

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

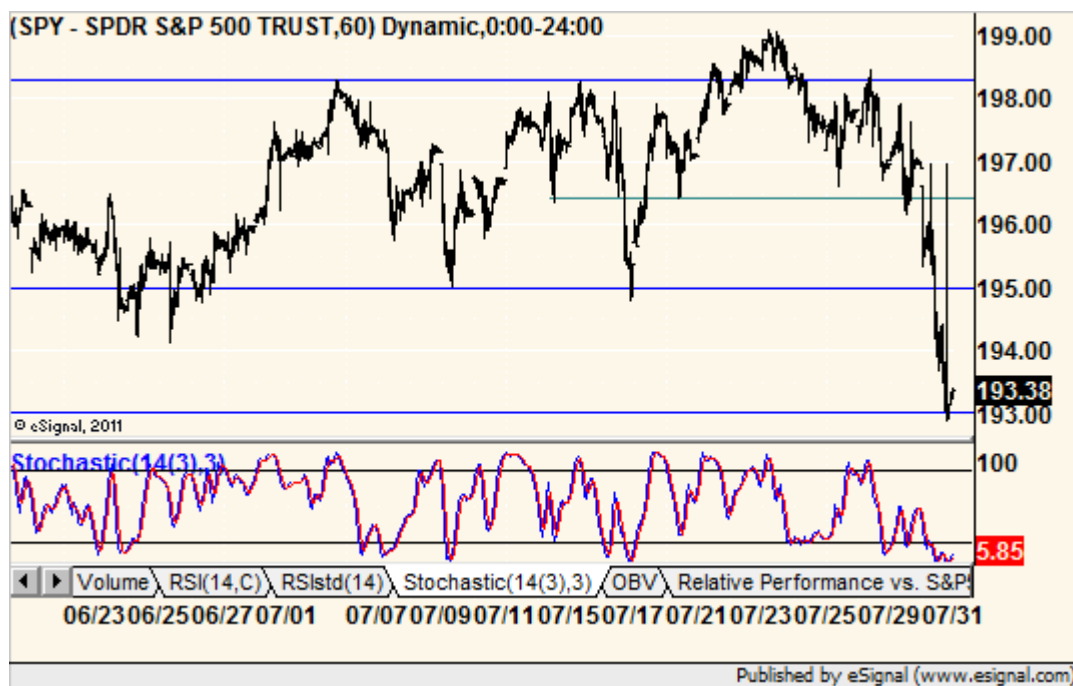
MICHAEL KAHN  
RESEARCH LLC

**August 1, 2014** – Well, July went out like a bear and the Dow is in the red for the year. The S&P 500 is still green, however.

We are not going to give out any picks and pans after a day like that as things are way too volatile. We can say that the decline was across the board and that is bad. It sure is hard to step in front of an avalanche of selling.

Was it Argentina? Probably not. Russia and the effects on Europe is more of the reason.

And was it fear? The **VIX** soared but gold sank. Bonds did both so there is no "risk on" or "risk off" thing going across asset classes. More likely it was profit taking after a really good rising trend. Russia may just have been the excuse.



