

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

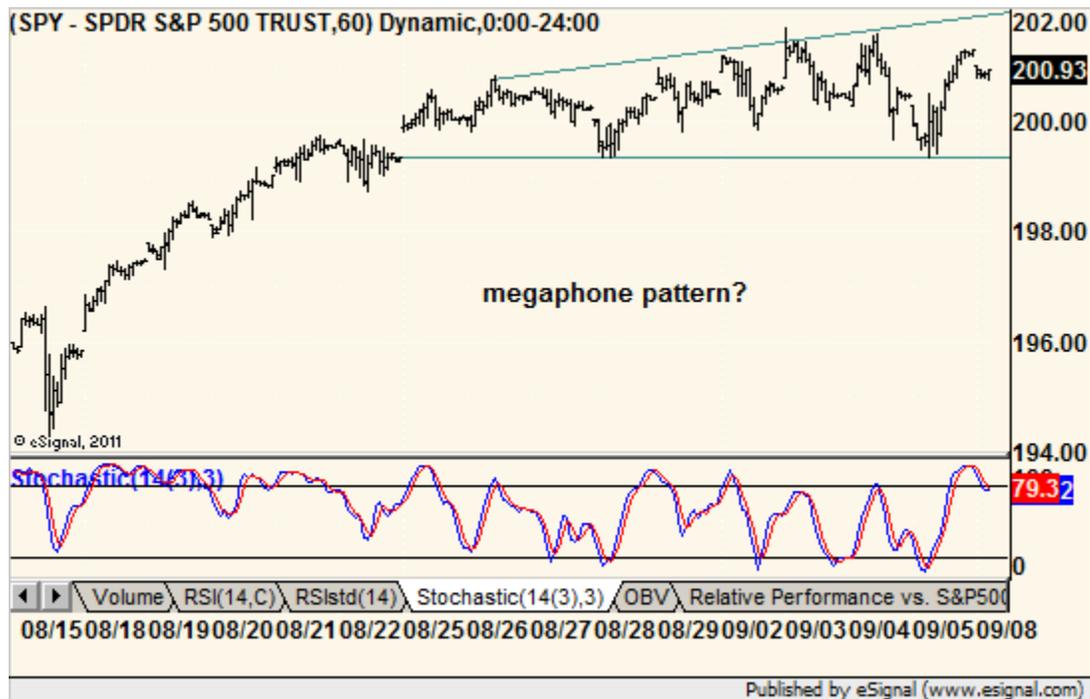
MICHAEL KAHN
RESEARCH LLC

September 8, 2014 - Here is the news paragraph that summed up Friday's action:

A surprisingly weak jobs report indicated a marked slowdown in the labor market. However the initial reaction was muted, as investors appeared to focus on the idea that the creation of fewer new jobs than expected won't alter the Federal Reserve's thinking on interest rates.

In other words, lethargic economic growth is good for stocks as the Fed won't raise interest rates any sooner than planned. What a sad statement about how the market is controlled, not just influenced, by a few suits (and skirts) in DC.

Technically, the S&P 500 still has a pair of failed intraday breakouts on the table and the Nasdaq still has a bearish one-day reversal working from last week. And Europe, which popped on more stimulus from the ECB last week, is stalling today. There is more "stuff" happening over there, specifically a **Scottish independence referendum** which is gaining traction. The British (and Irish) stock market is getting hammered today as is the British pound.

