

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**October 1, 2015** – The escalating conflict in Syria did not slow the bulls down yesterday and they finished strong. Was that the bottom? We don't think so. It was a nice oversold bounce to cap off a really rotten third quarter. Most of the market was down 7%.

We really don't have anything new on the technical front to bring you. I put the Macy's chart we looked at here yesterday in my column along with **BBBY**, **WMT** and even **GPS** despite its giant gap down. We'll rerun the charts below and put some actual triggers on them.

And in keeping with the lack of market wide technicals, we'll look at **RL**, too, which soared yesterday. Although risky to buy after such a pop the bigger picture is actually pretty good.

There's a bull market somewhere, right? They are just few and far between these days

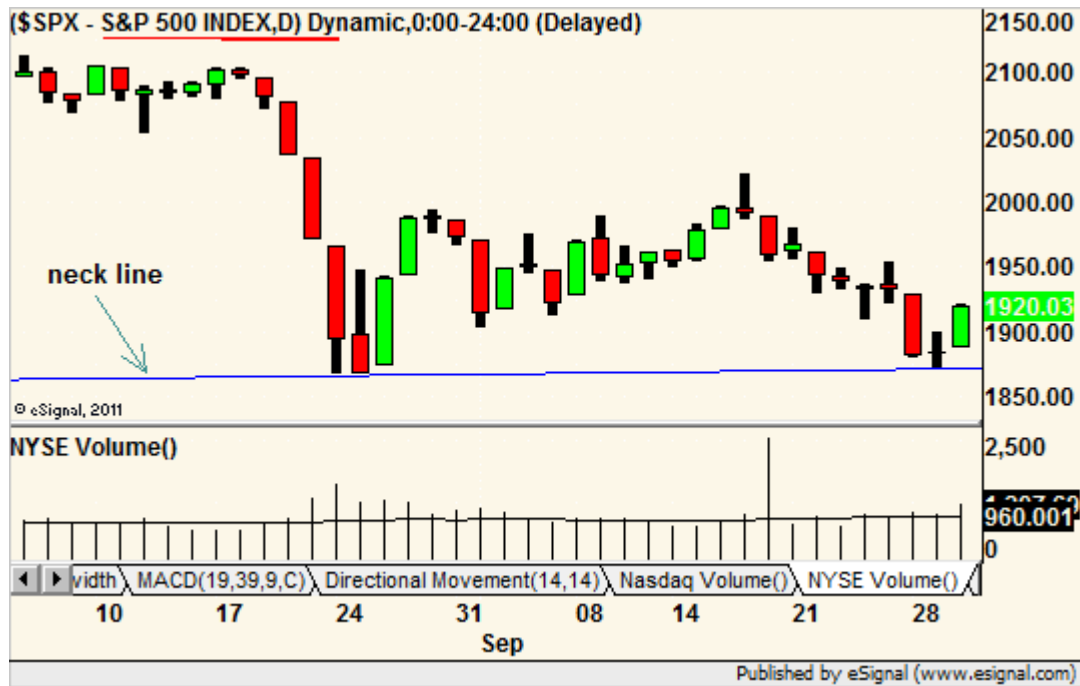


Support and resistance lines here still working. No, they are not perfect and there is some subjectivity but so far, so good. However, today we see an overbought hourly RSI after the overnight jump.

