

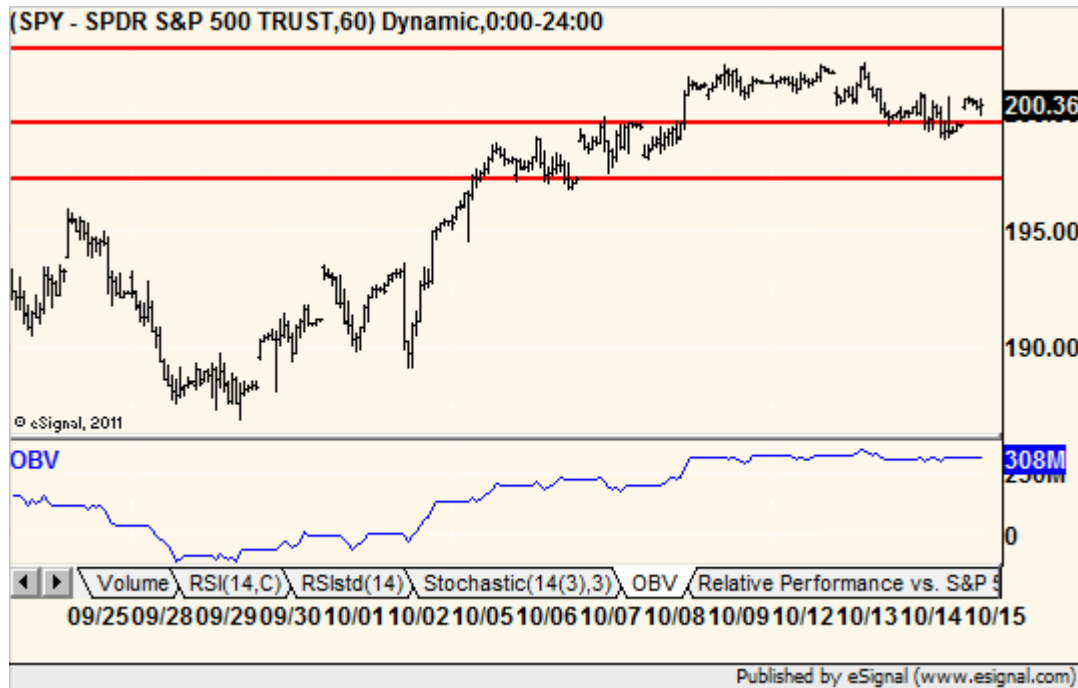
# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**October 15, 2015** – As someone tweeted yesterday, Wal-Mart took “always low prices” seriously as it cratered on earnings. We were able to get out of our long with minimal damage. However, this exposes the retail sector as being weak.

In contrast, the worst sectors – the cyclicals of energy, industrial metals, chemicals and industrials and even semiconductors in tech-land – are now leading. Either this is a bad sign as just a dead-cat bounce or the economy is about to show marked improvement. We’ll let you figure out which is correct.



It was not quite a breakdown yesterday so the rebound is not quite a bullish failure today. That leaves us in no-man’s land yet again.

