

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

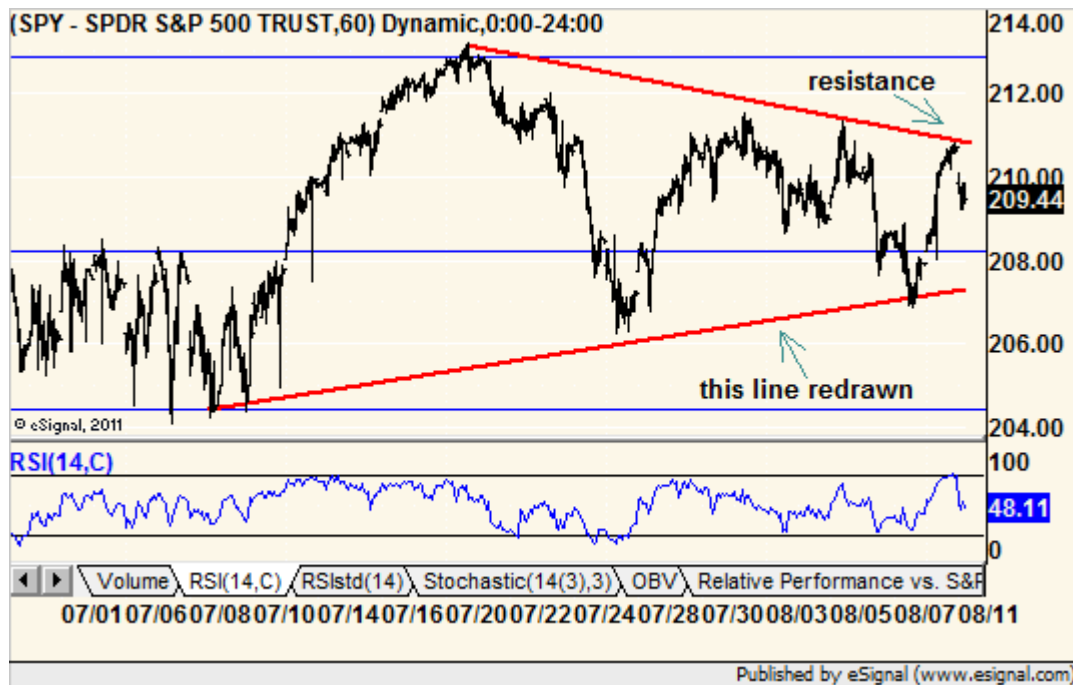
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RESEARCH LLC

August 11, 2015 – Monday kicked off the “world did not end over the weekend rally” with a rather hefty gain on – you guessed it – lower than average volume. Was it Warren Buffet’s big purchase? Or Greece getting some cash? Or China’s nice rally over night? Or the Fed shooting its mouth off – this time saying it might not hike so fast due to low inflation?

Holy sheep dip! My drugs just kicked in as the kids’ song lyric “goes this way and that way and this way and that” runs through my head (Did you ever see a lassie?). Every other day a Fed official contradicts the last one with the exception of Janet Yellen who has remained consistent. And she is the boss.

One thing we did see yesterday was a weak dollar and strong commodities. After all, this time the Fed wants more inflation! Naturally commodities went up. They are soft this morning, by the way as stocks pull back, too.

Whatever happened yesterday looks to us as just another temporary blip to keep us honest. And even though we as “bearish leaners” took a hit yesterday we are still mostly protected by – you guessed it again – cash. Imagine if you were sitting it out this year. You would be exactly where you started.

