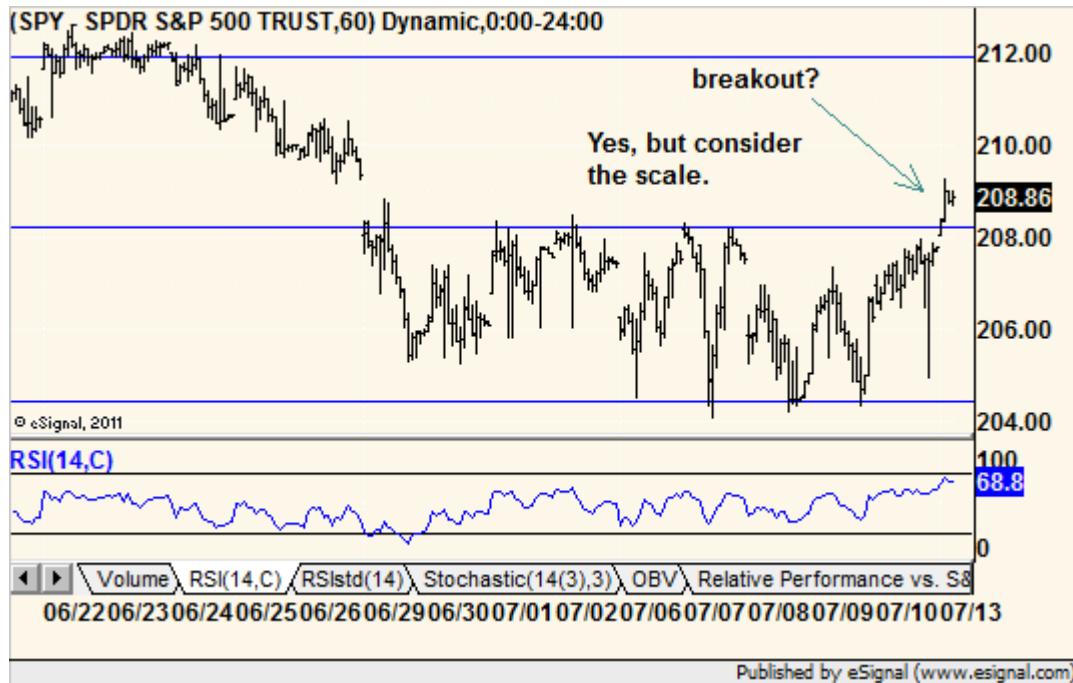


# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN  
RESEARCH LLC

**July 13, 2015** – Sunday evening it looked as if the Greek bailout deal was not to be. The deadline passed and we heard that Finland was not interested in continuing. Dow futures were off 120 but as we woke up this morning they were up 120 on a done deal. Get your scorecard, can't tell the players without a scorecard.



We'll go right to the charts and see that the intraday **SPY** chart has broken out to the upside. Of course, it has to stick but for now it looks as if the bulls are back in the driver's seat. It is too bad that the vehicle is still in neutral. You'll see what we mean by that in the daily charts below.

Last week's action is now moot although we can say that a few sector ETFs that dipped below 200-day averages have recovered a bit. Basically, we cannot say the bears are in control anymore although we still think that overall volatility is the real ruler. That suggests a short-term pop but nothing sustainable.

