

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

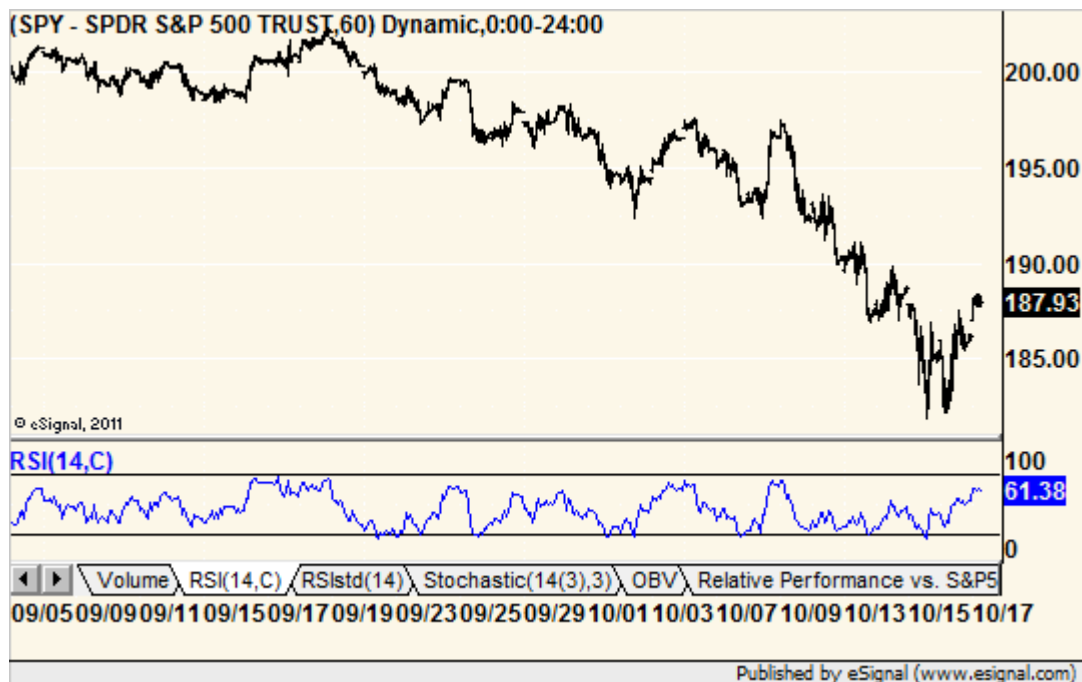
**October 17, 2014** – It looked as if the bears were going to run wild again Thursday morning but then lo and behold the Fed comes in on its white horse. We think the noble steed is more like a donkey (decorum prevents the use of another word) as the words "more QE" were bandied about. With fear and volatility so high, a rebound seems in the cards for today. We've covered a few of our shorts.

One thing we are happy to report is that the brokers are killing it, earnings-wise. We were triggered long in **ETFC** yesterday. **GS** beat in the morning and fell but is soaring in today's premarket. And **MS** killed it too, now also flying in the premarket.

A colleague at a discount shop said when the **VIX** is above 14 their business expands. And, with regard to another pick of ours **AMTD**, the fundies are solid.

