

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

September 23, 2015 – It was a plunge from the get go yesterday as the stock market officially broke down from its recovery rally. There is little to refute what we now have across indices on the charts other than perhaps a very low (bearish) sentiment read. Low sentiment is not a trigger to buy although it does set an environment where bottoms are set.

If there is another bounce we do not believe it will be because we have seen "the" bottom. We refer you back to our Big Picture head-and-shoulders chart where the path of least resistance now is the completion of the right shoulder. That means a small leg down.

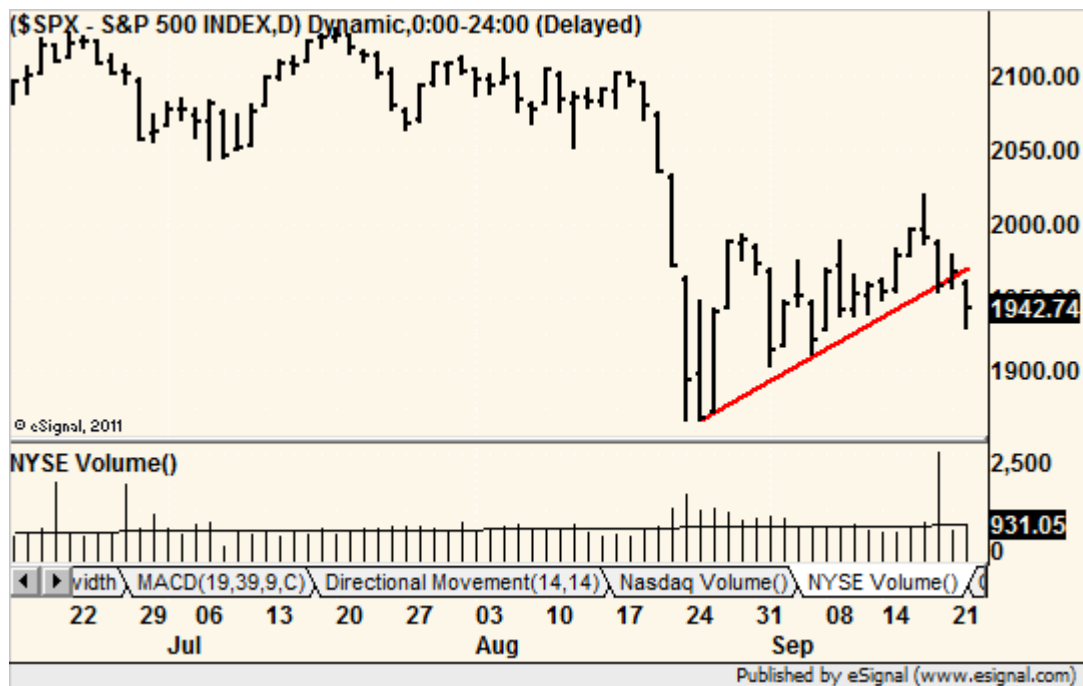


On the hourly chart, we can see a small gain to test the breakdown level shown here in red. This is a little different view than the daily charts shown below but they all agree that bears are now in charge.