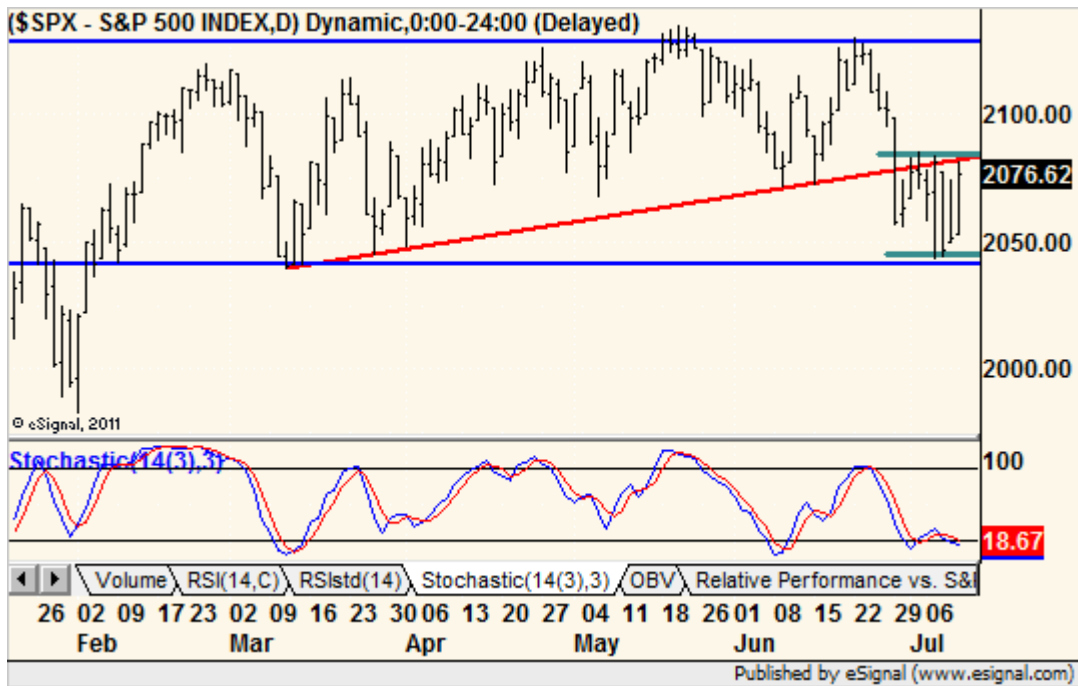
Of course, we run the risk of being late to the party if this is indeed the start of a bigger move higher. In that spirit, we will let the O'Neil follow-through day (FTD) signal be our guide. What this does is keep us from buying a knee-jerk rally - one that is very exciting in bear markets - and wait for a sign that true buying is coming back. A surge in both price and volume four to seven days into a rally attempt would tell us the gains are no longer the result of bottom fishing.

Today is day two. That means the FTD window does not open up until Wednesday.

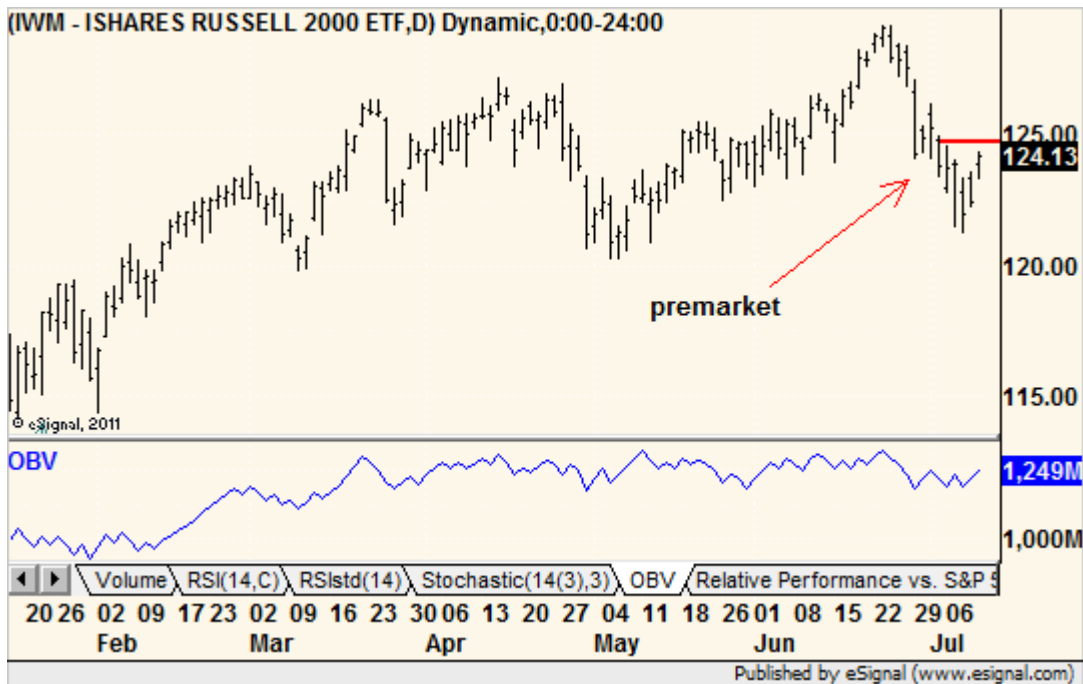
Some may argue that the countdown started last Tuesday but we will show in Today's Lesson below why that is not the case.

