

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

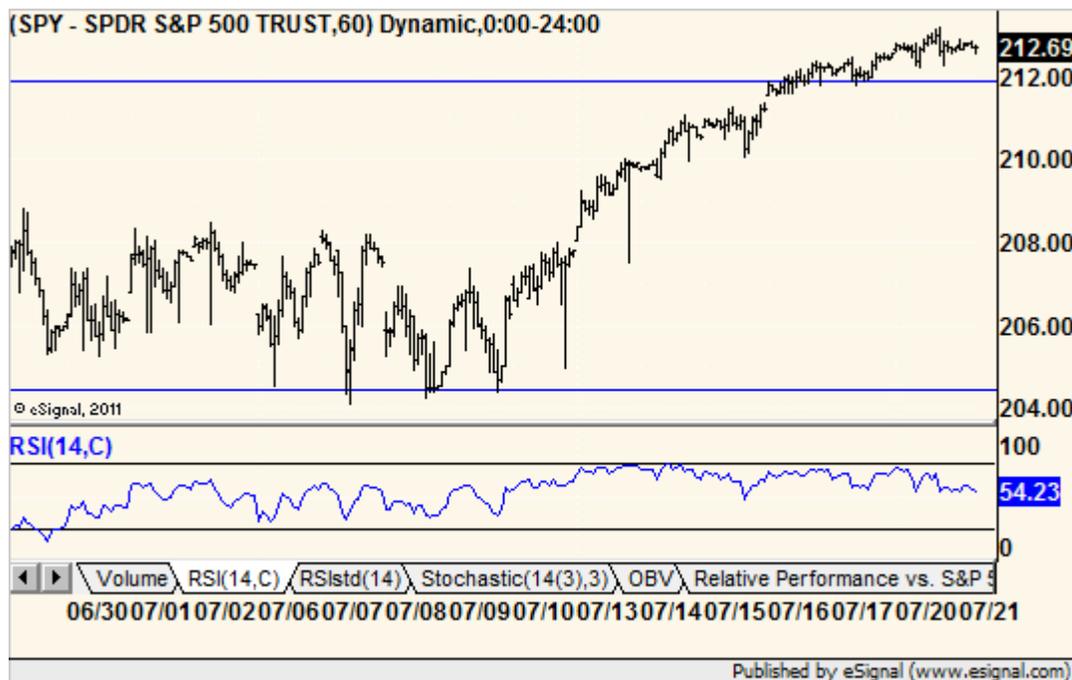
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July 21, 2015 – Stocks did nothing Monday as the focus went to precious metals. The fear was palpable and sentiment dropped like a stone. So much, that we think it has already reached the panicky phase where bottoms are formed. As I wrote in Barron's Online yesterday, the market is still a falling knife but we need to be on alert for the signs of reversal.

For example, palladium formed a very nice looking hammer candle yesterday. It needs to be confirmed with upside follow through today or tomorrow but it cannot take that step two without step one. And platinum's hammer was even more striking. Get the pun? But seriously, the open yesterday may have been that final flush when the last bull gives up.

We are not buying into metals and their stocks just yet but we are starting to get interested. Check out the gold mining ETF below for a rather clear selling climax.

Elsewhere, we are starting to get a bad feeling about the broad stock market but there is nothing immediate we can show you. The rally from earlier this month took place on seriously falling volume. Breadth is still in overall decline even though it rose during the rally. Tech is not leading despite the hot performances of **NFLX**, **GOOGL** and **FB**. But really, are those tech stocks? Check out the chart of the **PSE** index below, which is not skewed towards the big boys like the **XLK** ETF.



Momentum on the hourly chart continues to fade even though prices are holding. **IBM**'s premarket dump is not doing much to hurt the **SPY** but this is still a tired looking chart in its time frame.

We said it yesterday and we'll say it today – tread lightly. The honeymoon period after Greece and China stopped blowing up may be ending soon.

Index Charts of the Day



Two doji candles at resistance after a rally. Suggests it will not break out without a rest or pullback first.