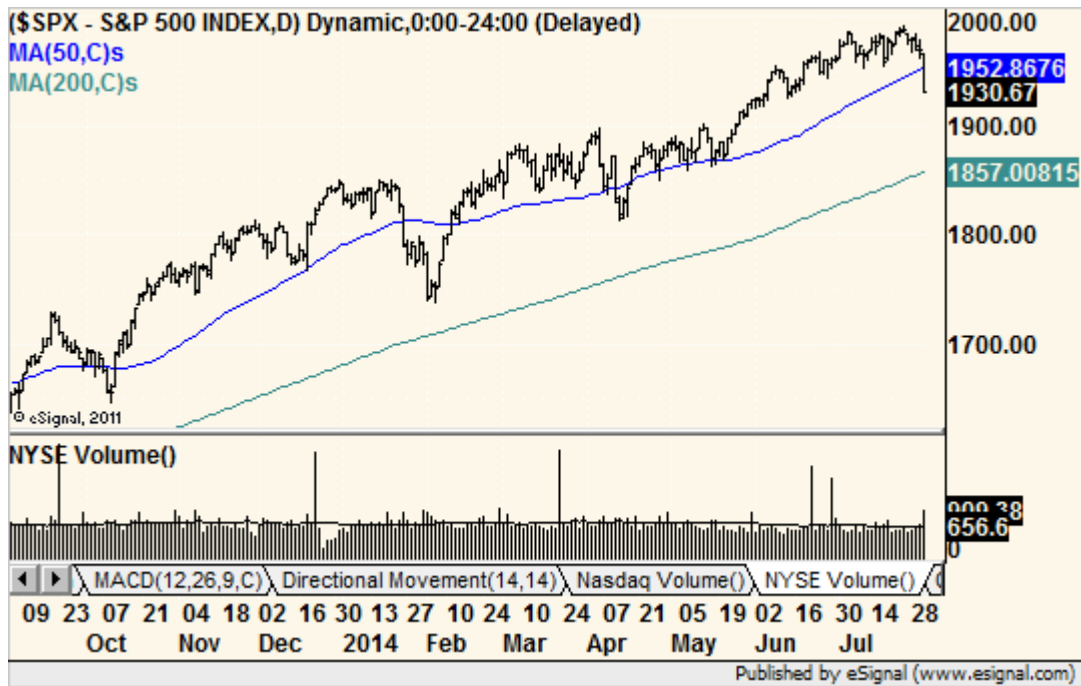
Believe it or not, the **SPY** landed at an old support. It is wildly oversold. Again, we are writing in the evening so we do not know if things bounced overnight.

But our stance is now paring longs, taking on shorts and looking for a weak August. In other words, more correction to come but not enough to scream bear market at this time.

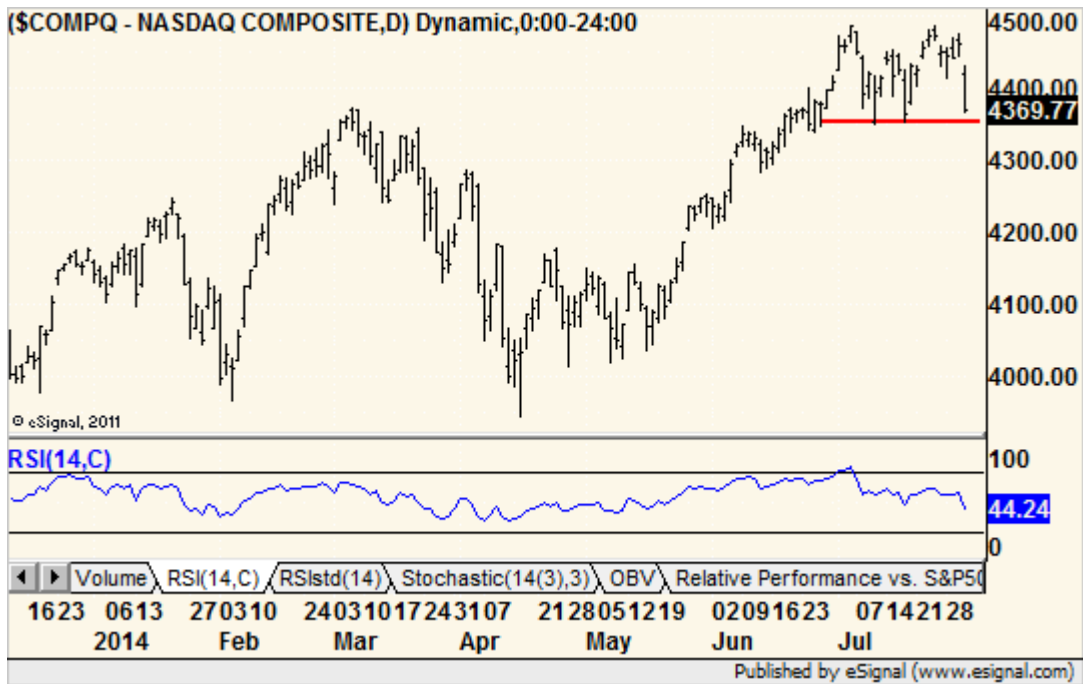
Short and not that sweet.

