

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

July 28, 2015 – We are going to let MarketWatch write our lede this morning:

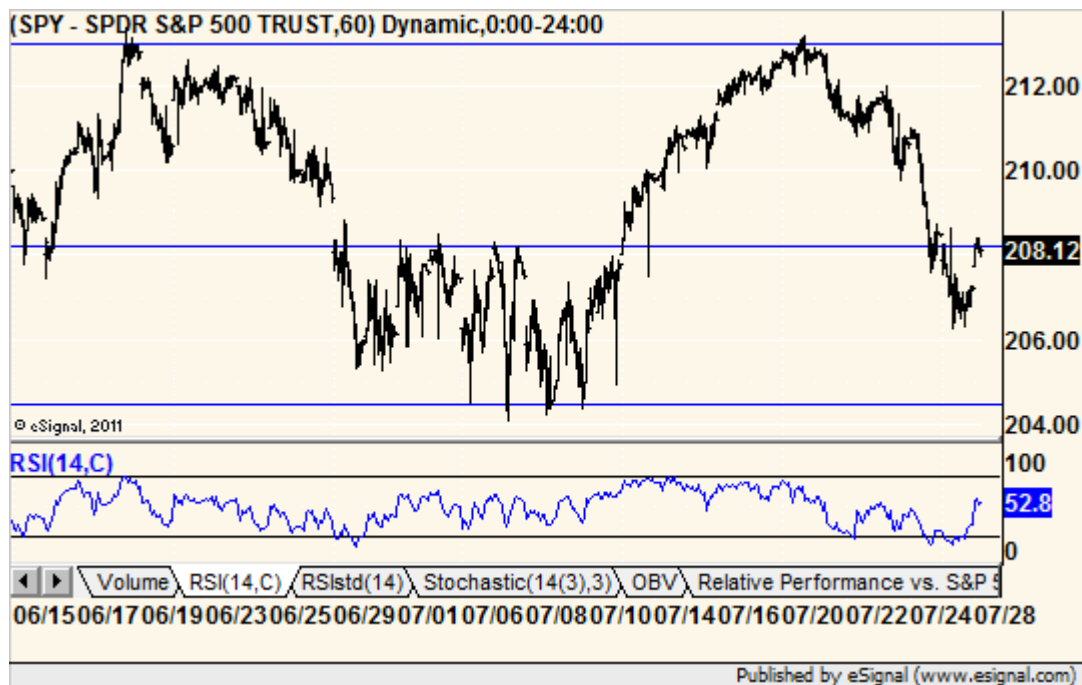
The global equity selloff sparked by a Chinese stock-market rout spread to Wall Street on Monday, propelling U.S. stock indexes to their fifth consecutive session of losses.

Disappointing earnings over the past week and lackluster economic data has put pressure on the main equities, prompting investors to sell risky assets such as stocks and commodities while piling into havens such as Treasuries and gold.

What is interesting was that the dollar was hammered and gold still could not rally thanks to China – the fallout from the deflation story.

Yesterday, I wrote up industrial stocks for Barron's Online to follow up my basic materials piece a month earlier. We see dominos falling here as the decline moves up the economic food chain. Next would be the sectors that build on the industrials – tech, finance and discretionary. Finally, staples will succumb.

