

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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**July 15, 2015** – NASA's fly-by of dwarf planet Pluto yesterday seemed to be the most sedate event investors had on their watch lists. Overnight, China slumped again but on good news snuffing out hopes for stimulus. Janet Yellen spoke today following yesterday's bad retail sales data. And Greece's parliament gets to vote on the latest bailout proposal, which was harsher than the one they turned down last week.

Stocks this morning are flat as they once again rest after a rally. Tuesday's gain was not that big but given where the market was following the previous gains it seemed to be time to rest, not gain some more.

And Greek stocks trading here fell again yesterday. If the bailout is not approved then look out below. If it is, we imagine the markets will rally again – on the same news they rallied on last week. It's happened before.

But we think that if the Fed removes their pledge (they affirmed it) to raise rates this year then stocks here will really rally. There is so much outside the market to kill us and that is why we still think cash is king. Sure, we've got a few long dabbles because the market is moving higher but risk remains quite high. And notice how we did not even work Iran into the mix.

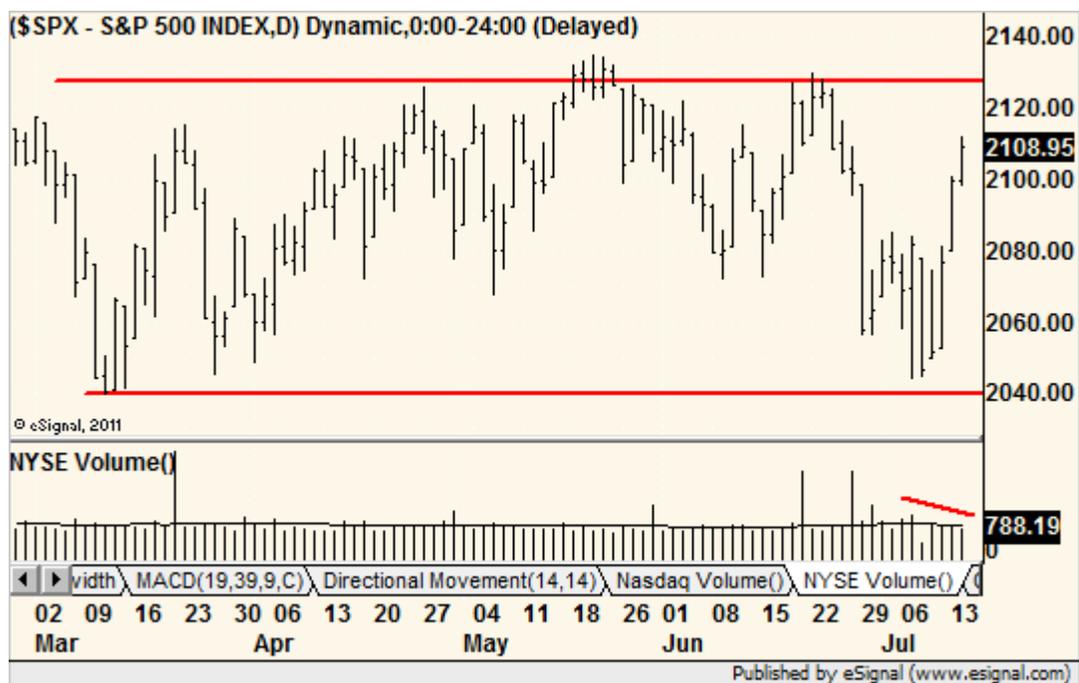
And to make things even more fun, the O'Neil follow-through day window opens today and runs through Monday. A surge in both price and volume now would signal that the market has indeed bottomed for the time being and has more in its tank. We may not see any volume until just tomorrow after the Greek vote takes place overnight.



Momentum flattened out on the hourly chart as resistance looms large above. A real pause day today would set up technically for a breakout or failure tomorrow after the Greek vote.

Still not much to report in gold, oil remains weak and with stronger food commodities we've got an ETF idea below.

## Index Charts of the Day



Back to the 2015 trading range but look at that falling volume.



