

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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August 18, 2015 – Ah, China. Down over 6% overnight to keep itself in the news. Too bad technically it did not break anything so we still have a triangle pattern, albeit with bearish implications. Chart below.

Don't forget about Greece, which has done nothing since the post-bailout thrashing. Both of these markets are still scary for both themselves and for the world. Then there are Asian markets around China that are suffering. And this morning Saudi Arabia is down 3% as oil falls further. This all cannot be good for the domestic market.

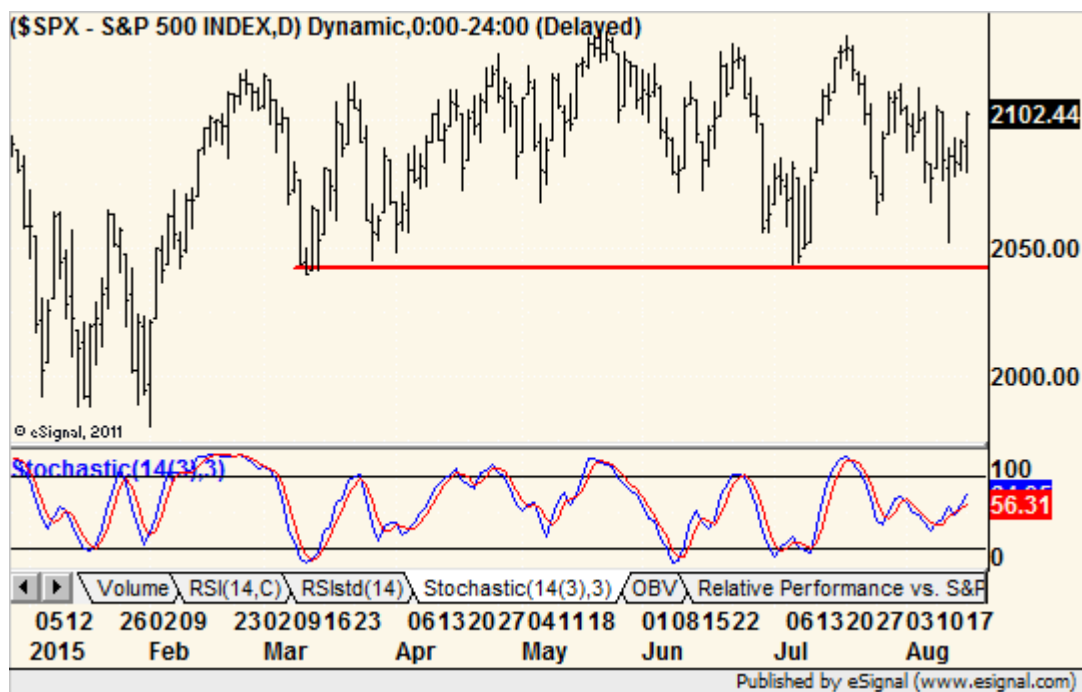


The hourly chart actually broke out yesterday but this morning is in danger of failing. We find that failed signals are rather powerful so the market really has no margin for error today. It's either a trip back to old highs or a fall to support as shown. We say that because we do not think steady in place is an option when earnings stink and the Fed is still saying rates are going go up.