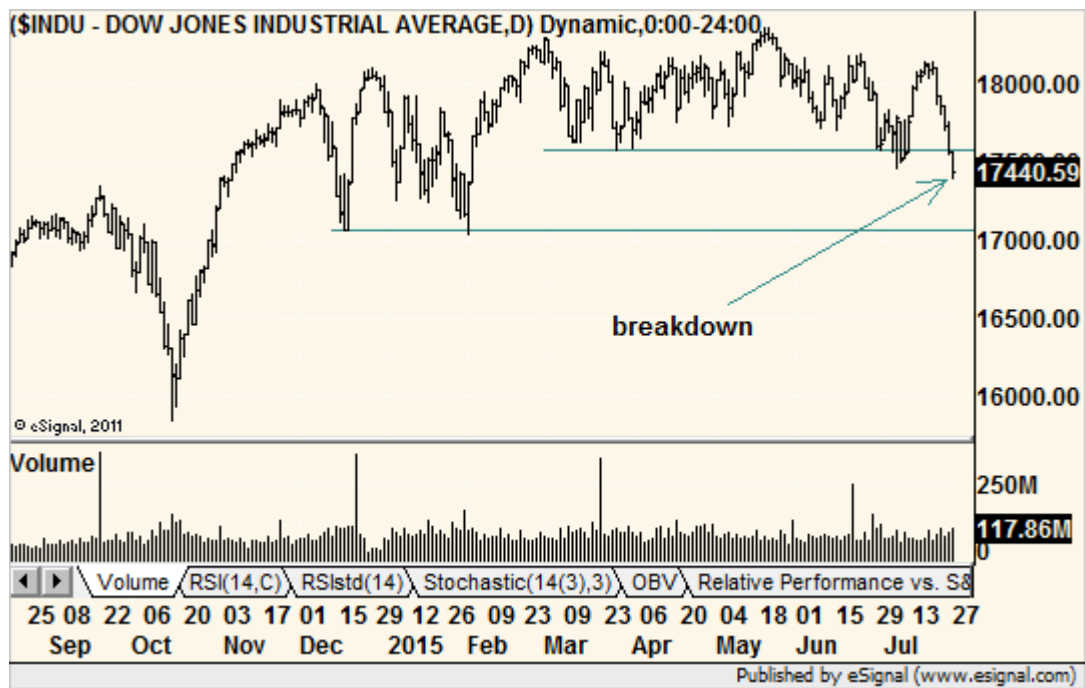
This is not the Sam Stovall model of sector rotation. It is our view, bolstered by what we see happening now. Also, with the Fed distorting everything the market cannot run through its usual progressions.



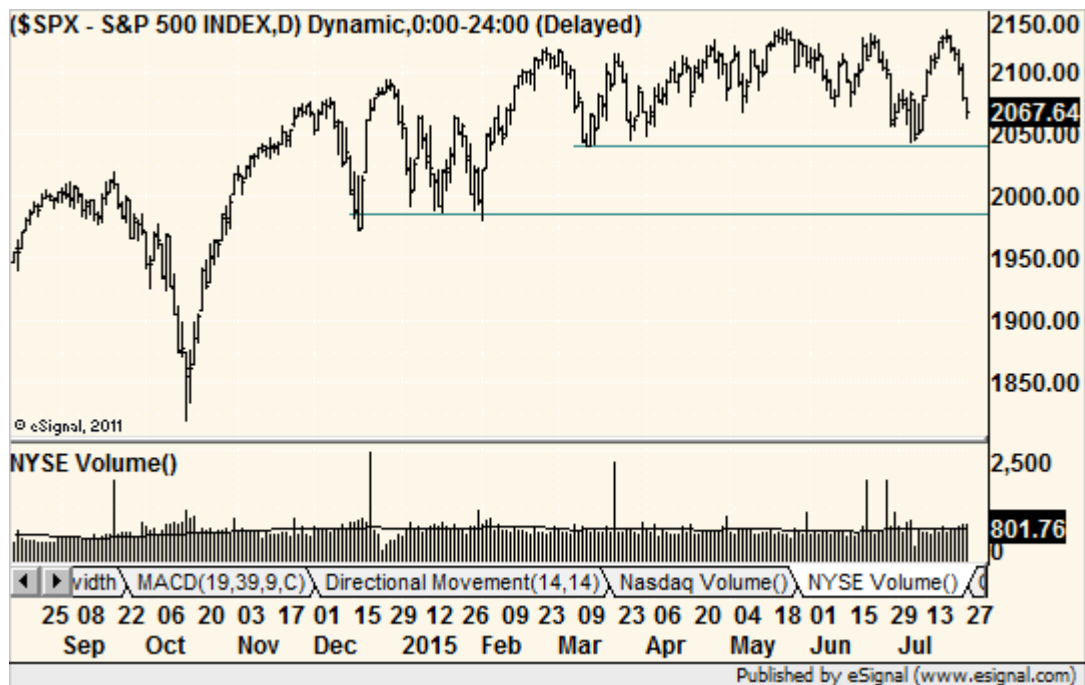
The hourly chart broke support and moved nearly halfway to the next target before bouncing. It is now back at former support – now resistance – where we'd expect it to run into problems again. That is not a market call but rather the odds of what might happen.

