

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

August 12, 2015 – The market giveth and the market taketh away. Tuesday erased Monday's big gain leaving confusion in its path. The only thing we know now is that the Dow did indeed have its moving average death cross and hidden from view so did the NYSE Composite. All major averages are below 50-day averages and the Russell 2000 is also below its 200-day.

We can keep going. Energy, tech, basic materials and industrials SPDR ETFs are below 200-day averages. And biotech is now below its major trendline.

So was all of this sparked by China's currency foibles? No. This is all as of yesterday's close – well before we got the overnight news that China has to support its tumbling currency.

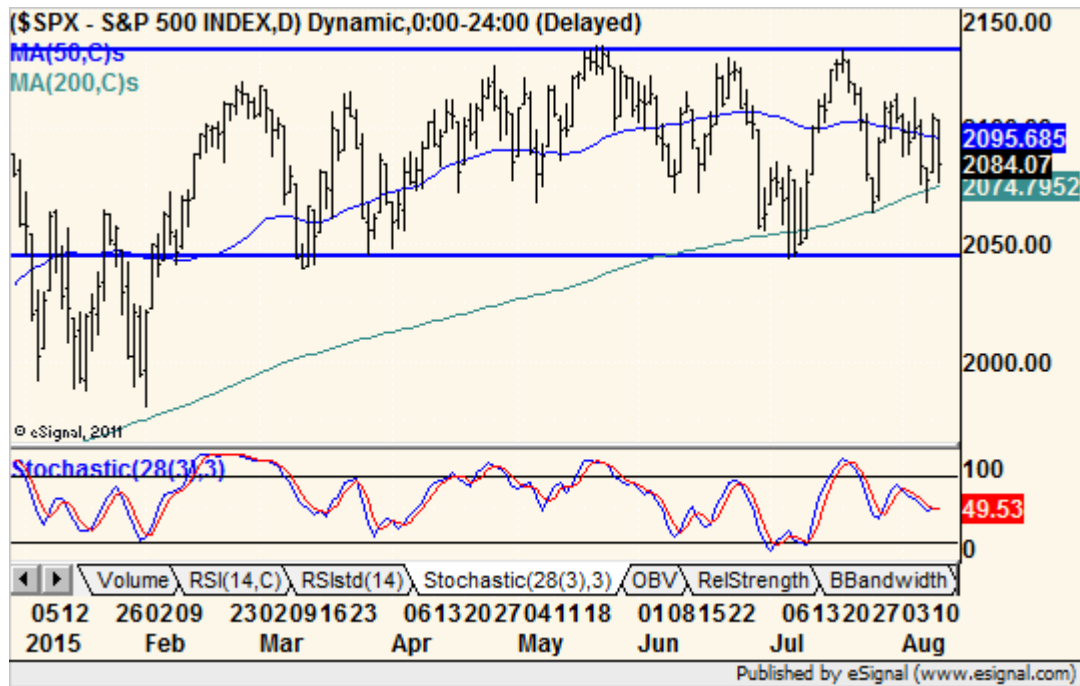
China's stock market was down only modestly but Europe took it on the chin with 2% losses fairly common. And as long as we are talking about death crosses, they are in place in Russia, Australia, Singapore, Thailand, Malaysia and Philippines. Brazil is a day or two away.