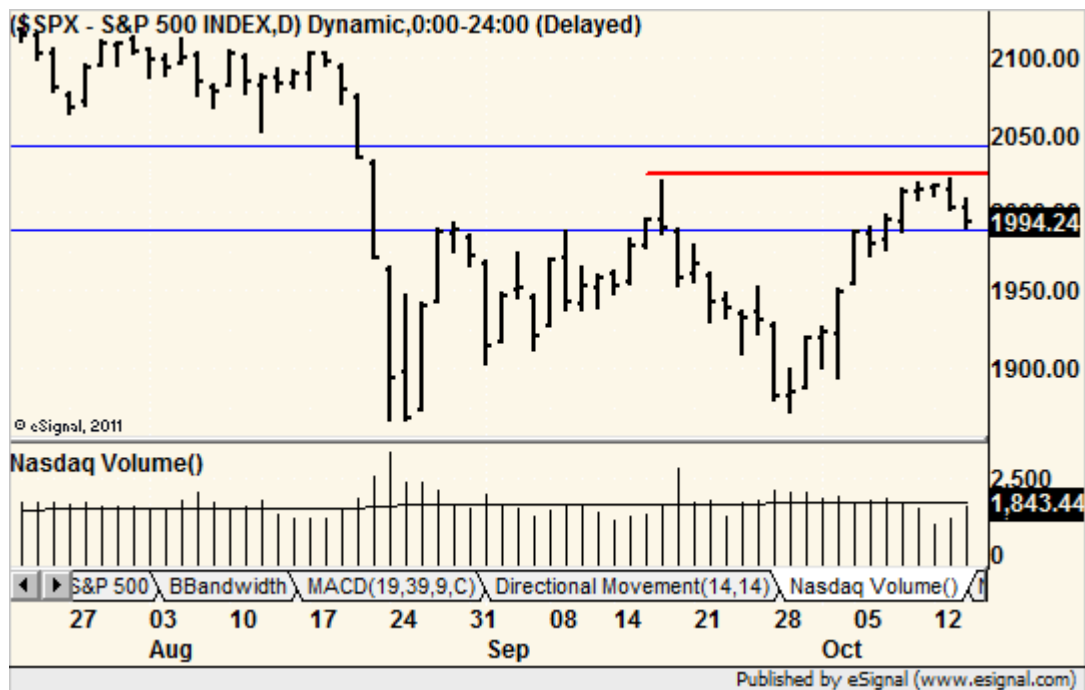
Gold is acting better. Oil may have come down to test its small trendline and we are nibbling on energy stocks.

Otherwise, the churn around the market is rather high. Again, we go back to the big drop in the broad market yesterday and full recovery this morning.

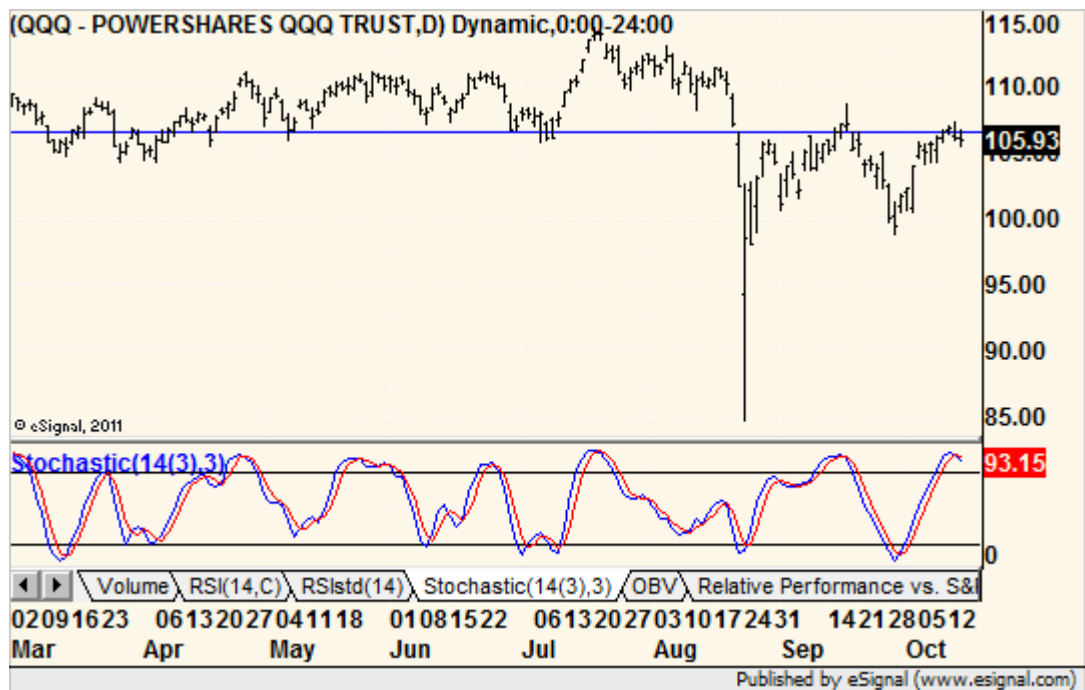
So is it a weak outlook or delay in rate hikes that will drive the market? And if the latter, can the market really depend on the Fed as its reason for moving higher? After all, the Fed has proven itself to be out of ammunition and out of influence.

