

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**August 25, 2015** – My Barron's column headline said it all – Boom! Today is shaping up for a rip-roaring bounce – as we usually see in bear markets but this is still not an easy market to figure out with "regular" tools. Here is what we wrote yesterday:

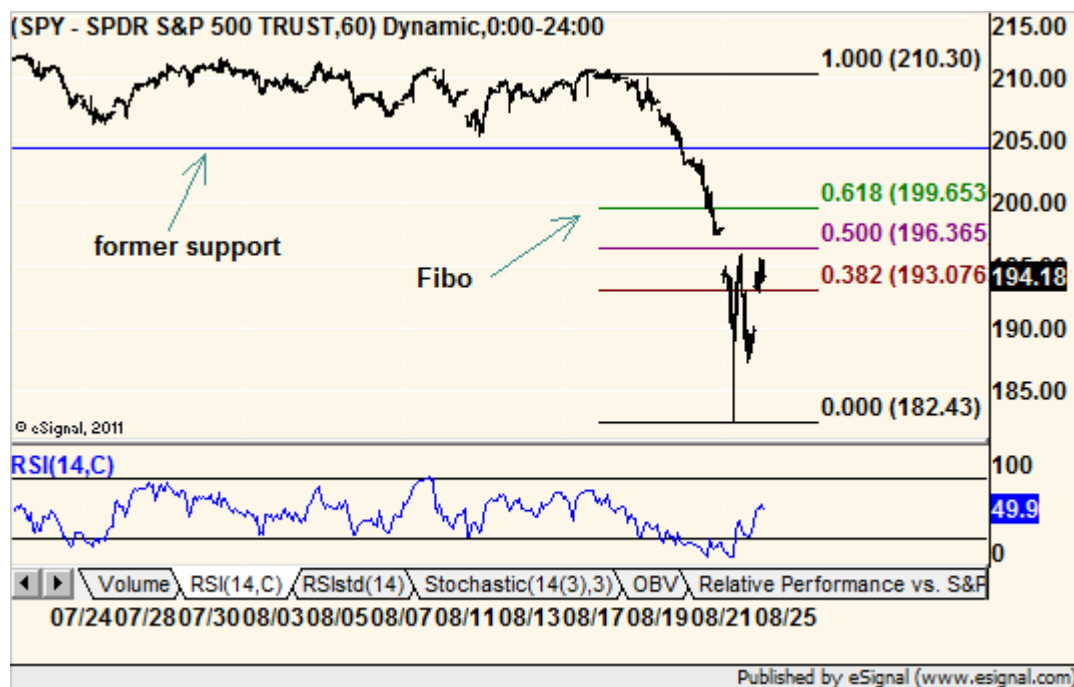
"There is not much else to say today as the market is no longer, for lack of a better word, linear. The chaos of free-fall is the extreme case of a parabolic trend. It could drop another 500 points today, or even 1000, or it could open at its low and rally 500. Or, it could do some combination of the two."

The market did just about all of that but our 91% short portfolio did rather nicely. We will drop the stops but keep them wide because there is no telling how traders will push this market.

We will look for two things today. The first are sectors that bounce weakly. These presumably have little demand and should fold when the market resumes its decline.

The second are sectors that go from worst to first, such as semiconductors if they lead the rebound.

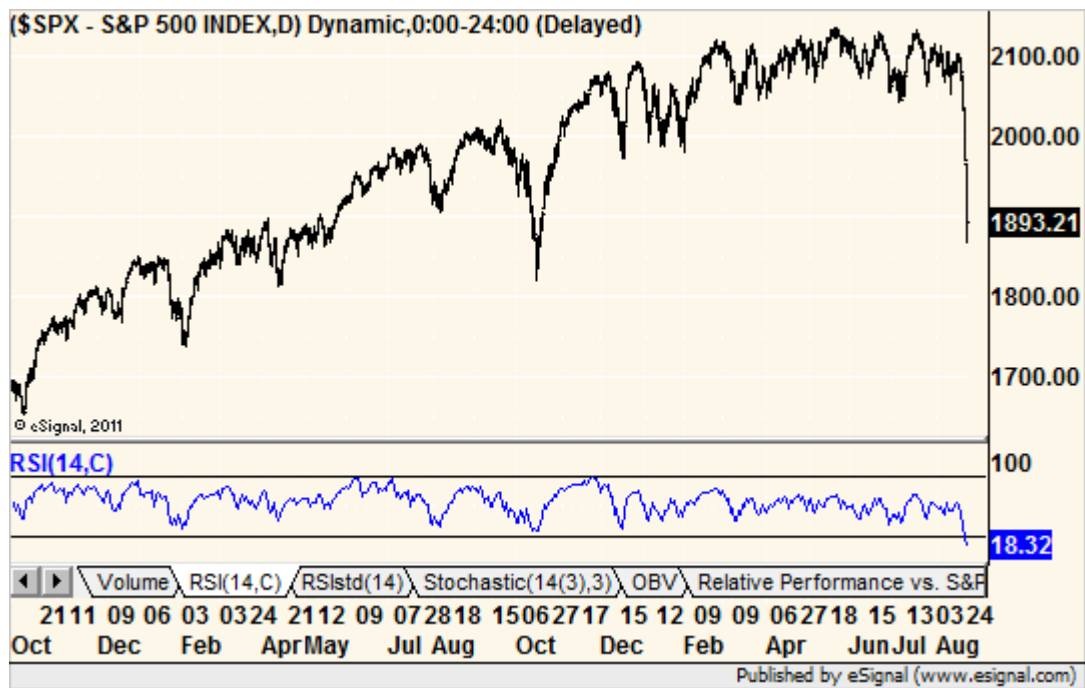
Now the question is how much bounce do we need to get more comfortable with new shorts? Let's go to the chart.



