

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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September 18, 2015 – Stocks were rockin' and rollin' after the Fed announcement yesterday and when the initial dust settled the bears won. Not that it really matters but the prevailing thought is that the Fed is now irrelevant. They were behind the curve before and they are behind the curve now – completely without ammunition and influence.

Fortunately, that sort of thing is not on the charts, leaving them with a more objective and constructive analysis. Our opinion is that the "no hike" outcome was believed to be reason to rally so when it didn't rally everyone changed their minds. Just look at this hourly chart, complete with huge volatility.

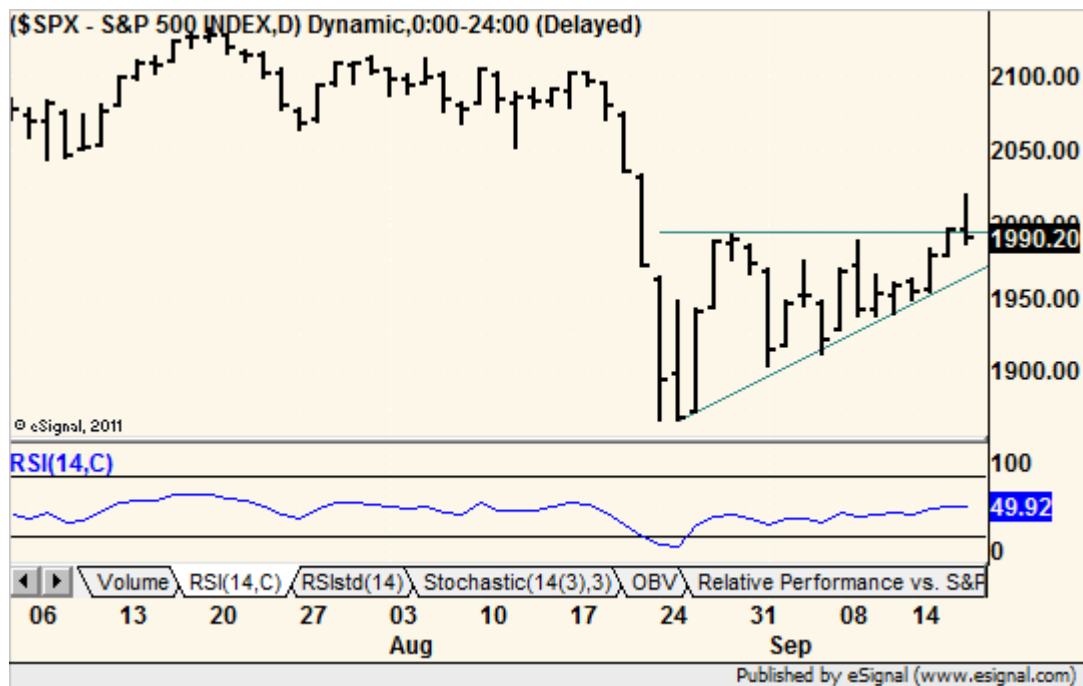


This is an **SPY** chart but everyone understands Dow points so here we go – Initially, the Dow dropped 50, then rallied 50 and then 190 before closing down 65. This morning, futures are down almost 200 as we write. The important thing will be whether the daily charts show the market holding below the bottom of respective triangle patterns throughout the day. **If they do, then August lows here we come.**

