

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**September 5, 2014** - Hot on the heels of an interest rate cut by the ECB and a new form of QE in Europe, stocks took off Thursday morning. The euro tanked, which not only sent the dollar higher but gave gold a bearish reversal to a new three-month low.

Unfortunately for stock jocks, the euphoria faded and not long after the US markets opened prices started to fade. And fade. Most indices ended in the red and as we'll see in the Index Charts of the Day section below some formed bearish reversals. The Dow Industrials also failed at resistance after ticking a new intraday all-time high.

The bright spot was the transportation sector, which moved up across its sub sectors. A down blip in oil helped but the transports really broke out a few days ago. Although they faded with the market, they stayed green. They were also the topic of my [Barron's Online](#) column yesterday.

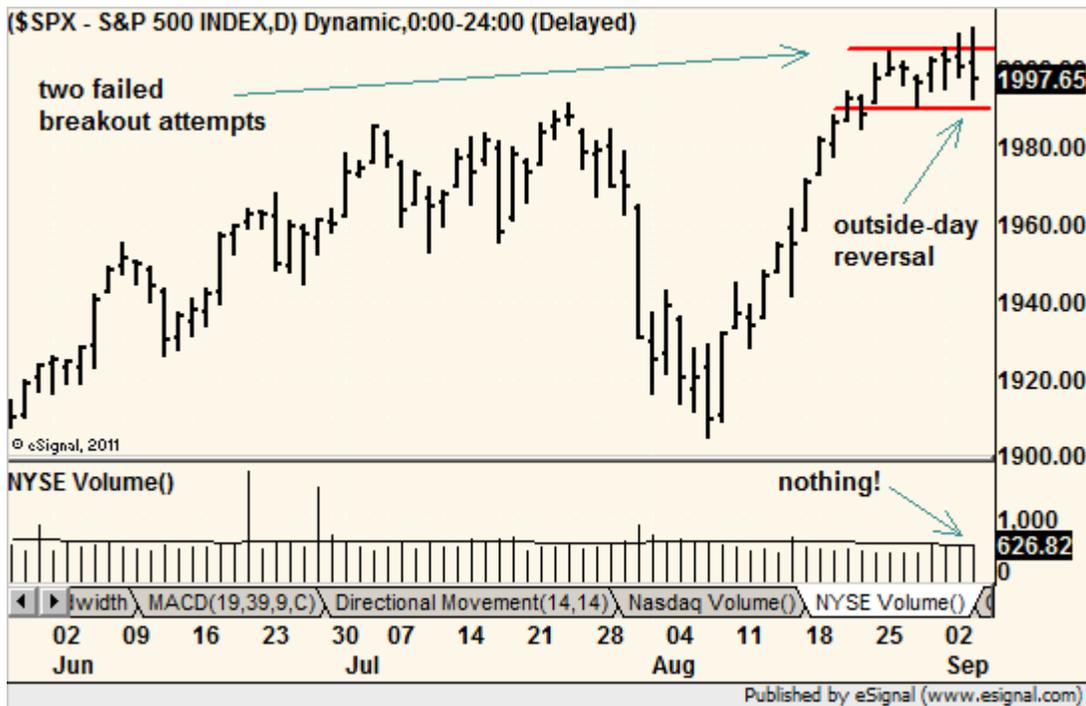
Retail also stayed green and did not really back down much at all. Such troubled names as **JCP**, **WAG** and **RSH** led the rally but it was a big jump in the giant **COST** that really floated retail indices. **KSS** added a fresh breakout to its new-found rally. We'll have a few more breakouts in the Quick Takes section below.

And then there is this morning's non-farm payrolls report for August. It sucked. But that means the Fed has less pressure to raise rates sooner. Stocks and bonds liked it although the government will not be pleased.