Whatever the case, we have to wait for the market to make a move and again we are backing down from predictions until that happens. Yes, we lean bearish but that has not worked as a strategy latterly.

## Index Charts of the Day



Bears cannot take a victory lap just yet as volume was still low and **WMT** exposed retail weakness. This morning, the loss was pretty much erased before the open so we remain in limbo with a bearish overtone.



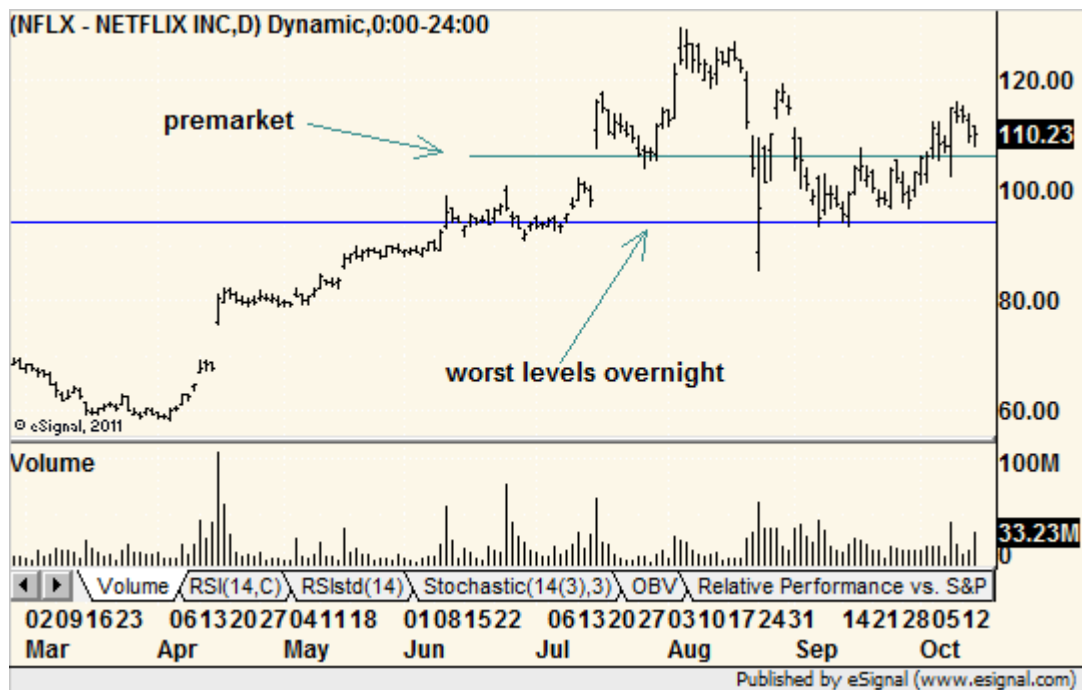
Let's check the Nasdaq-100 ETF. That is big resistance with a small rollover in stochastics. BTW, the line is drawn through premarket trading so this ETF is right there at the crossroads.

