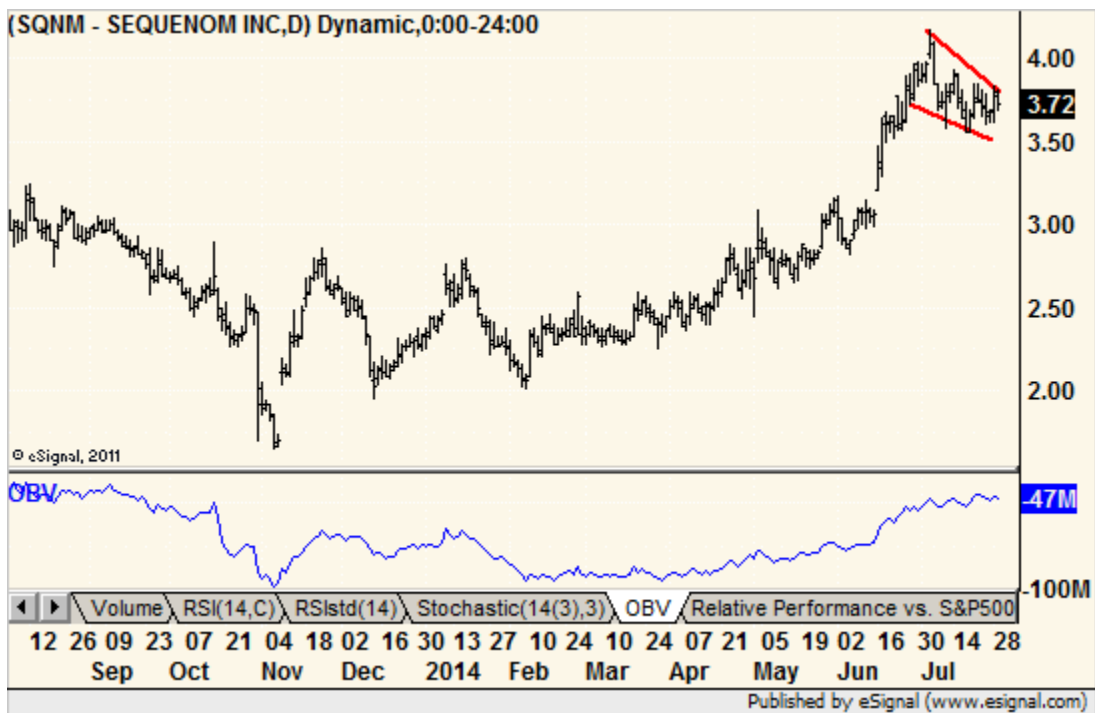
**Treasury Bonds** - This weekly chart suggests a little more upside (in prices).