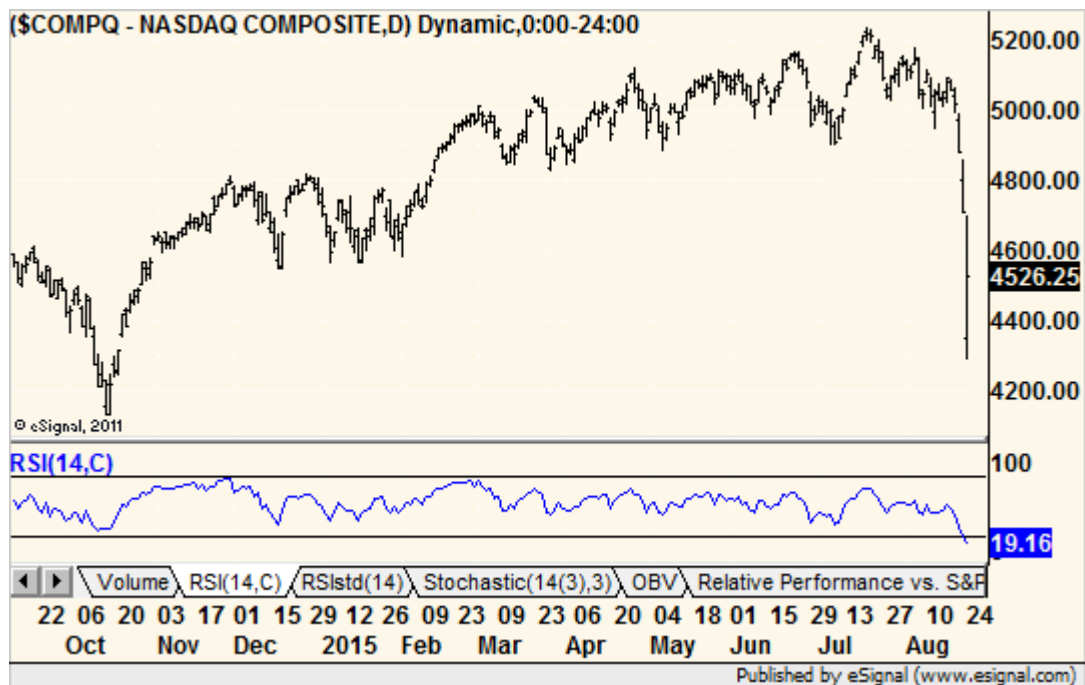
On the hourly chart, the 61.8% Fibonacci retracement of the decline is a good place to set up new shorts. We really do not think it will get back to test the breakdown level although that is based on gut feel, not objective analysis.

Here is the bottom line – even with all the volatility the trend is now down. This is a bear trend. We'll refrain from saying full-fledged bear market for now. Check out the Big Picture chart below to see more.

## Index Charts of the Day



We can look at the chart but when the decline is this steep anything goes. In the premarket, it is still below yesterday's afternoon high so this is all just volatility. We'd actually like more rally to set up more shorting.



Ditto Nasdaq.

