

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

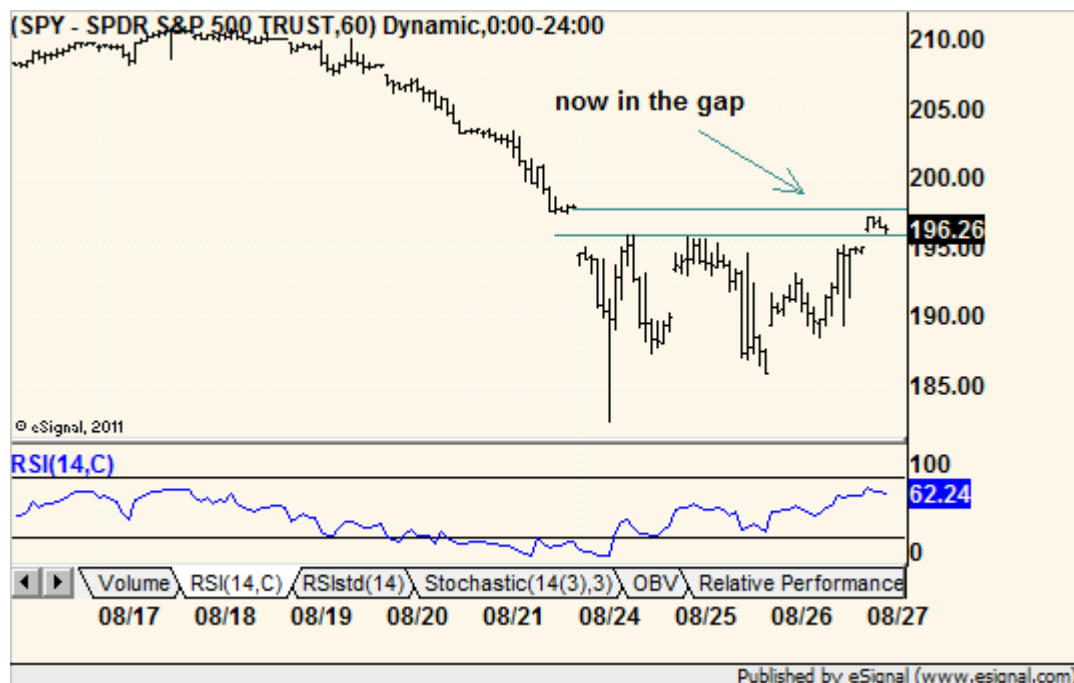
August 27, 2015 – The dead cats were a-bouncing yesterday but it took until the final two hours to really get going. But as they say, bear market rallies are exciting and 619 Dow-points qualifies.

China was up over 5% overnight so stocks around the world breathed a sigh of relief with more gains. While they are big in Europe, don't forget that Europe was already closed before the US went into full bull mode yesterday afternoon. This is "catch-up."

We got a little boost in new subscribers this week as is often the case when the markets break. In fact, 2008 was our best year in terms of subscriber count. But history aside, we've pretty much said what we think already so new subscribers may be disappointed with today's report. Therefore, let's sum it all up here:

