

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**August 19, 2015** – Although the market seemed flat Tuesday there was plenty going on. Some of it was really weird, too, such as anti-fossil fuel bigmouth George Soros buying into two coal stocks. Neither one moved, by the way. But old George is more about money than philosophy, isn't he? So we will continue to look for signs that coal is going to do something positive.

China was down huge again overnight before rebounding. The triangle pattern was temporarily broken so we have to see if we have to redraw the lines. Overall, the market there is still in trouble.

China and Greece, what a pair! Once again they weigh on European markets, which are off rather sharply this morning. Bailout vote in Germany today.

And in commodities, we are seeing a lot of headlines saying they are cheap and the bottom is in. And that includes our pal George. Not so fast. I have a piece in today's MarketWatch saying the bear market is still intact. The funny thing is that I wrote it last week and the powers that be decided to sit on it while my forecast was happening. C'est la vie.



Yesterday, we wrote of potential failure to hold the breakout. Today, that is more in play but with stochastics that low we cannot rule out the exact opposite: that being a test of the breakout. Which will it be? We do not know at this point although we should find out by lunchtime here in the NYC area.

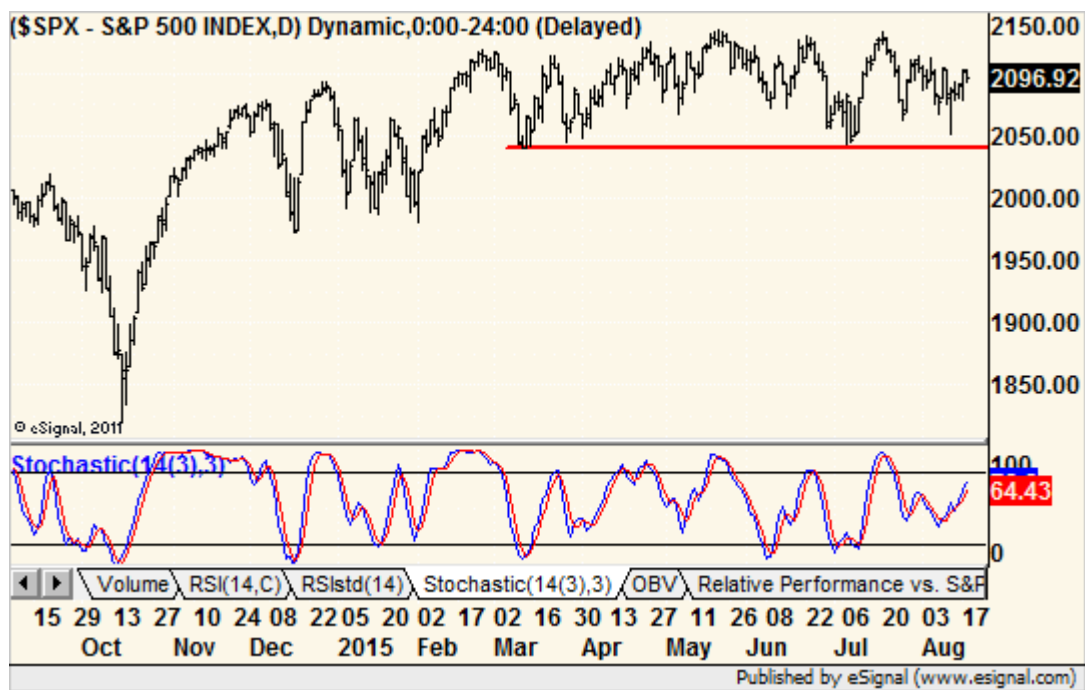
Consumer discretionary led the way on the backs of discount retailers. We are going to look at them vs. luxury to see if there is any meaning in their ratio. Also leading the sector were homebuilders but the charts already supported that. Restaurants were laggards.

Tech was a weaker sector with telecoms and semiconductors leading the way lower. Nothing new here.

And finally, some people are crowing about an outside-day to the upside in crude oil. As the chart will show, yeah, it followed the rules but in context it was just another wiggle. The Spirit of the Law was missed.

Did we mention we like cash?