What we'd like to see is a little more casual bouncing here – yes, through the resistance we just outlined – to set up some good short sales. Until then, we will run through some sector ETFs below with no new trades today.

Index Charts of the Day



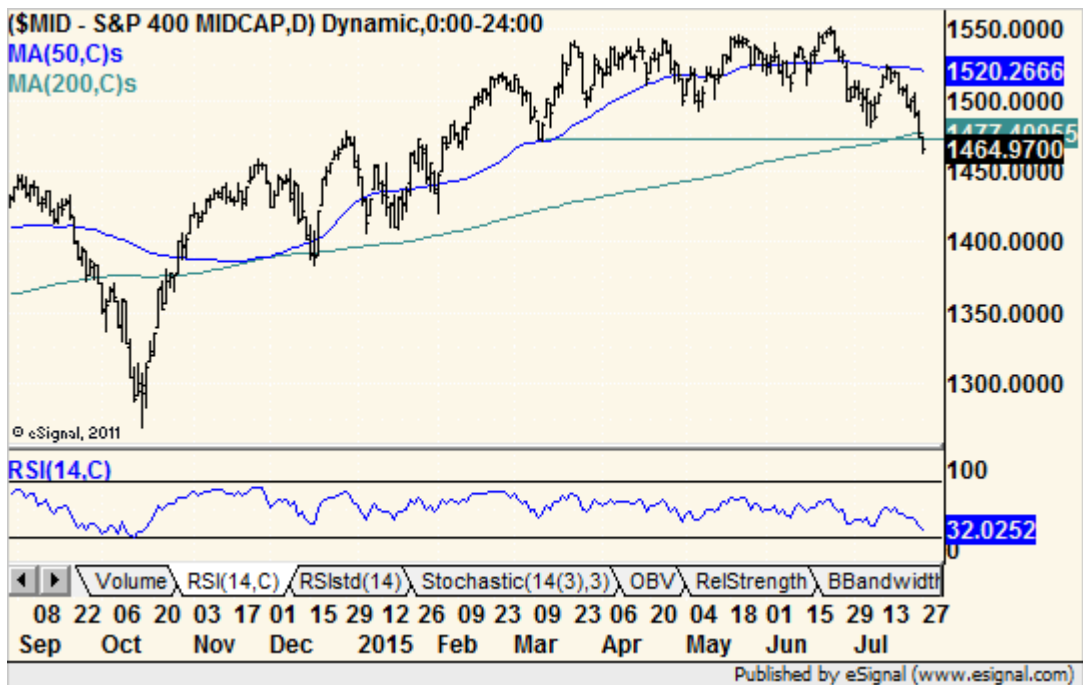
The Dow is below support but still has a bigger support below. We think it gets there and that would put the market on the verge of a major Dow Theory sell signal.



The S&P 500 is not through first support yet but it is in very sparse company.



The NYSE did not take out support at 10,650 yet so no breakdown. The fan lines above show a similar condition but there is nothing bullish about this chart. Price is below both major averages and RSI is staying low.



We showed the Russell 2000 fan lines breakdown. Here we see the midcaps with a 200-day average break and support break.