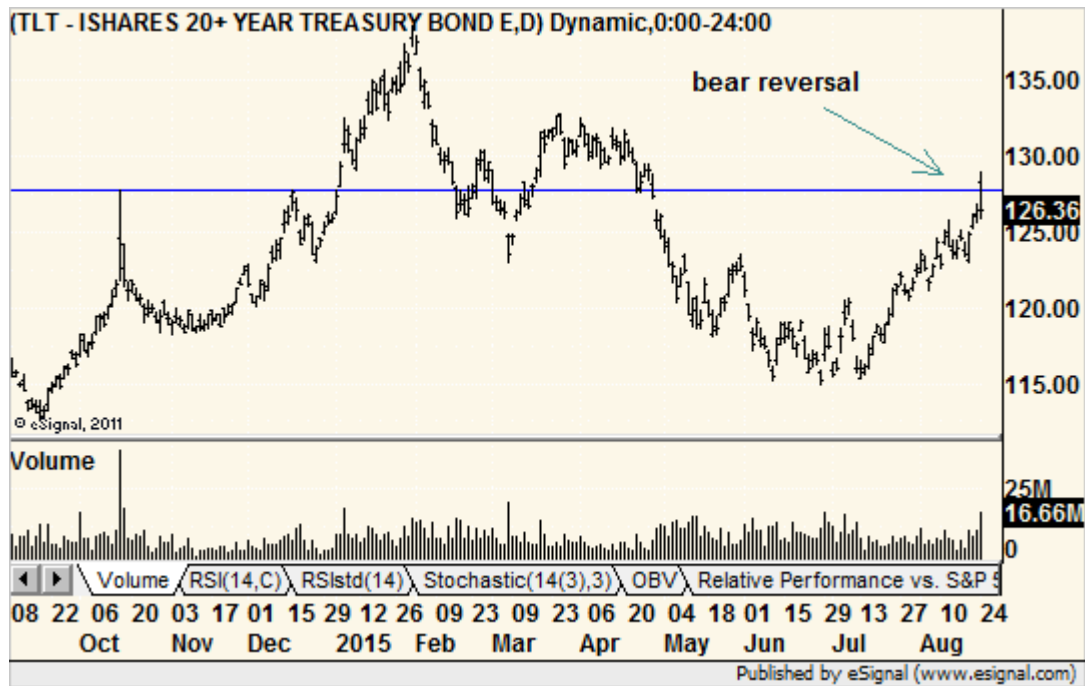
## The Radar Screen

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.

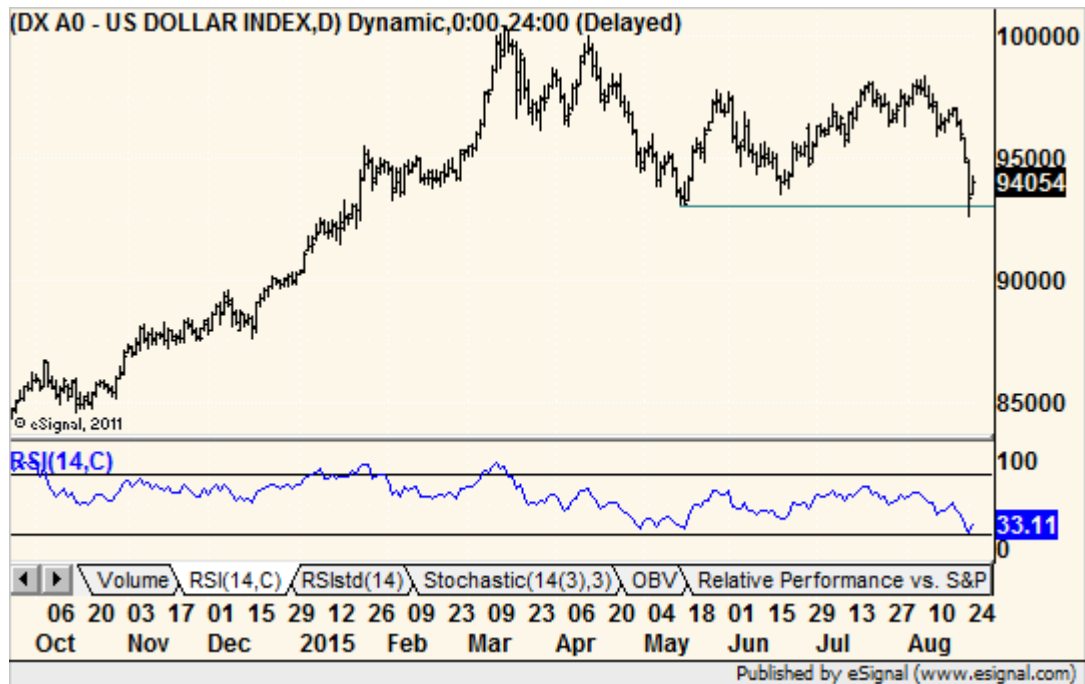
>>> As you can see, the Radar Screen is empty once again.

<b>Bullish Implications</b>		
none -		
<b>Bearish Implications</b>		
none -		
<b>Unknown Implications</b>		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
none –		
<b>Sector Watch</b> (observations that may spark ideas)		
<b>The Generals</b> – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX All broken		7/27
<b>Updates</b>		
none –		

