

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

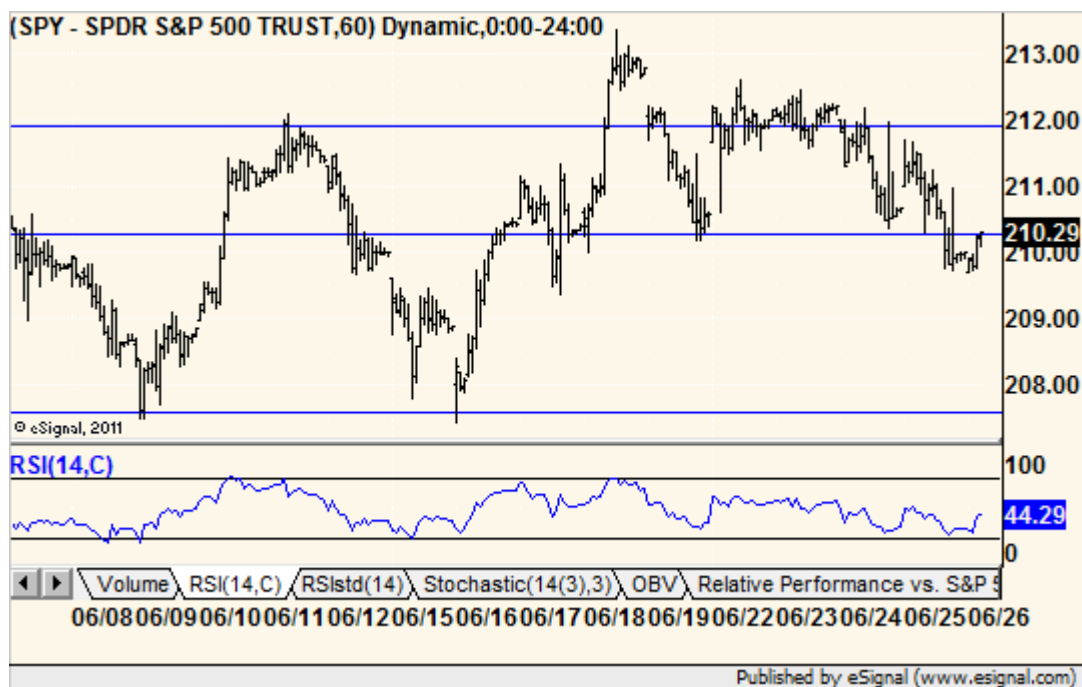
**June 26, 2015** – What did everyone expect was going to happen? With apologies to all subscribers of Greek ancestry, the country of Greece today is a little baby throwing a tantrum. Once again fears over a default in this tiny little piece of the world economy sent stocks lower. And with no deal and a weekend looming it is not likely to get much better. Not to mention the end of day rejiggering of the Russell indices - which is supposed to be a high volume event akin to options expirations.

The Greek stock market is in a tightening coil so perhaps they still think things will work out. German bunds are also flat as are the dollar and gold. Maybe we are being far too pessimistic but we stand by our decision to move heavily into cash ahead of yesterday's decline. We'll sleep better this weekend, that is for sure.

As you may have noticed, we put out a "sell at 10:00 if negative" on the long side of our Advice Tracker. The idea was not to sell after a major sell off day and get caught selling the low. What happened? We lost almost all positions, save for United Healthcare. Only two were lower than their previous closes but it was worth that risk as many others were much lower by the close.