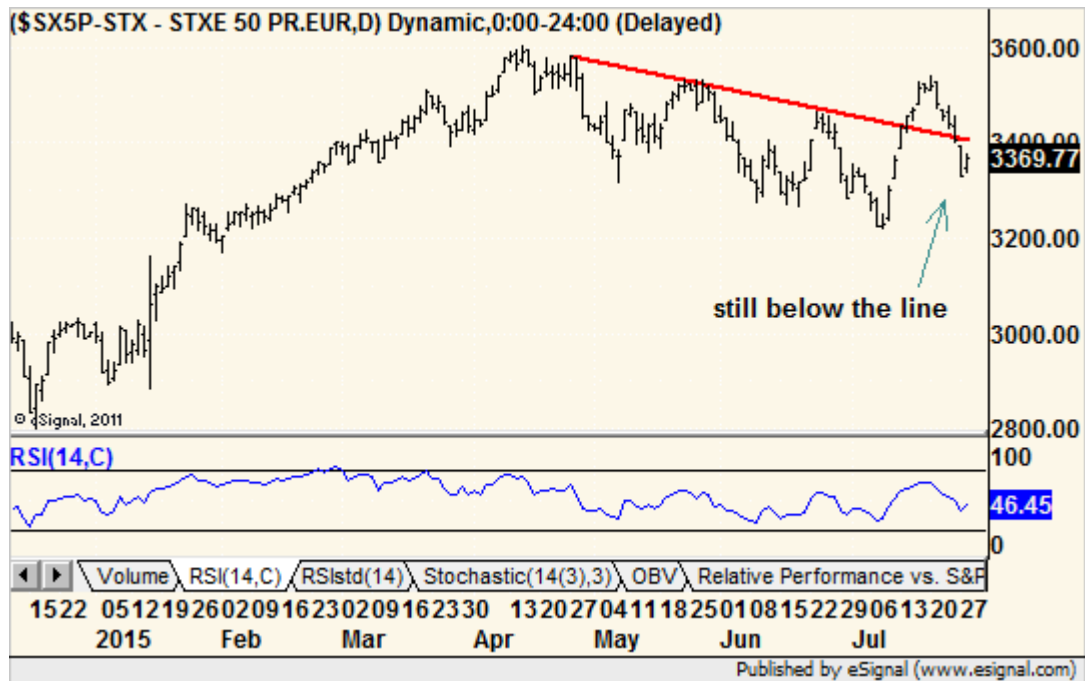
The Radar Screen

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.

>>> As you can see, this is getting empty again.

Bullish Implications		
none –		
Bearish Implications		
NY Times NYT – Peer Gannet (GCI) was spanked yesterday and this chart looks ready to follow. A trend break and test in progress. Sell under 13.10.	Triggered	7/22
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
none –		
Sector Watch (observations that may spark ideas)		
Heavy Construction – Bearish. FLR, PWR, KBR, JEC . We hope you sold some of these already because they have been getting killed.	Removed	7/7
Consumer Discretionary ETF XLY – Broke out on really poor volume. Big gap-up failure on Friday makes this look ready to tumble. And it did	Removed	7/17
Truckers – Possible basing action. CHRW, LSTR .		7/22
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX . If these crack then look out below. GILD may have started.		7/27
Updates		
none –		