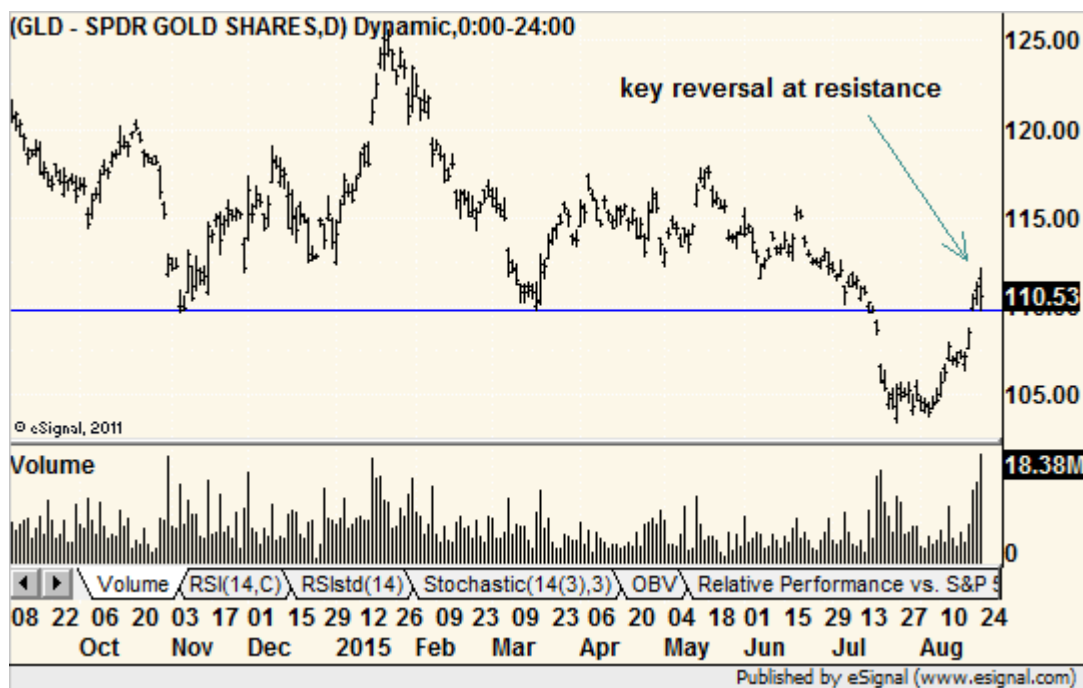
## Market Highlights



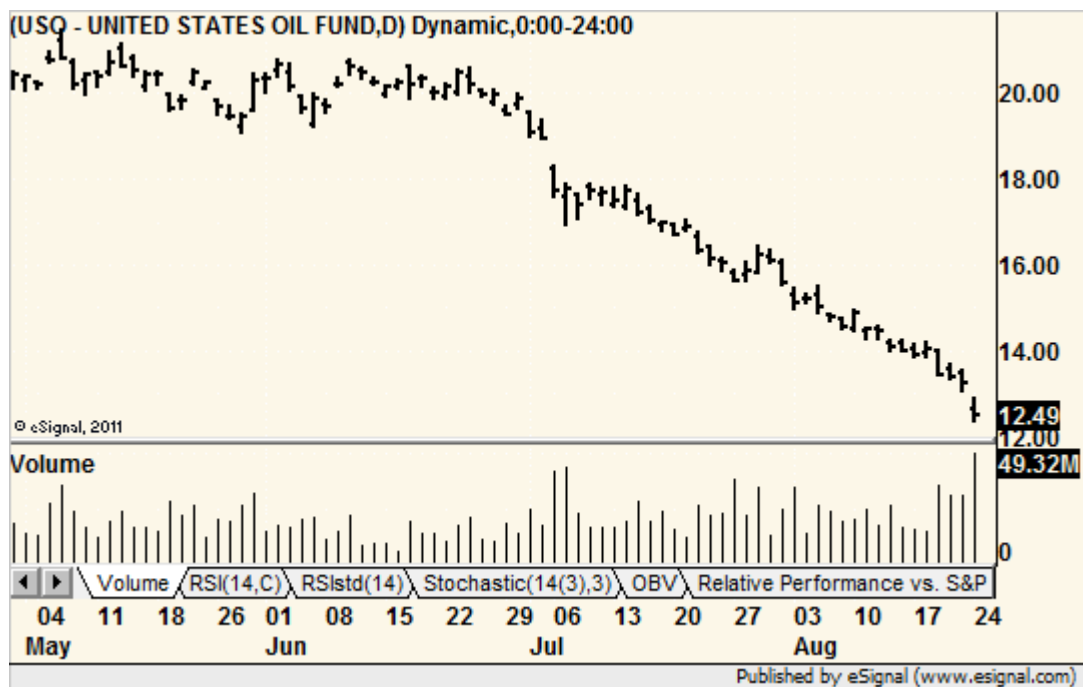
**Long T-bond ETF** – Failed at resistance yesterday. Or is this just part of the volatility?



