

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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August 10, 2015 – Wow, such a fuss over the Dow's seven-day losing streak. We would think that the five-day losing streak in mid-July would have been scarier considering that it lost 3.7% then vs. only 2.2% now. Anything for a headline, right journos?

And don't forget to consider that the S&P 500 has a whopping two-day losing streak. Ditto Nasdaq. Ditto Russell 2000. In the words of Avril Lavigne, "Can I make it any more obvious?" (Sk8r Boi, 2002).

Call us when the streak gets to 10.

Until then, we have a slight downdraft within an overall sideways market. And this morning, the triangle pattern that was broken to the downside last week has been saved with the early morning rally.

There was a story on MarketWatch this morning with a tease headline (that did not deliver) but it contained a tidbit that is quite relevant. We quote:

"It's getting harder and harder for even the most vocal among Wall Street as they try to sing the 'everything is awesome' song when the ground around them continues to be littered with an ever-increasing amount of sprawled out – motionless – canaries."

Those canaries are earnings bombs. Apple, Whole Foods (again), Procter & Gamble, Tesla, to name a few from diverse sectors. The quote above came from blogger Mark St. Cyr, who also wrote:

"What happened to the "pent-up demand" that must have surely been burning holes in consumers' pockets with all that gas savings we were told was taking place across the nation? Surely one must construe if it didn't take place during the holiday shopping it therefore must at least show signs when the weather broke. Unless the consumer is what many of us have argued: Broke. It would seem the "numbers" are showing that's far more the case."

Good point. And let's not forget Greece is still virtually dead and China is in quicksand. Did anyone mention rates are going up soon? That one may be on hold with the latest Fed newsflash saying they will not move until inflation returns to something more normal (from very, very low). Maybe that is why stocks are up this morning. Or perhaps because nothing blew up (figuratively or literally) over the weekend.

Do you see where we are going with this? There is no theme here other than confusion and confusion demands higher levels of cash. Ultimately, confusion gives stocks a reason to move lower so we still have a few shorts in place.

Let's just get to the charts to see if we can make any more sense of this.

- Oil – nothing new. The trend is still down but we think big oil is in a value area.
- Gold – nothing new. However, we think it already had a selling panic which means lower prices will have to be earnings by the bears with some serious effort. Still too early to buy.
- Industrial Metals – down trend. This is bad for the economy.
- Transports – failed at resistance. This is bad for the economy.
- Biotech – some chinks in the armor. This could take down the leading healthcare sector and the last engine this market had.
- The Generals – Our list of leading stocks. Netflix stands alone now as some of the others cracked.

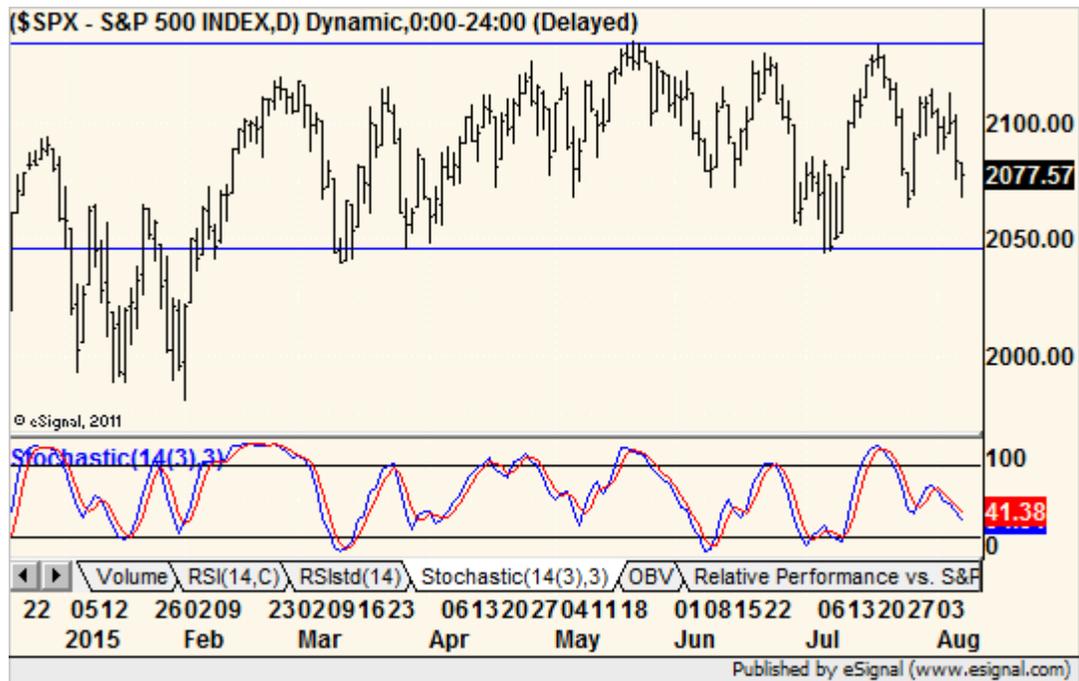
OK, the hourly chart... see next page...



