

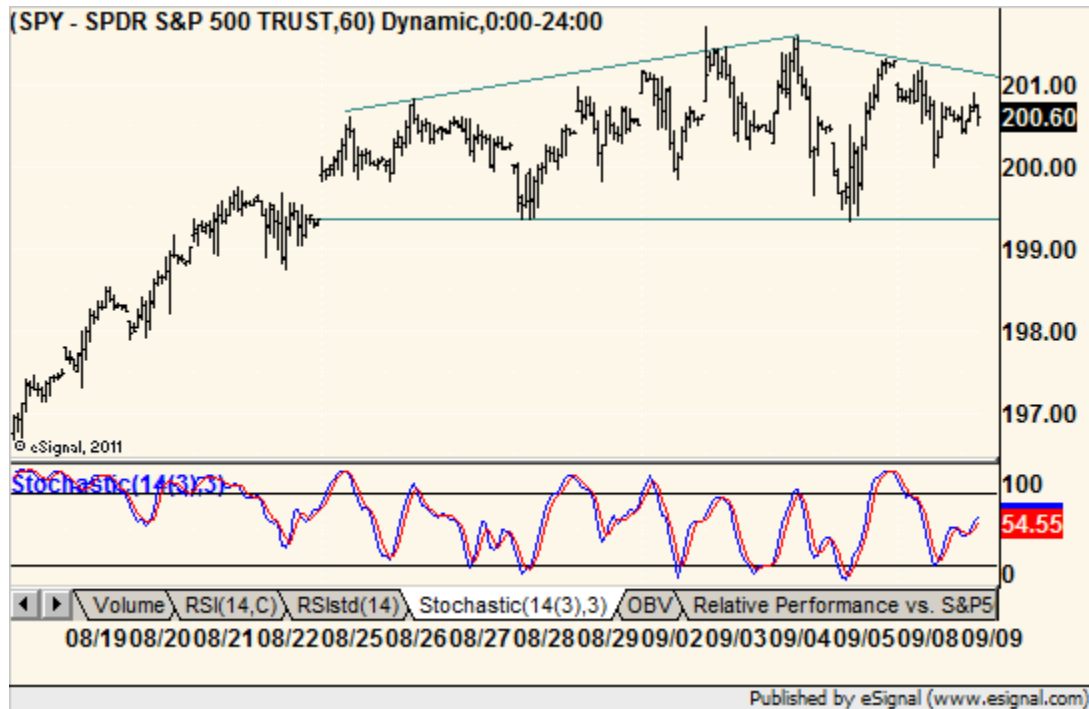
QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

September 9, 2014 - Although the news headlines have to blame/credit something, yesterday's stock market action was really nothing. Major indices remain well within recent ranges although breakout failures in several seem less worrisome now. It's almost as if the market really is tired and with little news on the horizon it decided to take some time off. Not a joke. The market looks to be on holiday. Post Labor Day volume is not much better than pre-Labor Day.

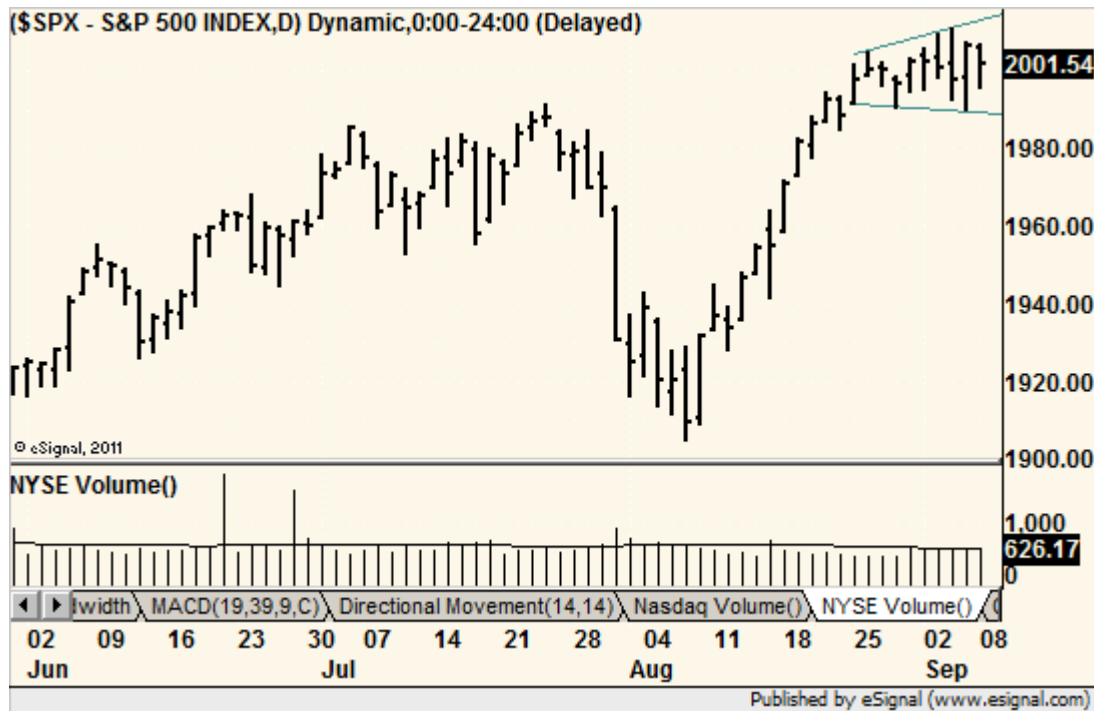
We'll jump right in to the hourly chart:



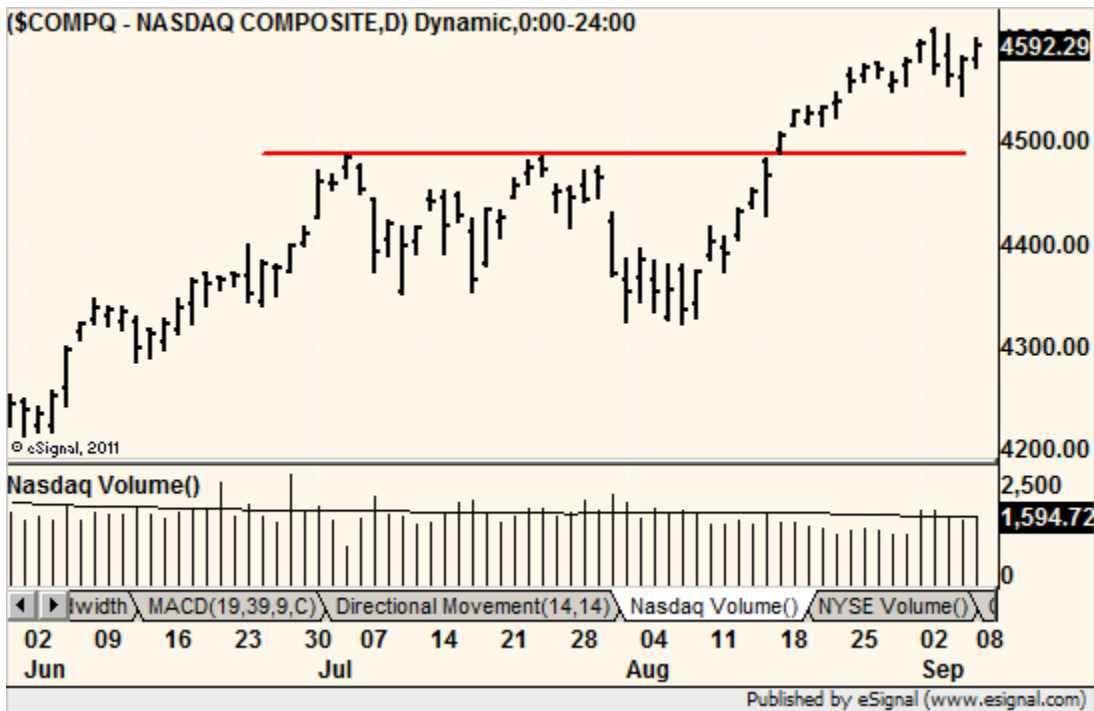
The expanding phase seems to be over and now a contracting phase is starting. It is like a diamond top but here we have a flat bottom. Does it matter? Probably not. More than any pattern what we see is sideways action with no real hints in momentum. Not shown in this hourly chart is rising on-balance volume but does that make sense in this time frame? We are not sure but if anything it cannot be bad.

That's about it for comments. The only point of interest is that German 10-year yields backed up over 1% again. They are still ridiculously low.