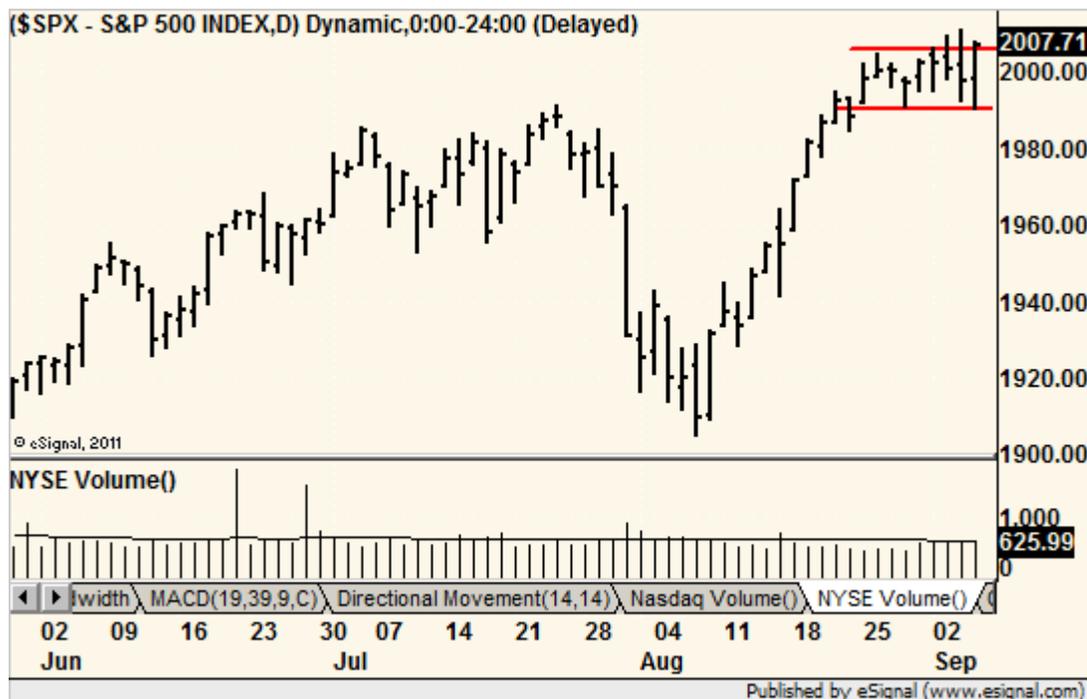


After last week's bounce off support, the hourly chart shows what may be the first lower high in the past few weeks. It does not look like much when viewed on daily charts but here it looks to be a failure swing within an expanding triangle or megaphone pattern. Normally that pattern has a falling, not flat bottom