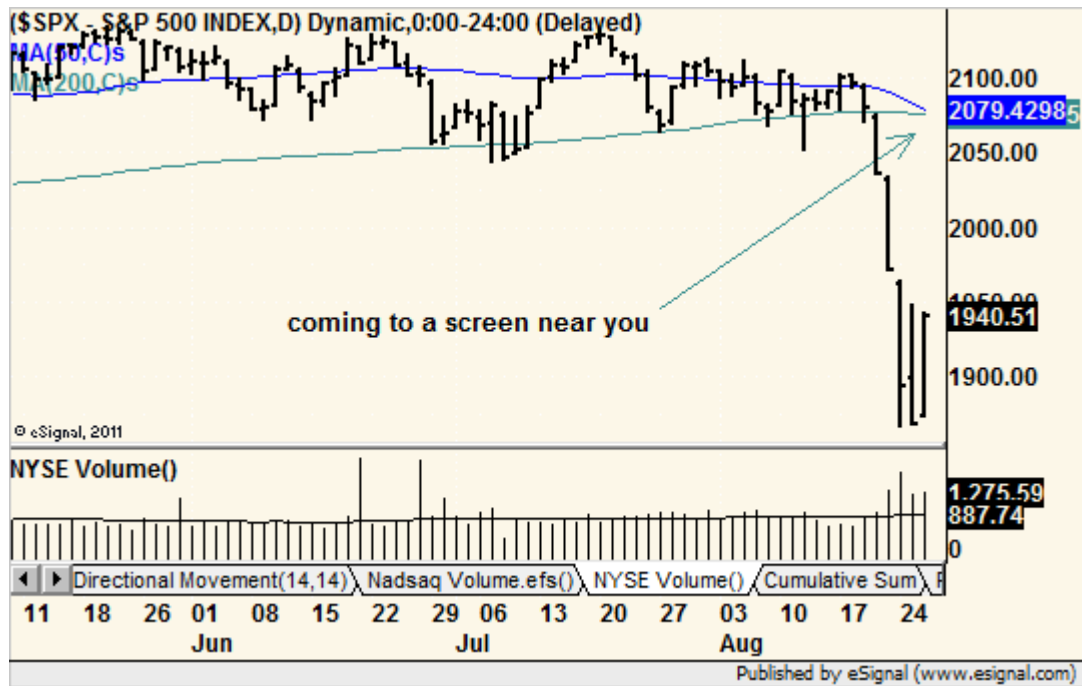
- Stocks are broken and we expect this bounce to end within days and the lows will be tested again.
- The bear market in crude oil is already at a point where selling is not a good idea. We were early in calling for energy stocks to rebound but really, **XOM** at 72 with a 4% dividend yield looks pretty good for the long haul.
- Basic materials still stink. Non-ferrous metals lost ground yesterday as the Dow soared.
- Greece and China are still near 52-week lows and in bear markets.
- Junk bonds are in a bear market.
- Death crosses are everywhere.

Our strategy is still cash and shorts with a little patience until this dead cat bounce runs its course.