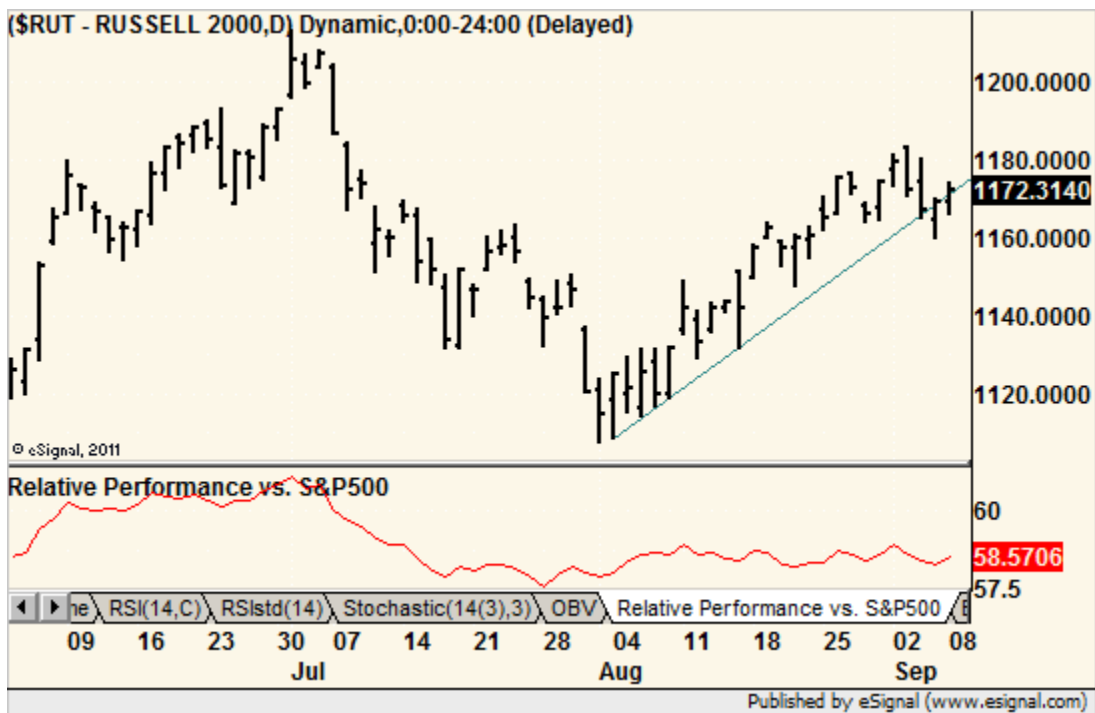
Index Charts of the Day



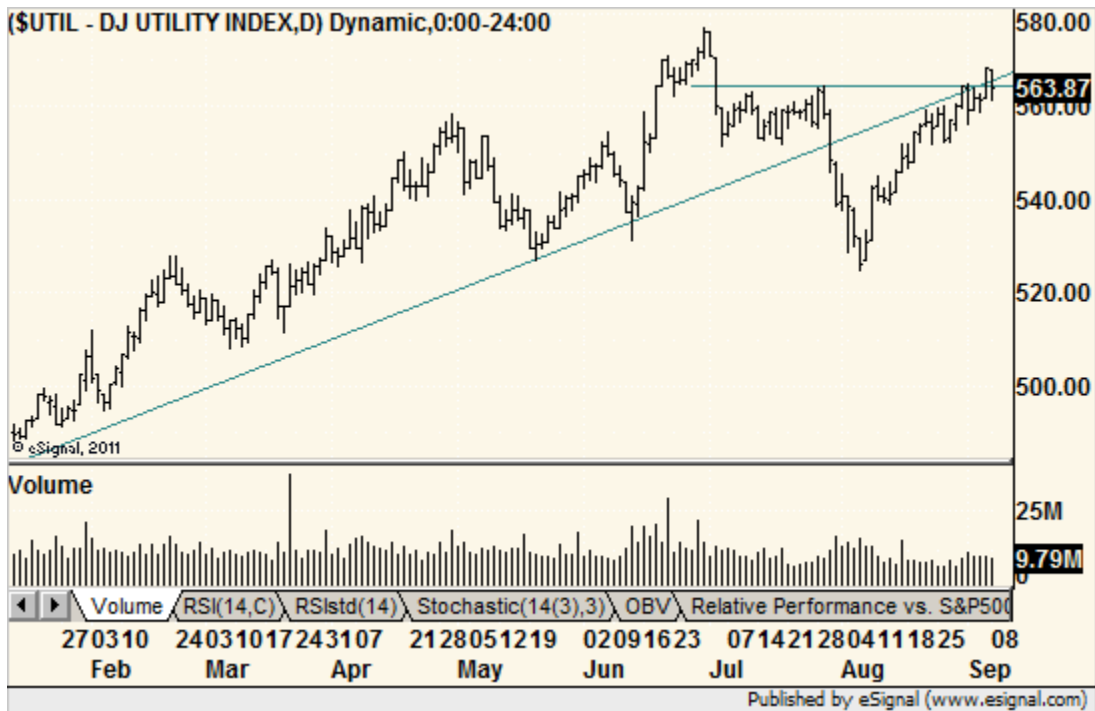
We've changed the shape of the range markings to show expanded ranges. Still flat with falling volume, however, and that means the market is waiting for a spark of any kind.



