

QUICK TAKES PRO

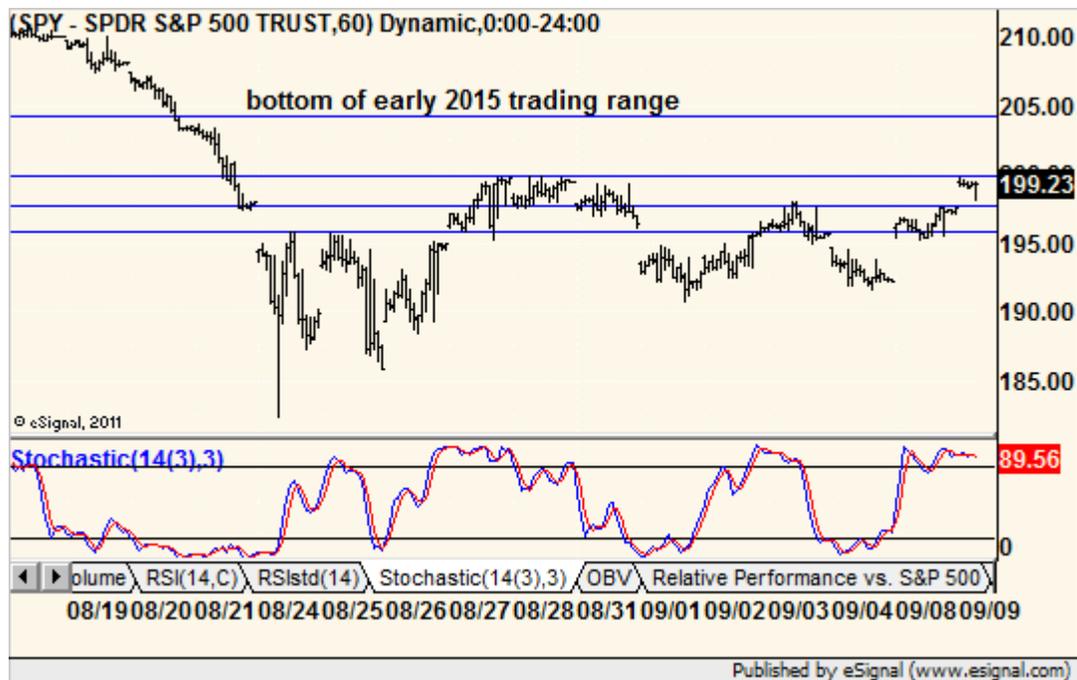
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

September 9, 2015 – China rumors got the ball rolling yesterday and it finished off with the World Bank begging the Fed not to raise rates. Aside from feeling that the World Bank should mind their own bleeping business, the Fed does have a dilemma. On one hand, raising rates now as the globe shrinks would be a killer. But on the other hand, the Fed's mandate is to keep employment full and prices stable. Both of those are done as the unemployment rate dropped to 5.1% and inflation is non-existent by the government's standard measure.

Mission accomplished Janet. Time to normalize interest rates.