So, we tread lightly and enjoy the fact that we did add some longs Friday. **Don't forget that Greece has not ratified the agreement yet.**

## Index Charts of the Day



Here is the range breakout in the context of the larger 2015 range.



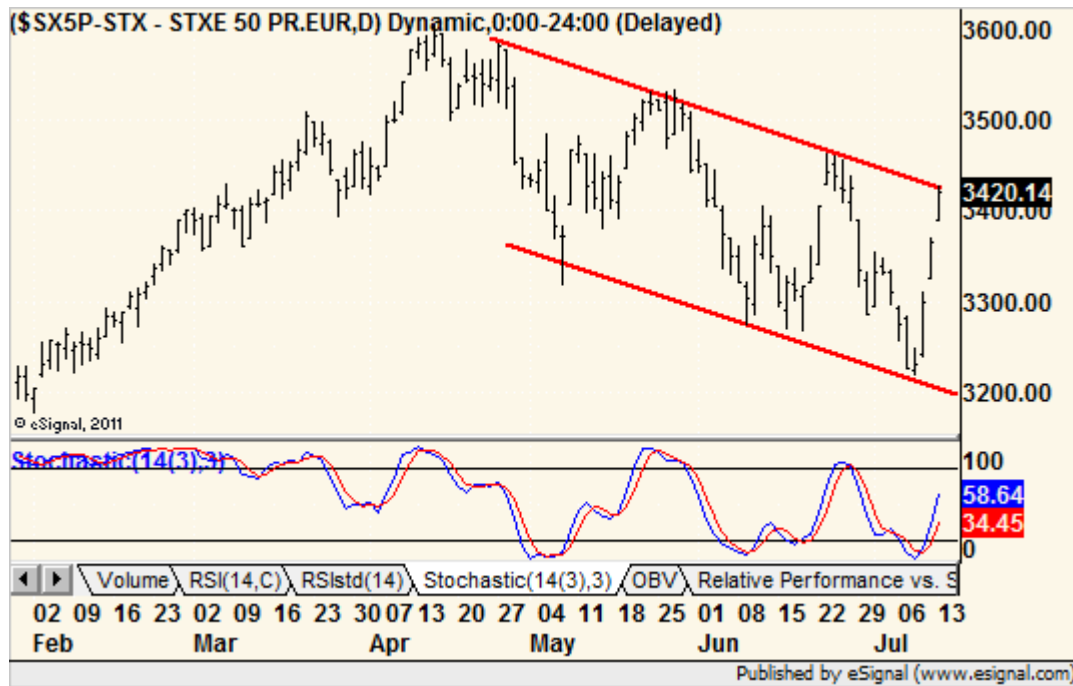
This is the Russell ETF showing the premarket bounce and still flat to falling on-balance volume. We can argue for a breakout through the June trendline (not drawn) or just a move within a flat range.