## Index Charts of the Day



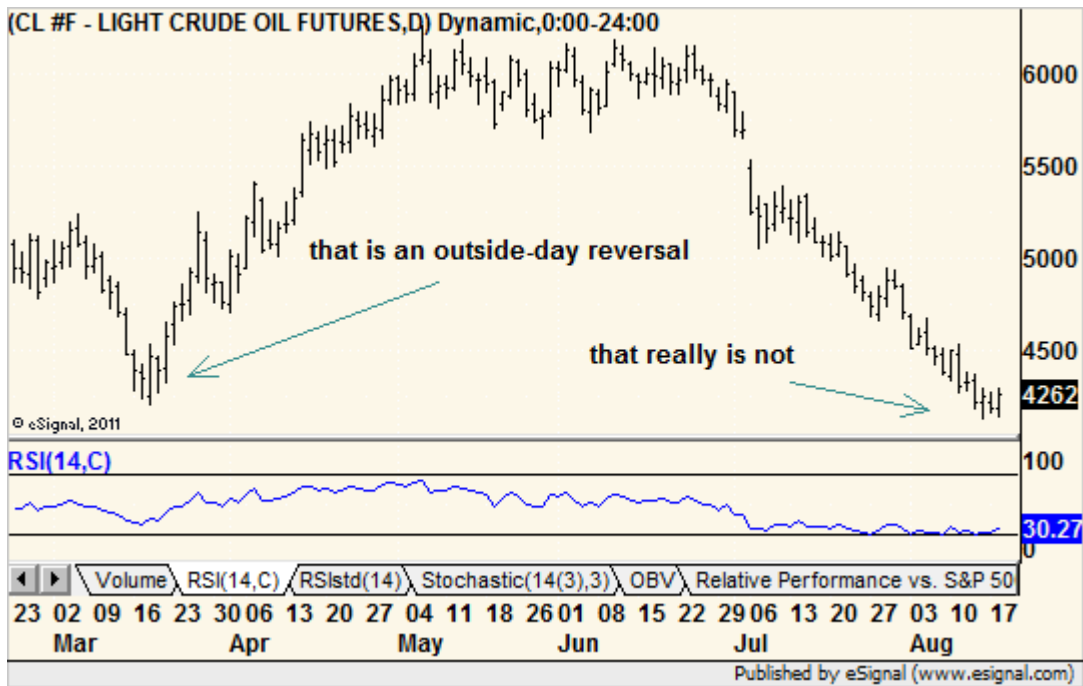
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## The Radar Screen

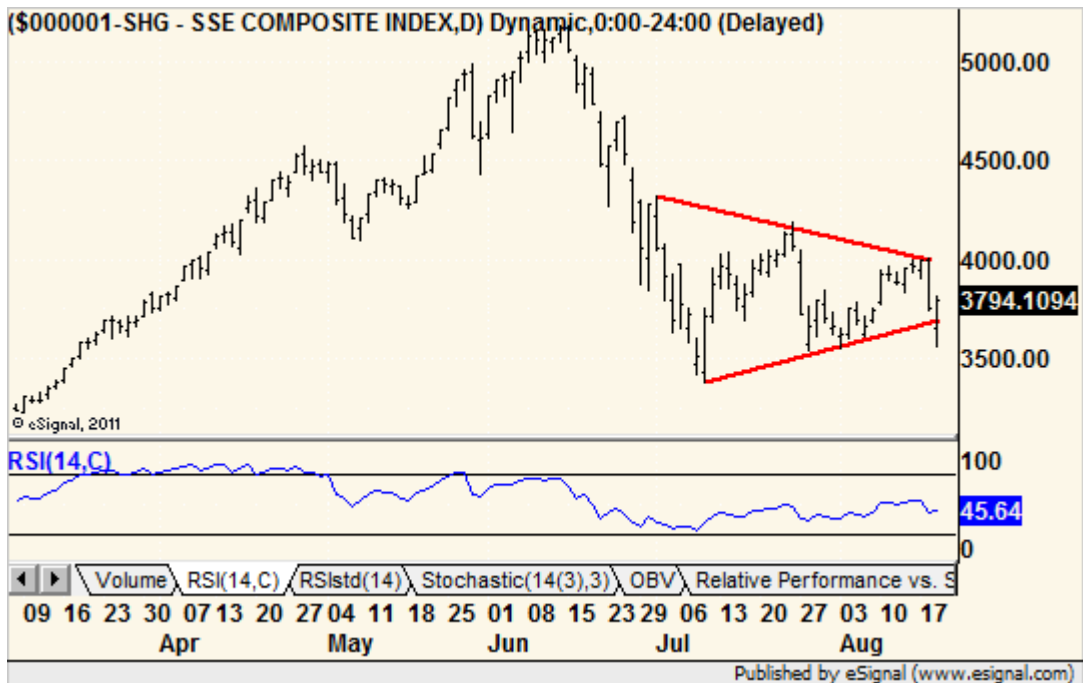
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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.