**Travel Schedule** – Still on the road today so emails will take a bit longer to answer.

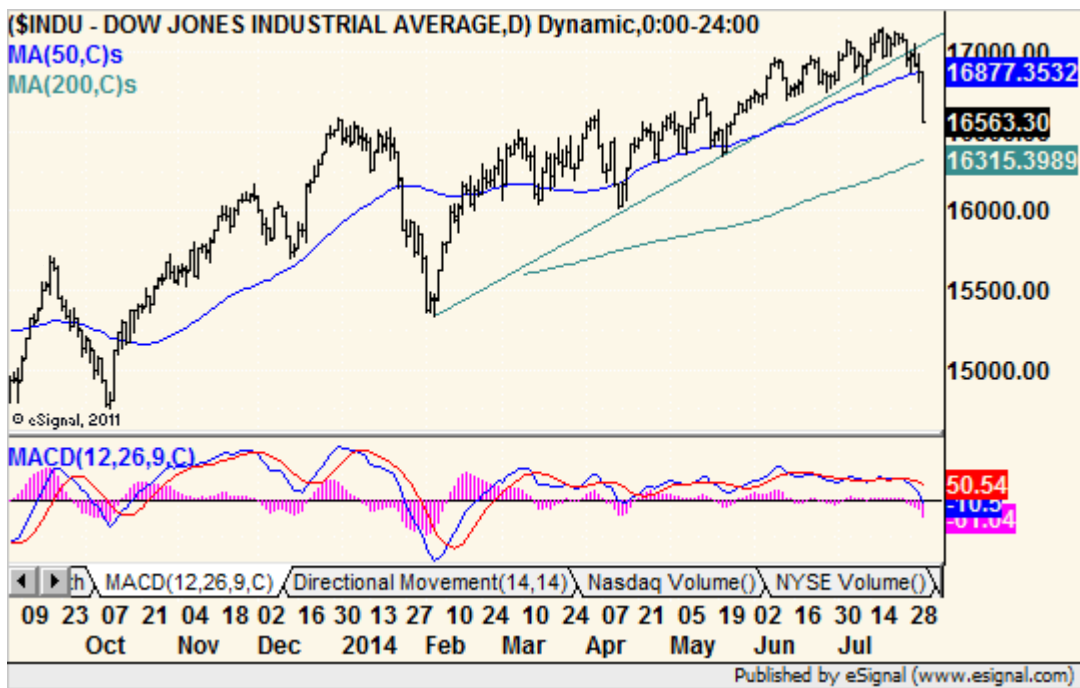
## Index Charts of the Day



There actually was big volume as the S&P 500 dipped below its 50-day.



Believe it or not, the Nasdaq's huge decline did not break support.



The Dow did indeed break the short-term trend.



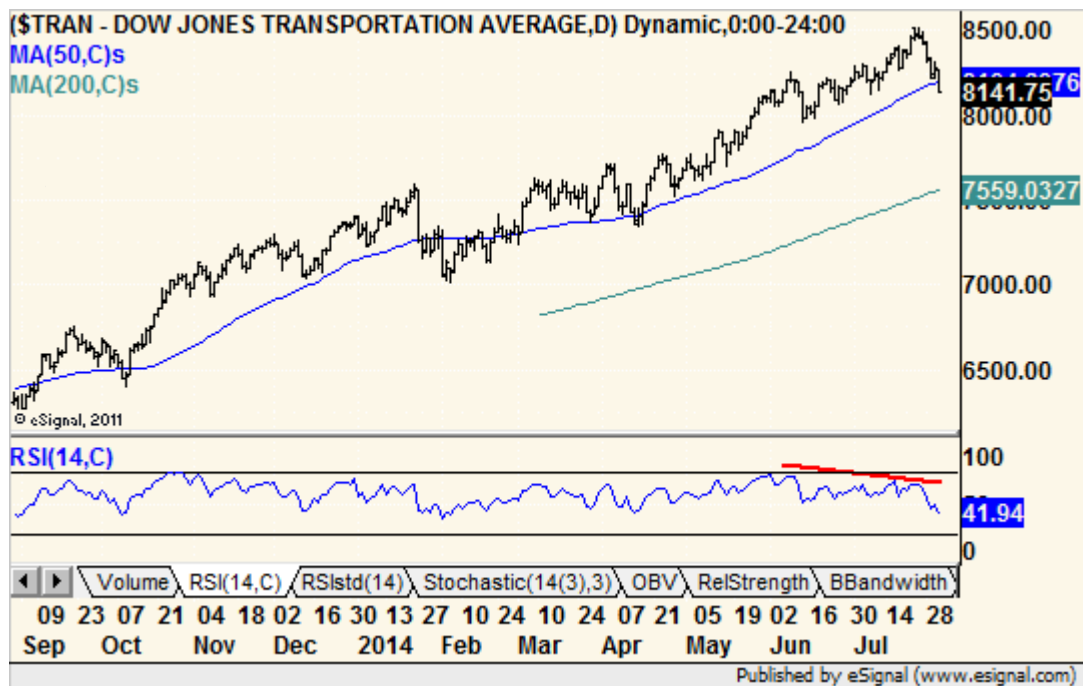
The Russell 2000 is in real trouble. That is the Nov 2012 trendline.