so we'll take it with a grain of salt. The key is support at 199.35 on the **SPY**.

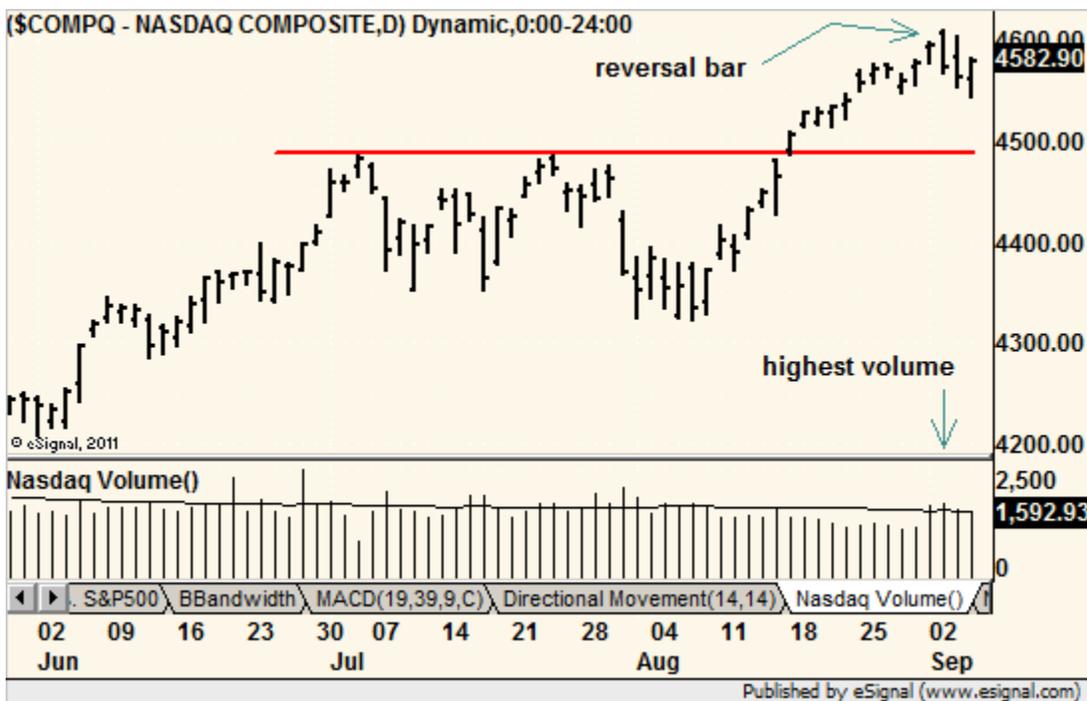
Elsewhere, the politics were calm in Ukraine and ISIS over the weekend, the latter being a relative calm. Not much on the earnings and economics front due, either, so maybe we'll see the market trade on technicals for a change.

