

# QUICK TAKES PRO

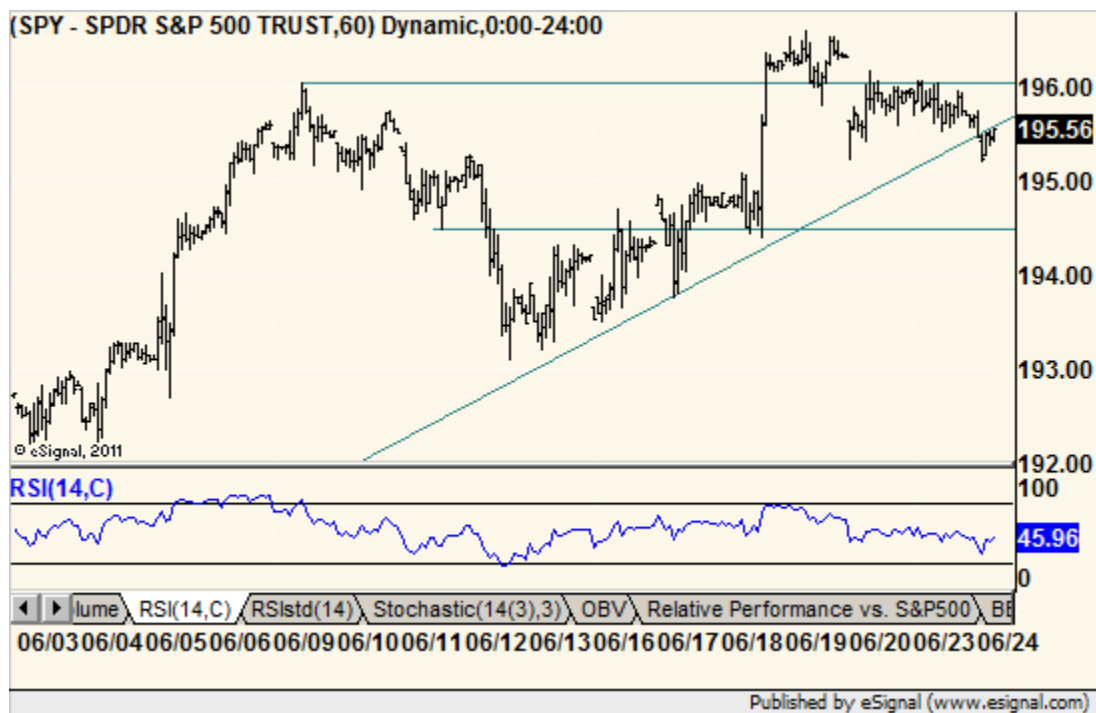
"TECHNICAL ANALYSIS FOR EVERYONE"

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**June 24, 2014** - Yesterday, we said rising energy prices was the relevant news and it still is. Gold is breaking out again this morning. But now we see the market waking around in a stupor - low volume, low volatility and lots of traders posting their boredom on social media.

They say never to short a dull market and this market certainly qualifies. But at the same time, the bull market is old and has not seen an important correction since 2011. And do we confuse dull with complacency? Are skepticism and lack of action the same as drinking the kool-aid? The latter group are exact opposites.

We are paring back our longs as described in the Advice Tracker below. Non-performers are being trimmed while strong trenders are kept.