<b>Bullish Implications</b>		
<b>none -</b>		
<b>Bearish Implications</b>		
<b>Analog Devices ADI</b> – I panned semis last week for Barron’s Online. Here is one ready to break a flag and 200-day average. Sell 58.25	<b>Triggered</b>	8/5
<b>FedEx FDX</b> – A break of support at 163.50 would be a major breakdown. Sell it there.	<b>New</b>	8/19
<b>Chipotle CMG</b> – This restaurant has a possible expanding triangle top. Waiting for it to actually start falling so a close under 734 would do it.	<b>New</b>	8/19
<b>Unknown Implications</b>		
<b>none –</b>		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<b>Nasdaq biotech ETF IBB</b> – trend break		8/4
<b>Ford F</b> – 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
<b>Hershey HSY</b> – Tough times call for chocolate. This one has a breakout but we would like to let it dip one more time before jumping in.	<b>New</b>	8/19
<b>Seagate Technology STX</b> – This tech stocks (storage) actually looks like it wants to break out to the upside. We’ll watch it un case the market has a bullish turnaround.	<b>New</b>	8/19
<b>Sector Watch</b> (observations that may spark ideas)		
<b>The Generals</b> – AMZN, NFLX, GOOGL, APL, GILD, FB, SBUX Overall, bent but not broken.		7/27
<b>Defense index DFI</b> – A declining channel presents clear boundaries.		7/31
<b>Retail ETF XRT</b> – Looking dicey.		8/3
<b>Restaurants</b> – Looking ready to fall.		8/11
<b>Banks ETF KBE</b> – Testing downside trend break	<b>Changed</b>	8/13
<b>Telecoms</b> – one of the weaker tech areas	<b>New</b>	8/19
<b>Semiconductors</b> – a really weak tech area	<b>New</b>	8/19
<b>Homebuilders</b> – actually strong	<b>New</b>	
<b>Updates</b>		
<b>Brazil</b> – This market will get its death cross today.		

