

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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June 30, 2014 - Markets are flat after the weekend but we do see weakness in Europe over the past week or so. And while we like the pause in energy stocks here at home, the weakness in insurance is a bit troubling. After all, that is part of the financials - one of our key sectors.

Other than one of its patented in your face rallies at the end of the day Friday, not much is happening market-wide. Perhaps everyone is waiting for PMI and pending home sales data to be released in the morning. Or the jobs number later in this holiday shortened week.

Whatever the case, just looking at the chart patterns we see reason to be a little more cautious. That does not mean it is all over but it has been a bit weird with volume, sentiment, bonds and gold all doing things that go counter to a bull market in stocks.

Nonetheless, the trend is up, breadth is strong and there have been no surprises from the Fed, save for the few hours after St. Louis Fed Chief Bullard spilled some beans last week.

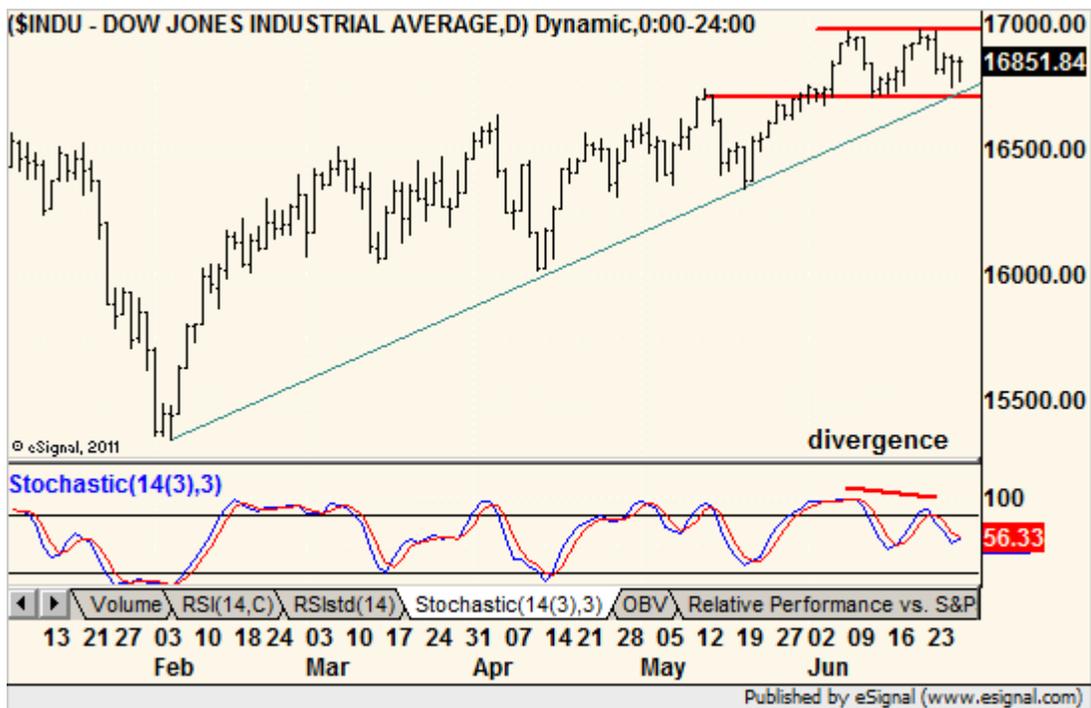
We have started to look for short sale candidate and there are a few in the Holding Tank now. However, the Advice Tracker is still quite long.



