

QUICK TAKES PRO

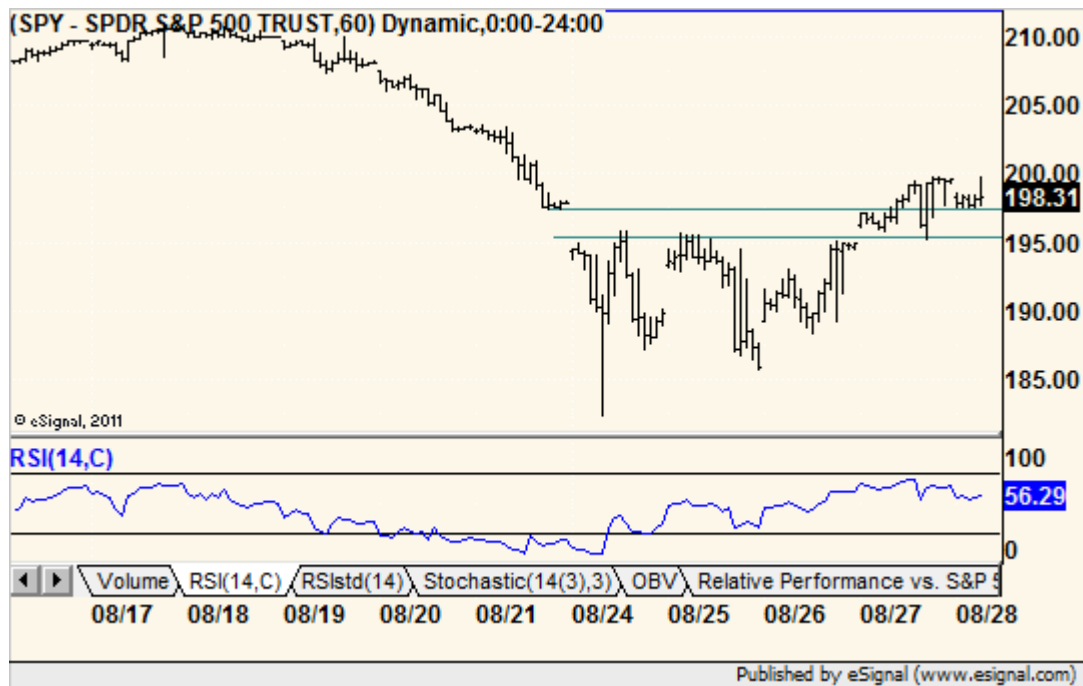
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

August 28, 2015 – The market rebound was a lot stronger than we thought it would be but we are still looking to sell it here. We did lose a few short positions to stops – even though they were wide – but fortunately there were plenty of profits to be had.

The big thing was sentiment this week. Some measures, such as the Investors Intelligence survey, recorded extreme lows and almost on cue the market responded. However, in my Wednesday column I wrote that the surveys of people's opinions were bad but indicators of people's actions were still not extreme. For example, the numbers of new 52-week lows, though skewed by Monday's flash-crash-like event, were not so bad. And stocks below 200-day averages, also not so bad. Certainly not extreme.

We missed the impetus for a sharp rebound but we still think the washout needed to get this market back on track has not yet happened. More pain ahead.