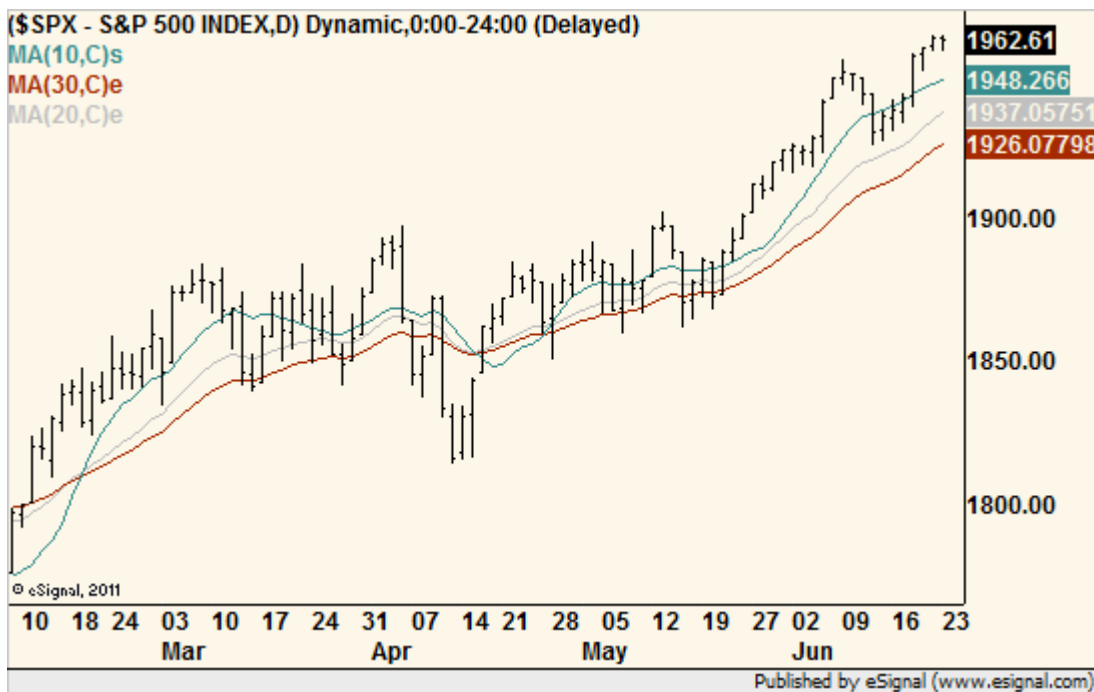


The hourly chart now shows its first signs of problems after failing at resistance yesterday and now moving below the May trendline. The daily chart below (Index Charts of the Day) shows no such problem so keep the time frame in mind. We do not see a reason to bail until support at roughly 194.50 as shown above is broken. And even that would not break the 20-day expo average on the daily chart.

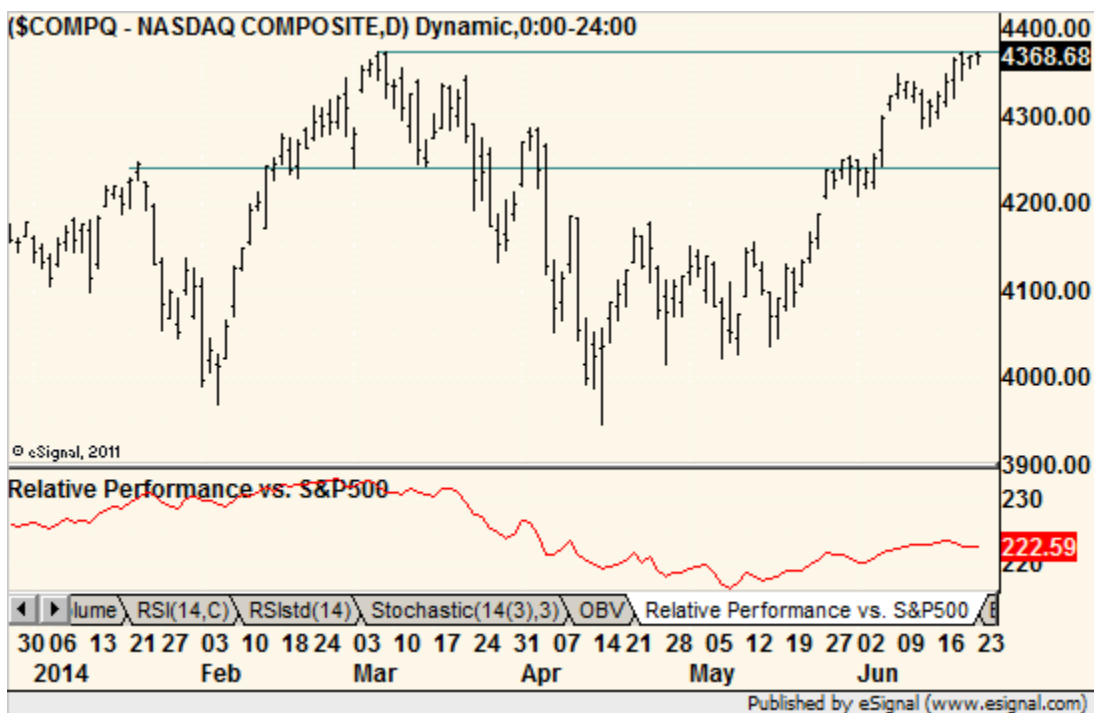
**Bottom line** - we are bringing in the lawn furniture but not boarding up the windows just yet. Anyone who lives in hurricane zones knows what that means. If you don't it just means we are taking preliminary precautions without disrupting our lives.