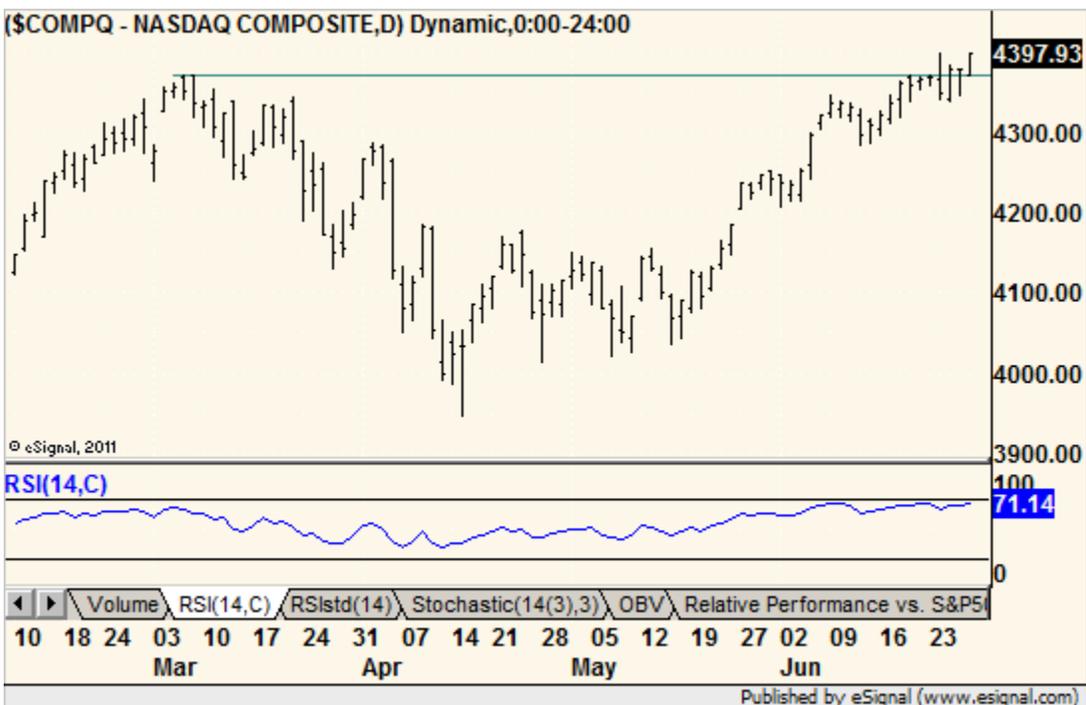
No change in marking on the hourly chart. Prices are still within the support and resistance levels we've been watching for the past few days.

Reminder - this is a holiday week and markets will be closed Friday. Activity will start to tail off perhaps as early as Wednesday.

Index Charts of the Day



The Dow may hold the secret to upcoming market direction. Stochastics set a lower high in the trading range and that is not good. However, it also failed to set a low enough low and that is bullish. Watch the red upper and lower borders.



Nothing wrong here unless it immediately falls. That would kill the breakout and change things for the worse.

The Radar Screen

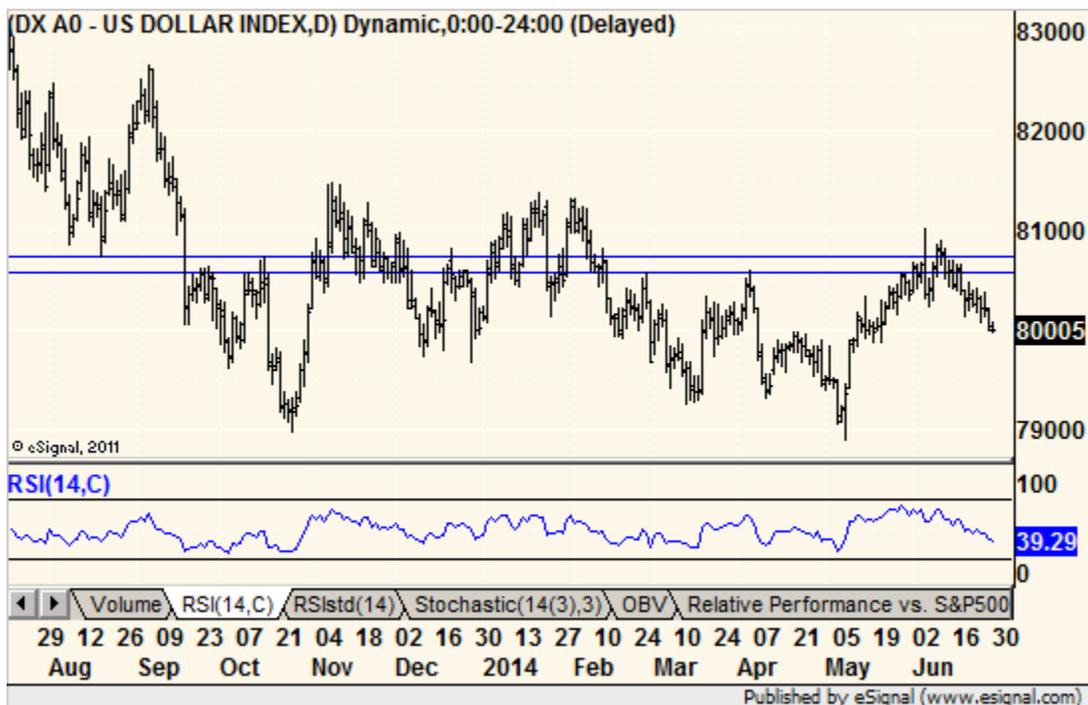
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
3-D Systems DDD - 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. Another breakout now draws us in to buy.	Triggered	6/23
Mastec MTZ - This is a heavy construction stock (infrastructure) and it scored a big hammer at support. Needs to take out Wednesday high 29.81 on close	Triggered	6/26
Bearish Implications		
none -		5/28
Unknown Implications		
none -		5/28
Holding Tank - red shade leans bearish, green shade leans bullish		
Hartford Financial HIG - Ascending triangle. Waiting to see how it breaks.		6/24
Australia ETF EWA - Nice rectangle.		6/24
CH Robinson CHRW - 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.		6/24
American Financial AFG - This property & casualty insurer is in a rising wedge with an ion-balance volume breakdown. Just watching as a potential sell.	New	6/30
Chubb CB - More problems in insurance. This one has a potential double top and already sports falling on-balance volume.	New	6/30
US Bancorp USB - Not sure which way this goes. A cup-with-handle leans bullish but a failed breakout last week leans bearish.	New	6/30
Sector Watch (observations that may spark ideas)		
Energy - Way overbought so we would love a pullback to buy		6/26
Updates		
None -		

