

QUICK TAKES PRO

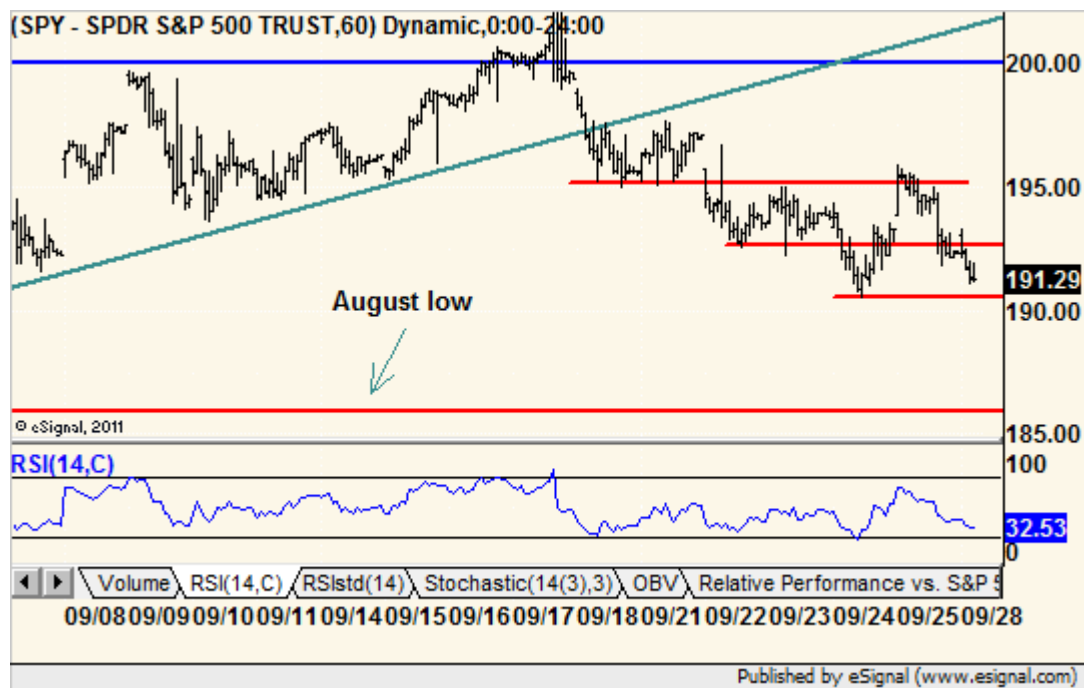
"TECHNICAL ANALYSIS FOR EVERYONE"

MICHAEL KAHN
RESEARCH LLC

September 28, 2015 – The blood moon eclipse last night will surely be blamed for market craziness today but we'd prefer to say that Friday's non-confirmation of Thursday's bullish hammer candles is the real culprit. Our view remains that the August lows are the next stop (real lows, not the wacky ETF lows).

In other news, biotech got crushed Friday afternoon leaving little doubt that this juggernaut's best days are behind it. Here is an example, after setting an all-time high in August, **VRTX** dropped from 124 to 103 just last week alone. That's almost as bad as the NY Jets performed Sunday.

Actually, there is something that was worse – microcaps. The Russell Microcap index was down 2.5% Friday. Compare to the Nasdaq, which was down 1% and the S&P 500 which was flat. Is this index telling us something? Or is it just an anomaly since the Wilshire 4500 was down only three quarters of a percent. This index is the Wilshire 5000 minus the biggest 500 so it is not exactly on par with micro caps.