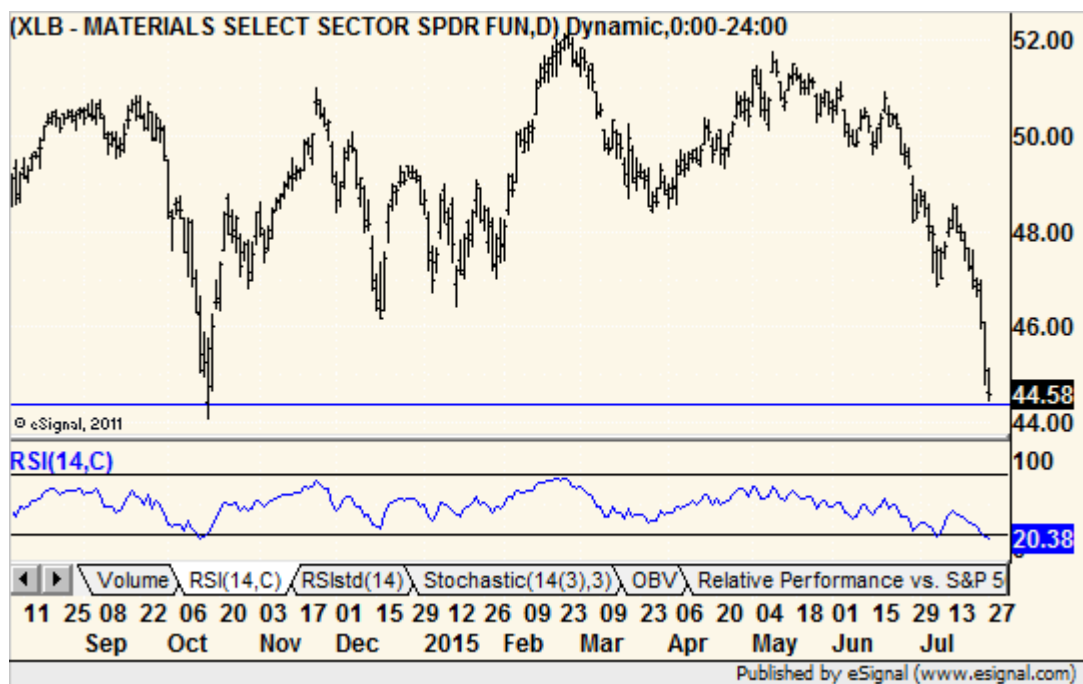
Market Highlights



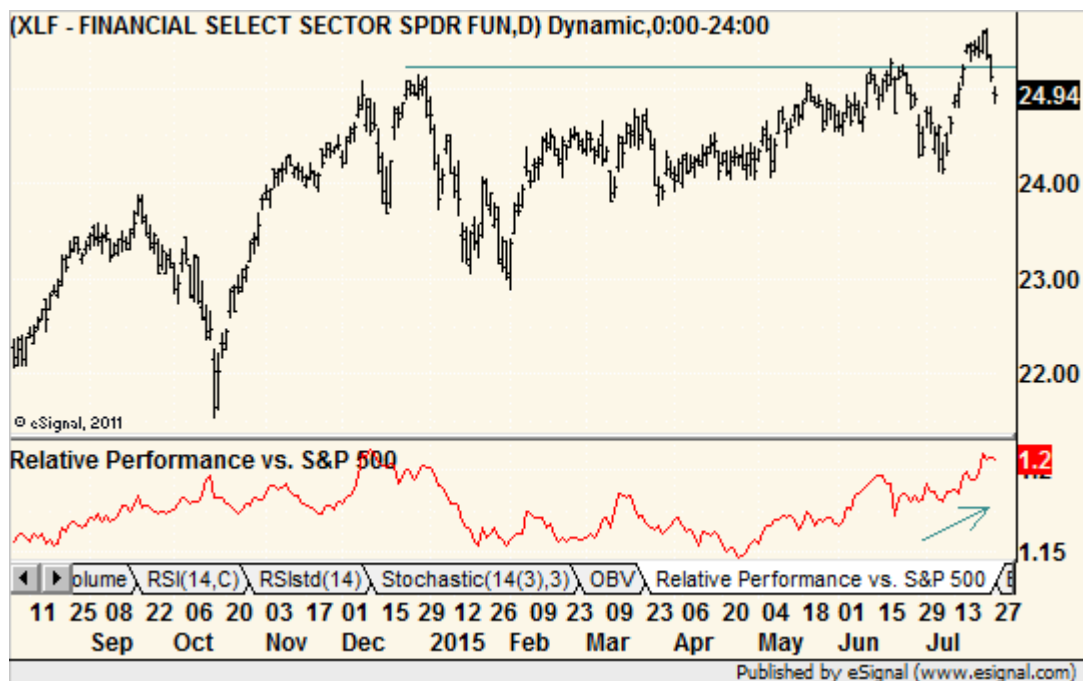
Stoxx-50 – Sorry Europe, this is still a breakout failure.



