

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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**September 3, 2015** – It was a recovery day for the stock market and today China is closed. Perhaps we'll see some organic moves rather than outside influenced panics. The Fed Beige Book yesterday actually offered upside wage pressures and that, while good for the economy, might not be so good for stocks as it gives the Fed some cover on a September rate increase. Cue the panic music. "Just when I thought I got out they pull me back in." – Sonny Corleone

The headlines said that tech led the late day surge but it was really just Apple. Airlines took top honors on the day with biotech rebounding. The laggards? Surprise, surprise it was gold, coal and natural gas. Oil stocks were up a bit with higher crude prices.

But does any of this sector stuff matter right now? We do not think so as a volatile market puts everything into the same basket. Sure, gold usually moves counter to that but not these days. In yesterday's Barron's Online column I looked at the 1000 level as a target. Chart below in the Big Picture section.

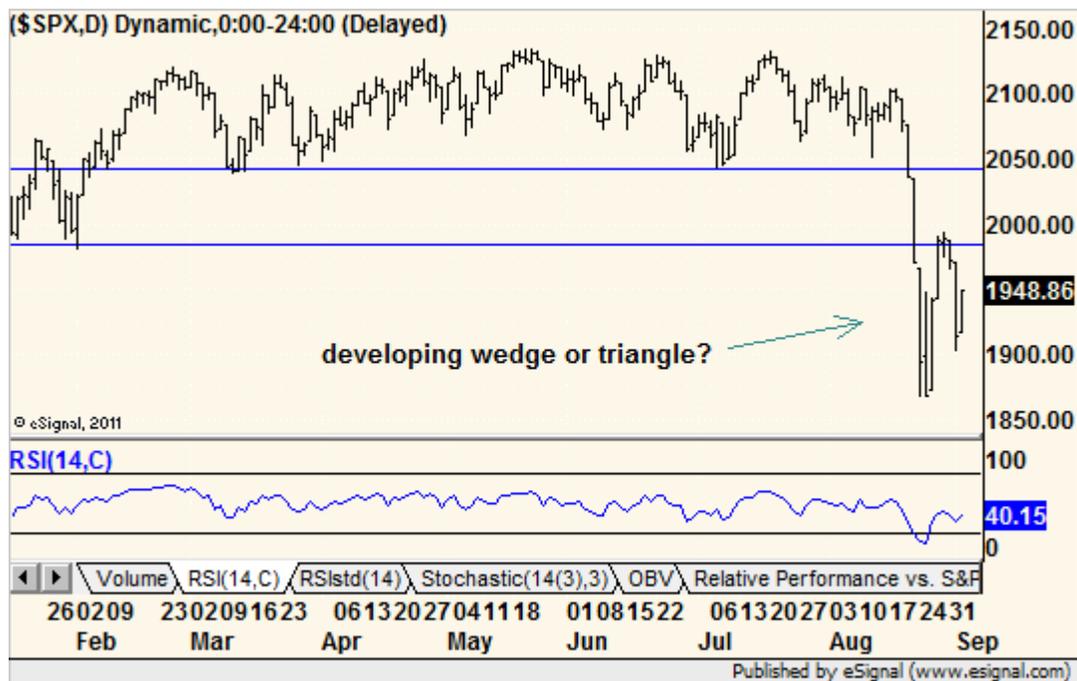


The hourly chart stopped at resistance, even with the overnight move. Repeating yesterday's text: "without a move above the resistance ridge at about 200 this is a bearish trend. In fact, we'd like it to try to reach the gap at 195 or so to set up some more short sales."

For that, mission accomplished.

A few more short ideas below but other than that we are laying a little low into Labor Day. Or at least into tomorrow's jobs report.

## Index Charts of the Day



Nothing new today, just some speculation on what is forming.