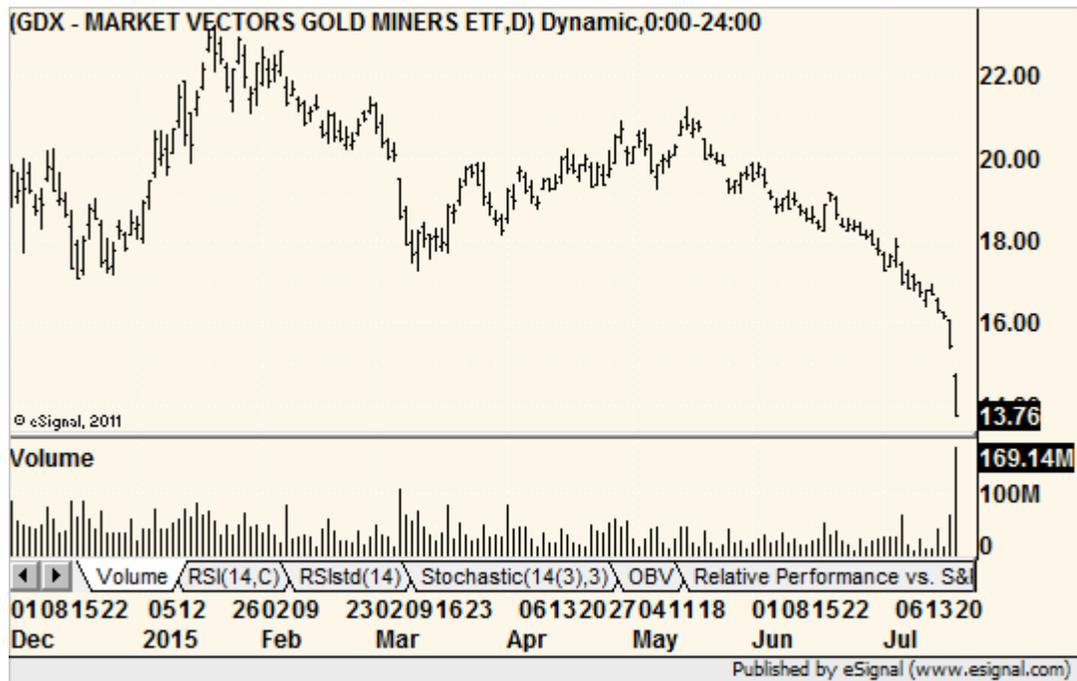
Still watching fan lines on the Russell 2000.

The Radar Screen

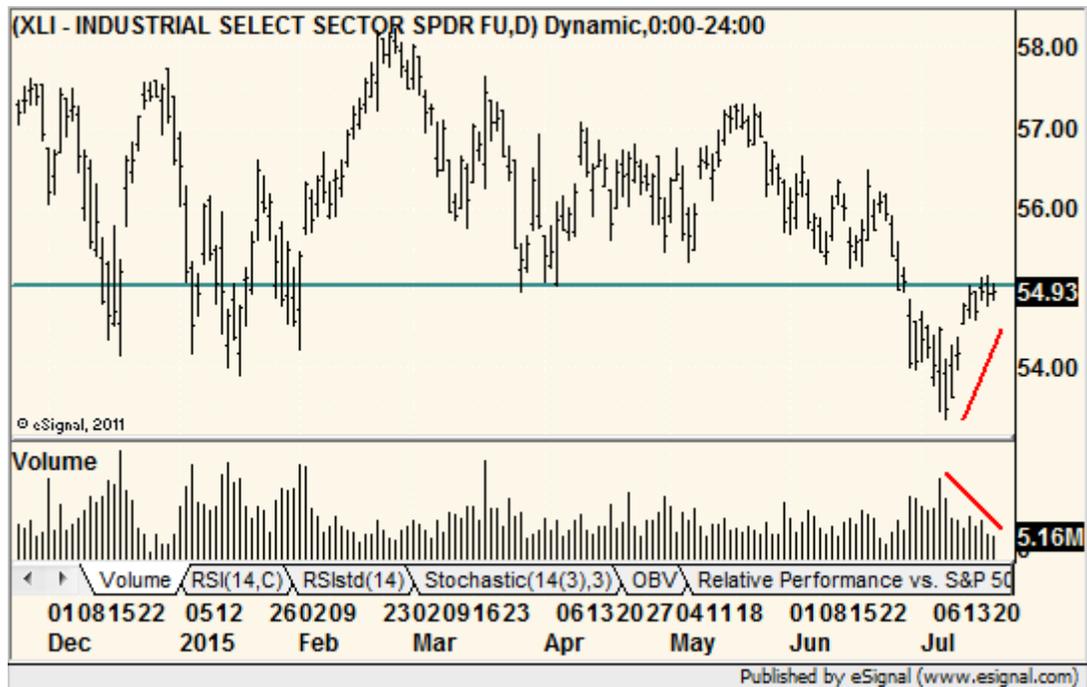
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Agribusiness ETF MOO – Stronger food commodities and rising on-balance volume suggest this ETF will break out from a down channel. Buying 55.40 but changing to on close.		7/15
Wynn Resorts WYNN – Removed. The bullish bowtie crossover never happened and prices are sagging.	Removed	7/2
Bearish Implications		
Urban Outfitters UA – Bucking the strong consumer discretionary theme, this clothing retailer looks lousy. Selling support break at 35	Moved	7/21
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Ag fund DBA – Breakout has failed	Removed	7/14
Boeing BA – Looks like a breakout but it will probably be better on a pullback with that falling volume.		7/14
Sector Watch (observations that may spark ideas)		
Non-ferrous metals index – Big breakdown on a flat to higher day. This includes the likes of FCX, BHP, RIO, TCK and SCCO .		7/1
Heavy Construction – Bearish. FLR, PWR, KBR, JEC		7/7
REITs ETF IYR – However, if this is still weak then we wonder why it has reached resistance and <u>not</u> fallen away quickly. That is a sign of gathering strength before a breakout. PSA may have already broken out. Ditto LHO .		7/16
Consumer Discretionary ETF XLY – Broke out on really poor volume.		7/17
Updates		
Morgan Stanley MS – High volume gap up on earnings but it faded to a net loss on the day. Bearish		

