

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

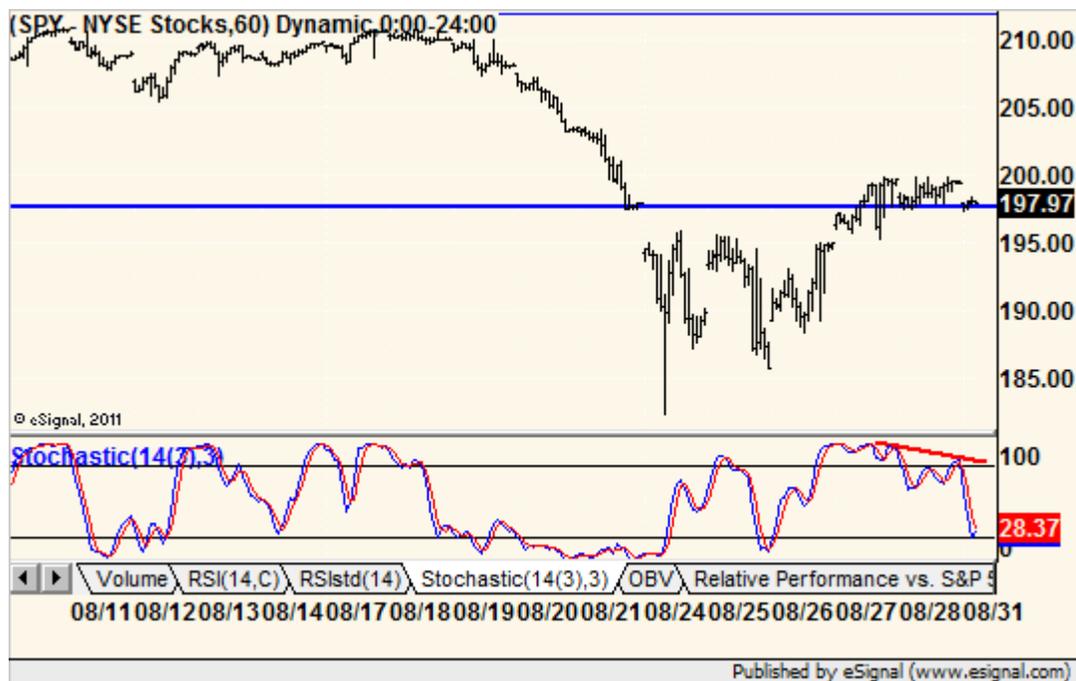
MICHAEL KAHN  
RESEARCH LLC

**August 31, 2015** – While September starts tomorrow, the late Labor Day holiday gives us one more week of the supposedly slow end of summer in the markets. As they say, seasonals (such as this one) are just tendencies. They are not guarantees and last week was anything but slow. That is why we are a bit worried about forecasting a weak September and early October as so many seem to be doing.

When everyone expects something it rarely happens. People may be looking for a selloff to begin in late September but because of the expectation other people act in advance. That is why the Santa Claus rally sometimes happens at Thanksgiving.

What we are trying to say is that we think right here and right now is a highly risky time. The S&P 500 has retraced 50% of its recent fall. The sudden awakening in oil and industrial metals came from nowhere and cannot reverse the bear markets that preceded them that quickly. China is still a worry. And the big one – the Fed is starting to talk about raising rates before 2% inflation thanks to economic data – except for wages – that continues to improve.

Imagine what stocks will do if the Fed does raise rates in September. OMG.