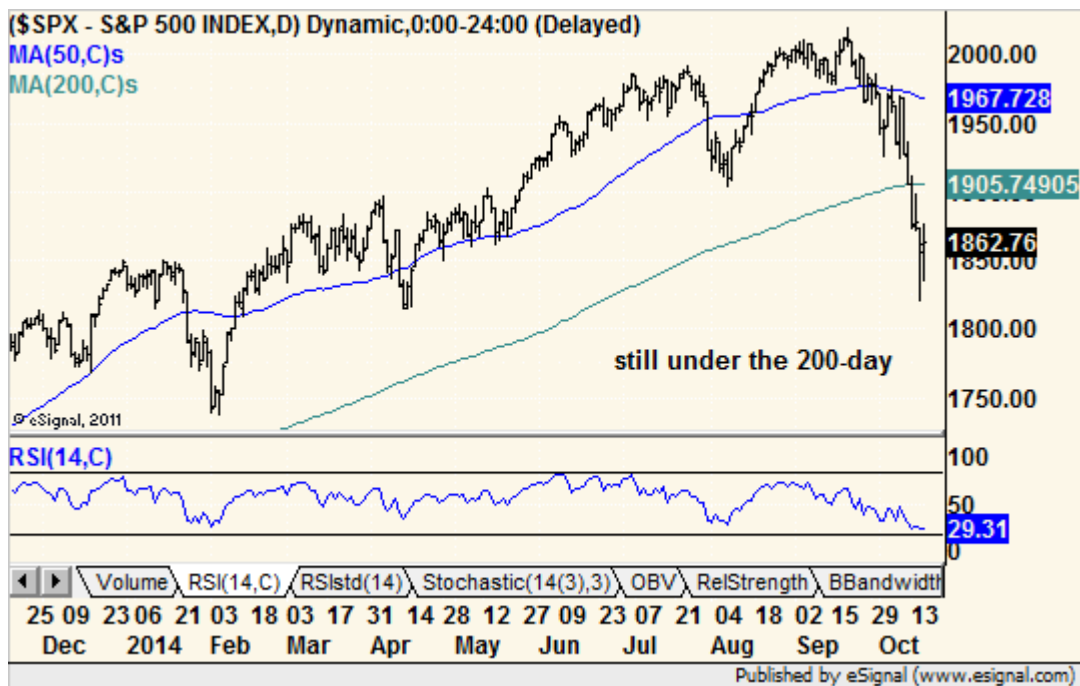
Energy rebounded and is going for more. We thought it would be over-hated soon so perhaps that was yesterday.

Airlines are coming back. I was in the air yesterday and aside from an uncomfortable seat and the guy in front of me's (sic) head in my face as he leaned back there was no hint of Ebola panic. Granted, it was a domestic flight.

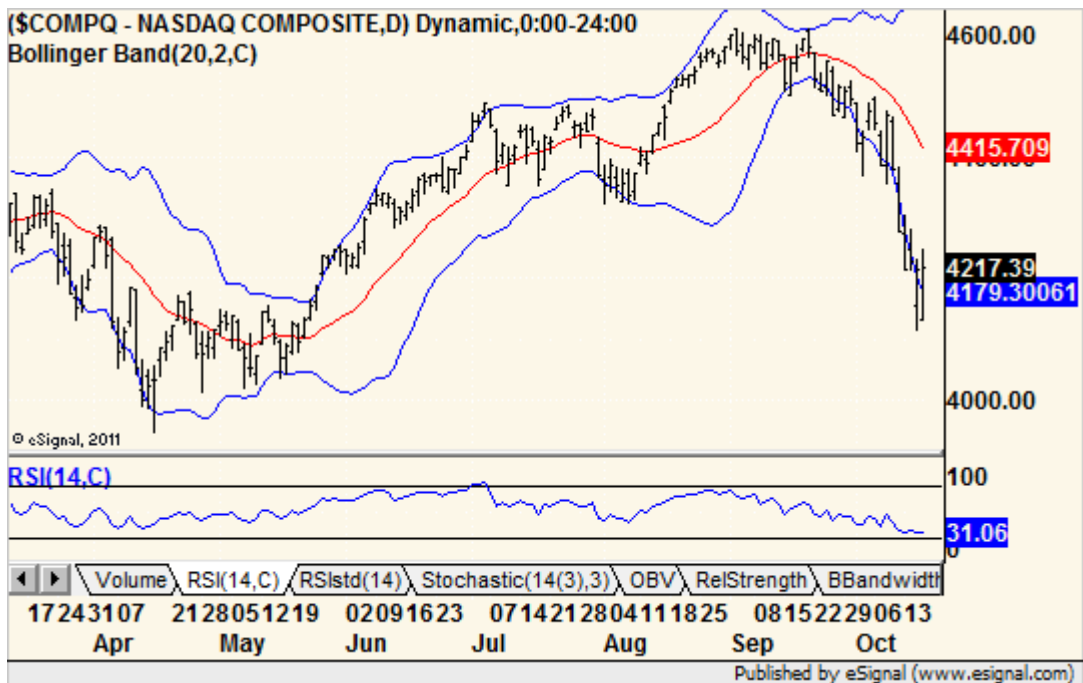


The hourly chart shows the accelerated decline and recent volatility. It does look like a dead-cat type of bounce as there is a long way to go to break the down trend. Still, we have to consider that the October bottom is in. Our view is that it is not but the market does not care what we think.

