

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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September 10, 2014 - The big fuss was Apple yet it was the small cap Russell 2000 that led the market lower. As we'll see in the Index Charts of the Day section below, major indices did not break respective two-week ranges so we cannot get too bearish here. And check out the hourly chart just below. For a brief while, the support outlined on the chart was broken but that did not last. In other words, it was either a false breakdown or no breakdown at all, depending on your time frame.



Don't get too bullish either. The bounce off support was not exactly powerful. Just look back at the last two times if touched that level and see it rally sharply within a few bars (hours). Not so much today.

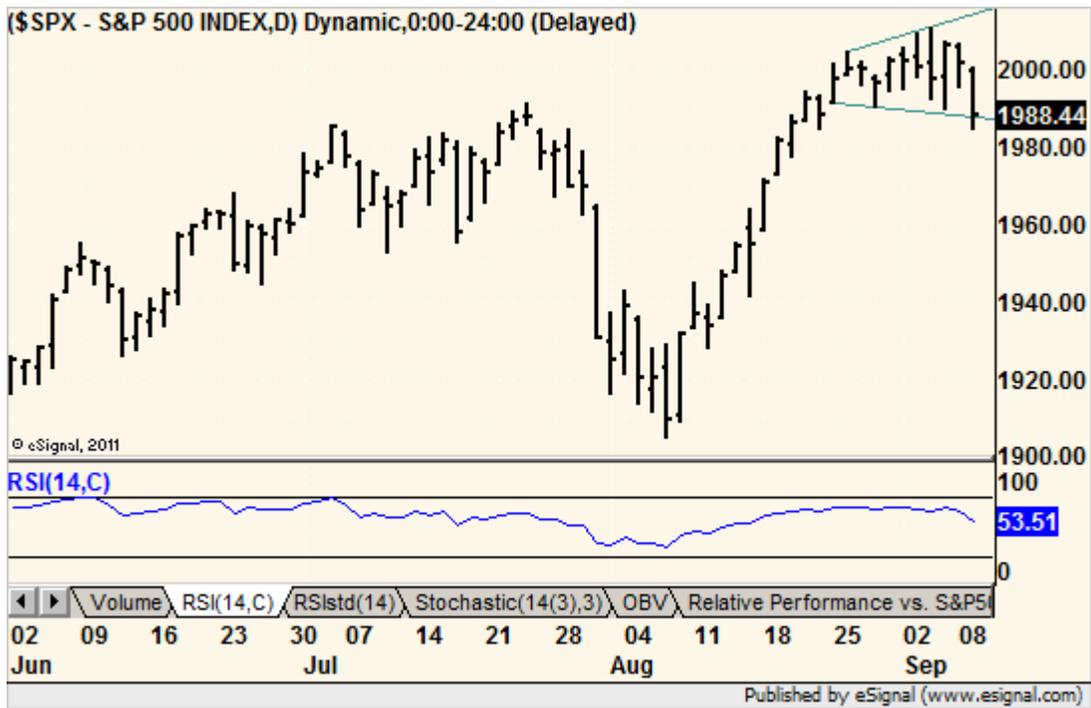
Moving overseas, Europe is not doing much. Even the UK seems more stable despite the currency flap over the Scottish referendum on secession.

In Asia, things were mostly red with Hong Kong taking it on the chin. Still, its trend is up so even there we cannot be too bearish just yet.