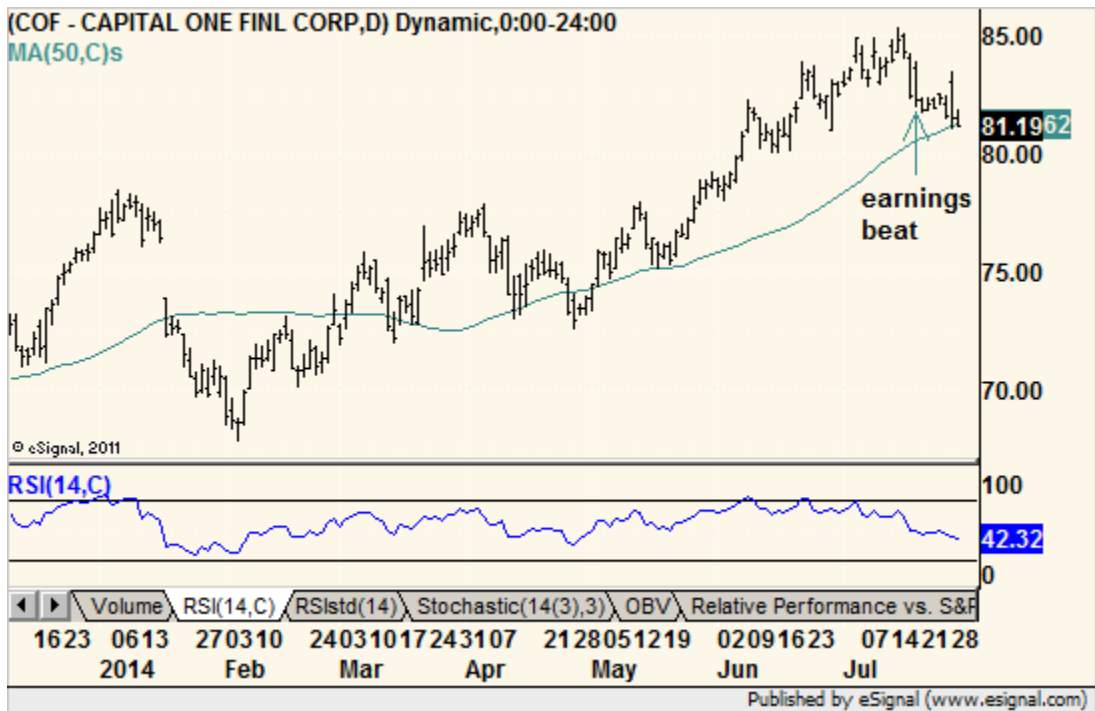
**VIX of the VIX** - This is a wacky indicator that is supposed to give us a read on the expectations of volatility. As we can see, it bottomed in May when the Russell made its earlier major high. True, the VIX is all about the S&P 500 and not the Russell but we think there is something to the connection. And if true, it suggests there will be no Russell rebound this time.



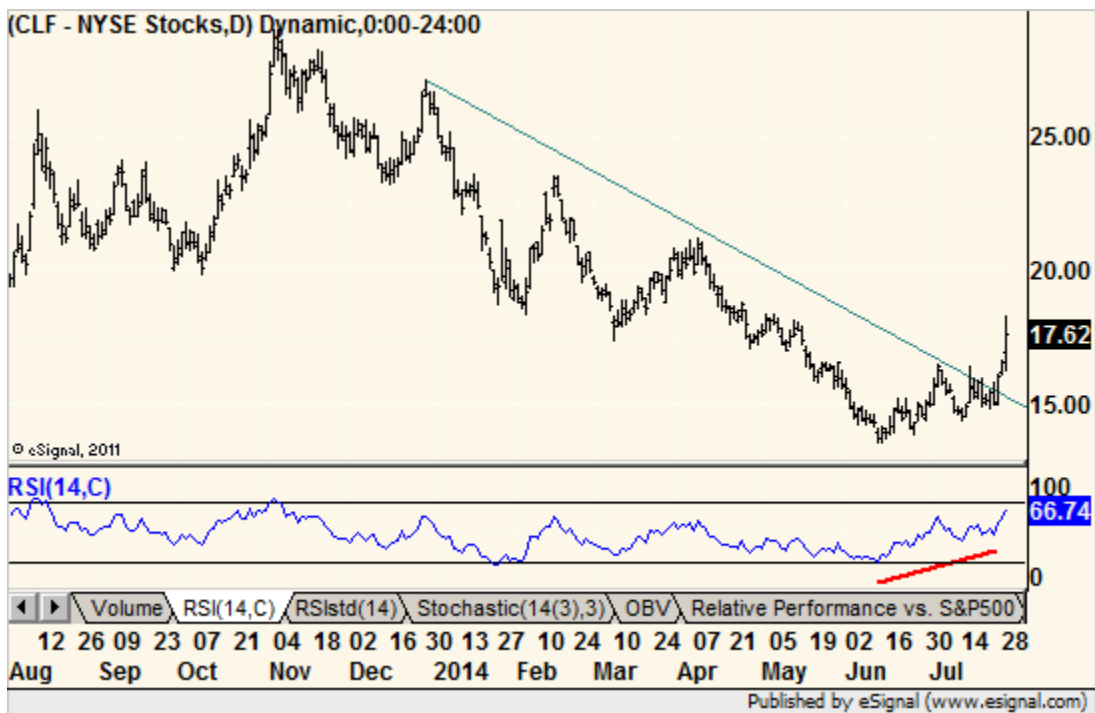
**NYSE advance/decline** - The longest streak of weakness since January. We cannot quite call this a divergence since the NYSE composite looks similar but we will keep watching. It is far from being in the same condition strong it was in a few weeks ago.