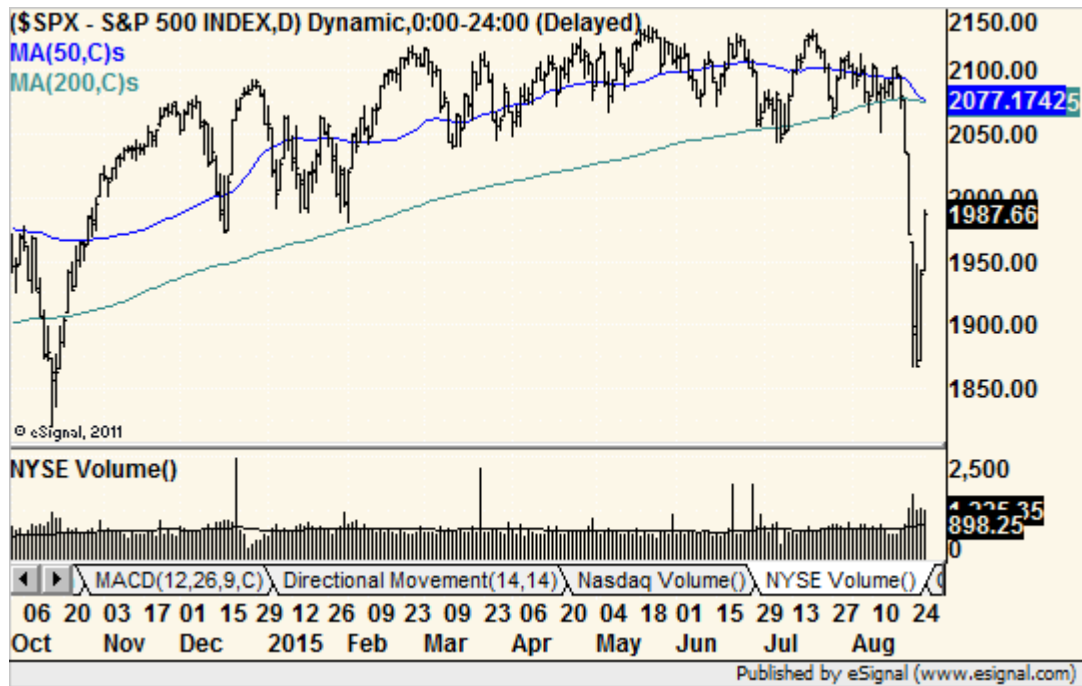


Short-term traders liked when the **SPY** moved above resistance and into the gap. Then, there was a false breakout and test of the gap sending the market higher into the close. But now look at it. Falling RSI and still sitting on the top of the gap. No separation. But bears beware that until the market once again falls below the lines drawn there is still power enough for more upside correcting in this new overall declining trend.

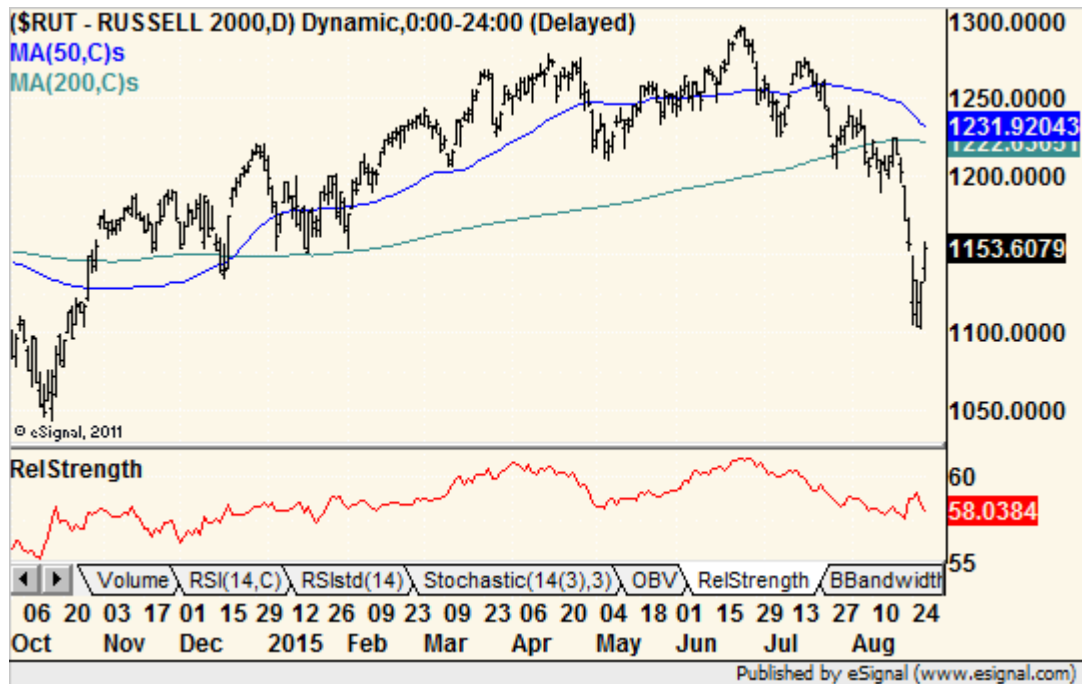
What we are trying to say is that the correction has carried on long enough to think it is ending but it has not given the hard signal that it will now go back down.

The other story was oil and a big rebound. Dead cat. Look at the charts below to see the trend. We still think the bottom is in but yesterday does not mean that the trend has turned just yet.

Index Charts of the Day



Expect the death cross today, Monday at the latest. Still looks like a yoyo and yoyos tend to go back down.



