

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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August 4, 2015 – Well, it could have been a lot worse Monday as the Dow actually closed 100 points up from its worst levels. Blame a weak manufacturing report and weak energy for the morning slump.

Nothing new happened on the charts but small and mid-caps indices did confirm resistance holds. Coal marched towards bankruptcy (**ANR** filed today) so our portfolio of coal stocks strategy will have to wait. And while not among to the worst sectors, the **XRT** retail ETF broke a flag-like pattern to the downside.

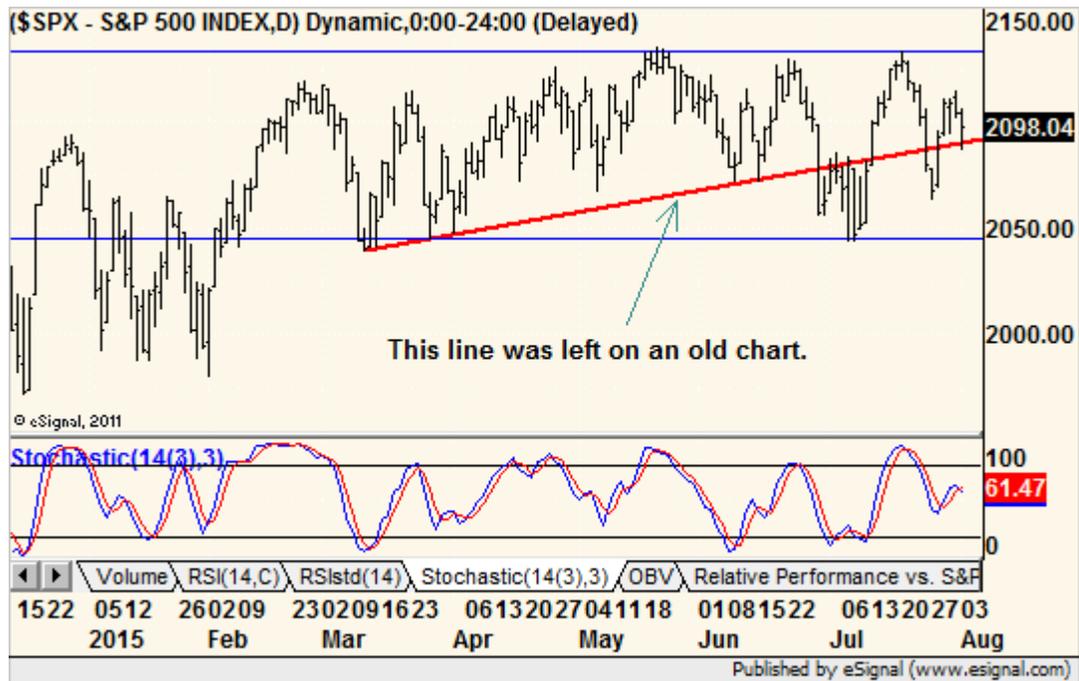


We added the red lines to the hourly chart to show the coiling action. They are not really proven lines at this point.