## The Radar Screen

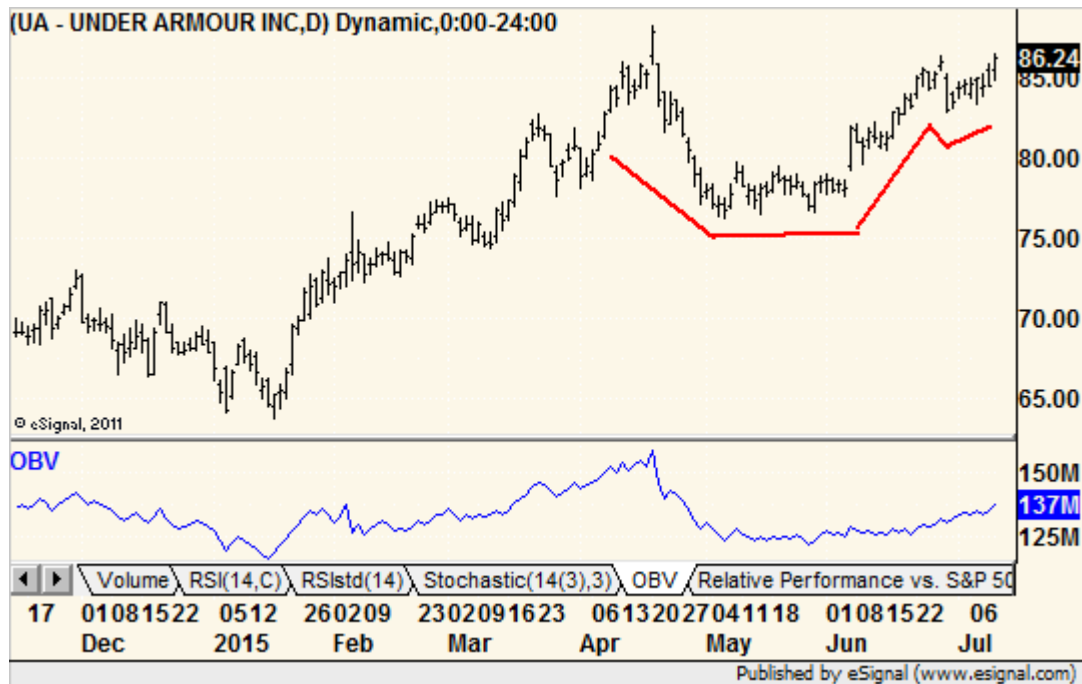
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Manpower MAN</b> – We've been following this one for a while and it held up well. Now looking to emerge from a bull flag after a breakout test. Buy close over 90.75.	<b>Triggered</b>	6/29
<b>Carnival CCL</b> – Another we've been watching with bull flag and breakout test. Jumping up today so we'll buy if it stays there. Buy close over 50.50	<b>Triggered</b>	6/29
<b>Goodyear Tire GT</b> – Bull flag now testing weekly breakout. Buying now limit 29.75 for a quickie.	<b>Triggered</b>	7/1
<b>Bearish Implications</b>		
<b>Hewlett Packard HPQ</b> – Looking nasty long-term. Sell the bounce of head-and-shoulders neckline. We'll sell 31.50.		7/2
<b>Sonoco Products SON</b> – This is a packaging stock (unlike Sonoco the oil company). Still looking to sell a bounce to 44.00.	<b>Moved</b>	7/2
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Sanderson Farms SAFM</b> – Falling on-balance volume suggest support will break. And it did. Looking to sell a bounce.		7/2
<b>Dow Chemical DOW</b> – Looks sellable on the test of the breakdown. <u>While chemicals are still lagging this one busted through the test.</u>	<b>Removed</b>	7/2
<b>WYNN Resorts WYNN</b> – A gaming stock with a nice two-day rally. We'd like to see at least a crossover of these short-term averages.		7/2
<b>Align Technology ALGN</b> – This is a medical supplies stock and it is bumping up against a strong resistance. With rising on-balance volume we'll wait for a breakout (rather than selling at resistance).		7/6
<b>Goldman Sachs GS</b> – Price breakdown but on-balance volume holding steady. Price rules but OBV can throttle it back.		7/10
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Financial ETF XLF</b> – Trend break.		6/30
<b>Tech ETF XLK</b> – Tech broke again and slipped below the 200-day average.		6/30
<b>Industrials ETF XLI</b> – Serious breakdown of pennant and both averages. Transports are in here.		6/30
<b>Non-ferrous metals index</b> – Big breakdown on a flat to higher day. This includes the likes of <b>FCX, BHP, RIO, TCK</b> and <b>SCCO</b> .		7/1
<b>Banks ETF KBE</b> – Gapped down to a test of trendline. Danger!		7/2
<b>Heavy Construction</b> – Bearish. <b>FLR, PWR, KBR, JEC</b>		7/7
<b>Chemicals</b> – Look terrible.		7/9
<b>Updates</b>		
<b>none</b> –		