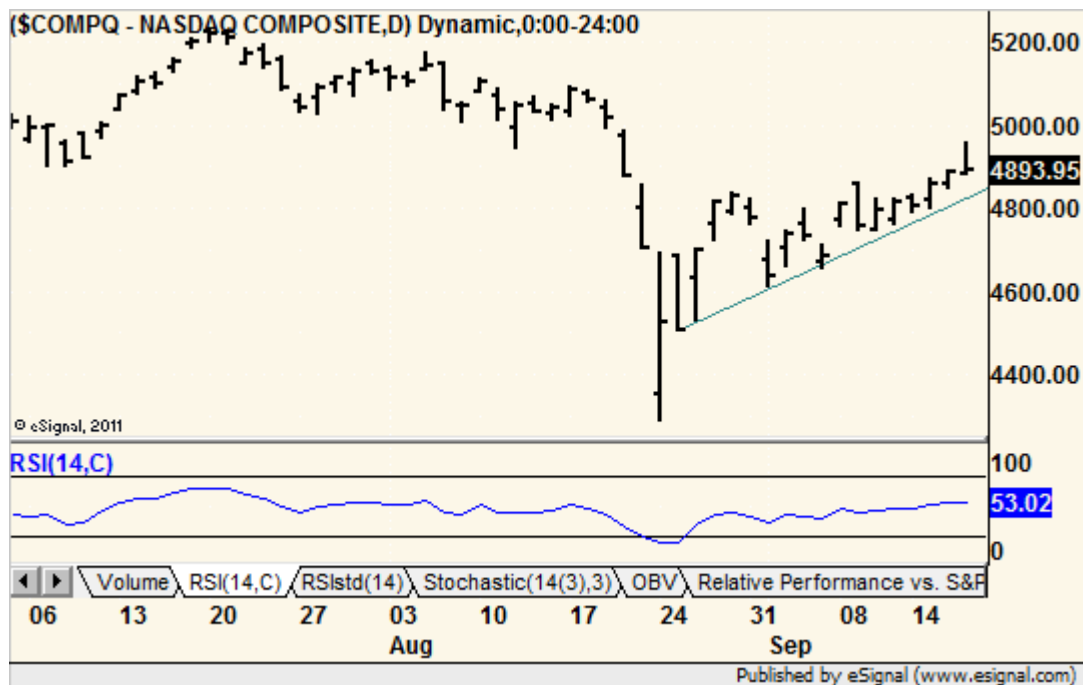
The dollar also took a hit yesterday and into this morning. Treasury bonds liked the news. Municipals liked it even more.

As for our list of stocks, we'll go through them below to see which ones triggered. Surprisingly, only two trades did – one long and one short. A few were removed as the setups disappeared. Other shorts are likely to trigger today.

Index Charts of the Day



The S&P 500 cash index sports the failed breakout and should open below the lower line seen here. We are not quite comfortable calling this a major breakdown just yet as there is still plenty of dust left to settle.



The Nasdaq may not break down at the open so bears need continued selling today to do that.

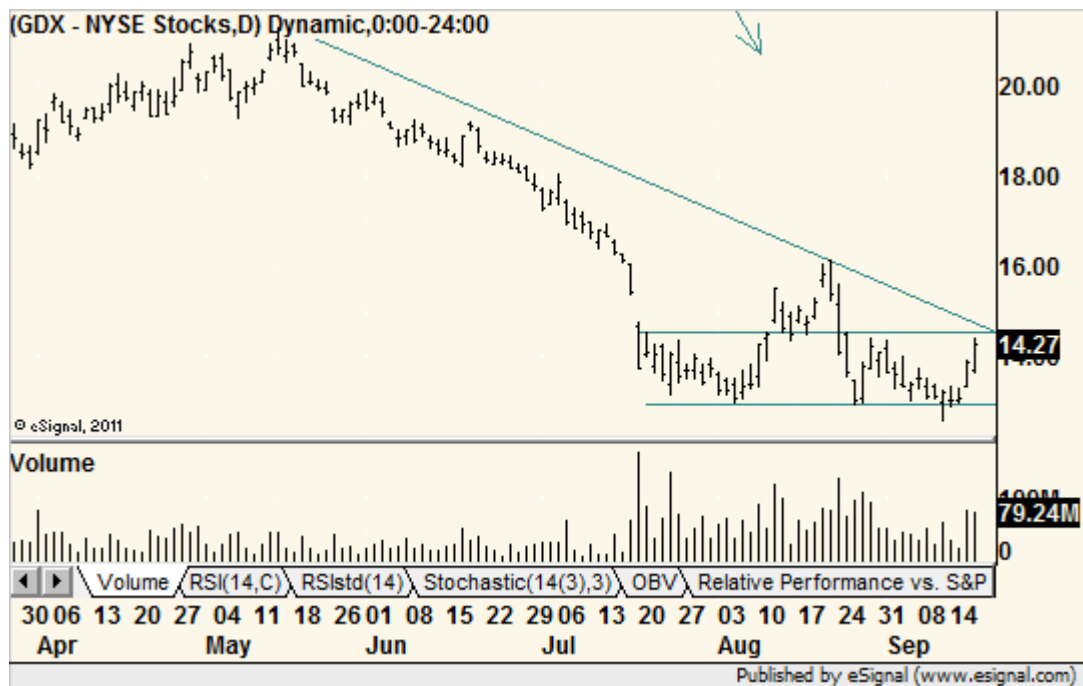
Note – the Russell 2000 actually closed in the green and the Russell ETF also will not break down at the open based on the chart as we write these words in the premarket.