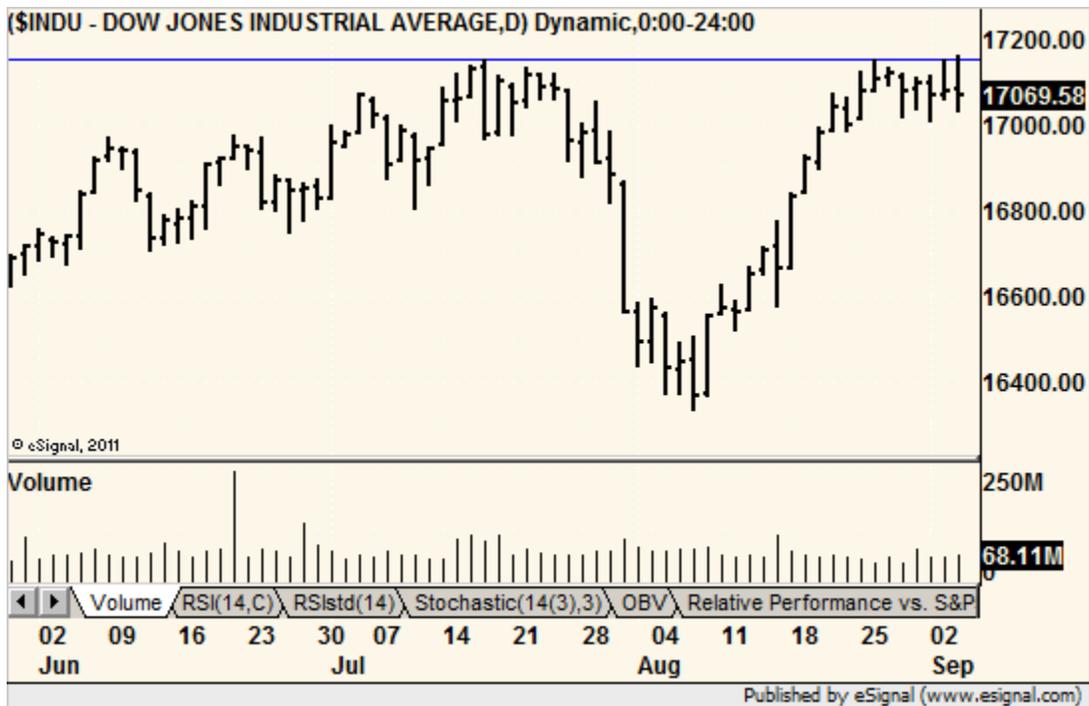


Overall, stocks are still mostly bullish although this has been a wiggly week. Some reversal signs are there but only for pullbacks. We still view October as the time to really worry so for now we are conservatively long. Let's see how the knee-jerks calm down as the market digests the jobs report.

## Index Charts of the Day



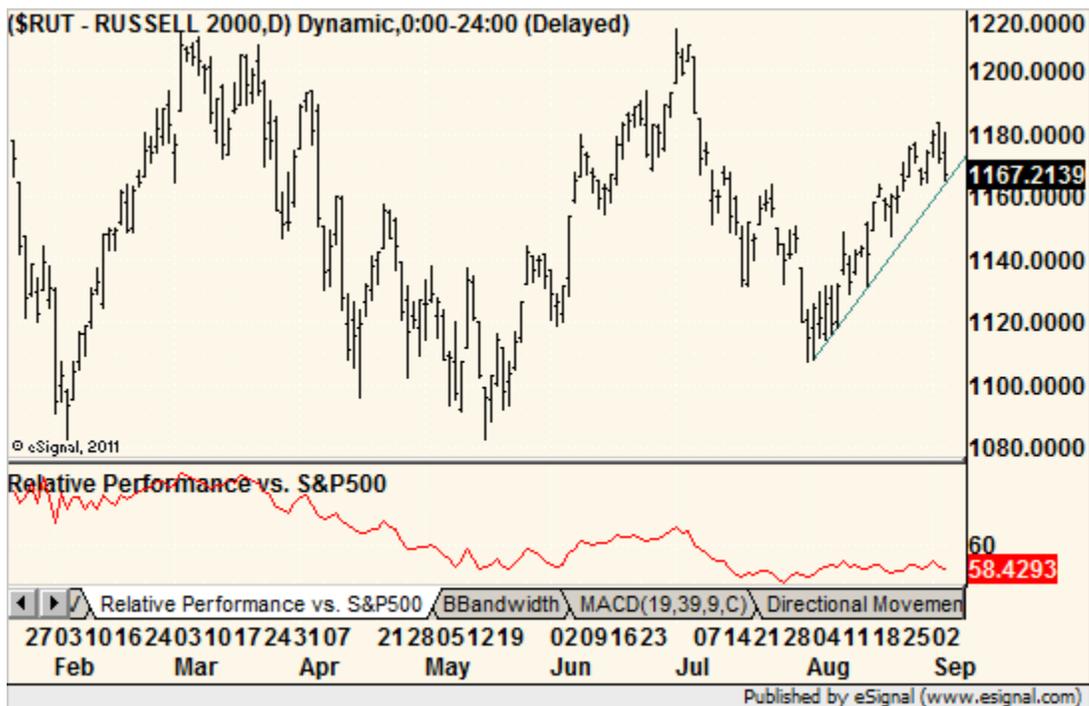
The S&P 500 now has two intraday records and two intraday failures. The range is still intact but the reversals do not bode well. But before we run, note that volume was still low. Jobs reaction may change it.