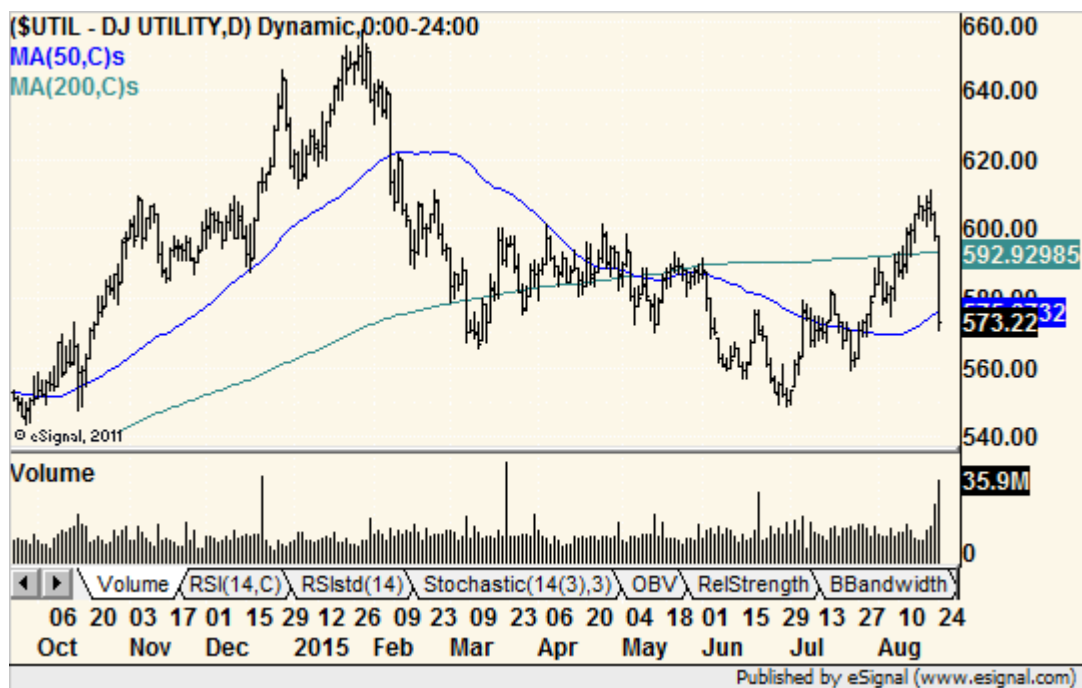
**Dollar index** – Bounced at support.



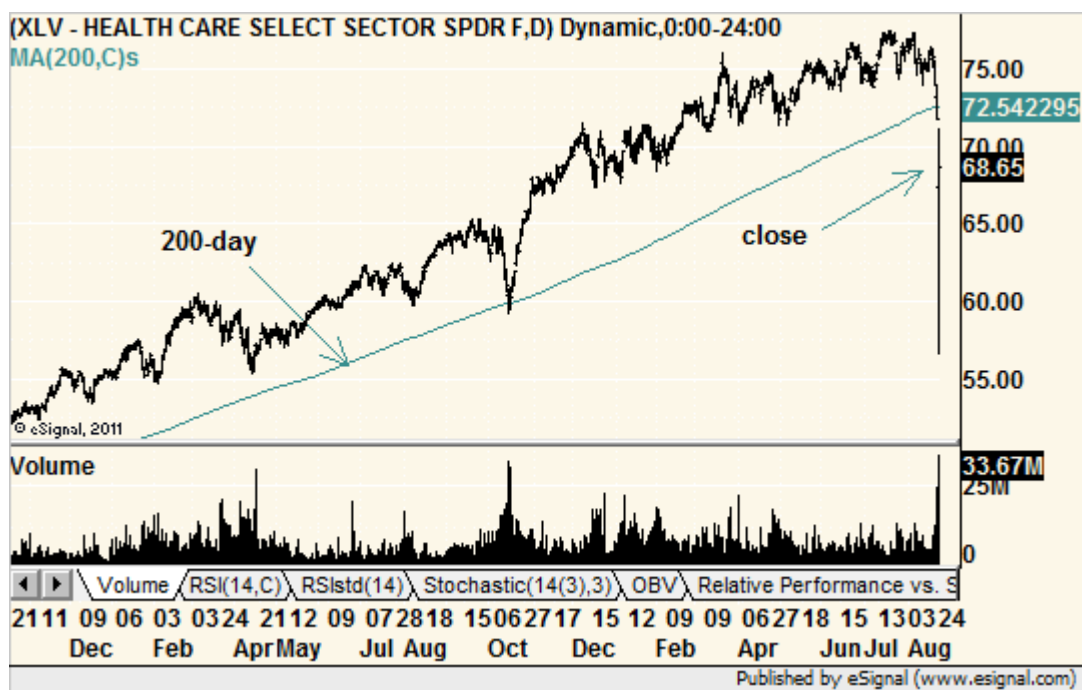
**Gold ETF** – We were skeptical that this was a breakout and sure enough it reversed to the downside. It is still volatility so we won't say it is a completely dead trade just yet. But the dollar was crushed yesterday and that makes this failure that much stronger.



**Oil ETF** – This gap down on big volume and oversold conditions could have been a climax. We will know today or tomorrow and look for a gap up to confirm.