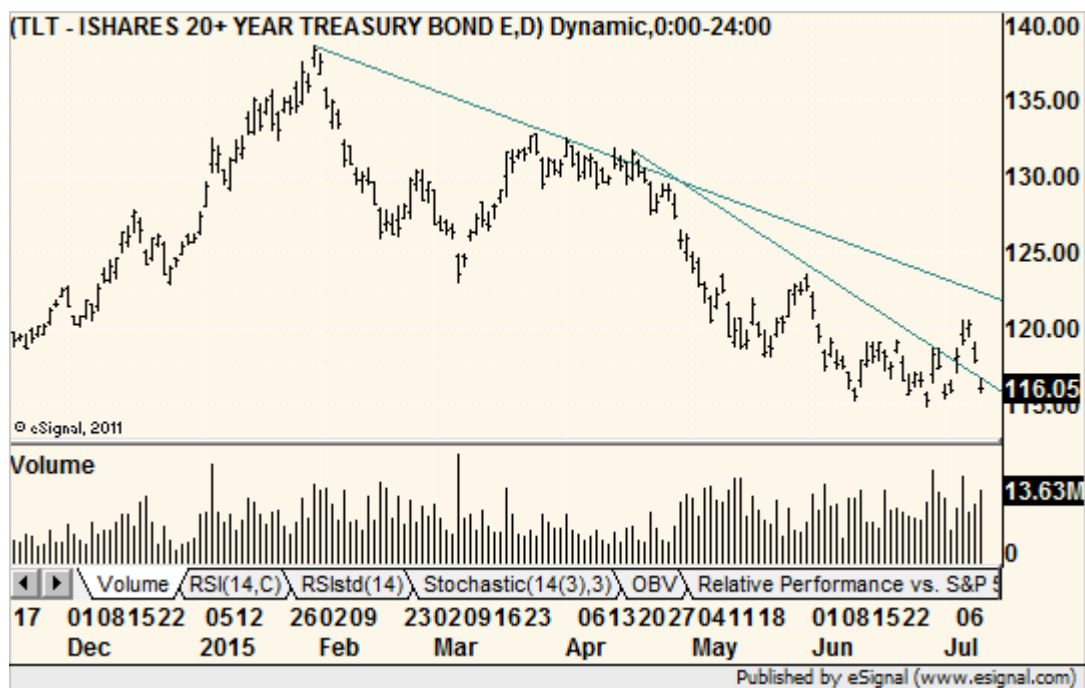
## Market Highlights



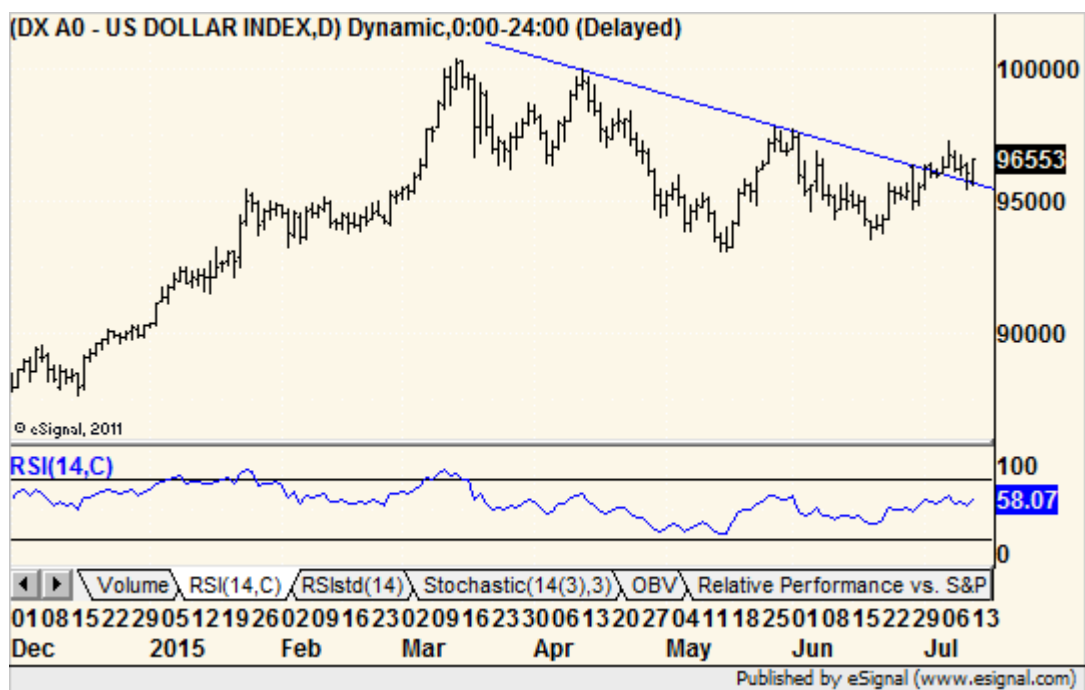
**Stoxx-50** – The Euro blue chip index