

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

September 29, 2014 - The third quarter ends tomorrow so there is yet another excuse for volatility - as if last week was not enough. A 167-point Dow rebound was not enough to keep it out of the red for the week and negate the breakout failure that may have occurred. We say "may" because the tone of the market changed from day-to-day. No trend there. Perhaps all we have is volatility.

And with that said, violence in Hong Kong may be spilling from that market to ours. The hourly chart below shows a very sloppy breakdown from the expanding triangle pattern.

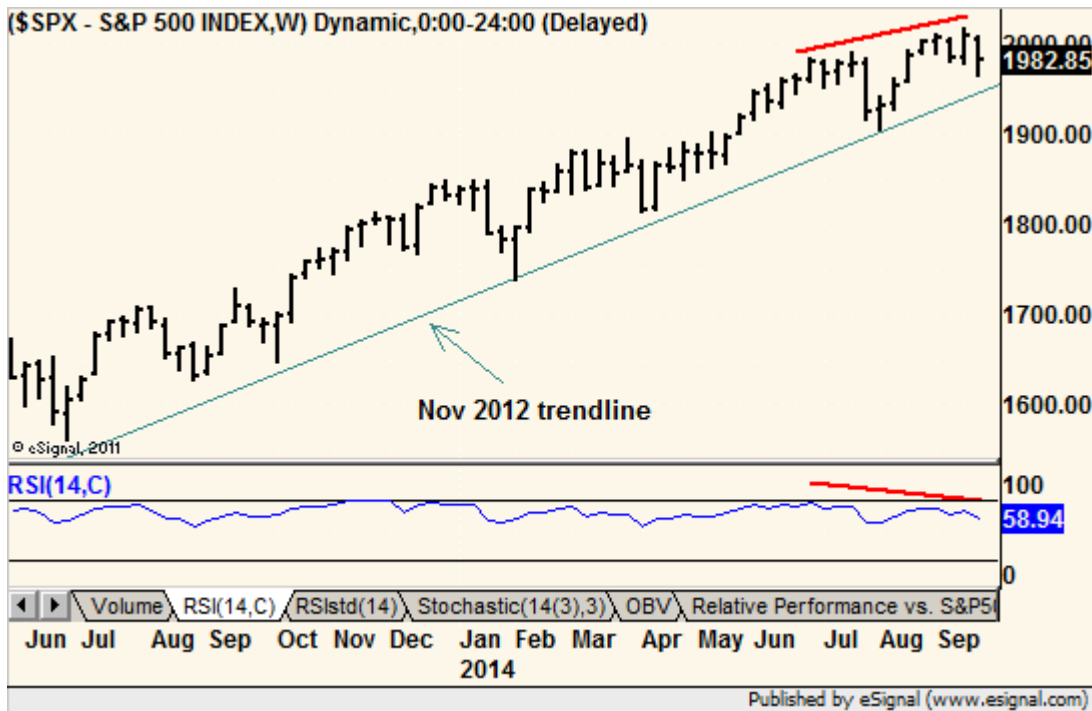


There is really not much in the way of insights to offer. Here are some bullets:

