

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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June 17, 2014 - With all that is going on in the world, pundits are still commenting that the stock market is still asleep - or at least putting them to sleep. It is true that the past few days have been in tight ranges and there was even an observation that the S&P 500 has not had a 1% move in either direction in about 40 days. Longest streak in 20-years.

It makes sense when the **VIX** is so low. But what do we do about it?

The slant on some of the economic indicators we've seen lately is not good. Copper, lumber and now housing permits are down. Rates are down (no demand for money). Banks and retail are lagging. You get the point.

Yet the II survey is at an exceptionally bullish level and contrarians are screaming about that.

We'll maintain the rising trend view but since we are rather long right now we'll start to take it easy with new money. Don't forget to pay yourself from time to time (partial profits).

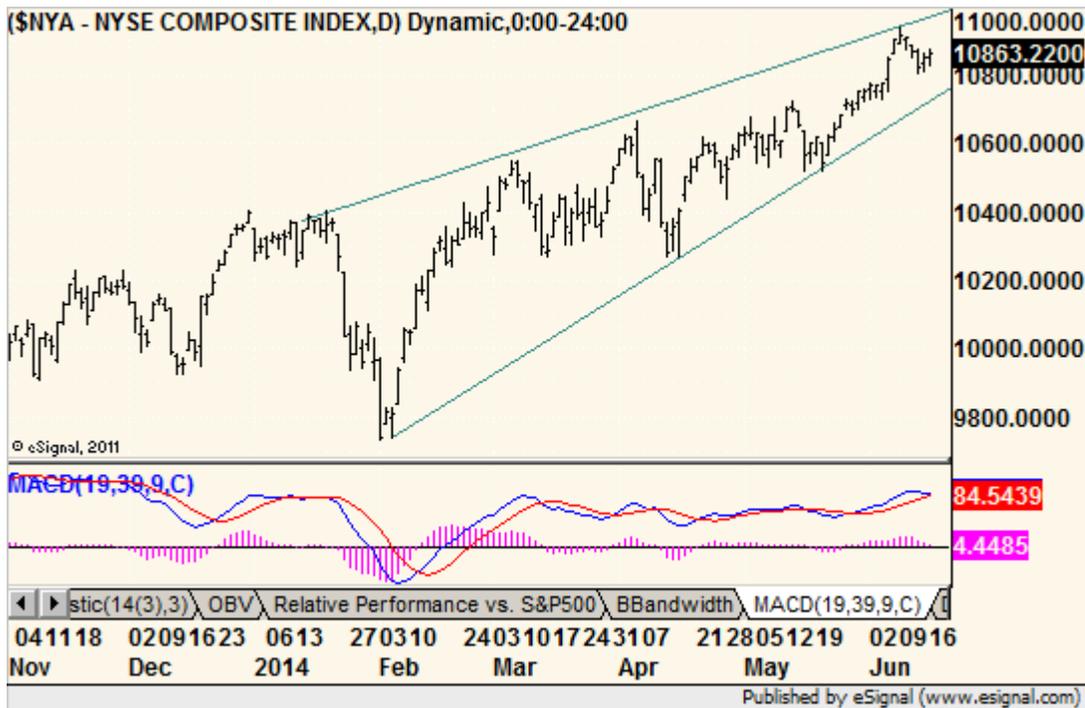


The hourly chart held support and now is at resistance. We don't view this resistance as being that strong but for now it did hold back the overnight rally. We can also see the drop on morning news (CPI and housing starts).