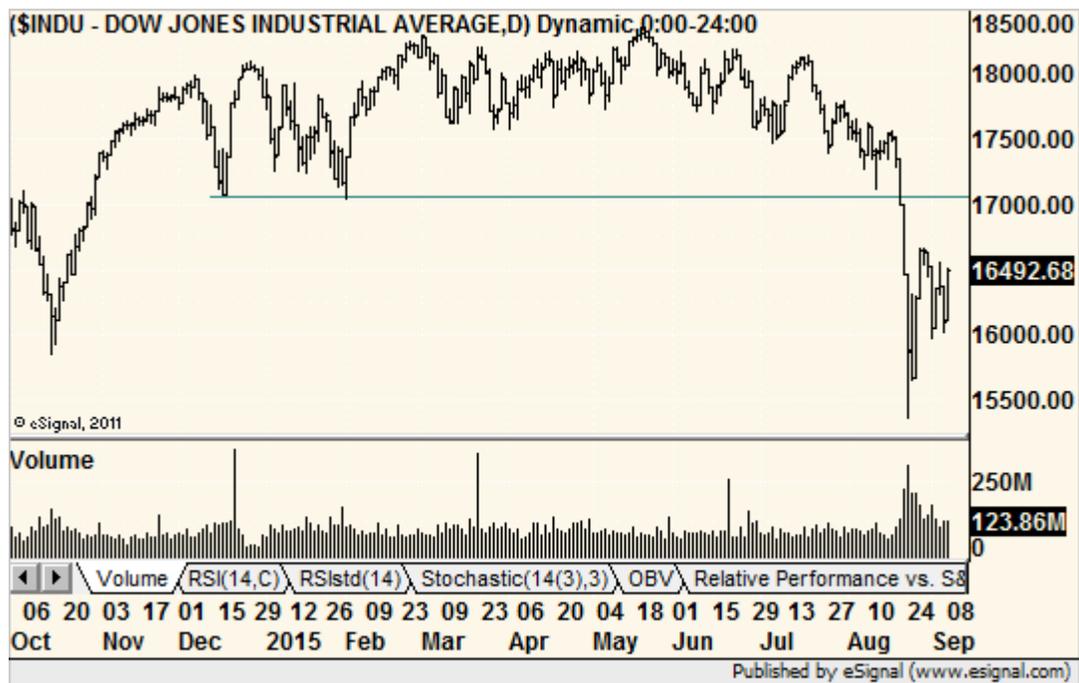
How do we trade around that? Impossible to say so we go back to the charts to see a monster amount of overhead supply, a plethora of death crosses, falling trends and lack of leadership. This is why we remain bearish and look for more downside ahead. It is just that this interim period of high volatility is dangerous. Therefore, we are bearish with cash on hand. No new stock picks or pans today – again.



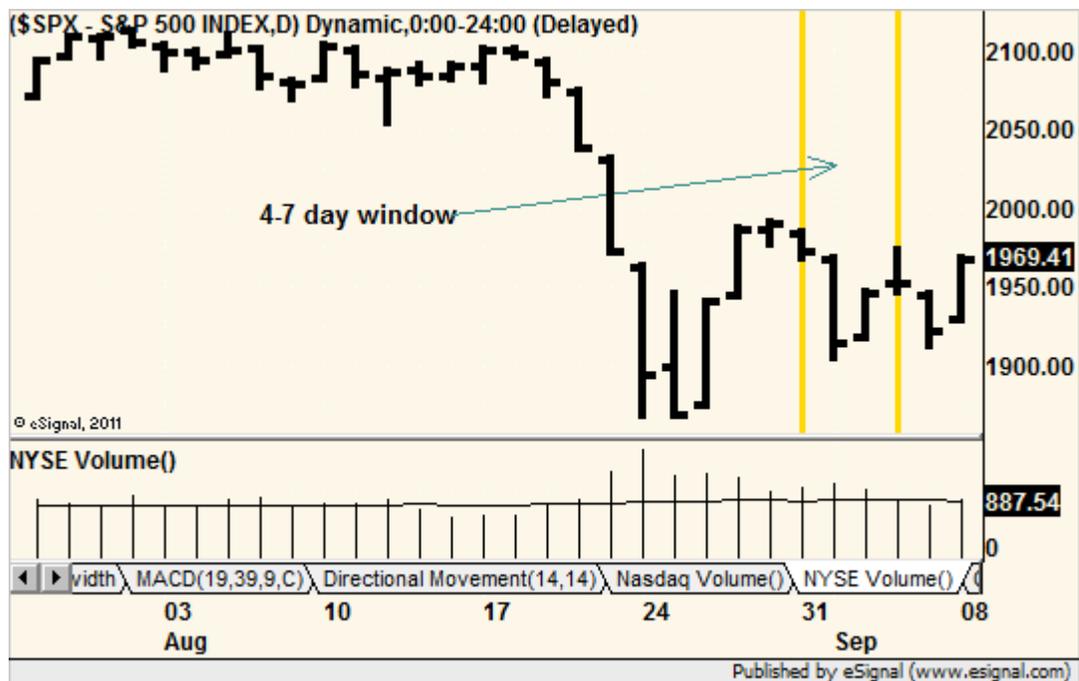
It is fairly easy to spot support and resistance on the hourly chart. More gains now – beyond the premarket as shown above – must be taken seriously. However, there is still that overhead supply just under 205 as shown above.

As far as tactical moves go, we cannot see buying into this nor can we see selling right here as the risk of upside follow through is high. Selling after the day or two of rally is a different story and we do have a pair of “sell the bounce” triggers below.