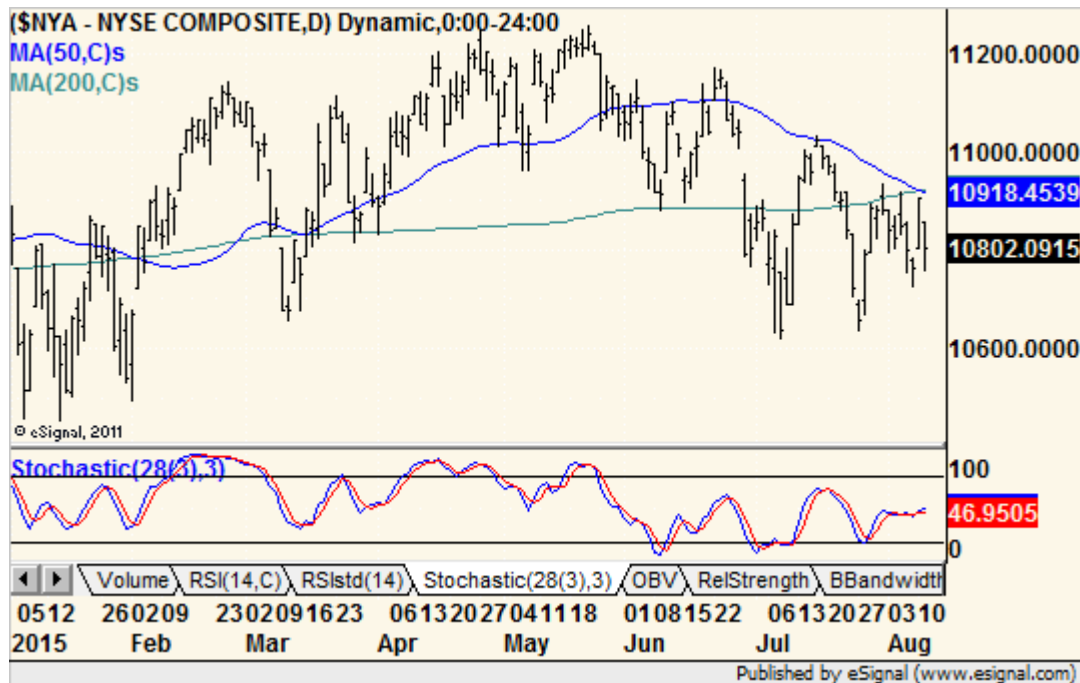
OK, now the hourly chart has problems. We always expect trap door opens when the overnight news is this bad so selling the open may be too risky but it is now clear what the short-term trend is right now. Down. Still, support at the lower horizontal line is far from in danger.

Cash with some shorts. The market is indeed topping but it has not yet really broken.

Index Charts of the Day



The S&P 500 is still between its flat average and in an overall range. However, we think the bias is down. Stochastics above uses a 28-day period (instead of 14).



Here is the NYSE composite with its death cross. Unfortunately for the bears, these crosses have happened too many times to be useful. On the other hand, the exponential version did not whipsaw earlier this year and has not yet crossed over to the downside. We'll look at that one next time.

The Radar Screen

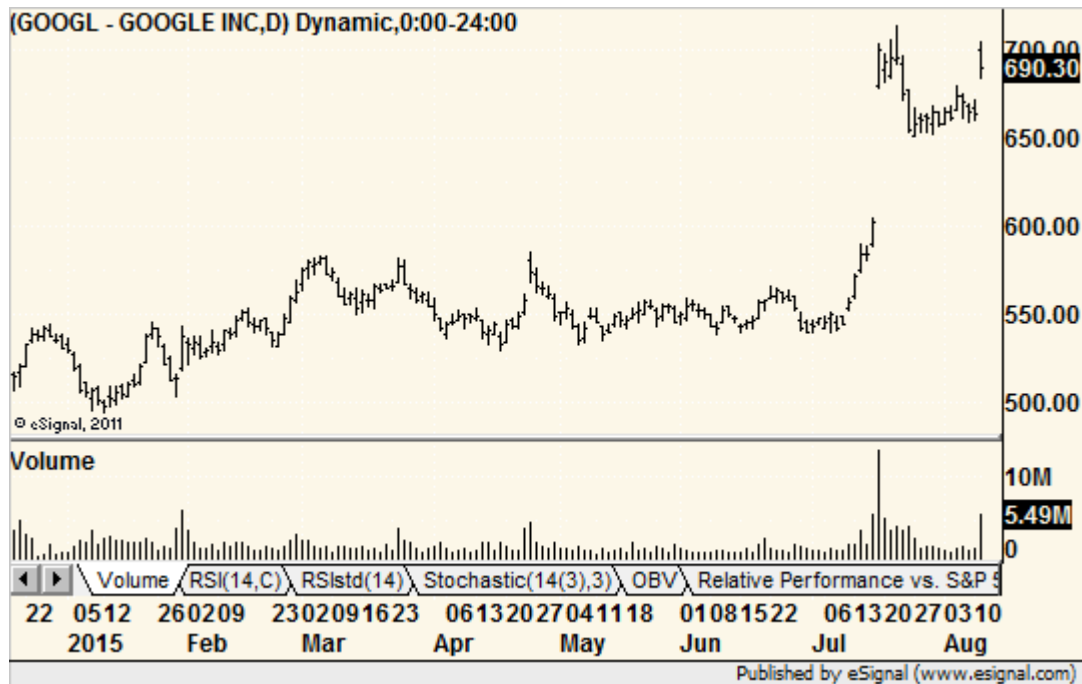
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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 last week for Barron’s Online. Here is one ready to break a flag and 200-day average. Sell 58. | It’s Back | 8/5 |
| Goldman Sachs GS – Sitting on support with moving average and MACD damage. Sell close under 203. | Triggered | 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. | Triggered | 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. Volume picking up | | 8/3 |
| Nasdaq biotech ETF IBB – trend break | | 8/4 |
| 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. | Removed | 8/6 |
| Viacom VIAB – A classic look of a selling climax. Need a sign it is improving. | | 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. | | 7/31 |
| Retail ETF XRT – Looking dicey. | | 8/3 |
| Restaurants – Looking ready to fall. JACK, BLMN, CAKE, DIN, RRGB | | 8/11 |
| Updates | | |
| Commodities ETF GCC – Fell back so no confirmation of Monday’s move. Weak again today. | | |
| Ambarella AMBA – Decline Tuesday too big. Breakout negated. Sector is weak | | |