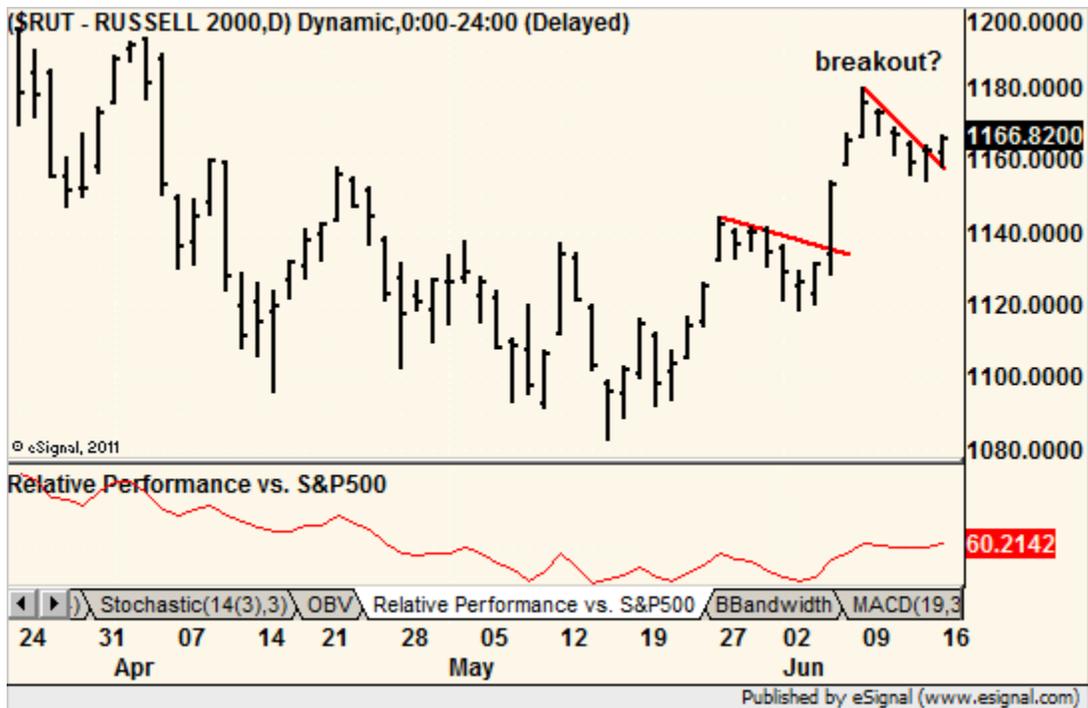
Nothing new in gold and oil except for a little bit of easing today.

That's it. Perhaps it really is a sleepy market right now.

Index Charts of the Day



Since the charts did not change much Monday, here is the NYSE Composite for a different look. The wedge is clear.



Did the Russell break out yesterday? Looks that way although the pattern was rather steep. One more up day will confirm, however.

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		
Paychex PAYX - Rising stochastics in a trading range makes it lean bullish. Buy range breakout over 41.65.		5/28
Solar City SCTY - Combine Elon Musk with solar and you get this. Bull RSI divergence and back above the 50-day. A buy.	New	6/17
Mylan Labs MYL - a drug stock with a bull flag breakout through a trendline. Bounced off 50-day average. Not bad right here.	New	6/17
Bearish Implications		
none -		5/28
Unknown Implications		
none -		5/28
Holding Tank - red shade leans bearish, green shade leans bullish		
TD Ameritrade AMTD - Still watching major support at 29.45 for a breakdown		6/16
Microsoft MSFT - Still looks good for a breakout through 41.65 although on-balance volume has tailed off.		6/16
Sector Watch (observations that may spark ideas)		
Telecoms - Double top breakdown and now in a possible bear flag.	Changed	6/9
Gaming - Still lagging. Never recovered.		6/10
Industrial machinery group - Several components have broken down so we'll remove this group from the "buy the dip" category. PLL, CR	Changed	6/10
Oil Services ETF OIH - Trend is up.		6/10
Semiconductor index SOX - Very resilient in a sell-off.		6/10
Updates		
Utilities - Big rally due to WMB . Otherwise it was up but only modestly.		
Solar ETF TAN - Fresh breakout. We were already long.		