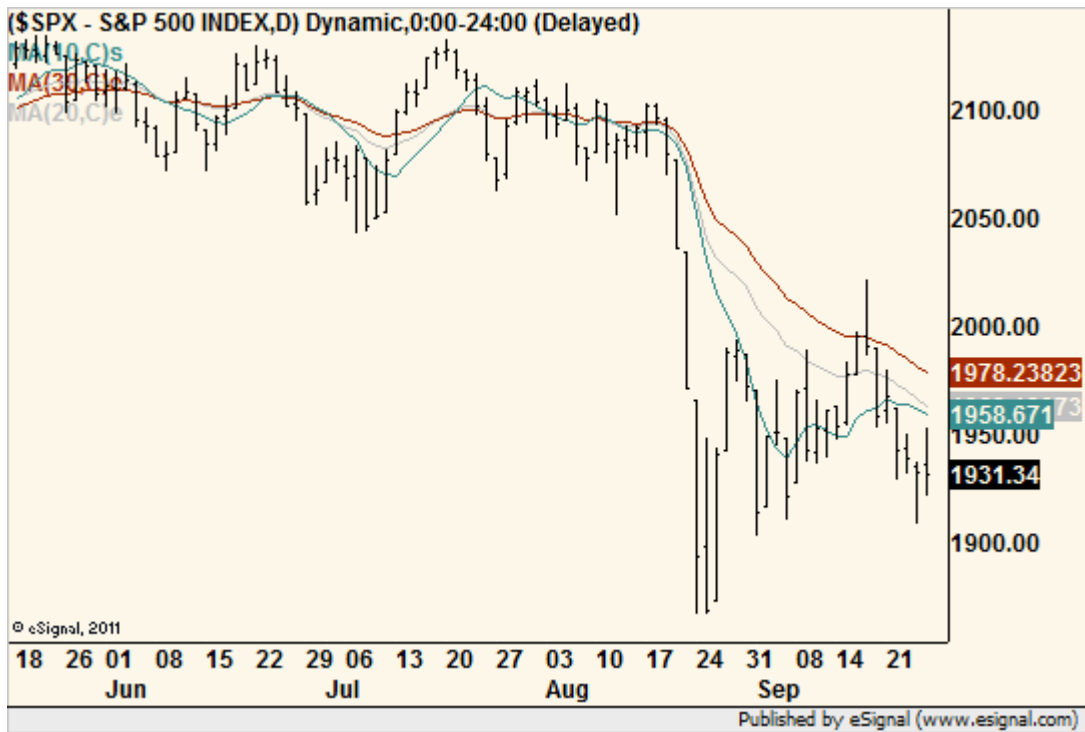


The hourly chart is playing with support and resistance and looks to be headed to the next lower line. That still would not be close to our real target of the August low.

Nothing new in gold and oil. Palladium had a big week as it is a big component in the diesel cars in the middle of Volkswagen's problems. Check out the chart below of Stillwater Mining (**SWC**) which is a big platinum and palladium producer. Looks like a double bottom but we are not so sure due to the news.

Finally, bonds are waffling a bit but we see no reason why they are going to weaken just yet. That keeps rates low and the Fed's job that much harder. Low long rates leave less room for short rates to rise.