## The Radar Screen

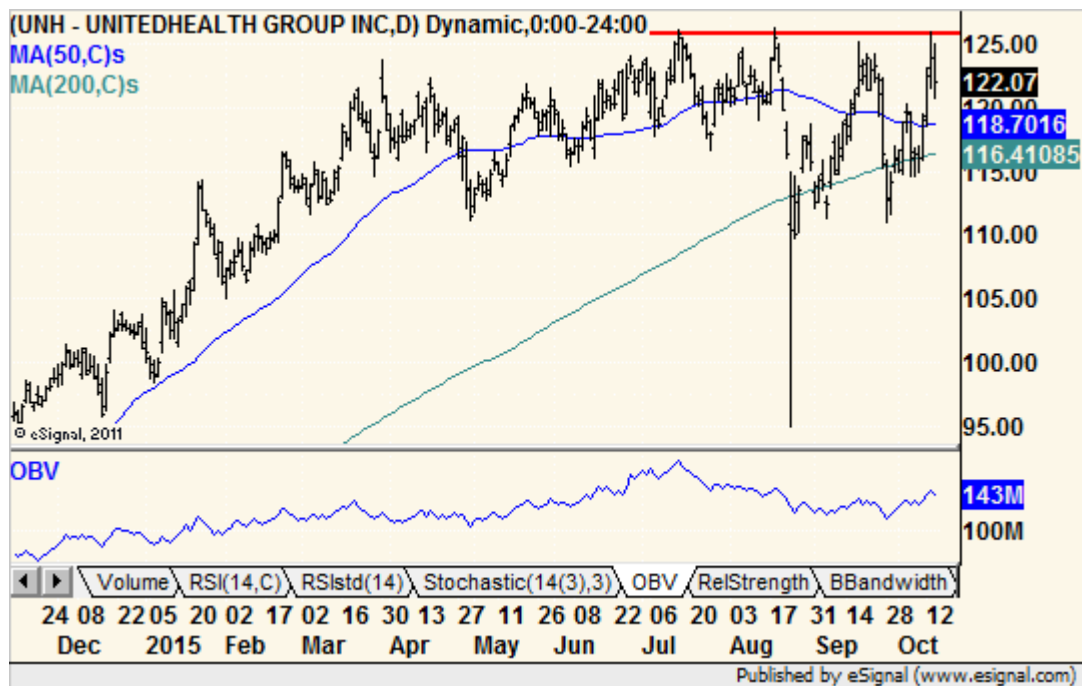
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>		
<b>Energy ETF XLE</b> – Double bottom breakout but it did not pause first. Makes us a little nervous to chase. <b>Changing to ‘buy now’ as oil hit trendline.</b> <u>Hopefully getting in on an opening dip in oil</u>	<b>Changed</b>	10/6
<b>Corporate Bond ETF LQD</b> – This is a nice base forming and a breakout could be buyable. Buy close over 116.75	<b>Triggered</b>	10/12
<b>Bearish Implications</b>		
<b>Teleflex TFX</b> – This medical supplies stock makes single use diagnostic devices. A break of support targets the next support at 109. Sell close under 122.90.		10/14
<b>Unknown Implications</b>		
<b>none</b> –		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<b>Macys M</b> – We want this stock at around 47.		9/30
<b>Bed Bath &amp; Beyond BBY</b> – Retailer looking good if it hits bottom of massive trading range at 54.60.		10/1
<b>3M MMM</b> – Double bottom breakout – or is it? Volume says otherwise. Waiting at least for a test.		10/8
<b>Fluor FLR</b> – A heavy construction cyclical to watch. Waiting for a test.		10/9
<b>Sonoco Products SON</b> – This is the packaging stock, not the oil refiner. A possible buy candidate if we are wrong on the market. Trend break. Good momentum. Looks better than many of its industrial peers.		10/9
<b>United Health UNH</b> – This stock led the Dow Tuesday and then backed off yesterday. Just pointing out big resistance but with an upturn in on-balance volume.	<b>New</b>	10/15
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Emerging Markets ETF EEM</b> – If commodities are coming back we will keep an eye on the trendline from April here. Possible breakout		10/6
<b>Oil Services ETF OIH</b> – Arguable trendline breakout. Waiting for a dip. A little more.		10/6
<b>Industrial Metals Group</b> – Moved above resistance for an arguable double bottom breakout. We say arguable because it did not pause at resistance first. That makes it prone to failure or at least to a pullback to test the breakout.		10/8
<b>REIT ETF IYR</b> – Watching March trendline.		10/9
<b>Trucking</b> – Index failed at trendline but rebounded. Have to be on breakout alert		10/14
<b>Biotech – IBB and BBH ETFs on bear flag breakdown watch</b>		10/14
<b>SPDR homebuilder ETF</b> – A pretty rotten Wednesday as it failed at resistance pm serious volume. Just keeping an eye on it for now	<b>New</b>	10/15
<b>Semiconductors – Breakout.</b>	<b>New</b>	10/15
<b>Updates</b>		
<b>Crude oil</b> – Hit its supporting trendline		

