

# QUICK TAKES PRO

*"TECHNICAL ANALYSIS FOR EVERYONE"*

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RESEARCH LLC

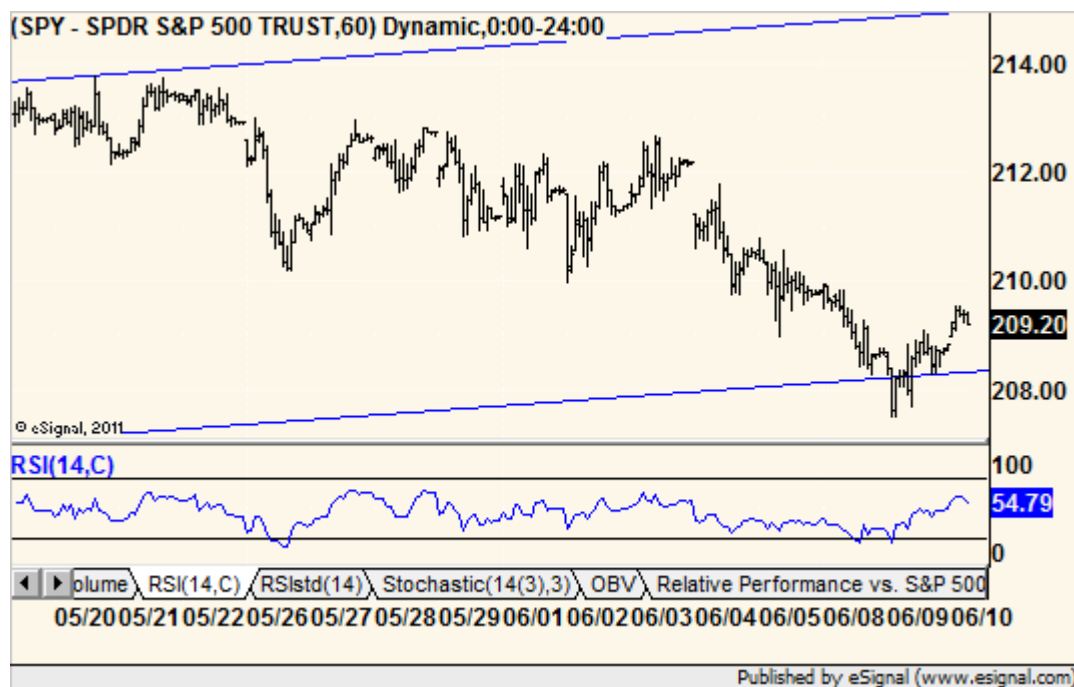
**June 10, 2015** – This quote from a news story sums up the market nicely - “This slow bleed is making it more difficult for investors to work out what their next steps should be.”

That’s right, a frog sitting in a pot of water slowly rising in temperature. Before he knows it he is on a plate with garlic butter. It would seem that discretion is the better part of valor right now, whether you like cliché sayings or not.

We’ve seen headlines recently using words like crash and percentages akin to what happened in 1987. That’s an awful lot of pessimism and believe it or not makes us think that slow bleed is far more likely. We are keenly aware that the Fed is still going to raise rates at some point and the punch bowl will dry up. Will it be December? Or early next year?