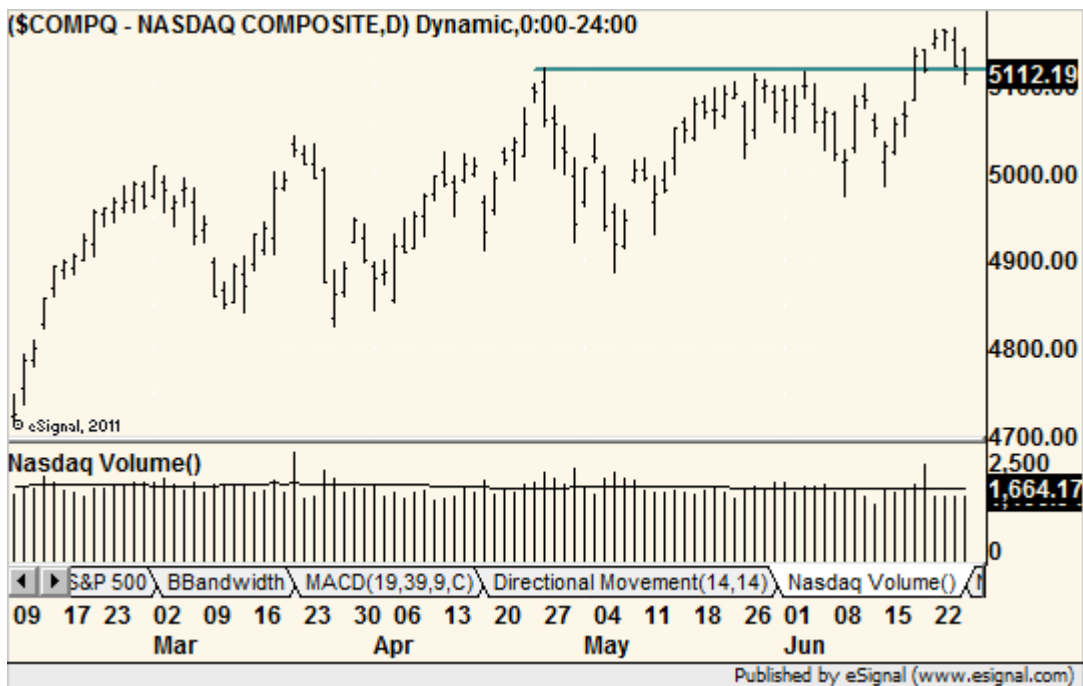
But have we become raging bears? No, just skeptics looking to conserve capital. We still have a few stocks in the Radar Screen looking for long setups to develop so do not feel you have to be short everything. At this point, we just don't know what will happen in Greece and that means we'd rather sit it out.

Besides, did you see what happened in China? Down 7.4% on top of what it has already lost. The Chinese market is unravelling in a big way and given the run-up before the peak we think a lot of sharp losses lay ahead. The good news is that China has always done its own thing and that suggests it will not drag everyone else, except perhaps for Hong Kong, with it.



The hourly chart looks rather weak to us. Check out the industrial ETF chart below as another sector leaving the game. One by one they seem to be falling.