Market Highlights



Canada Dollar ETF - One of the stronger currencies recently. Just broke short-term resistance and now faces a long-term trendline. We would not worry about a stall right here but would wait for the breakout before new purchases. Recall we had a chart of the Canadian stock market Friday and it was very strong.



US Dollar Index - The US dollar is sliding. This chart is half euro and it understates what is going on with the greenback.



Long T-bond ETF - The Treasury market is back in gear.



Utilities - We can make a case for overbought (not via RSI, however) but utes are rising with bonds.



Gold ETF - This market is soft this morning but still within the tight range seen over the past week. Overall, it is still in good shape.



Platinum - The other white metal looks different from gold. It has been mostly sideways for months but with an upward bias. A move over 1490, give or take a dozen would be a nice breakout. There is an ETF (**PPLT**) but it is very low volume.



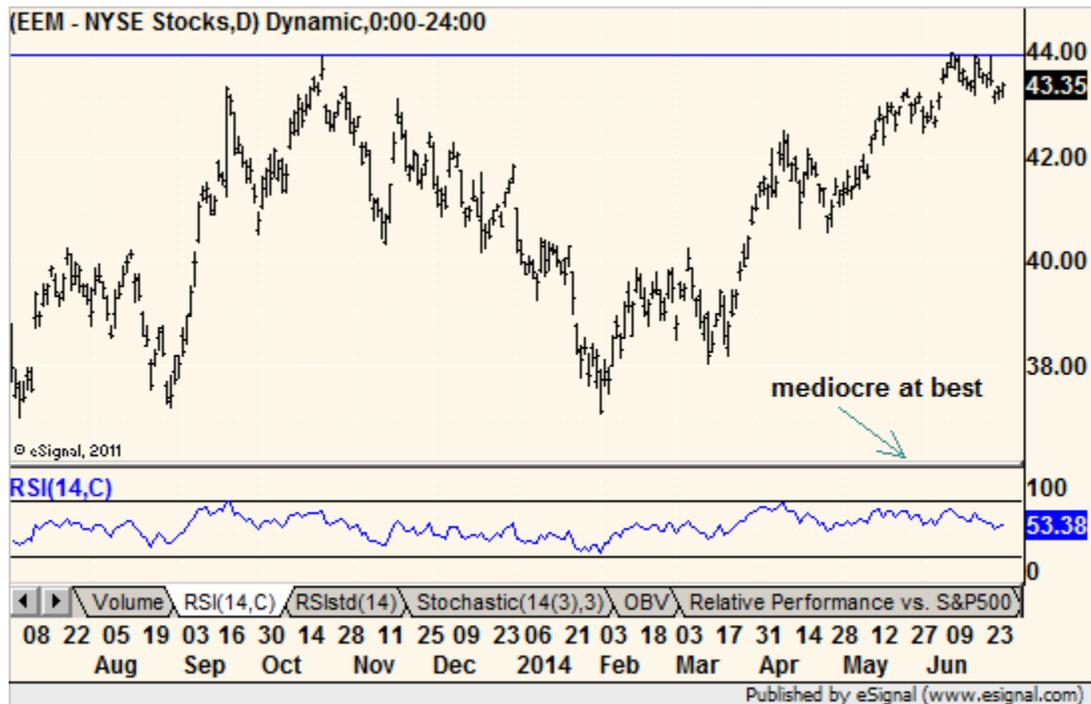
Oil ETF - While not technically a divergence (RSI peak is slightly higher than it was in May) we sense a slowing down in the oil market. If anything, we'd like to see a pullback to the rising short-term trendline. See next chart...