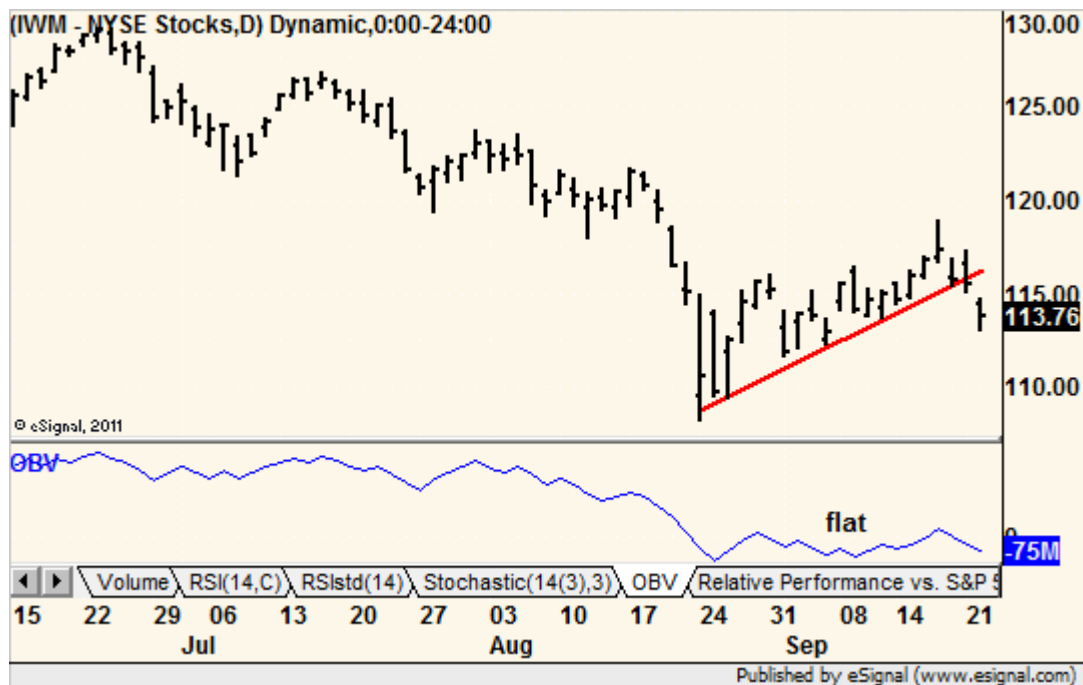
Today is Yom Kippur and volume can be expected to be a little on the light side unless there is big news somewhere. The seasonal slogan is to Buy Rosh Hashanah and sell Yom Kippur although many believe the reverse. In any case, this is late September and the big seasonal cycle is in full fear mode.

Once again, there is little to do other than hold on. We do not see this as a time to scalp longs and new shorts may be piling on a bit too much given sentiment. True, we did say that if the decline held into the low we would consider a more broad based bearish approach but we've decided against it. We are short enough for now.

Index Charts of the Day



And there we have it – the breakdown. Volume was not exceptional but it was at least average and breadth was lopsided bearish.



Here is the Russell 2000 ETF with flat on-balance volume. In other words, very little money flowed into this ETF as it rallied to suggest a lack of demand.

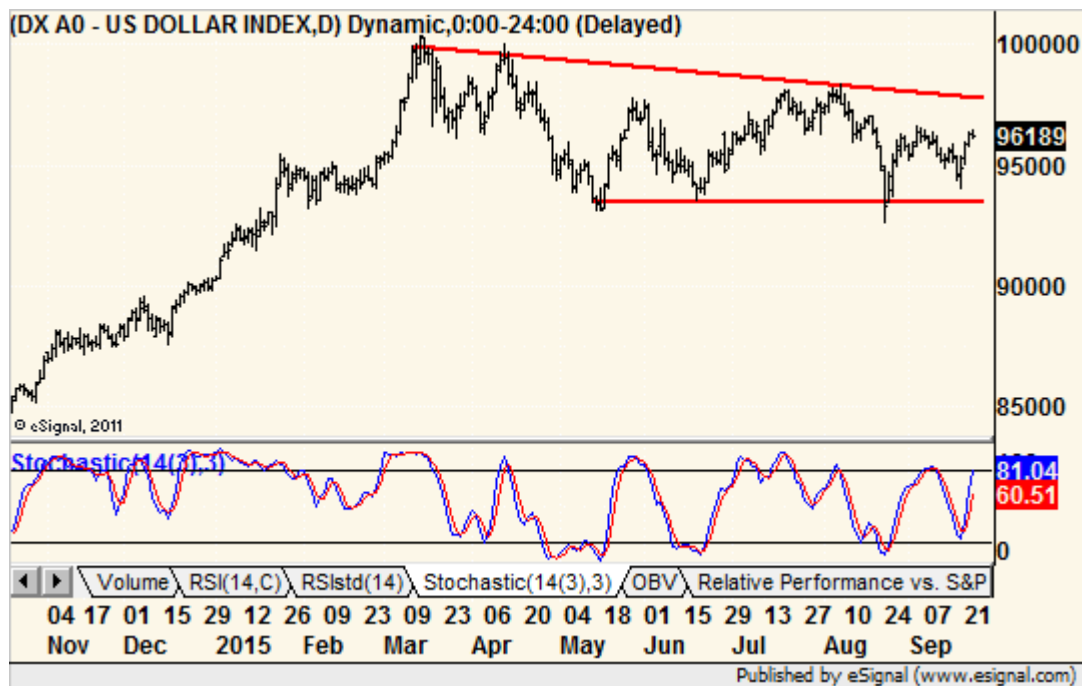
The Radar Screen

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.