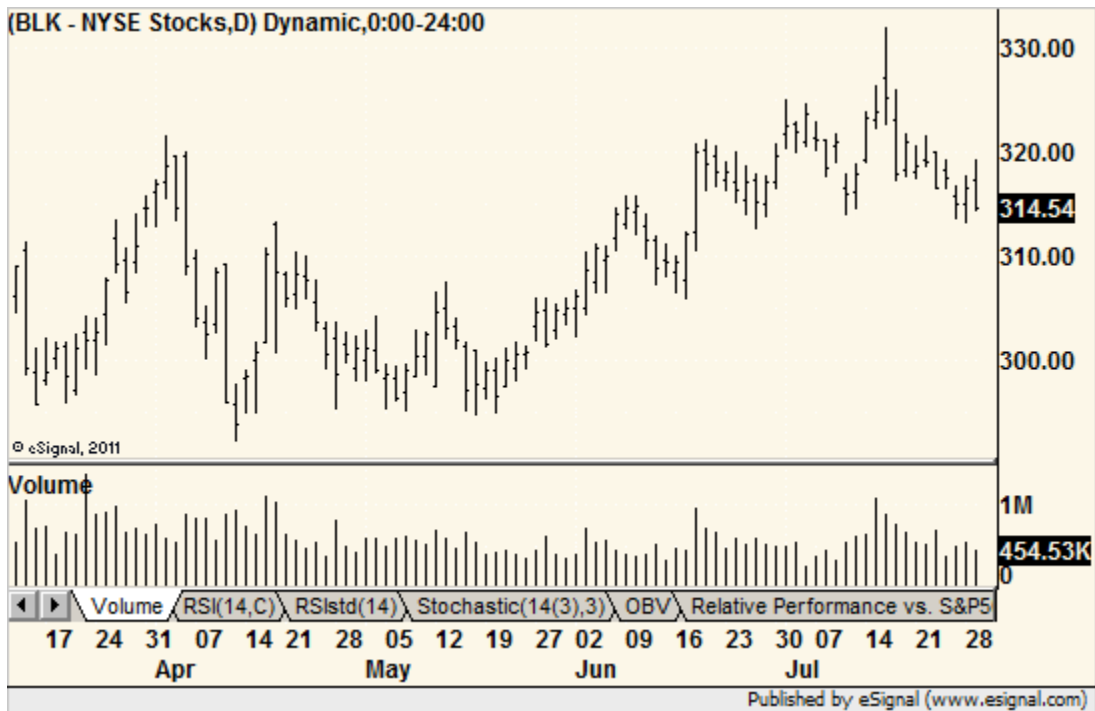
**Sequenom** - Broke out on earnings after the bell yesterday (not shown here). Very low-priced stock so speculators take a look.



**Capital One** - This bank/credit card stocks fell on good earnings and then scored an outside-day lower on Monday. Not good. Now sitting on the 50-day average. Lean bearish.