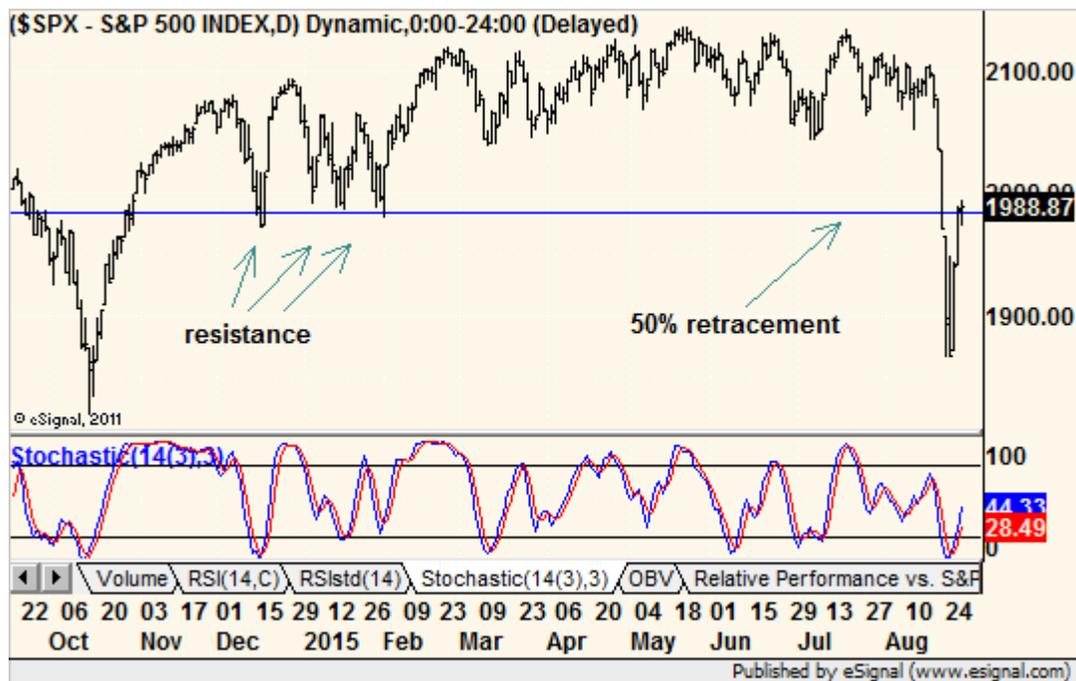


The hourly **SPY** is sitting on the top of the gap, which was resistance but is now support. One thing for the bears, the market never really broke free from resistance so a drop back below that level would be bad.

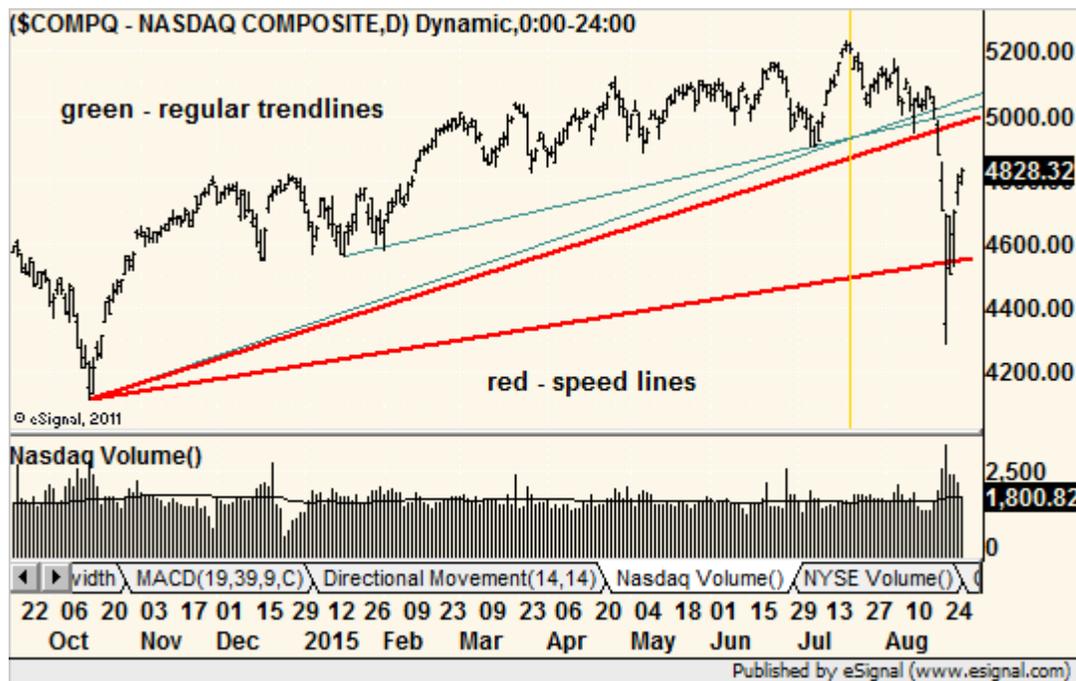
Elsewhere, crude is backing down today and the Saudi market is really falling. It is hard to think crude just formed a "V" bottom.

