

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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July 21, 2014 - The bears were vocal following Thursday's loss and the bulls were just as vocal following Friday's rebound. Volume was mixed but most measures (exchanges, ETFs) had slightly lower levels on the rebound. That gave the edge to the bear but it was close.

We also looked around to see if leading sectors Friday were the losers the day before. Again, not conclusive although there were some of note - including the Russell 2000 (chart below). Biotech gained back more than it lost and it did it on higher volume. This helped healthcare in general and the **XLV** ETF, which we panned recently with a short-term trend break, into the lead that day.

Tech is still the real leader and of the major sector ETFs it is the only one truly beating the S&P 500. But don't treat it uniformly. Internet was also a leader Friday but if you drill down you will see it was all **GOOGL** and little else. I'll be looking into big tech today in my column and while I cannot say too much here I can report that it has a strong ceiling in its way.



The hourly **SPY** shows it getting close to the top of its range Friday and stochastics suggests it is not going to break through, at least not yet. Note we changed to a 21-period indicator from the traditional 14-period. This slows the indicator down a bit to something that makes sense with what is happening.

In commodities, while gains probe new lows, gold and oil are firm.

Index Charts of the Day



The red lines are not a technical pattern but we are using them to show a rolling-over effect in the S&P 500. Note the slowdown in momentum according to stochastics.



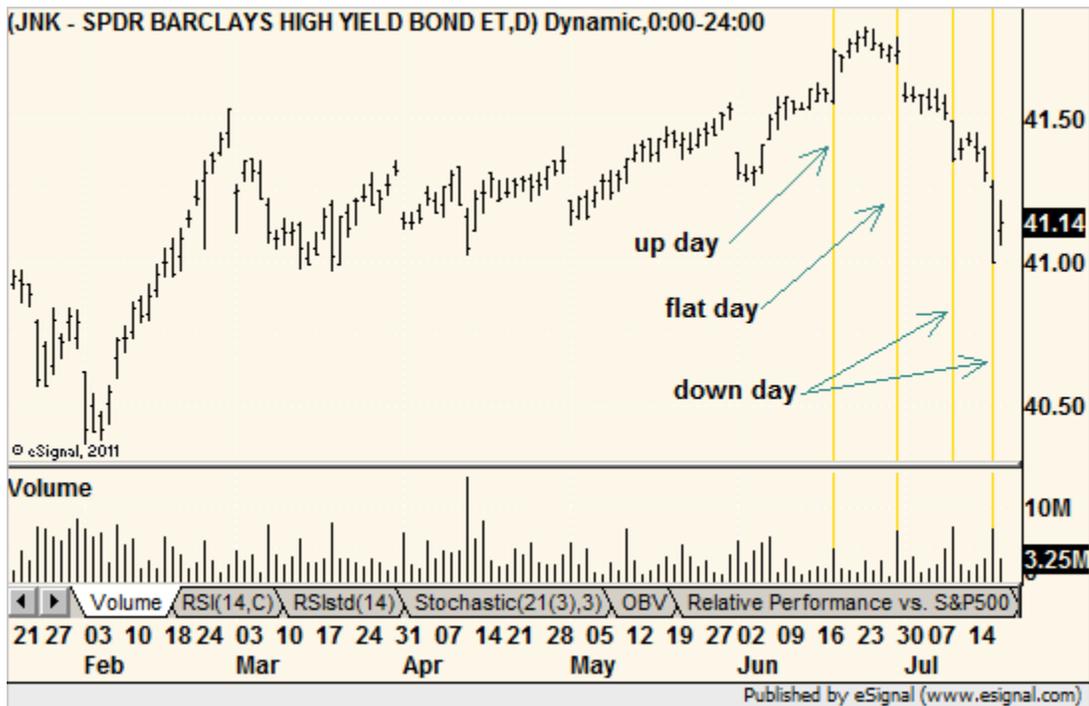
The small cap Russell 2000 was worst to first Friday. It is still below its 50-day average and 50% retracement level. On the plus side, it saved a 200-day average breakdown.