Yes, it was a new intraday high for the Dow but we do not consider it to be a breakout and failure. It was just not significant.



The Nasdaq reversed Wednesday and followed through Thursday but again, volume was lower. The real test is the red line and anything leading down to it is just a pullback.



The Russell 2000 may dip below the steep trendline at the open but we want to see how low it goes before making any judgments.

## The Radar Screen

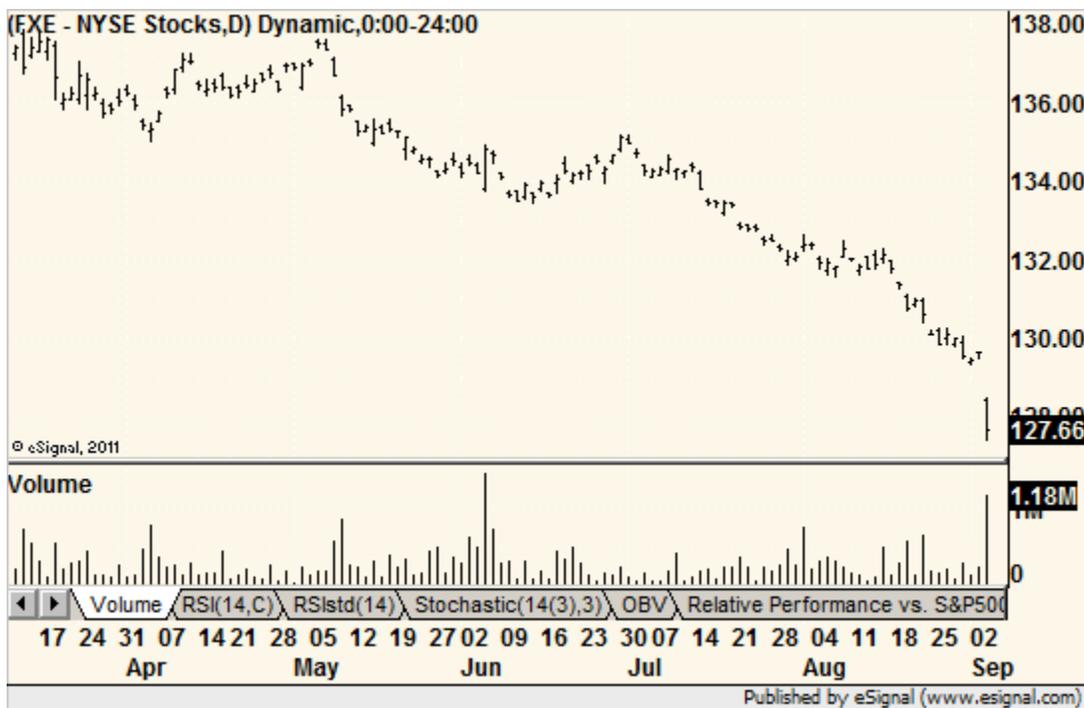
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Teekay Tankers TNK</b> - An oil tanker with an ascending triangle. Nice support by rising 50-day average. Baltic (dry) shipping rate rising. Buy close over 4.44.		9/3
<b>Bearish Implications</b>		
<b>Caterpillar CAT</b> - Nice looking bear flag with falling volume. Now in the gap and still losing volume. Sell below 107.00 but clearly this one is not cooperating. Inverted hammer Monday so there is hope now		8/13
<b>Priceline PCLN</b> - This one looks bad. We wanted to sell the test of the trend break but it kept falling. <b>Still OK to sell</b> but we missed it.	<b>Removed</b>	9/4
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Dicks Sporting Goods DKS</b> - I wrote this in Barron's Online as a stock that was showing signs of healing (reversal earlier this month). Earlier it popped on heavy volume. Now waiting for a dip to buy.		8/21
<b>3D Systems DDD</b> - 3D printing back in the market's view. This one seems to be coming off support. <u>Waiting for a fresh breakout</u>		8/29
<b>Vodafone VOD</b> - Looking for a possible double bottom breakout. Takeover chatter by Softbank.		9/3
<b>Home Depot</b> - It took Target months to even start recovering after its credit card hack. HD is a much better stock but we'd let it fall some more before thinking about getting in.		9/3
<b>Soufun SFUN</b> - This is a Chinese real estate portal and home furnishings website and it is poised to break out. It has already bounced off a newly rising 50-day average and now sports an ascending triangle pattern.		9/4
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Biotech</b> - the leader		8/15
<b>Solar Power</b> - Some nice rising trends <b>TSL, SPWR, FSLR, CSIQ.</b>		8/20
<b>Technology XLK</b> - Still leading but it lost its mojo. More of a long-hold than a place for big new buying.		8/25
<b>Healthcare XLV</b> - Not too overdone and with room to go within its trend channel. Of course, reaching the upper border will require a big rally so we do not think it will get there. But for now, a leader, in large part thanks to biotech		8/25
<b>Financial ETF XLF</b> - Banks do not look this good but <b>XLF</b> may have a little uptick in the works relative to the market.		8/25
<b>Retail</b> - Went from loser to winner yesterday	<b>Changed</b>	8/29
<b>Discretionary ETF XLY</b> - Possibly improving relative to the market but not by much. Watch the breakout level, now support. A dip back below instantly targets the rising line where a breakdown - if it happens - would be very bad. For now, it remains in decent shape and nothing more.		9/2
<b>Transports</b> - Rails and air freight leading but all areas stronger than the market	<b>New</b>	9/5
<b>Updates</b>		
<b>none</b> -		