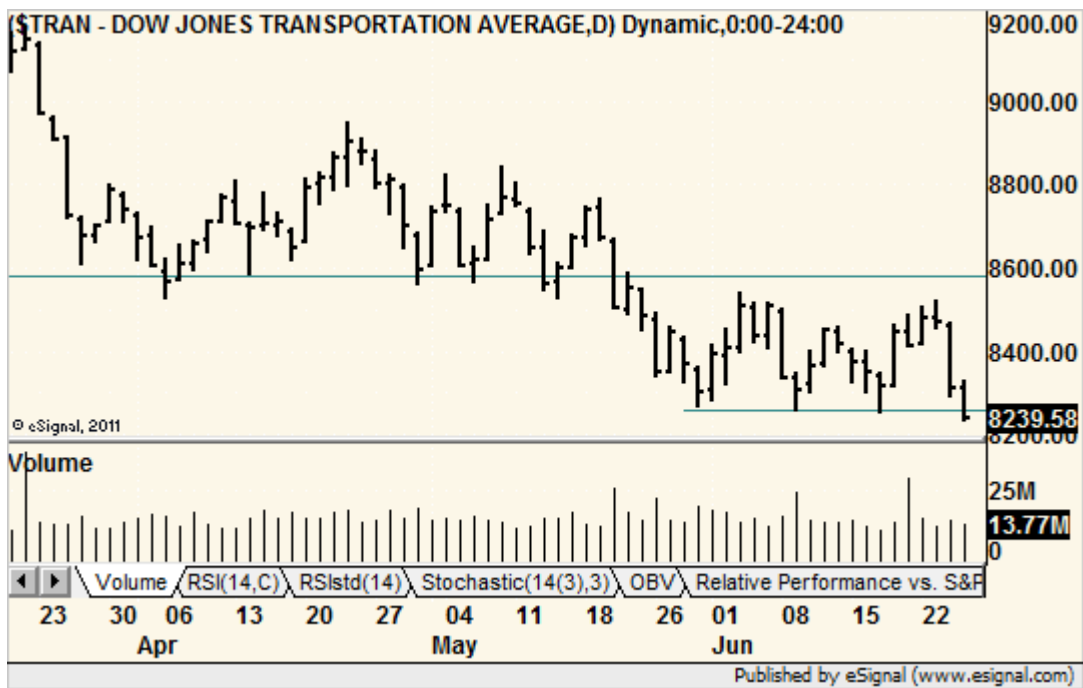
## Index Charts of the Day



Quoting from that investment and trading classic, Monty Python and the Holy Grail, “I’m not dead yet.” The Nasdaq is still officially testing a breakout. However, it would not take much more effort by the bears to erase that and turn this index negative.



Reversal pattern at resistance confirmed.



Transports break rectangle. One more day to confirm or negate this breakdown. If confirmed, can the rest of the market really ignore it?



Utilities chart needs no comments.

## The Radar Screen

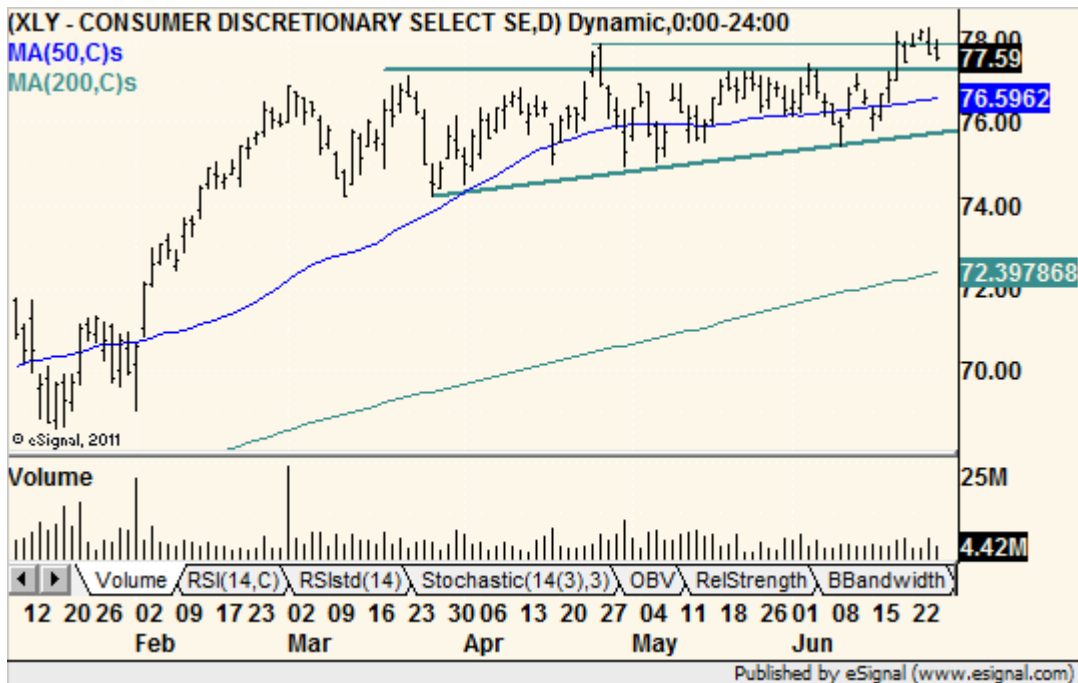
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>		
none –		
<b>Bearish Implications</b>		
none –		
<b>Unknown Implications</b>		
none –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Long-term setups</b> –SFUN (breakout), AGU, MOO		6/3
<b>Manpower MAN</b> – Not exactly a weekly cup-with-handle but it has the same feel. Watching for now. Breakout. Unless it pulls back, we missed it.		6/9
<b>Schwab SCHW</b> – This discount broker led the financial ETF higher Monday and the price chart looks pretty good. However, on-balance volume is pretty bad.		6/23
<b>American Express AXP</b> – This one may have come back to life with a flag breakout and test of 50-day average breakout.		6/23
<b>Carnival CCL</b> – Smoking hot performance for this cruise line. <b>RCL</b> is not far behind. <b>CUK</b> was even hotter. We have to wait for a pullback.		6/23
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Nasdaq biotech ETF IBB</b> – Huge upside breakout. Finally overbought		6/11
<b>REITs ETF IYR</b> – down trend intact		6/23
<b>Tech ETF XLK</b> - Bear flag breakdown after trendline breakdown.		6/24
<b>Chemicals</b> – Looking for a fan lines breakdown in the <b>CEX</b> index.		6/25
<b>Industrials ETF XLI</b> – Pennant breakdown. While it did move under the 200-day average everything was flat so we cannot take that as a signal. True, it does not help.	<b>New</b>	6/26
<b>Consumer Discretionary ETF XLY</b> – Stopped at resistance and coming down to test a more important former resistance level. In a vacuum, this is still pretty good. However, we are watching to see if breakout fails as this sector is a leader.	<b>New</b>	6/26
<b>Updates</b>		
None –		