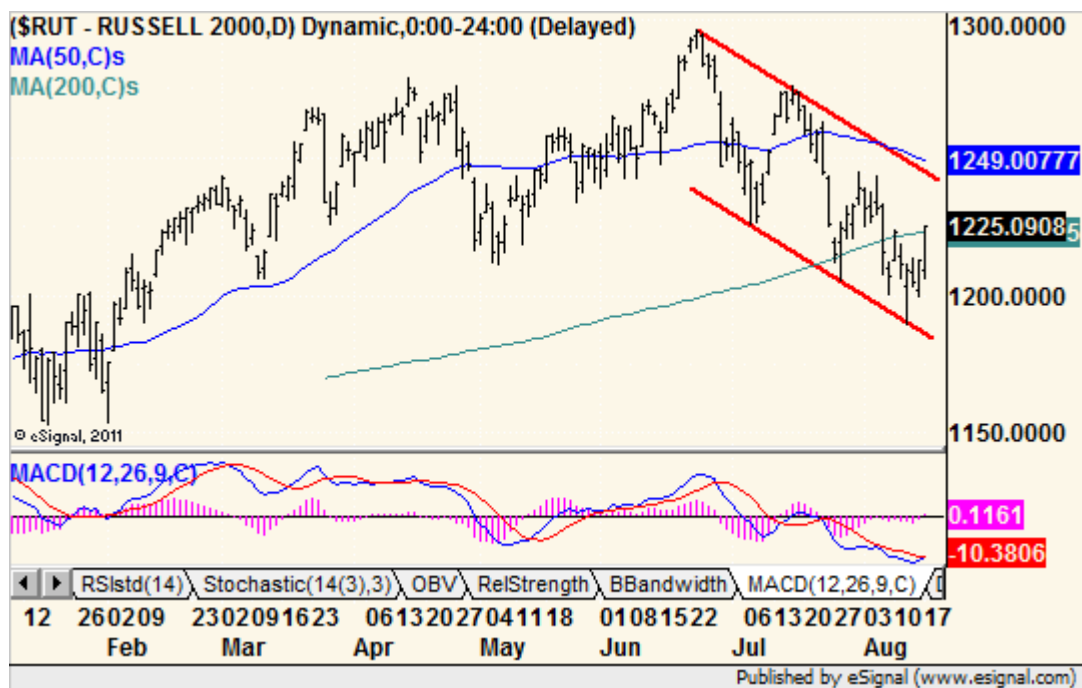
One more pop up before the fall as Tom McClellan wrote in MarketWatch yesterday? Mark Hulbert's piece today on the same site points out that the market is fractured a la Hindenburg Omen. The criteria for that are not in place except that nearly 4% of NYSE stocks hit 52-week lows as almost 3% hit highs.

Cash, my friends. And we are still looking for low-risk shorts – perhaps in retail and selected tech.

Index Charts of the Day



Just no changes here on the S&P 500.



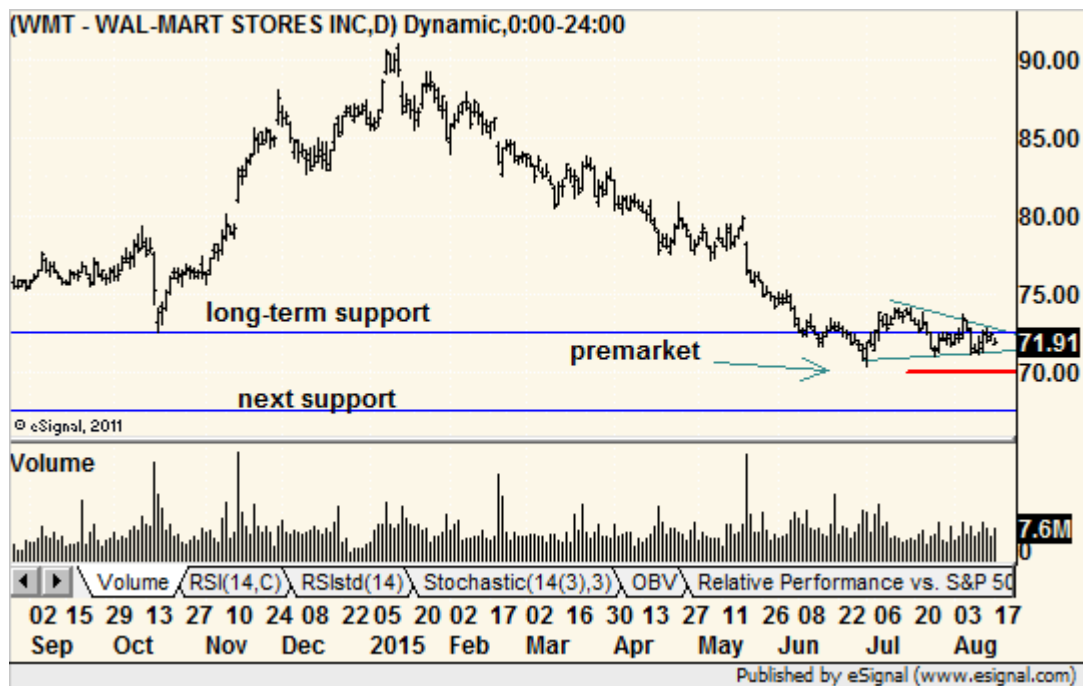
The Russell leaves the door open for continued strength until the channel line is hit.