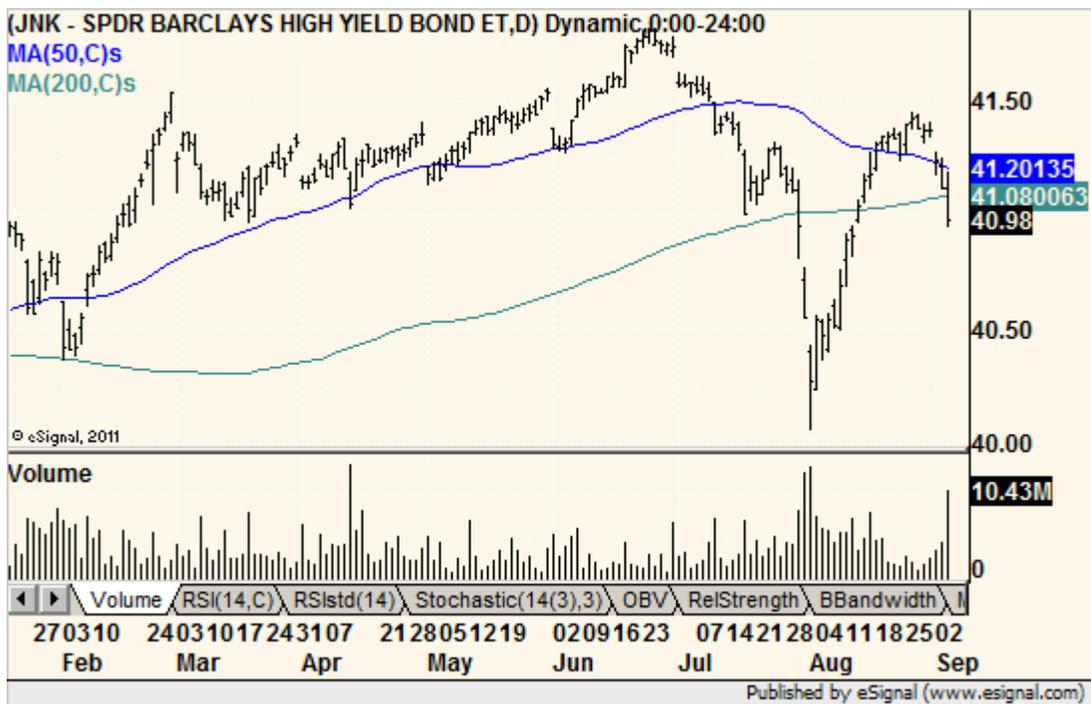
## Market Highlights



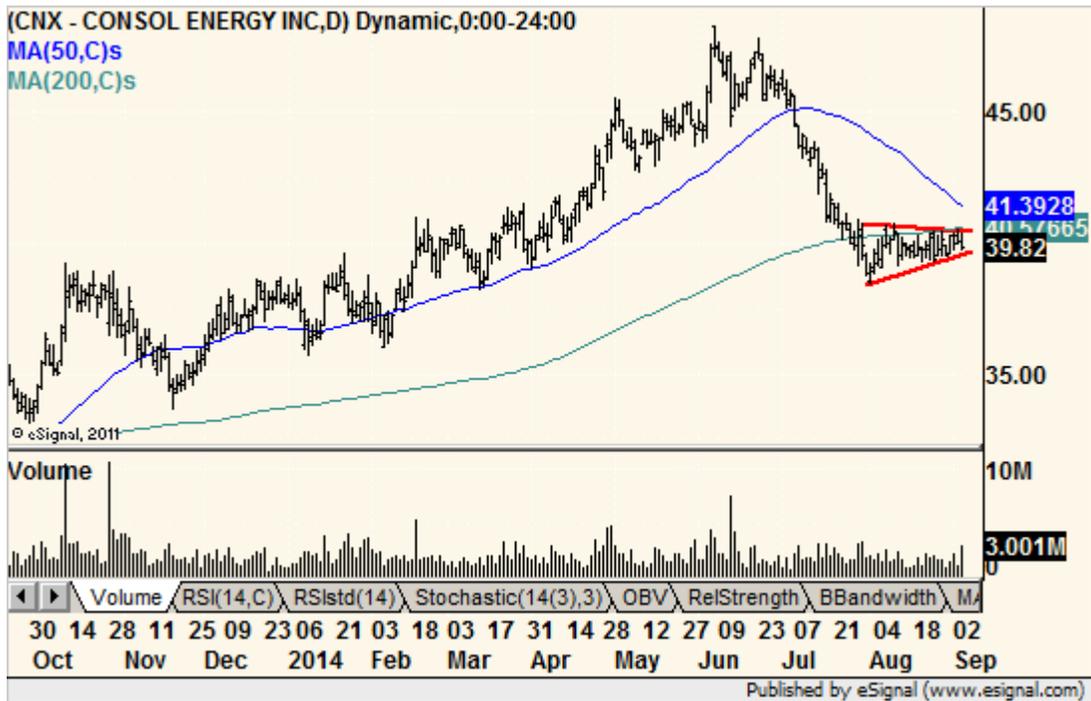
**Gold Miners** - Clung to life until yesterday. Obviously, this is not a good thing. Should get a little boost after the weak jobs report but it needs a lot of repair.