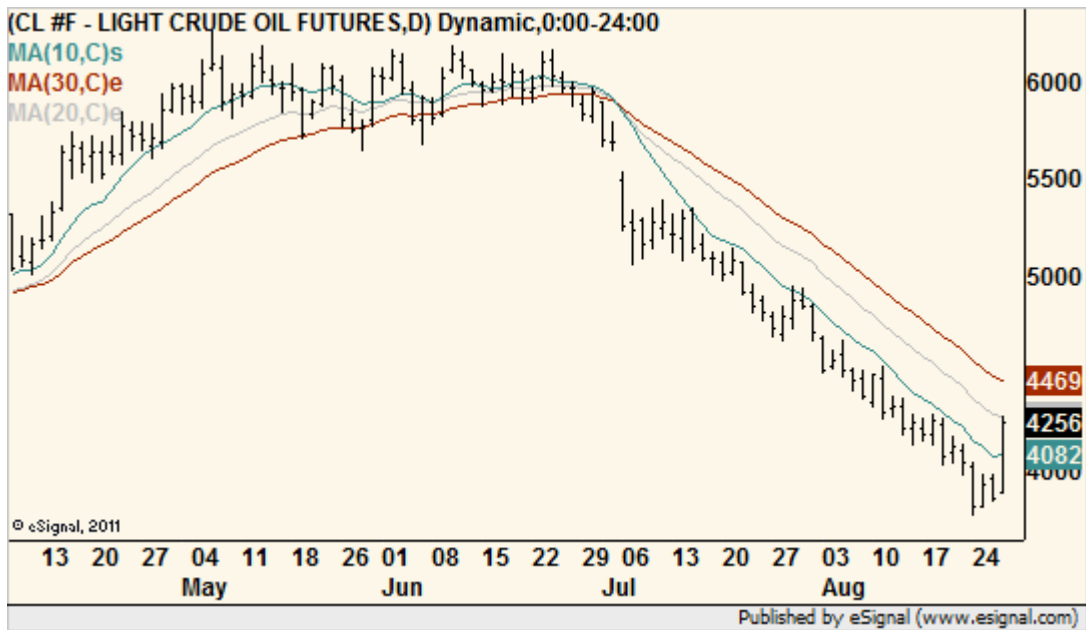
The Russell got slammed this month and sure looks like a dead cat bouncing here.

The Radar Screen

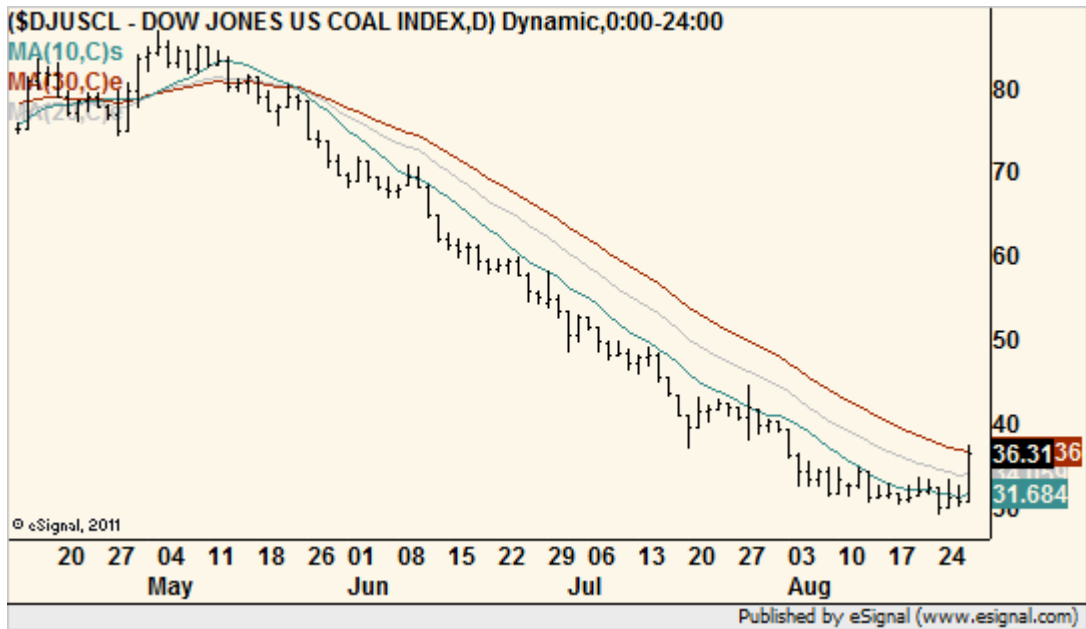
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Industrials ETF XLI – Sell the bounce. Resistance is close to 53.60 but we don't think it will get there. Sell 52.		8/27
Mohawk MHK – Home furnishings was a laggard Thursday and this carpet maker had a small range and small volume. That suggests lack of demand and the possibility of being the first one sold when the market weakens. We'll sell it here under the trendline and 50-day average.	New	8/28
Allergen AGN – Nice retracement of the breakdown and test of the trendline and 50-day average. Selling here. This is a healthcare stock making contact lens solutions and Botox, among other things.	New	8/28
Pfizer – Right here is a good place to sell at the 200-day and former support.	New	8/28
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		8/27
Updates		
none –		