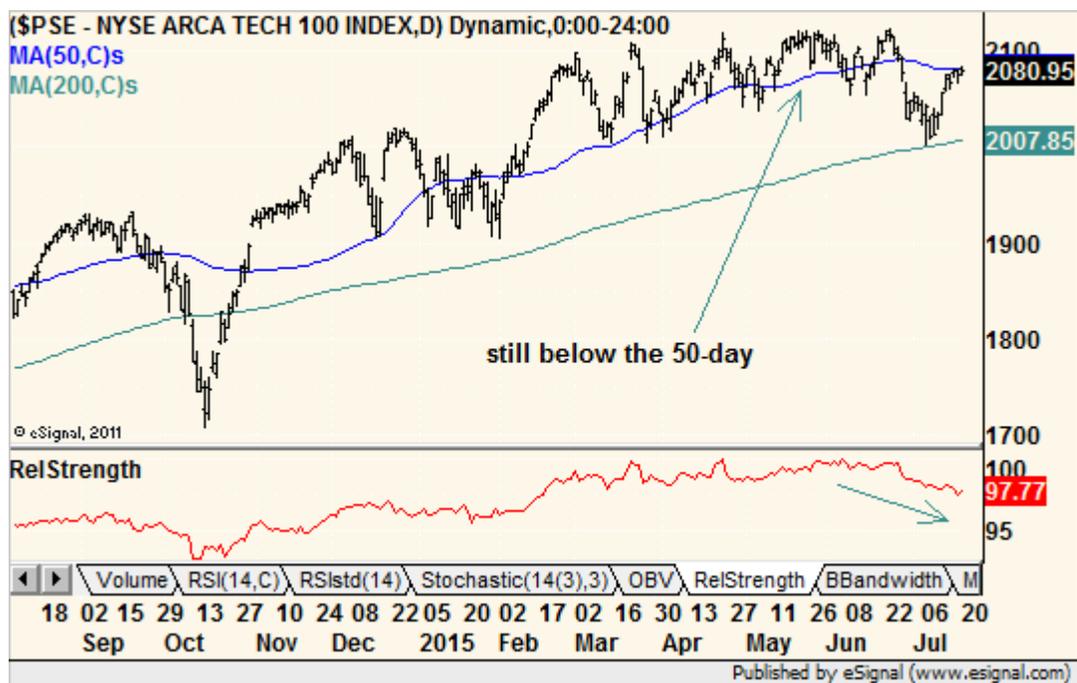
Market Highlights



Gold Miners ETF – After a long decline the pace accelerates into a huge drop on huge volume. That is a selling climax. It does not mean prices will immediately rise but the last bull has indeed been spanked.



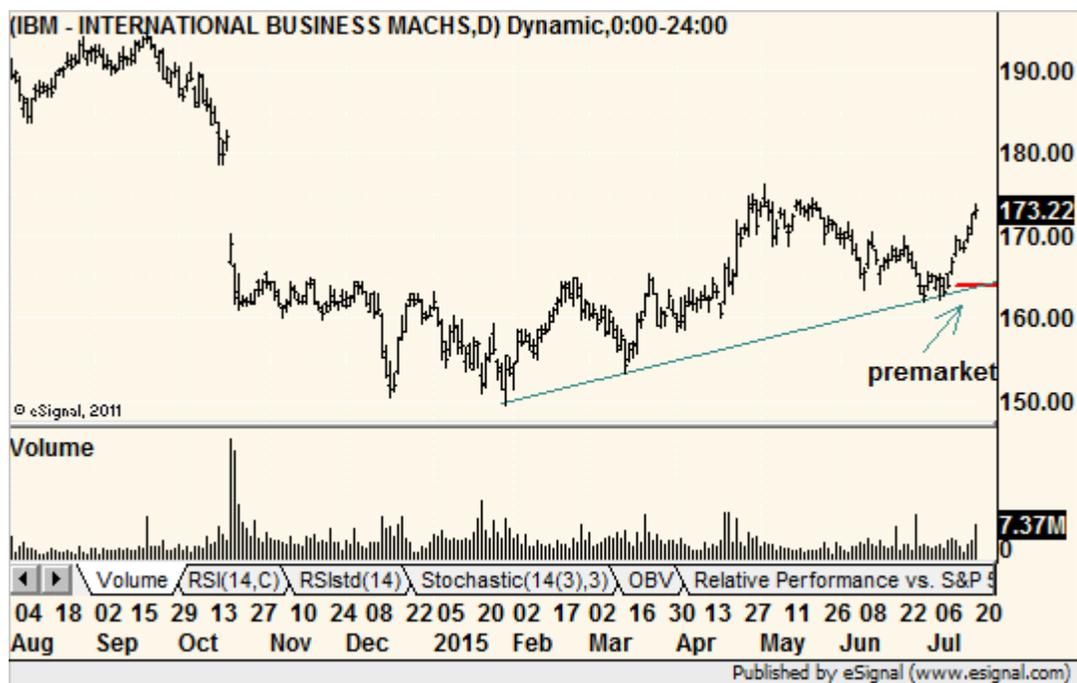
Industrial ETF – This sure looks like a text book test of a support break. Note falling volume.