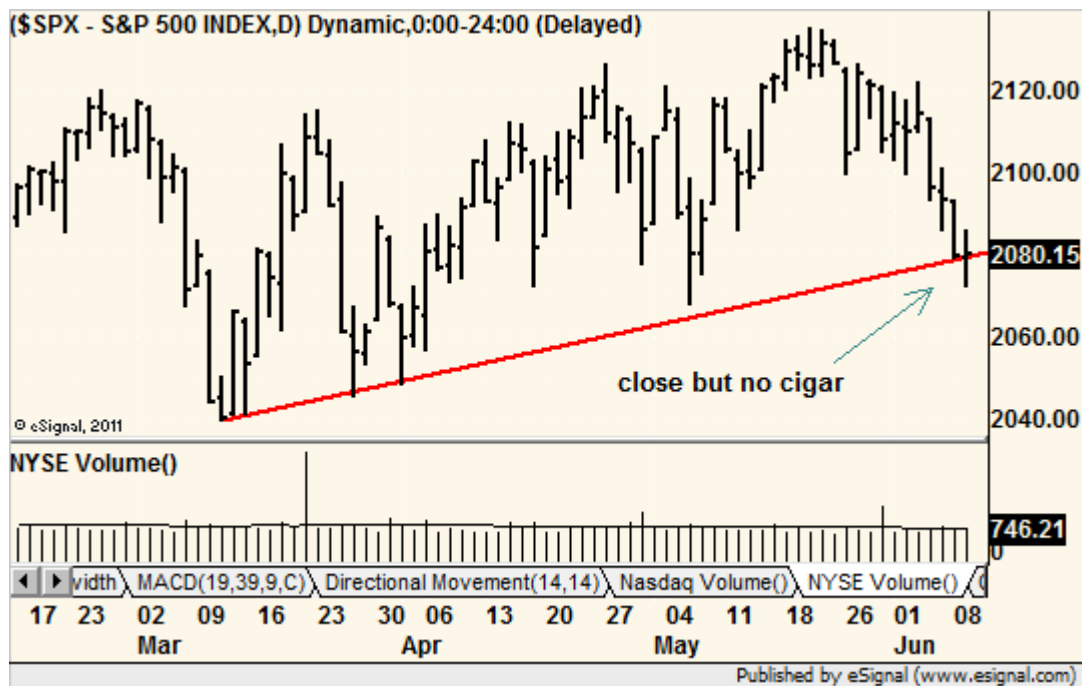
Bonds seem to think it is the former as all things bond related are tanking. Treasuries, munis, junk, utilities, REITs and mortgages. That usually does not end well for stocks, either. Granted, that was before the Fed owned half the bond market.

Therefore, we have to tread lightly and reduce exposure. The strategy we are pondering now is looking for weak stocks that are set to bounce – and then short them.