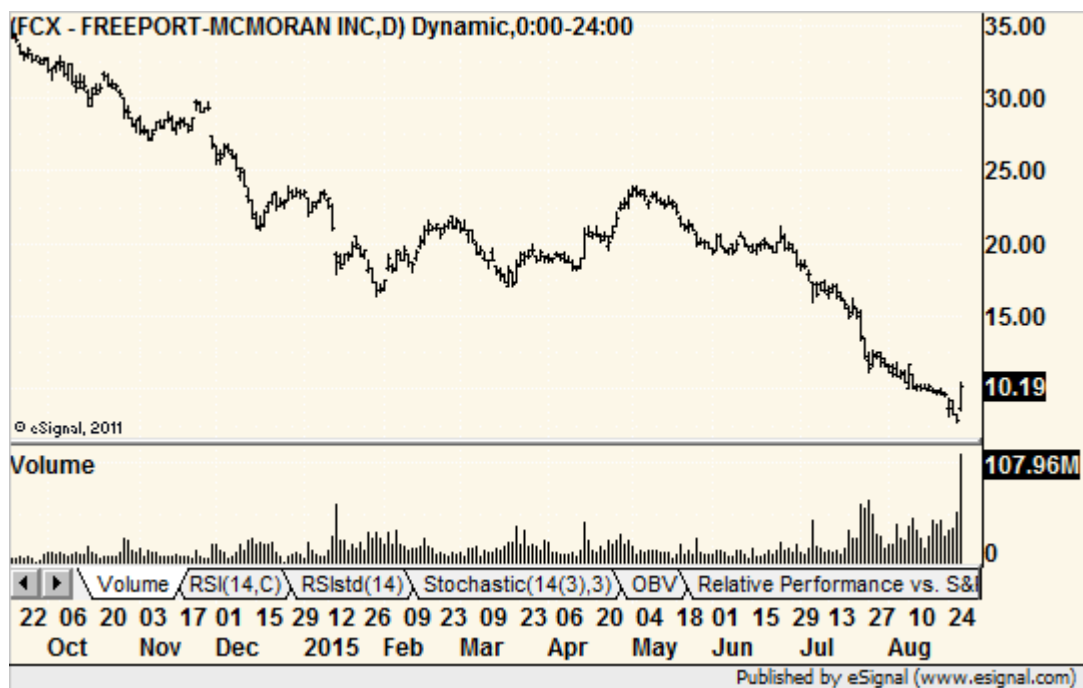
Market Highlights



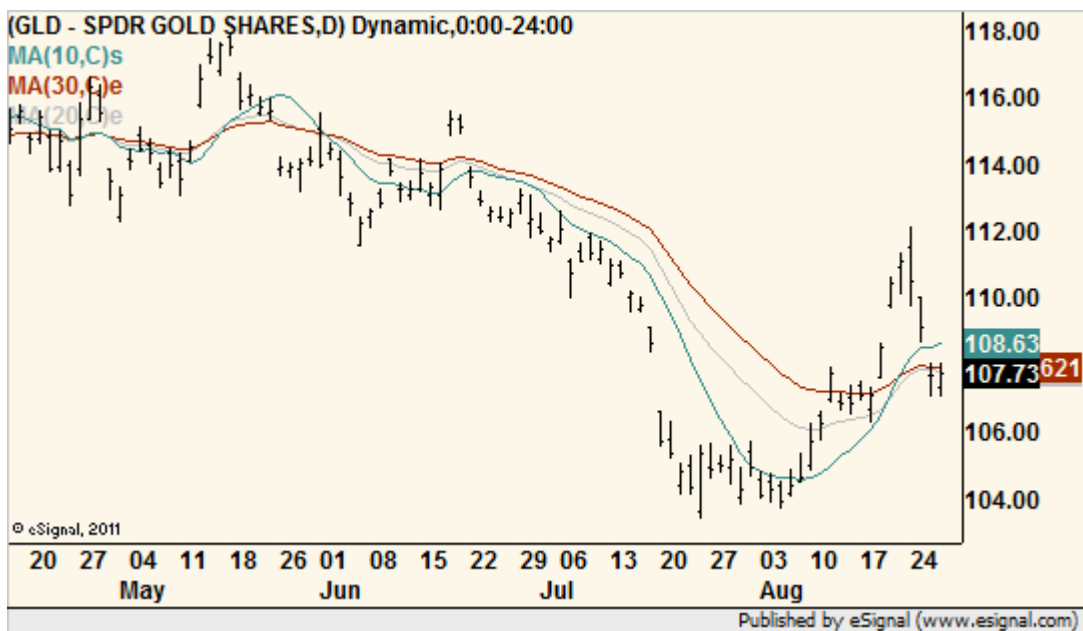
Crude Oil – Just a little perspective. Yesterday’s 10% rally did not even clear the 20-day expo average. Every journey starts with the first step but it will take more than one day to turn this bear around.