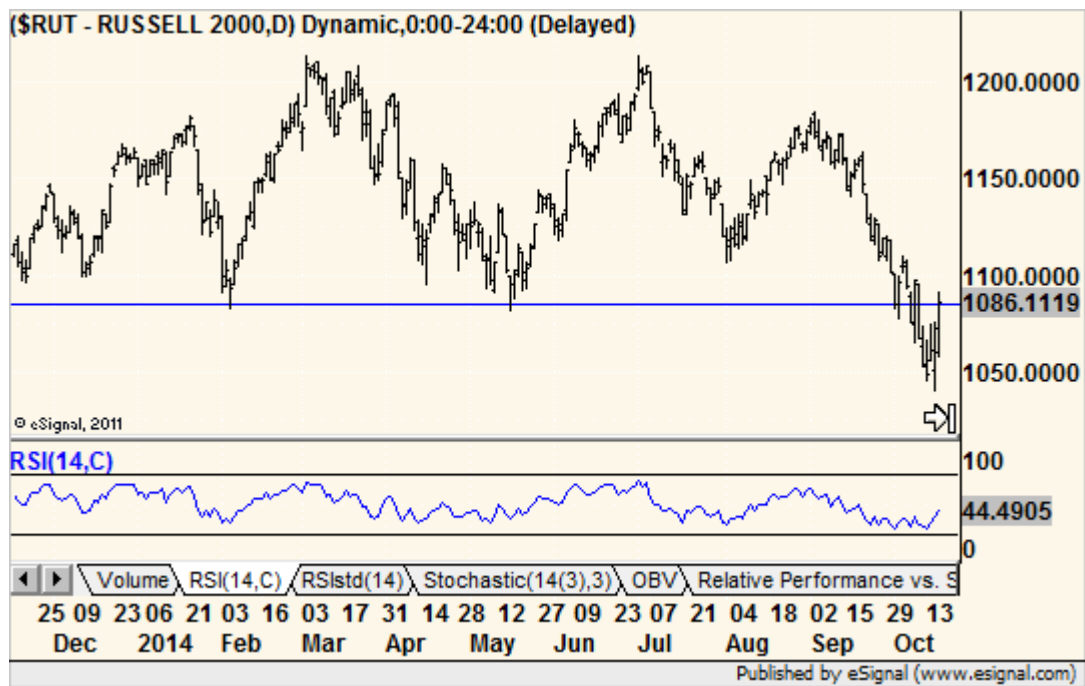
## Index Charts of the Day



Wednesday's hammer candle was not confirmed but it looks as if that could happen today. Just remember, the market is still under the 200-day average, which is not good. However, it is so far below that a little reversion to the mean is likely.



Nazzie is riding the lower Bollinger Band, which is bearish. We will monitor the bounce to see if that changes. Note that it never got oversold.