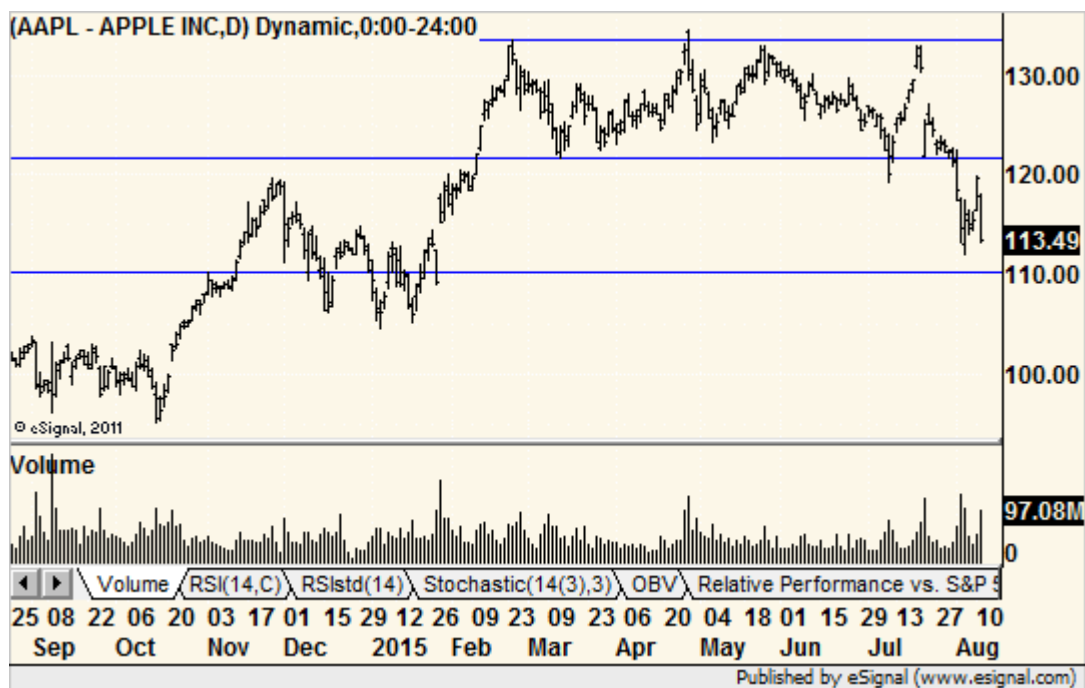
Market Highlights



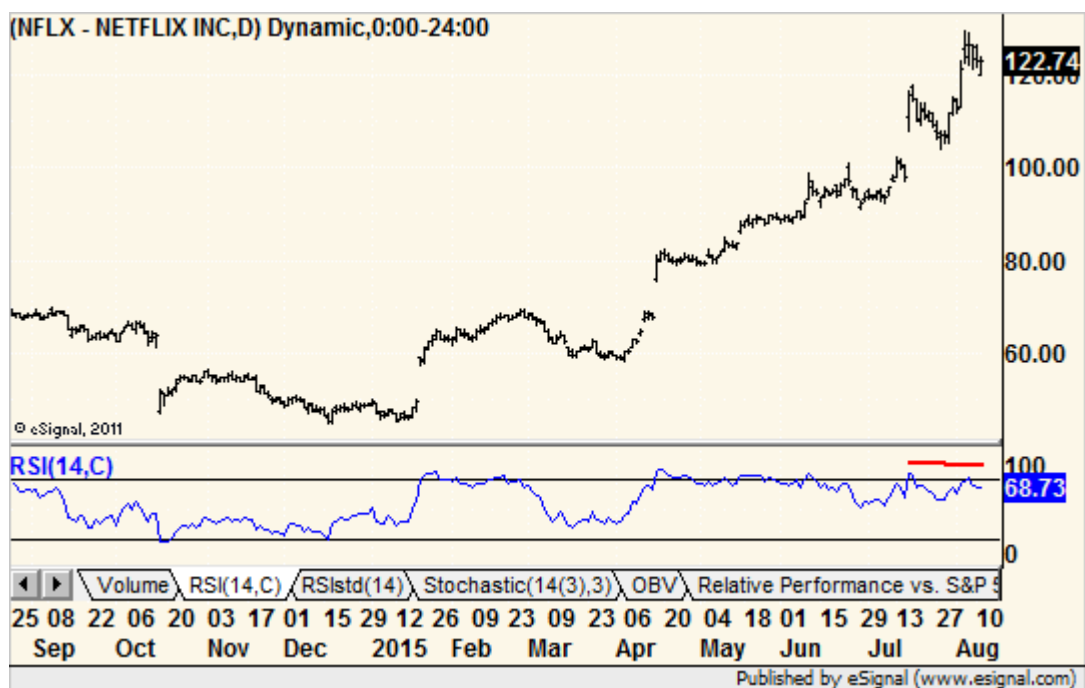
U.S. Dollar index – Big hit. Heading towards the next support.