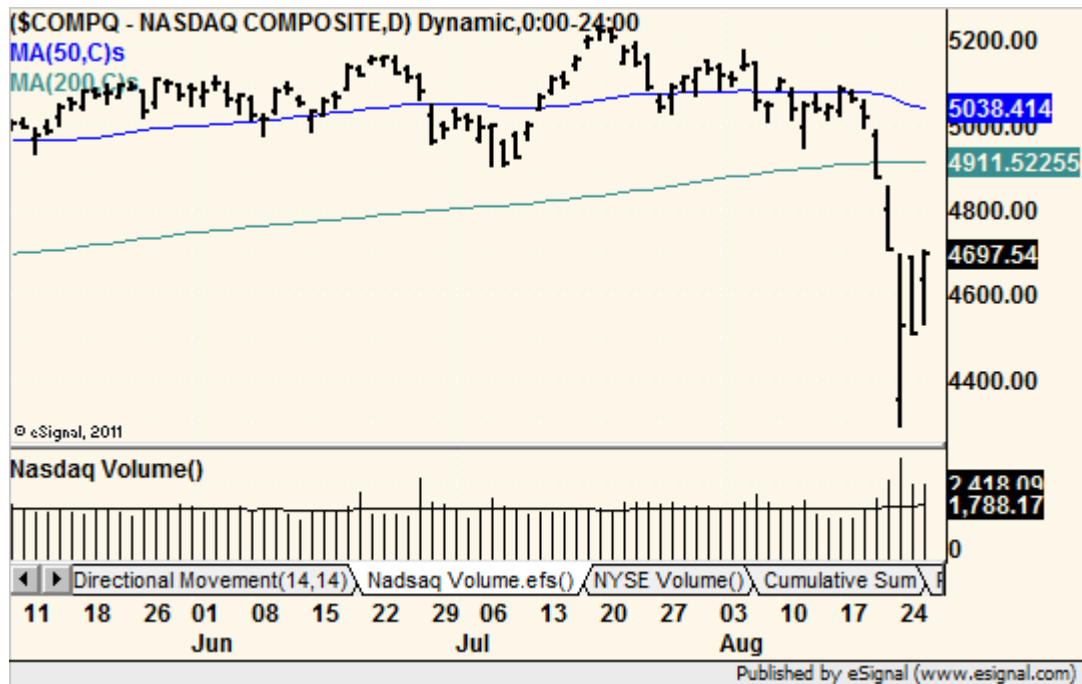


The hourly chart did not clear resistance yesterday but did overnight. However, it is still in the gap and gaps are resistance. If it fails yet again it would be bad.

Index Charts of the Day



The S&P 500 remains in a giant range at the new low level. Look at the pending death cross.



The Nasdaq had a better day but us still broken. Yes, it can rally some more but the trend is down.

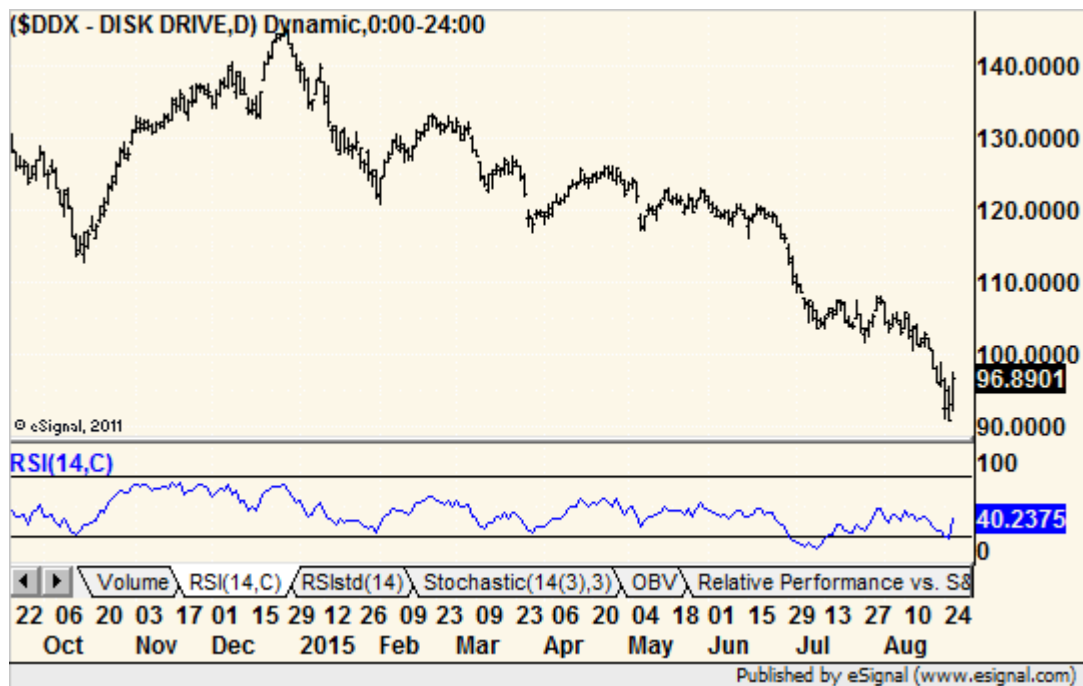
The Radar Screen

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.