Just like the overshoot to the upside a few days ago that demanded a redraw of the triangle now we have an overshoot to the downside. What it means is that the triangle continues within the larger rectangle trading range of 2015.

Cash is still good.

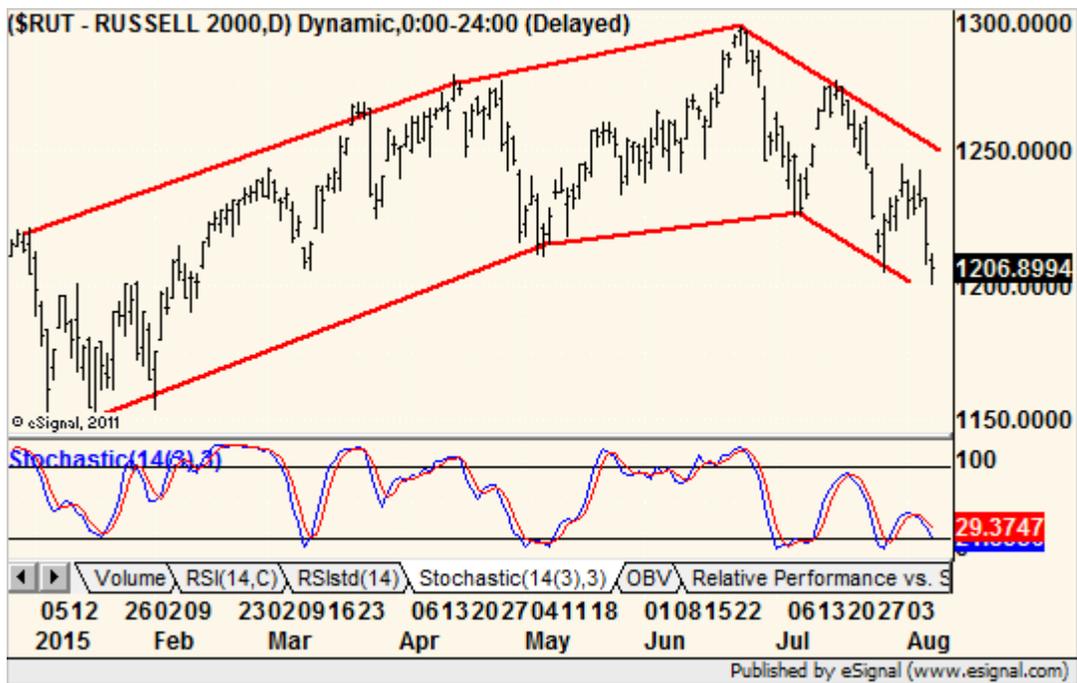
Index Charts of the Day



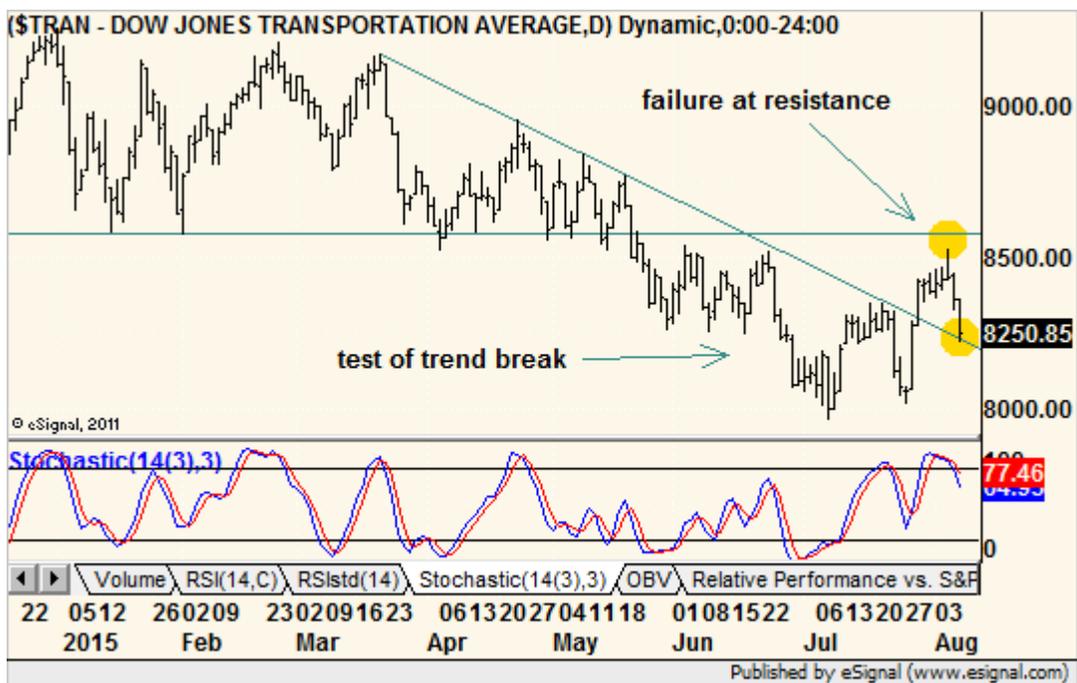
What dominates 2015? A trading range. Period.



What dominates for the Nasdaq? A rising channel but it has not made much progress since February. Actually, it has made zero progress since then.



Looks like a change in fortunes to us.



Transports must hold here.

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		
Analog Devices ADI – I panned semis Monday for Barron’s Online. Here is one ready to break a flag and 200-day average. Sell 58. Still valid but rally put it far away. We’ll leave it here for a little while.		8/5
Intel INTC – Waiting for a test of a weekly head-and-shoulders to sell. It is time to sell.	Triggered	7/28
Goldman Sachs GS – Sitting on support with moving average and MACD damage. Sell close under 203.	New	8/10
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
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 – trend break		8/4
Coach COH – Rocked Tuesday by earnings the stock may have overcome the bad news with huge volume. We are going to wait for a follow through day here bit this looks interesting. Boom! Huge gain Friday.		8/6
Taser TASN – Apple looks like Taser did a few days ago. Taser is now below support (gap, target, 200-day average) but we are not convinced just yet it will hold. Of course, we have to give it the benefit of the doubt. Let’s see if it does anything positive today to create a breakdown failure. Hammer candle Friday.		8/6
Viacom VIAB – A classic look of a selling climax. That does not mean it is a buy but it could be soon. Good thing as it “climaxed” some more.		8/6