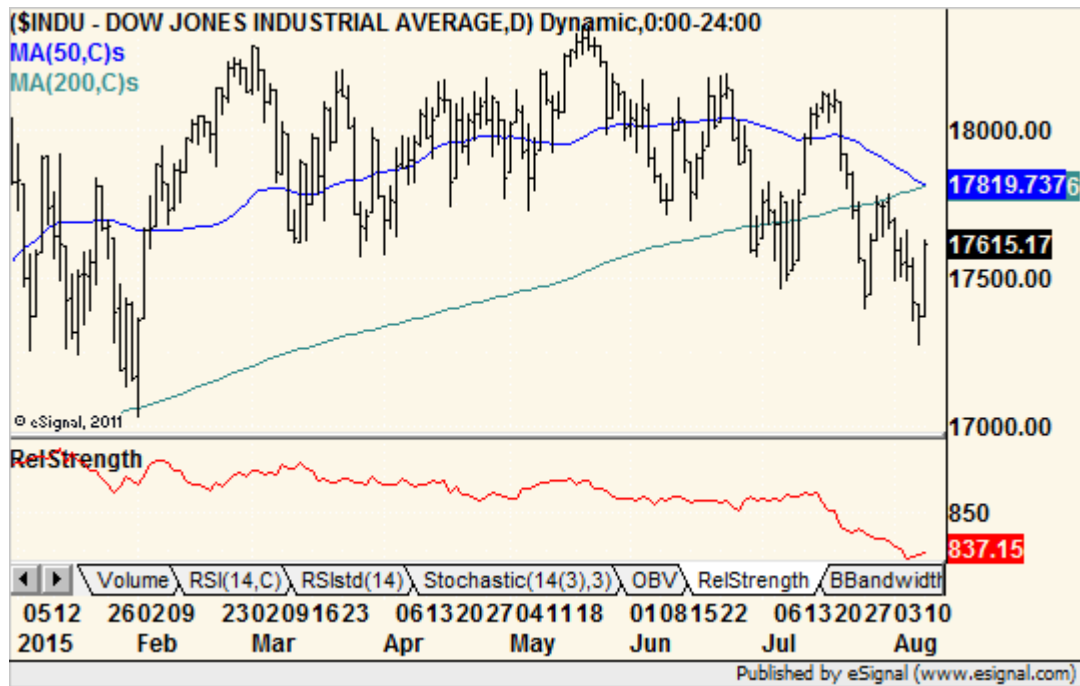


The hourly chart had a false breakdown the other day so the line was redrawn. Yesterday’s rally ended right at the upper border of the triangle. You cannot make this stuff up. Basically, the rally relieved oversold pressures of the big, scary seven-day Dow decline (#sarcasm).

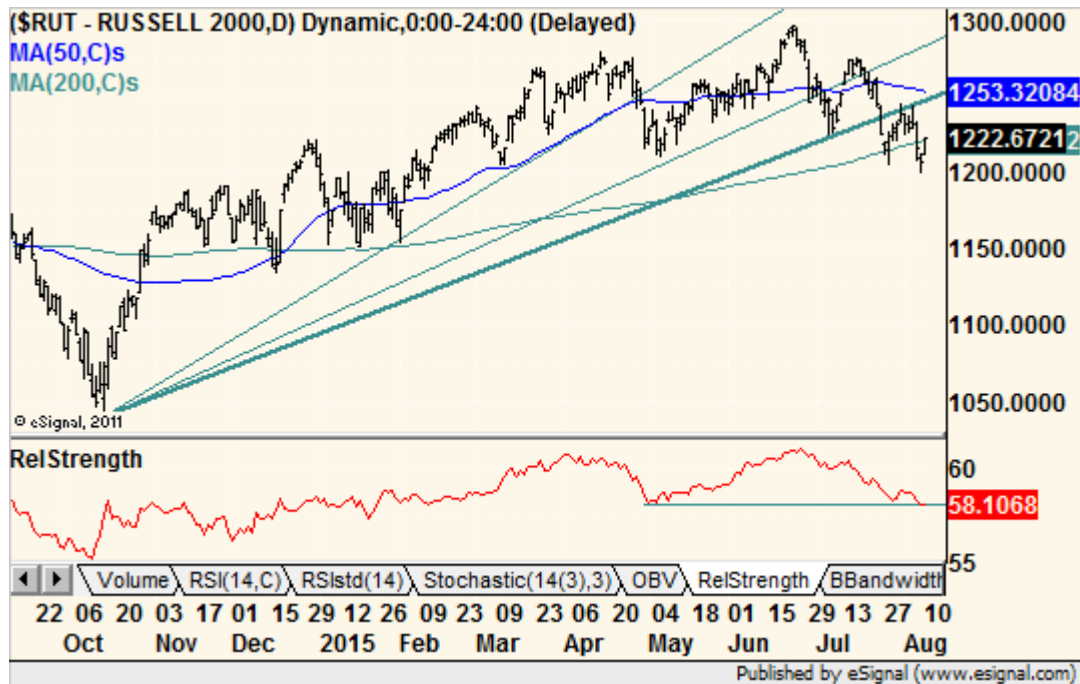
And while everyone basks in the afterglow of yesterday, look at restaurants, brewers and soft drinks. All of these consumer sectors were in the red along with utilities and real estate. The latter two fell with bonds but why should consumer sectors fall even more on a big up-day? Something is fishy and it ain’t the catch of the day.