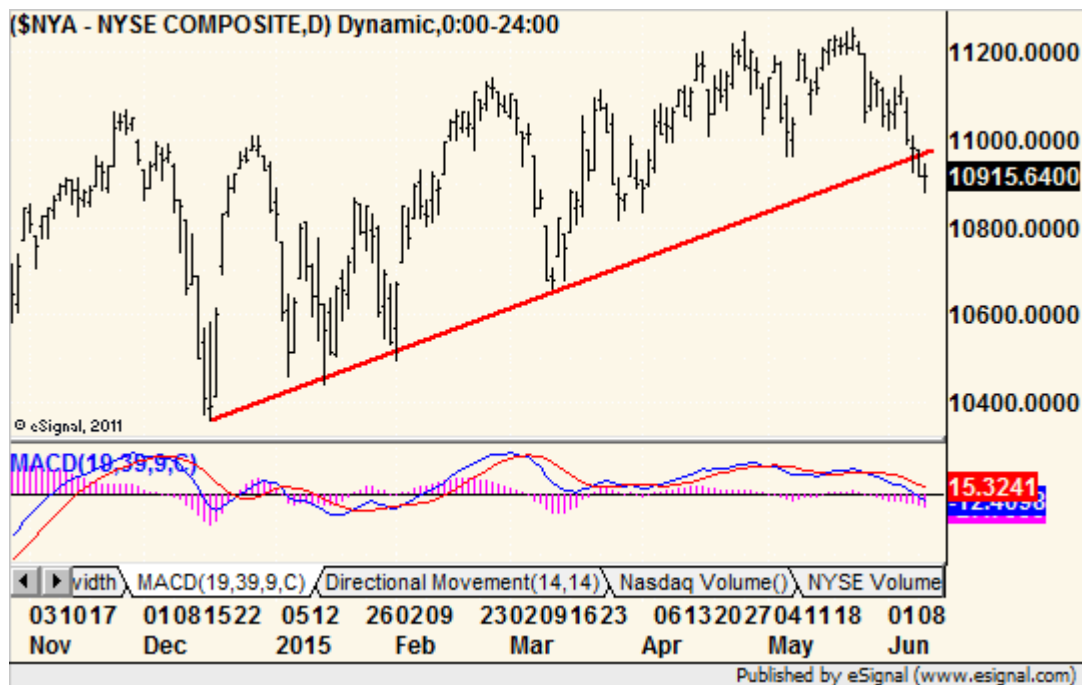


Here is the hourly chart with yesterday’s trap door open. The bounce so far has been feeble and even though prices are up again this morning the trend is clearly to the downside.

## Index Charts of the Day



The S&P 500 gave the trap door open with a quick morning decline that was reversed to the upside. However, the rally also failed leaving a doji candle at support. That still leaves the door open for a bounce but we are not buyers.



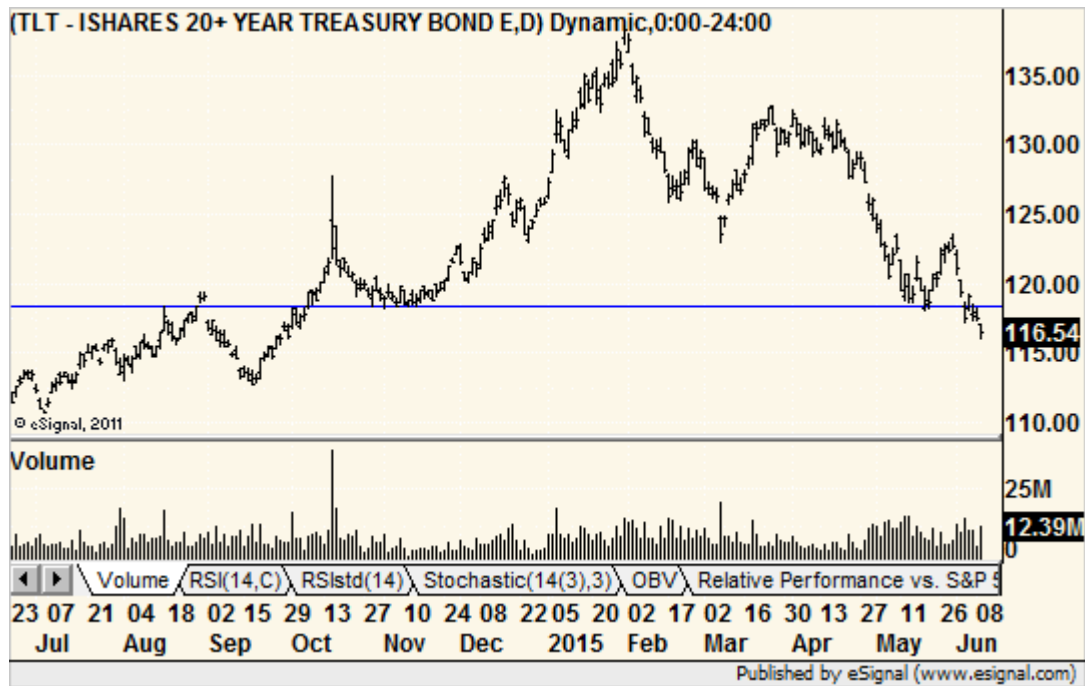
The NYSE composite shows a little room to test the trend break.