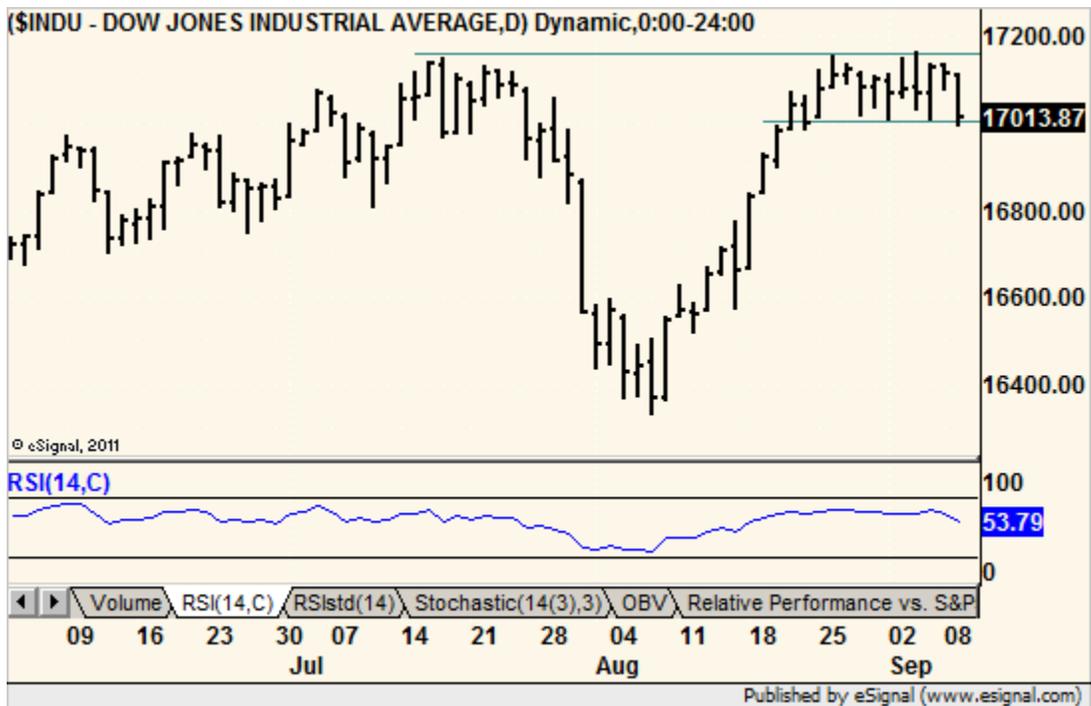
In commodities, the Greenhaven ETF (GCC) continues to plummet, as most areas fall. Grains are at new lows although meats are still rising. We've got the chart below and it shows the rising prices argument from earlier this year is completely gone. See the Big Picture section for more.

For the domestic stock market, the signals are now mixed. On one hand, there was not enough damage to say the next leg will be down. But on the other hand, there is enough to think the waters are not safe right now, either. We are a bit worried about what happened in the risk markets of junk bonds and small caps.

Index Charts of the Day



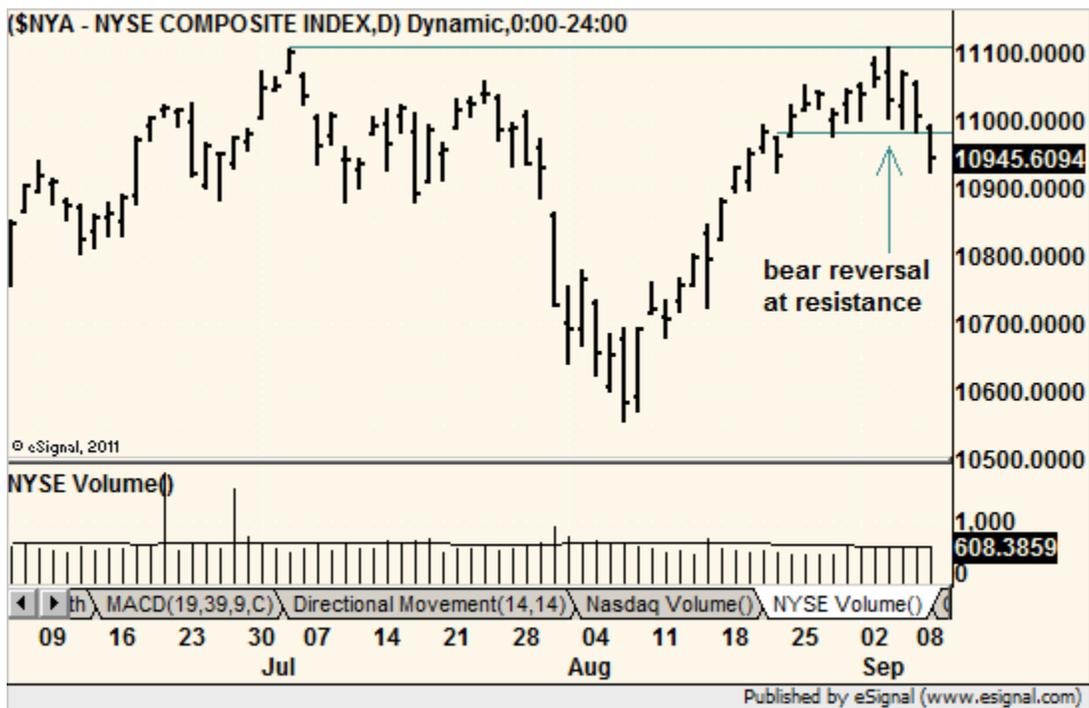
No break - yet.