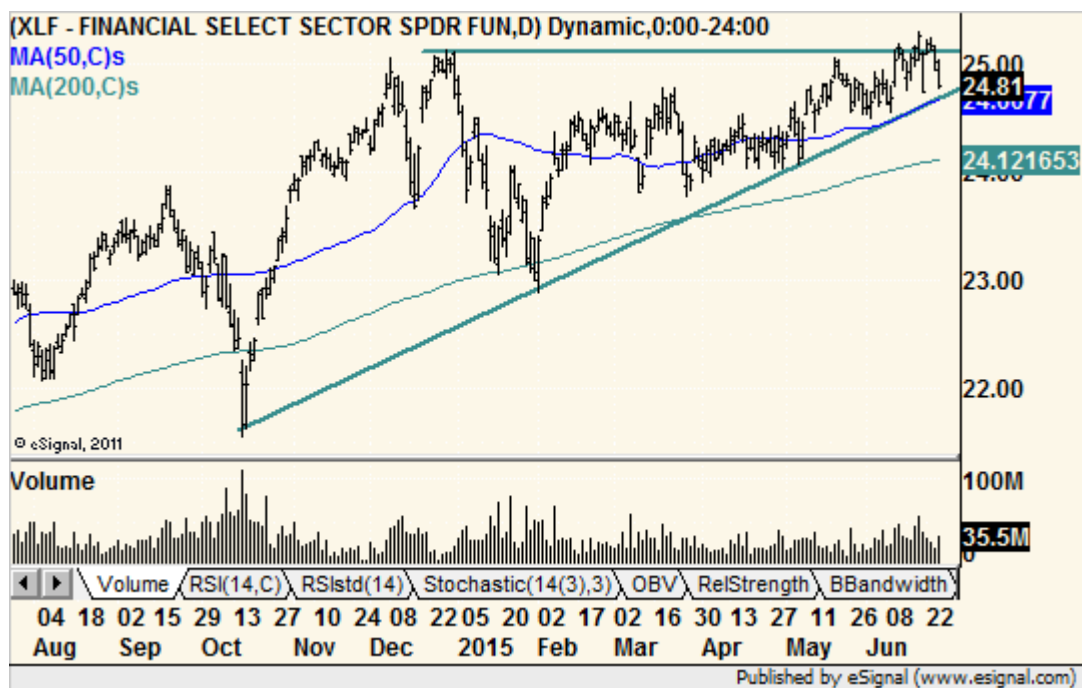
## Market Highlights



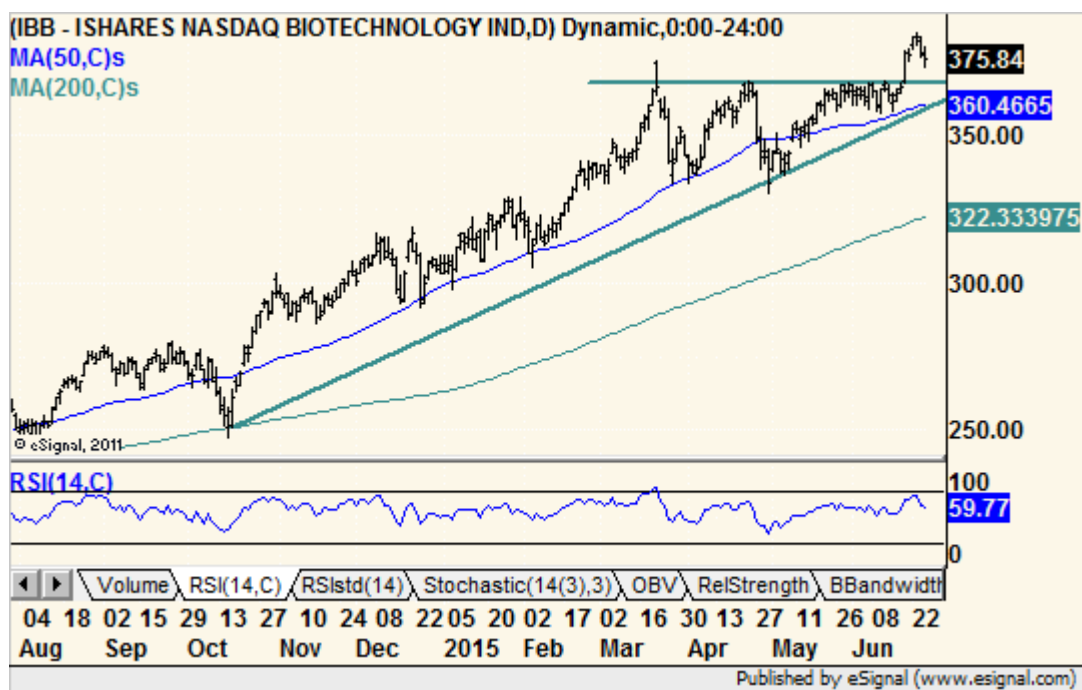
**Industrials ETF** – Pennant breakdown. While it did move under the 200-day average everything was flat so we cannot take that as a signal. True, it does not help.



**Consumer Discretionary ETF** – Stopped at resistance and coming down to test a more important former resistance level. In a vacuum, this is still pretty good. However, we are watching to see if this breakout fails as this sector is a leader.