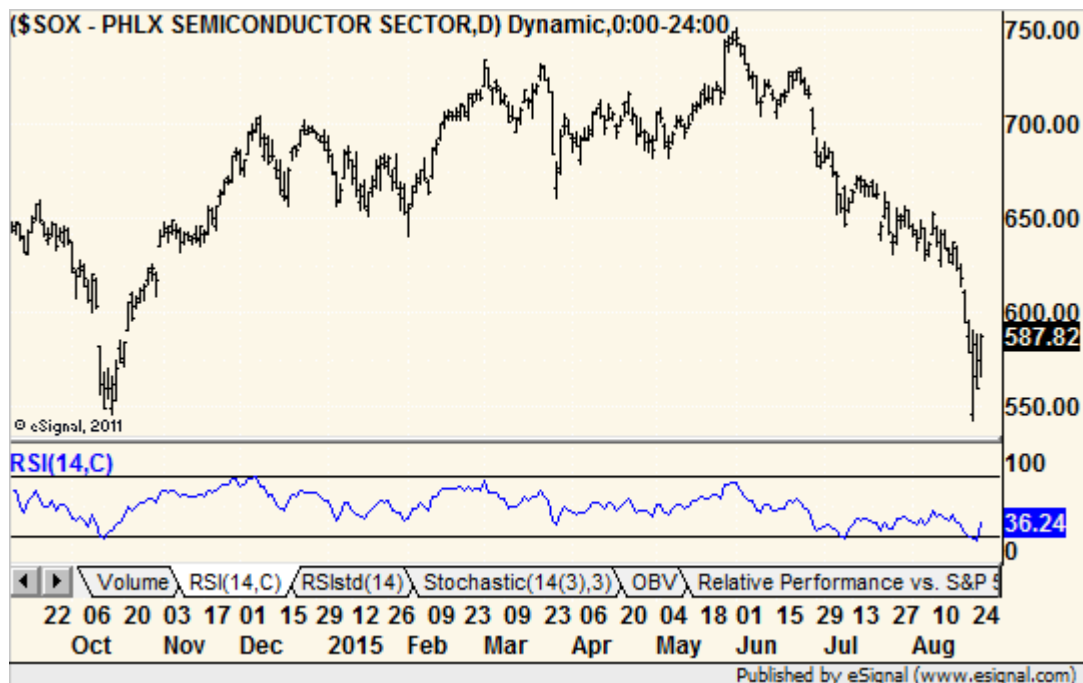
>>> We are slowly looking for things to sell after the bounce.

Bullish Implications		
none -		
Bearish Implications		
Industrials ETF XLI – Sell the bounce. Resistance is close to 53.60 but we don't think it will get there. Sell 52.	New	8/27
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
none –		
Sector Watch (observations that may spark ideas)		
Semiconductors – Worst to first. Still think it is very weak after this dead cat	New	8/27
Updates		
Google GOOGL – We said it was not technically healthy then Goldman puts it on the conviction buy list. It jumped. We'll still look for it to hit a ceiling and therefore are not changing views.		