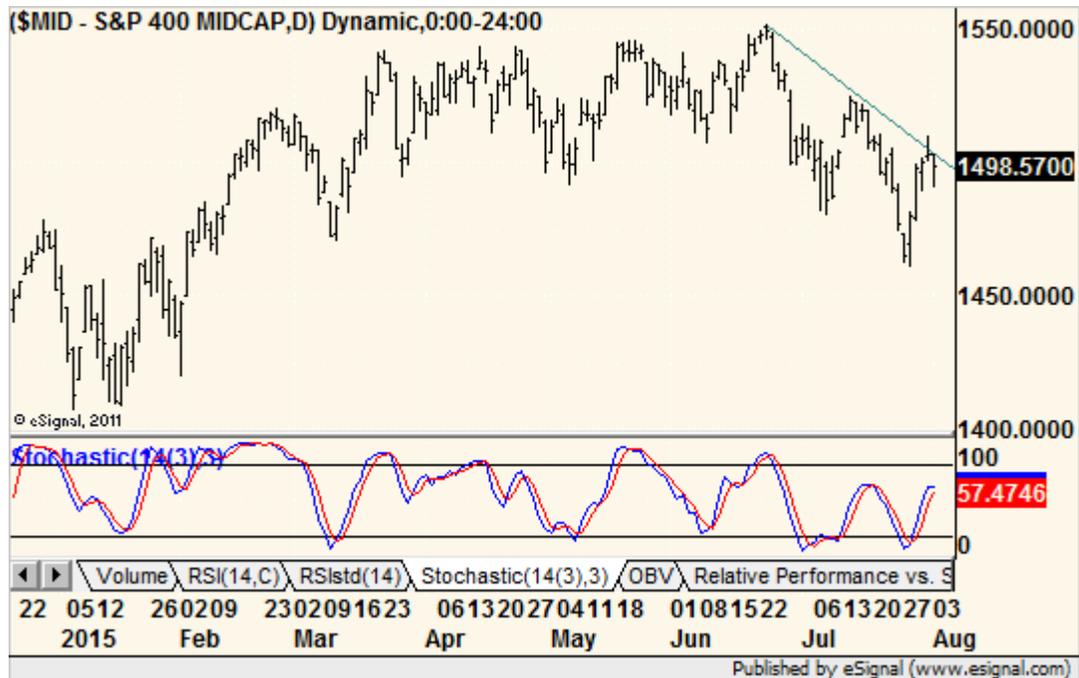
So here is where we are – After doing the rest of the charts in this report, looking at the headlines and running a few ratios we have nothing new to tell you today. We are leaning bearish but cannot go whole hog (whole bear) into it until the S&P 500 does something bad first.

With that said, there are a few sectors rolling over, led by industrials (see **XLI** ETF). Tech is hiding behind a few stocks (the Generals) but is otherwise stinky. Healthcare is doing its own bullish thing although the biotech sector is getting a little wobbly.

Index Charts of the Day



The trading range between the blue lines is the major pattern here but we find it interesting that the red line, drawn weeks ago, is back in play.



We redrew the line here a bit tighter and that made Friday a breakout failure and Monday confirmation of that failure.

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		
none –		
Bearish Implications		
none –		
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Intel INTC – Waiting for a test of a weekly head-and-shoulders to sell.		7/28
Community Health CYH – Marc Chaikin posted a bullish “power gauge” and suggested takeover rumors. We see a stock that broke out and came back to test it. <u>Poor post-earnings performance keeps this on hold.</u>		8/3
Rangold GOLD – We just looked around the sector – which is still not bullish even though I think it has capitulated – to see stocks with positive earnings. This one has fairly strong support. Just lookin’, not buyin’.		8/3
Nasdaq biotech ETF IBB – The last divergence did not work but this one seems better. Still have to wait for a trend break so it is only a warning for now.	New	8/4
Sector Watch (observations that may spark ideas)		
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX. If these crack then look out below.		7/27
Defense index DFI – A declining channel presents clear boundaries.		7/31
Retail ETF XRT – Looking dicey. Waiting for the breakdown		8/3
Updates		
Chevron CVX – We still think this is for slow accumulation. Everyone hates it, blood in the streets.		

