

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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August 13, 2015 – I could have wagered that as soon as I submitted my column to the editors yesterday that the market would mount its huge comeback. Although the raft of hammer candles left all over the market suggests higher prices for a few days the overall theory that the market is topping remains intact.

Death crosses have been maligned because all "proof" includes selling on the day the death cross occurs. What happens quite often is that at the time of the cross the market is oversold and then it moves up a bit to relieve that condition. It is not uncommon to see the actual cross itself get tested before selling pressures take over again and the market heads lower.

Is that what is happening? We think so. After all, the market has established a declining trend channel and yesterday's low was at or below the lower border. A pop back to the upper border would be quite normal, death cross or no death cross.

However, we will protect profits here. And high levels of cash are still the way to go, at least until we are proven wrong with a breakout from the trend channel.

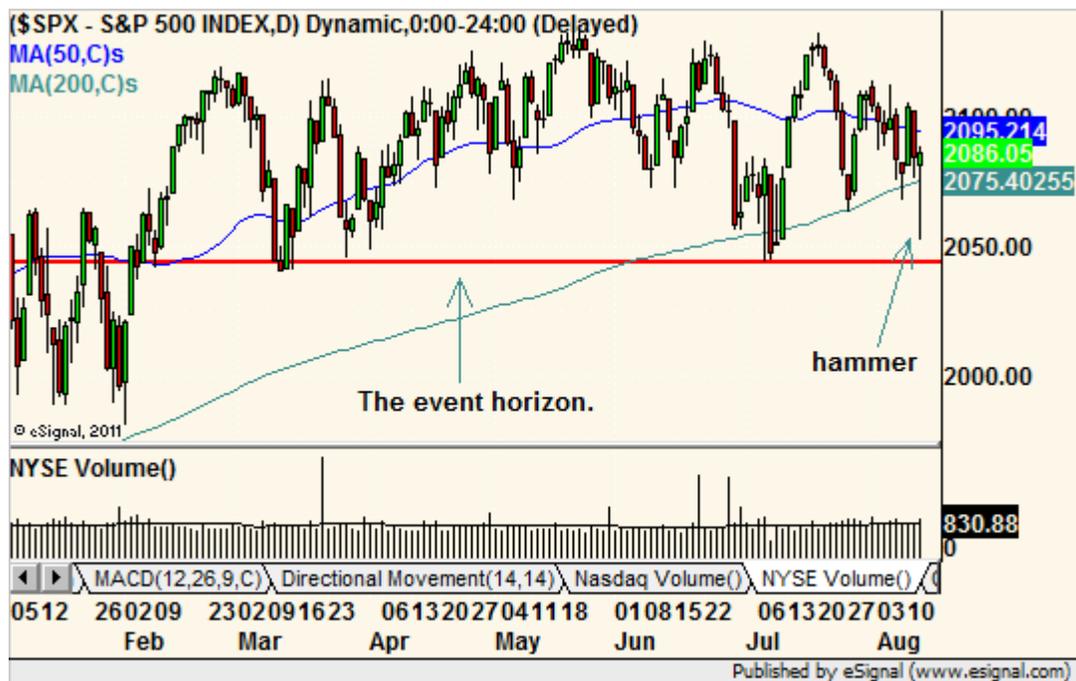


The downside overshoot of the lower border on the hourly chart sent the SPY back up to visit the upper border as it usually does. However, it is already quite overbought in this time frame and we do not anticipate it breaking out without a real pause or consolidation first.

Yesterday, the dollar really cracked, which seems odd when China devalued. But the real thing was that oil and other commodities fell in spite of the falling dollar (although gold did rally well). Still, we don't think gold rallied as much as the dollar fell so a weak China and rest of the world is still the theme for us.

That does not negate our view that big oil is low enough to nibble. **XOM** did well. Watch **XOP** ETF, too.

Index Charts of the Day



The event horizon is the zone around a black hole beyond which even light cannot escape. With all the death crosses we still think the bottom of the S&P 500's trading range is the real sell trigger. Note the hammer candle above that saved a 200-day average breakdown.