Because of the risk of transition here, there are few individual stocks highlighted today. Managing what we've got seems more important than finding the next big mover.

## Index Charts of the Day



Here is the S&P 500 with short-term averages. The 10-day is not even broken so it is hard to justify selling it.



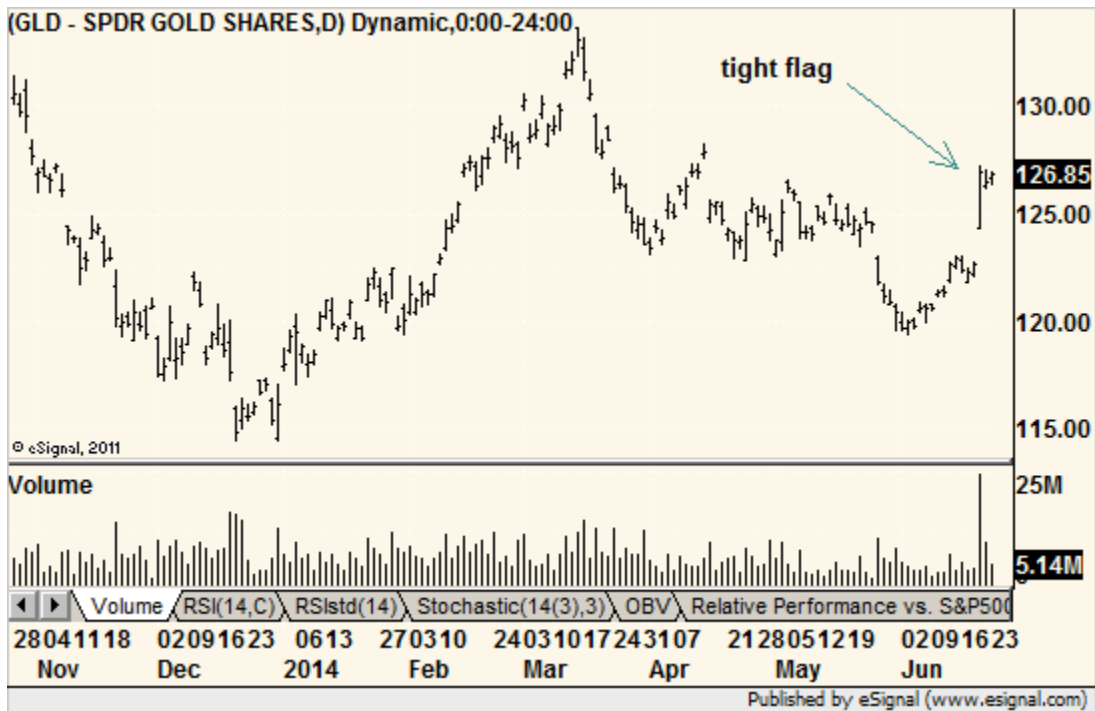
The dilemma is between a market making no progress and sporting candles of uncertainty (not shown) and a market that is hanging on near resistance without falling away quickly. The latter is bullish.