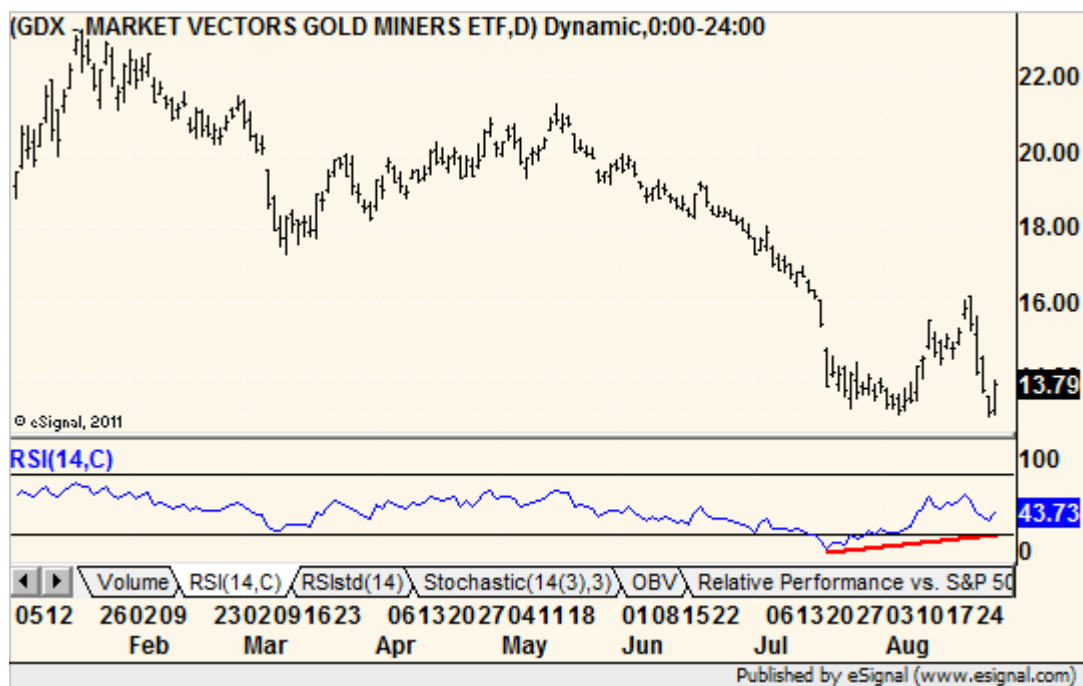
Coal – While we are at it, here is the DJ Coal group. Closed at the 30-day expo so again it is not exactly a new trend. **BTU** looks great thanks to George Soros but the percentages at the low price it trades are ridiculous. Not playing.