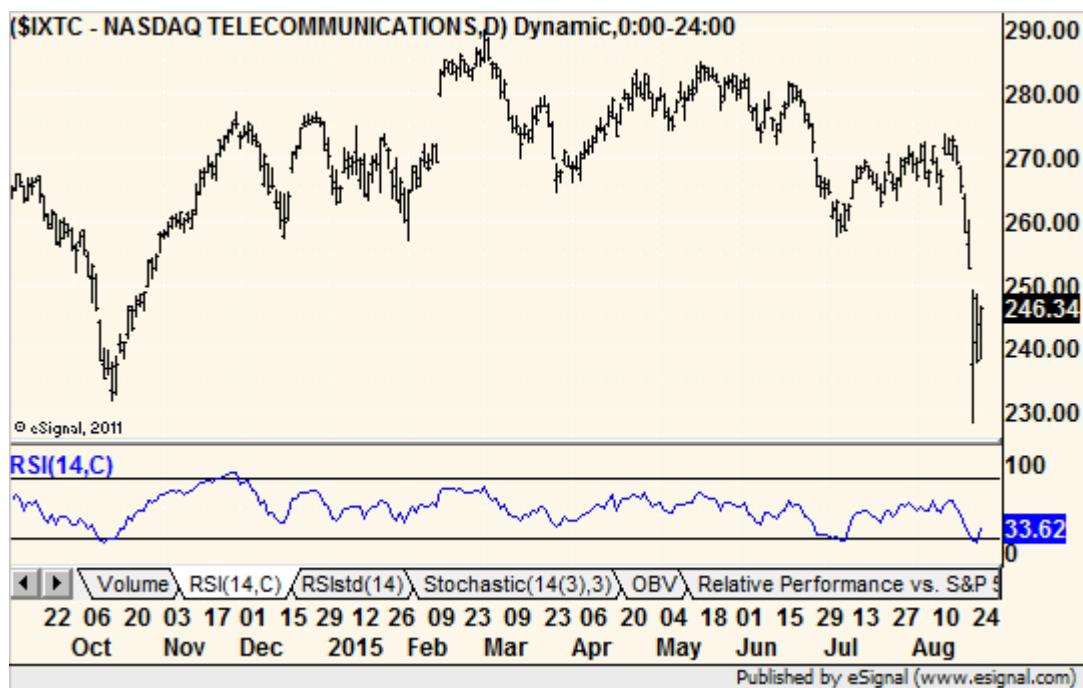
Market Highlights



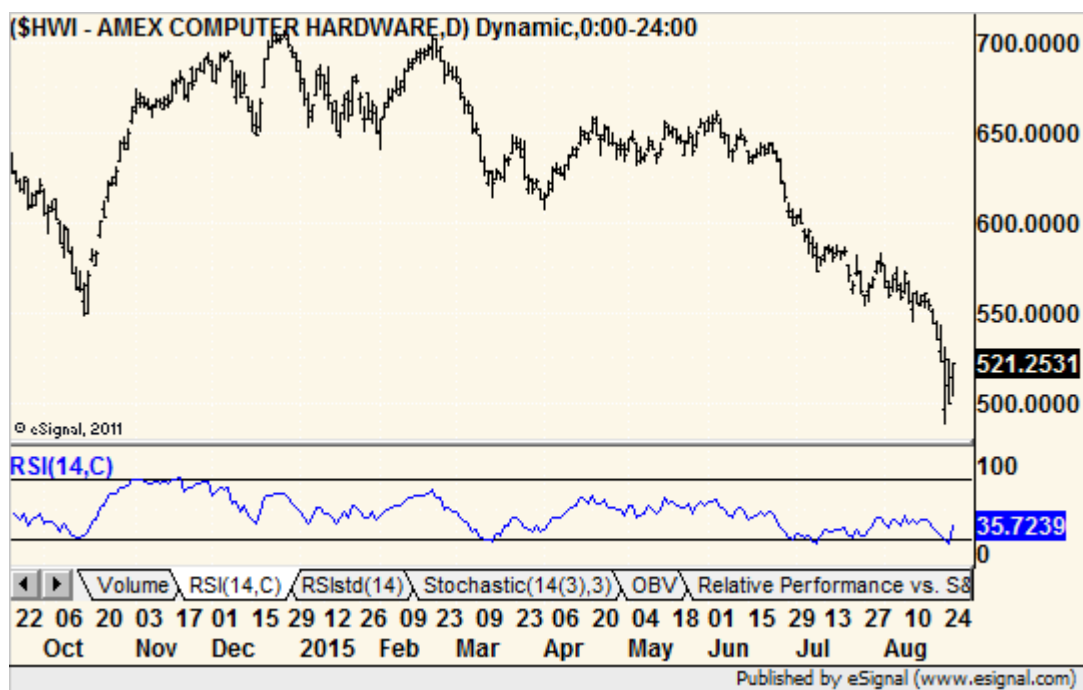
Disk Drive Index – This is more like a computer storage index but **the point here is that this tech sector has been awful for months**. It also scored a market leading 6.45% gain yesterday but in context so what?