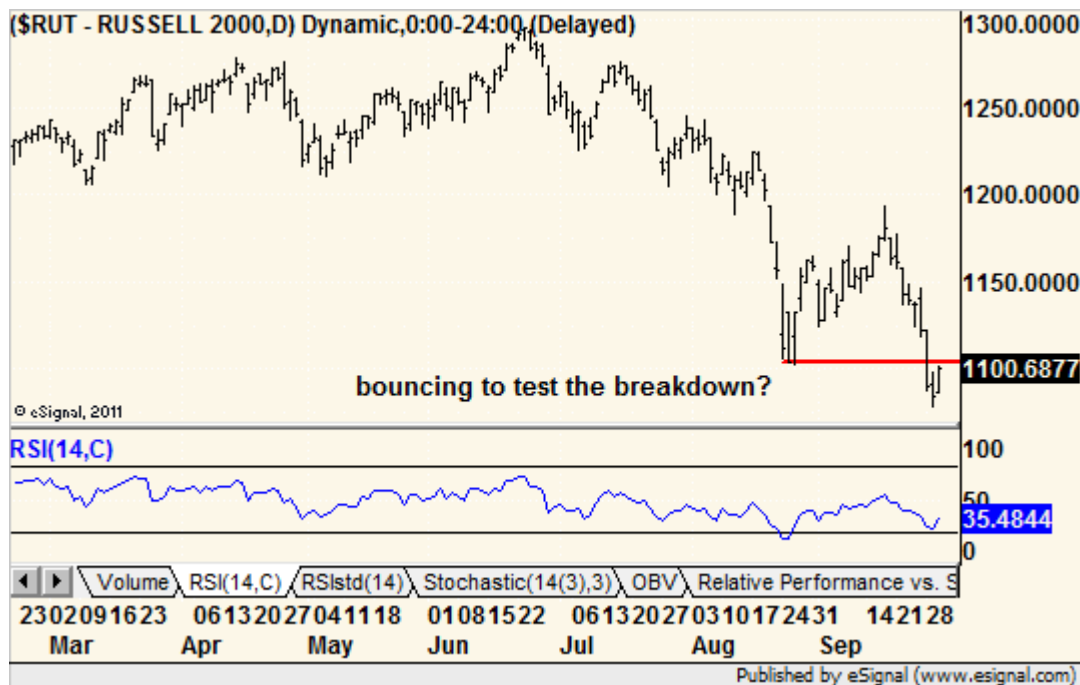
Once again, nothing new in gold and oil. Most commodities are weak but again, there is always something going up. Check out the sugar chart below.

Our strategy has not changed although we did get stopped out of a pair of positions yesterday. Looking at them, we are not unhappy with the result.

## Index Charts of the Day



So far, just a regular bounce off support. Volume was higher but the candle pattern is not a morning star. What we really need to do is wait to see if an O'Neil follow through day forms. That window does not open until Friday.



Same chart, one day later. Still below the breakdown level.