Index Charts of the Day



Whatever is going on in the market these past two weeks is still corrective in nature. Look at falling volume here and in most other indices. Today apparently will start where yesterday left off (rallying) but there is more than a ton of overhead supply to work through if this is to be a new leg higher.



The O'Neil follow-through day window closed last week with no signal so it is likely that we have not seen the bottom yet. It looks for a surge in price and volume 4-7 days into the rally attempt.

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		
none -		
Bearish Implications		
Express Scripts ESRX – Another one to sell if it bounces a little more to the 200-day average. Sell 85.		9/3
Facebook FB – Dare we say the same for Facebook at 91?		9/3
Netflix NFLX – Completed a head-and-shoulders top with neck at 100. Let’s take advantage of market strength and try to sell at 98.	Moved	9/2
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Gold Miners ETF GDX – This is changed to a long-shot for now but still interesting enough to keep it here.		8/31
Transocean RIG – Battered. But trading sideways for months. That is a good base so we wait for a better signal to buy.		8/31
Diamond Offshore DO – Small base but big volume. Somebody is trading this thing and we have to think it is smarter money.		8/31
IBM – This stock is down 30% and still looks terrible. But support at 132.50 and a current trailing P/E of 9.5 with a 3.6% dividend yield makes it look enticing on the next dip.		9/8
Sector Watch (observations that may spark ideas)		
none –		
Updates		
none –		

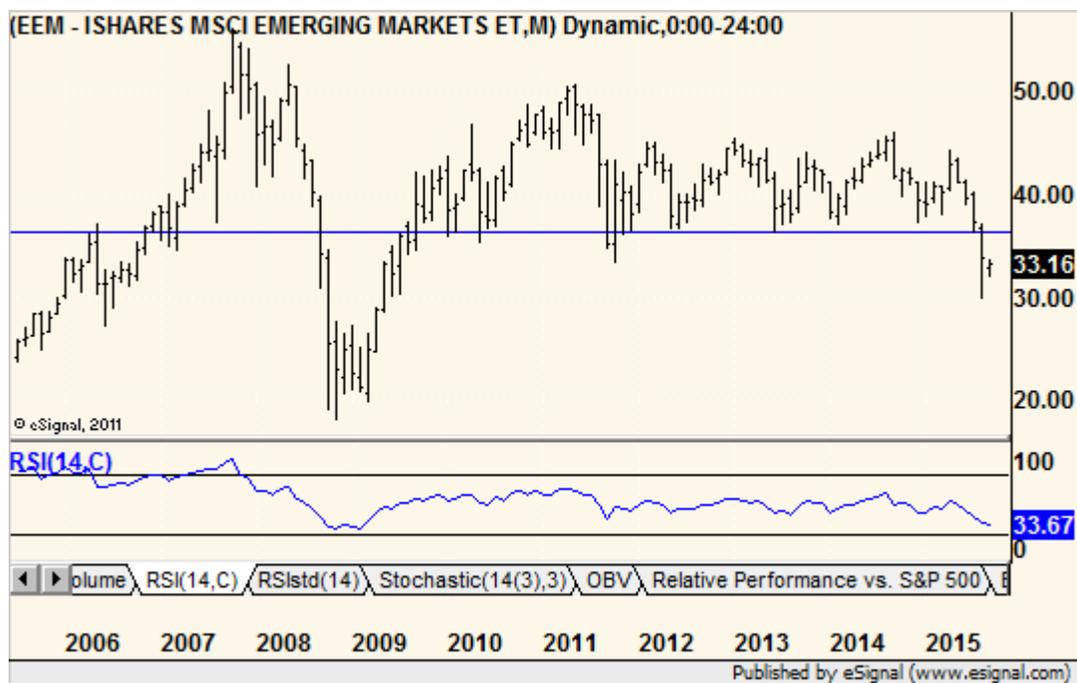
Market Highlights



Japan – The Nikkei was up nearly 8% overnight but it is still below its major averages. It also was down big Tuesday so this has an element of catch-up. The best we can say here is that there is a small bullish RSI divergence.