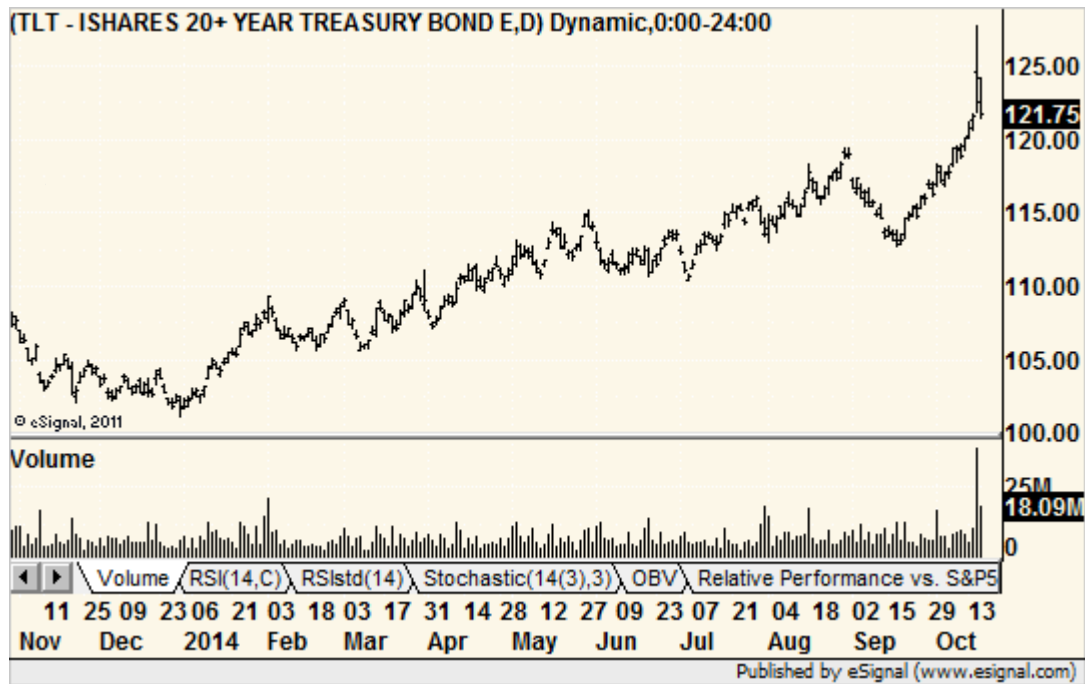
The Russell is a worst to first. Now testing its breakdown.

## The Radar Screen

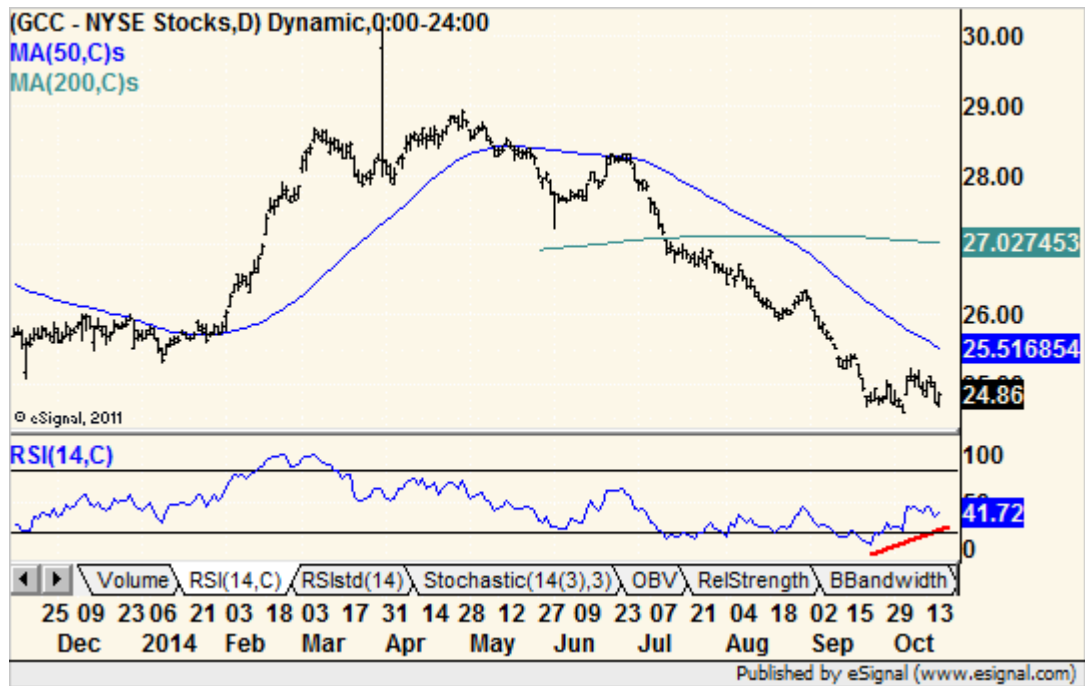
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>Ameritrade AMTD</b> - This was the topic for my current Profitable Trading article. Similar to <b>SCHW</b> , which was yesterday's free chart of the day, it is wildly oversold and at support. Waiting for the reversal signal of a close above the middle of Tuesday's candle at 30.25.		10/15
<b>E-Trade ETF</b> - This online broker scored a reversal yesterday and if it is confirmed with a higher close then it will also negate the support break. That is not bad in a panicky market. Buy close over 19.50.	<b>Triggered</b>	10/16
<b>Seadrill SDRL</b> - The weekly chart of this energy stock is so oversold it hurts. We like the P/E of 2 but the 17% dividend is scary as in possibly not safe. Still, daily RSI is rising and this looks ready to pop. Buying now.	<b>New</b>	10/17
<b>Bearish Implications</b>		
<b>none</b> -		
<b>Unknown Implications</b>		
<b>none</b> -		
<b>Holding Tank</b> - red shade leans bearish, green shade leans bullish		
<b>Hershey HSY</b> - While a good chunk of cocoa comes from West Africa, Hershey is not affected. This chart, however, still looks ready for yet another leg lower. Just watching for now. <b>Breakdown</b>	<b>Removed</b>	10/14
<b>Whirlpool WHR</b> - Still in a 2014 triangle but could not lift off the lower border. Watching for a breakdown. <b>Looks like it is going the other way.</b>	<b>Removed</b>	10/14
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Energy</b> - Falling knife for now but sooner or later it will be overly hated. Now looks like a bullish reversal...but for how long?	<b>Changed</b>	10/16
<b>Updates</b>		
<b>Banks ETF KBE</b> - May have actually bounced off support.		
<b>Gold Mining ETF GDX</b> - Still in a bear flag		
<b>Greece</b> - Giant rebound today. More worst to first.		