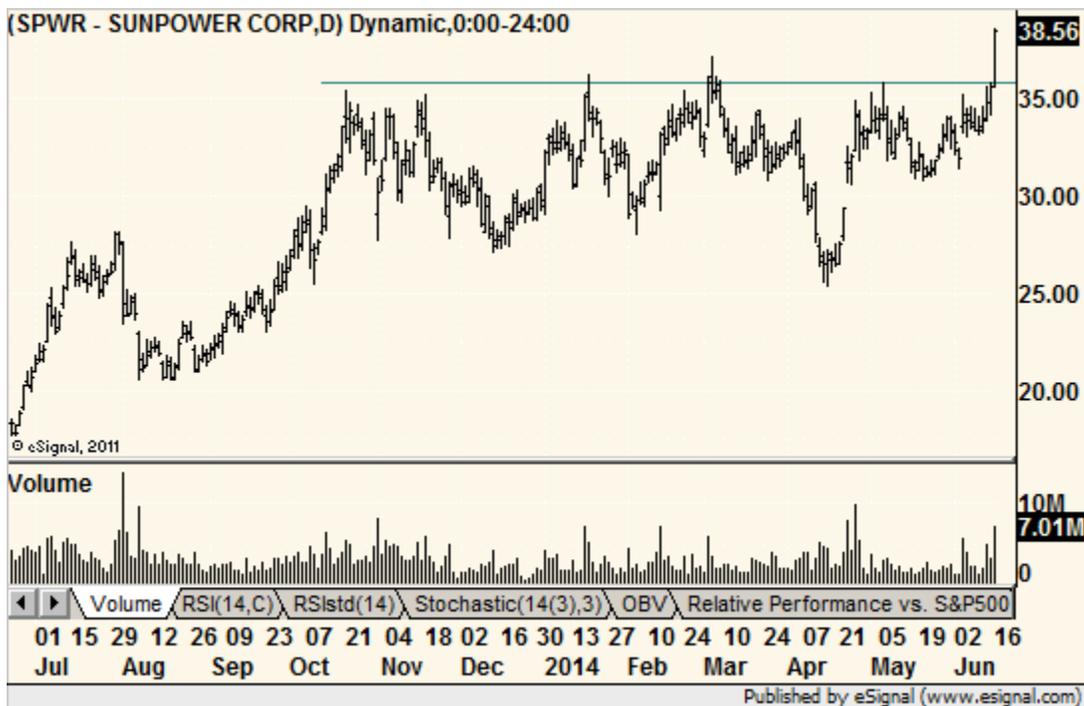
Market Highlights



Gold ETF - Backed off resistance yesterday and into the premarket today. Now we will see if the bulls are truly ready to make a move.



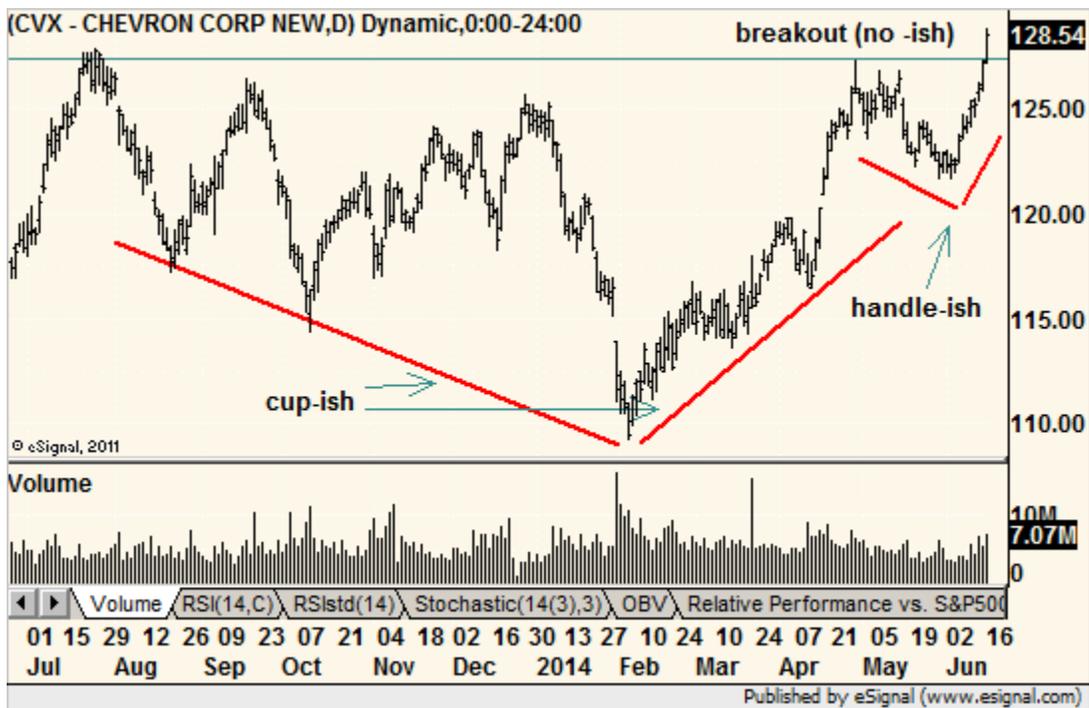
T-bond futures - We've been looking at the ETF but the actual bond market never broke its trendline.