The brewers group is really only **TAP** so we can discount it. But there were some fairly nasty bearish reversals in restaurants such as **JACK, BLMN, CAKE, DIN** and **RRGB**. We’d troll there for shorts.

Index Charts of the Day



Barring a monster rally, the Dow will get its death cross today.



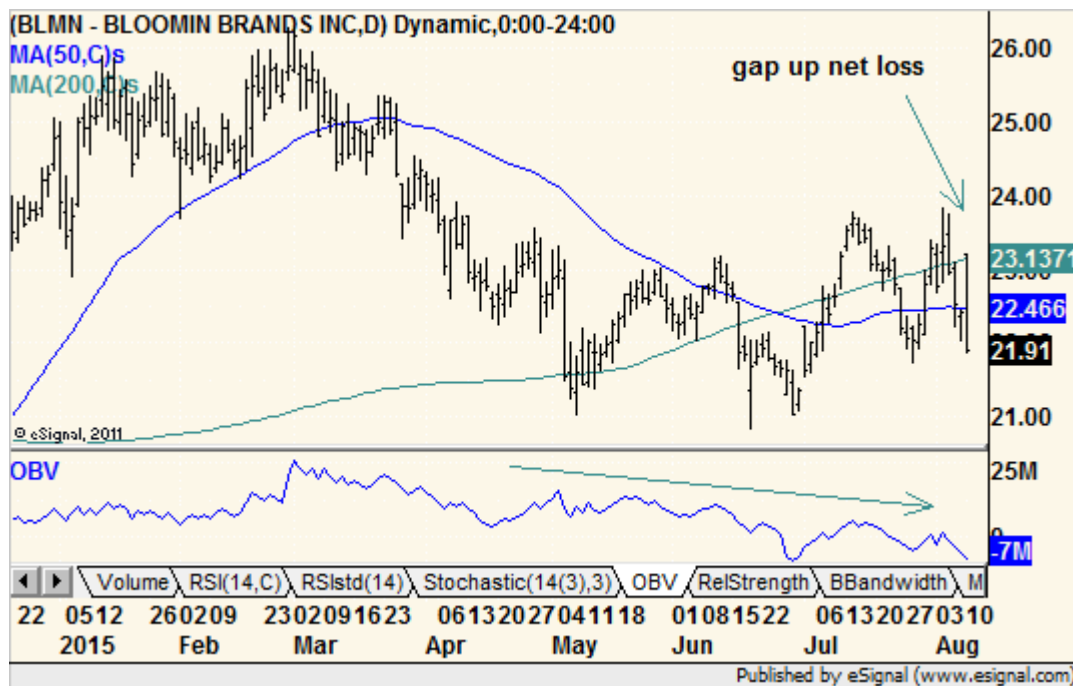
The Russell is on the 200-day average and still below the bottom of the fan lines pattern. In other words, the bears have the ball. Check out the relative performance chart sitting on support, too.