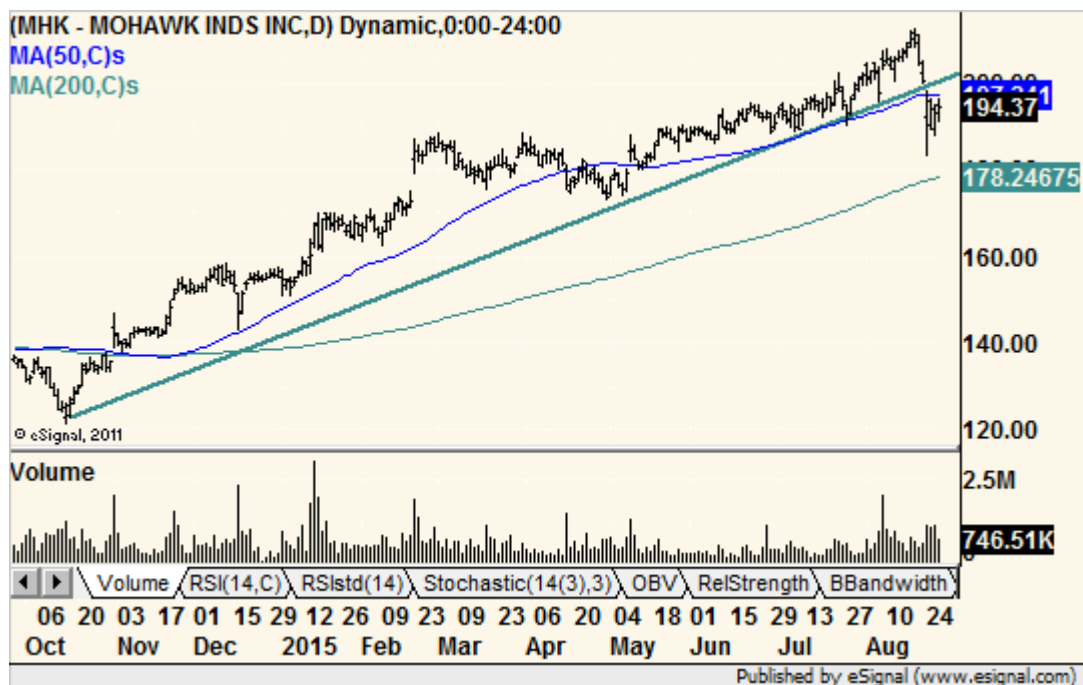
Freeport McMoran – Ditto non-ferrous metals miners. Here we see a ginormous percent move but the trend is still down. Did China’s economy suddenly soar? We don’t think so.



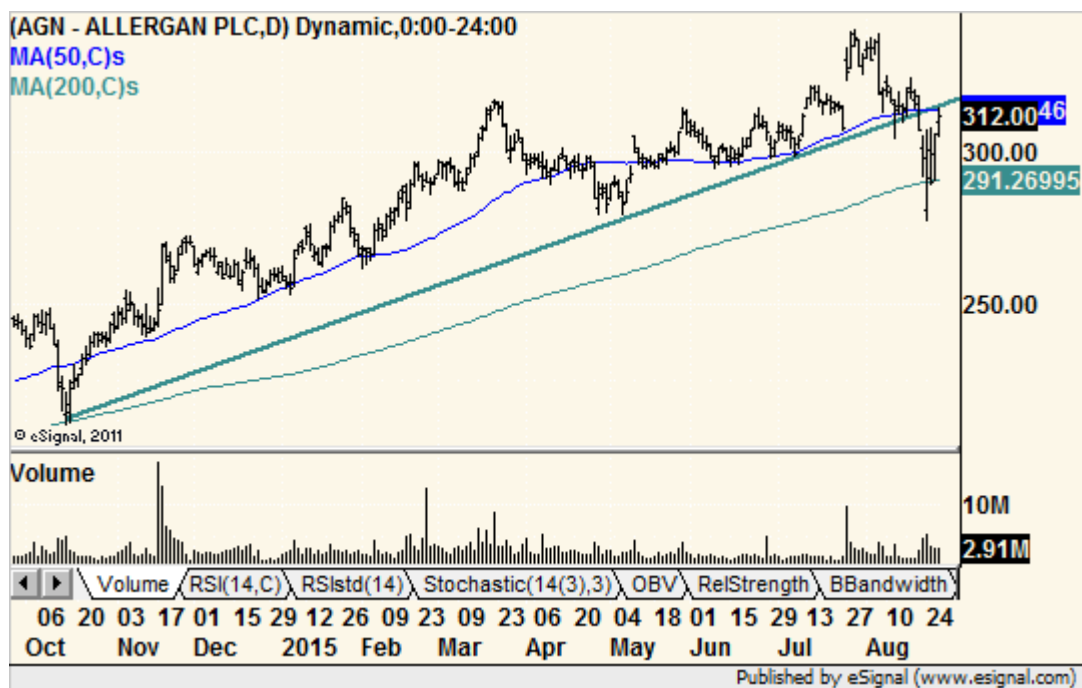
Gold ETF – Contrast this with the above charts. Here, we see a bowtie crossover in the gold ETF, even though price was slammed back this week. A move back above the averages would be bullish.