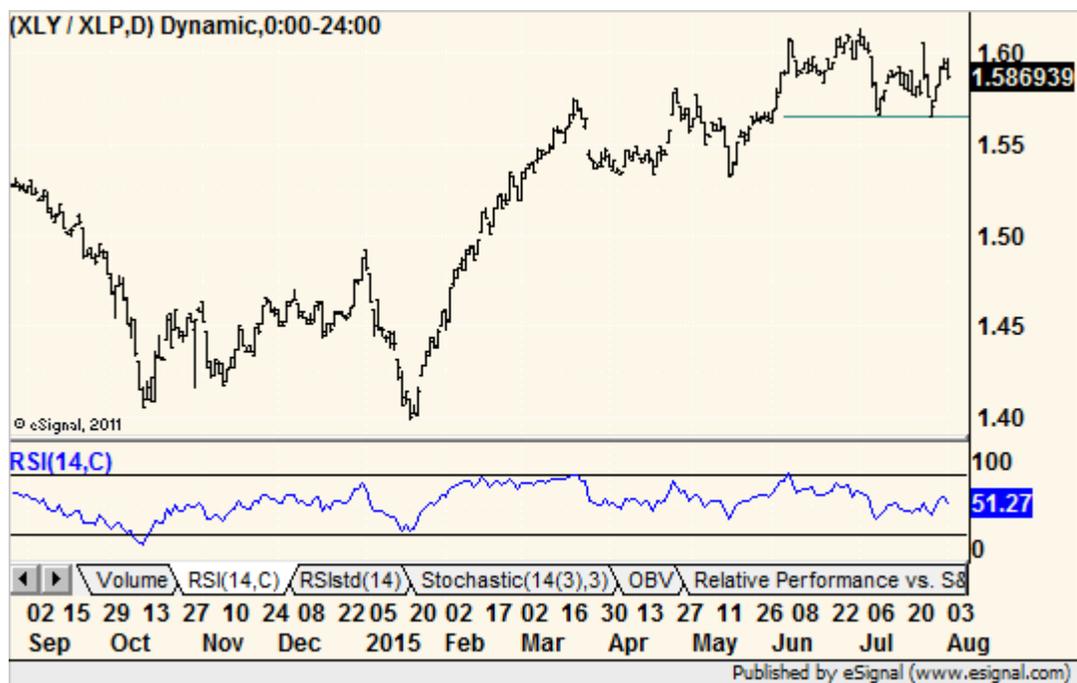
Market Highlights



Apple – No doubt now: it’s broken.



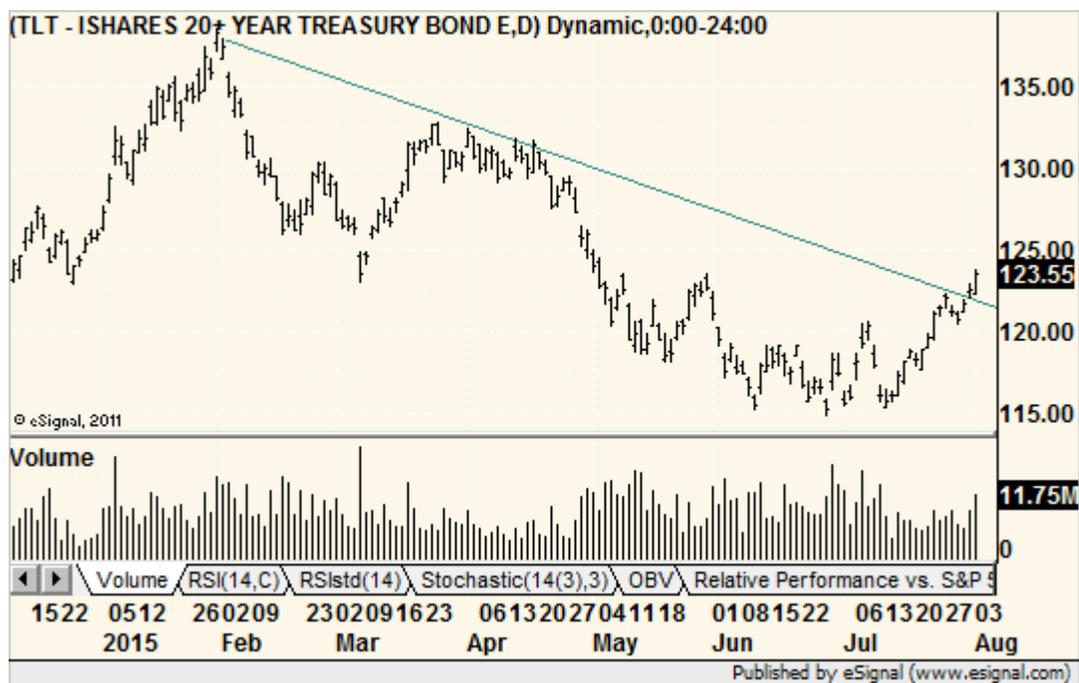
Netflix – Acting better than other generals. However, if it breaks now that would be very bad news for the market as a leader stops leading. Apple already stopped.