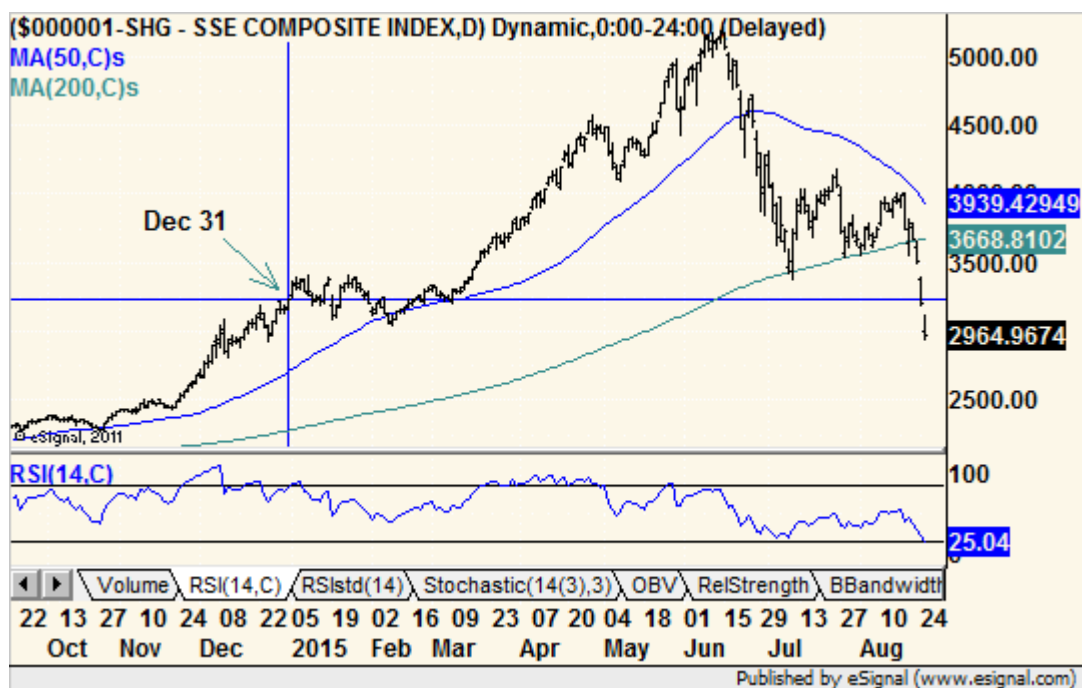
**Utilities** – So much for leadership here. Bonds reversed to the downside but utes got clocked.



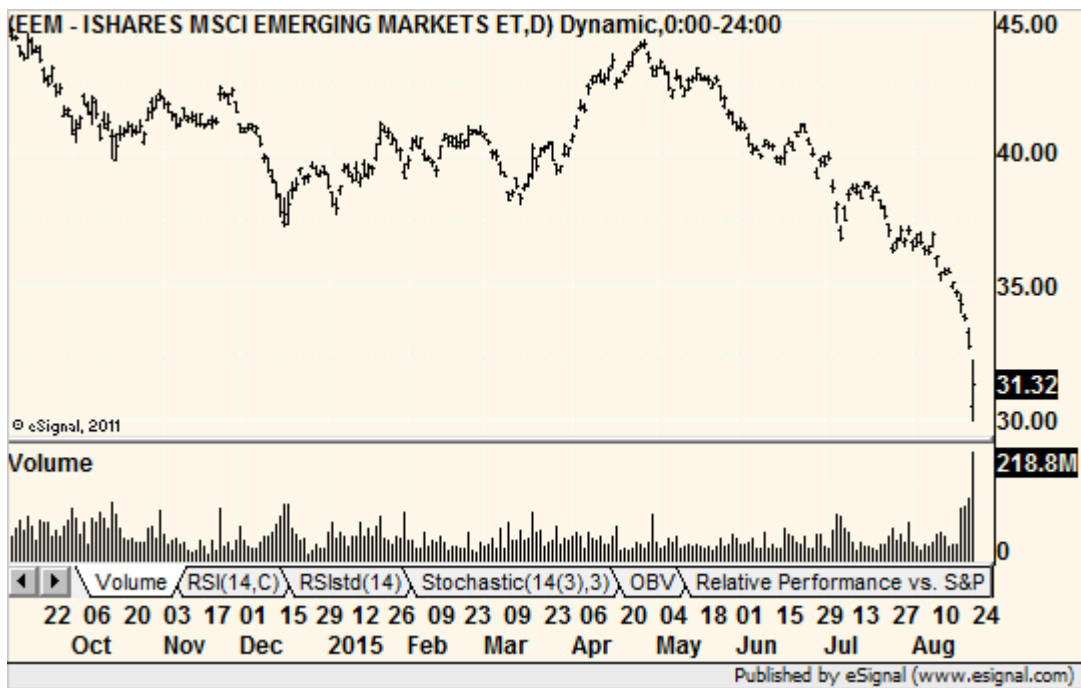
**Healthcare ETF** – Even though it closed way off the lows, this chart shows that the reign of healthcare is over. That was one huge baby with the bathwater panic to the exit doors.