And gold is doing nothing but gold stocks gave it all up last week. They look interesting once again so check out the chart below.

## Index Charts of the Day



Big resistance right here. And don't forget this got its death cross Friday.



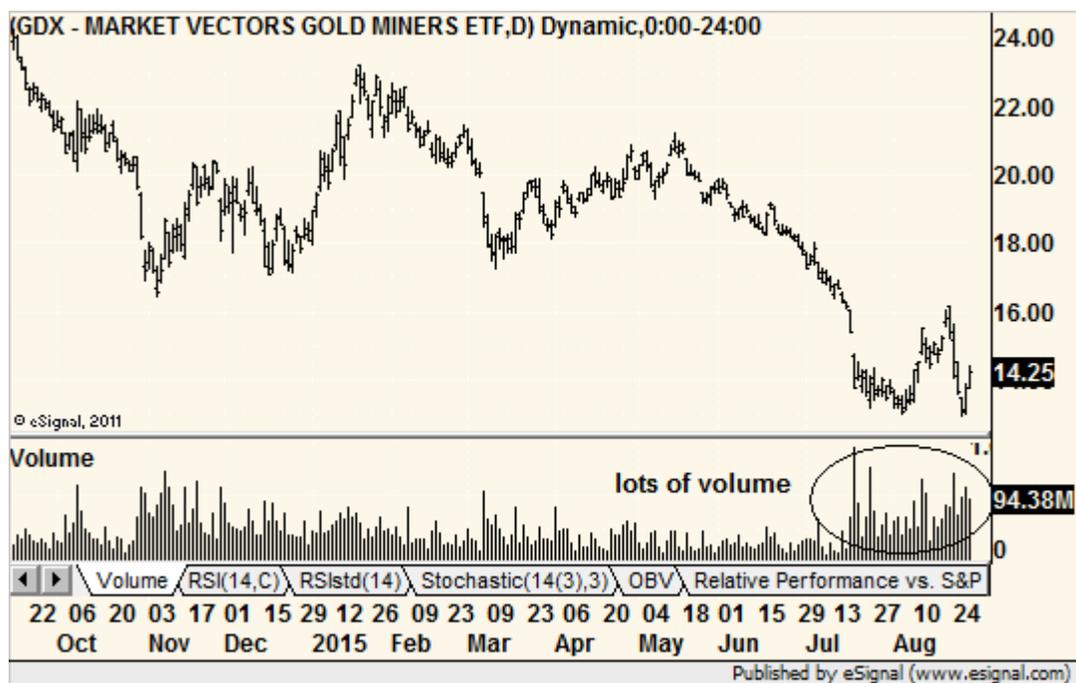
Here is the Nasdaq with two trendlines – both broken ahead of the giant fall early last week. And the red lines are speed lines – which are line drawn through 1/3 and 2/3 of the rally height at its max. They are just another way to try to quantify what is happening and the bottom line is that the upper was broken before the fall and the lower actually acted as support. The market still looks like it has unfinished downside business. Two-pager on speed lines, [click here](#).