**Euro ETF** - Totally wiped out any bullish setup that we saw before the ECB rate cut.



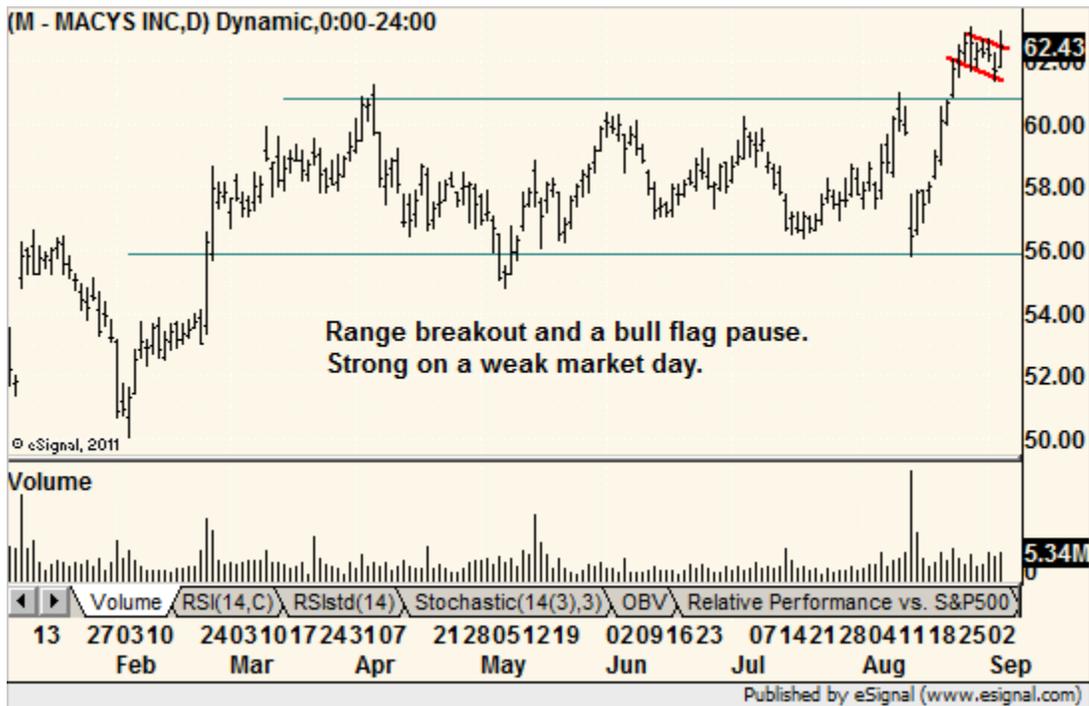
**Junk Bond ETF - Not a good move.**

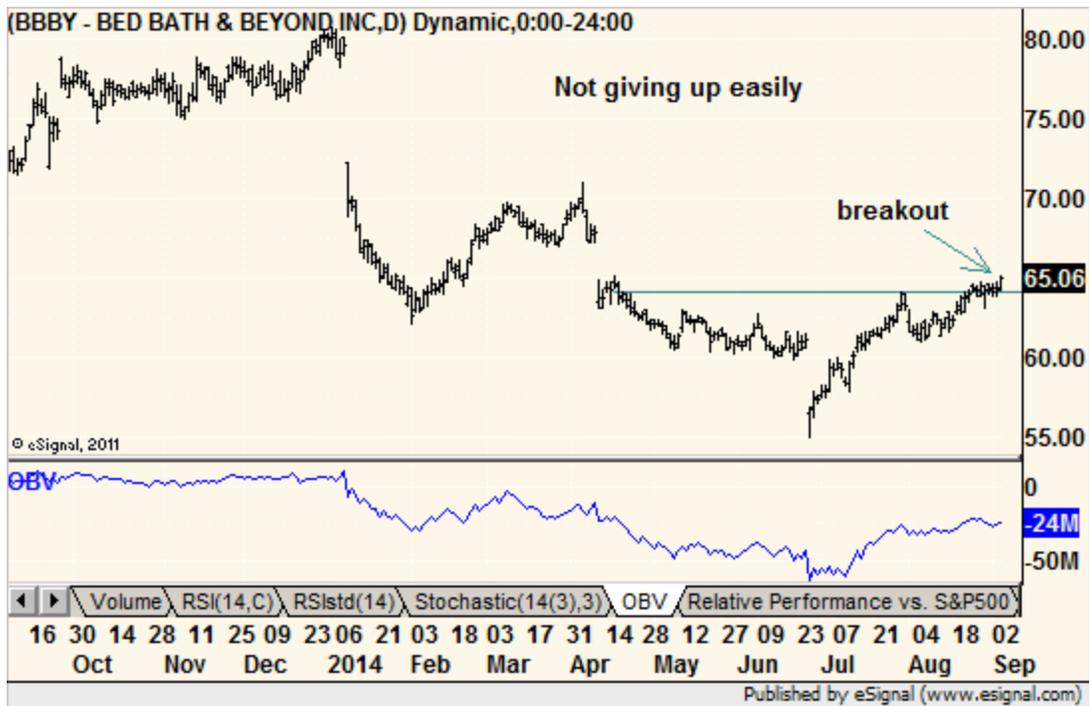


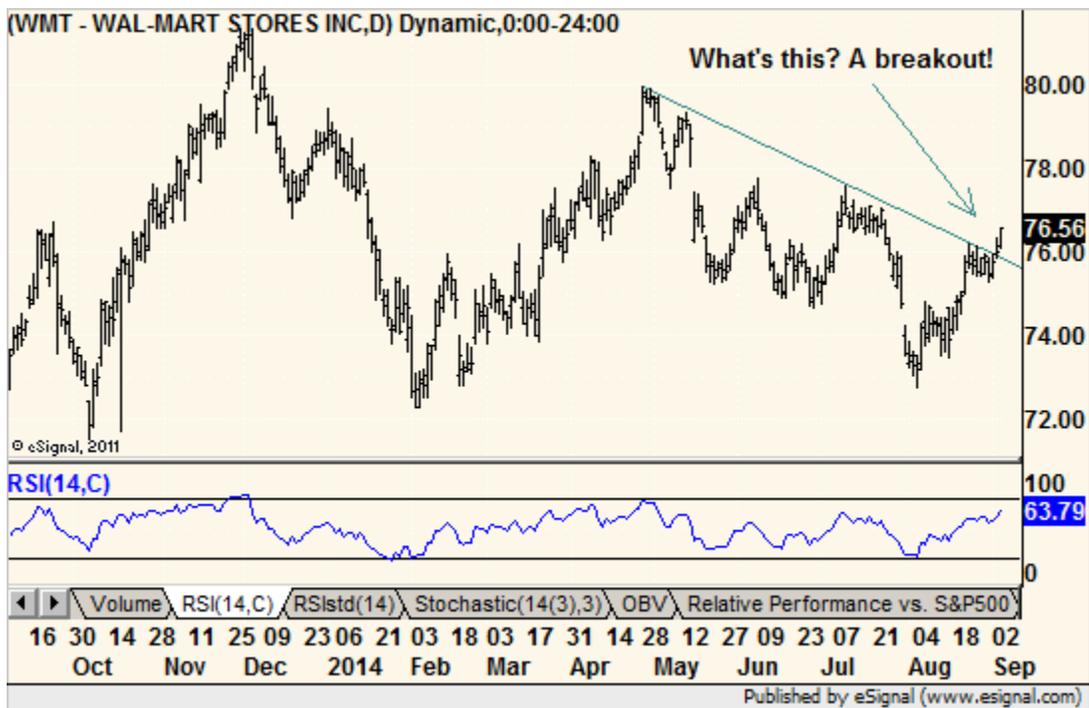
**Consolidated Energy - This coal stock is in a triangle below its major averages. Looking for a break of 39.60 to sell.**

## Quick Takes

In this section, we take a fast look at charts with just captions.







## 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. **Green** means we closed them. 