## The Radar Screen

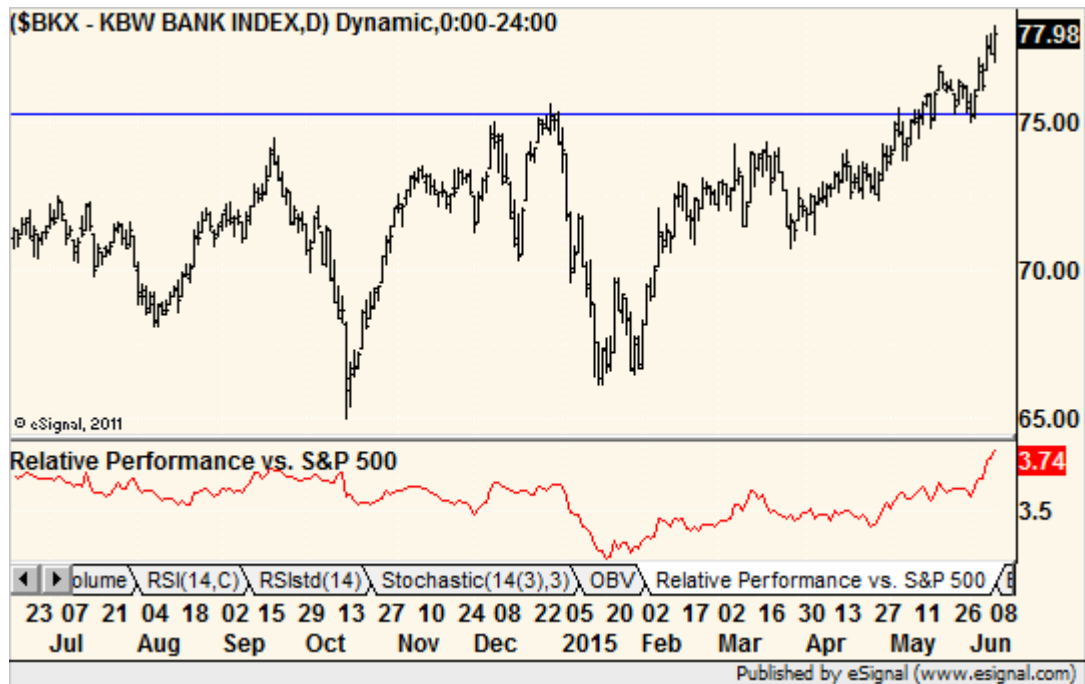
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>none</b> –		
<b>Bearish Implications</b>		
<b>Yum Brands YUM</b> – Restaurant with bearish RSI divergence. Sell close under 90 as that breaks support.		5/29
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Long-term setups – LGF, SFUN, AGU, MOO</b>		6/3
<b>Penn Gaming PENN</b> – While <b>LVS</b> and <b>WYNN</b> 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.		6/8
<b>Host Hotels HST</b> – 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.		6/8
<b>Marriott MAR</b> – Weekly chart looks to be rolling over. Would like a slight bounce to sell.		6/8
<b>3M</b> – A Dow stock with a gradual topping pattern. A good one to consider for a short on a bounce.		6/9
<b>Travelers TRV</b> – We are already short <b>ALL</b> . This one looks like it will bounce as the moving average death cross happens – and then we will short it.		6/9
<b>Manpower MAN</b> – Not exactly a cup-with-handle but it has the same feel. Waiting for a long-term breakout.		6/9
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Oil services</b> – Still holding a base breakout.		5/6
<b>Retail</b> – A few retailers with potential. <b>BKE, GES, SPLS</b> .	<b>Changed</b>	6/5
<b>Updates</b>		
<b>none</b> –		