## The Radar Screen

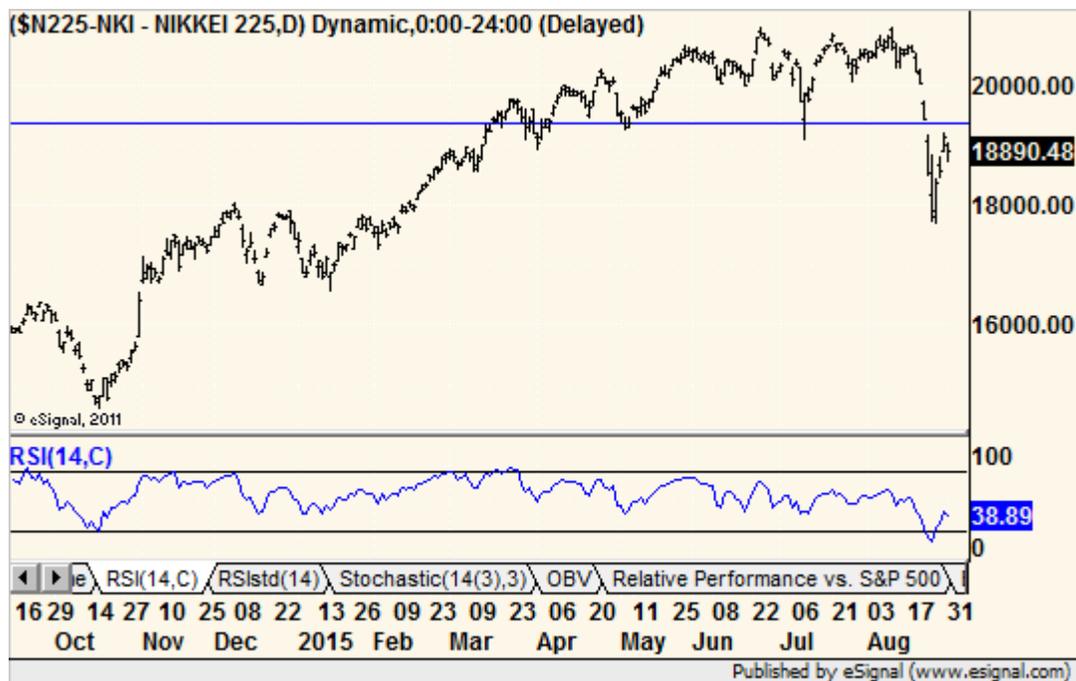
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances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

<b>Bullish Implications</b>		
none -		
<b>Bearish Implications</b>		
<b>Industrials ETF XLI</b> – Sell the bounce. Resistance is close to 53.60 but we don't think it will get there. Sell <b>market</b> .	<b>Changed</b>	8/27
<b>Mohawk MHK</b> – 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.	<b>Triggered</b>	8/28
<b>Allergen AGN</b> – 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.	<b>Triggered</b>	8/28
<b>Pfizer PFE</b> – Right here is a good place to sell at the 200-day and former support.	<b>Triggered</b>	8/28
<b>Microsoft MSFT</b> – A good place to sell. Retraced to big resistance.	<b>New</b>	8/31
<b>Unknown Implications</b>		
none –		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
none –		
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Semiconductors</b> – Worst to first. Still think it is very weak after this dead cat		8/27
<b>Updates</b>		
none –		