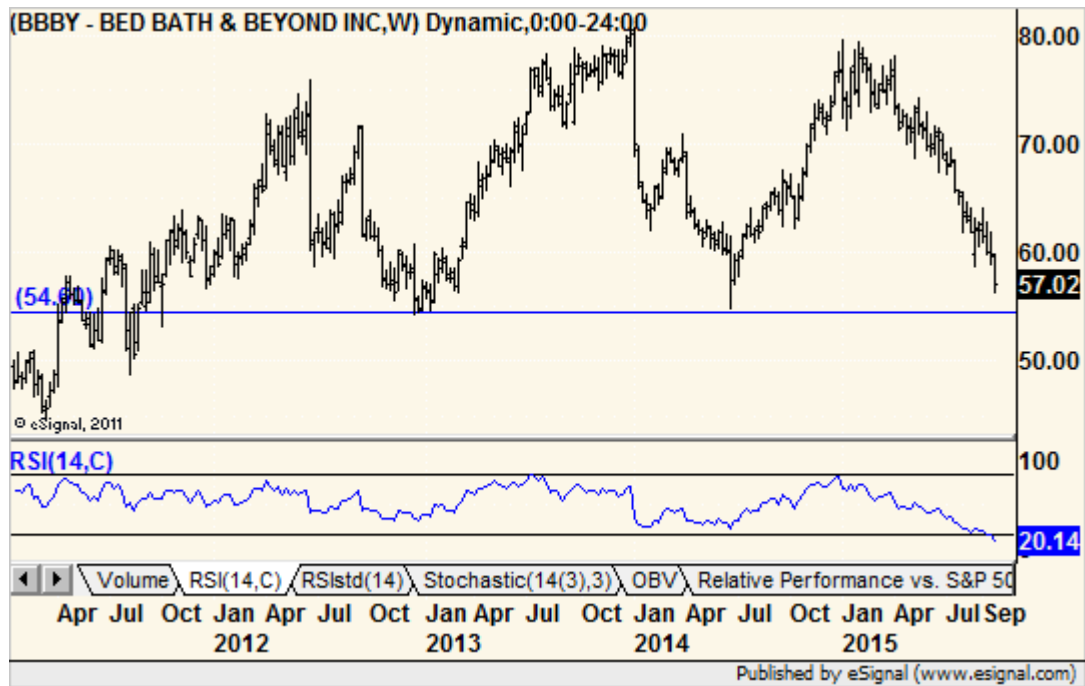
## The Radar Screen

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.

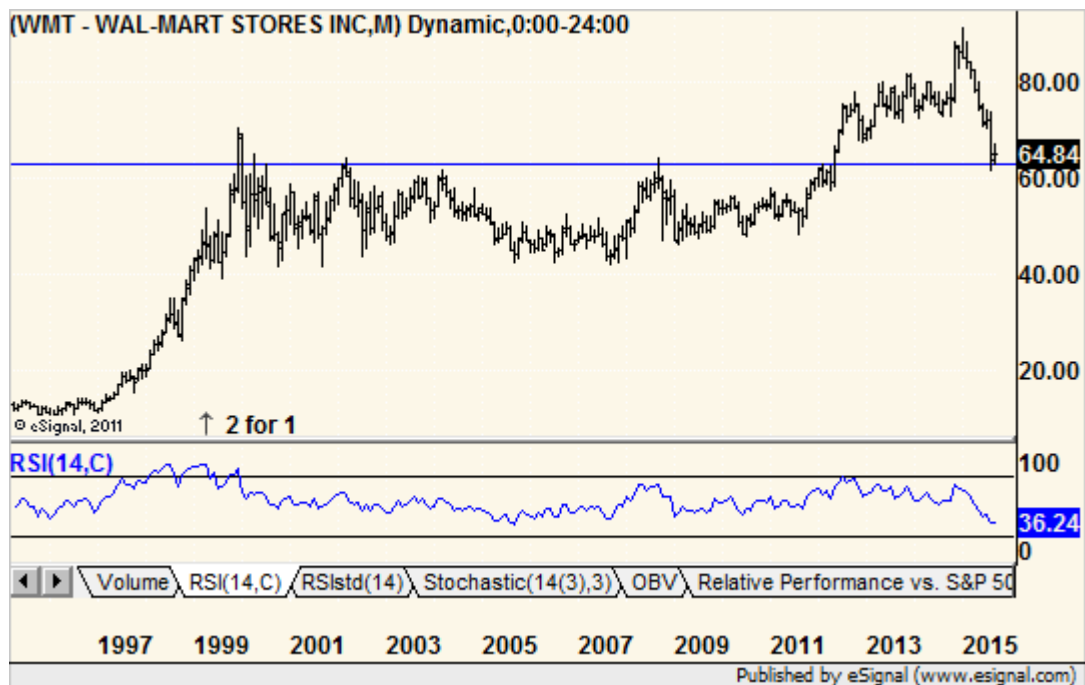
| <b>Bullish Implications</b>                                                                                                                                                                                                                                                    |                  |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------|
| none –                                                                                                                                                                                                                                                                         |                  |      |
| <b>Bearish Implications</b>                                                                                                                                                                                                                                                    |                  |      |
| <b>Vulcan Materials VMC</b> – A new sell-the-bounce candidate. The RSI divergence looks better on weekly charts. Also, a high trailing P/E. Trigger at 89                                                                                                                      | <b>Triggered</b> | 9/29 |
| <b>Unknown Implications</b>                                                                                                                                                                                                                                                    |                  |      |
| none –                                                                                                                                                                                                                                                                         |                  |      |
| <b>Holding Tank</b> – red shade leans bearish, green shade leans bullish                                                                                                                                                                                                       |                  |      |
| <b>Apple AAPL</b> – On the brink. Already failed at 50-day average. Watching for trendline breakdown. Breakdown! <u>Waiting for a test.</u>                                                                                                                                    |                  | 9/29 |
| <b>Micron Technology MU</b> – It is rather clear we are market bears but this semiconductor stock looks pretty good. That is a nice bullish RSI divergence and its P/E is quite low. Needs a buy trigger but we are going to follow it                                         |                  | 9/30 |
| <b>Macys M</b> – We want this stock at around 47.                                                                                                                                                                                                                              |                  | 9/30 |
| <b>Newell Rubbermaid NWL</b> – Another sell the bounce candidate                                                                                                                                                                                                               |                  | 9/30 |
| <b>Bed Bath &amp; Beyond BBBY</b> – Waiting for dip to 64.60                                                                                                                                                                                                                   | <b>New</b>       | 10/1 |
| <b>Wal-Mart WMT</b> – Now at major long-term support. Waiting for triangle breakout                                                                                                                                                                                            | <b>New</b>       | 10/1 |
| <b>Gap GPS</b> – Sure looks like a selling climax. Still need some sign the bulls are interested again.                                                                                                                                                                        | <b>New</b>       | 10/1 |
| <b>Sandisk SNDK</b> – The daily chart looks like MU’s (see above). The weekly chart has a bullish reversal, a dip and another possible reversal. Of course, there are two more days to go this week before that completes. Just another beaten down tech stock with potential. | <b>New</b>       | 10/1 |
| <b>Ralph Lauren RL</b> – A new CEO got this one soaring. Far too risky to buy after such a move (from bottom to and through the top of a pattern) but in the big picture this is a potential long-term bullish reversal. We may buy a test of the breakout.                    | <b>New</b>       | 10/1 |
| <b>Sector Watch</b> (observations that may spark ideas)                                                                                                                                                                                                                        |                  |      |
| none –                                                                                                                                                                                                                                                                         |                  |      |
| <b>Updates</b>                                                                                                                                                                                                                                                                 |                  |      |
| none -                                                                                                                                                                                                                                                                         |                  |      |