The Radar Screen

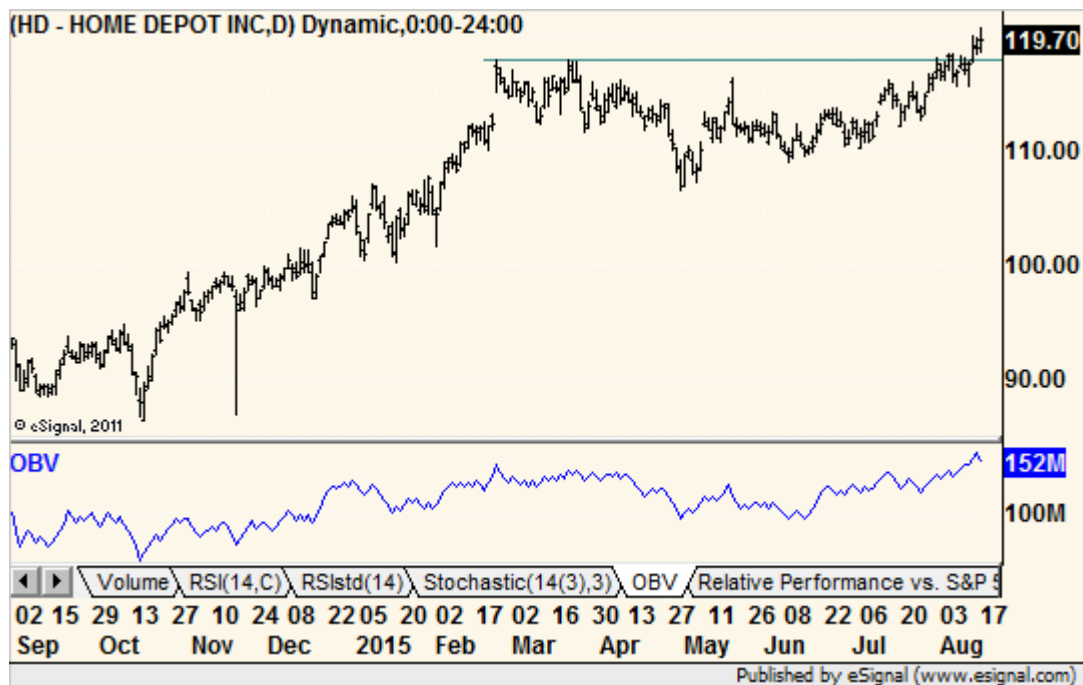
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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 58.25		8/5
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Nasdaq biotech ETF IBB – trend break		8/4
Viacom VIAB – A classic look of a selling climax. Need a sign it is improving. <u>Not getting it.</u>	Removed	8/6
Ford F – It’s not ripe yet but this is a nice trendline and prices seem to be hugging it. If gas prices stay low, we would guess that their truck sales would stay firm. Just watching for now.		8/14
Sector Watch (observations that may spark ideas)		
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX Overall, bent but not broken.		7/27
Defense index DFI – A declining channel presents clear boundaries. See chart below.		7/31
Retail ETF XRT – Looking dicey.		8/3
Restaurants – Looking ready to fall. JACK, BLMN, CAKE, DIN		8/11
Banks ETF KBE - trend break		8/13
Updates		
none –		