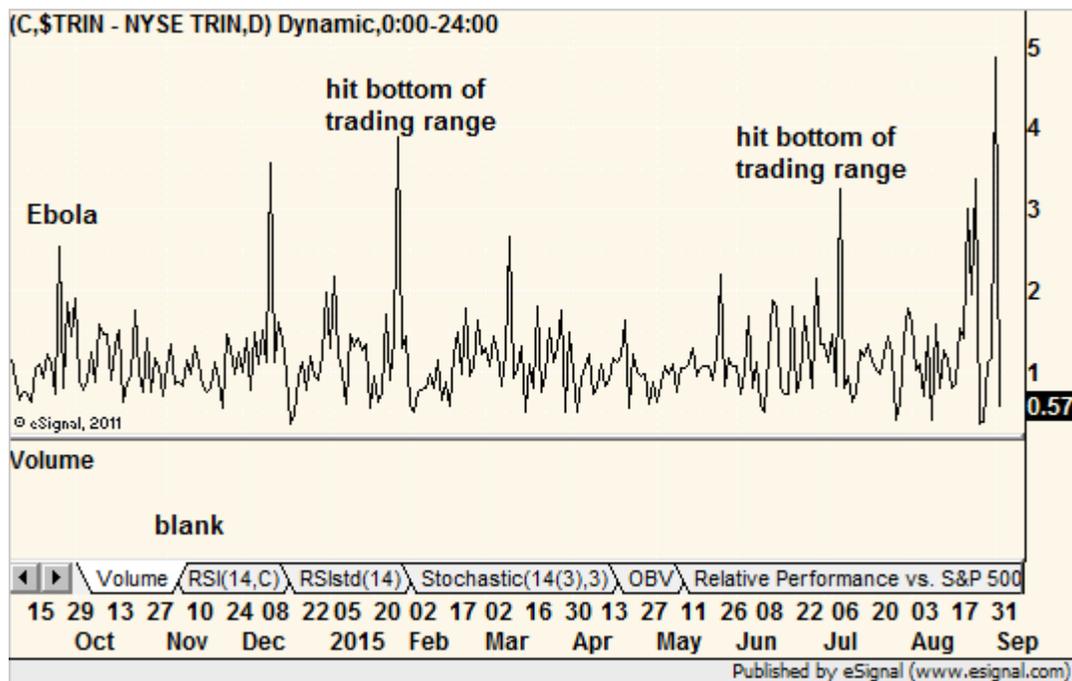
The Nasdaq is the last index without a death cross but it is not leading the market. Relative to the S&P 500 it is flat to falling. By the way, the equal weighted Nasdaq-100 ETF (QQEW) got its death cross yesterday.

## The Radar Screen

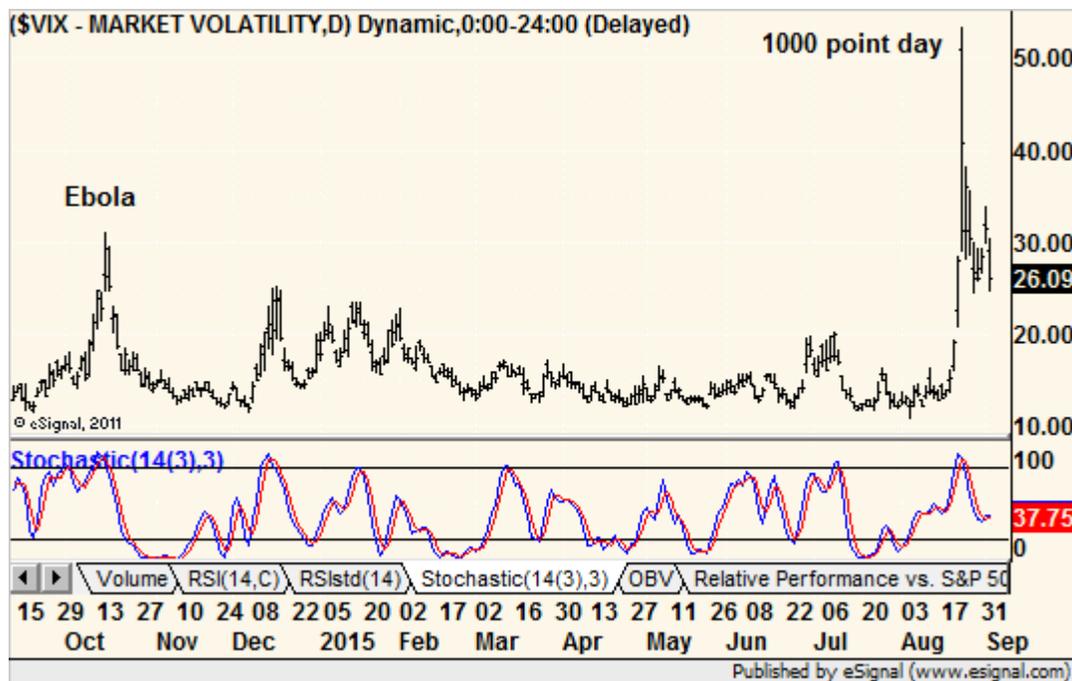
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Coca Cola KO</b> – Looking for a good sell the bounce candidate. This one already tested its breakdown and fell hard Monday. However, we can take advantage of today’s presumed bounce and sell the close if it closes higher. However, we will not sell if it closes above 39.45 – last week’s highest close.	<b>Triggered</b>	9/2
<b>Citrix CTXS</b> – Different sector but same plan as for Coke. Limit 68.25.	<b>Triggered</b>	9/2
<b>Express Scripts ESRX</b> – Another one to sell if it bounces a little more to the 200-day average. Sell 85.	<b>New</b>	9/3
<b>Facebook FB</b> – Dare we say the same for Facebook at 91?	<b>New</b>	9/3
<b>Unknown Implications</b>		
<b>none -</b>		
<b>Holding Tank – red shade leans bearish, green shade leans bullish</b>		
<b>Gold Miners ETF GDX</b> – This is changed to a long-shot for now but still interesting enough to keep it here.	<b>Changed</b>	8/31
<b>Transocean RIG</b> – Battered. But trading sideways for months. That is a good base so we wait for a better signal to buy.		8/31
<b>Diamond Offshore DO</b> – Small base but big volume. Somebody is trading this thing and we have to think it is smarter money.		8/31
<b>Netflix NFLX</b> –close to completing a head-and-shoulders top with neck at 100		9/2
<b>Sector Watch (observations that may spark ideas)</b>		
<b>none -</b>		
<b>Updates</b>		
<b>none -</b>		