## Market Highlights

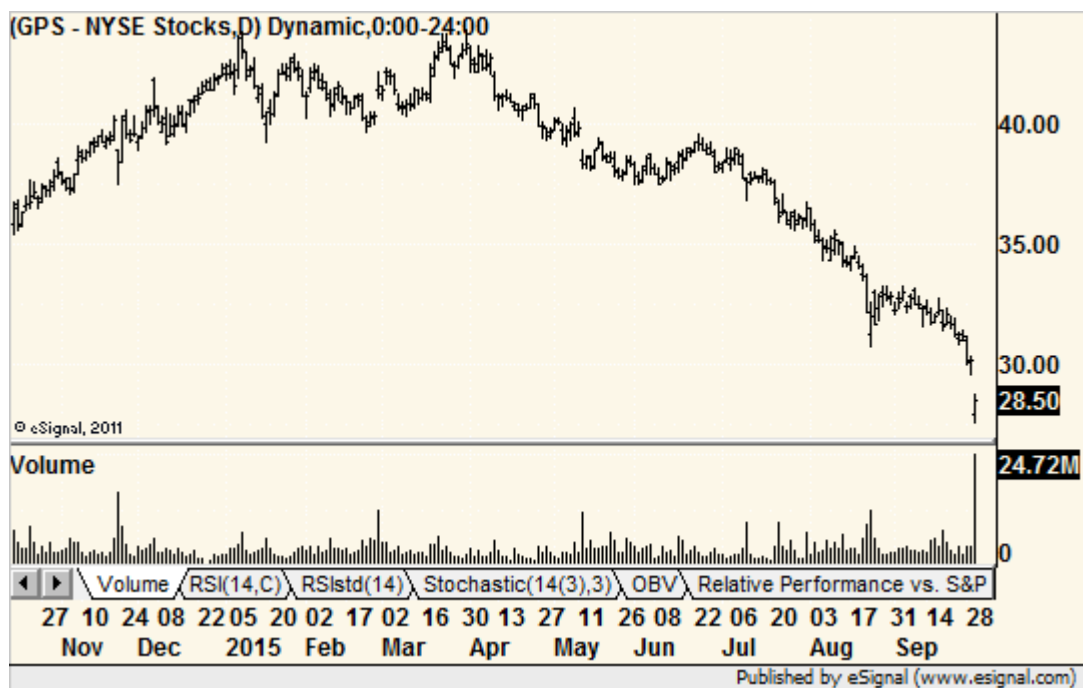
>>> We are all about bullish setups today. Yes, even bears look to buy things occasionally.