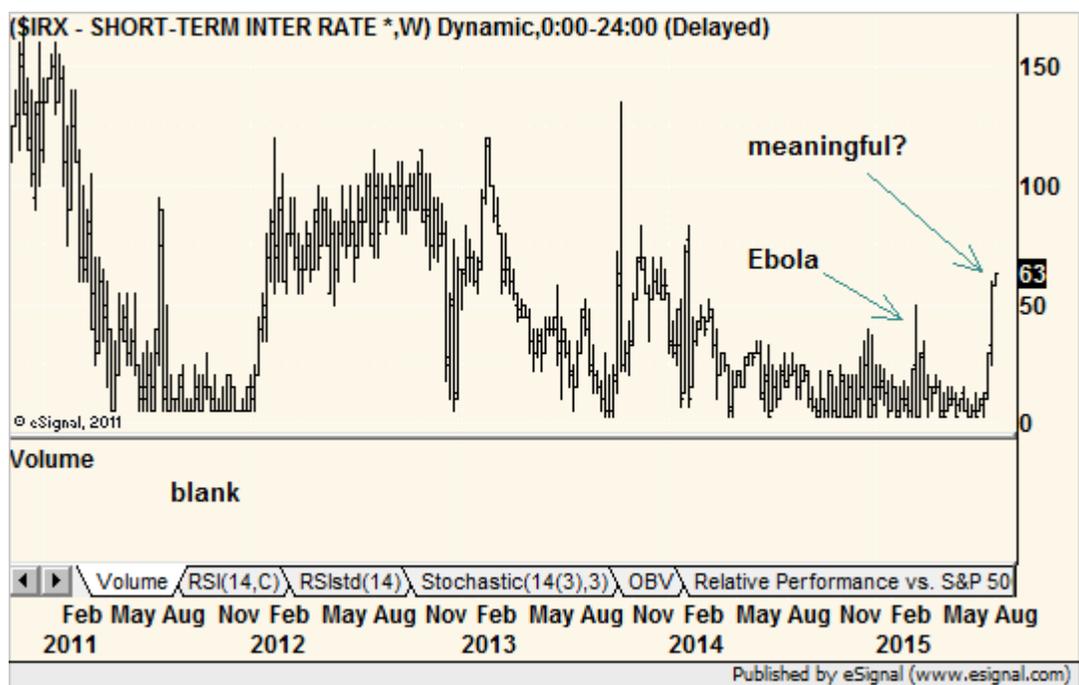
Discretionary / Staples ratio – This is another thing keeping the bear in its cave for now. It has not broken down just yet.



NYSE advance-decline – This break is rather clear.



Long T-bond ETF – Breakout.