Energy ETF - I wrote this up for another website Friday and tweeted it out. Here, we see the ETF in what looks to be a bear flag with room to fall to the short-term trendline and 50-day average. We'd look to buy down there although we'd have to see what technicals turn up first.



Stoxx 50 - European blue chips are facing some difficulties. The trendline is broken but the 50-day average is not. There is also support just below so another week like last week would be a breakdown.



Emerging Markets ETF - Lost its mojo at resistance.



eBay - We are not looking for more longs but this one may be worthy. Caveat emptor.



American Financial - This property & casualty insurer is in a rising wedge with an ion-balance volume breakdown. Just watching as a potential sell.



Chubb - More problems in insurance. This one has a potential double top and already sports falling on-balance volume.



US Bancorp - Not sure which way this goes. A cup-with-handle leans bullish but a failed breakout last week leans bearish.

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>	WYN	WYNDHAM WORLDWIDE CORP	75.62	2.9%	72.50	73.50	5/30	29
	KMI	KINDER MORGAN INC DEL	36.04	5.8%	34.50	34.05	6/4	24
	MRO	MARATHON OIL CORP	39.44	6.4%	39.00	37.07	6/5	23
	GOOGL	GOOGLE INC	585.69	5.1%	555.00	557.11	6/5	23
	ILMN	ILLUMINA INC	172.70	5.2%	167.00	164.09	6/5	23
	HSY	HERSHEY CO	96.92	-1.1%	96.00	98.00	6/6	22
	RGLD	ROYAL GOLD INC	74.77	12.0%	70.00	66.77	6/12	16
	KEYW	KEYW HLDG CORP	12.45	7.1%	11.70	11.62	6/13	15
	MYL	MYLAN INC	51.51	2.8%	49.00	50.11	6/17	11
	LLY	LILLY ELI & CO	63.10	1.7%	60.00	62.03	6/20	8
	IBB	ISHARES NASDAQ BIOTECHNOLOGY	256.73	0.4%	245.00	255.64	6/20	8
	UTX	UNITED TECHNOLOGIES CORP	116.58	-1.3%	115.00	118.11	6/20	8
	COL	ROCKWELL COLLINS INC	78.24	-2.6%	78.00	80.34	6/23	5
	PAYX	PAYCHEX INC	41.21	-1.1%	40.00	41.65	6/23	5
	BMY	BRISTOL MYERS SQUIBB CO	49.05	1.6%	47.50	48.30	6/23	5
	DDD	3-D SYS CORP DEL	59.07	2.9%	56.00	57.42	6/26	2
	MTZ	MASTEC INC	29.92	0.0%	28.00	29.92	6/27	1
<u>Short</u>	RJF	RAYMOND JAMES FINANCIAL INC	50.48	-4.4%	51.00	48.25	5/15	44

Notes: New long in **DDD** added Friday at the open.

New long in **MTZ** added Friday on close.

Stop raised in **KEYW**.

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

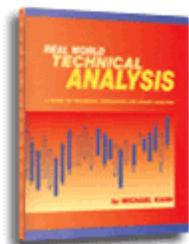
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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