## The Radar Screen

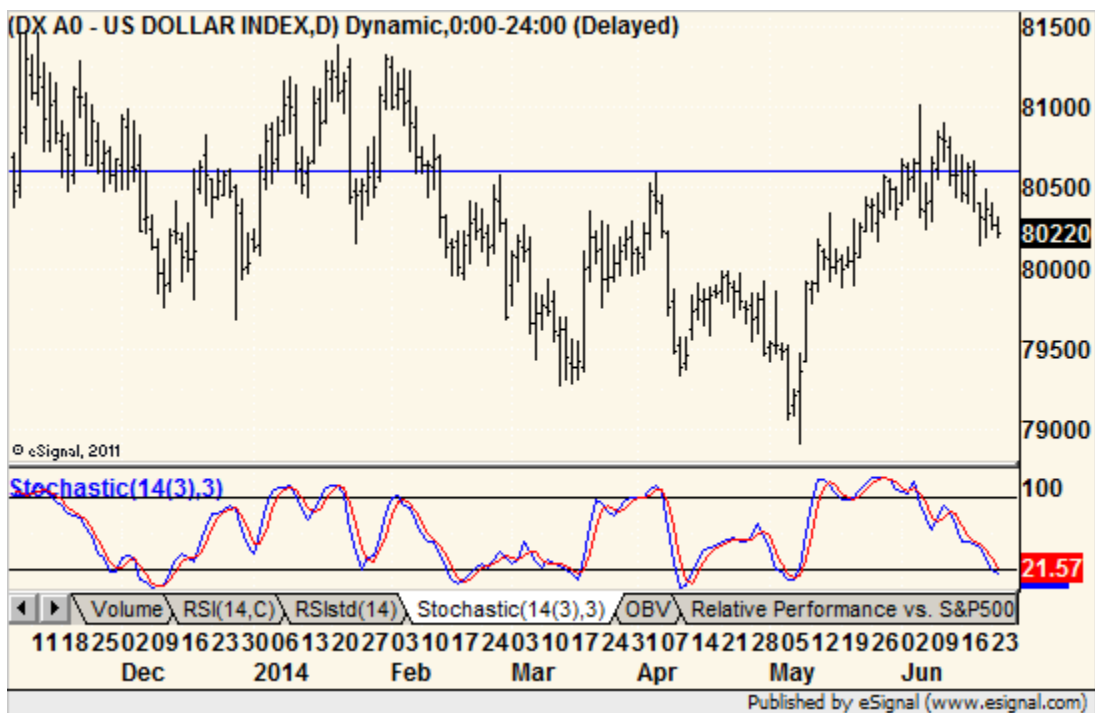
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Paychex PAYX</b> - Rising stochastics in a trading range makes it lean bullish. Buy range breakout over 41.65.		5/28
<b>Bristol Myers Squibb BMY</b> - This drug stock has the makings of a turnaround as it is back above a breakdown level. MACD sports a bullish divergence. Buy close over Thursday's high at 48.16		6/20
<b>Rockwell Collins COL</b> - watching this defense contractor to see if it can break resistance at 80.45. It did. We can buy.	<b>Triggered</b>	6/19
<b>Bearish Implications</b>		
<b>none</b> -		5/28
<b>Unknown Implications</b>		
<b>none</b> -		5/28
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>3-D Systems DDD</b> - This is the in-vogue 3D printing stock from last year. Look fairly similar to Solar City before its rebound breakout and its business is certainly in the eyes of futurists. Small handle-like pattern at gap resistance from last month. <b>Breakout</b>		6/23
<b>Sector Watch</b> (observations that may spark ideas)		
<b>none</b> - All sectors removed in a "reset"		
<b>Updates</b>		
<b>ST Micro STM</b> - continues to fall after breakdown		

