

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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June 8, 2015 – The Fed debate raged rather hot Friday after data. Some interpreted it as good enough, some said “eh” and some actually thought it was so hot as to prod the Fed into quicker action on raising rates. They are not. They said so. And they just do not like surprising every one, sort of like inching your way down the steps into a chilly swimming pool. No splashes, no waves and maximum negative anticipation.

Honestly, it was more refreshing to think about American Pharaoh than worry about global events (terrorism, and the like). What a good way for sports to wash away the stain from soccer (that’s football, for you non-Yanks).

Yeah, there is the market stat that says stocks do not do well after a triple crown win. OK, whatever. And there was an OPEC meeting, too, but who really cares anymore? The drop in rig count had more of an impact Friday.

We all know the real force right now is the falling long-end of the bond market where the Fed has not control. And related areas of the stock market – utilities, REITS, and a few high dividend consumer staples – looks pretty bad, too. My editor thinks that the latter was way overvalued from a fundamental standpoint so there is no room for rationalization. We do find it interesting that as the broad market looks shaky, this defensive sector is actually underperforming. That is not what we’d expect under “normal” circumstances so there must be something to the valuation argument.



As we can see, what was possibly a double bottom Friday morning failed and the path of least resistance still looks to be to the bottom of the channel seen above. We still cannot get behind an outright bear trend just yet so we risk a slow bleed in the long section of the Advice Tracker. However, if the channel breaks, we’ll probably sell a good chunk.

Index Charts of the Day



The red line here corresponds to the hourly channel line from the chart in the comments section. Even so, the overall pattern has been sideways. However, if the red line breaks we will see a different look as the bias will shift away from higher.



The Nasdaq is similar but gives us a decent downside target (lower line) should the near-term support break.

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		
IBM – Now setting up for a fresh breakout. I wrote this up for a website. Buy 173 target 180 and then 194. Starting to get far from the trigger. <u>One more day to reverse here at the 50-day average.</u>		5/21
Schlumberger SLB – Yes, an oil services stock. Base breakout and flag consolidation. Buy the next breakout at 92.50		6/4
Bearish Implications		
Yum Brands YUM – Restaurant with bearish RSI divergence. Sell close under 90 as that breaks support.		5/29
Unknown Implications		
none –		
Holding Tank - red shade leans bearish, green shade leans bullish		
Long-term setups – LGF, SFUN, AGU, MOO		6/3
Penn Gaming PENN – While LVS and WYNN fall apart, this gaming stock is on the verge of a breakout. If the others recover, this could be a nice long. For now, we watch both support and resistance.	New	6/8
Host Hotels HST – This is a weekly chart and it has arguably broken down. Daily on-balance volume is falling like a knife. We'll watch for a little bounce unless the market falls apart. A big 4% dividend may cushion the blow.	New	6/8
Sector Watch (observations that may spark ideas)		
Oil services – Still holding a base breakout.		5/6
Retail – Went from disliked here to instant leader. TGT, AEO, BKE, GES, SPLS is dead flat.		6/5
Updates		
China – Another day, another record (for the year).		