No break for the Dow - yet.



Yesterday, we said the bears were running out of time and then they did what they had to do on the Russell 2000. This is a bearish chart.



The NYSE composite, with more of a small cap bent and lots of fixed income equivalents, has a real short-term breakdown.



The Nasdaq also has no short-term break yet and it far from the real important level.



Since we have the space, here is the Russell microcap index with a breakdown and successful test of that break.

The Radar Screen

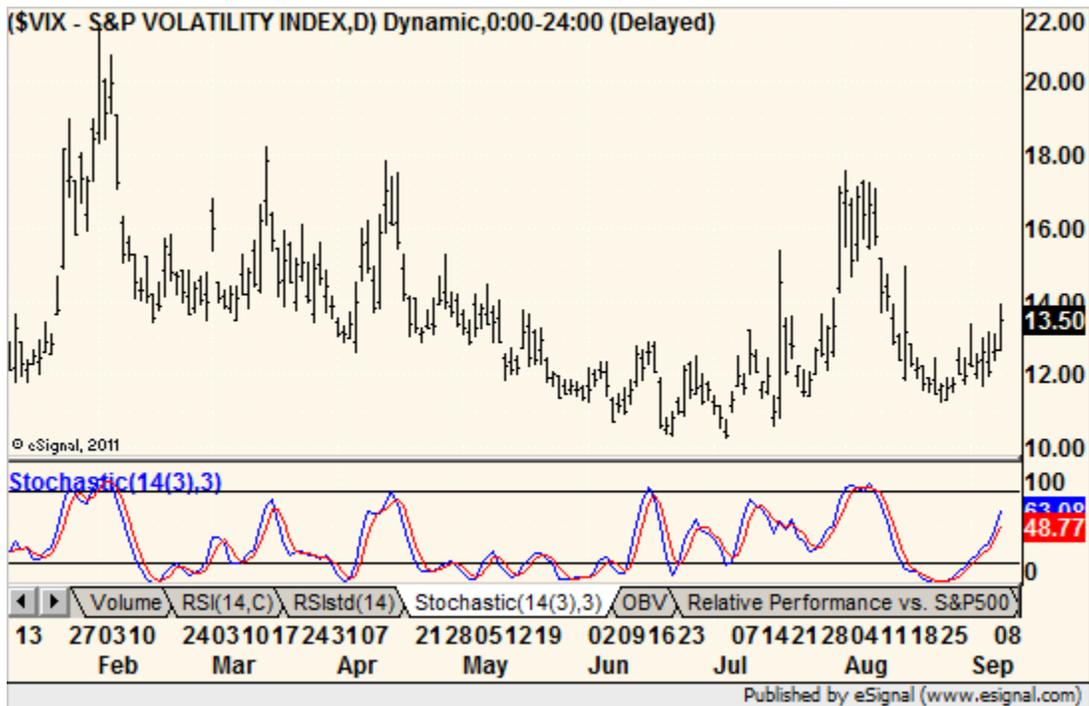
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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. <u>May have broken trendline to the downside so we are moving on. No harm done</u>	Removed	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. <u>Weakened so it is not yet ripe. No harm done.</u>	Removed	9/8
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
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 big volume.	Triggered	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
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Dicks Sporting Goods DKS - 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
Home Depot HD - Letting it fall some more after credit card hack before thinking about getting in.		9/3
Gogo GOGO - In-flight internet. The chart is intriguing as a possible buy with fan lines and a higher low. We'll keep an eye on it.		9/8
Apache APA - Beautiful head-and-shoulders classic form? It closed below the neck Tuesday but it may have been an overshoot on momentum. We'll watch for a blip higher and then set the trigger to sell.	New	9/10