## Market Highlights



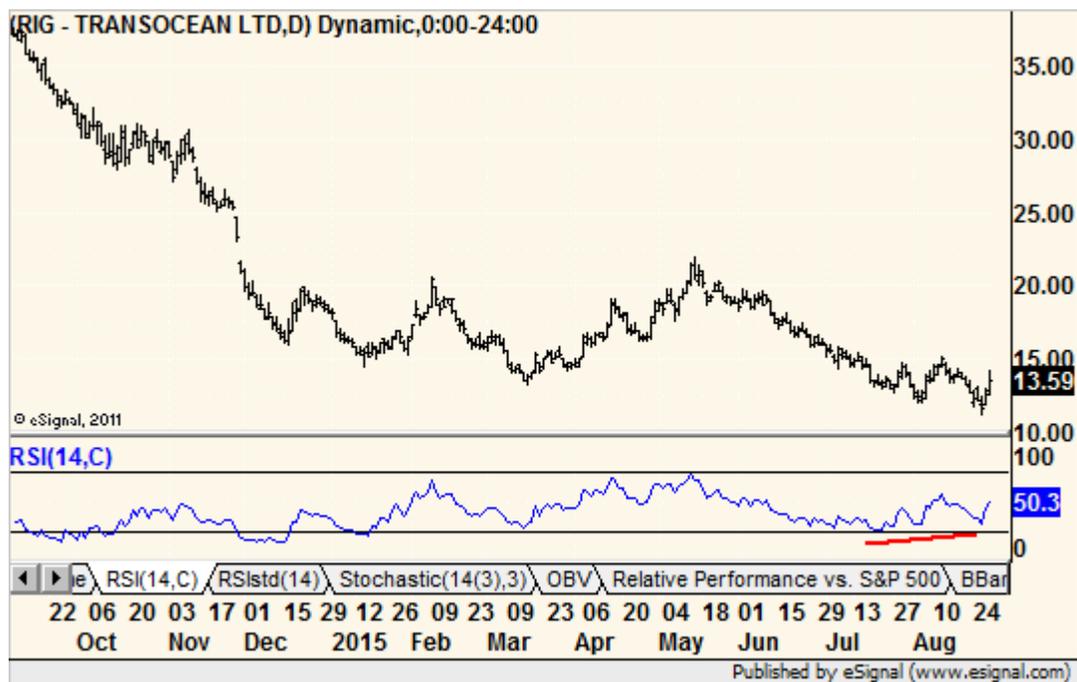
**Gold Miners ETF** – We pointed out a possible double bottom in progress here Friday but that pattern does not complete until a breakout above the center peak. However, look at all that volume since July. We think it is in transition.



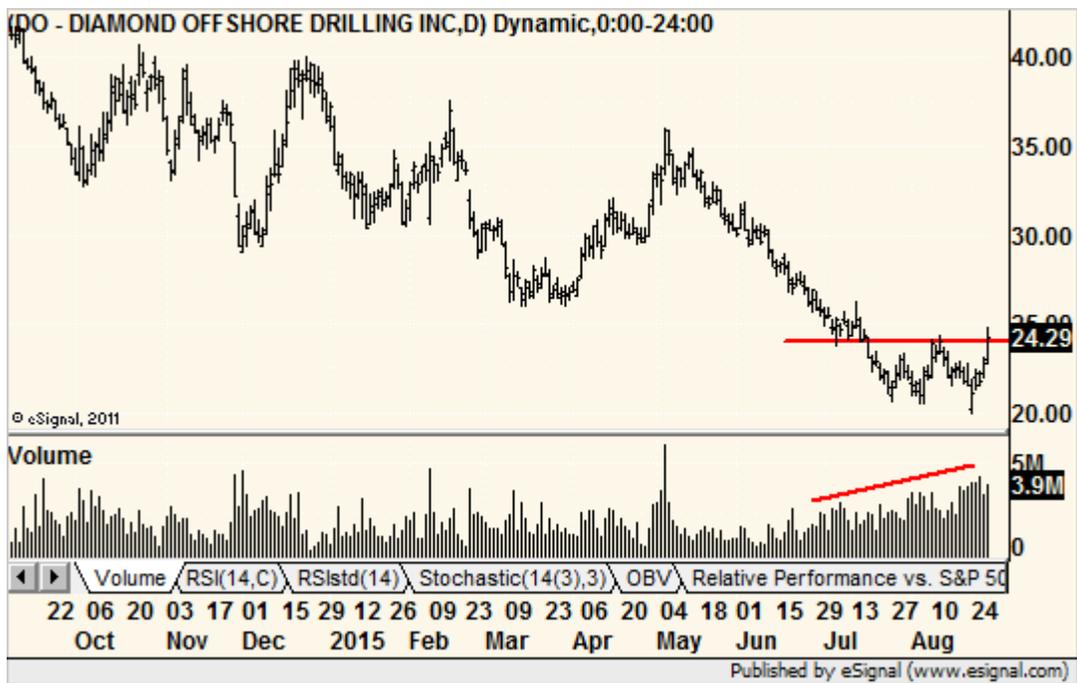
**Japan** – Looks very much like the S&P 500 with a 50% retracement into former support. Down over 1% today.