## The Radar Screen

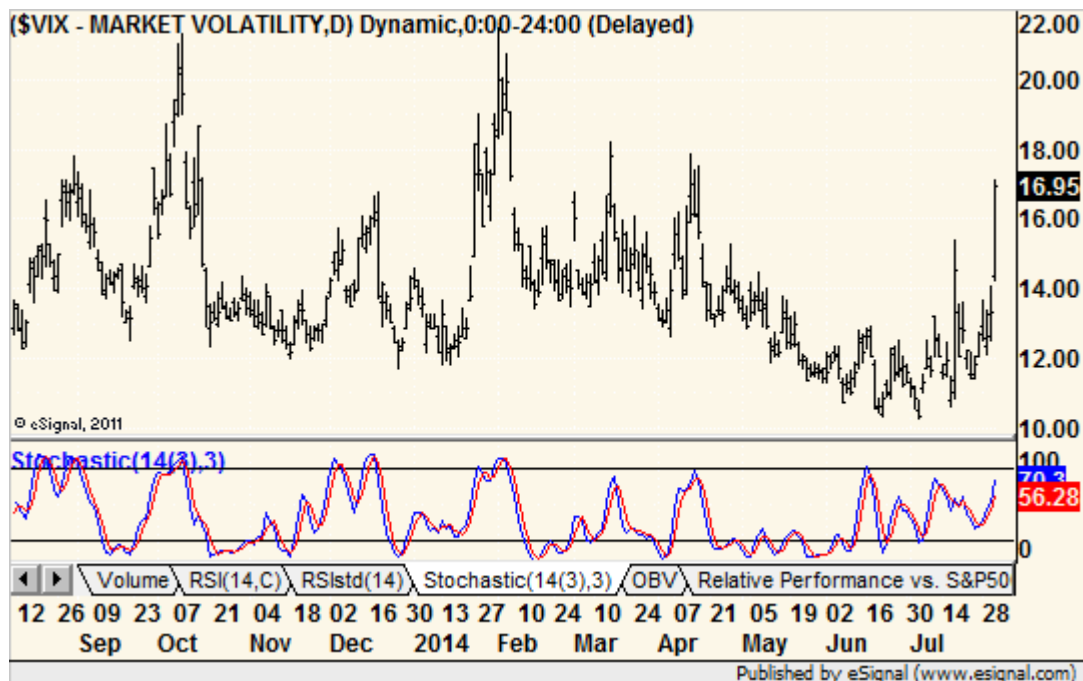
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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. This might take a while		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>Still keeping it here.</u>		7/28
<b>Unknown Implications</b>		
<b>none -</b>		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<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. Now looking to sell a bounce. <b>Still</b>		7/29
<b>Capital One COF</b> - 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. <b>Serious breakdown</b>	<b>Removed</b>	7/30
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Utilities</b> – <b>Serious breakdown</b>	<b>Removed</b>	7/14
<b>Financial Exchanges</b> – <b>all bets off</b>	<b>Removed</b>	7/22
<b>Homebuilders</b> – serious trouble	<b>Changed</b>	7/23
<b>Airlines</b> - tippy		7/25
<b>Aerospace/defense index</b> - Not looking very healthy.		7/31
<b>Insurance index KIX</b> - Uh oh. This looks bad.		7/31
<b>Coal</b> – Back to its losing ways	<b>New</b>	8/1
<b>Updates</b>		
<b>Whole Foods WFM</b> - Hit support and bounced. Interesting!		
<b>Wabtec WAB</b> – Rail stock sitting on a trendline		
<b>LinkedIn LNKD</b> – was in a rising trend and then jumped on earnings.		
<b>Yelp YELP</b> – Jumped ahead of earnings and then collapsed afterward		