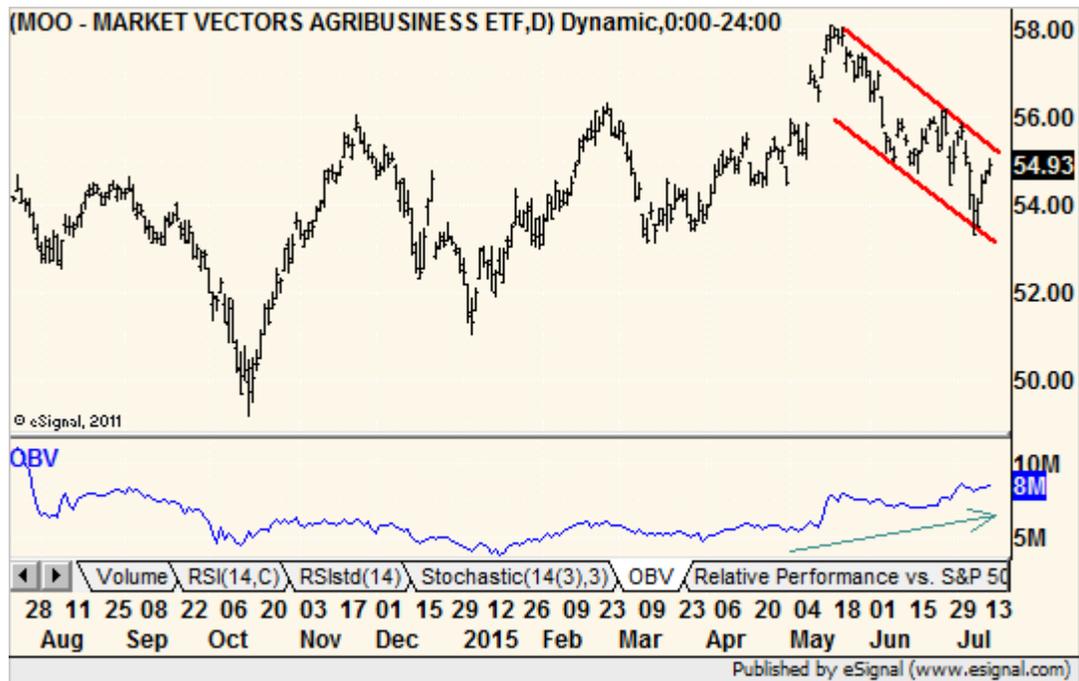
Ditto Nasdaq – again.

## 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>Agribusiness ETF MOO</b> – Stronger food commodities and rising on-balance volume suggest this ETF will break out from a down channel. Buying 55.40.	<b>New</b>	7/15
<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. I wrote this up in Barron’s as the crossover is pending. Buy close over 109.00.	<b>Moved</b>	7/2
<b>Altria MO</b> – We are still suckers for dividend stocks. This tobacco maker is pausing after a breakout. Buy next break at 51.90		7/14
<b>Bearish Implications</b>		
<b>Hewlett Packard HPQ</b> – Looking nasty long-term. Sell the bounce of head-and-shoulders neckline. We’ll sell 31.00.		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>Triggered</b>	7/2
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<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. <b>The weak banks theme is evaporating.</b>	<b>Removed</b>	7/10
<b>United Continental UAL</b> – Everyone hates airlines but oil is so weak that this double-bottom breakout looks buyable. Now testing it.		7/14
<b>Ag fund DBA</b> – Industrial commodities look lousy but food commodities in this ETF have a base breakout.		7/14
<b>Boeing BA</b> – Looks like a breakout but it will probably be better on a pullback with that falling volume.		7/14
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Financial ETF XLF</b> – Trend break. <b>The weak banks theme is evaporating.</b>	<b>Removed</b>	6/30
<b>Tech ETF XLK</b> – Tech broke again and slipped below the 200-day average.		6/30
<b>Industrials ETF XLI</b> –breakdown of pennant and averages. Transports are 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> – Testing trend break. <b>The weak banks theme is evaporating.</b>	<b>Removed</b>	7/2
<b>Heavy Construction</b> – Bearish. <b>FLR, PWR, KBR, JEC</b>		7/7
<b>Chemicals</b> – Look terrible. <u>Bounced to 200-day average.</u>		7/9
<b>Updates</b>		
<b>Valero Energy VLO</b> – We said refiners looked strong but overbought. This one scored a downside reversal yesterday so we watch to see if it corrects.		

## Market Highlights



**Agribusiness ETF** – Stronger food commodities and rising on-balance volume suggest this ETF will break out from a down channel. Buying 55.40.



**Apple** – Still broken.

## 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	93.99	2.3%	90.00	91.89	7/10	4
	<b>CCL</b>	CARNIVAL CORP	52.20	3.2%	51.00	50.58	7/10	4
	<b>GT</b>	GOODYEAR TIRE & RUBR	30.29	3.4%	29.00	29.30	7/10	4
<u>Short</u>	<b>SON</b>	SONOCO PRODS CO	43.96	0.1%	45.00	44.00	7/14	0

**Notes:** Much better performance by the longs. Stops raised.

New short in **SON** as it bounced to the trigger.

## Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

Note to Gwen – You are right; there is really nothing to do in terms of figuring out sector rotation and market internals. It is news driven right now and volatile. That means smaller position sizes and less frequent trading.

## Other Information

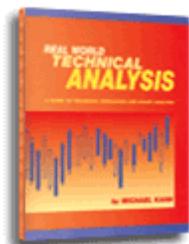
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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