The Nasdaq reversal bar last Wednesday is still officially intact but the downside follow through evaporated. Either this is heading for a short-term double top or the bears have run out of time.



We wrote this yesterday: "The Russell saved a breakdown Friday but it looks to go for another try today." Here, too, the bears are running out of time.



The utilities broke out Friday but yesterday fell back. Here, the bulls are the ones that are running out of time.

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.		9/8
Ubiquiti Networks UBNT - This is a network equipment maker and it is now bumping up against resistance where a breakout would be buyable. It is above its major averages but this one is based purely on price levels. Buy 47.55.	New	9/9
Therapeutics MD TXMD - This is a women's healthcare products company and it is bumping resistance. A close over 5.71 would be a good buy signal. Other technicals are mediocre but none refute it. Also, it is low-priced but traded big volume.	New	9/9
Bearish Implications		
Caterpillar CAT - Nice looking bear flag with falling volume. Now in the gap and still losing volume. Sell below 107.00		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		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.	Triggered	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>Broken pattern, moving on</u>	Removed	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. Big Friday but still waiting.		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. <u>Big percent gain Monday.</u>		9/8

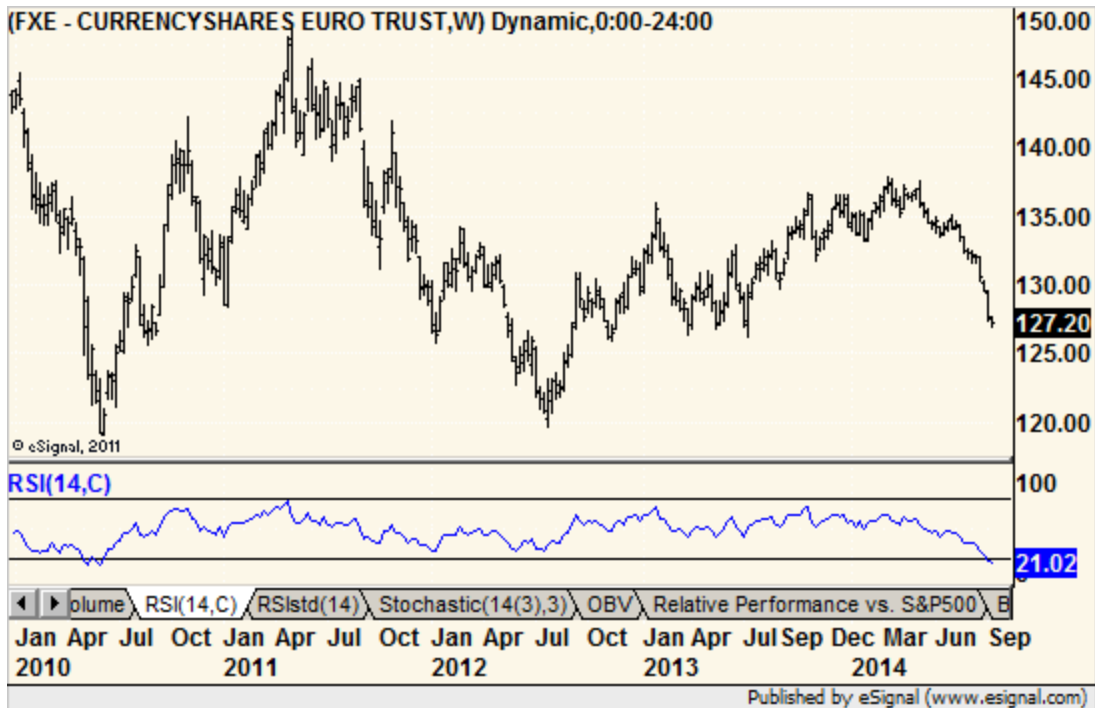
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Sector Watch (observations that may spark ideas)		
Biotech - the leader		8/15
Solar Power - Some nice rising trends TSL, SPWR, FSLR, CSIQ.		8/20
Technology XLK - Still leading but it lost its mojo.		8/25
Healthcare XLV - Not too overdone and with room 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, BBY, WMT, ARO. No more. Most of these have now failed.	Removed	9/5
Discretionary ETF XLY - Watch the breakout level, now support. A dip back below instantly targets a rising line where a breakdown - if it happens - would be very bad. 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 -		