## Market Highlights



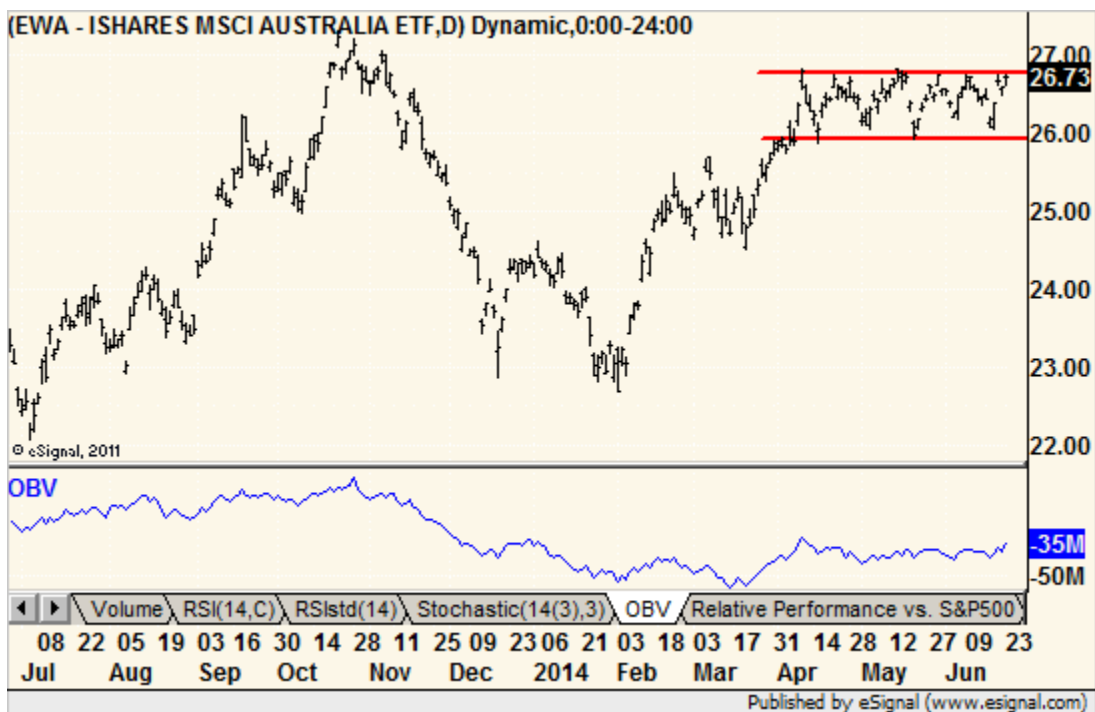
**Gold ETF** - Breaking out this morning. Check the hourly chart for a nice look.