## Market Highlights



**Arms Index** – The Trin was over 6 intraday Monday and people are making a big deal that it was the sign of a bottom. But look at the Ebola panic last year – that was a bottom. The other spikes along the way were nothing. We will take this with a giant grain of salt (and a lemon wedge).



**VIX** – This was better at spotting bottoms although the 1000-point day did not close there in price or VIX. We'll consider these indicators as interesting, not valuable right now.



**Express Scripts** – Another one to sell if it bounces a little more to the 200-day average. Sell 85.



**Facebook** – Dare we say the same for Facebook at 91?

## The Big Picture

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



This monthly chart shows that gold already retraced 50% of its bull market but the 1000 level is a good support target as we will see in the next chart...



Here is a weekly chart from a few years ago showing why the 1000 level is important.

## 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>NYT</b>	NEW YORK TIMES CO	11.89	10.2%	12.50	13.10	7/27	37
	<b>GS</b>	GOLDMAN SACHS GROUP INC	184.51	9.3%	190.00	201.70	8/11	22
	<b>FDX</b>	FEDEX CORP	150.82	8.4%	155.00	163.50	8/20	13
	<b>CMG</b>	CHIPOTLE MEXICAN GRILL INC	723.87	0.5%	740.00	720.01	8/20	13
	<b>MHK</b>	MOHAWK INDS INC	197.87	2.0%	205.00	194.01	8/28	5
	<b>AGN</b>	ALLERGAN PLC	299.61	4.0%	315.00	311.51	8/28	5
	<b>PFE</b>	PFIZER INC	31.97	4.2%	33.50	33.30	8/28	5
	<b>XLI</b>	INDUSTRIAL SELECT SECTOR SPDR	51.04	0.7%	52.75	51.39	8/31	2
	<b>MSFT</b>	MICROSOFT CORP	43.36	0.5%	44.50	43.56	8/31	2
	<b>KO</b>	COCA COLA CO	38.90	0.0%	40.75	38.90	9/2	0
	<b>CTXS</b>	CITRIX SYS INC	67.39	0.0%	70.50	67.39	9/2	0

**Notes:** Two new shorts at the close. The strategy was to buy after a bounce. We got a nice one on **CTXS** but **KO** went up only slightly.

## 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

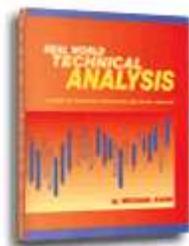
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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