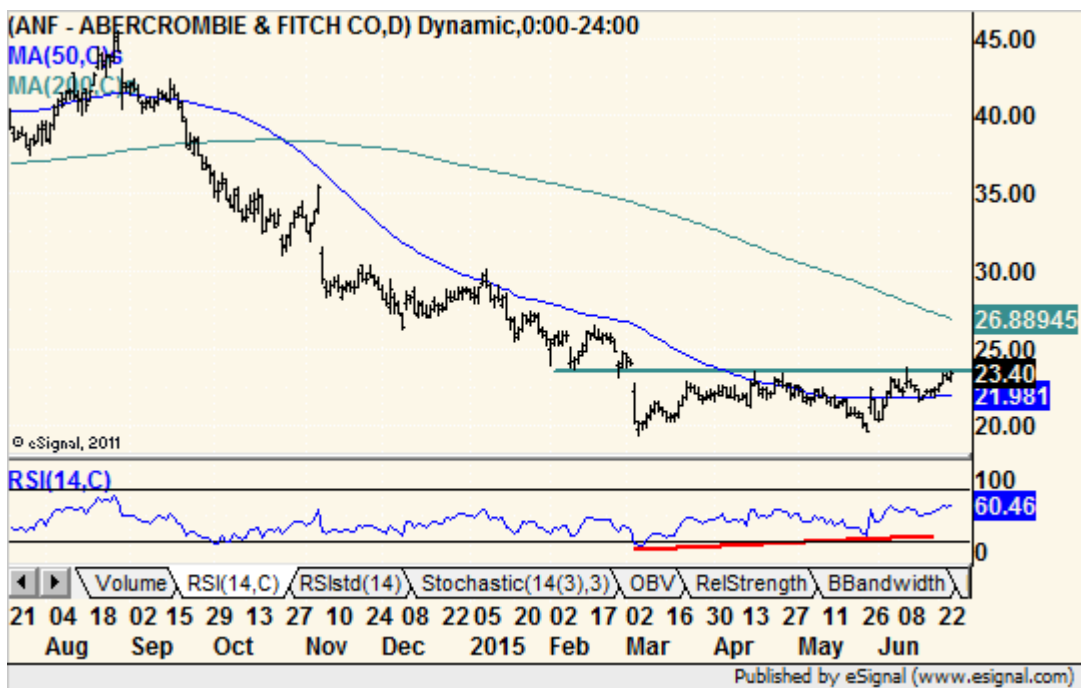
**Financial ETF – Crossroads.**



**Biotech ETF – So far, so good but we must pay attention here.** If this one fails then it will be very bad news for the market.



**Childrens Place** – This is a retailer in case we are wrong about the market. Nice series of flags and breakouts.



**Abercrombie & Fitch** – This is a hated brand in some circles yet it has a bottoming pattern. Beware the high P/E.



## 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>
<b>COF</b>	CAPITAL ONE FINL CORP	89.12	7.6%		82.80	5/6	50
<b>KEY</b>	KEYCORP NEW	15.43	4.6%		14.75	5/11	45
<b>KBE</b>	SPDR S&P BANK ETF	36.94	6.8%		34.58	5/11	45
<b>GM</b>	GENERAL MTRS CO	35.16	-2.6%		36.11	5/28	28
<b>XLNX</b>	XILINX INC	45.75	-4.0%		47.68	5/28	28
<b>MSFT</b>	MICROSOFT CORP	45.65	-1.8%		46.50	6/18	7
<b>PG</b>	PROCTER & GAMBLE CO	79.39	-1.2%		80.33	6/18	7
<b>PWR</b>	QUANTA SVCS INC	29.43	-3.2%		30.41	6/22	3
<b>HSIC</b>	SCHEIN HENRY INC	144.32	-1.1%		145.87	6/22	3
<b>UNH</b>	UNITEDHEALTH GROUP	119.17	-2.4%	118.00	122.15	6/23	2
<b>FLS</b>	FLOWSERVE CORP	52.64	5.2%	54.00	55.40	5/12	44
<b>MAR</b>	MARRIOTT INTL INC NEW	76.17	0.5%	80.00	76.55	6/12	13
<b>HST</b>	HOST HOTELS & RESORTS INC	20.30	-2.7%	20.75	19.75	6/15	10

**Notes:** A very unusual day for us as we dumped the entire long side of the Advice Tracker – except **UNH** - when each went into the red after 10:00 am. Two stocks were already red before 10:00 and we sold them at the 10:00 (lower) price. UNH never went red on the Obamacare ruling by the Supreme Court.

Trailed the stop on the **FLS** short lower.

## 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

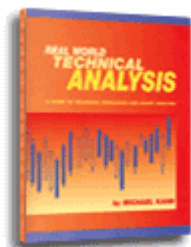
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



**24/7 Website archive** – <http://www.quicktakespro.com/archive> (password needed)

**Customer Support** - <http://www.quicktakespro.com/support.html>

**Recommended reading** - <http://www.quicktakespro.com/education.html>



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>.

**Refer** a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we’ll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>



<http://www.talkmarkets.com/contributor/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2015