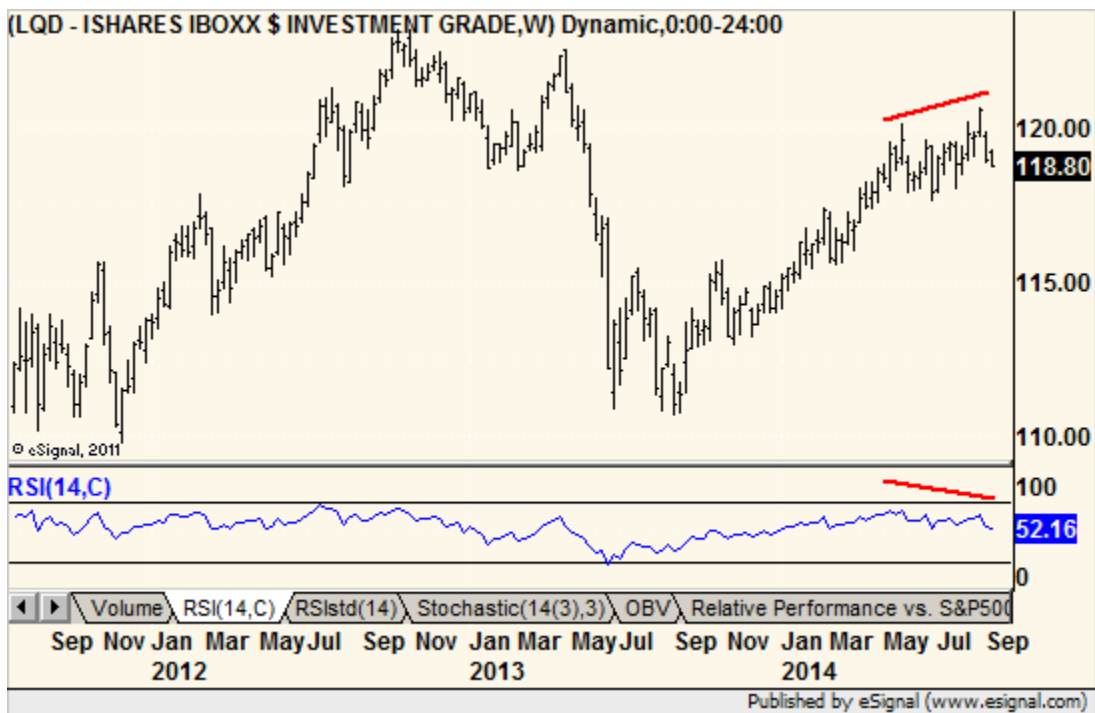
Market Highlights



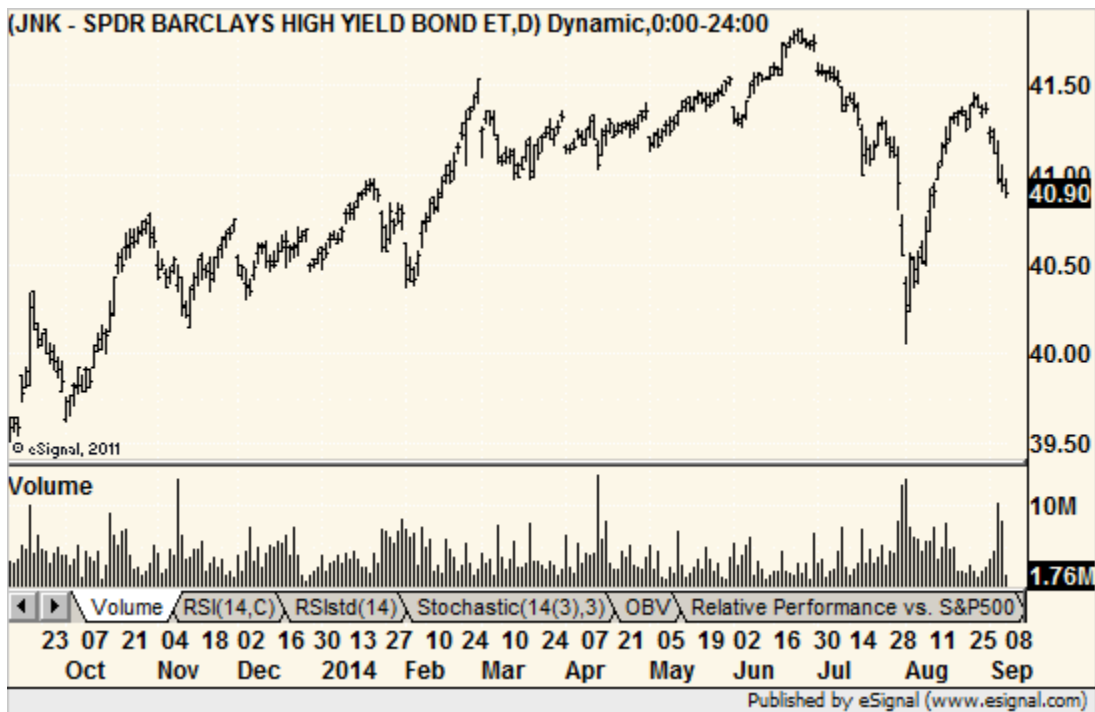
British pound futures - Looks like a little dead cat bounce today but not much. Scottish referendum still pending.