The Radar Screen

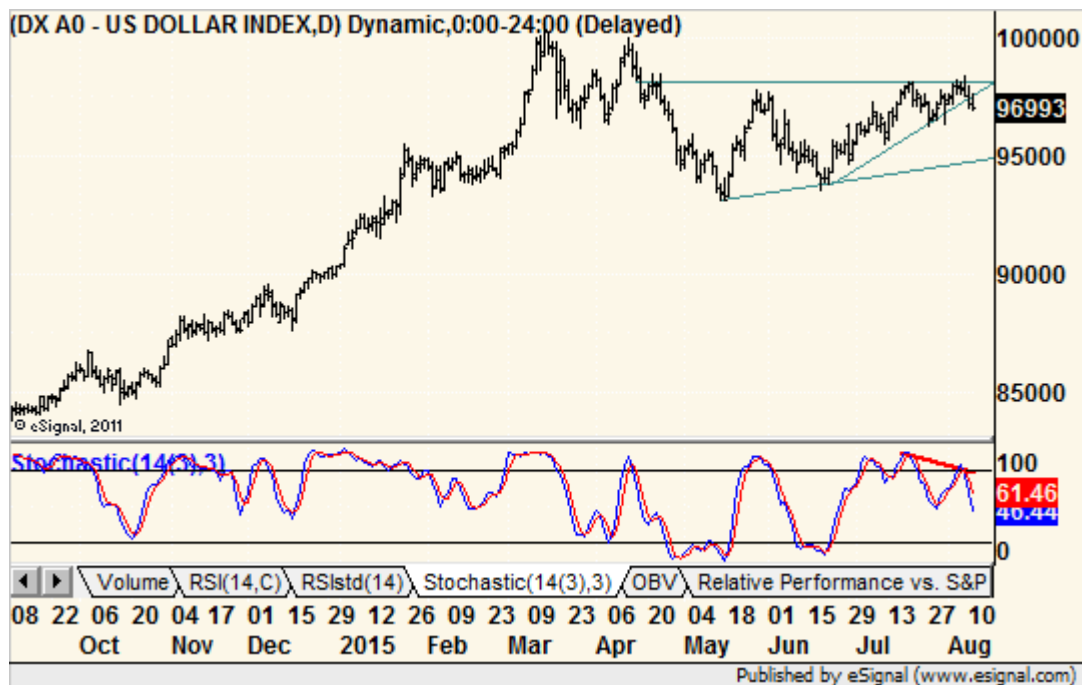
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.	Removed	8/5
Goldman Sachs GS – Sitting on support with moving average and MACD damage. Sell close under 203.		8/10
Bloomin Brands BLMN – This is a casual restaurant group that includes Outback Steakhouse. It jumped up Monday only to end significantly lower. That is a huge technical failure and with constantly falling on-balance volume it is shortable right here.	New	8/11
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’. Not bad Monday and still bouncing. See chart below		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. But a loss Monday.	Removed	8/6
Taser TASR – 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.		8/6
Keurig Green Mountain GMCR – damaged stock so we are moving on	Removed	8/6
Boeing BA – Looked like a breakout in June but that failed. Now sitting on major averages and at risk.		8/10
Sector Watch (observations that may spark ideas)		
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX. (Colors represent current state) Breakout in GOOGL.		7/27
Defense index DFI – A declining channel presents clear boundaries. Arguable breakout but we are not buying.	Changed	7/31
Retail ETF XRT – Looking dicey.		8/3
Updates		
Walmart WMT –broke 50-day average to the upside and then bonked Friday.		