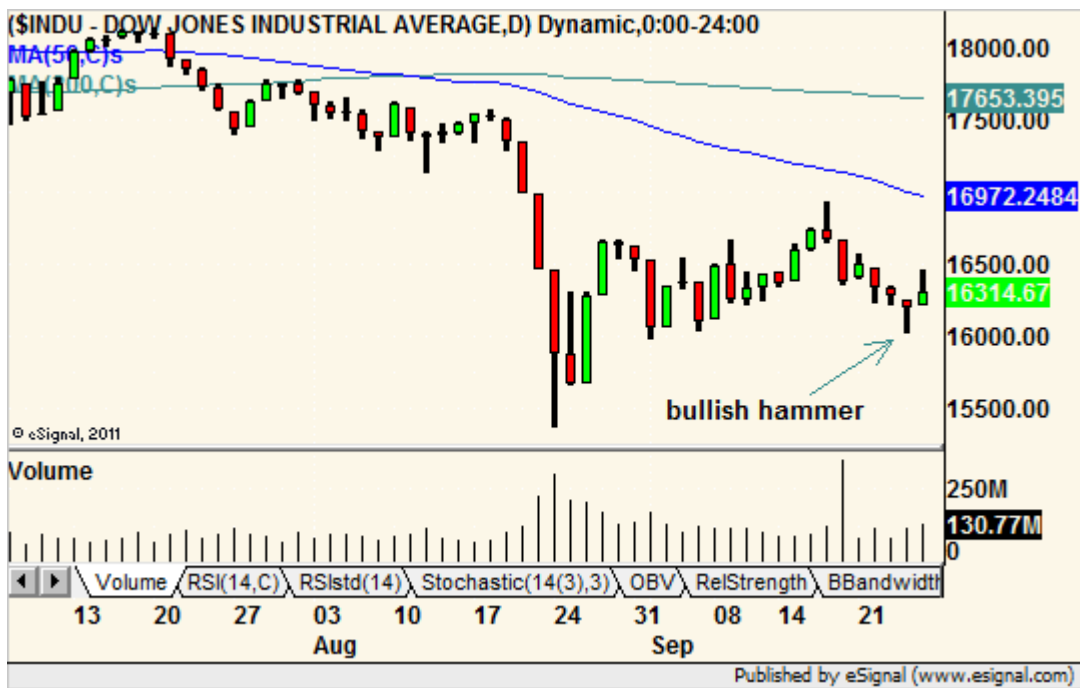
Index Charts of the Day



Just a little reminder about what the short-term trend is. Those are the “bowtie” averages of 10-day simple, 20-day expo and 30-day expo. When the cross to the upside then we can think about recovery.



No comments needed.



The Dow chart shows why we were prompted to cover a few shorts Friday. The bullish hammer from Thursday looked to be well on its way to being confirmed for a short-term rebound and we can argue that a 113–point gain is still that confirmation. However, the gain was all **NKE** and we may have been scared out of a few winners.



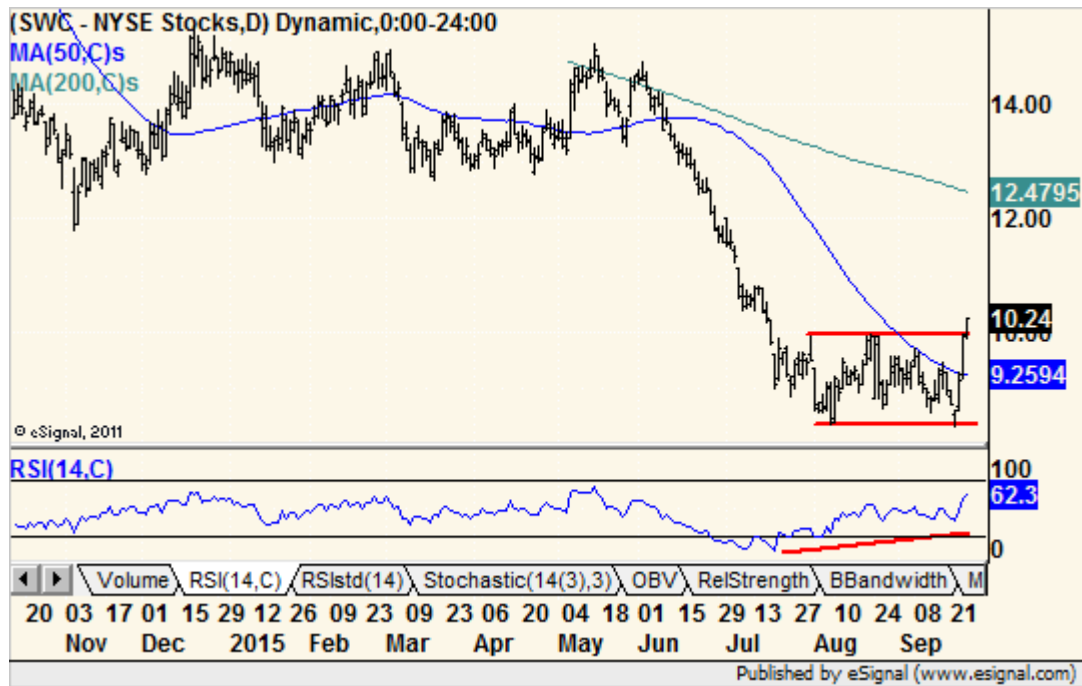
The Russell also looked stronger in the morning to confirm the hammer but it did not last. The trend is still down.