China remains hot. Check out the breakout in utilities as T- bonds stay soft but within a rising trend.

Index Charts of the Day



The S&P 500 After two failed breakouts last week, the index closed slightly above resistance Friday. It was not a significant breakout so we do not count it. Today, it is backing down again - still within the range/



The Nasdaq still has a one-day reversal bar in place. Note it had the highest volume in recent weeks and therefore suggests caution. However, the real line in the sand is the red line support as shown. A decline down to it would actually be a good thing - of course, if it holds, that is.



The Russell saved a breakdown Friday but it looks to go for another try today.



Utilities broke out Friday and are back above the old rising trendline.

The Radar Screen

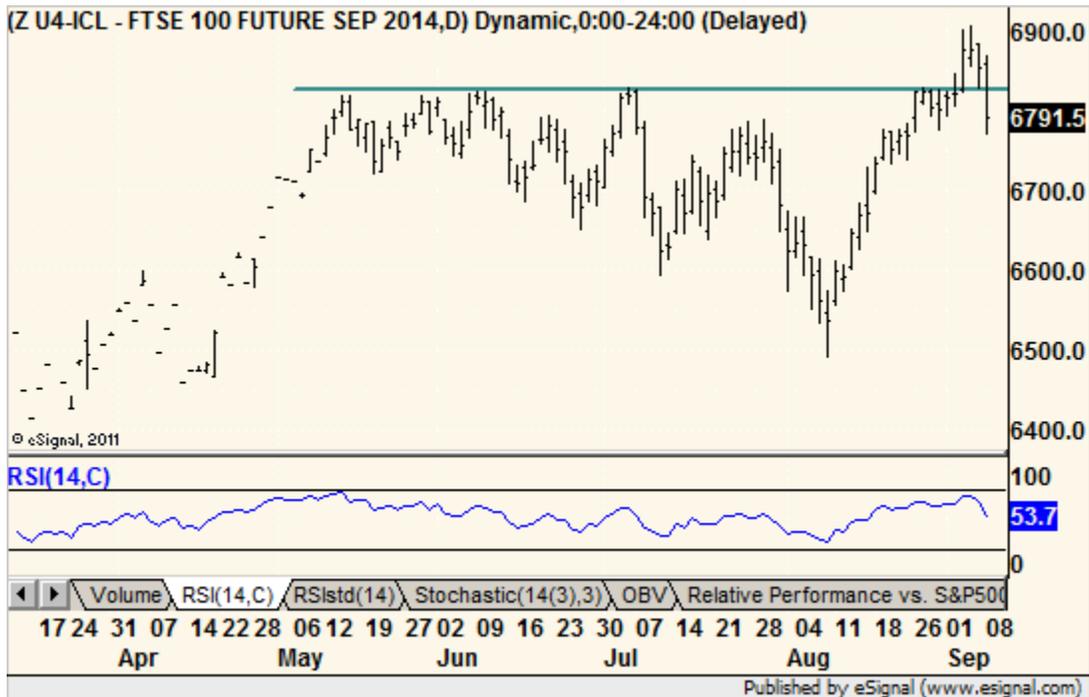
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Teekay Tankers TNK - 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
Whole Foods WFM - We've been watching since the debacle in May. Now looks to be coming out of its healing base. We'll buy a close over 40.	New	9/8
Bearish Implications		
Caterpillar CAT - 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
Soufun SFUN - 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. Buy close over 12.76	Moved	9/4
Consolidated Energy CNX - This coal stock is in a triangle below its major averages. Looking for a break of 39.60 to sell.		9/5
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Dicks Sporting Goods DKS - 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
3D Systems DDD - 3D printing back in the market's view. This one seems to be coming off support. Waiting for a fresh breakout		8/29
Vodafone VOD - Looking for a possible double bottom breakout. Takeover chatter by Softbank. <u>Gap down Friday makes this less likely. Still watching.</u>		9/3
Home Depot - 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. <u>Big Friday but still waiting.</u>		9/3
Gogo GOGO - This is that in-flight internet service we see on airplanes. The chart is intriguing as a possible buy with fan lines and a higher low. We'll keep an eye on it.	New	9/8
Sector Watch (observations that may spark ideas)		
Biotech - the leader		8/15
Solar Power - Some nice rising trends TSL, SPWR, FSLR, CSIQ.		8/20
Technology XLK - Still leading but it lost its mojo. More of a long-hold		8/25
Healthcare XLV - 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
Financial ETF XLF - Banks do not look this good but XLF may have a little uptick in the works relative to the market.		8/25
Retail - Looking at a few possible breakouts: M, LB, LOW, BBBY, WMT, ARO		9/5
Discretionary ETF XLY - Possibly improving relative to the market. For now, it remains in decent shape and nothing more.		9/2
Transports - Rails and air freight leading but all areas stronger than the market		9/5
Updates		
none -		