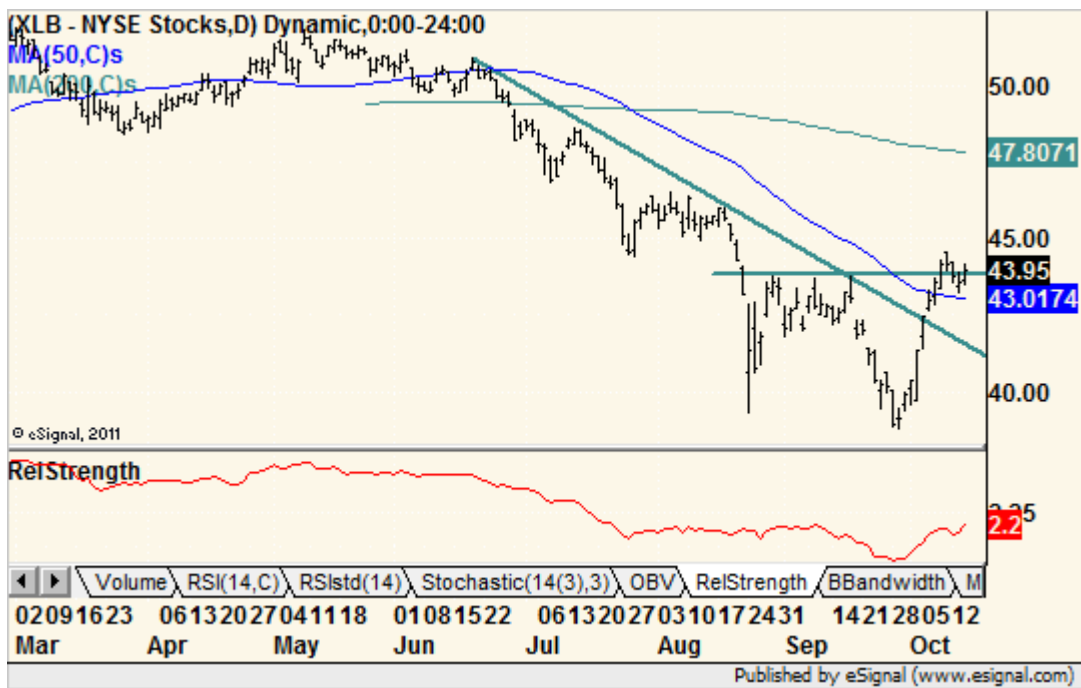
## Market Highlights



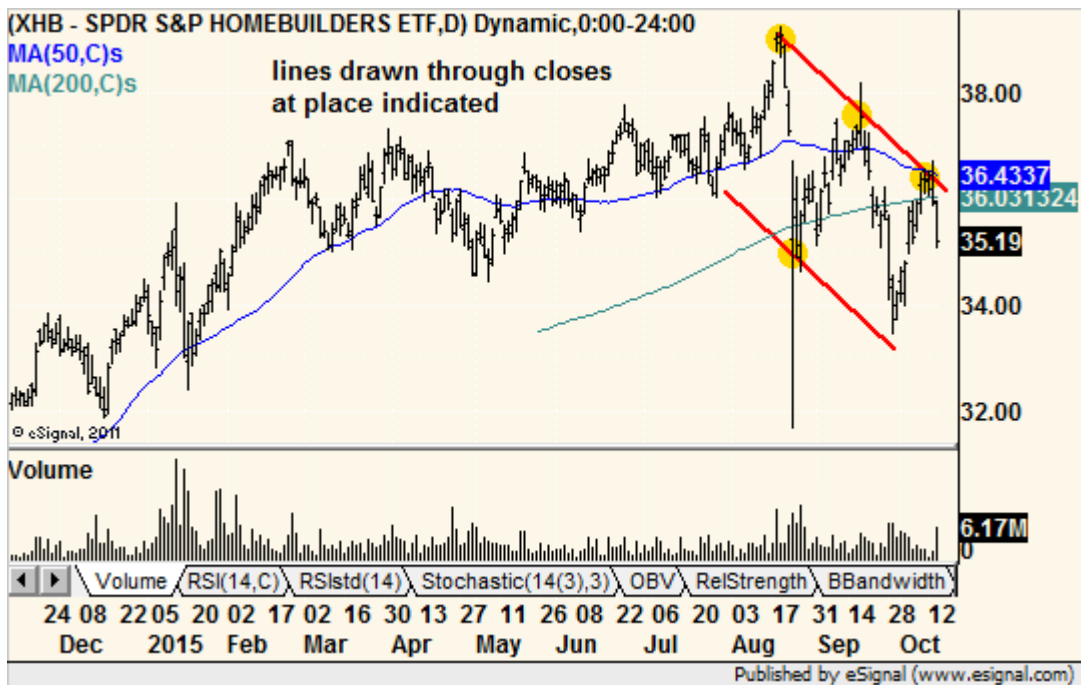
**Netflix** – Earnings sent this general lower. No trade but just a comment that another leader is hurt.