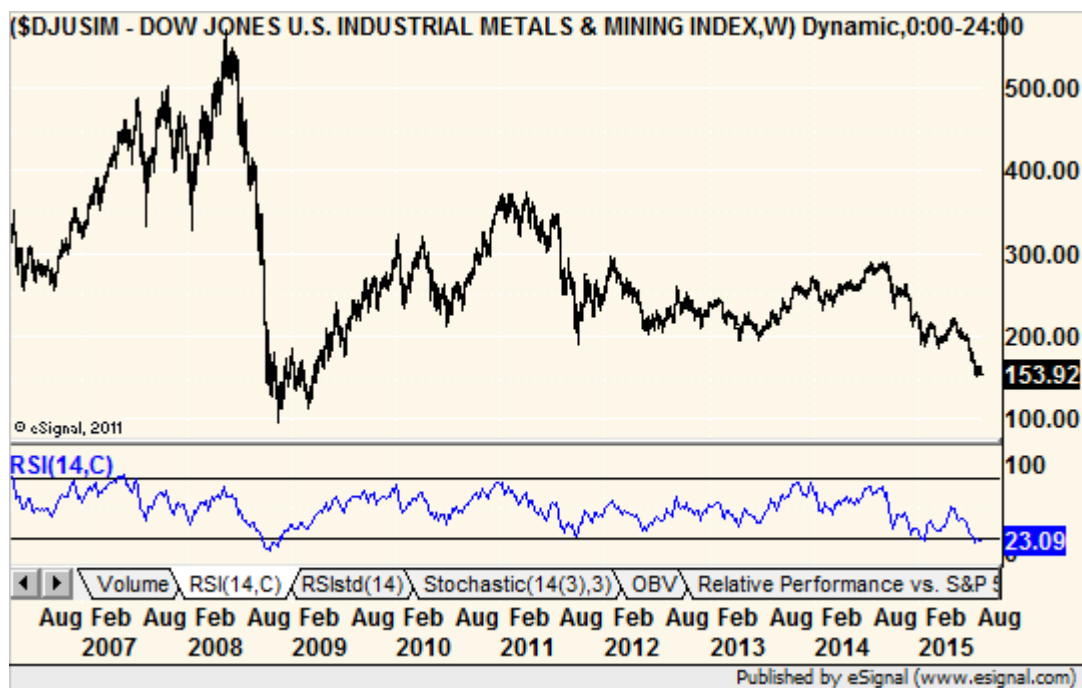
Google – Bug jump after its Alphabet news. This general is back on track but we think the whole market is at risk.