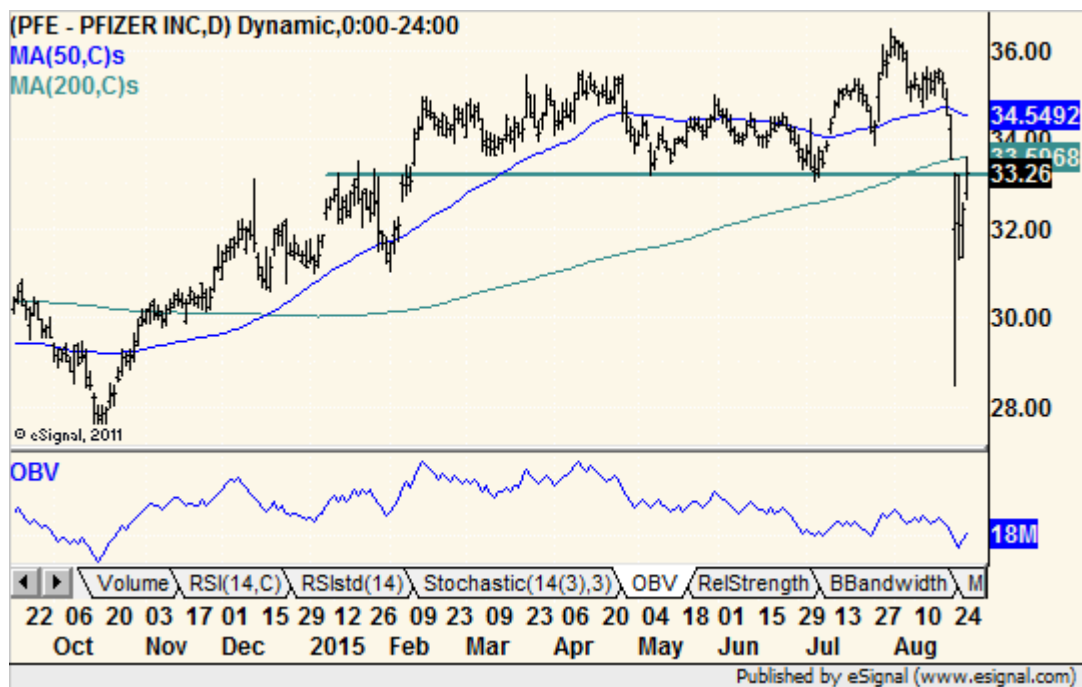
Gold Miners ETF – Just a possible double bottom with bullish RSI divergence. This is still not ripe and requires a little more rally to set it in place. That necessarily means we cannot pick the bottom.