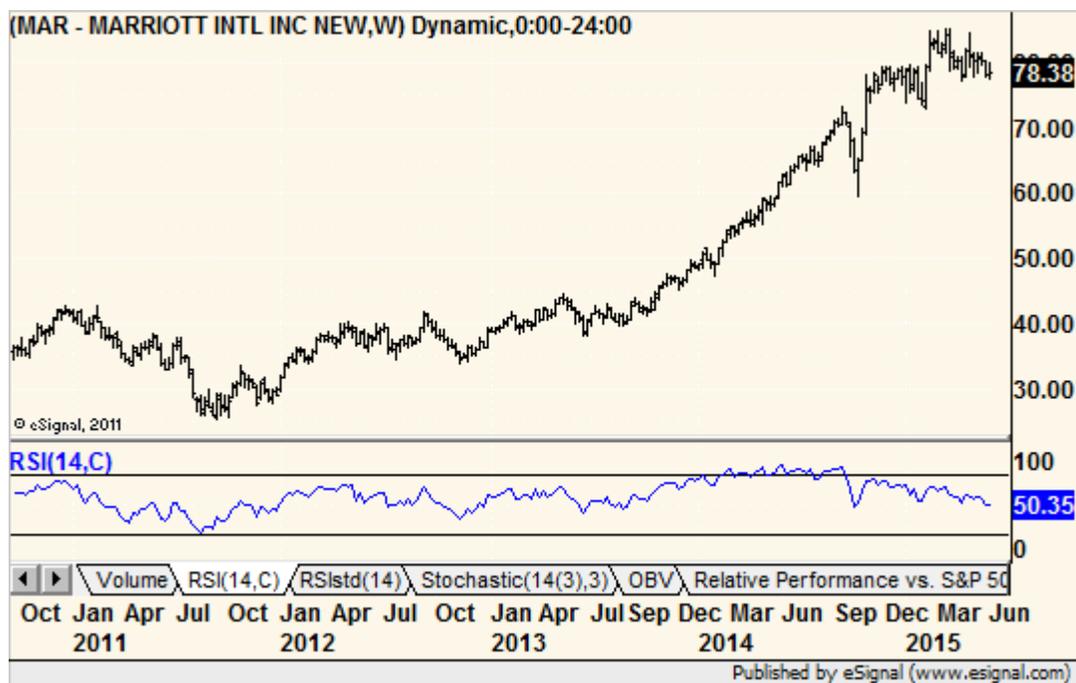
Market Highlights



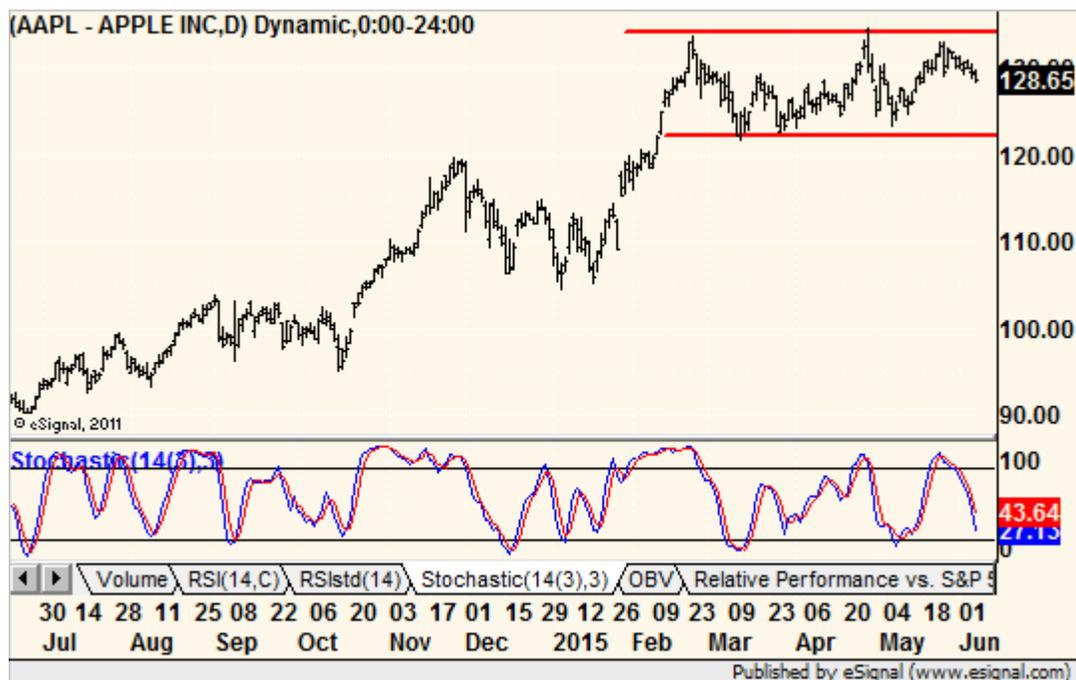
Penn Gaming – While **LVS** and **WYNN** fall apart, this gaming stock is on the verge of a breakout. If the others recover, this could be a nice long. For now, we watch both support and resistance.



Host Hotels – This is a weekly chart and it has arguably broken down. Daily on-balance volume is falling like a knife. We'll watch for a little bounce unless the market falls apart. A big 4% dividend may cushion the blow.



Marriott – Of course, when we find a weak stock like **HST** above we check out its sector. This weekly chart of Marriott looks like it is rolling over. **LHO** is the hotel REIT and it looks pretty weak, too.



Apple – An apple chart a day keeps the ... Just keeping tabs on this bell wether. Still in the range but looks to be cycling to the bottom.

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>	PSX	PHILLIPS 66	78.05	-4.1%	77.25	81.38	4/24	44
	COF	CAPITAL ONE FINL CORP	84.94	2.6%	82.00	82.80	5/6	32
	KEY	KEYCORP NEW	15.10	2.4%	14.25	14.75	5/11	27
	KBE	SPDR S&P BANK ETF	35.99	4.1%	34.75	34.58	5/11	27
	FB	FACEBOOK INC	82.14	4.1%	79.00	78.94	5/14	24
	GM	GENERAL MTRS CO	35.12	-2.7%	34.75	36.11	5/28	10
	XLNX	XILINX INC	47.29	-0.8%	45.75	47.68	5/28	10
	BABA	ALIBABA GROUP HLDG LTD	90.71	-0.7%	86.00	91.35	5/29	9
<u>Short</u>	FLS	FLOWSERVE CORP	54.35	1.9%	57.50	55.40	5/12	26
	ALL	ALLSTATE CORP	66.48	1.2%	69.50	67.30	6/1	6

Notes: Some stops tweakage.

Not a whole lot of action here are the market flounders.

Subscriber Corner

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Other Information

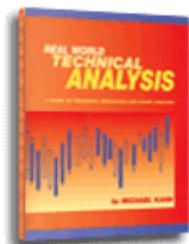
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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The Big Picture

In this section, we take a macro look at things.

Sector Watch

In this section, we take a closer look one sector of the market.

Today's Lesson

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

Quick Takes

In this section, we take a fast look at charts with just captions.

Market Highlights