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		
Starbucks – This one broke out on poor volume. It could be a buy this afternoon after the Fed if the market likes the news and the stock is still under 58. That is a gut feel, not a specific price level. Market did not like the news so moving on.	Removed	9/17
Amazon – Looks like a buy on a breakout over 533 on close	Triggered	9/17
Sprint S - The bull flag got too big so no trade.	Removed	9/17
Bearish Implications		
MasterCard MA – Broken and now waiting for the correction to break. Sell close under 89.45.		9/11
Cisco CSCO – How many trendline have to break before we get bearish? One more. Sell close under 25.60.		9/11
Nike NKE – The bull breakout was too big so we shifted to bearish setup. A jump to resistance to sell before the week is over. Sell 117. OMG so close!		9/17
Facebook FB – We’d rather sell this one if it fails right here. Therefore, we are moving it from the green section to the red and selling it if the market does not like the news. Buying after a steep rally seems far too risky, even if the market moves higher. Sell if it goes red after the Fed. Sold the close	Triggered	9/17
Hasbro HAS –The ship sailed for a buy. Perhaps a sell if it jumps quickly to a new high at 85. Not happening.	Removed	9/17
Sherwin Williams SHW – A move under support at 248 would be a sell on close		9/17
CF Industries CF – This fertilizer maker is weak. Sell under this week’s low 53.32.		9/17
Yum Brands YUM – This restaurant is in a bear wedge. Sell the break under 81		9/17
Marriott MAR – Bear wedge at resistance. Sell under 71.50.		9/17
Unknown Implications		
CVS Health – Sell support break under 99.15. However, a move above the trendline at 102.25 could be a buy.		9/17
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. <u>Upside follow through no longer arguable but the problem is the amount of overhead resistance.</u>	Changed	8/31
IBM – This stock is down 30% and still looks terrible. But support at 132.50 and a trailing P/E of 9.7 with a 3.5% div yield makes it look enticing on the next dip.		9/8
A few stocks that may do well post-Fed – NKE, SBUX, FB, AMZN, HAS, S		9/14
A few stocks that may do poorly post-Fed – SHW, CF, YUM, MAR, CVS		9/15
Sector Watch (observations that may spark ideas)		
none –		
Updates		
none –		

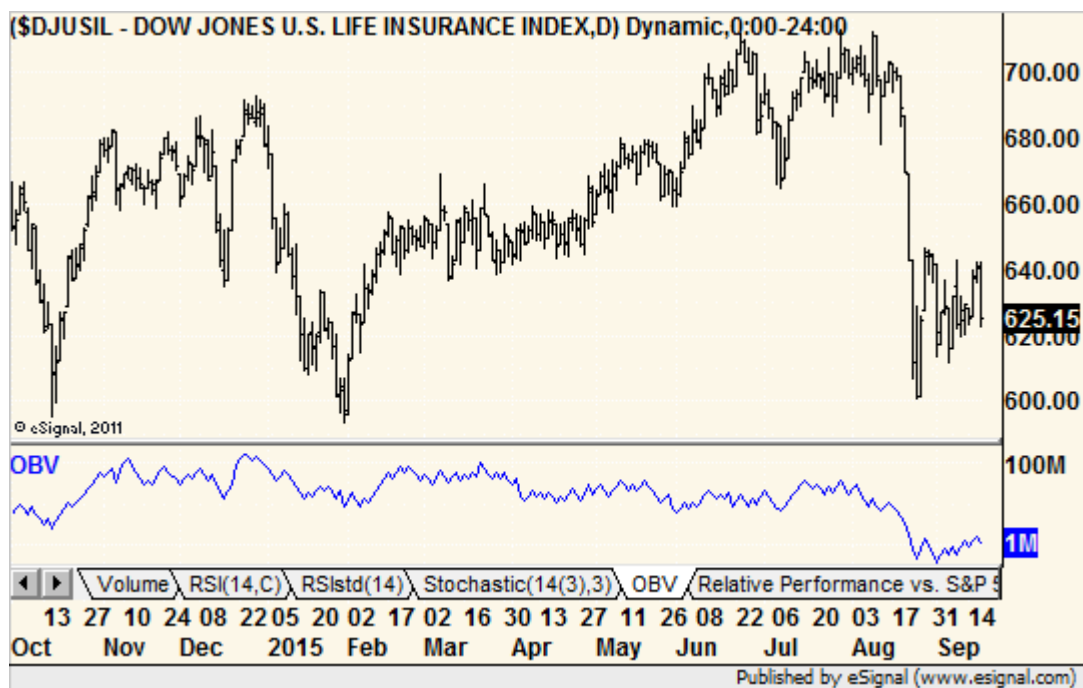
Market Highlights



Gold Miners ETF – Nice short-term move but the intermediate-term is still not good.