The Radar Screen

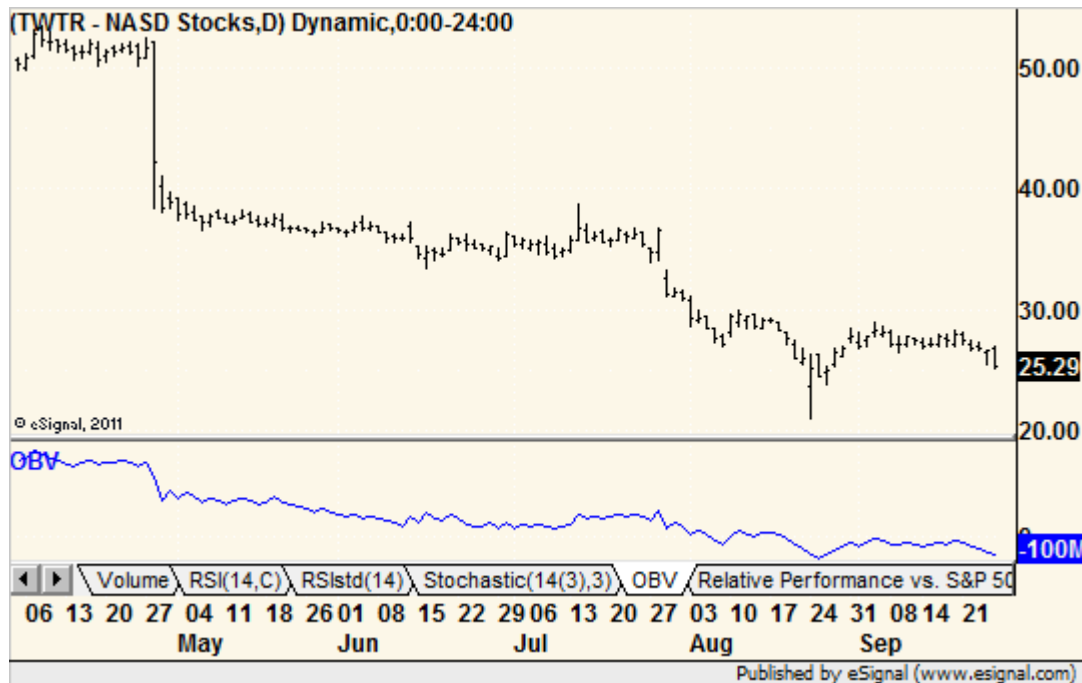
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
MasterCard MA – Broken and now waiting for the correction to break. Sell close under 91.00.		9/11
Torchmark TMK – This is the insurance stock I wrote in Barron’s last week 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		
Archer Daniels Midland ADM – Considering that we just blasted the Agribusiness ETF (MOO) this is a surprise. However, it has a possible reversal at support and on-balance volume is not too bad. Not buying yet		9/25
Campbell Soup CPB – That is a little bull flag in a strong stock. If we are wrong about the market then this should keep leading higher.		9/25
Royal Caribbean RCL – This recreational services stock (cruise line) looks pretty good and if we were not so sour on the market we might trend follow this one. Also here in case we are wrong about the market.		9/25
Regeneron Pharma REGN – Biotech is quite volatile so we do not want to chase them lower. However, this one looks ripe to sell a bounce and double down when it breaks support.	New	9/28
Amgen AMGN – Whereas REGN above has more room to fall, this one is already in an establish decline. Looking to sell a bounce here, too.	New	9/28
Sector Watch (observations that may spark ideas)		
Consumer Staples ETF XLP – outperforming the market		9/25
Updates		
Yen ETF FXY - Arguable downside break from small triangle		
Caterpillar CAT - Along with DE , still watching to see if was a selling climax. So far, not.		
Blackberry BBRY – As we said, it looked like poison. Big earnings miss and price collapse.		