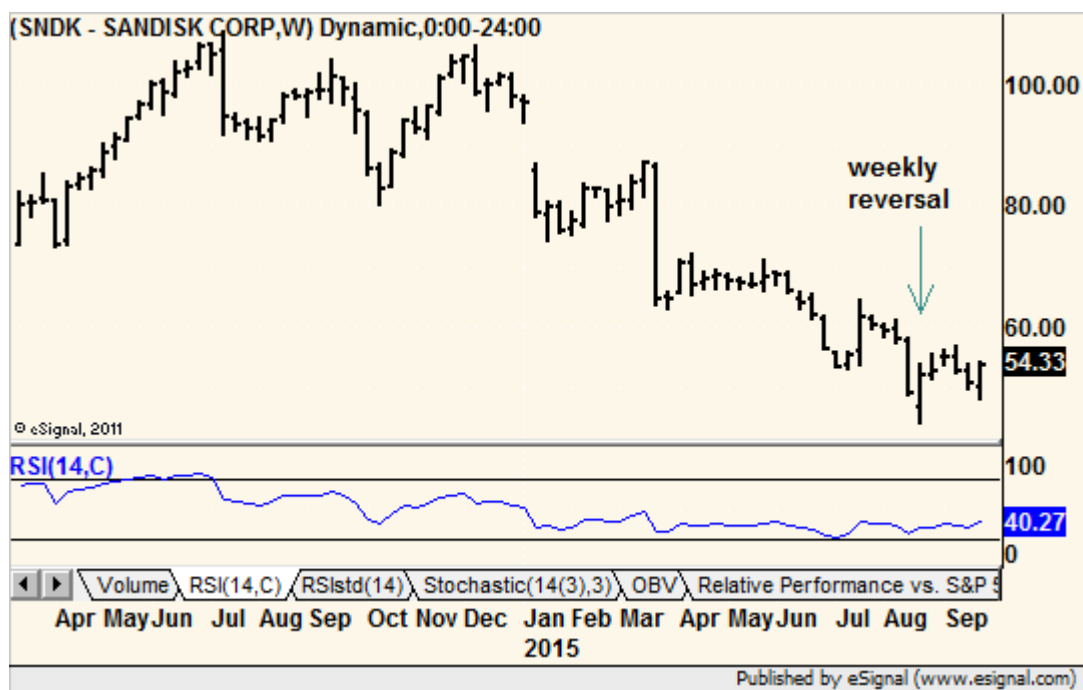
**Bed Bath & Beyond** – Retailer looking good if it hits bottom of massive trading range at 54.60.