US Dollar Index – All of the sudden the strengthening dollar looks worse. Higher interest rates might have attracted money into the US and raise demand for dollars.



Life Insurance – Groups that fared worse yesterday look similar to this – triangles about to break down. Banks, gambling, brokers, financial services. See a theme? Financials are not happy.

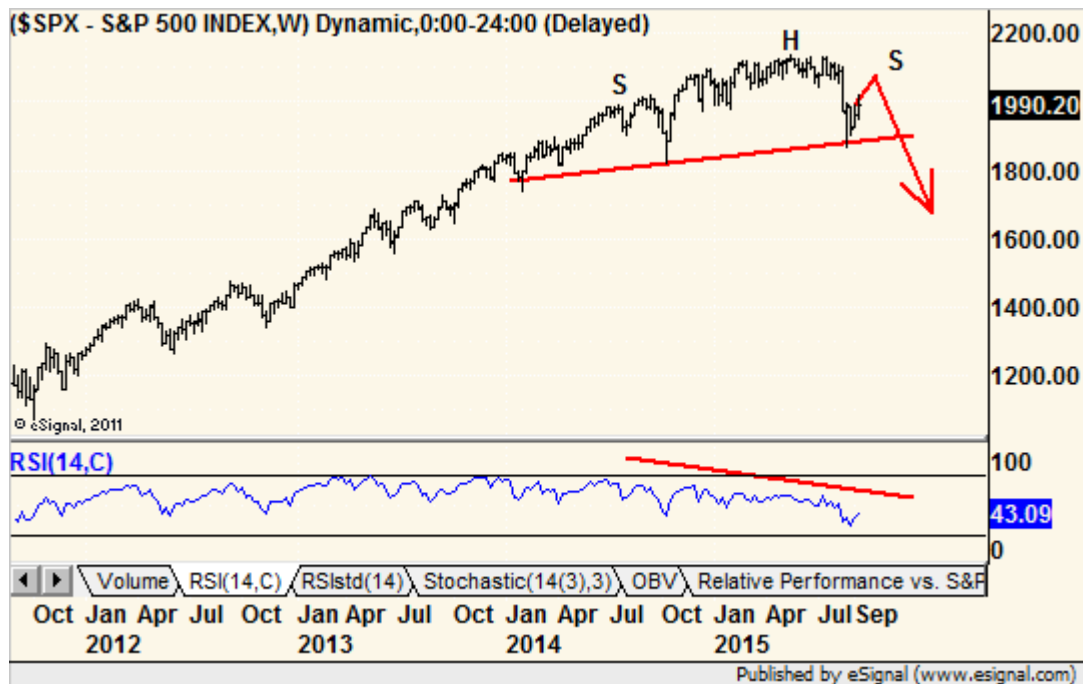


Stoxx 50 – The pan Europe blue chip index failed at resistance.

The Big Picture

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

Just a thought



The thing is that this head-and-shoulders pattern works whether the market breaks down right here or rallies a bit to test the breakdown of the 2015 trading range first.

We caution that this is just conjecture. There is no H/S pattern until the index comes down to the neck line and there is always a chance it does not.

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>	AMZN	AMAZON COM INC	538.87	0.0%	520.00	538.87	9/17	0
<u>Short</u>	NYT	NEW YORK TIMES CO	12.08	8.4%	12.50	13.10	7/27	52
	FDX	FEDEX CORP	149.49	9.4%	155.00	163.50	8/20	28
	CMG	CHIPOTLE MEXICAN GRILL	730.20	-1.4%	740.00	720.01	8/20	28
	AGN	ALLERGAN PLC	301.05	3.5%	310.00	311.51	8/28	20
	PFE	PFIZER INC	33.48	-0.5%	33.50	33.30	8/28	20
	MSFT	MICROSOFT CORP	44.25	-1.6%	44.50	43.56	8/31	17
	KO	COCA COLA CO	39.38	-1.2%	40.00	38.90	9/2	15
	ESRX	EXPRESS SCRIPTS HLDG CO	84.68	0.4%	87.00	85.00	9/9	8
	FB	FACEBOOK INC	94.34	-3.5%	95.50	91.00	9/9	8

Notes: A long in Amazon was triggered as that stock held up into the close.

As for Facebook, we were already short but had a sell trigger for a new trade. The original was stopped out but the new short would have triggered at a more favorable price. Therefore, we'll leave the accounting as is – not stopping out and not raising our basis.

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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