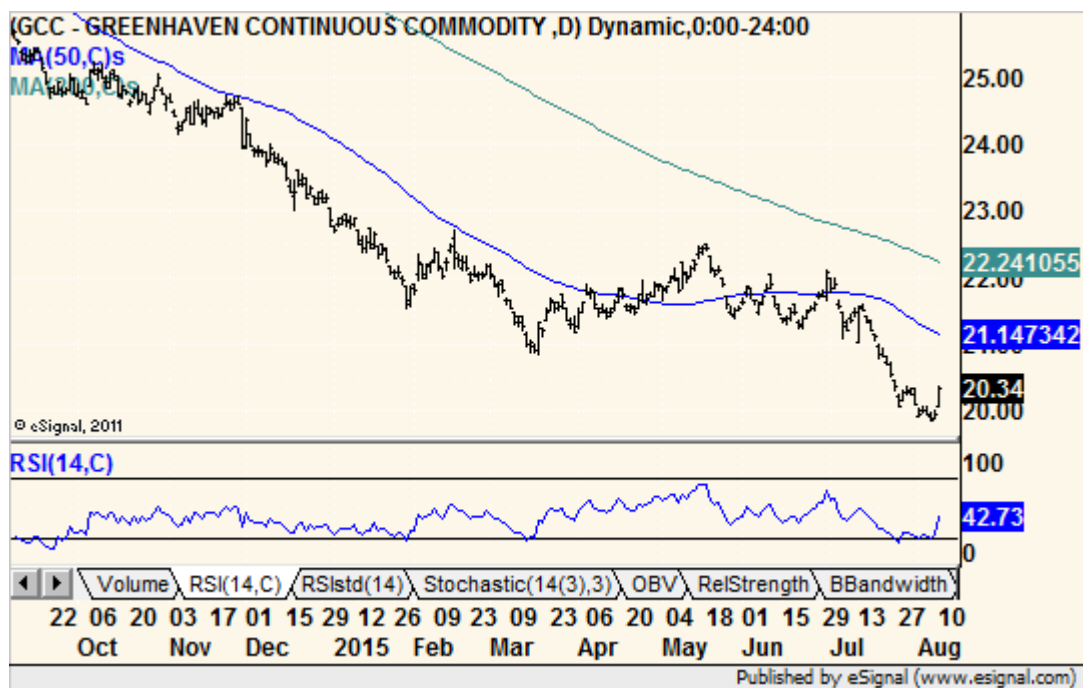
Market Highlights



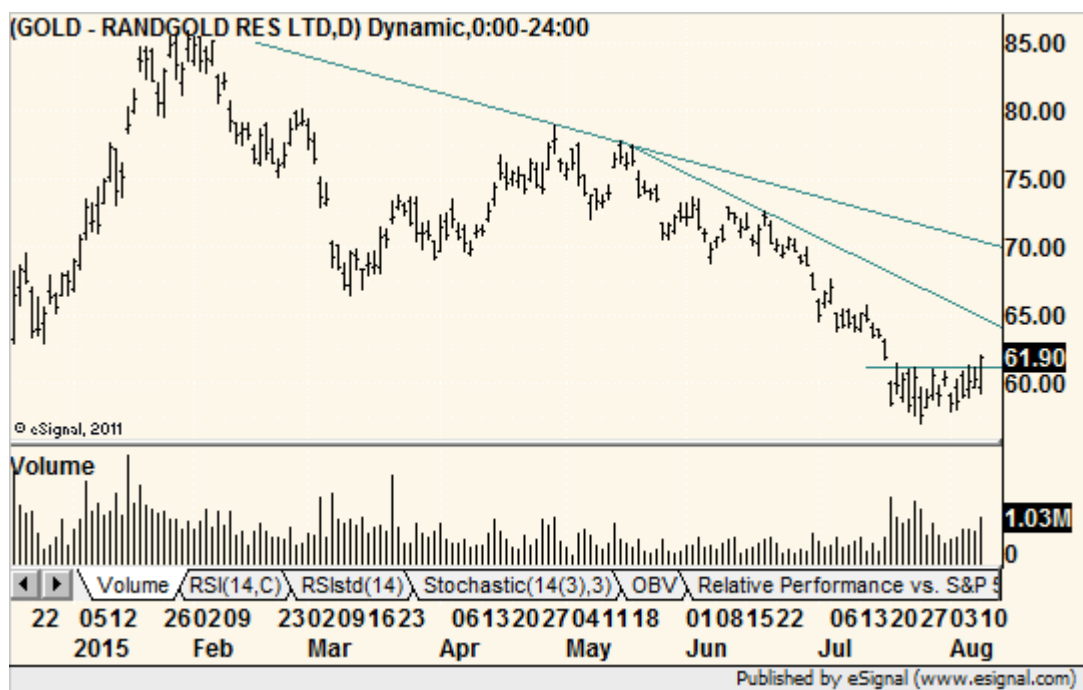
Bloomin Brands – This is a casual restaurant group named after Outback Steakhouse’s Bloomin’ Onion side dish. Go figure. Anyway, it jumped up yesterday only to end significantly lower. That is a huge technical failure and with constantly falling on-balance volume it is shortable right here.



US dollar index – Pick your lines but this looks to be ready to dip within a trading range. Note falling stochastics peaks.



Commodities ETF – Just looks oversold but without real reason to be cheerful.



Rangold – We've been following this one as a candidate to buy when the sector is better. It arguably broke out from a small range yesterday but there is so much work to do before we can really be happy about it. A bigger base, perhaps. Or more than one day of Fed-induced inflation thoughts.