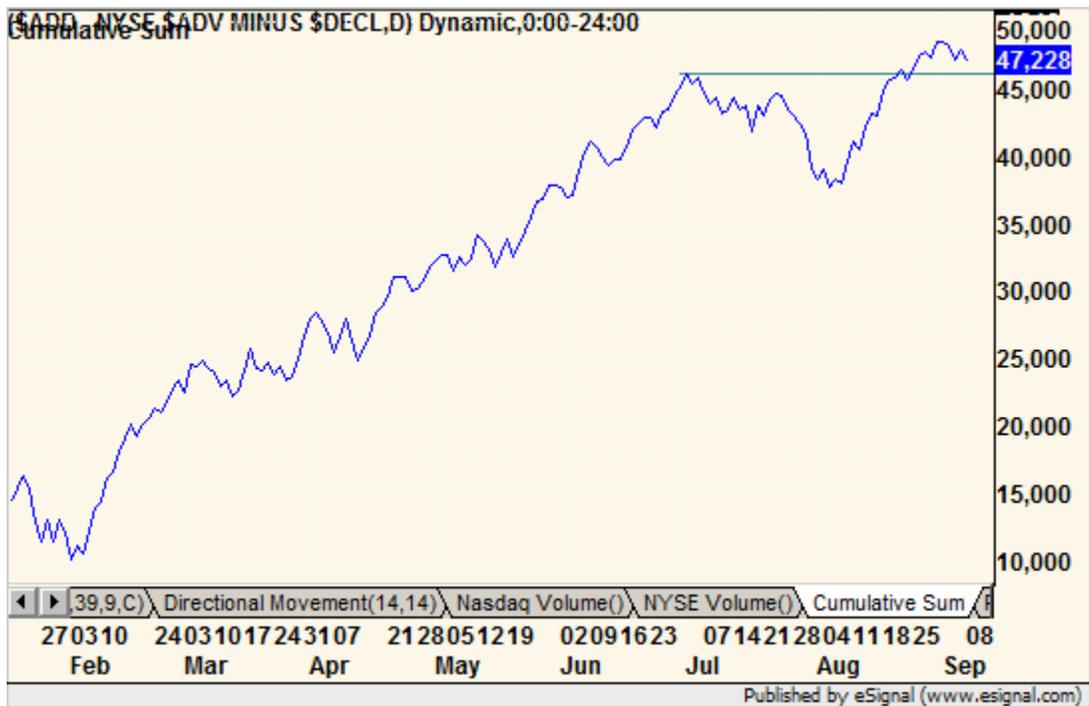
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Sector Watch (observations that may spark ideas)		
Biotech - Not so sure about this sector any more. Trend is still up but it looks shakier than it has in a long time.	Changed	8/15
Solar Power - Some nice rising trends TSL, SPWR, FSLR, CSIQ.		8/20
Technology XLK - Still leading but it lost its mojo. Big warning with an Apple-inspired bearish reversal.		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. Banks may be dragging it down now.	Changed	8/25
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. Short-term breakdown Tuesday		9/2
Transports - Rails and air freight leading but all areas stronger than the market		9/5
Updates		
Junk Bond ETF JNK - This one tanked yesterday. Very bad news.		
British pound - Looks to be pausing. Yesterday's rebound attempt failed.		
Gasoline ETF UGA - failed miserably		