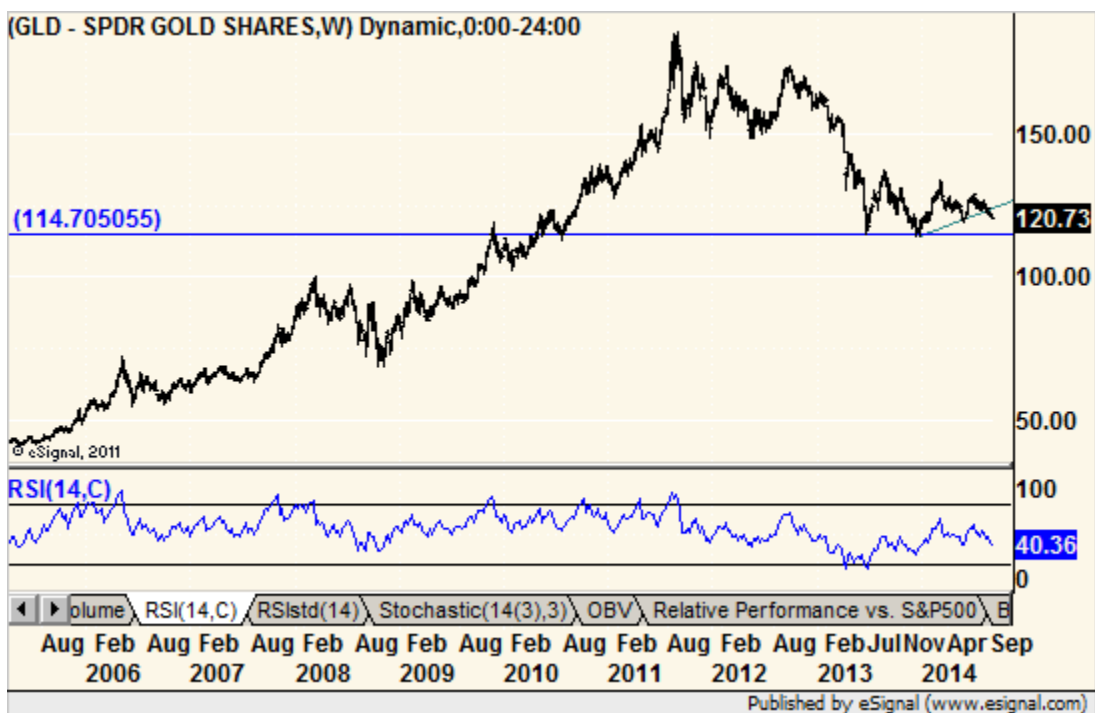
Euro ETF - This is a weekly view and it shows a deeply oversold euro. However, the trend is clearly to the downside. That makes the US dollar index very strong.