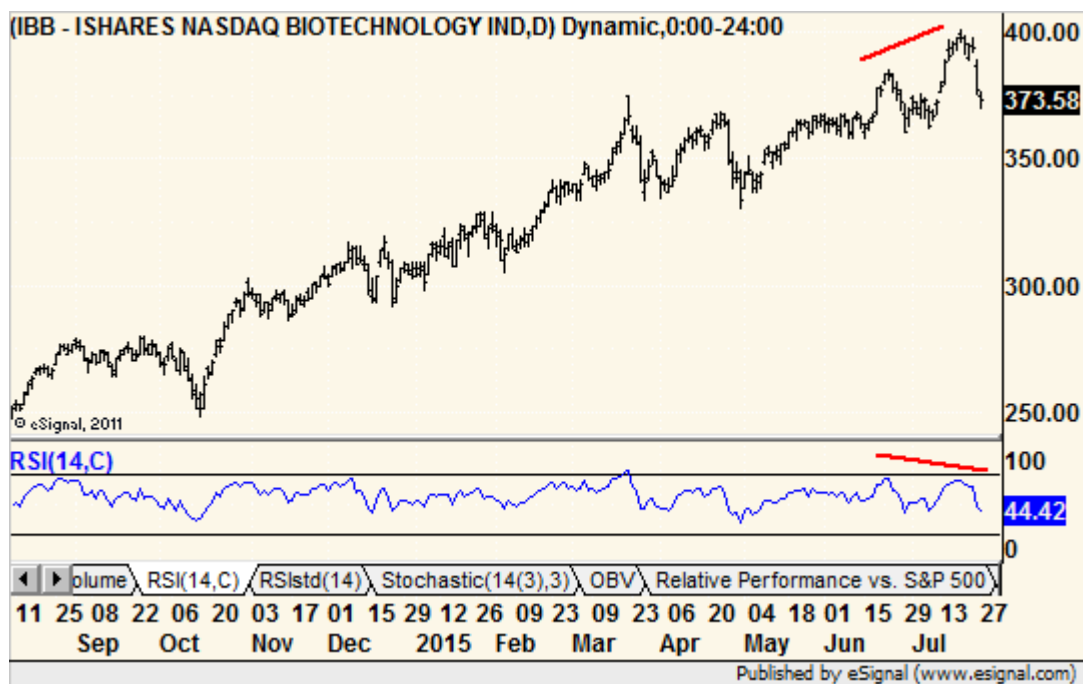
Healthcare ETF – The Charlie Sheen of sectors is still winning.