Keurig Green Mountain GMCR – We don’t get it. I singlehandedly keep this company afloat. But on the chart we see a plunge after earnings but not a selling climax. It had been recovering so this is just a smack down. With that said, it is in a wide support zone with a possible overshoot of chart support. We are not buying now but it is also interesting.		8/6
Boeing BA – Looked like a breakout in June but that failed. Now sitting on major averages and at risk.	New	8/10
Sector Watch (observations that may spark ideas)		
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX. (Colors represent current state) Reversals or breakdowns in GILD, FB, SBUX		7/27
Defense index DFI – A declining channel presents clear boundaries.		7/31
Retail ETF XRT – Looking dicey.		8/3
Updates		
Walmart WMT –broke 50-day average to the upside and then bonked Friday.		

Market Highlights



Goldman Sachs – Sitting on support with moving average and MACD damage. Sell close under 203.



Boeing – Looked like a breakout in June but that failed. Now sitting on major averages and at risk.

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	55.49	6.9%	53.50	51.90	7/16	24
<u>Short</u>	DLPH	DELPHI AUTOMOTIVE PLC	79.50	0.5%		79.92	7/16	23
	HPQ	HEWLETT PACKARD CO	29.41	3.2%	31.50	30.34	7/17	23
	URBN	URBAN OUTFITTERS INC	32.59	7.4%	34.25	35.00	7/21	19
	ACM	AECOM	30.26	-0.2%	31.25	30.19	7/24	16
	NYT	NEW YORK TIMES CO	13.19	-0.7%	13.50	13.10	7/27	13
	INTC	INTEL CORP	28.88	-0.3%	30.50	28.80	8/7	2

Notes: New short in **INTC** at the open Friday.

Stopped out of **DLPH** short intraday. Maybe we covered commissions.

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

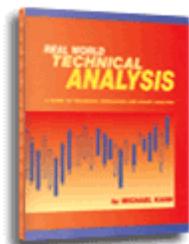
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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