## Market Highlights



**Long T-bond ETF** – We wonder if bonds have flamed out for real.



**Greenhill Continuous Commodities ETF** – Small bullish RSI divergence. Not much but it may be a bottoming process beginning.

## 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>	<b>RGEN</b>	REPLIGEN CORP	22.28	10.6%	21.00	20.14	9/30	16
	<b>ETFC</b>	E TRADE FINANCIAL CORP	19.88	0.0%	19.00	19.88	10/16	0
<u>Short</u>	<b>PFE</b>	PFIZER INC	27.70	9.0%	cover	30.18	9/22	24
	<b>LLTC</b>	LINEAR TECHNOLOGY CORP	39.49	10.8%	41.00	43.75	10/1	15
	<b>AXP</b>	AMERICAN EXPRESS CO	80.24	8.1%	cover	86.75	10/1	15

**Notes:** New long in **ETFC** triggered at the close.

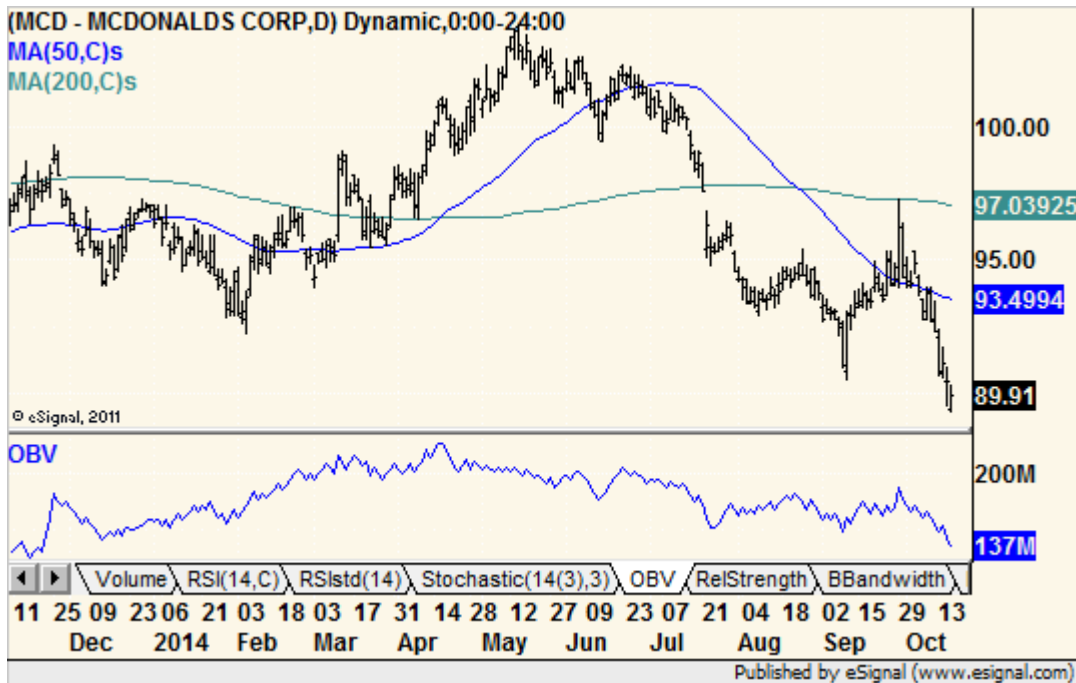
Raised stop in **RGEN**.