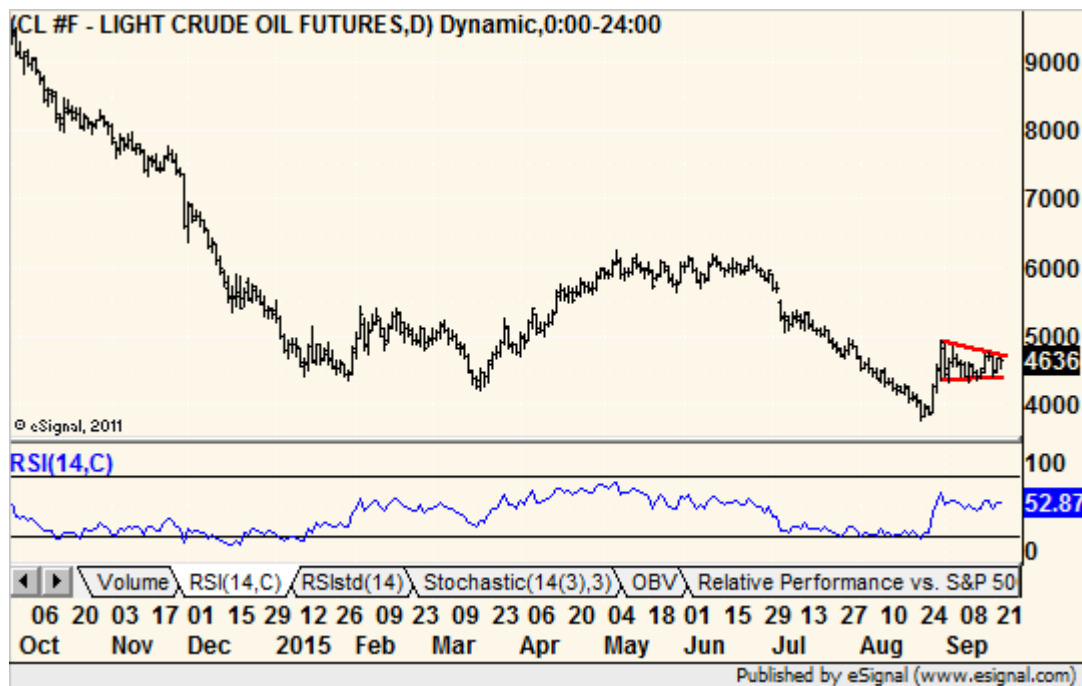
>> Nothing new here today

Bullish Implications		
none –		
Bearish Implications		
MasterCard MA – Broken and now waiting for the correction to break. Sell close under 90.50. Remarkably resilient. <u>We may up the trigger soon.</u>		9/11
Torchmark TMK – This is the insurance stock I wrote in Barron’s yesterday that has room to fall to catch up (down) with its sector. Sell breakdown under support and 200-day average at 56.35.		9/22
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Gold Miners ETF GDX – <u>We’ll circle back when the time comes.</u>	Removed	8/31
IBM – This stock is down 30% and still looks terrible. But support at 132.50 and a trailing P/E of 9.6 with a 3.6% div yield makes it look enticing on the next dip.		9/8
Pandora P – One of the better looking charts. <u>Biased to the upside but it is way too volatile for us. Moving on.</u>	Removed	9/21
Sector Watch (observations that may spark ideas)		
none -		
Updates		
none –		