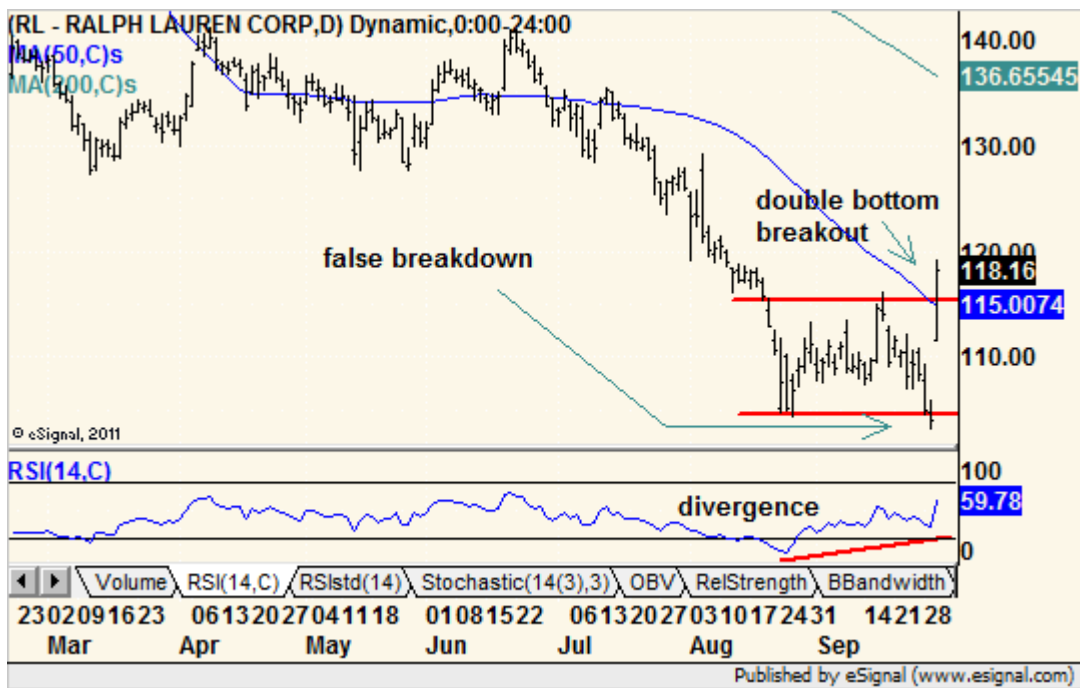
**Wal-Mart** – Now at support going back for years. Waiting for the daily triangle pattern (not really visible here) to break to the upside.



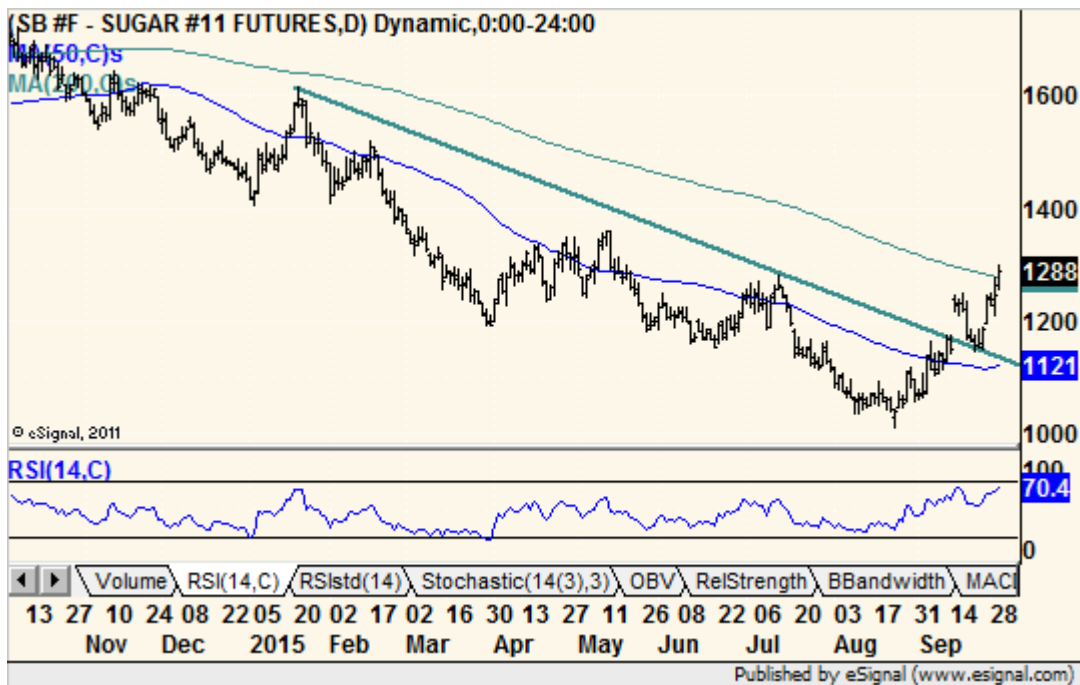
**Gap** – Sure looks like a selling climax. Still need some sign the bulls are interested again.