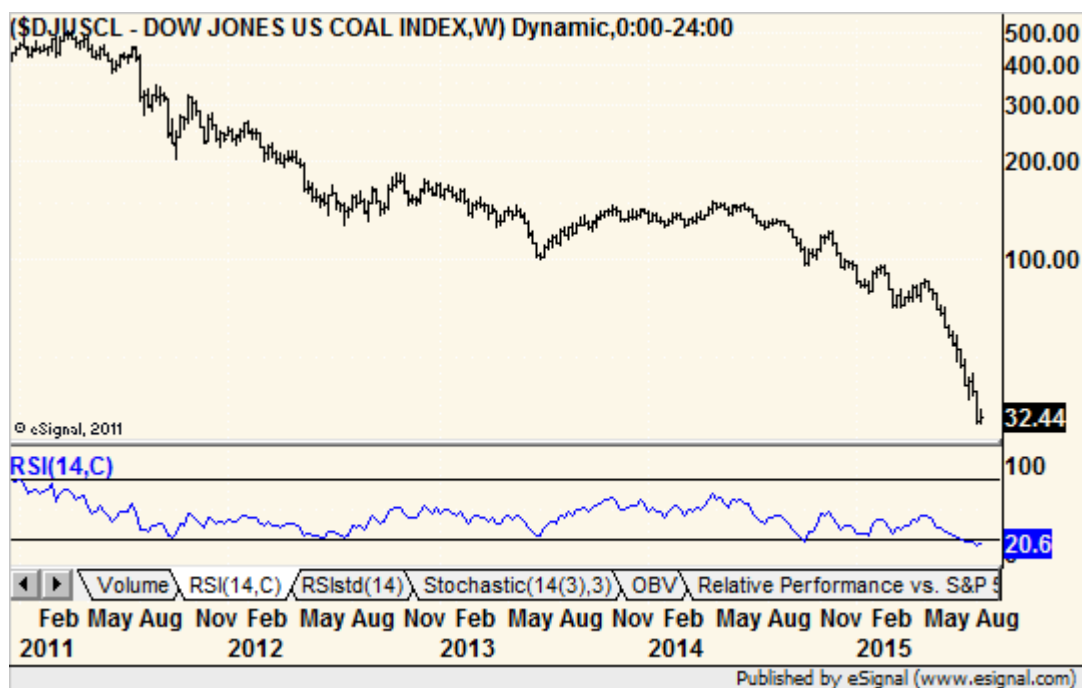
Apple – Measured target near 110 but real support is a few dollars below that.



Netflix – The real leader has a very slight momentum divergence. Not a problem at this time but we are watching this not to trade but to know when the market has given up.



Industrial Metals and Mining – This group is heading to its 2008 lows and is very much affected by China.



Coal – This is a log scaled chart and it shows the acceleration into bankruptcy. Of course, we cannot predict that will happen but the market sure thinks so. We still think that a portfolio of solvent coal stocks will do well over time but it is still too early to buy. We need some kind of sign that the death spiral is nearing its end and China's decline is not helping.

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 | 55.73 | 7.4% | 54.00 | 51.90 | 7/16 | 26 |
| <u>Short</u> | HPQ | HEWLETT PACKARD CO | 29.32 | 3.5% | 31.00 | 30.34 | 7/17 | 25 |
| | URBN | URBAN OUTFITTERS INC | 32.80 | 6.7% | 34.25 | 35.00 | 7/21 | 21 |
| | ACM | AECOM | 30.58 | -1.3% | 31.25 | 30.19 | 7/24 | 18 |
| | NYT | NEW YORK TIMES CO | 13.02 | 0.6% | 13.50 | 13.10 | 7/27 | 15 |
| | INTC | INTEL CORP | 28.97 | -0.6% | 30.50 | 28.80 | 8/7 | 4 |
| | GS | GOLDMAN SACHS GROUP INC | 201.70 | 0.0% | 208.00 | 201.70 | 8/11 | 0 |
| | BLMN | BLOOMIN BRANDS INC | 21.65 | 0.3% | 22.50 | 21.71 | 8/11 | 0 |

Notes: New shorts. **GS** at the close. **BMLN** at the open Tuesday.

Tweaked stops in **MO** and **HPQ**.

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

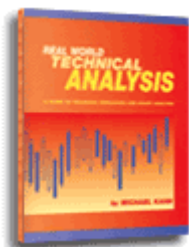
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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The Big Picture

In this section, we take a macro look at things.

Sector Watch

In this section, we take a closer look one sector of the market.

Today's Lesson

In this section, we take a look at a topic in technical analysis in real-time, not textbook time.

Quick Takes

In this section, we take a fast look at charts with just captions.

Market Highlights