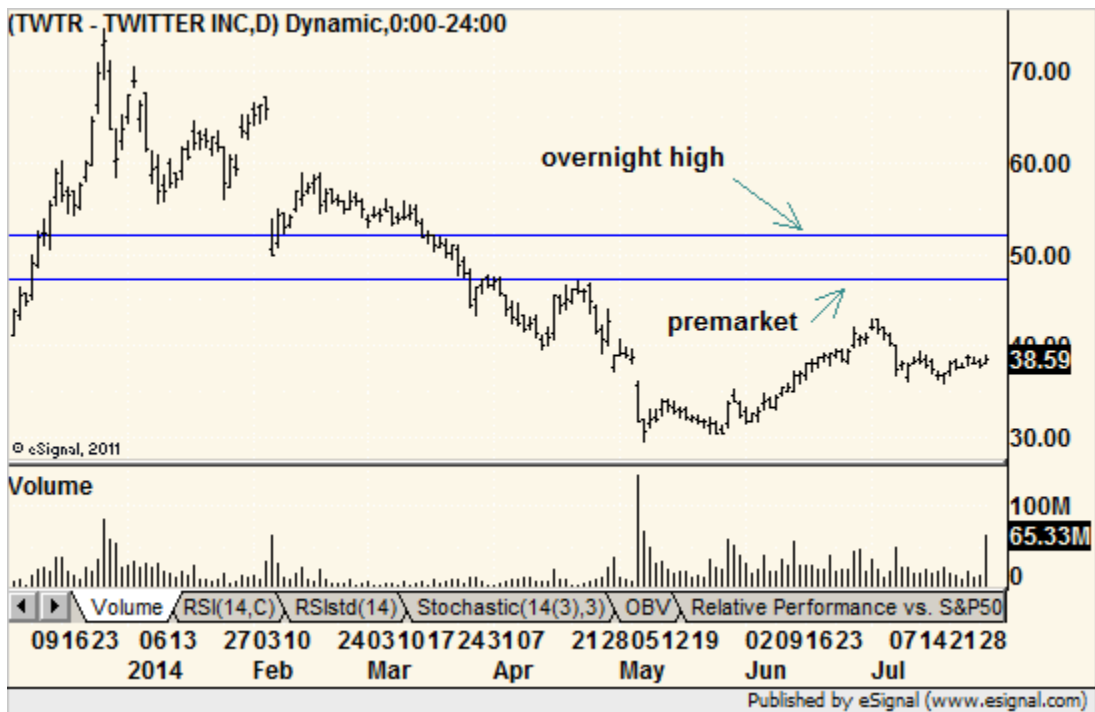
**Cliffs Natural** - Here is your coal stock winner. But it is still below its 200-day average (not shown). We are still a bit skeptical on coal.



**Blackrock** - A spike reversal for this asset manager. How long can peer **BEN** stand alone? We are bearish on asset managers. Just look at **WDR**.



**Union Pacific** - Short setup for this railroad? Needs to take out 99.15.



**Twitter** - Just because we have to show this chart. We would not buy.



## 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>MRO</b>	MARATHON OIL CORP	39.94	7.7%	39.00	37.07	6/5	54
	<b>RGLD</b>	ROYAL GOLD INC	78.13	17.0%	74.50	66.77	6/12	47
	<b>BMY</b>	BRISTOL MYERS SQUIBB CO	51.01	5.6%	49.00	48.30	6/23	36
	<b>INFY</b>	INFOSYS LTD	55.39	-1.4%	54.50	56.15	7/11	18
	<b>XOP</b>	SPDR S&P OIL & GAS EXPLORATION	77.93	-1.3%	76.50	78.93	7/15	14
<u>Short</u>	<b>AFG</b>	AMERICAN FINL GROUP INC OHIO	57.73	0.9%	60.00	58.27	7/10	19
	<b>USB</b>	US BANCORP DEL	42.64	0.6%	43.50	42.90	7/11	18
	<b>ALL</b>	ALLSTATE CORP	57.05	2.5%	60.00	58.46	7/15	14
	<b>AMKR</b>	AMKOR TECHNOLOGY INC	9.43	9.8%	10.10	10.35	7/23	6

**Notes:** Raised stop on **BMY** to trail it.

Raised stop on **INFY** to very tight to avoid loss. Now or never for this one.

Lowered stop on **AMKR** short to trail it.

## 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

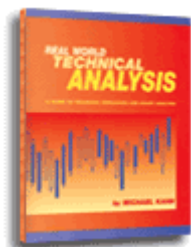
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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