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		
Juniper Networks JNPR - This networker has not responded to its positive technicals but they keep on coming. Here, we see rising on-balance volume as prices flounder. The 200-day average held as support. Buy break of the trend at 24.50.	New	7/21
Bearish Implications		
Amkor Technology AMKR - While the big techs show good earnings with mixed chart results, here is a semiconductor stock (actually, they do testing and packaging) with a bearish setup. Sell close under 10.60.		7/18
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Franklin Resources BEN - I did not like asset managers in my column last week but this one is holding near resistance in a flag-like pattern. On-balance volume is still rising.		7/17
Las Vegas Sands LVS - This one gets a lot of exposure in this report and it is now sitting on support. Peer WYNN also dropped and is threatening further losses.		7/17
Beazer Homes BZH - Homebuilders tumbled on housing start news yesterday. This one is below its averages and in a downtrend. We'll watch one day but it looks like it will go lower.		7/18
Sector Watch (observations that may spark ideas)		
Energy - We are back in.		6/26
Mortgage REIT - Big dividends but chart breakdowns, Bear flag.		7/7
Gold miners - A bit better again	Changed	7/10
Utilities - Seems to be heading to rising January trendline	Changed	7/14
Latin America - looks interesting ILF, ECH, EPU		
Updates		
Microsoft MSFT - Did not confirm nor negate meeting lines pattern (Friday's Today's Lesson)		

Market Highlights

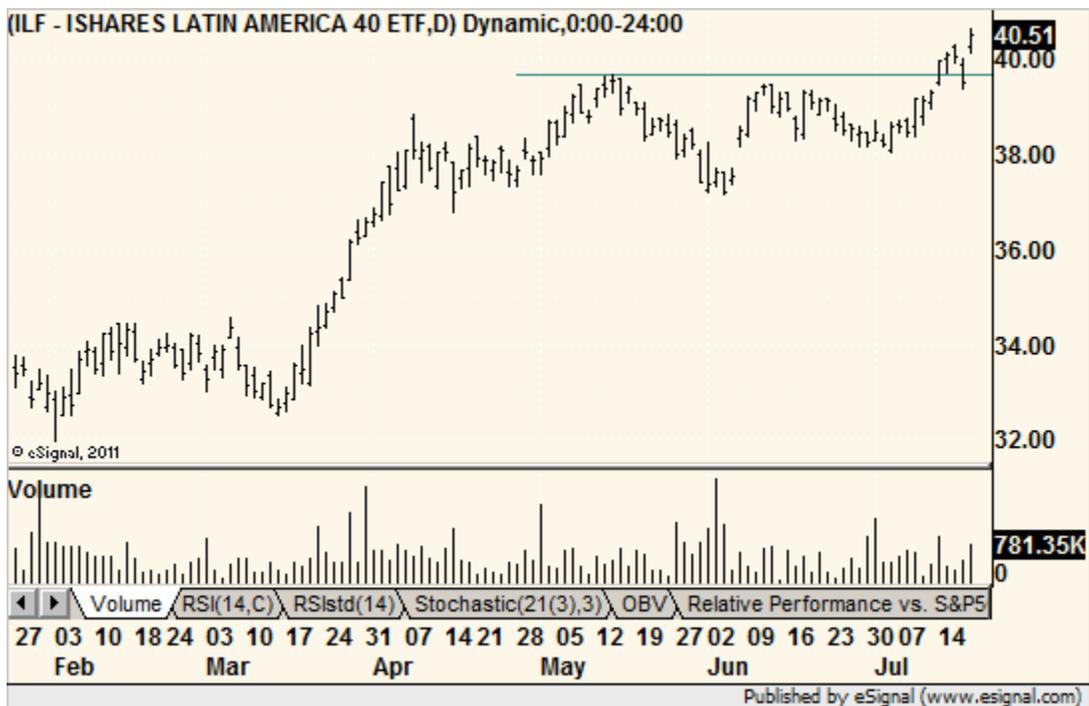


Junk Bonds ETF - Watch junk. This is a big breakdown and now we see volume changing its stripes from confirming a rally to spiking on a flat day to confirming more than one down-day.