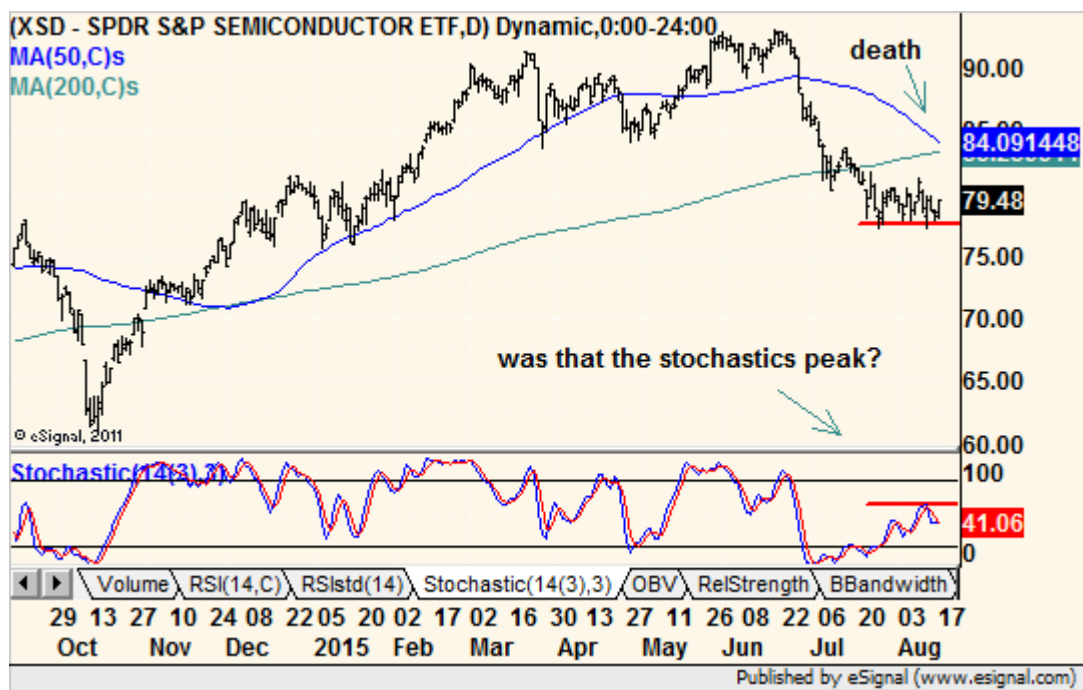
Market Highlights



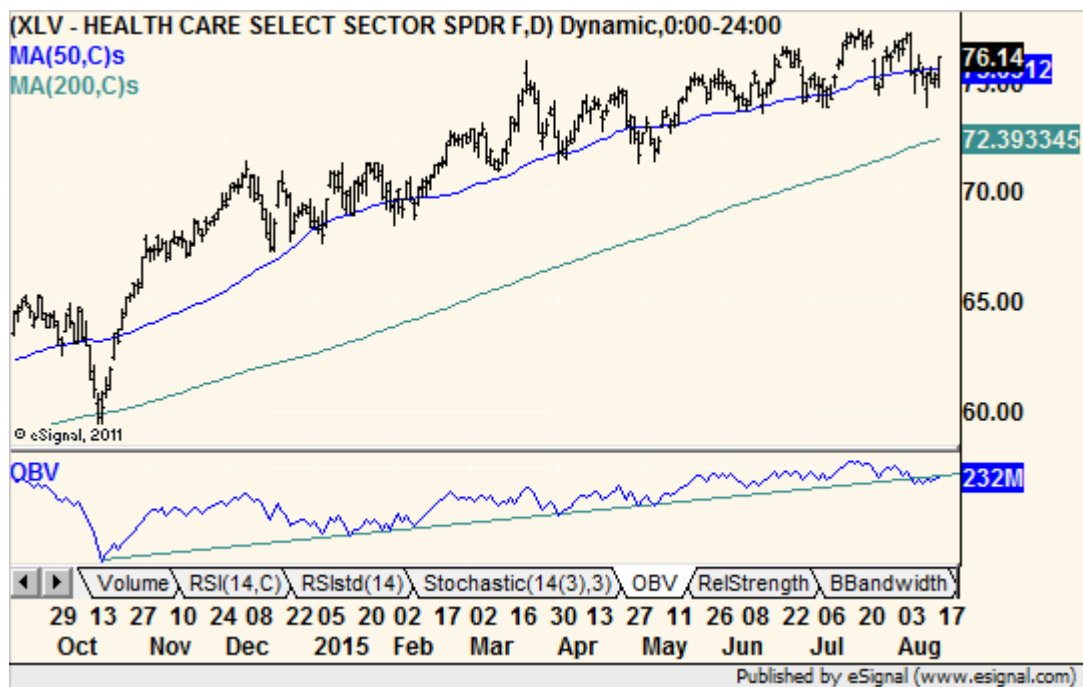
Wal-Mart – Earnings miss this morning. Triangle pattern sat on major support and now it is broken. Next support and target for triangle shown. This is what is wrong with retail, with some exceptions – see next....