## Market Highlights



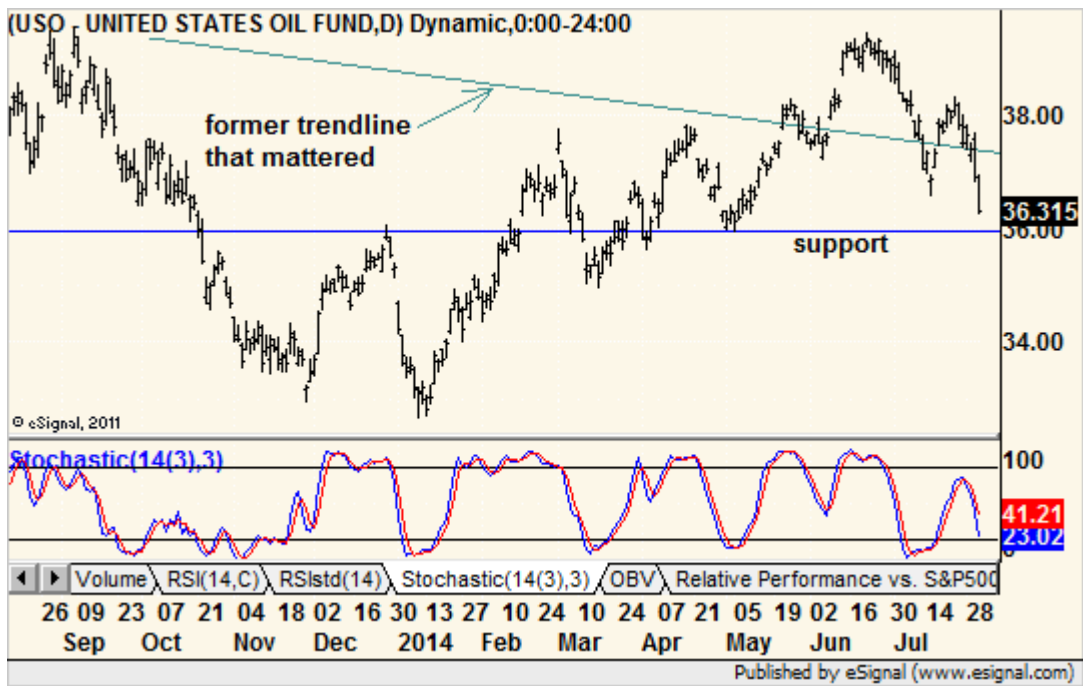
**Transports** – We saw lots of comments on this breakdown but it is not so bad. Still sports a bearish RSI divergence but please don't let CNBC talk you into any Dow Theory violations. Trucking is still rather solid.



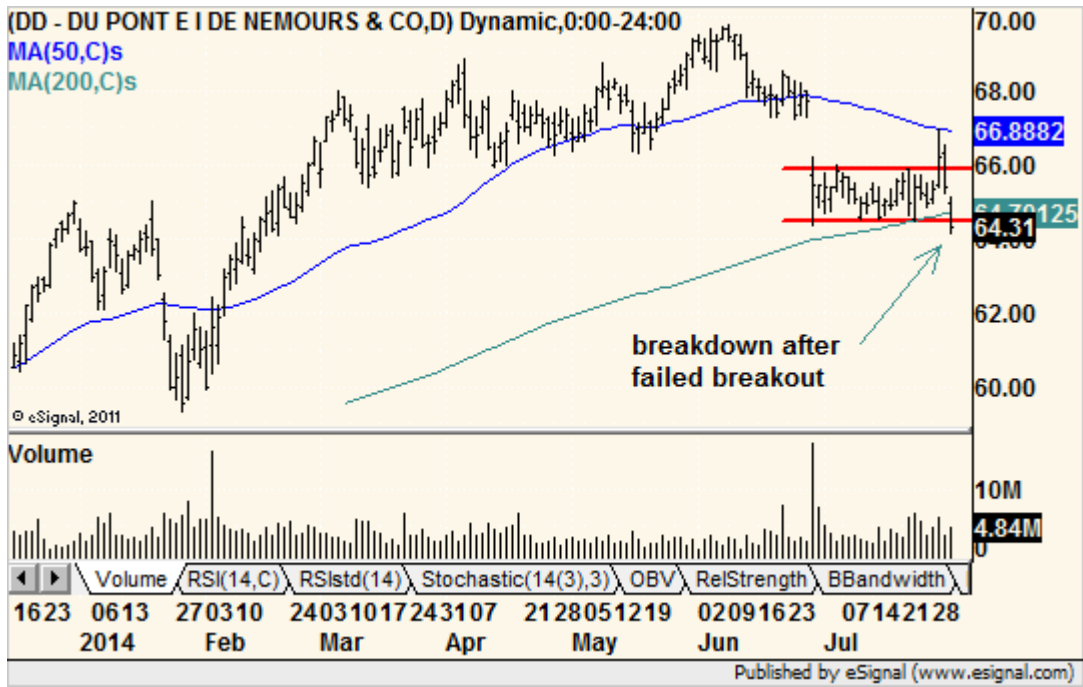
**VIX** – In the greater scheme of things, this is not that high yet.