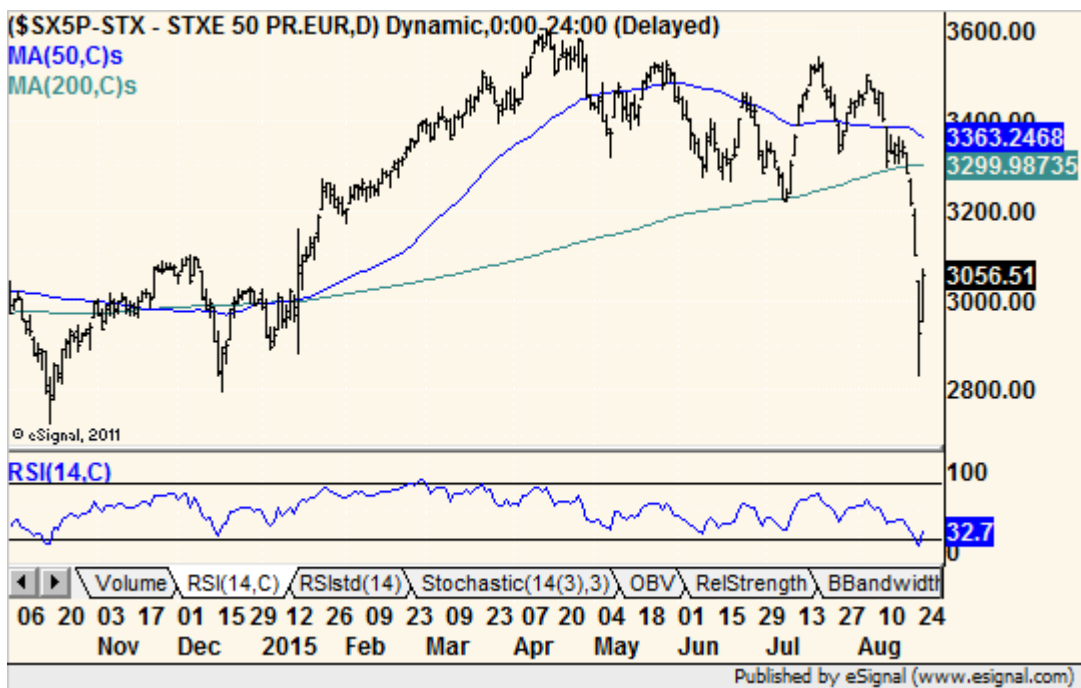
**Semiconductor index** – Worst sector. Would love to sell this on a bounce to the 38.2% Fib.



**China** – The fun continues and this is after an interest rate cut overnight. Now negative for the year after a monster bull market into June.