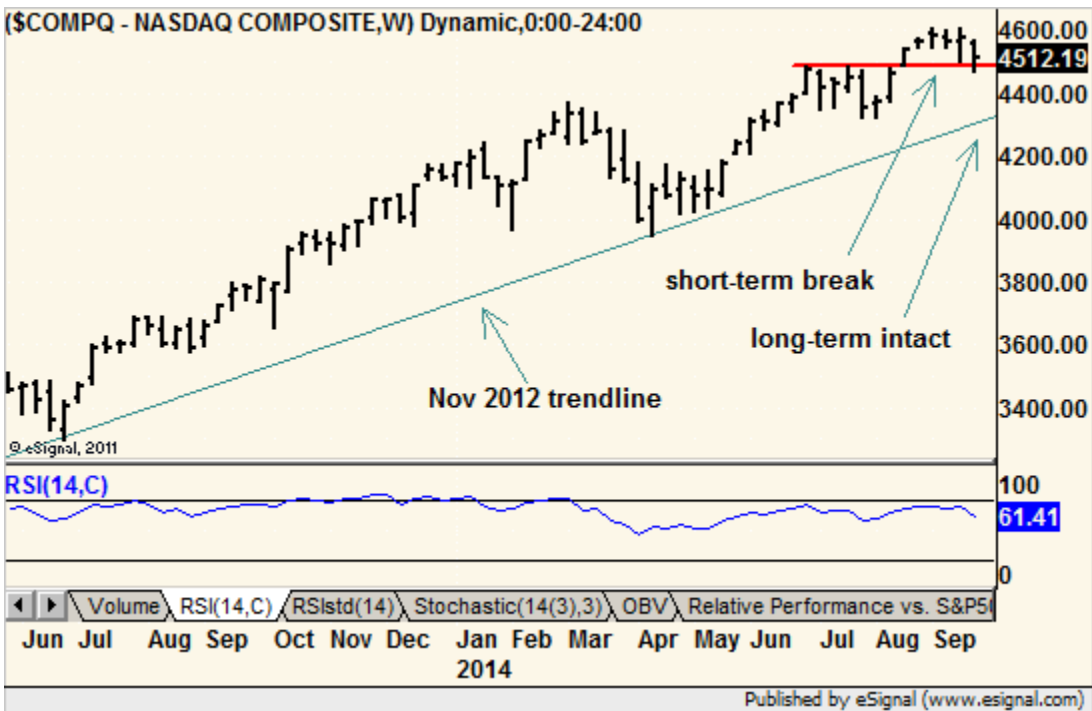
- Commodities are suffering thanks to the soaring dollar.
- The dollar itself is short-term overbought but now has a long-term breakout.
- Bonds have negated their breakdown in a flight to safety rally.
- Junk bonds have cratered. Utilities are weak.
- Healthcare is the leader.
- Tech is still leading but faltering. Semiconductors seem vulnerable
- The long-term stock bull is intact, save for small caps, but the short-term is broken.

It is not a comfortable time to be making buy and sell decisions, that is for sure. Therefore, we keep it light and wait.