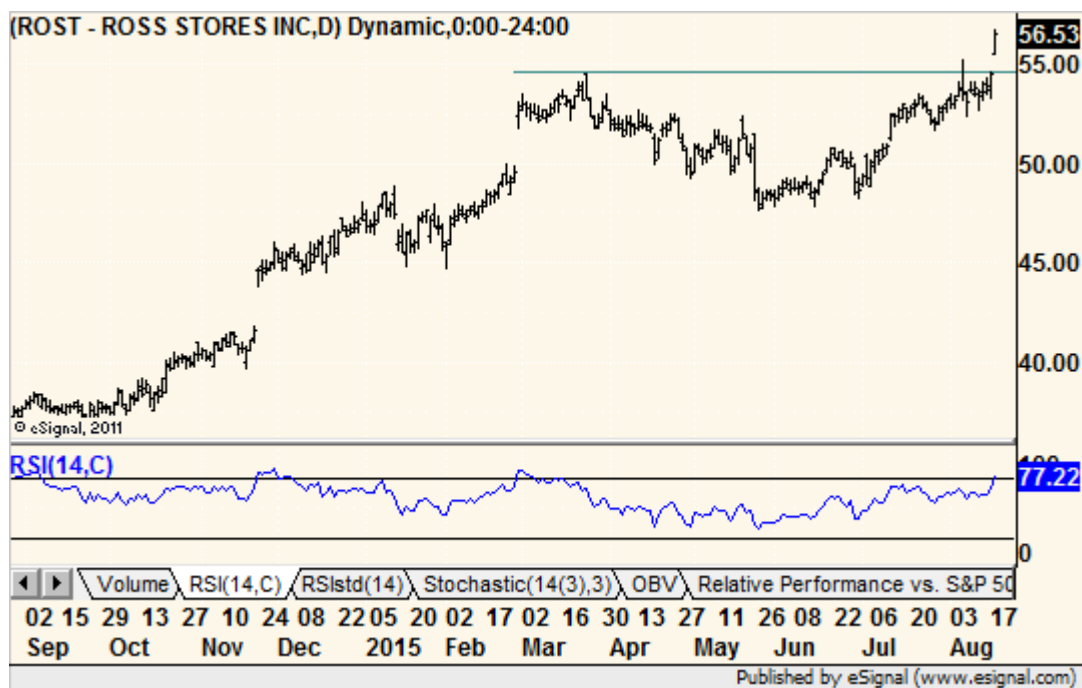
## Market Highlights



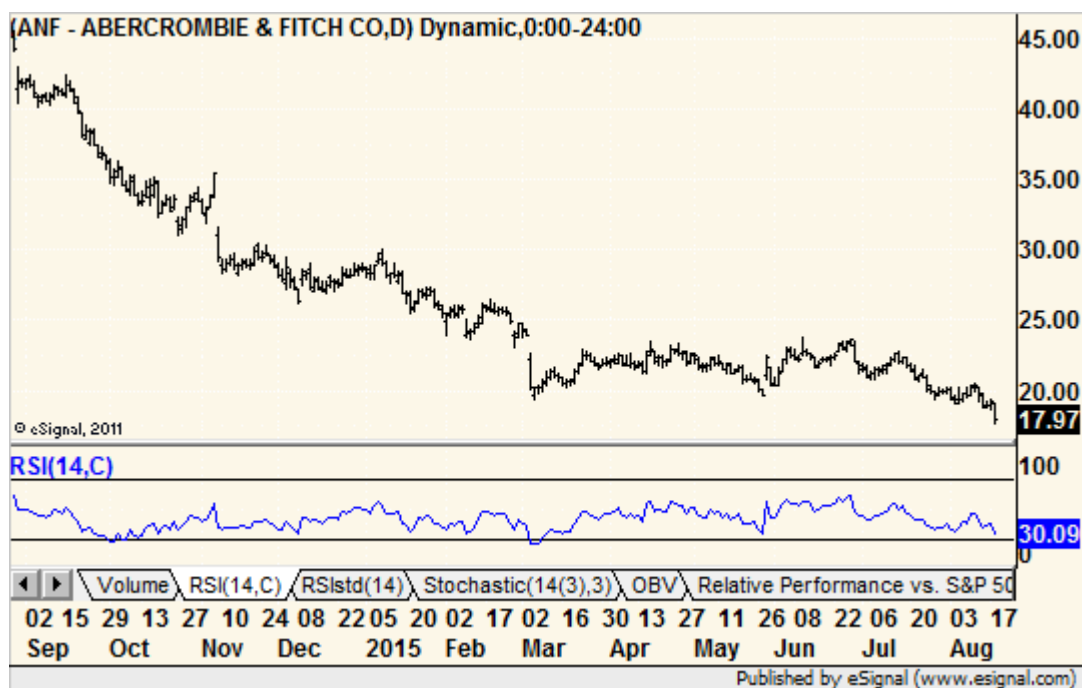
**Crude Oil** – We are not saying it cannot go up from here; after all it is at support. But the spirit of an outside-day reversal was not there. It did not set a new low for the move and the range was small. And it was very curious that the Saudi market tanked yesterday, too.