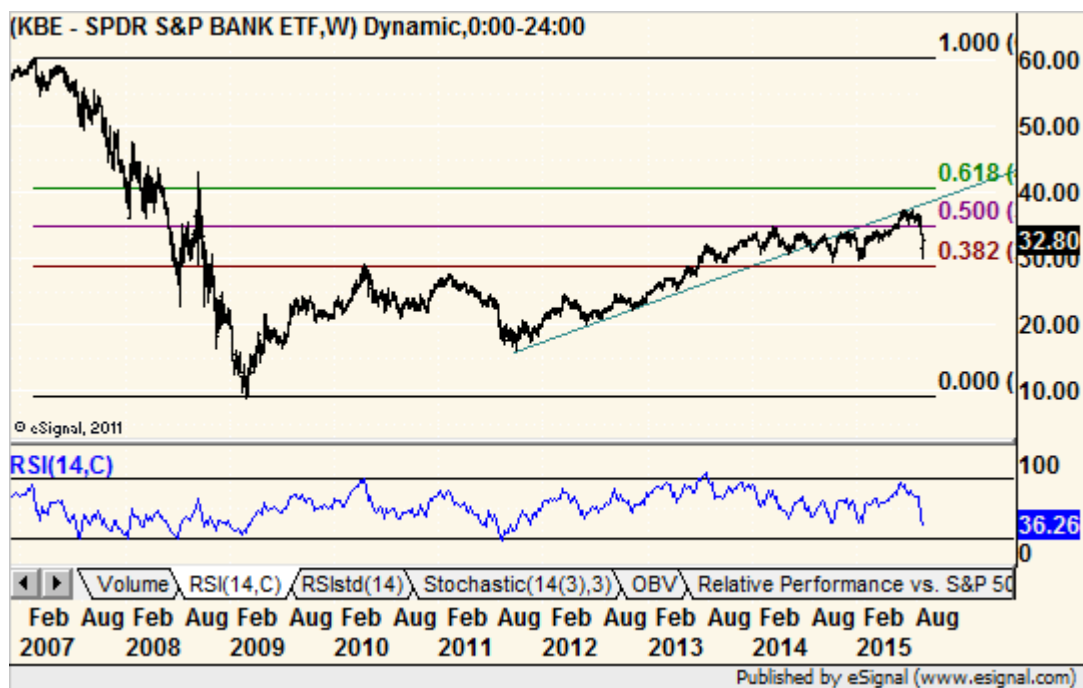
Semis – Yes, we ran this chart yesterday but our point is that tech is not what the media says it is. This is awful looking.



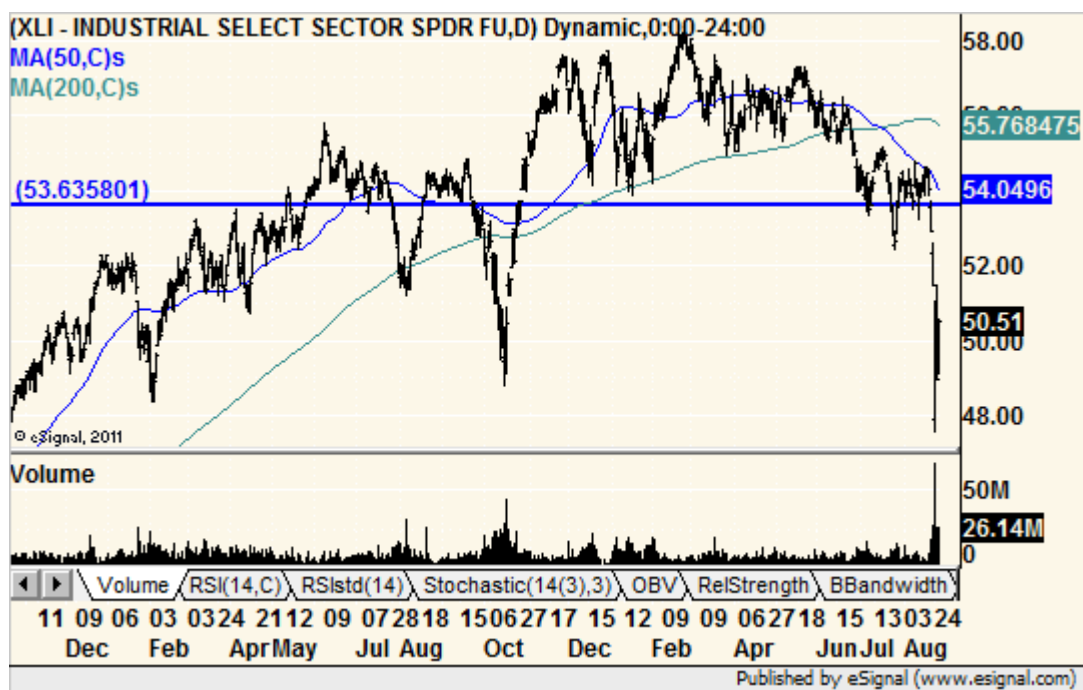
Nasdaq Telecoms – More crappy tech.