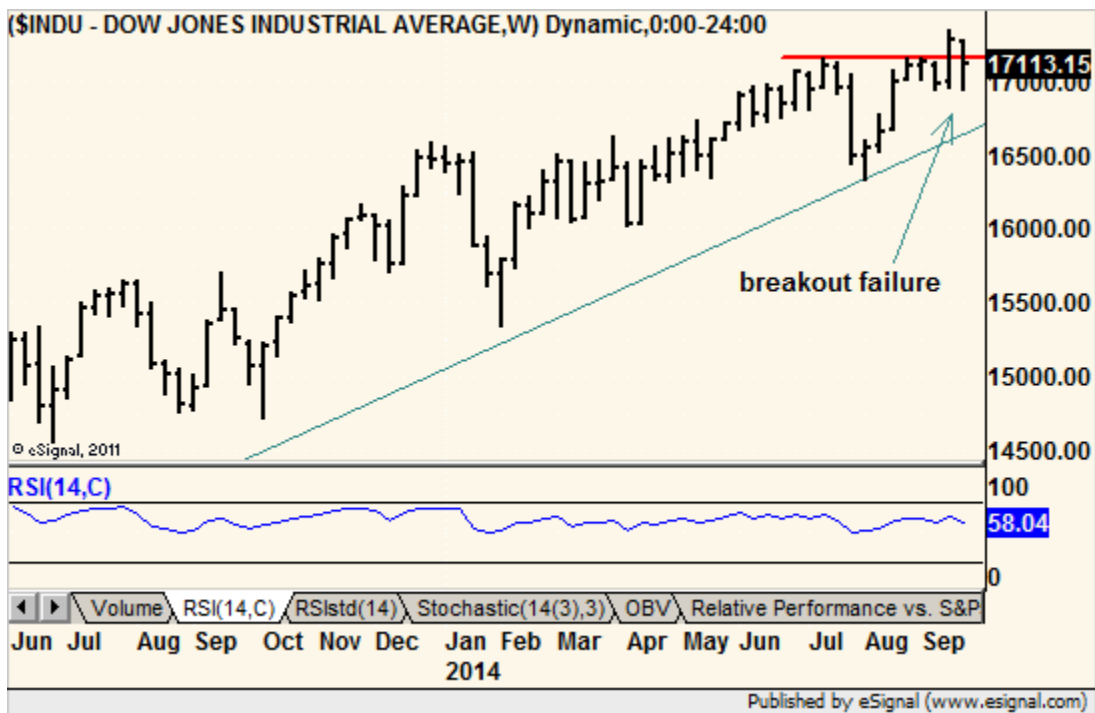
Index Charts of the Day



The short-term condition is very sloppy so let's look at a weekly chart. Looks like the end of the rally but until there is an actual breakdown we cannot trade on that.



Nasdaq - short-term break, long-term intact



Similar story for the Dow with a breakout failure in the short-term.



The Russell is basically trendless but with a short-term negative bias. A break of the lower red line would, of course, be very bearish.

The Radar Screen

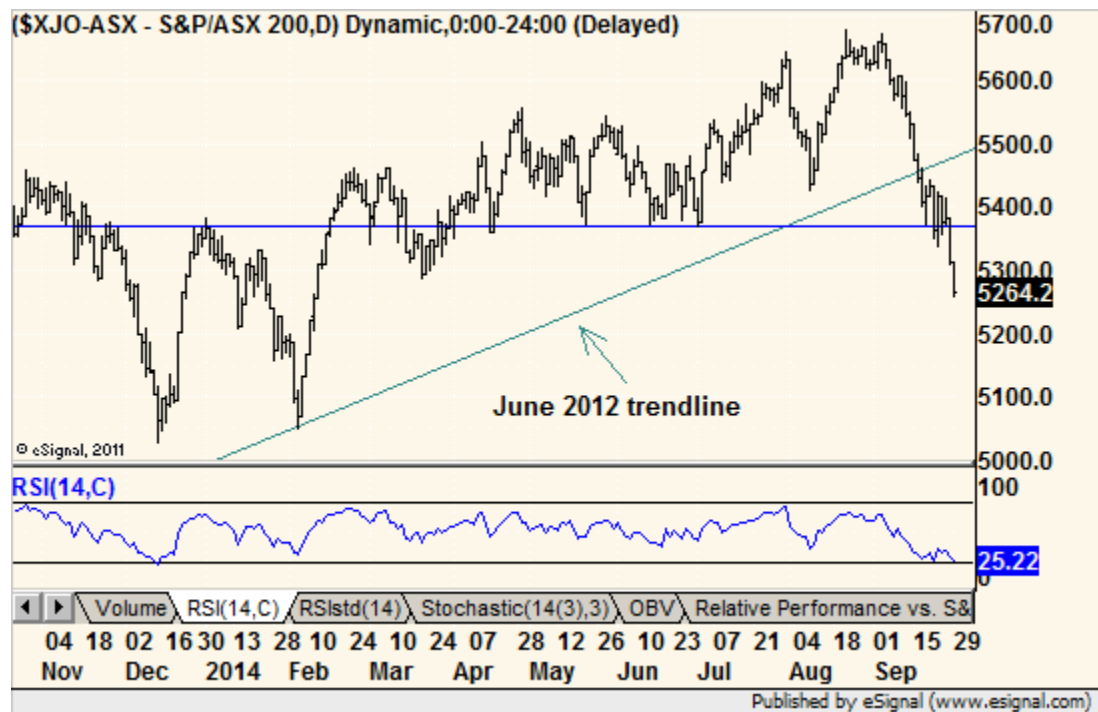
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
none -		
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
Lululemon LULU - This sports clothing company has been hurting for a while but formed a base over the past few months. The tide has finally come in. After several big volume gaps lower, it finally gapped higher on big volume. Buy 45. Still like the setup but it is too far away for now. Will keep watching.		9/19
Home Depot HD - Watching to see if it is a double top or cup-with-handle.		9/23
Oracle ORCL - With its CEO and founder stepping down, this stock seems to have topped (actually, ahead of the news). That is a support and 200-day average break.		9/26
McDonalds MCD - We were premature on this one as it dipped to a lower low. But now it has a huge bullish reversal and it is back above its 50-day average. Look for a break above the neck of a pointy inverted head-and-shoulders as a buy signal. Given the market, don't be early.	New	9/29
Linear Technology LLTC - In the weak semi group. This one is set up for a fall.	New	9/29
American Express AXP - We stumbled onto this one. A moving average death cross and a defined slightly rising trading range suggest a pending breakdown. Wait for it.	New	9/29
Sector Watch (observations that may spark ideas)		
Healthcare - still leading	New	9/29
Tech - still leading but faltering. Semiconductors falling relative to the market	New	9/29
Financials - although they had breakout failures, relative to the market they are still improving	New	9/29
Energy - Still lagging with no signs of change	New	9/29
Retail - improving relative to the market	New	9/29
Homebuilding - The chart looks weak but relative to the market it is improving. Mainly due to the fact they've been down for months as the market falls.	New	9/29
Updates		
none -		