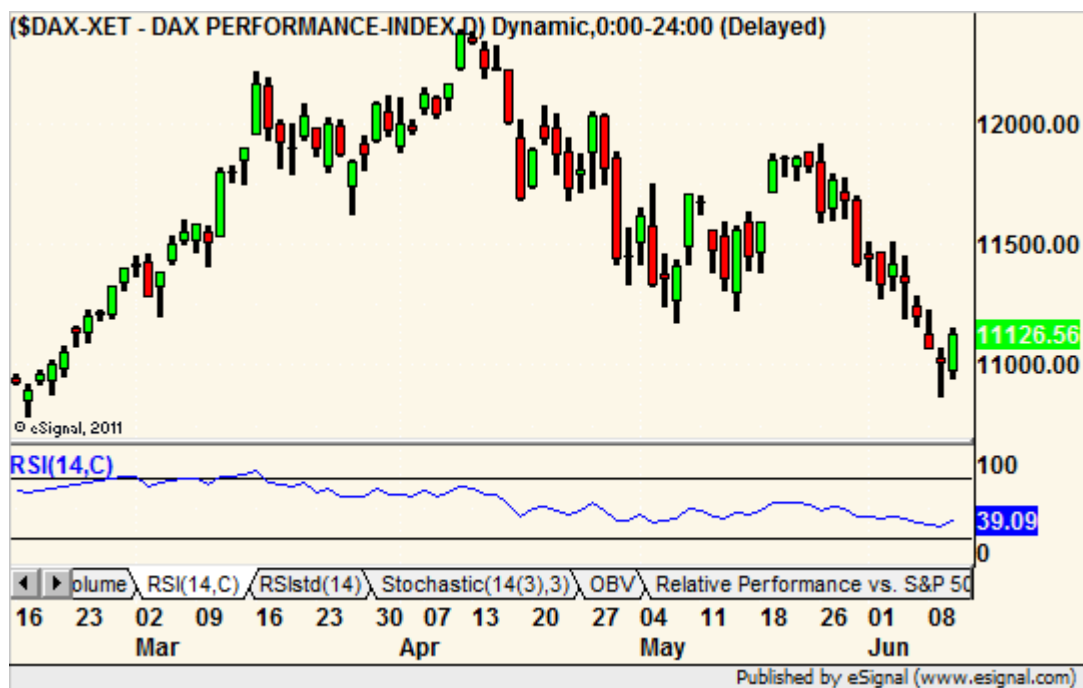
## Market Highlights



**Long T-bond ETF** – Looks like a bear trend.



**Banks index** – The only thing that is working from the long side.



**German DAX** – After falling more than 10%, this index is on its way to a small reversal today. That is a possible engulfing candle following a quasi-hammer. In other words, it is time for an upside correction. That could give the US a bounce, as well.



**Short S&P 500 ETF** – Just for kicks, here is the non-leveraged short ETF and it has a trend break – although not one to buy just for that reason. Keep an eye here as the short moving averages bowtie higher (cross at the same time). This ETF might just give us a real breakout before the “regular” S&P 500 breaks down.

**QTP tip of the day** – do not play with 2X and 3X ETFs unless you are actually a day trader.

## 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>COF</b>	CAPITAL ONE FINL CORP	85.57	3.3%	83.00	82.80	5/6	34
	<b>KEY</b>	KEYCORP NEW	15.34	4.0%	14.75	14.75	5/11	29
	<b>KBE</b>	SPDR S&P BANK ETF	36.34	5.1%	35.00	34.58	5/11	29
	<b>FB</b>	FACEBOOK INC	80.60	2.1%		78.94	5/14	26
	<b>GM</b>	GENERAL MTRS CO	35.26	-2.4%	34.75	36.11	5/28	12
	<b>XLNX</b>	XILINX INC	46.45	-2.6%	45.75	47.68	5/28	12
	<b>BABA</b>	ALIBABA GROUP HLDG LTD	87.00	-4.8%		91.35	5/29	11
<u>Short</u>	<b>FLS</b>	FLOWSERVE CORP	53.95	2.7%	56.50	55.40	5/12	28
	<b>ALL</b>	ALLSTATE CORP	65.71	2.4%	68.00	67.30	6/1	8

**Notes:** Sold **FB** at the open yesterday as it was just not looking like anything anymore.

Stopped out of **BABA** after we raised the stop, but it ended with a hammer candle and possible reversal. Maybe, maybe not on that reversal.

Raised stops on all bank related positions.

## 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

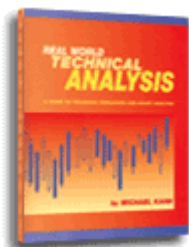
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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