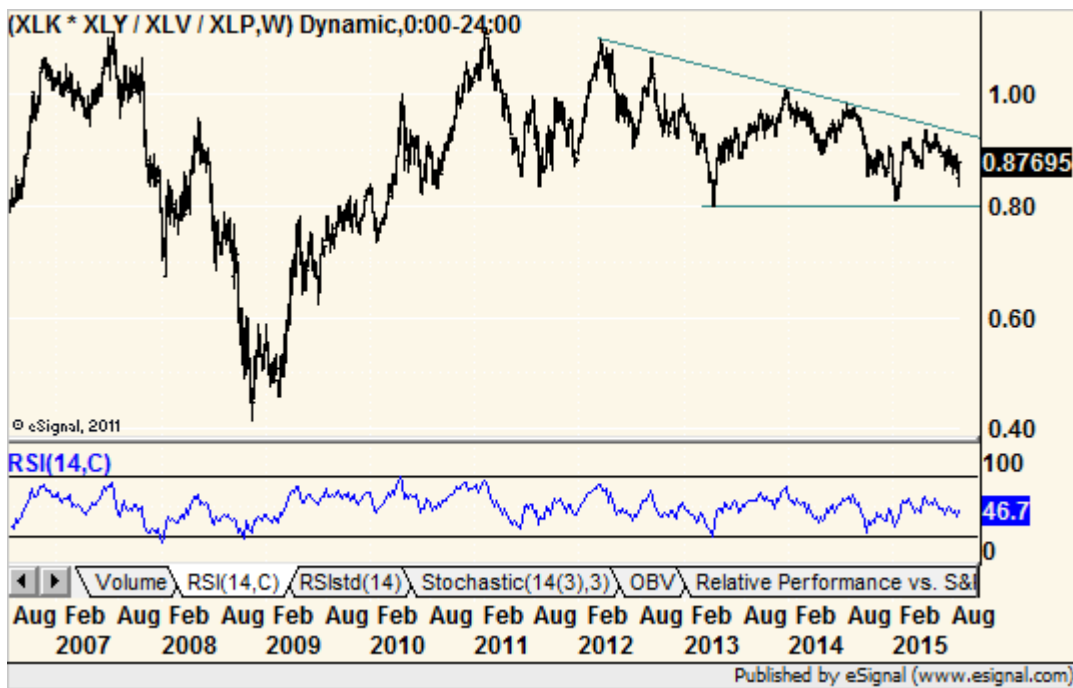
Computer Hardware – Apple was a problem but this sector index started falling well before Apple broke down. More crappy tech. **IBM is at a five-year low.**