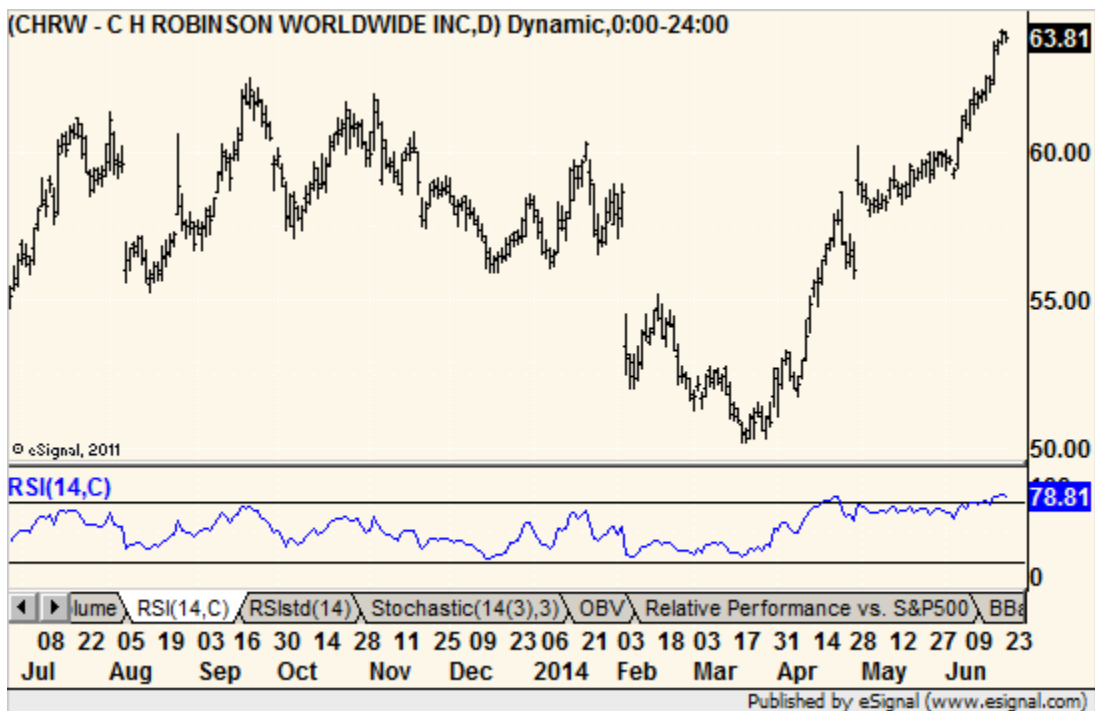
**US Dollar Index** - Weakening again



**Hartford Financial** - Waiting to see how this one breaks.



**Australia ETF** - Nice rectangle.



**CH Robinson** - This trucker looks overbought to us. We'd like to see a pullback and then check out the weekly chart for the right setup to buy.



**Discretionary / Staples ratio** - This chart could have been included in my Barron's Online column yesterday. It shows a breakdown and now a test and a clear shift from aggressive to defensive desire on the part of consumers. It is not always a great market forecaster but it certainly does not help the bulls.

## 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>WYN</b>	WYNDHAM WORLDWIDE CORP	74.81	1.8%	72.50	73.50	5/30	24
	<b>TAN</b>	GUGGENHEIM SOLAR ETF	44.26	5.4%	43.00	42.00	5/30	24
	<b>FCG</b>	1ST TRUST ISE-REVERE NAT GAS	23.88	5.2%	23.00	22.70	5/30	24
	<b>PPG</b>	PPG INDS INC	204.37	1.0%	sell	202.33	6/2	21
	<b>BDX</b>	BECTON DICKINSON & CO	118.49	0.0%	sell	118.50	6/3	20
	<b>KMI</b>	KINDER MORGAN INC DEL	36.01	5.8%	34.50	34.05	6/4	19
	<b>MRO</b>	MARATHON OIL CORP	40.16	8.3%	39.00	37.07	6/5	18
	<b>GOOGL</b>	GOOGLE INC	574.29	3.1%	555.00	557.11	6/5	18
	<b>ILMN</b>	ILLUMINA INC	170.67	4.0%	167.00	164.09	6/5	18
	<b>HSY</b>	HERSHEY CO	98.79	0.8%	96.00	98.00	6/6	17
	<b>NG</b>	NOVAGOLD RES INC	4.27	17.6%	4.10	3.63	6/11	12
	<b>AUY</b>	YAMANA GOLD INC	8.65	10.3%	8.30	7.84	6/12	11
	<b>RGLD</b>	ROYAL GOLD INC	75.28	12.7%	70.00	66.77	6/12	11
	<b>KEYW</b>	KEYW HLDG CORP	11.60	-0.2%	11.10	11.62	6/13	10
	<b>SCTY</b>	SOLARCITY CORP	70.00	27.3%	65.00	54.99	6/17	6
	<b>MYL</b>	MYLAN INC	50.78	1.3%	49.00	50.11	6/17	6
	<b>LLY</b>	LILLY ELI & CO	62.07	0.1%	59.00	62.03	6/20	3
	<b>IBB</b>	ISHARES NASDAQ BIOTECHNOLOGY	252.91	-1.1%	245.00	255.64	6/20	3
	<b>UTX</b>	UNITED TECHNOLOGIES CORP	117.13	-0.8%	115.00	118.11	6/20	3
	<b>COL</b>	ROCKWELL COLLINS INC	79.47	-1.1%	78.00	80.34	6/23	0
<u>Short</u>	<b>RJF</b>	RAYMOND JAMES FINANCIAL INC	50.83	-5.1%	51.00	48.25	5/15	39

**Notes:** Lots of stops raised again but for different reasons. The older ones that are not doing much are either getting tighter stops or are being cut now to reduce risk. Positions that are performing may see their stops raised according to the parabolics study (two-pager, [click here](#)).

Basically, the idea is to get rid of weakness and keep riding strength as the market flounders. If it takes off, these weaker positions are less likely to follow. If it falls then these positions are more likely to tumble. Why? No demand.

E have a new long in COL at the open yesterday after Friday's breakout. It did not make us happy Monday.

Also, two new longs from Friday - **IBB** and **UTX** - where were bought "on close" gave back a big chunk of their breakout gain on Monday. No surprise there.

## 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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What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

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