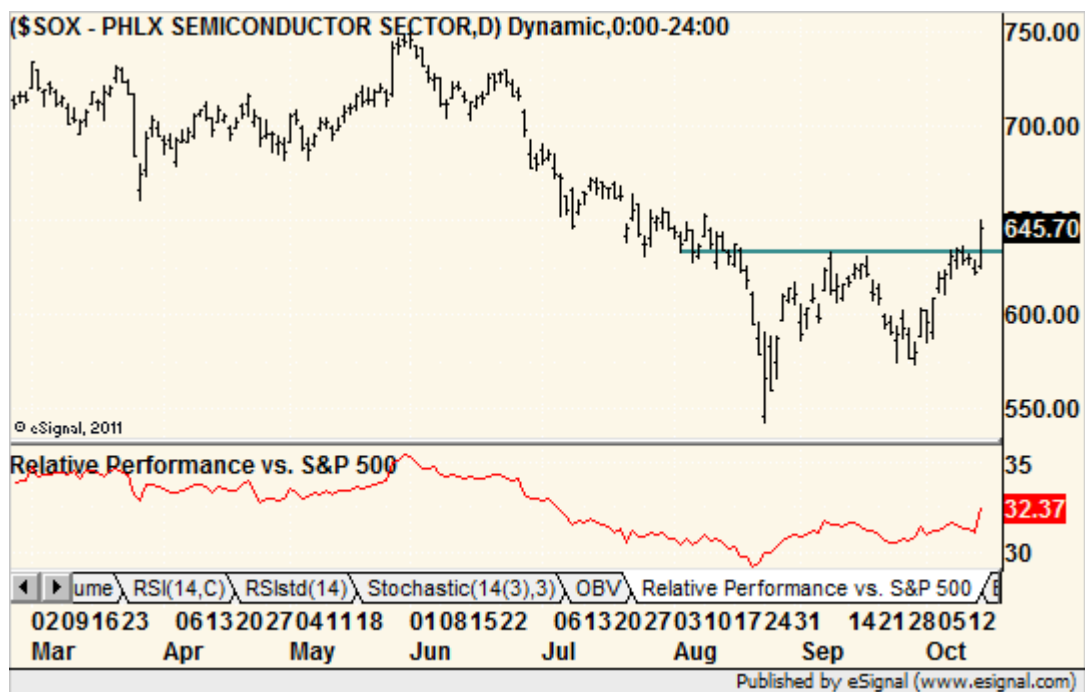
**United Health** – This stock led the Dow Tuesday and then backed off yesterday. Just pointing out big resistance but with an upturn in on-balance volume. Holding Tank.