Covering two shorts in preparation for the bounce.

## Subscriber Corner

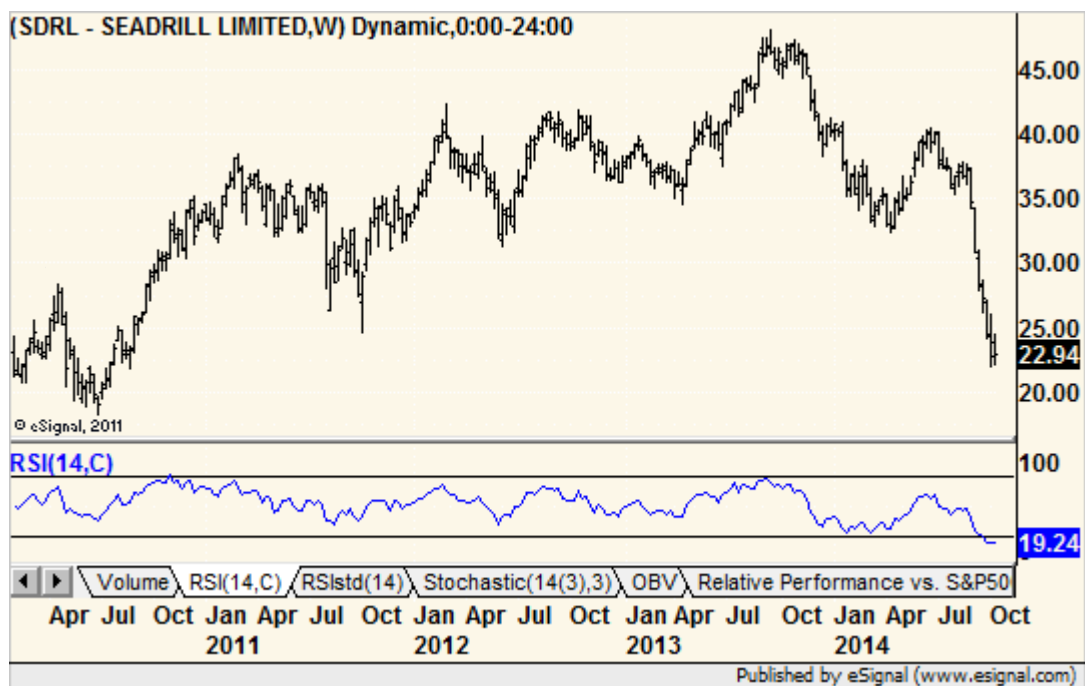
This section is dedicated to subscriber requests for stock, futures, index and foreign exchange analysis. Send requests to <mailto:mkahn@quicktakespro.com>.

Note to Hugh: **CRR** may be putting in a bullish weekly reversal. More Monday.



**McDonalds** – While RSI lows are rising (divergence), this stock is still bleeding money and well below major averages. It looks healthy enough to bounce with the market but the trend for investors is still down.

Continued...



**Seadrill** – The weekly chart of this energy stock is so oversold it hurts. We like the P/E of 2 but the 17% dividend is scary as in possibly not safe. Still, daily RSI is rising and this looks ready to pop. We’ll go in with you. Buying now.



## Other Information

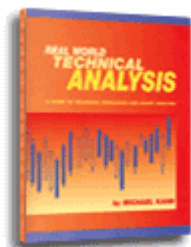
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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