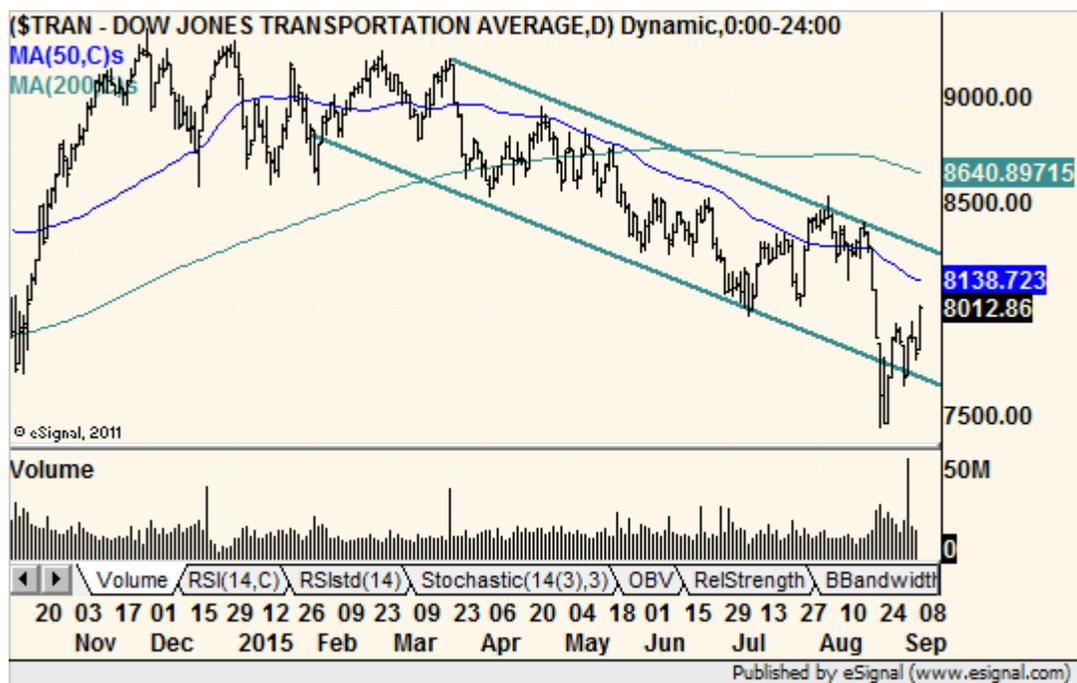
India – Broke down and tested a huge topping pattern.



Emerging Markets ETF – Massive breakdown



Germany – Still broken.



Transports – Short-term rebound vs. intermediate-term declining trend. The overshoot of the lower line may result in a test of the upper but the trend is still down.



Semis – The hottest sector Tuesday and a market beater since the low. However, worst to first is not exactly a buy recommendation. Rather, it is more like dead cat bounce.

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>	none							
<u>Short</u>	NYT	NEW YORK TIMES CO	12.18	7.6%	12.50	13.10	7/27	43
	GS	GOLDMAN SACHS GROUP INC	185.88	8.5%	190.00	201.70	8/11	28
	FDX	FEDEX CORP	153.29	6.7%	155.00	163.50	8/20	19
	CMG	CHIPOTLE MEXICAN GRILL INC	732.14	-1.7%	740.00	720.01	8/20	19
	MHK	MOHAWK INDS INC	204.19	-5.0%	205.00	194.01	8/28	11
	AGN	ALLERGAN PLC	300.18	3.8%	315.00	311.51	8/28	11
	PFE	PFIZER INC	32.53	2.4%	33.50	33.30	8/28	11
	XLI	INDUSTRIAL SELECT SECTOR SPDR	51.75	-0.7%	52.75	51.39	8/31	8
	MSFT	MICROSOFT CORP	43.89	-0.8%	44.50	43.56	8/31	8
	KO	COCA COLA CO	38.90	0.0%	40.75	38.90	9/2	6
	CTXS	CITRIX SYS INC	69.84	-3.5%	70.50	67.39	9/2	6

Notes: The shorts here are mostly OK although this is a painful week. We will likely lose **MHK** today.

If we can survive today's morning rally then we think we will be OK.

Subscriber Corner

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

Now is a good time to brush up on your charting skills. This section is for your questions.

Other Information

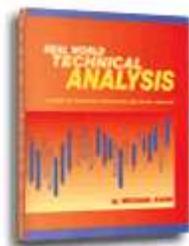
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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