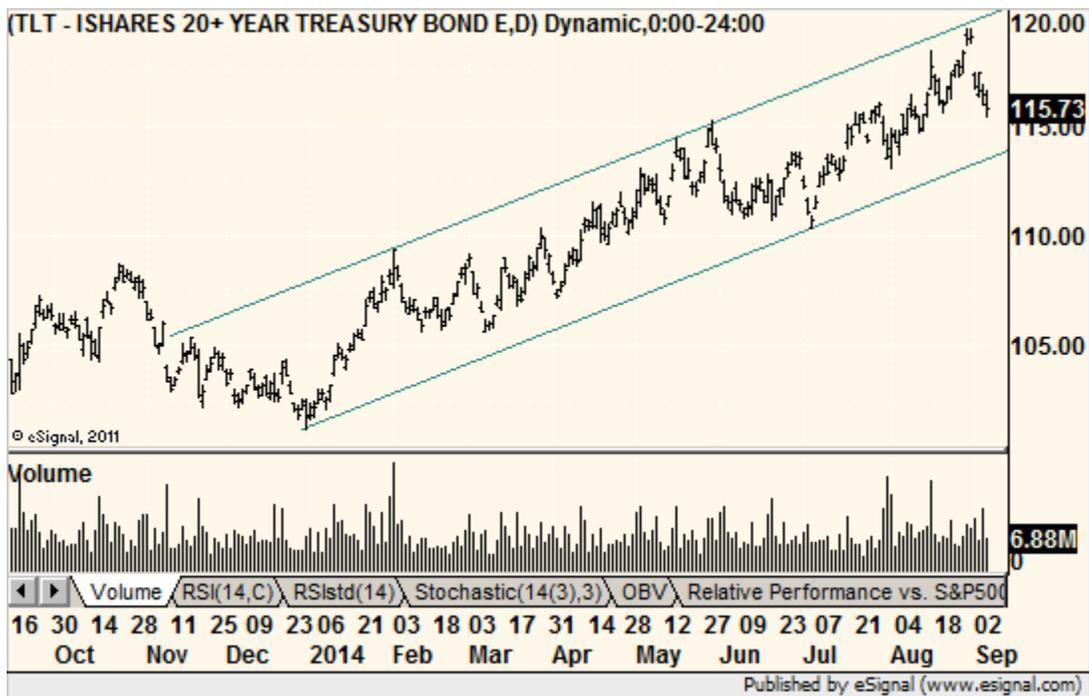
Market Highlights



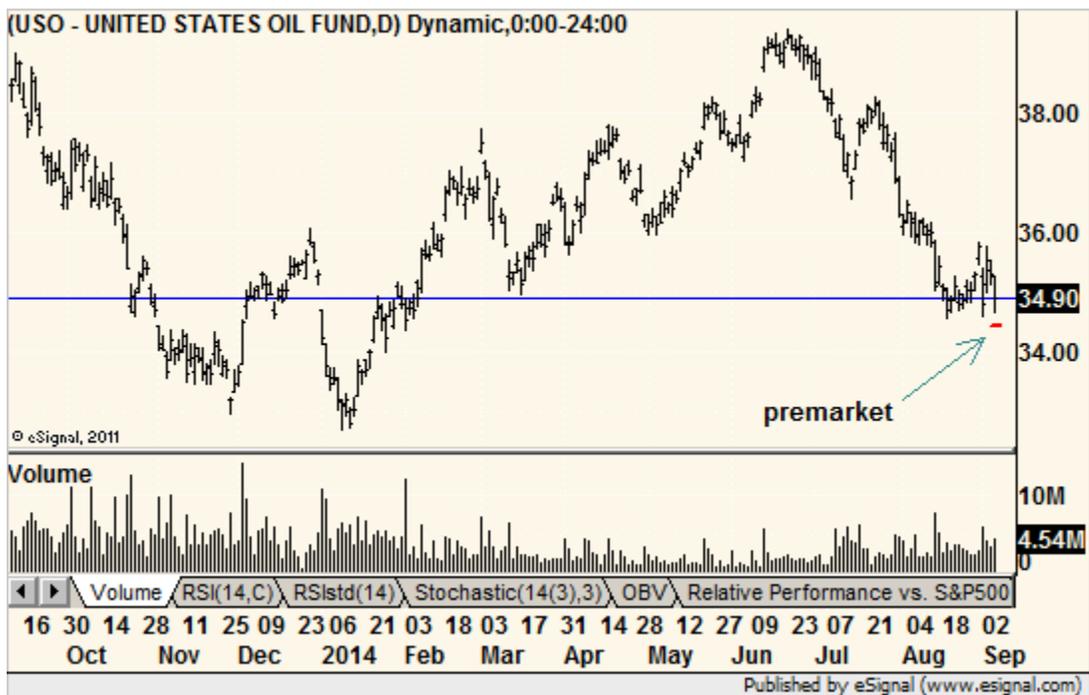
British pound futures - Clearly in free fall. It is very oversold but that does not automatically translate into a bounce.



FTSE 100 (UK) futures - This is the UK benchmark index in the European morning. A breakout failure in progress.