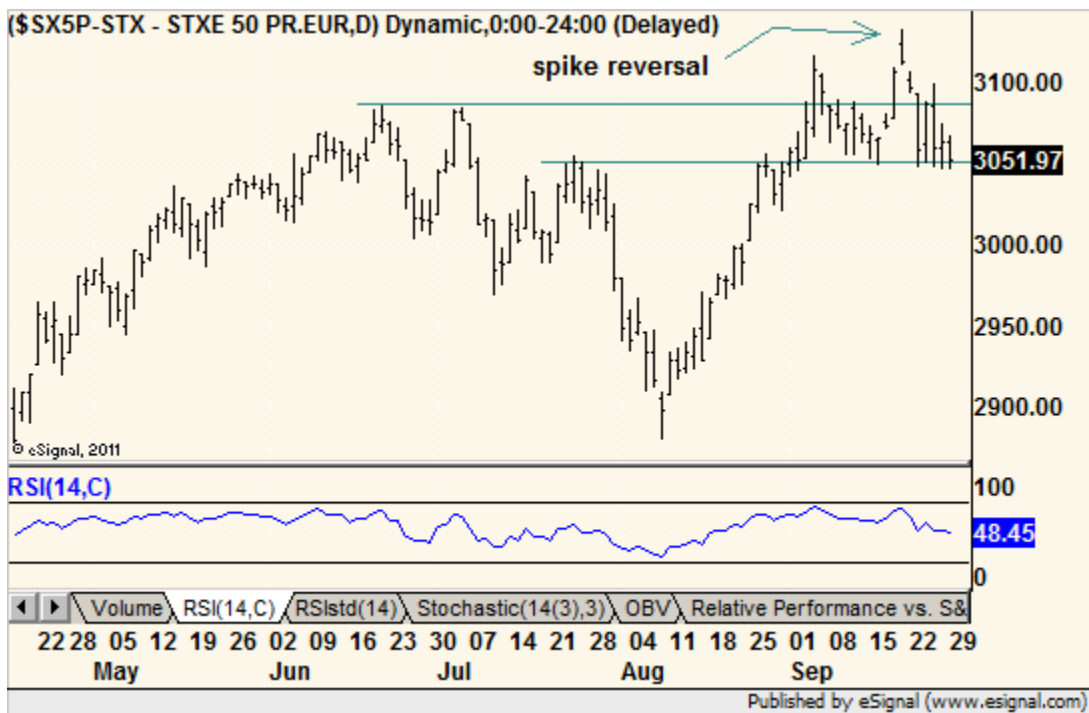
Market Highlights



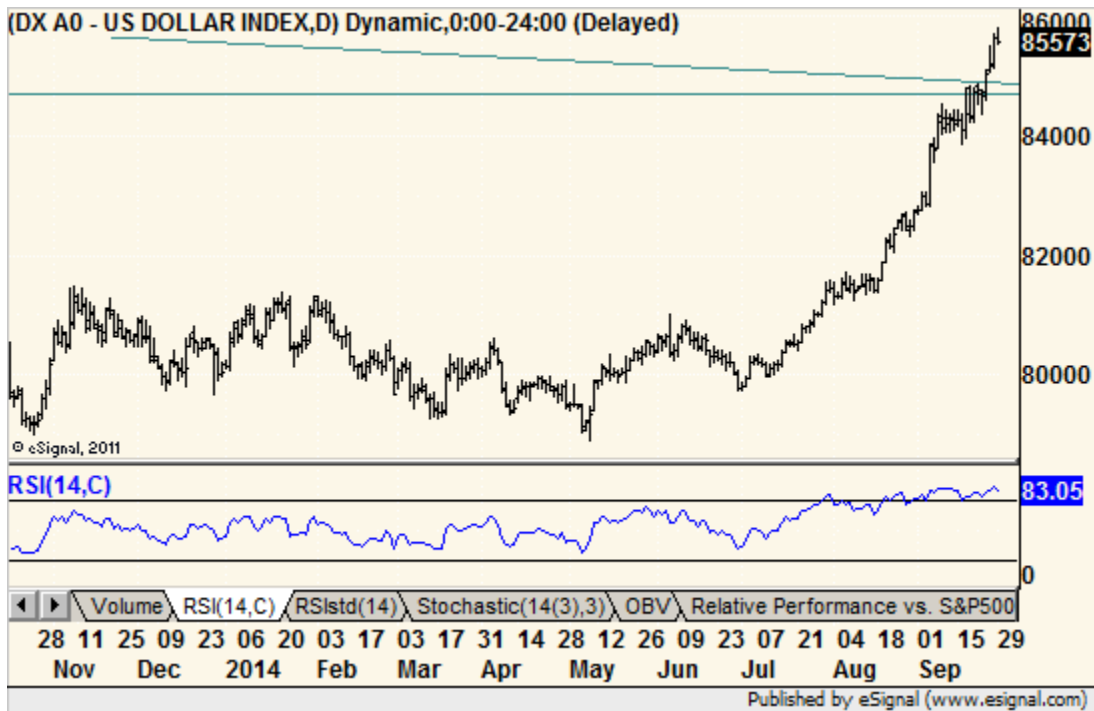
Hong Kong Hang Seng Index - A huge drop following a steep slide. Reports say there is rioting there is