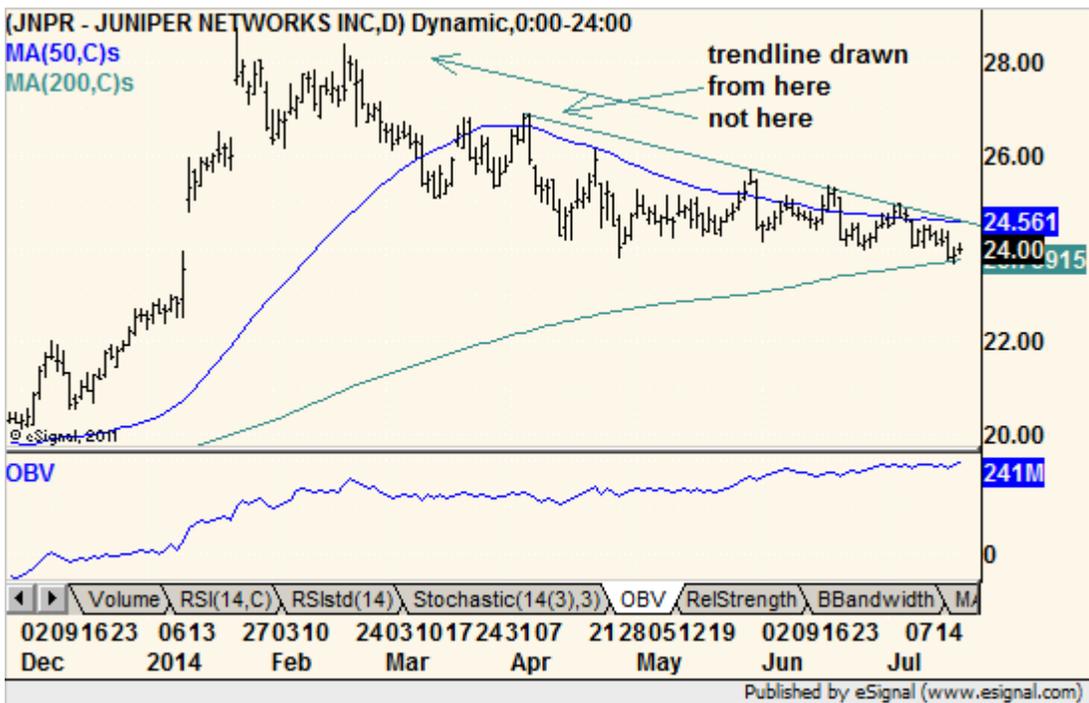


Dow Industrials Advance-Decline - This is one chart we will follow since the Dow is leading. If breadth within starts to fade we will get an advance warning of a problem.

Source - [http://www.masterdata.com/Reports/Combined/ADLine/Daily/\\$INDU.htm](http://www.masterdata.com/Reports/Combined/ADLine/Daily/$INDU.htm)



Latin 40 ETF - This one is heavily weighted in Brazil but it shows a breakout and test. This is a place to look.