Advice Tracker

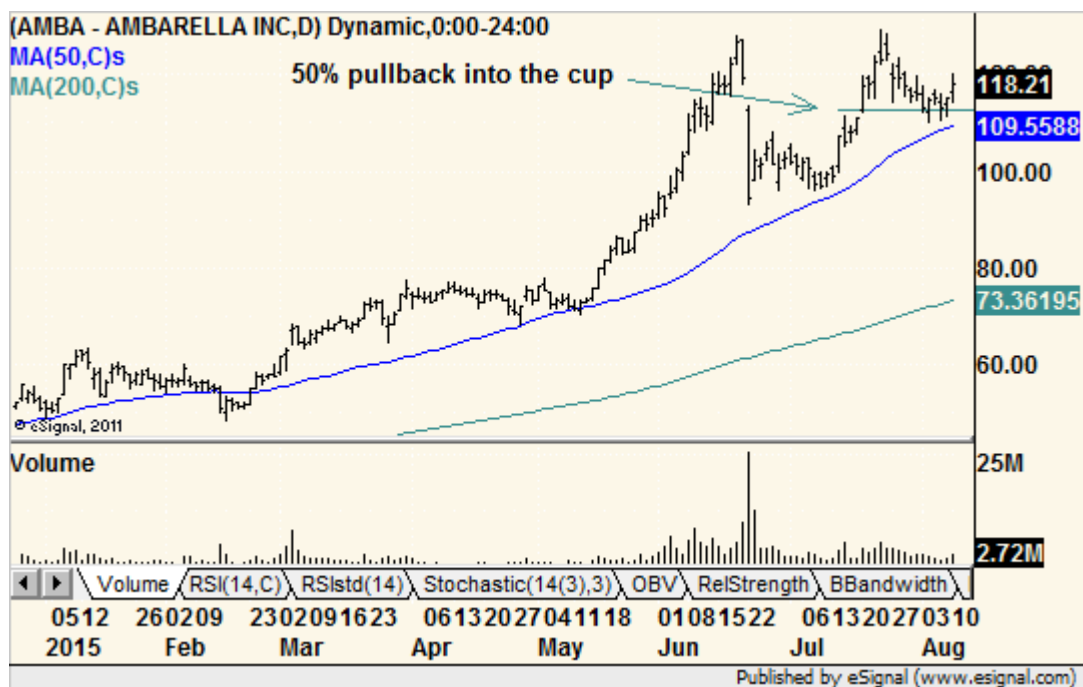
This is a list of stocks that have triggered buys or sells and not a recommended portfolio. We will track them with suggested strategies but specific stops and position closes are up to the subscriber. Symbols in **red** mean that the position was stopped out. Symbols in **green** were closed by us. 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	55.71	7.3%	53.50	51.90	7/16	25
<u>Short</u>	HPQ	HEWLETT PACKARD CO	30.24	0.3%	31.50	30.34	7/17	24
	URBN	URBAN OUTFITTERS INC	33.16	5.5%	34.25	35.00	7/21	20
	ACM	AECOM	31.17	-3.1%	31.25	30.19	7/24	17
	NYT	NEW YORK TIMES CO	13.26	-1.2%	13.50	13.10	7/27	14
	INTC	INTEL CORP	29.64	-2.8%	30.50	28.80	8/7	3

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>.



Ambarella – We looked at a possible cup-with-handle here a while back and with the handle now dropping below 50% into the cup the pattern has been negated. It is not “recoverable.”

With that said, we still have a stock that pulled back on lower volume to the 50-day average and then broke out with slightly higher volume. In a normal market, whatever that is, we’d be bullish with an eye on resistance at 128.

However, we still think tech and semiconductors in particular is weak. Do we really want to buy something when we know resistance is strong? Or is that enough of a move to warrant the risk in a short-term strategy?

If it pulls back only modestly today and the market does not crack then perhaps tomorrow (or later today) it could be bought.

And if it jumps up at the open then the risk/reward may be worse.

Other Information

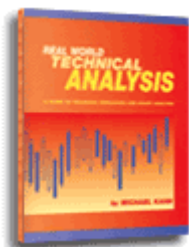
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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