rioting at pro-democracy protests. Technically, this is approaching oversold but long-term it is not positive.



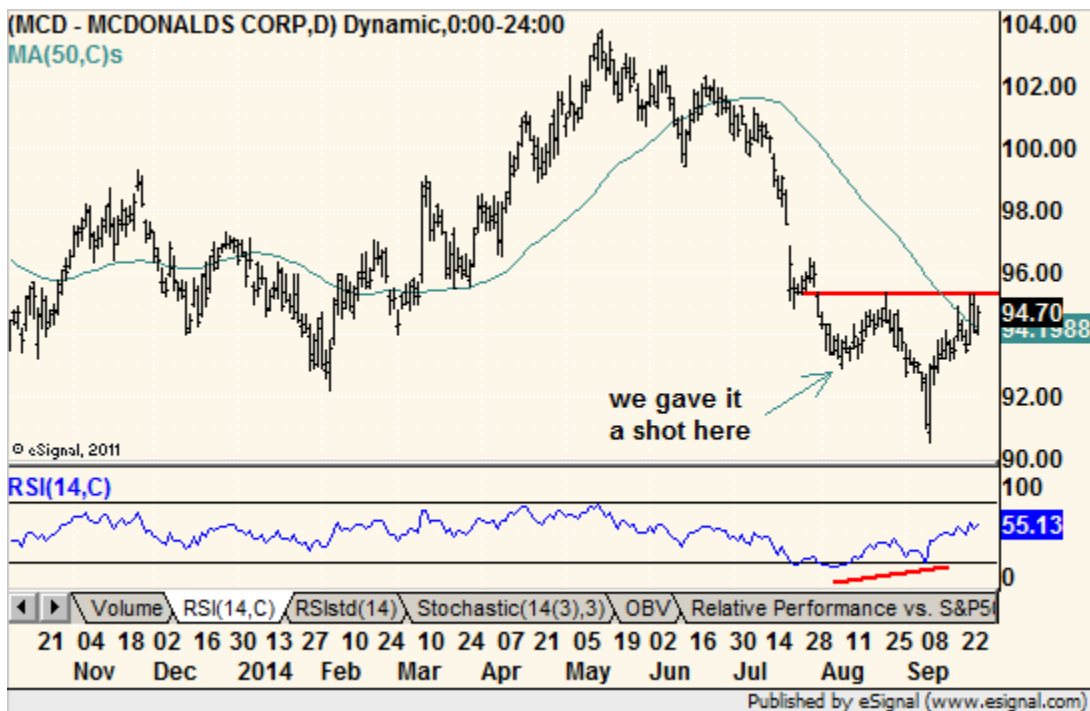
Australia ASX-200 - Another bad long-term chart.