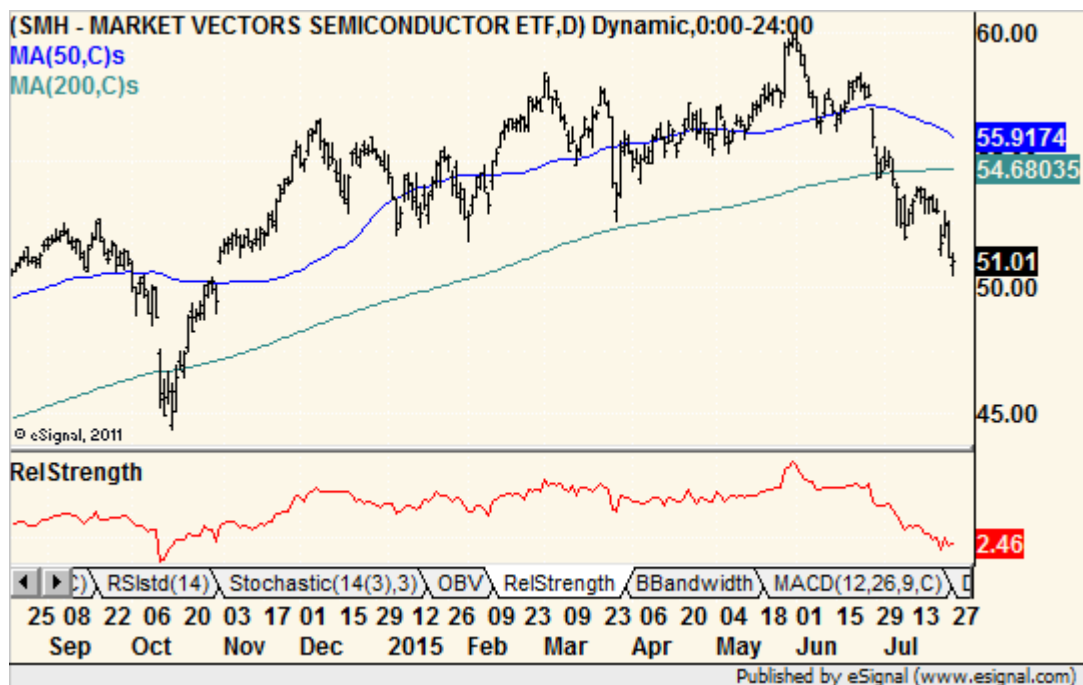
Basic Materials ETF – Everyone hates gold so this sector ETF looks ready for a dead-cat bounce. We are not playing either way.



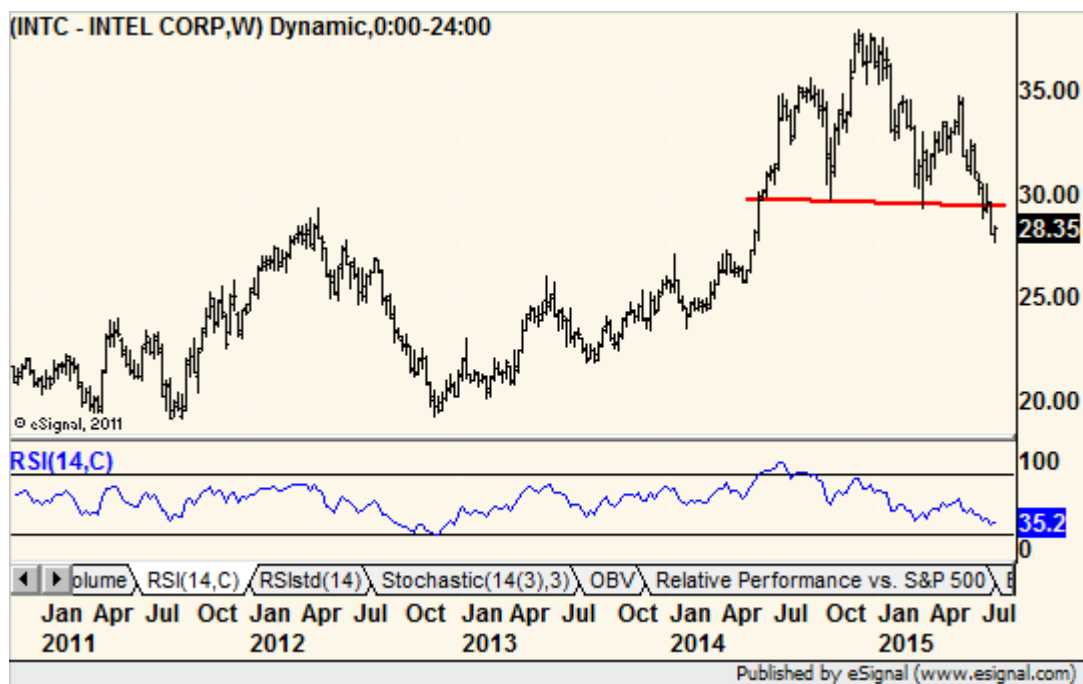
Financials ETF – This may have a breakout failure but it is still outperforming the market. That keeps us from selling it.