**Sandisk** – The daily chart looks like **MU**'s (see Radar Screen). Here is the weekly with a bullish reversal, a dip and another possible reversal. Of course, there are two more days to go this week before that completes. Just another beaten down tech stock with potential.



**Ralph Lauren** – A new CEO got this one soaring. Far too risky to buy after such a move (from bottom to and through the top of a pattern) but in the big picture this is a potential long-term bullish reversal. We may buy a test of the breakout.



**Sugar** – For what it's worth, sugar looks pretty good.

## 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>  | <b>none</b>   |                         |             |            |             |                 |                |              |
| <u>Short</u> | <b>FDX</b>    | FEDEX CORP              | 143.98      | 13.6%      | 149.00      | 163.50          | 8/20           | 41           |
|              | <b>AGN</b>    | ALLERGAN PLC            | 266.00      | 17.1%      |             | 311.51          | 8/28           | 33           |
|              | <b>PFE</b>    | PFIZER INC              | 31.41       | 6.0%       | 32.75       | 33.30           | 8/28           | 33           |
|              | <b>KO</b>     | COCA COLA CO            | 40.00       | -2.8%      |             | 38.90           | 9/2            | 28           |
|              | <b>ESRX</b>   | EXPRESS SCRIPTS HLDG CO | 80.96       | 5.0%       | 85.00       | 85.00           | 9/9            | 21           |
|              | <b>CSCO</b>   | CISCO SYS INC           | 26.25       | -2.7%      | 26.50       | 25.54           | 9/18           | 12           |
|              | <b>SHW</b>    | SHERWIN WILLIAMS CO     | 222.78      | 10.7%      | 230.00      | 246.65          | 9/18           | 12           |
|              | <b>YUM</b>    | YUM BRANDS INC          | 79.95       | 1.3%       | 81.00       | 81.00           | 9/18           | 12           |
|              | <b>MAR</b>    | MARRIOTT INTL INC NEW   | 68.20       | 3.9%       | 70.00       | 70.86           | 9/18           | 12           |
|              | <b>CVS</b>    | CVS HEALTH CORP         | 96.48       | 2.8%       | 101.00      | 99.15           | 9/18           | 12           |
|              | <b>MA</b>     | MASTERCARD INC          | 90.12       | -2.0%      | 92.00       | 88.35           | 9/28           | 2            |
|              | <b>TMK</b>    | TORCHMARK CORP          | 56.40       | -0.1%      | 59.00       | 56.35           | 9/28           | 2            |

**Notes:** Stopped out of **AGN**. Glad to have lowered the stop before the giant bounce. Nice gain.

Also stopped out of **KO** but we already warned it was not working. Small 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>.

No questions? Should we change this to market joke of the day?

## 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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