**China** – Down 5% early but closed up 1%. Still in a pattern of some kind in a bear market.



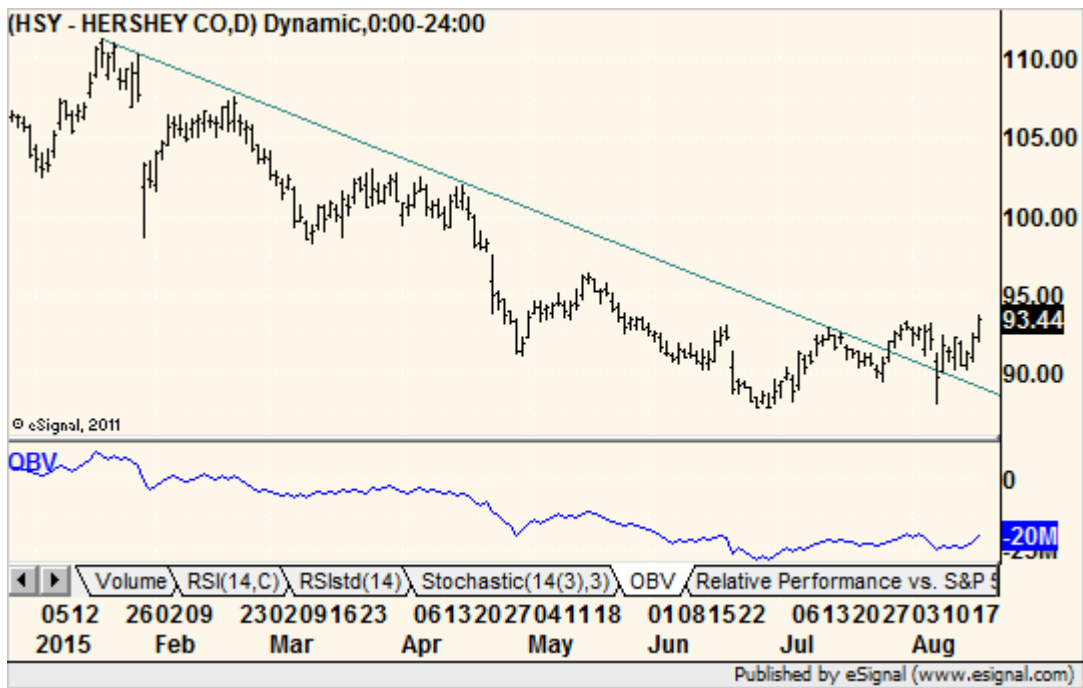
**Ross Stores** – This and TJX led discount apparel retailers with breakouts. See next...



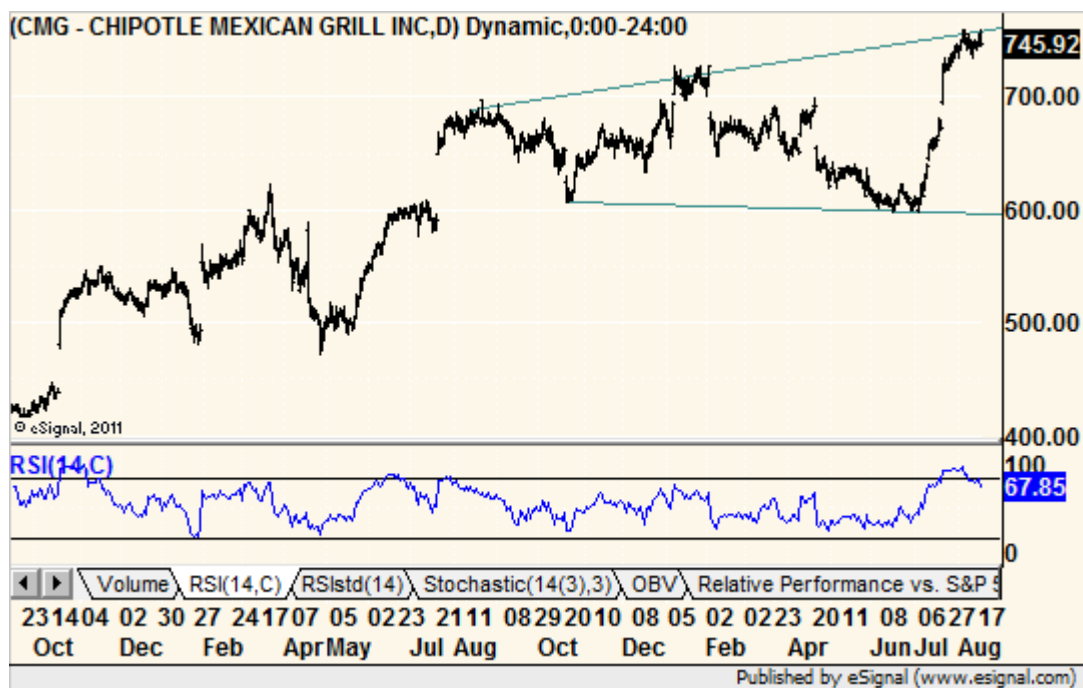
**Abercrombie & Fitch** – The inverse of the discounters. Where are consumers spending? Not on high-end apparel. This can be used as a sentiment guide – and it is not bullish.