Home Depot – Fairly unchanged in premarket after earnings meet. I wrote up home improvement retailers in Baron's Online yesterday pointing out breakouts but liking **LOW** better due to lower level. **HD** was "buy the dip." Housing component trumps retail component here.



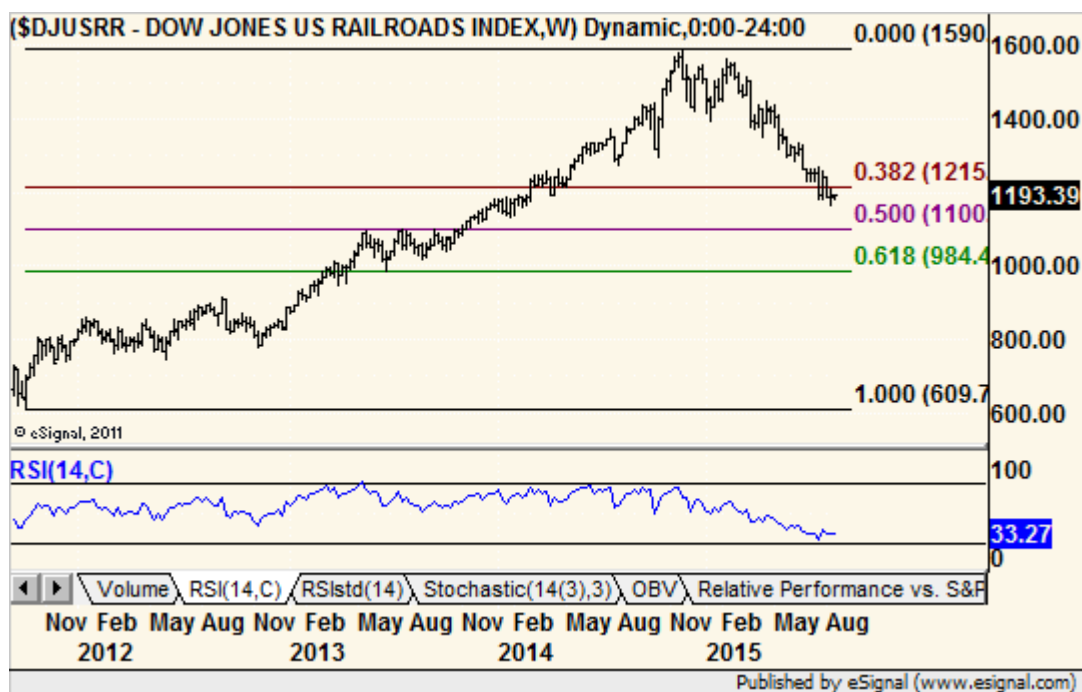
Semiconductor ETF – This is the strongest version of ETF for the group. If stochastics really did peak there then this is quite weak. Looks ready to crack.