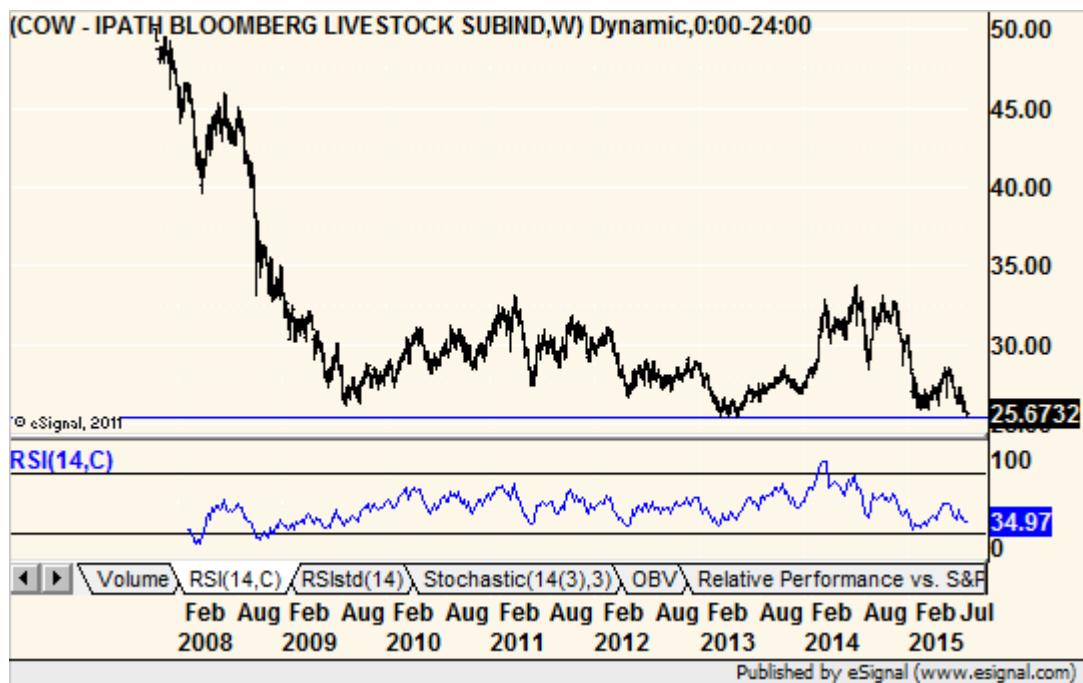
Nasdaq Biotech ETF – How many engines can it lose before it falls from the sky? Recent bonks in **BIIB**, **GILD**, **RGEN** and **ILMN**.



Semiconductors ETF – Yuck! Sell bounces. See next chart...



Intel – A weekly head-and-shoulders. Looking to sell a test of the neckline.



Livestock ETN – Well, at least your barbeque will be cheaper this summer.

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>	MO	ALTRIA GROUP INC	53.95	3.9%	52.00	51.90	7/16	11
<u>Short</u>	DLPH	DELPHI AUTOMOTIVE PLC	75.37	6.0%	79.50	79.92	7/16	11
	HPQ	HEWLETT PACKARD CO	30.25	0.3%	32.00	30.34	7/17	10
	URBN	URBAN OUTFITTERS INC	33.46	4.6%	35.25	35.00	7/21	6
	ACM	AECOM	29.55	2.2%	31.25	30.19	7/24	3
	NYT	NEW YORK TIMES CO	13.17	-0.5%	13.75	13.10	7/27	0

Notes: Lowered stop in **ACM** short.

New short in **NYT** although we anticipate a little drawdown today.

Subscriber Corner

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Other Information

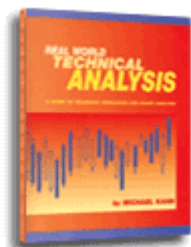
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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