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>MCD</b>	MCDONALDS CORP	93.01	-1.3%	92.50	94.25	8/18	17
	<b>SFLY</b>	SHUTTERFLY INC	49.47	-2.0%	48.25	50.47	8/20	15
	<b>GNC</b>	GNC HLDGS INC	39.00	4.0%	37.00	37.50	8/25	10
	<b>MRVL</b>	MARVELL TECHNOLOGY GROUP LTD	14.13	1.6%	13.40	13.91	8/25	10
	<b>NEM</b>	NEWMONT MINING CORP	25.70	-3.0%		26.50	8/26	9
	<b>CERN</b>	CERNER CORP	58.99	3.3%	56.50	57.12	8/26	9
	<b>VZ</b>	VERIZON COMMUNICATIONS INC	49.72	1.2%	48.00	49.15	8/26	9
	<b>K</b>	KELLOGG CO	64.93	-0.1%	62.75	65.00	8/27	8
	<b>PF</b>	PINNACLE FOODS INC DEL	33.49	3.0%	32.25	32.50	9/2	2
	<b>DBA</b>	POWERSHARES DB AGRICULTURE FD	26.38	-0.6%	25.75	26.55	9/2	2
<u>Short</u>	<b>USB</b>	US BANCORP DEL	42.24	1.6%	42.50	42.90	7/11	55
	<b>CMCSA</b>	COMCAST CORP NEW	54.88	-2.1%	56.00	53.73	7/31	35
	<b>LVS</b>	LAS VEGAS SANDS CORP	63.08	9.3%	67.00	68.94	8/22	13

**Notes:** Stopped out of **NEM** as gold stocks tanked. Not too bad of a loss.

Raised stops in **GNC** and **PF**.

## 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

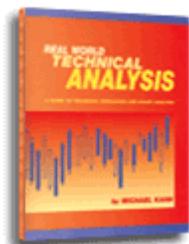
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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