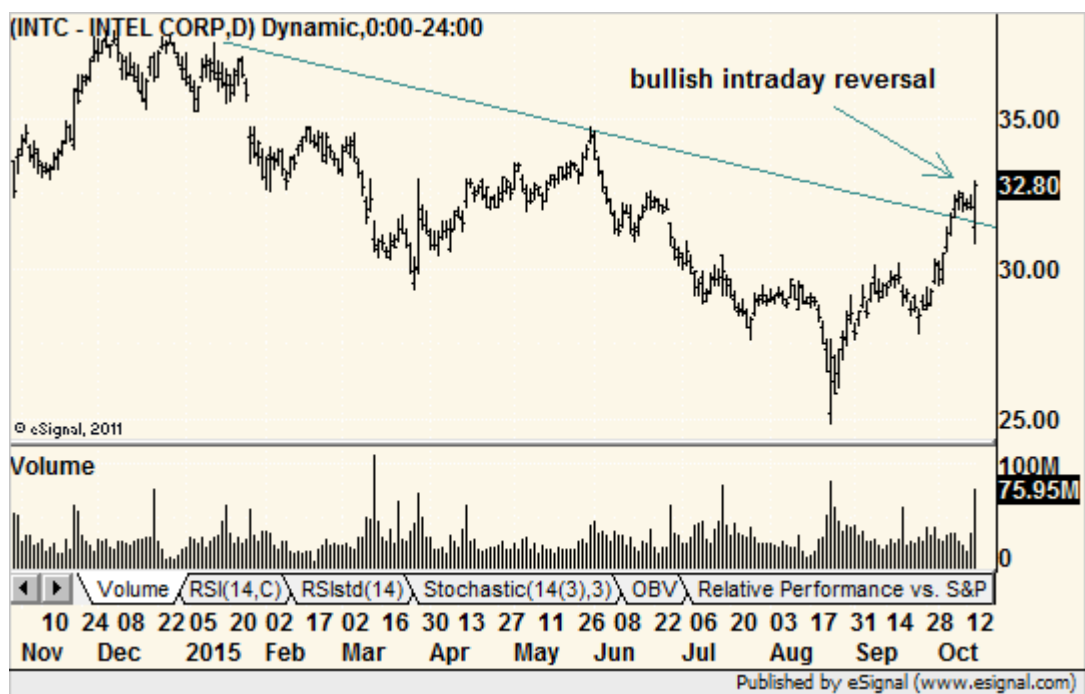
**Biotech ETF** – We looked at energy and industrial metals so here is basic materials. The connection? All cyclical. This one could go either way. Keep in mind it is mostly chemicals with a topping of precious metals.



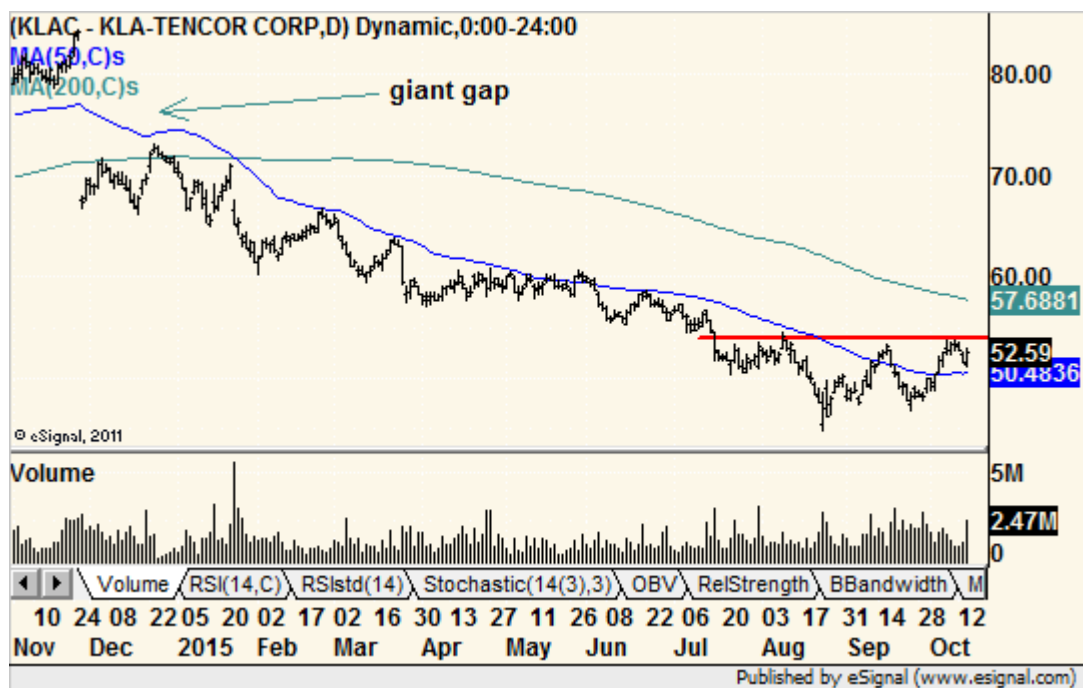
**SPDR homebuilder ETF** – A pretty rotten Wednesday as it failed at resistance on serious volume. Just keeping an eye on it for now.