Market Highlights



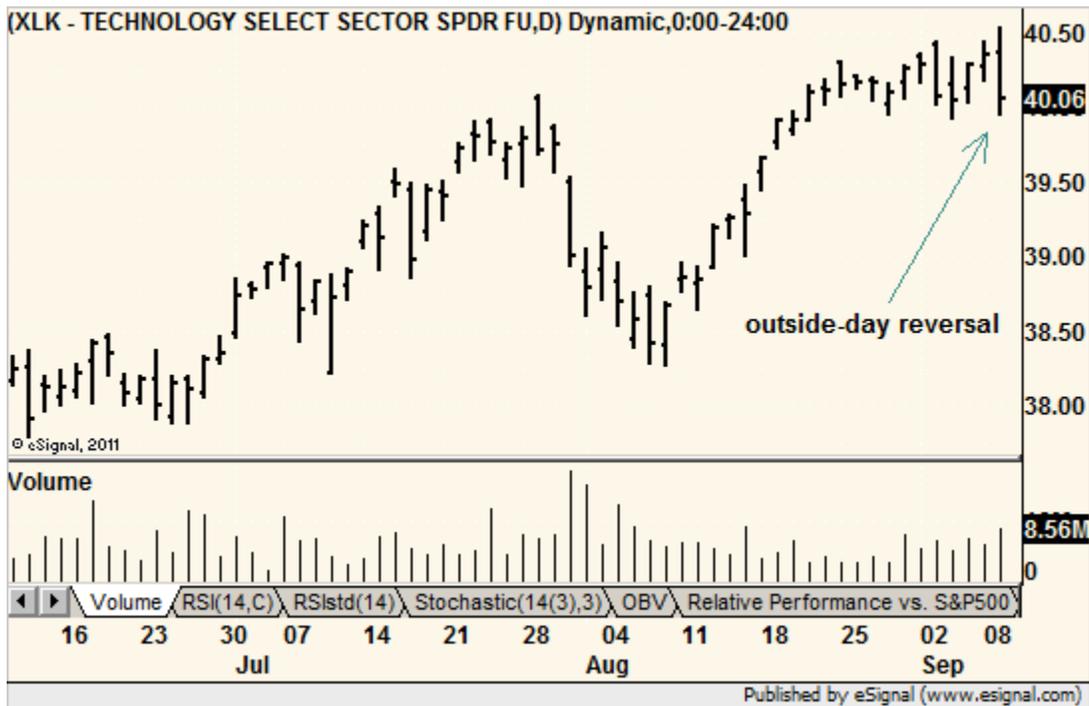
VIX - Finally starting to rise.



NYSE advance-decline - Falling during the recent short-term range but still above the previous peak. We cannot get too bearish just yet but we are indeed watching this.



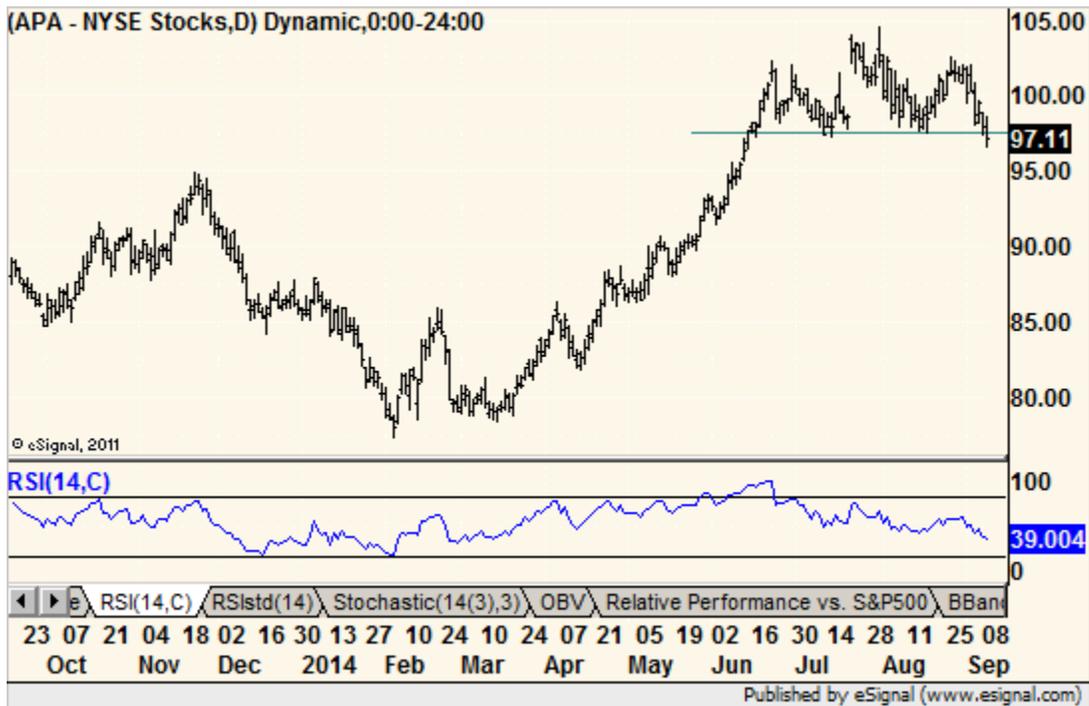
Apple - Volatility but no direction. We still have to wait to see if it bounced off the line or fails. We lean bearish due to the huge morning euphoria but no signal just yet.