Market Highlights



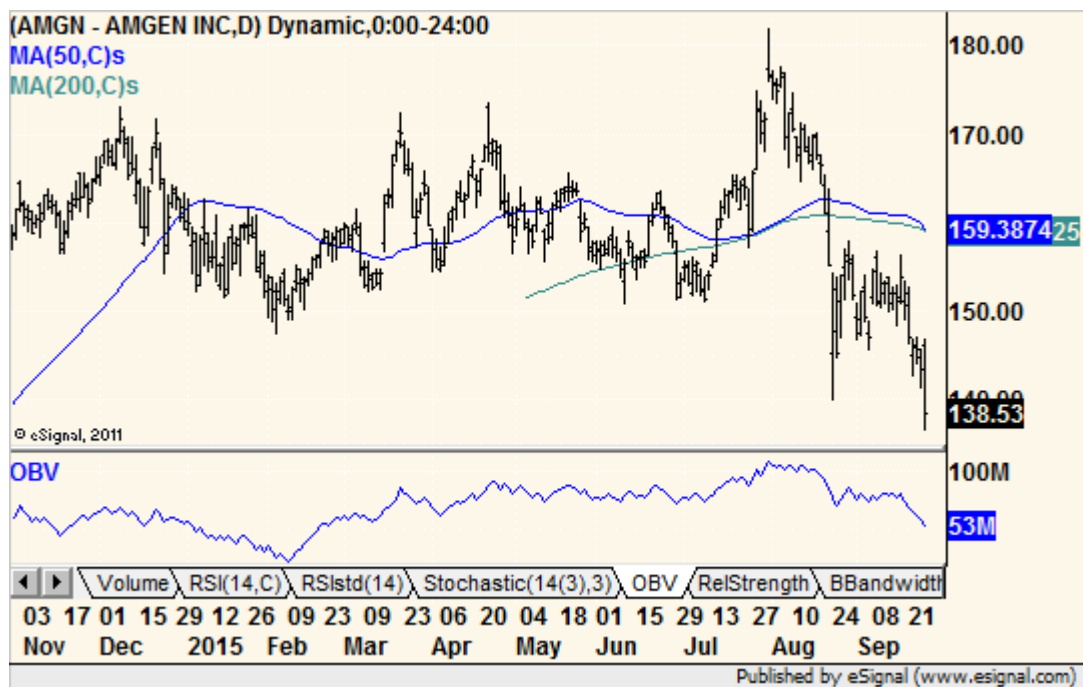
Stillwater Mining – This is a platinum and palladium miner and it had a big week thanks to Volkswagen. We see a double bottom breakout – or do we? Breakouts that start at support and move through resistance without pausing are prone to failure. And not shown, on-balance volume is still falling.



Twitter – Sort of looks like Blackberry did a few days ago – poison.



Regeneron Pharma – Biotech is quite volatile so we do not want to chase them lower. However, this one looks ripe to sell a bounce and double down when it breaks support. Holding Tank.



Amgen – Whereas **REGN** above has more room to fall, this one is already in an establish decline. Looking to sell a bounce here, too.

Look throughout the biotech sector for both types of stocks with the overall strategy to sell a 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>								
<u>Short</u>	NYT	NEW YORK TIMES CO	11.74	11.6%		13.10	7/27	61
	FDX	FEDEX CORP	144.45	13.2%	153.00	163.50	8/20	38
	CMG	CHIPOTLE MEXICAN GRILL	733.83	-1.9%		720.01	8/20	37
	AGN	ALLERGAN PLC	279.03	11.6%	305.00	311.51	8/28	30
	PFE	PFIZER INC	31.89	4.4%	33.50	33.30	8/28	30
	MSFT	MICROSOFT CORP	44.48	-2.1%		43.56	8/31	26
	KO	COCA COLA CO	39.62	-1.8%	40.00	38.90	9/2	25
	ESRX	EXPRESS SCRIPTS HLDG CO	80.55	5.5%	87.00	85.00	9/9	18
	CSCO	CISCO SYS INC	26.03	-1.9%	26.50	25.54	9/18	9
	SHW	SHERWIN WILLIAMS CO	227.49	8.4%	250.00	246.65	9/18	9
	CF	CF INDS HLDGS INC	47.07	13.3%		53.32	9/18	8
	YUM	YUM BRANDS INC	78.60	3.1%	84.00	81.00	9/18	9
	MAR	MARRIOTT INTL INC NEW	68.50	3.4%	72.00	70.86	9/18	9
	CVS	CVS HEALTH	98.61	0.5%	102.50	99.15	9/18	9
	NKE	NIKE INC	123.13	-5.0%		117.00	9/21	5

Notes: Covered **NYT** because it seemed like time to get paid on this aging position. Also covered **CF** as it gave us the big profit very quickly making it prone to snap back.

Covered **MSFT** and **CMG** because they just did not perform. Too resilient.

And we were trapped in the **NKE** gap up for a loss.

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.



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