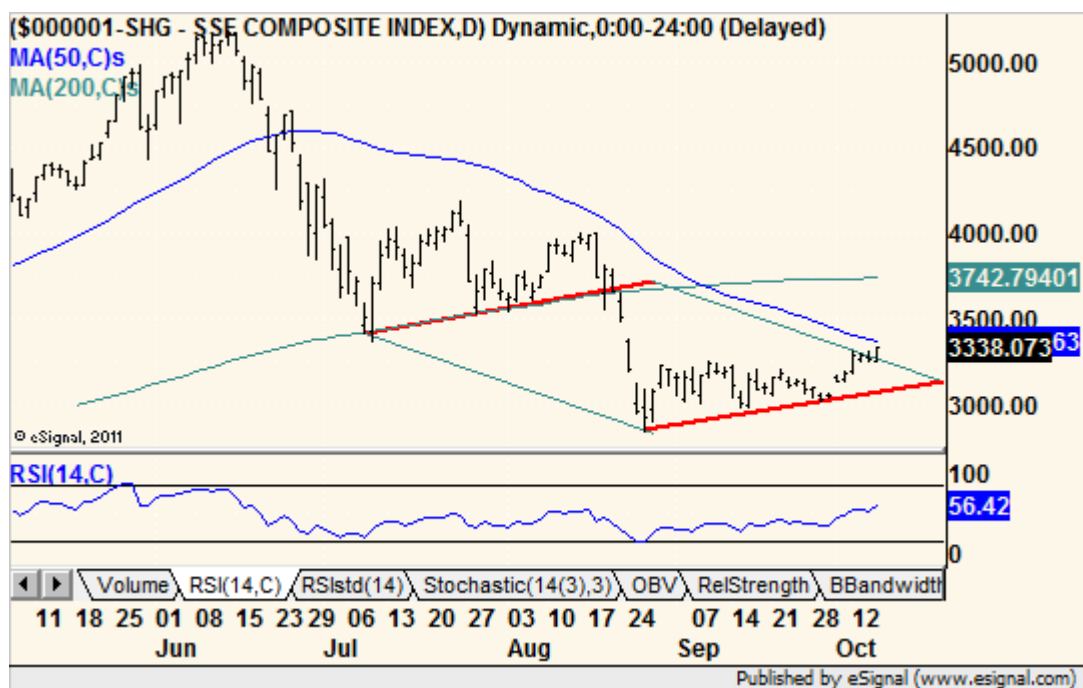
**Semiconductors** – Whoa! Breakout.



**Intel** – A nice looking chart.



**KLA Tencor** – A semiconductor equipment stock with a nice comeback potential on a breakout.



**China** – The red lines are flag-like patterns and nearly parallel. The green lines are parallel and connect the red lines as shown. This is not a real technical pattern but it is interesting and suggests another little dip before this market decides its next real trend. Note the 50-day average acting as a resisting trendline.

## 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>WMT</b>	WAL-MART STORES INC	64.00	-2.8%		65.87	10/5	9
	<b>GDJ</b>	MARKET VECT GOLD MINERS ETF	16.90	1.7%	16.00	16.61	10/12	2
	<b>MW</b>	MENS WEARHOUSE INC	42.50	-4.5%		44.51	10/12	2
	<b>LQD</b>	ISHARES CORP INVEST GRADE ETF	117.00	0.0%	115.00	117.00	10/14	0
<u>Short</u>	<b>ESRX</b>	EXPRESS SCRIPTS HLDG CO	83.28	2.1%	84.00	85.00	9/9	35
	<b>TMK</b>	TORCHMARK CORP	56.69	-0.6%	59.00	56.35	9/28	16
	<b>GS</b>	GOLDMAN SACHS GROUP INC	179.51	-0.2%	187.00	179.19	10/9	2
	<b>AAPL</b>	APPLE INC	110.21	-0.2%	117.00	110.00	10/9	2

**Notes:** Got trapped in **WMT** debacle but were able to get out at our recently raised stop. Damage not too bad.

**MW** was barely triggered as a long and then **WMT smacked all retail**.

New long in the corporate bond ETF at the close.



## 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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