is back at the top of the channel. No breakout yet.



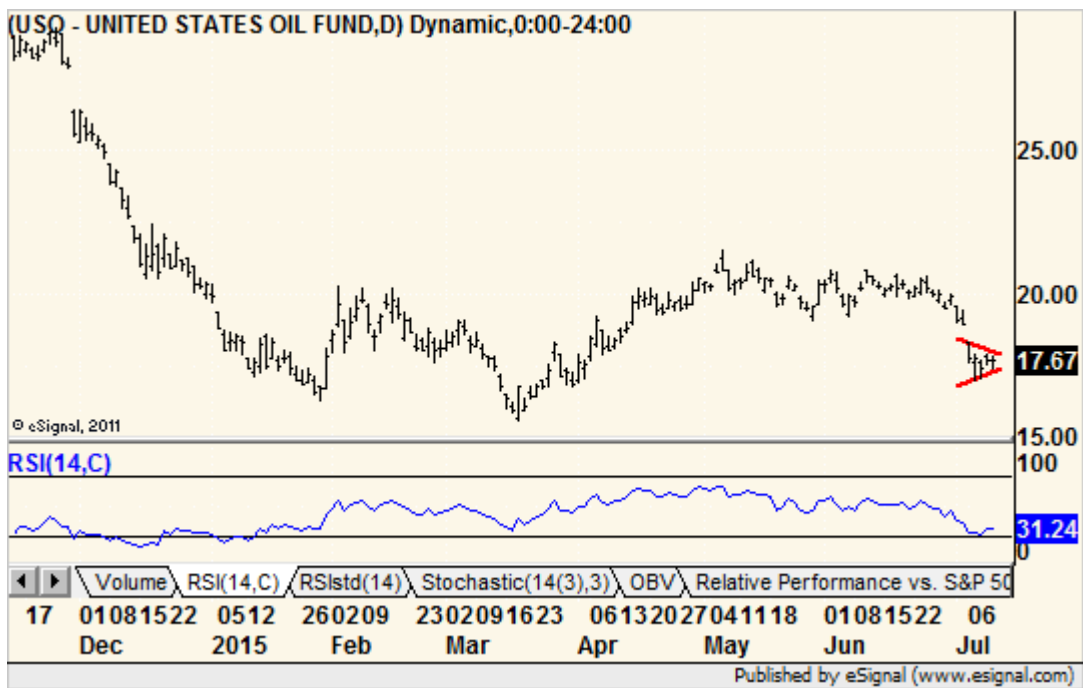
**Under Armour** – Another cup-with-handle.