Market Highlights



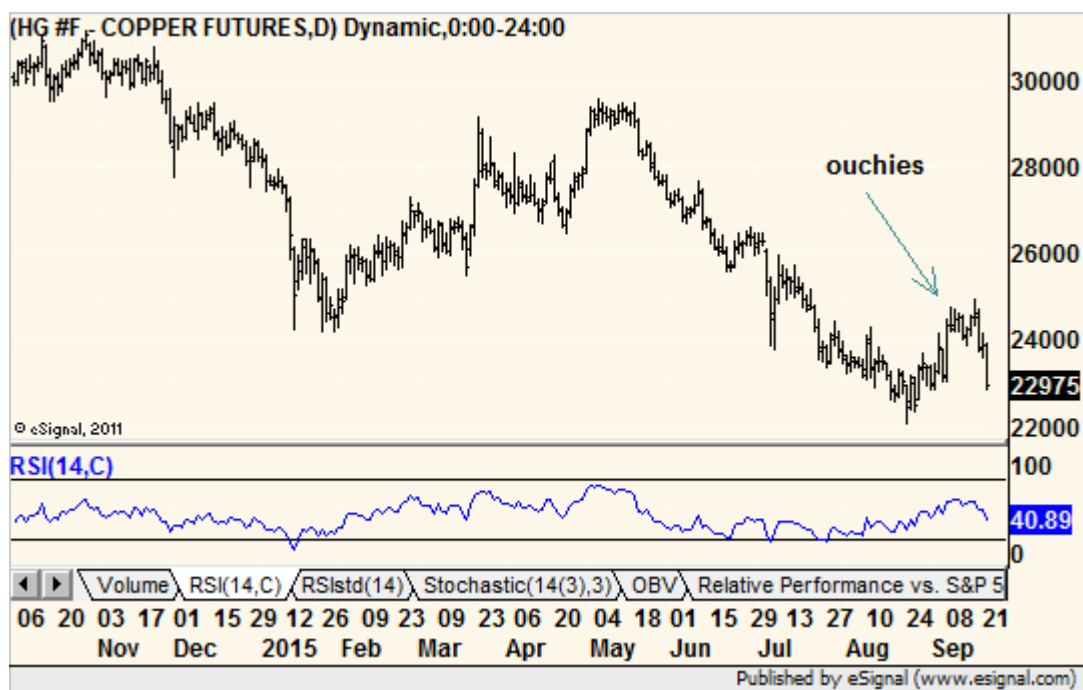
US dollar index – Just showing the pattern we think is now in control of the greenback.



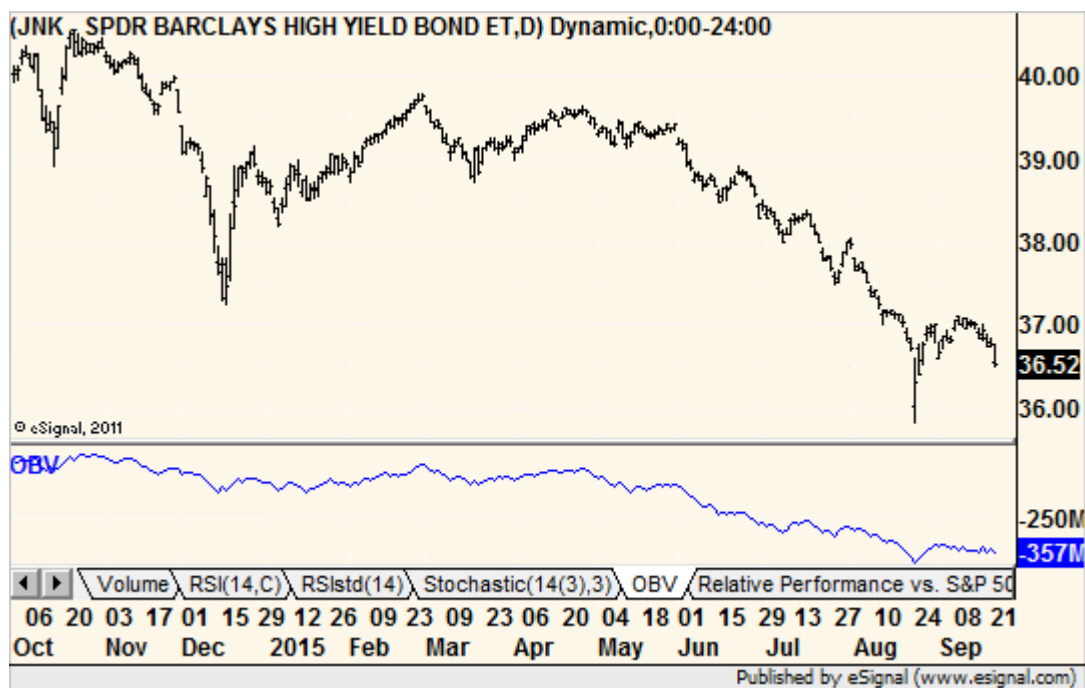
Crude Oil – We’ve changed to a triangle from a smaller bull flag. Both are similar in meaning in this position in the trend. An upside breakout would, of course, be bullish but it has not happened just yet.