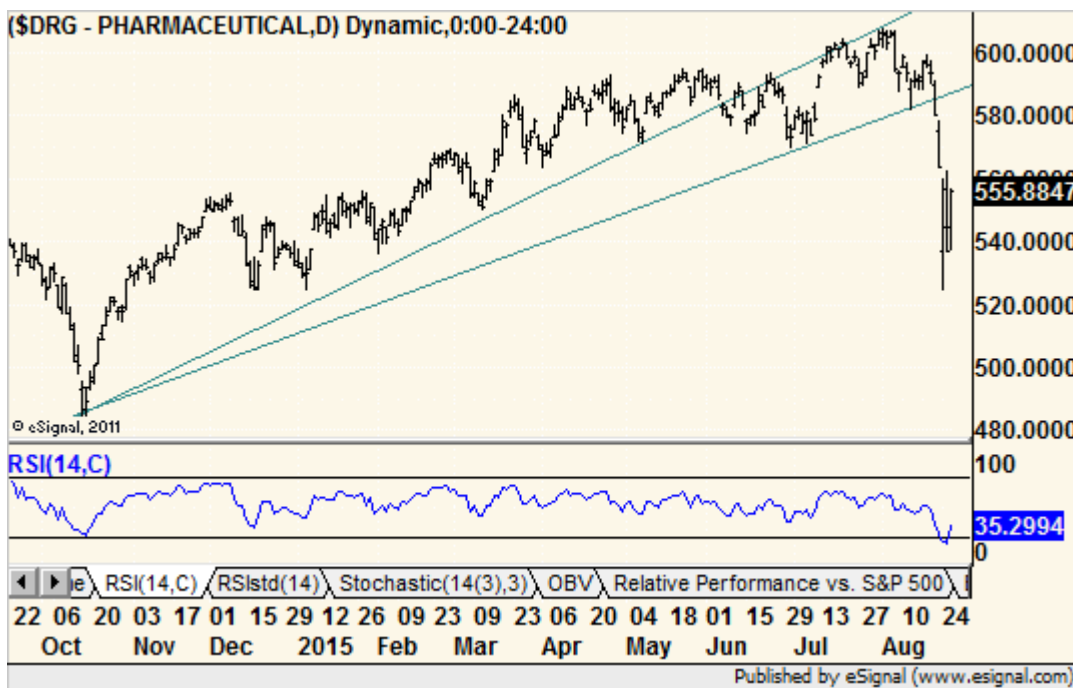
Banks ETF – Failed at the 50% retracement of the last bear market.



Industrials ETF – Yesterday we said to sell the bounce. Resistance is close to 53.60 but we'll sell 52.



Offense / Defense index – Yesterday's chart was wrong. The denominator had **XLK** instead of **XLP** so we apologize. The real ratio above shows a gentle decline with support below. What it means in our view is that sector work is not quite as important as we'd like it to be. Strong healthcare really skewed this over the past two years.



Drugs – This is broken. Already relieved oversold conditions.

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>	none							
<u>Short</u>	HPQ	HEWLETT PACKARD CO	27.10	12.0%	27.50	30.34	7/17	40
	URBN	URBAN OUTFITTERS INC	29.77	17.6%	31.00	35.00	7/21	36
	NYT	NEW YORK TIMES CO	11.93	9.8%	12.70	13.10	7/27	30
	INTC	INTEL CORP	27.30	5.5%	27.75	28.80	8/7	19
	GS	GOLDMAN SACHS GROUP INC	184.40	9.4%	190.00	201.70	8/11	15
	BLMN	BLOOMIN BRANDS INC	19.57	10.9%	20.00	21.71	8/11	15
	ADI	ANALOG DEVICES INC	54.22	7.4%	54.50	58.25	8/18	8
	FDX	FEDEX CORP	148.43	10.2%	155.00	163.50	8/20	6
	IBB	ISHARES NASDAQ BIOTECH	341.75	2.7%	350.00	350.82	8/20	6
	CMG	CHIPOTLE MEXICAN GRILL INC	707.64	1.7%	740.00	720.01	8/20	6

Notes: Big bounce in **ADI** brings it very close to its stop.

GOLD got crushed yesterday. Glad to have honored stop Tuesday.

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

New subscribers – ask away. This is for you

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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