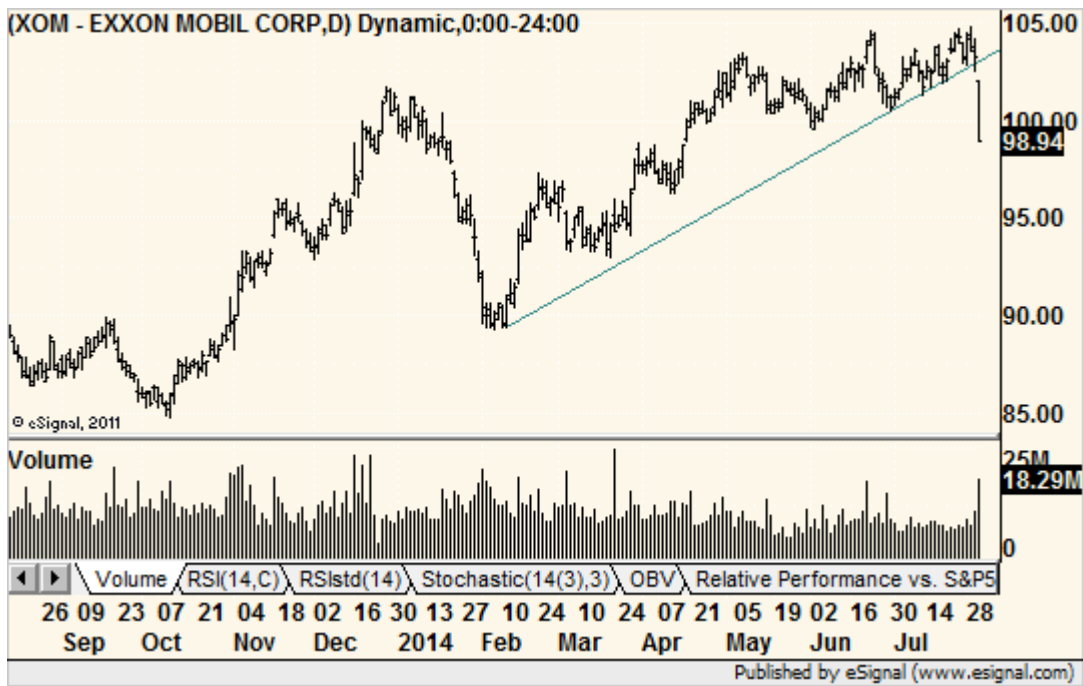
Gold ETF – Still long-term OK within the pattern.