Tech ETF - The news is a little more bearish here with a reversal bar. Still no short-term support break so again, no signal at this time.



Nasdaq-100 equal weighted ETF - This essentially takes out Apple and it, too, leans bearish without the actual sell signal.



Apache - How is this for a head-and-shoulders classic form? It closed below the neck yesterday but it may have been an overshoot on momentum. We'll watch for a blip higher and then set the trigger to sell.

The Big Picture

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



Greenhaven Continuous Commodity ETF - The successor to the CRB index has been in freefall for months following the head-and-shoulders breakdown. It has already dipped below its trendline breakout and upside explosion levels. The only one left is last year's weekly closing low (the earlier one was a big gap down and reversal so we don't think that is support).

The point here is that there is no inflation at the commodity level, save for meats and maybe cocoa. That does not mean prices in the store are not higher. However, this chart takes the pressure off.

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%		94.25	8/18	22
	SFLY	SHUTTERFLY INC	49.28	-2.4%	48.25	50.47	8/20	20
	GNC	GNC HLDGS INC	39.05	4.1%	37.50	37.50	8/25	15
	MRVL	MARVELL TECHNOLOGY GROUP LTD	13.89	-0.1%	13.40	13.91	8/25	15
	CERN	CERNER CORP	59.52	4.2%	56.50	57.12	8/26	14
	VZ	VERIZON COMMUNICATIONS INC	48.90	-0.5%	48.00	49.15	8/26	14
	K	KELLOGG CO	64.32	-1.0%	62.75	65.00	8/27	13
	PF	PINNACLE FOODS INC DEL	32.14	-1.1%		32.50	9/2	7
	DBA	POWERSHARES DB AGRICULTURE FD	26.14	-1.5%	25.75	26.55	9/2	7
	TXMD	THERAPEUTICSMD INC	5.79	0.0%	5.45	5.79	9/9	0
<u>Short</u>	USB	US BANCORP DEL	41.60	3.1%	42.50	42.90	7/11	60
	CMCSA	COMCAST CORP NEW	56.00	-4.1%		53.73	7/31	40
	LVS	LAS VEGAS SANDS CORP	62.85	9.7%	66.00	68.94	8/22	18
	CNX	CONSOL ENERGY INC	38.69	2.4%	40.50	39.60	9/8	1

Notes: Lots of red in the long side although most are small losses. **However, the entire long side, save for the new addition, looks very shaky.**

New long in **TXMD** triggered at the close.

Stopped out of **MCD**. It was worth the shot at recovery and the loss was minimal.

Stopped out of **PF** as investors tied to Blackstone announced they would be selling 15 million shares. We were blindsided but the loss was small.

Stopped out of short in **CMCSA**. Never looked good. Probably should have bailed out a lot sooner.

Other Information

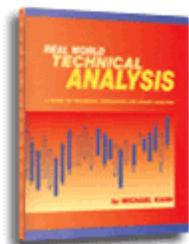
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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