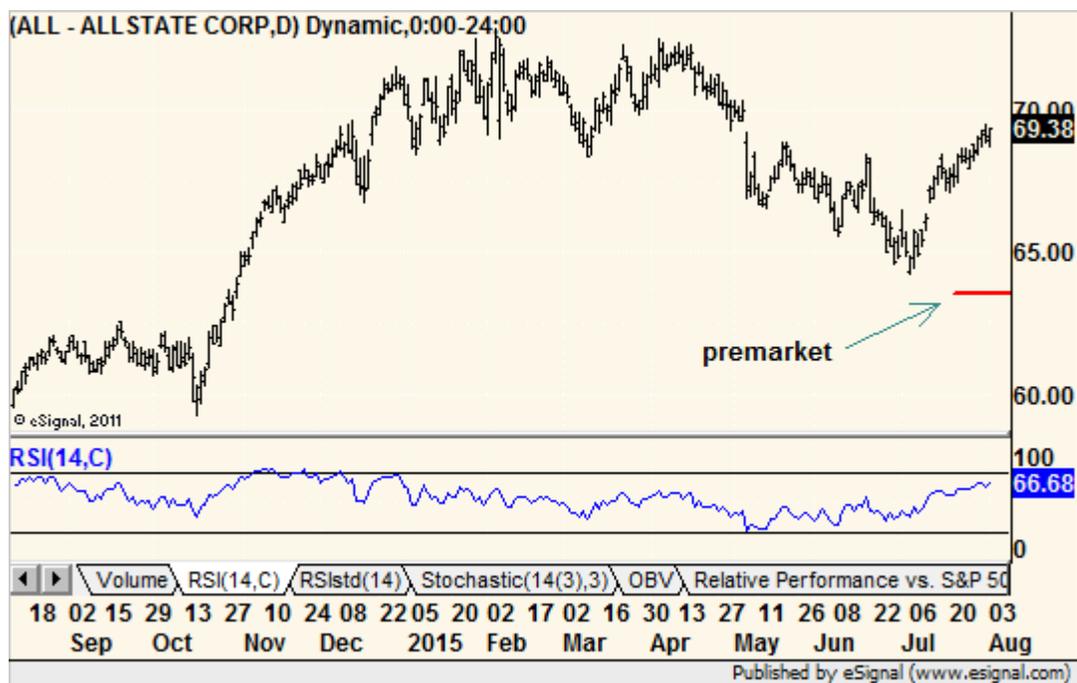
3-Month T-bills - A little back up in short-term rates.



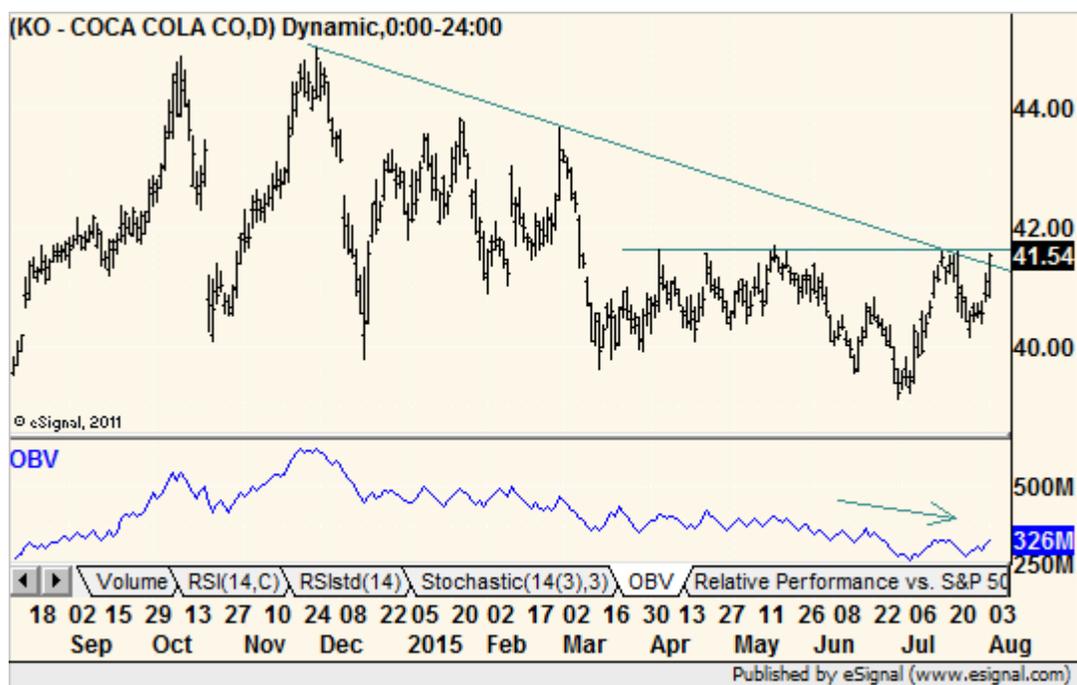
Utilities ETF – With bond strength, utilities (and REITs) are showing some moxie, too.