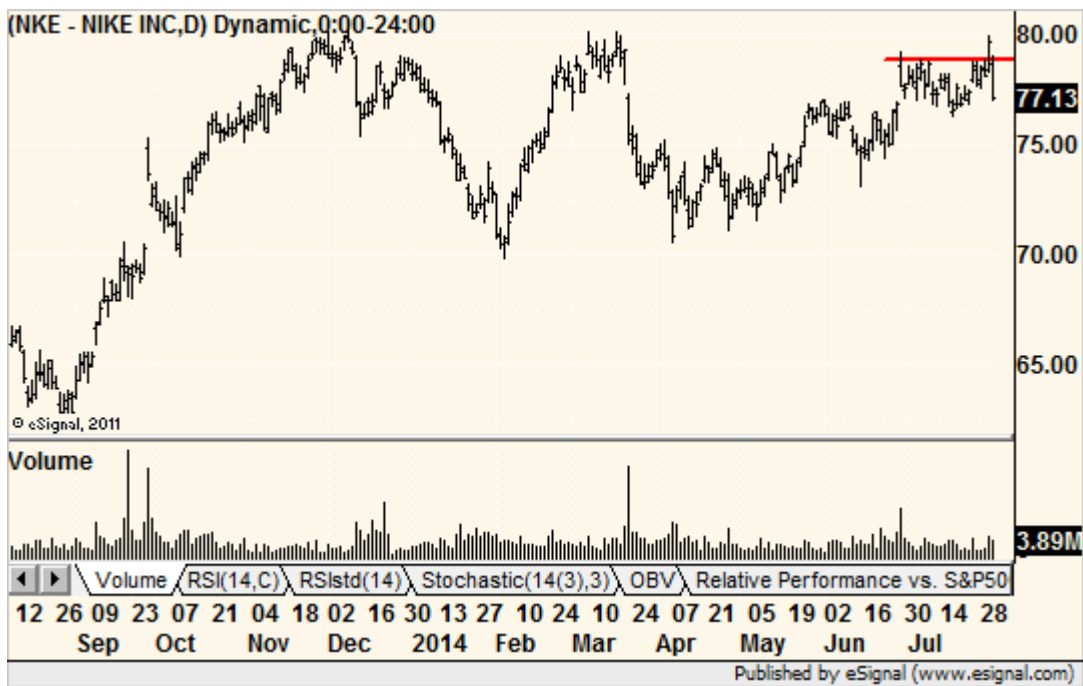
Oil ETF – The breakout is gone but support is still intact.



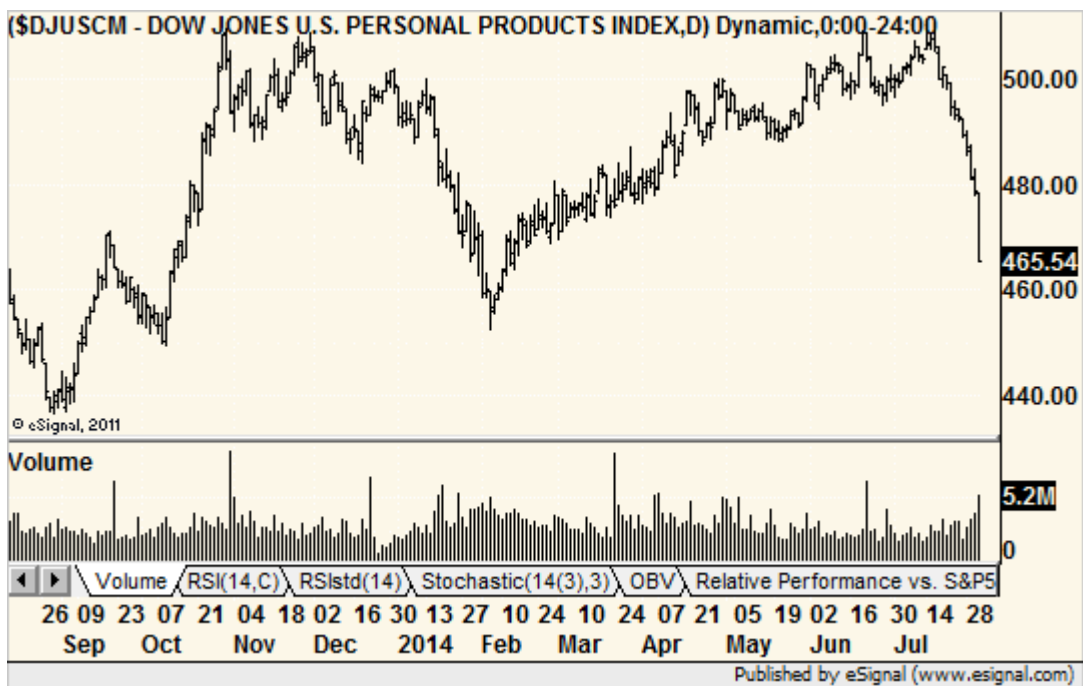
**DuPont** – A fresh breakdown and now below the 200-day average.



**ExxonMobil** – Obviously not good.



**Nike** – This was one of the last good looking Dow stocks. Now it has a breakout failure, too.



**DJ Personal Products index** – This one was taken down by **CL** but **PG, CHD, CLX** are all plunging. Buying opportunity or falling knife? Let's say that unless the market rebounds huge today that this is a falling knife.