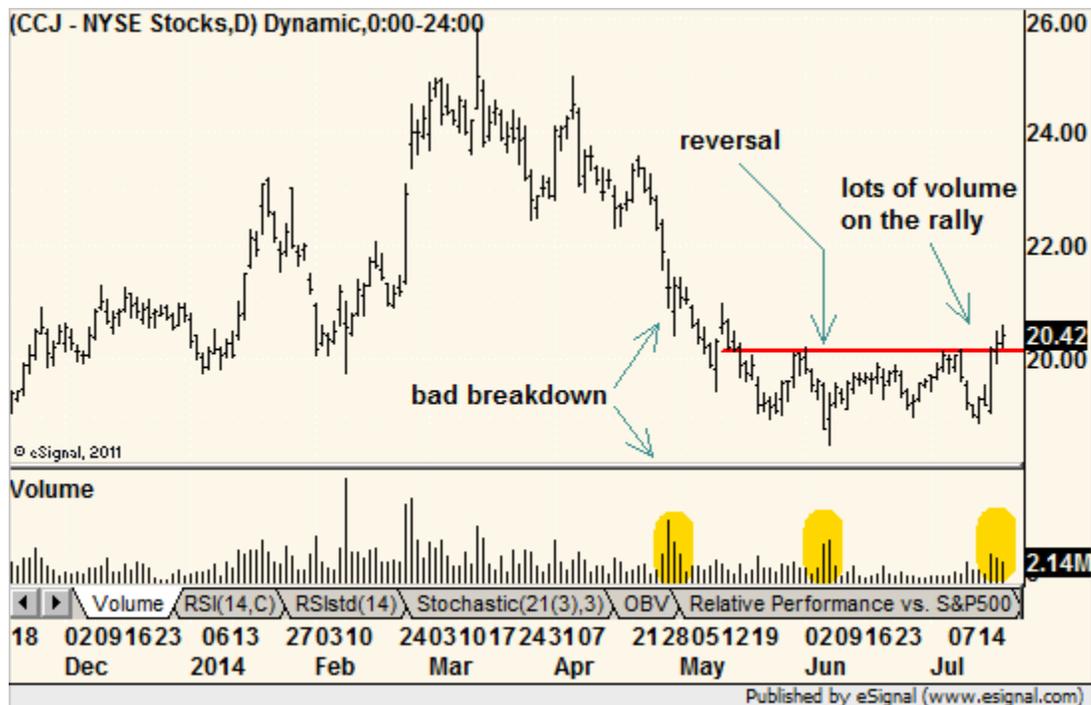


Juniper Networks - This networker has not responded to its positive technicals but they keep on coming. Here, we see rising on-balance volume as prices flounder. The 200-day average held as support. Buy break of the trend at 24.50. Note, the trendline was drawn to hit as many highs as possible.

Today's Lesson

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

Volume



Cameco - This uranium miner formed a bottoming pattern and shows how volume can still work, at least for individual stocks. Big volume on the April break. Big volume on the false breakdown and reversal in June and big volume on the rally and breakout now. The progression from bad to not so bad to good is clear.

This is a breakout

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>	KMI	KINDER MORGAN INC DEL	37.55	10.3%	36.00	34.05	6/4	45
	MRO	MARATHON OIL CORP	39.80	7.4%	39.00	37.07	6/5	44
	GOOGL	GOOGLE INC	605.11	8.6%	580.00	557.11	6/5	44
	RGLD	ROYAL GOLD INC	77.30	15.8%	73.00	66.77	6/12	37
	LLY	LILLY ELI & CO	63.47	2.3%	61.50	62.03	6/20	29
	COL	ROCKWELL COLLINS INC	79.77	-0.7%	78.00	80.34	6/23	26
	BMY	BRISTOL MYERS SQUIBB CO	49.12	1.7%	47.50	48.30	6/23	26
	MTZ	MASTEC INC	30.07	0.5%	29.50	29.92	6/27	22
	VZ	VERIZON COMMUNICATIONS INC	50.75	1.7%	49.00	49.90	7/3	16
	LF	LEAPFROG ENTERPRISES INC	7.59	-2.1%	7.25	7.75	7/9	10
	INFY	INFOSYS LTD	54.23	-3.4%	53.00	56.15	7/11	8
	XOP	SPDR S&P OIL & GAS EXPLORATION	78.39	-0.7%	76.50	78.93	7/15	4
<u>Short</u>	AFG	AMERICAN FINL GROUP INC OHIO	58.45	-0.3%	60.00	58.27	7/10	47
	USB	US BANCORP DEL	42.17	1.7%	43.50	42.90	7/11	47
	ALL	ALLSTATE CORP	58.06	0.7%	60.00	58.46	7/15	47

Notes: Nice pop in **GOOGL** and the stop was raised.

Nice action in **LLY** and that stop was raised.

Tightened stop in **USB** short following breakdown.

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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