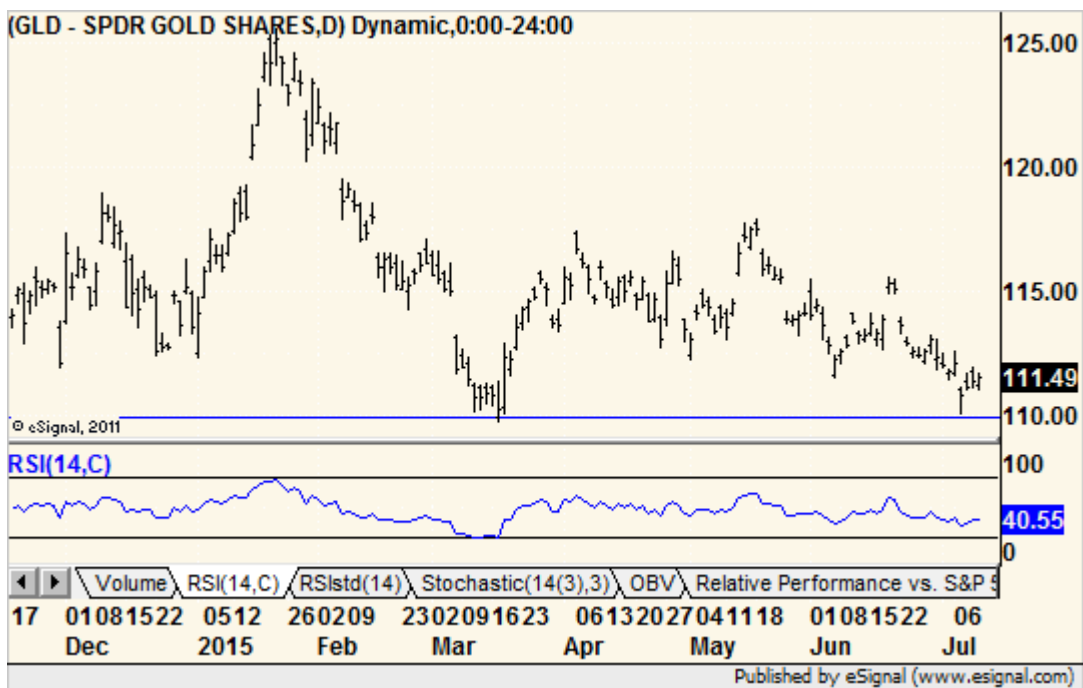
Long T-bond ETF – Sorry, back to bear.



Dollar Index – May have been a successful test of the breakout.