## 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	38.75	4.5%		37.07	6/5	56
	<b>RGLD</b>	ROYAL GOLD INC	75.57	13.2%	74.50	66.77	6/12	49
	<b>BMY</b>	BRISTOL MYERS SQUIBB CO	50.62	4.8%	49.00	48.30	6/23	38
	<b>INFY</b>	INFOSYS LTD	54.82	-2.4%	sell	56.15	7/11	20
	<b>XOP</b>	SPDR S&P OIL & GAS EXPLOR	76.50	-3.1%		78.93	7/15	16
	<b>PCLN</b>	PRICELINE GRP INC	1242.45	-1.1%	1210.00	1255.95	7/30	1
<u>Short</u>	<b>AFG</b>	AMERICAN FINL GROUP INC	55.99	4.1%	58.00	58.27	7/10	21
	<b>USB</b>	US BANCORP DEL	42.03	2.1%	43.50	42.90	7/11	20
	<b>ALL</b>	ALLSTATE CORP	58.45	0.0%	60.00	58.46	7/15	16
	<b>AMKR</b>	AMKOR TECHNOLOGY INC	8.85	16.9%	9.50	10.35	7/23	8

**Notes:** Added long in **PLCN** triggered Wednesday.

Sold **MRO** at the open to save a small gain

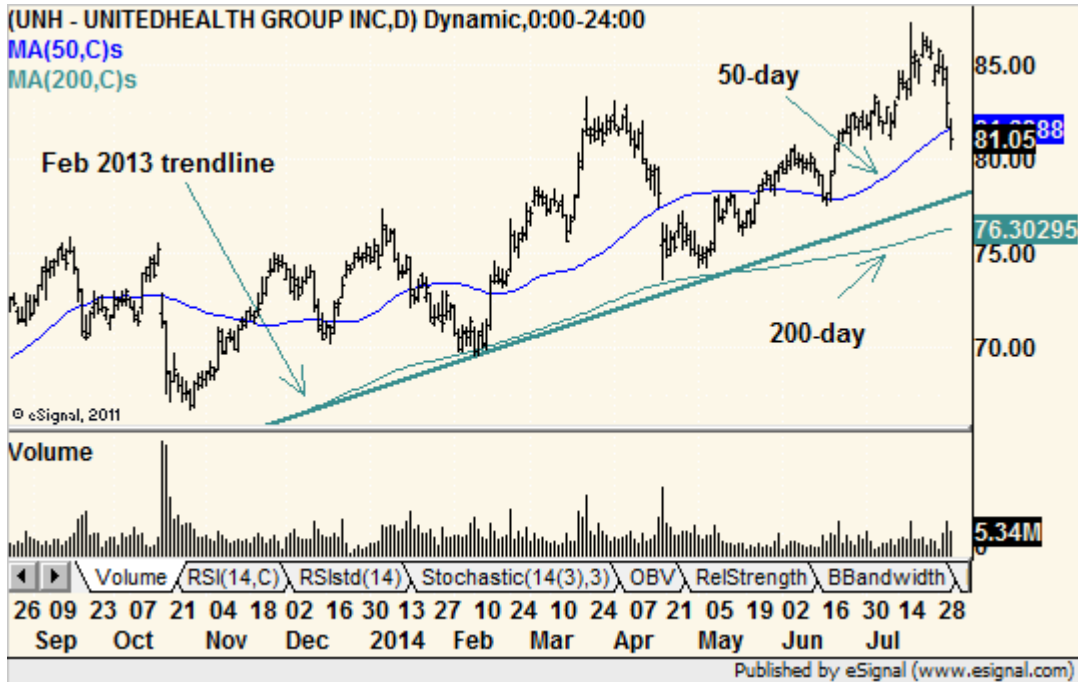
Stopped out of **XOP**.

Trailed stop in **AMKR** short and **AFG** short

Finally we are selling long in **INFY** as it is just not going to save itself. Time to end the bleeding.

## Subscriber Corner

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



**United Health** – Another Dow stock that was looking good until very recently. Still in a long-term bull market but obviously in short-term trouble. We presume it will bounce unless we wake up in the morning and the world collapsed. But as for a long-term buy, there is still more downside to the trendline and 200-day.

## Other Information

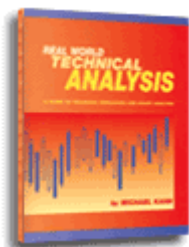
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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