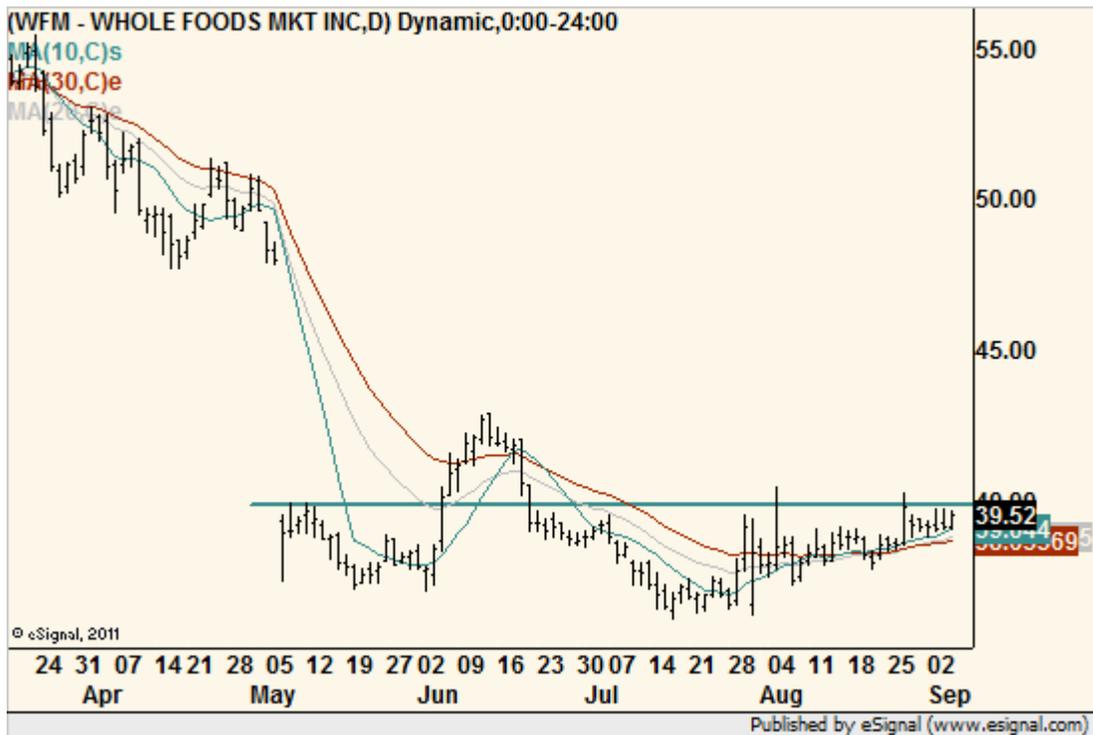
Long-T-bond ETF - Still in a rising trend channel.



Oil ETF - Looks to be breaking the fuzzy support in the premarket. They blame slowing Chinese growth.



Gogo - This is that in-flight internet service we see on airplanes. The chart is intriguing as a possible buy with fan lines and a higher low. We'll keep an eye on it.



Whole Foods - We've been watching since the debacle in May. Now looks to be coming out of its healing base. We'll buy a close over 40.

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>	MCD	MCDONALDS CORP	93.07	-1.3%	92.50	94.25	8/18	19
	SFLY	SHUTTERFLY INC	50.82	0.7%	48.25	50.47	8/20	17
	GNC	GNC HLDGS INC	39.83	6.2%	37.50	37.50	8/25	12
	MRVL	MARVELL TECHNOLOGY GROUP LTD	14.13	1.6%	13.40	13.91	8/25	12
	CERN	CERNER CORP	59.47	4.1%	56.50	57.12	8/26	11
	VZ	VERIZON COMMUNICATIONS INC	49.94	1.6%	48.00	49.15	8/26	11
	K	KELLOGG CO	65.20	0.3%	62.75	65.00	8/27	10
	PF	PINNACLE FOODS INC DEL	33.82	4.1%	32.25	32.50	9/2	4
	DBA	POWERSHARES DB AGRICULTURE FD	26.43	-0.5%	25.75	26.55	9/2	4
<u>Short</u>	USB	US BANCORP DEL	42.13	1.8%	42.50	42.90	7/11	57
	CMCSA	COMCAST CORP NEW	55.70	-3.5%	56.00	53.73	7/31	37
	LVS	LAS VEGAS SANDS CORP	62.82	9.7%	66.00	68.94	8/22	15

Notes: Raised some stops.

CMCSA is a lost cause.

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

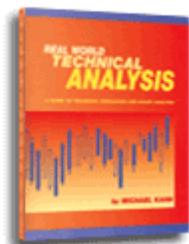
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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