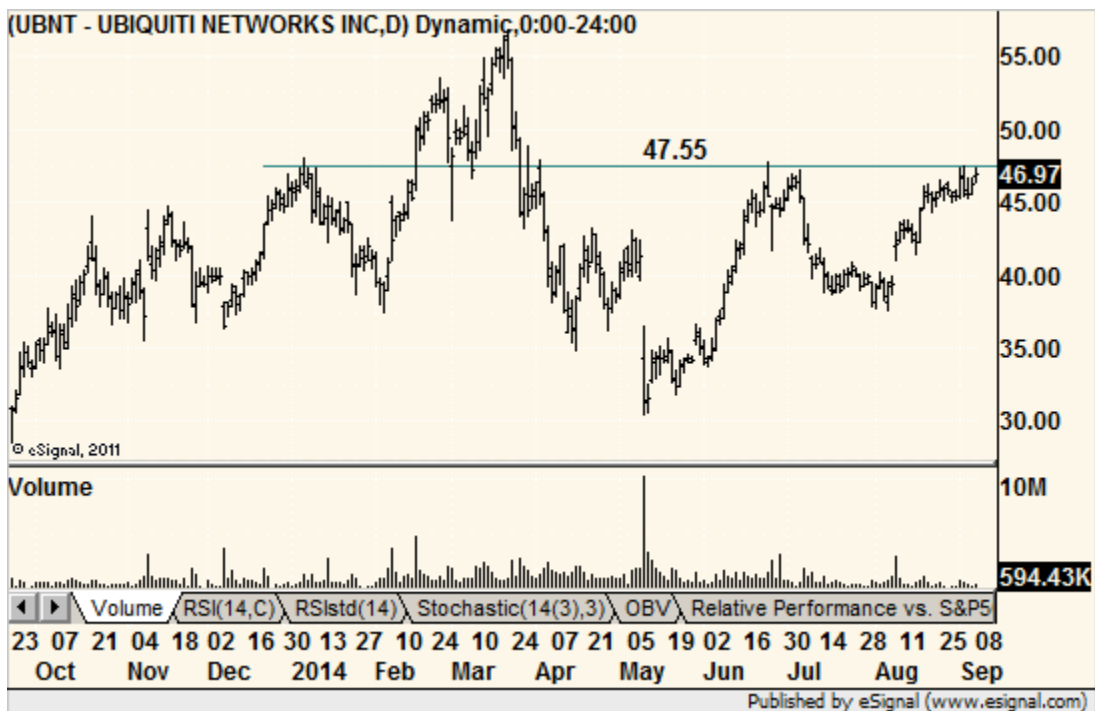
Corporate Bond ETF - This weekly chart shows a bearish RSI divergence.



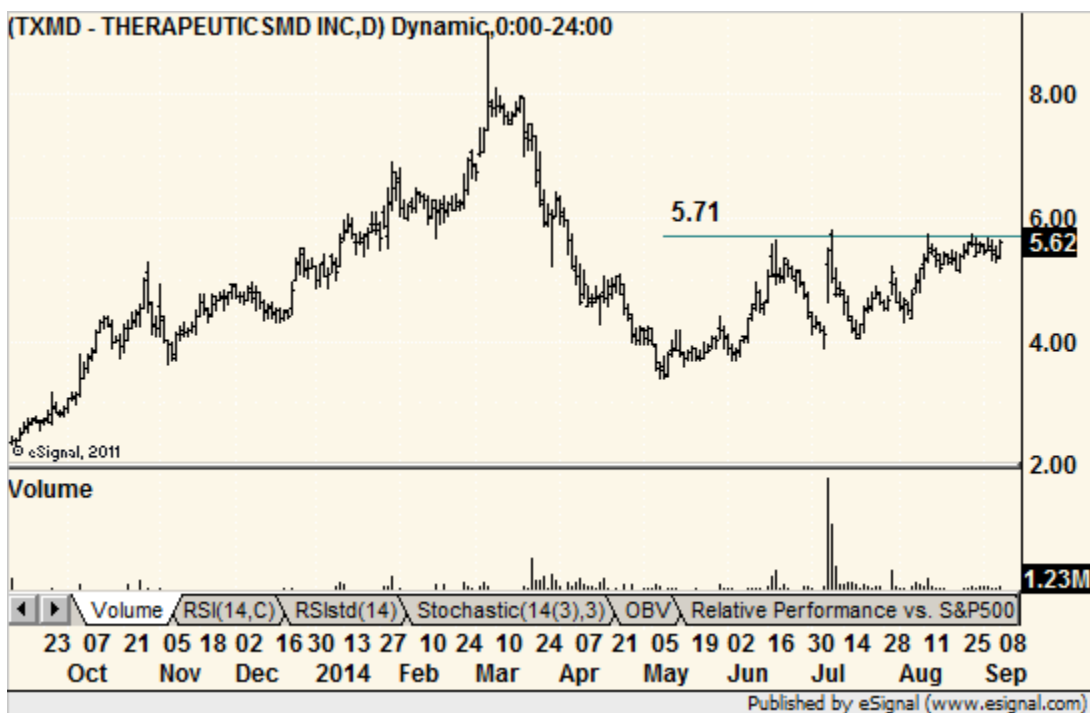
Junk Bonds ETF - Looks like party over here and that is not good for stocks.