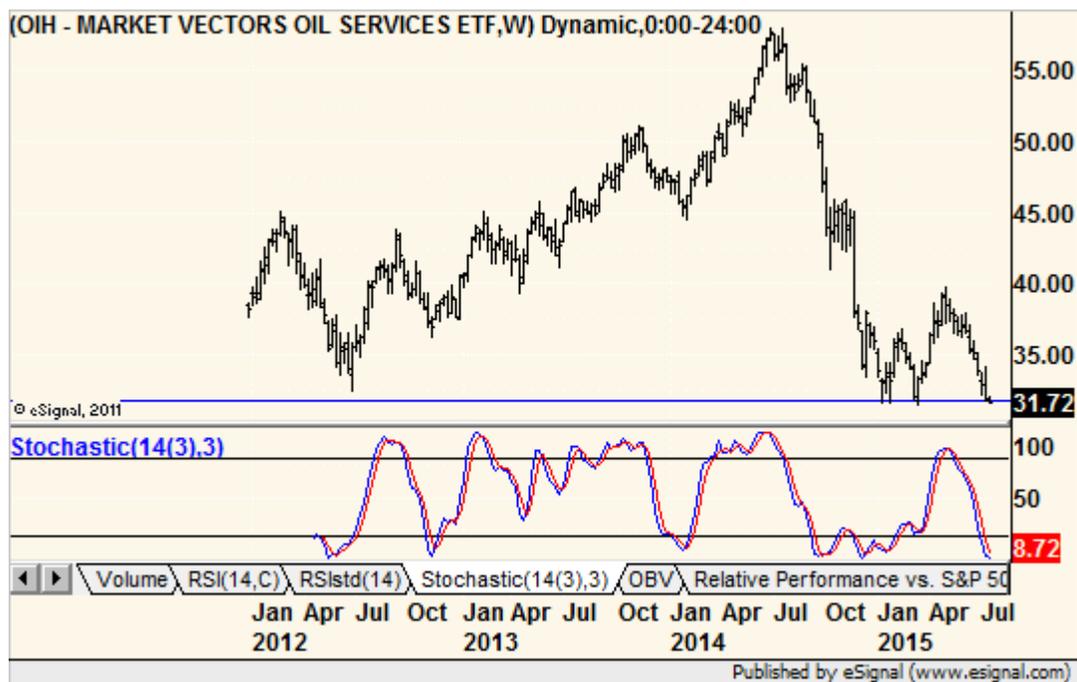
NYSE ARCA Tech index – This is a more even distributed index than the **XLK** ETF and it is lagging, not leading the market.



Healthcare ETF – We can argue for a pullback here but nothing worse at this time.



IBM – This one will bonk on the open after earnings but look where it will land. A possible buy. It will offer a great dividend yield at that price, too.



Oil Services ETF – Just a little perspective. This is a good support floor.



Canada – Looks lousy.



Greece ETF – Still looks lousy and it has been all weakness since the bailout. What's that about throwing good money after bad?

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>	MAN	MANPOWERGROUP INC	94.63	3.0%	90.00	91.89	7/10	10
	CCL	CARNIVAL CORP	52.15	3.1%	51.00	50.58	7/10	10
	GT	GOODYEAR TIRE & RUBR	30.04	2.5%	29.50	29.30	7/10	10
	MO	ALTRIA GROUP INC	53.71	3.5%	51.00	51.90	7/16	4
<u>Short</u>	DLPH	DELPHI AUTOMOTIVE PLC	78.07	2.4%	79.50	79.92	7/16	2
	HPQ	HEWLETT PACKARD CO	30.45	-0.4%	32.00	30.34	7/17	2

Notes: none

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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