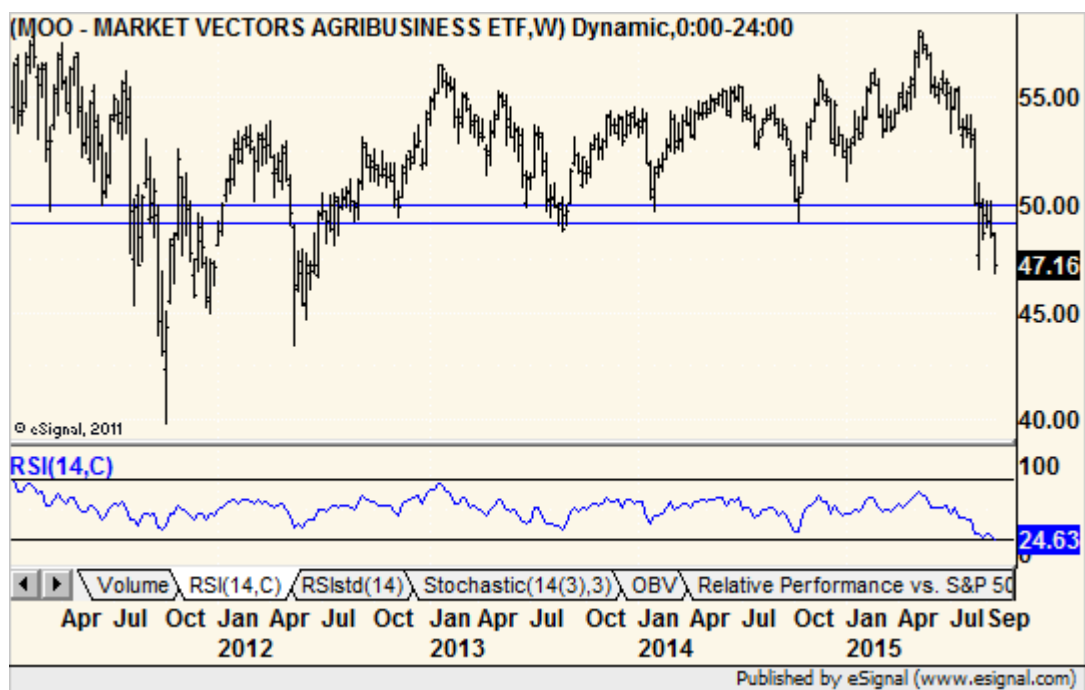
Gold ETF – A lot of resistance overhead so it is still premature to jump in.