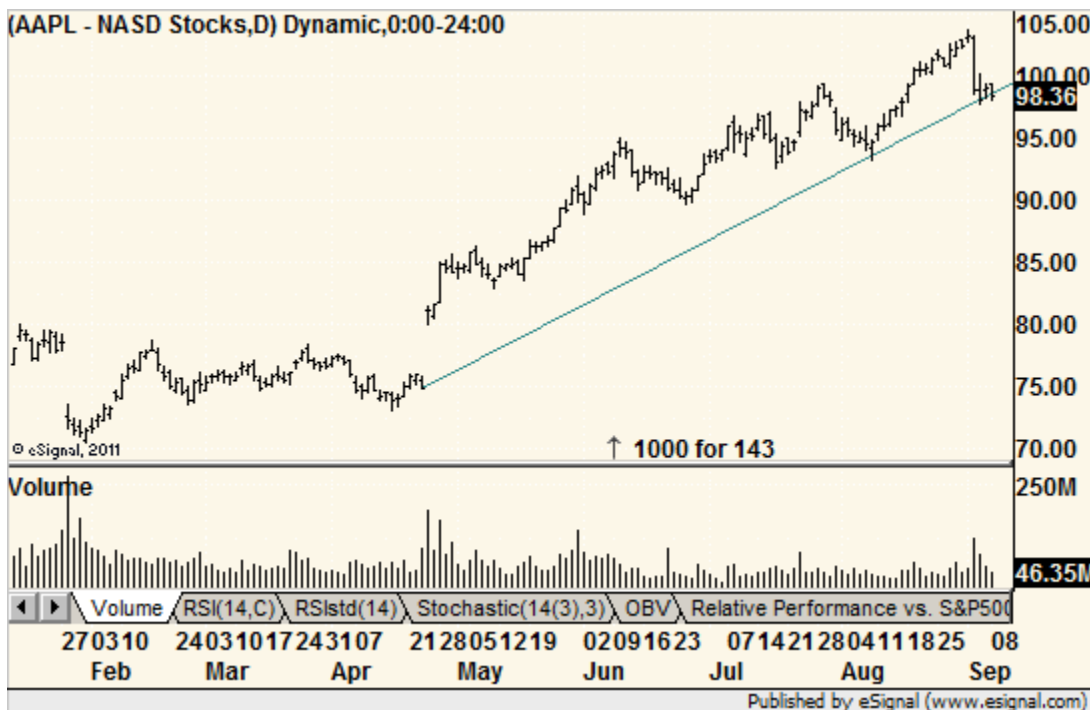
Gold ETF - Just a little perspective. The short-term trendline is broken but support at 114.70 is strong. That is about 1180 for gold futures.



Ubiquiti Networks - This is a network equipment maker and it is now bumping up against resistance where a breakout would be buyable. It is above its major averages (not shown) but this one is based purely on price levels. Buy 47.55.



Therapeutics MD - This is a women's healthcare products company and it is bumping resistance. A close over 5.71 would be a good buy signal. Other technicals are mediocre but none refute it. Also, it is low-priced but traded big volume. Hat tip - Yourdailywatchlist.com



Apple - Just a look as iPhone 6 is readied. A big drop last week but no trend break yet. However, the pause on the line is of concern. Whichever way it moves now is likely to be the next short-term trend.

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	92.50	-1.9%	92.50	94.25	8/18	21
	SFLY	SHUTTERFLY INC	50.09	-0.8%	48.25	50.47	8/20	19
	GNC	GNC HLDGS INC	39.26	4.7%	37.50	37.50	8/25	14
	MRVL	MARVELL TECHNOLOGY GROUP LTD	14.02	0.8%	13.40	13.91	8/25	14
	CERN	CERNER CORP	59.88	4.8%	56.50	57.12	8/26	13
	VZ	VERIZON COMMUNICATIONS INC	49.53	0.8%	48.00	49.15	8/26	13
	K	KELLOGG CO	64.44	-0.9%	62.75	65.00	8/27	12
	PF	PINNACLE FOODS INC DEL	33.55	3.2%	32.25	32.50	9/2	6
	DBA	POWERSHARES DB AGRICULTURE FD	26.17	-1.4%	25.75	26.55	9/2	6
<u>Short</u>	USB	US BANCORP DEL	42.03	2.1%	42.50	42.90	7/11	59
	CMCSA	COMCAST CORP NEW	55.88	-3.8%	56.00	53.73	7/31	39
	LVS	LAS VEGAS SANDS CORP	62.43	10.4%	66.00	68.94	8/22	17
	CNX	CONSOL ENERGY INC	39.15	1.1%	40.50	39.60	9/8	0

Notes: New short in **CNX** - a coal stock.

Subscriber Corner

This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

Note to Kenny - The pending Alibaba (**BABA**) IPO has been good for Yahoo as it owns a huge chunk but we do not see any market impact unless it is an utter failure - worse than Facebook's.

Other Information

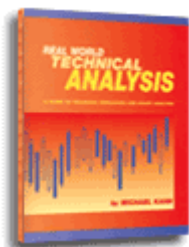
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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