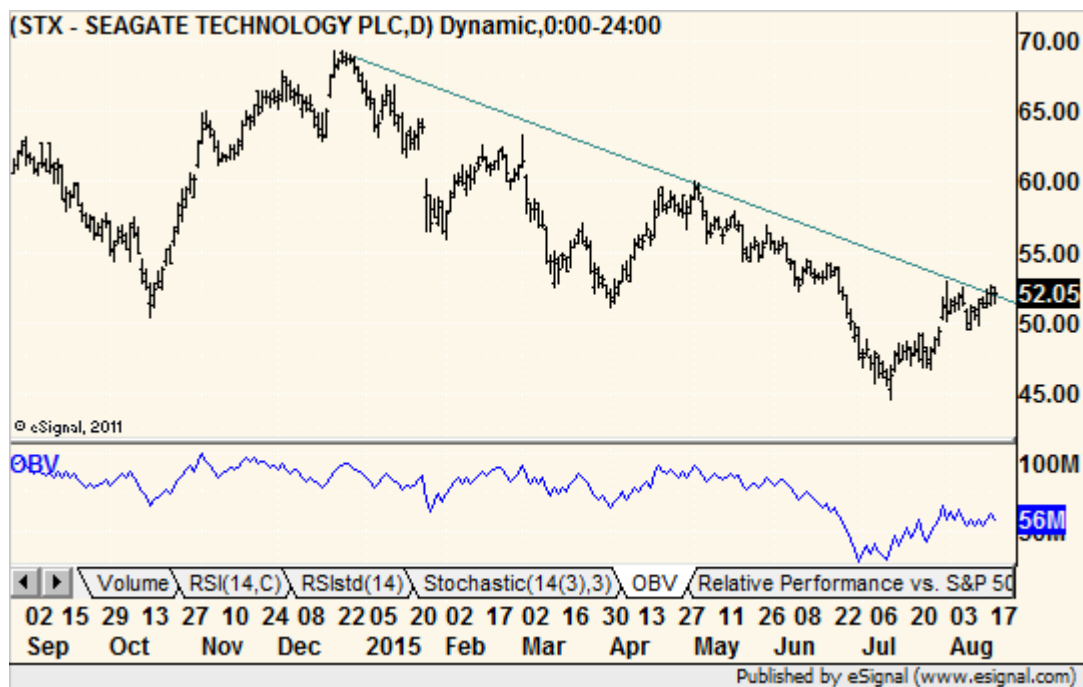
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**Seagate Technology** – This tech stocks (storage) actually looks like it wants to break out to the upside. We'll watch it in case the market has a bullish turnaround.

## 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>	<b>MO</b>	ALTRIA GROUP INC	55.20	6.4%	54.00	51.90	7/16	33
	<b>XOM</b>	EXXON MOBIL CORP	77.90	-0.5%	74.00	78.32	8/13	5
	<b>DD</b>	DU PONT E I DE NEMOURS & CO	53.90	1.4%	51.00	53.14	8/13	5
	<b>GOLD</b>	RANDGOLD RES LTD	62.41	-0.4%	60.00	62.65	8/14	4
<u>Short</u>	<b>HPQ</b>	HEWLETT PACKARD CO	28.39	6.9%	30.00	30.34	7/17	32
	<b>URBN</b>	URBAN OUTFITTERS INC	31.55	10.9%	33.50	35.00	7/21	28
	<b>NYT</b>	NEW YORK TIMES CO	12.95	1.2%	13.50	13.10	7/27	22
	<b>INTC</b>	INTEL CORP	28.91	-0.4%	30.50	28.80	8/7	11
	<b>GS</b>	GOLDMAN SACHS GROUP INC	201.18	0.3%	208.00	201.70	8/11	7
	<b>BLMN</b>	BLOOMIN BRANDS INC	21.73	-0.1%	22.50	21.71	8/11	7
	<b>ADI</b>	ANALOG DEVICES INC	57.90	0.6%	60.50	58.25	8/18	0

**Notes:** New short in **ADI**. That one took patience to develop!

Lowered stop in **URBN**.

## 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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