**Oil ETF** – Watching for a breakout from this little pattern.

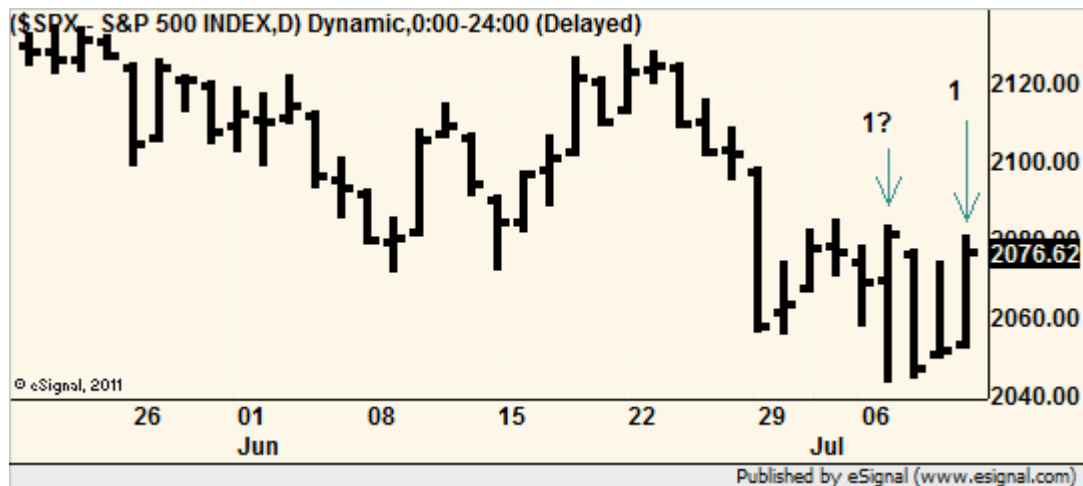


**Gold ETF** – Still hanging by support this morning. Silver looks a whole lot better.

## Today's Lesson

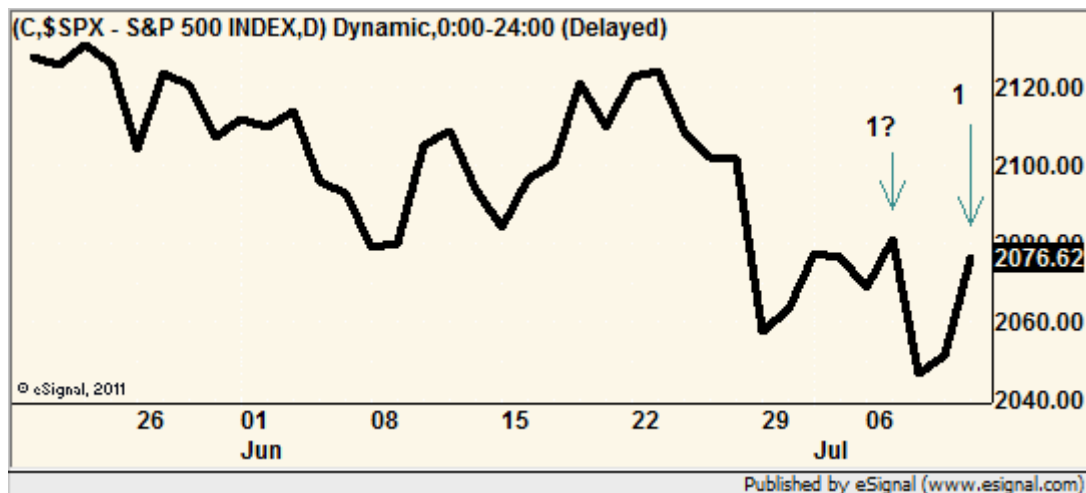
In this section, we take a look at a topic in technical analysis in real-time, not textbook time.

### O'Neil Follow-Through Day (FTD)



The point of a follow-through day is to avoid buying on knee-jerk bottom fishing rallies and wait for the return of real buying, which tends to surge a few days into the rally. It consists of surge in both price and volume four to seven days into the rally attempt.

Above, we see a rally attempt July 7 when the S&P 500 dropped intraday but recovered to post a gain. A new low was set and the day ended strong. However, the next day the index nearly erased the rally attempt and while it did not set a new low we think it was close enough. That means July 10 was the new start of the countdown.



This chart might make the new start date more palatable to most folks with a close-only chart.

## 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. Symbols in **green** were closed by us. 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>MAN</b>	MANPOWERGROUP INC	91.89	0.0%	88.00	91.89	7/10	2
	<b>CCL</b>	CARNIVAL CORP	50.58	0.0%	49.00	50.58	7/10	2
	<b>GT</b>	GOODYEAR TIRE & RUBR	28.99	<b>-1.1%</b>	28.50	29.30	7/10	2
<u>Short</u>	<b>none</b>							

**Notes:** **MAN** and **CCL** added at the close. **GT** added at the open.

## 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

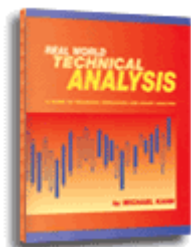
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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