**Emerging Markets ETF** – Selling climax for sure but it is already up over 5% in the premarket. Let it go.



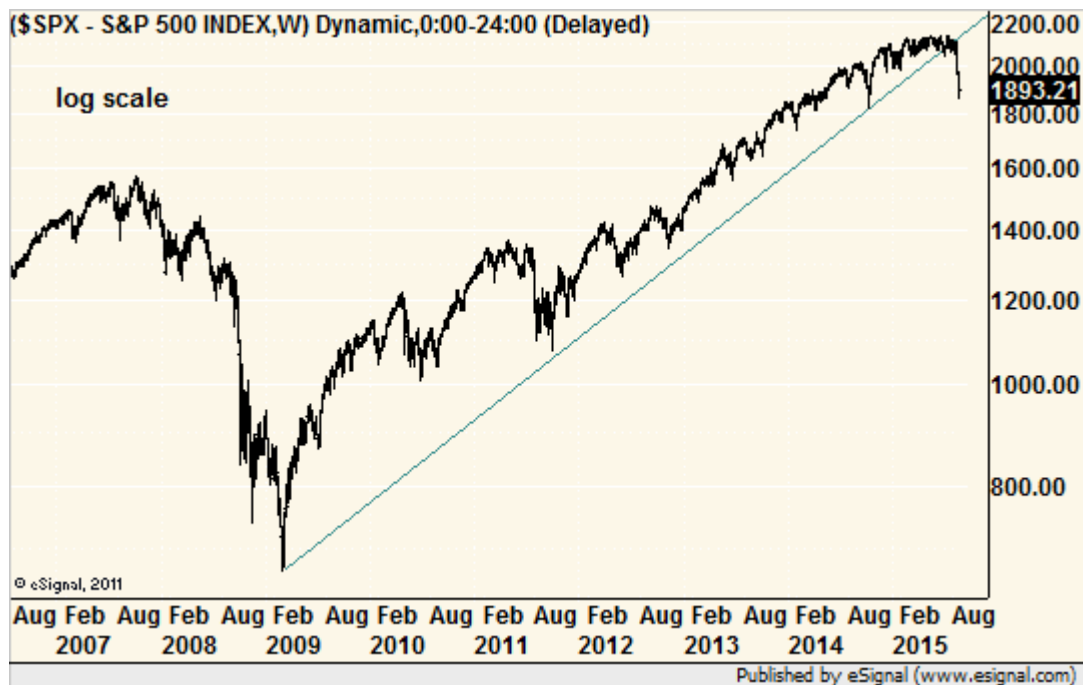
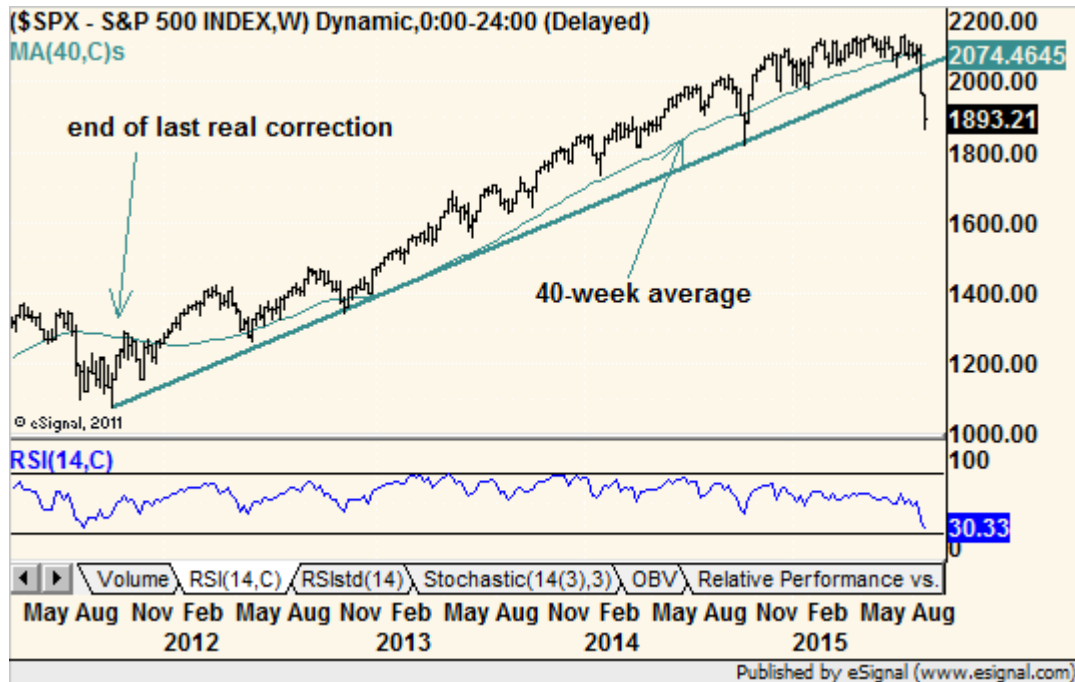
**Stoxx-50** – The pan Europe blue chip index is also in a nice little bear market rally. Let it go, let it go 🎵



## The Big Picture

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

Charts, no words. The bull is dead.



## 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>GOLD</b>	RANDGOLD RES LTD	62.45	-0.3%	62.00	62.65	8/14	10
<u>Short</u>	<b>HPQ</b>	HEWLETT PACKARD CO	26.60	14.1%	28.50	30.34	7/17	38
	<b>URBN</b>	URBAN OUTFITTERS INC	28.54	22.6%	31.00	35.00	7/21	34
	<b>NYT</b>	NEW YORK TIMES CO	11.69	12.1%	12.70	13.10	7/27	28
	<b>INTC</b>	INTEL CORP	26.25	9.7%	28.00	28.80	8/7	17
	<b>GS</b>	GOLDMAN SACHS GROUP INC	179.46	12.4%	195.00	201.70	8/11	13
	<b>BLMN</b>	BLOOMIN BRANDS INC	19.33	12.3%	21.00	21.71	8/11	13
	<b>ADI</b>	ANALOG DEVICES INC	51.67	12.7%	55.50	58.25	8/18	6
	<b>FDX</b>	FEDEX CORP	148.37	10.2%	160.00	163.50	8/20	4
	<b>IBB</b>	ISHARES NASDAQ BIOTECH	324.88	8.0%	350.00	350.82	8/20	4
	<b>CMG</b>	CHIPOTLE MEXICAN GRILL INC	704.25	2.2%	750.00	720.01	8/20	4

**Notes:** Dropping stops on most shorts to keep them wide in the 7-8% range.

As for the **GOLD** long, it is close to its stop. Don't forget, we took only a very small nibble here, not a full position.

## 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

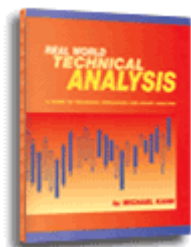
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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