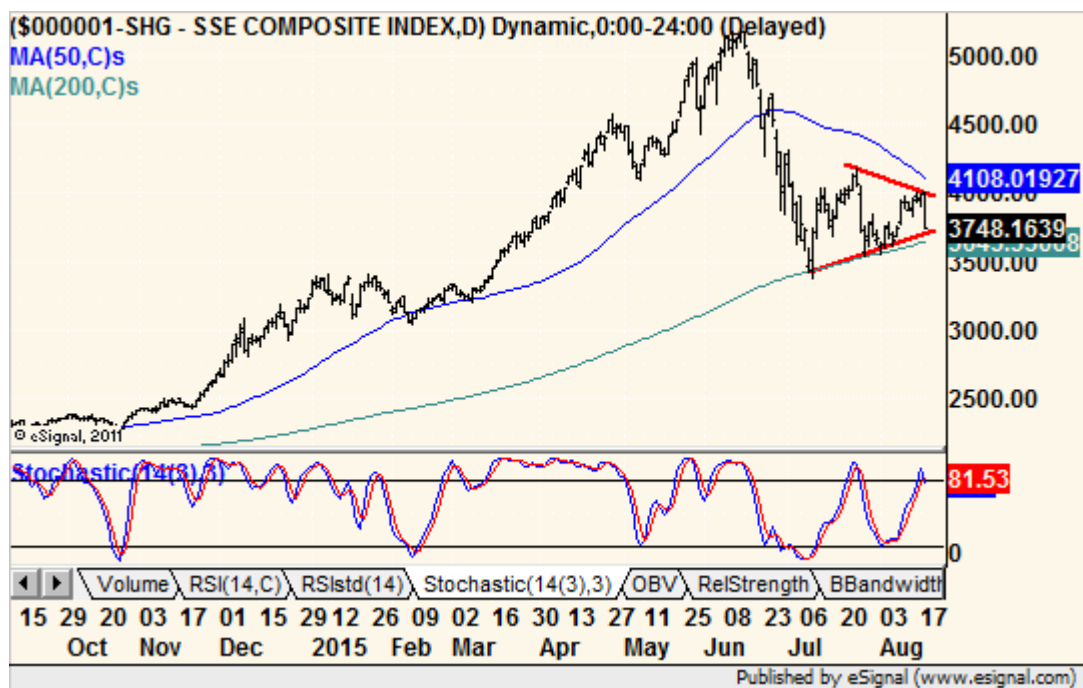
Healthcare ETF – Looks very different than last month. Possible on-balance volume trend break. In any case it looks to be just a few bad days from a real breakdown. Don't jump the gun!



Defense Index – Arguably breaking out. But we said that a week ago. Needs to have two or three days above the trendline to confirm.



Railroad Index – Looks like it wants to reach the 50% retracement of its bull run. Pun time – don't step in front of this speeding locomotive.



China – Big break but still in the pattern. Still leans bearish.



Germany – We revised the red line higher but the real feature here is the 200-day average. If that breaks there is little to support this market for quite some time. However, keep in mind moving average breaks are not precise trade triggers. Give it rope.

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	55.67	7.3%	54.00	51.90	7/16	32
	XOM	EXXON MOBIL CORP	78.77	0.6%	74.00	78.32	8/13	4
	DD	DU PONT E I DE NEMOURS & CO	54.27	2.1%	51.00	53.14	8/13	4
	GOLD	RANDGOLD RES LTD	62.87	0.4%	60.00	62.65	8/14	3
<u>Short</u>	HPQ	HEWLETT PACKARD CO	28.61	6.0%	30.00	30.34	7/17	31
	URBN	URBAN OUTFITTERS INC	32.23	8.6%	34.25	35.00	7/21	27
	NYT	NEW YORK TIMES CO	13.11	-0.1%	13.50	13.10	7/27	21
	INTC	INTEL CORP	29.08	-1.0%	30.50	28.80	8/7	10
	GS	GOLDMAN SACHS GROUP INC	202.57	-0.4%	208.00	201.70	8/11	6
	BLMN	BLOOMIN BRANDS INC	21.92	-1.0%	22.50	21.71	8/11	6

Notes: Dragonfly doji with high volume for **URBN** suggested a reversal but it is down in the premarket. This is why we need confirmation. The short position remains.

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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