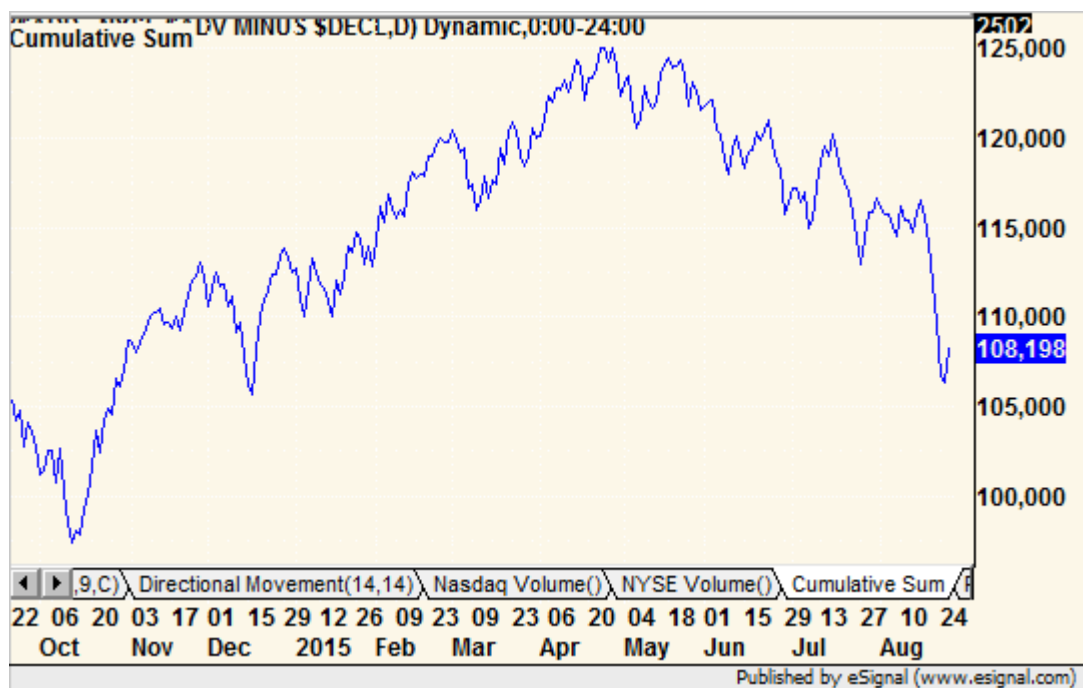
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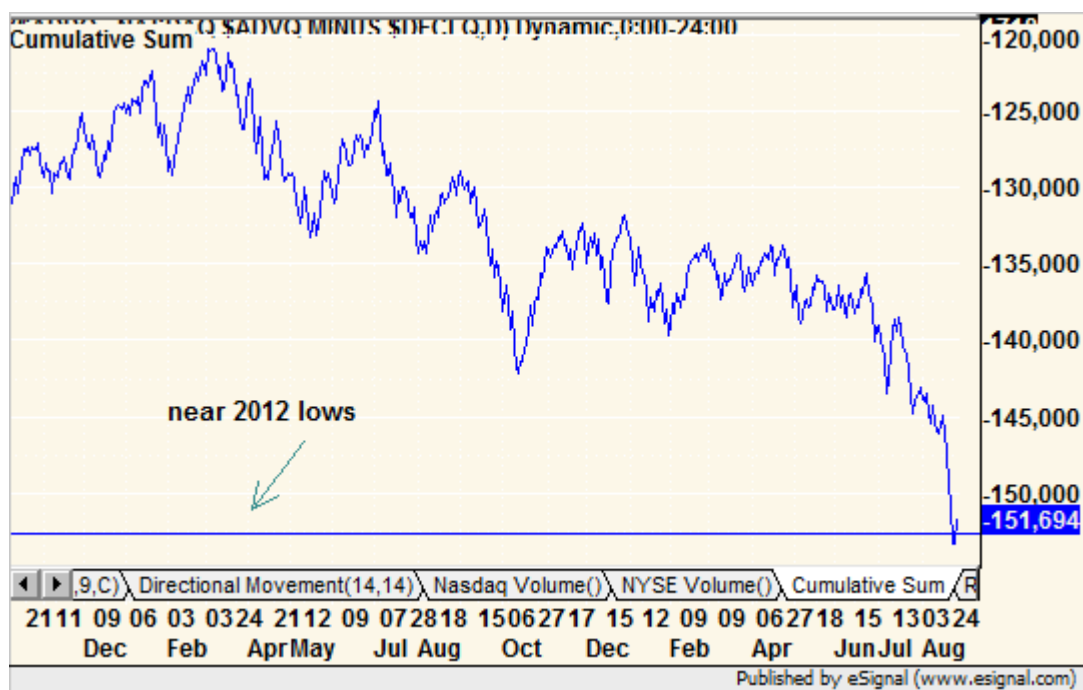
Allergen – Nice retracement of the breakdown and test of the trendline and 50-day average. Selling here. This is a healthcare stock making contact lens solutions and Botox, among other things.



Pfizer – A good place to sell this one at the 200-day and former support.



NYSE Advance-decline – Still looks mighty negative.



Nasdaq Advance-decline – There is a natural negative bias here for decades as small stocks go out of business but this has a rather precipitous fall down to levels last seen in 2012.

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	27.50	10.3%		30.34	7/17	41
	URBN	URBAN OUTFITTERS INC	30.80	13.6%	31.00	35.00	7/21	37
	NYT	NEW YORK TIMES CO	12.01	9.1%	12.70	13.10	7/27	31
	INTC	INTEL CORP	27.72	3.9%	27.75	28.80	8/7	20
	GS	GOLDMAN SACHS GROUP INC	189.21	6.6%	190.00	201.70	8/11	16
	BLMN	BLOOMIN BRANDS INC	20.00	8.6%		21.71	8/11	16
	ADI	ANALOG DEVICES INC	54.50	6.9%		58.25	8/18	9
	FDX	FEDEX CORP	153.04	6.8%	155.00	163.50	8/20	7
	IBB	ISHARES NASDAQ BIOTECHN	350.00	-0.2%		350.82	8/20	7
	CMG	CHIPOTLE MEXICAN GRILL INC	727.17	1.0%	740.00	720.01	8/20	7

Notes: The rebound rally was a whole lot stronger than we thought and we got stopped out of several positions despite their rather wide stops. A lot of profit evaporated but we are still coming out ahead.

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

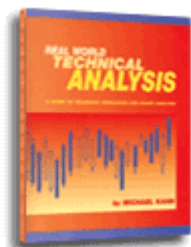
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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