Sunpower - Solar is suddenly back in vogue.



Solar City - Combine Elon Musk with solar and you get this. Bull RSI divergence and back above the 50-day. A buy.



Chevron - Long-term breakout. Short-term overbought so if it dips it would be a nice buy.



Mylan Labs - a drug stock with a bull flag breakout through a trendline. Bounced off 50-day average. Not bad right here.



Twitter - This is a good place to take a partial profit but we'd let the rest ride.



Visa - Trend break but still above its averages.

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>	CAG	CONAGRA FOODS INC	32.79	1.9%	31.75	32.17	5/29	18
	DD	DU PONT E I DE NEMOURS & CO	68.11	-1.2%	67.50	68.97	5/29	18
	WYN	WYNDHAM WORLDWIDE CORP	72.50	-1.4%	71.50	73.50	5/30	17
	TAN	GUGGENHEIM SOLAR ETF	42.75	1.8%	41.00	42.00	5/30	17
	FCG	1ST TRUST ISE-REVERE NAT GAS	23.30	2.6%	22.00	22.70	5/30	17
	APD	AIR PRODS & CHEMS INC	120.52	0.6%	119.00	119.85	5/30	17
	PPG	PPG INDS INC	203.02	0.3%	198.00	202.33	6/2	14
	BDX	BECTON DICKINSON & CO	118.22	-0.2%	115.00	118.50	6/3	13
	KMI	KINDER MORGAN INC DEL	35.38	3.9%	33.75	34.05	6/4	12
	MRO	MARATHON OIL CORP	39.01	5.2%	38.00	37.07	6/5	11
	GOOGL	GOOGLE INC	552.30	-0.9%	545.00	557.11	6/5	11
	CBS	CBS CORP NEW	60.70	0.4%	59.00	60.48	6/5	11
	ILMN	ILLUMINA INC	169.38	3.2%	165.00	164.09	6/5	11
	HSY	HERSHEY CO	98.05	0.1%	95.00	98.00	6/6	10
	NG	NOVAGOLD RES INC	3.91	7.7%	3.85	3.63	6/11	5
	AUY	YAMANA GOLD INC	8.20	4.6%	7.80	7.84	6/12	4
	RGLD	ROYAL GOLD INC	66.95	0.3%	64.00	66.77	6/12	4
	KEYW	KEYW HLDG CORP	11.68	0.5%	11.00	11.62	6/13	3
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	48.66	-0.8%	51.00	48.25	5/15	32
	SCHW	SCHWAB CHARLES CORP NEW	25.88	-2.1%	26.50	25.33	6/2	14
	KO	COCA COLA CO	40.66	-0.6%	42.00	40.42	6/12	4

Notes: Big bull reversal for **KO**.

Raised a pair of stops on the long side.

Subscriber Corner

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



UnitedHealth Group - A short-term trend break with a big-range day and big volume. Still above the 50-day average but we take that with a grain of salt. Looking for support in the zone as drawn. Note that the 200-day average is now in the middle of it just under 75.

From the long-term view, there is a bearish RSI divergence in place over the past year. The long-term trend is still up but aggressively buying the dip may not be the right move. We cannot make that determination until support is reached.

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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