**Energy ETF** – Still a long way to go to become bullish. That seemed to be a dead cat bounce. And with that said, we still think the worst is over here. RSI barely reached oversold. Patience and a little research to find stocks a little ahead of the pack. Remember, we are still negative on the broad market. See next.



**Transocean** – Battered. But look how long it has been trading sideways. That is a good base so we wait for a better signal to buy.



**Diamond Offshore** – We are not sure that is a breakout but look at volume. Somebody is trading this thing and we have to think it is smarter money.



**Microsoft** – A good place to sell.

## 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>none</b>							
<u>Short</u>	<b>URBN</b>	URBAN OUTFITTERS INC	31.00	12.9%		35.00	7/21	39
	<b>NYT</b>	NEW YORK TIMES CO	12.33	6.2%	12.70	13.10	7/27	34
	<b>INTC</b>	INTEL CORP	27.75	3.8%		28.80	8/7	22
	<b>GS</b>	GOLDMAN SACHS GROUP INC	187.75	7.4%	190.00	201.70	8/11	19
	<b>FDX</b>	FEDEX CORP	152.50	7.2%	155.00	163.50	8/20	10
	<b>CMG</b>	CHIPOTLE MEXICAN GRILL	721.20	-0.2%	740.00	720.01	8/20	10
	<b>MHK</b>	MOHAWK INDS INC	197.59	-1.8%	210.00	194.01	8/28	2
	<b>AGN</b>	ALLERGAN PLC	308.01	1.1%	325.00	311.51	8/28	2
	<b>PFE</b>	PFIZER INC	32.66	2.0%	34.25	33.30	8/28	2

Notes: Stopped out of two shorts as the rebound continued farther than we thought.

Three new shorts triggered, taking advantage of that very rebound.

## 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

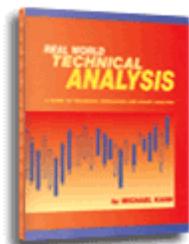
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



**24/7 Website archive** – <http://www.quicktakespro.com/archive> (password needed)

**Customer Support** - <http://www.quicktakespro.com/support.html>

**Recommended reading** - <http://www.quicktakespro.com/education.html>



What is a **two-pager**? These are short write-ups on various technical topics that are made available when further explanation of a topic is needed. There is no extra charge to subscribers. For those looking for a more complete reference and a bound version of these two-pagers, we offer the book *Real World Technical Analysis* at <http://www.quicktakespro.com/rwta.html>.

**Refer** a colleague to Quick Takes Pro and get a free month of service for each new paying subscriber. Just send an email (<mailto:mkahn@quicktakespro.com>) with names and email addresses and we’ll track them and credit your account.

Connect with us:



<http://www.facebook.com/QuickTakesPro.biz>



<http://twitter.com/mnkahn>



<http://www.linkedin.com/in/QuickTakesPro>



<http://www.quicktakespro.com/blog>



<http://pinterest.com/mnkahn/>



<http://youtube.com/quicktakespro>



<http://stocktwits.com/mnkahn>



<http://www.talkmarkets.com/contributor/mnkahn>

The information contained in this report is opinion, based on information that we deem to be reliable at the time of publication, but is not guaranteed in any form. This report does not constitute a recommendation to purchase or sell any security and the analysts are not registered investment advisors. Further analysis is recommended before undertaking any position in any security. Any risks are solely the responsibility of the buyer/seller. The authors, publishers and distributors of Quick Takes Pro and any associates thereof accept no liability for the content or actions taken by anyone or institution utilizing this report. The authors, publishers and distributors of Quick Takes Pro may have positions in securities mentioned in this report. All charts prepared with [eSignal](#) data and software unless otherwise indicated.

All contents © Michael Kahn Research LLC, 2015