STOXX 50 - The pan-European blue chip index looks like the Dow. The spike reversal led to the breakout failure and now it sits on critical short-term support.



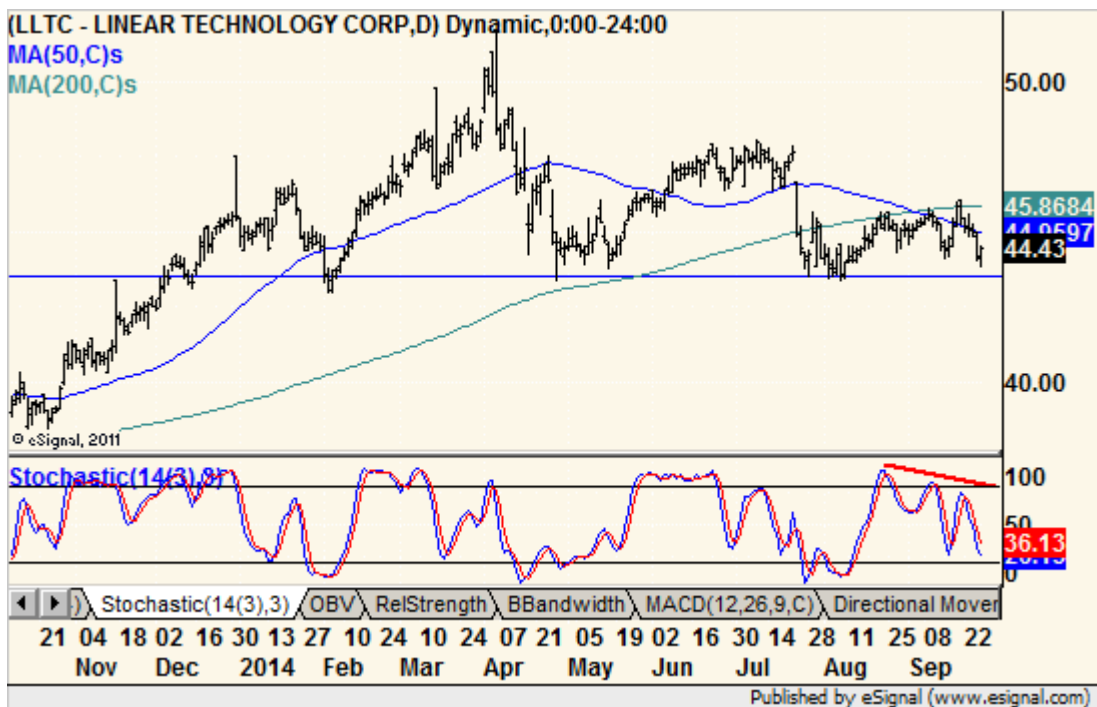
US dollar index - Very overbought but the long-term breakout now has plenty of room for a correction without negating it.