Nasdaq biotech ETF – The last divergence did not work but this one seems better. Still have to wait for a trend break so it is only a warning for now.



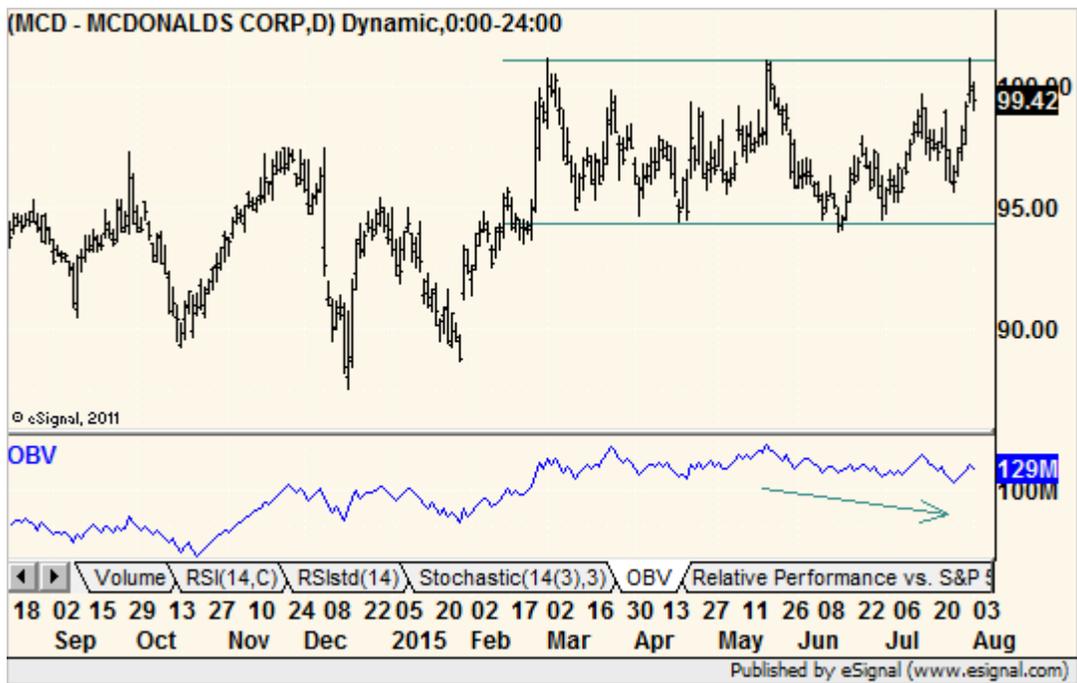
Allstate – Broken stock. Avoid.



Coke – At resistance but on-balance volume is weak. Not ripe yet.



Pepsi – Arguable breakout but with falling on-balance volume we are not interested.



McDonalds – At resistance with falling on-balance volume. We'd be skeptical of 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. 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	54.66	5.3%	53.50	51.90	7/16	18
<u>Short</u>	DLPH	DELPHI AUTOMOTIVE PLC	77.16	3.6%	79.50	79.92	7/16	18
	HPQ	HEWLETT PACKARD CO	30.02	1.1%	31.50	30.34	7/17	17
	URBN	URBAN OUTFITTERS INC	32.42	8.0%	34.25	35.00	7/21	13
	ACM	AECOM	30.60	-1.3%	31.25	30.19	7/24	10
	NYT	NEW YORK TIMES CO	13.10	0.0%	13.75	13.10	7/27	7

Notes: Lowered stop a bit in **HPQ**.

We like the way we are positioned – bearish but not too bearish.

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

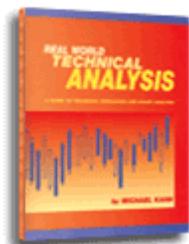
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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