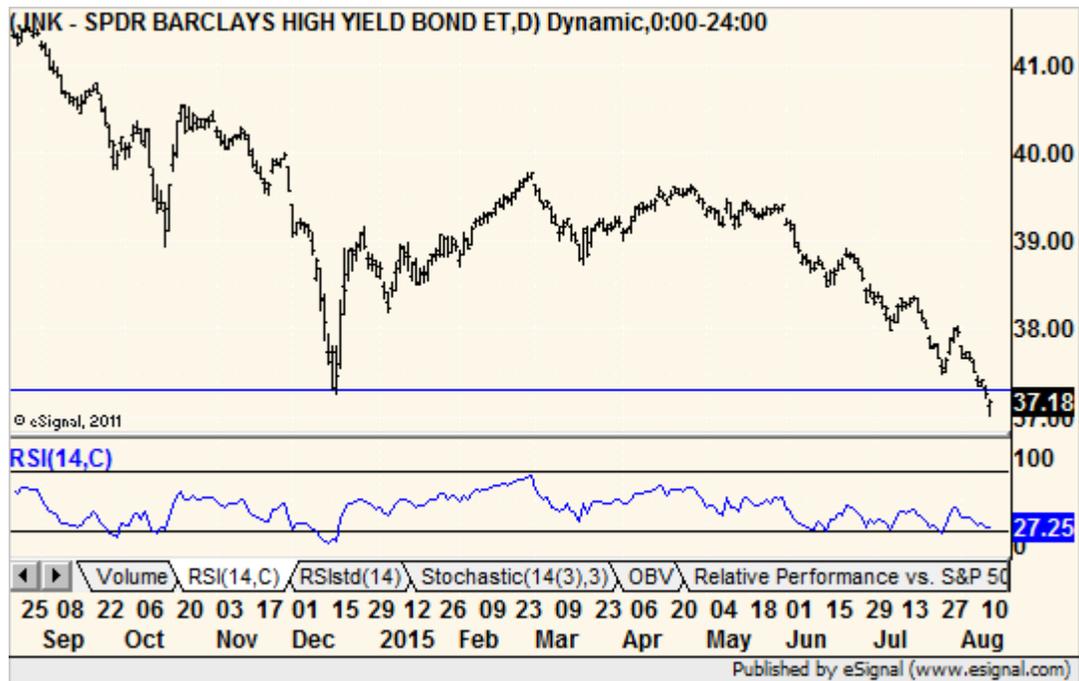
The Russell shows the down channel with its hammer testing the bottom. A move back to the top would be no surprise.

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		
ExxonMobil XOM – A little RSI divergence. A little Bollinger Band lift off. Higher close than Monday. A little nibble might be good. Keyword little.	New	8/13
DuPont DD – Check out this long-term chart. It has smashed down to a Fibonacci level and is oversold weekly and daily. We can see trying to pick a bottom here – or at least a good place to scalp a long.	New	8/13
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.		8/5
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. How will it pull back?		8/3
Nasdaq biotech ETF IBB – trend break		8/4
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 color removed		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		8/11
Banks ETF KBE - No hammer but a trend break		8/13
Updates		
Apple AAPL – Tagged downside target of 110 yesterday before rebounding.		

Market Highlights



Junk Bonds ETF – Took out support although we can argue slight momentum divergence.



ExxonMobil – A little RSI divergence. A little Bollinger Band lift off. Higher close than Monday. A little nibble might be good. Keyword little.



Banks ETF – No hammer here. This is a breakdown.



DuPont – Check out this long-term chart. It has smashed down to a Fibonacci level and is oversold weekly and daily. We can see trying to pick a bottom here – or at least a good place to scalp a long.

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	55.74	7.4%	54.00	51.90	7/16	27
<u>Short</u>	HPQ	HEWLETT PACKARD CO	29.10	4.3%	30.50	30.34	7/17	26
	URBN	URBAN OUTFITTERS INC	32.57	7.5%	34.25	35.00	7/21	22
	ACM	AECOM	29.46	2.5%	cover	30.19	7/24	19
	NYT	NEW YORK TIMES CO	12.87	1.8%	13.50	13.10	7/27	16
	INTC	INTEL CORP	29.46	-2.2%	30.50	28.80	8/7	5
	GS	GOLDMAN SACHS GROUP INC	201.13	0.3%	208.00	201.70	8/11	1
	BLMN	BLOOMIN BRANDS INC	21.49	1.0%	22.50	21.71	8/11	1

Notes: Lowering stop on **HPQ** again.

Covering short in **ACM** as the pattern seems ready for a rebound.

GS looked like a home run for a while yesterday before rebounding.

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

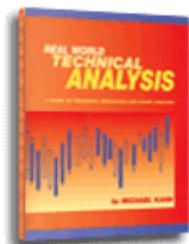
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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