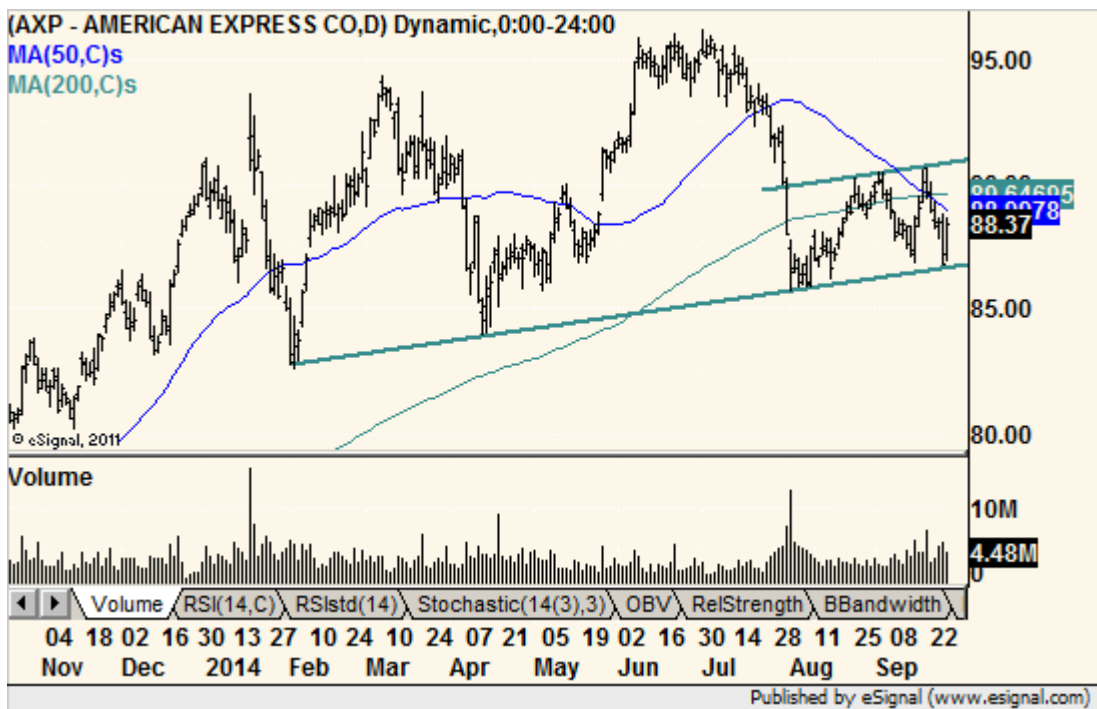
McDonalds - We were premature on this one as it dipped to a lower low. But now it has a huge bullish reversal and it is back above its 50-day average. Look for a break above the neck of a pointy inverted head-and-shoulders as a buy signal. Given the market, don't be early.



Netsuite - The price action looks like a good setup but we cannot confirm with any indicators. Presented as is.



Linear Technology - We mentioned weak semis earlier. This one is set up for a fall.



American Express - We stumbled onto this one. A moving average death cross and a defined slightly rising trading range suggest a pending breakdown. Wait for it.

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>	GNC	GNC HLDGS INC	39.47	5.3%	39.00	37.50	8/25	33
	CERN	CERNER CORP	58.66	2.7%	57.50	57.12	8/26	32
	VZ	VERIZON COMMUNICATIONS INC	49.77	1.3%	48.00	49.15	8/26	32
	LRCX	LAM RESEARCH CORP	75.21	3.4%	73.00	72.75	9/11	16
	RJF	RAYMOND JAMES FINANCIAL INC	54.88	-2.0%	54.00	56.00	9/18	9
	ALTR	ALTERA CORP	36.02	-3.5%	sell	37.33	9/19	8
	NSC	NORFOLK SOUTHERN CORP	111.31	0.9%	106.00	110.31	9/24	3
<u>Short</u>	APA	APACHE CORP	94.62	1.2%	99.00	95.80	9/15	12
	PFE	PFIZER INC	29.72	1.5%	31.00	30.18	9/22	5

Notes: While semiconductors have weakened, **LRCX** is still holding well. We will sell **ALTR** instead of waiting for the stop.

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

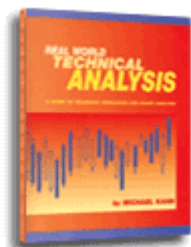
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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