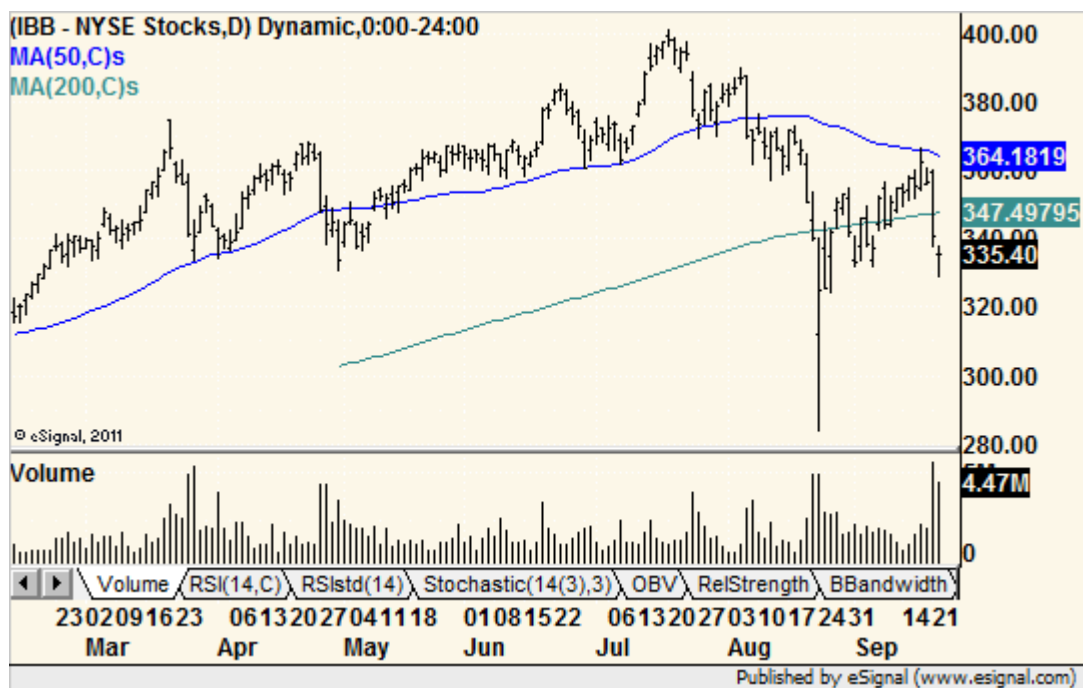
Copper – This metal was blown up yesterday. Bearish. And bearish for the economy.



Junk Bonds ETF – Bearish trend continues. Keeping the pressure on stocks, too.



Agribusiness ETF – This is comprised of food producers and suppliers (tractors, fertilizer) and it has a major long-term breakdown confirmed by the short-term test and re-break. This is a statement on agricultural commodities (bearish).



Nasdaq biotech ETF – Yes, this ETF cracked. Sell a bounce.



STOXX 600 – This is a broad based European index showing a ceiling at the end of prior bull markets. Confirms our view that the trendline is next and a break there targets the middle of the range – corresponding to the tops of the prior two S&P 500 bull market tops.

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	539.71	0.2%		538.87	9/17	5
<u>Short</u>	NYT	NEW YORK TIMES CO	11.75	11.5%	12.30	13.10	7/27	57
	FDX	FEDEX CORP	143.97	13.6%	153.00	163.50	8/20	33
	CMG	CHIPOTLE MEXICAN GRILL	726.97	-1.0%	740.00	720.01	8/20	33
	AGN	ALLERGAN PLC	287.76	8.3%	305.00	311.51	8/28	25
	PFE	PFIZER INC	32.26	3.2%	33.50	33.30	8/28	25
	MSFT	MICROSOFT CORP	43.90	-0.8%	44.50	43.56	8/31	22
	KO	COCA COLA CO	38.79	0.3%	40.00	38.90	9/2	20
	ESRX	EXPRESS SCRIPTS HLDG CO	82.81	2.6%	87.00	85.00	9/9	13
	CSCO	CISCO SYS INC	25.14	1.6%	26.50	25.54	9/18	4
	SHW	SHERWIN WILLIAMS CO	237.25	4.0%	250.00	246.65	9/18	4
	CF	CF INDS HLDGS INC	51.10	4.3%	54.00	53.32	9/18	4
	YUM	YUM BRANDS INC	79.30	2.1%	84.00	81.00	9/18	4
	MAR	MARRIOTT INTL INC NEW	68.05	4.1%	72.00	70.86	9/18	4
	CVS	CVS HEALTH	100.03	-0.9%	102.50	99.15	9/18	4
	NKE	NIKE INC	115.97	0.9%	120.00	117.00	9/21	4

Notes: We bailed on **AMZN** at the open and unfortunately it had a small gap down. Still, it was more of a hedge in case the market reacted well to the Fed – which it didn't. Commissions covered.

Otherwise, several stops trailed lower.

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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