

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

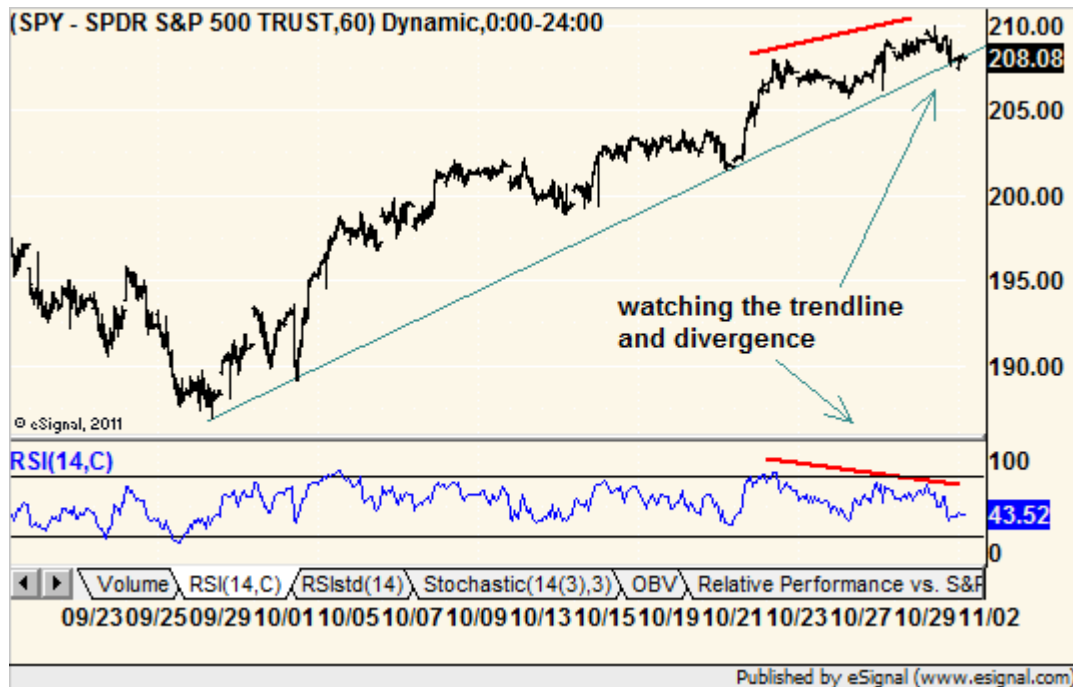
November 2, 2015 – It was a sad Sunday for us here in NY with losses for the Jets, Giants, Mets (Kudos Royals) and Islanders. At least the dreaded Cowboys lost, too. Perhaps not so sad is another penny decline in the price of gas at the pump.

Also on the bullish side was the strongest October performance since 2011. That was a time period that many chart watchers say was just the same as what we are seeing now. A big correction followed by a double bottom and strong October. Of course, the big difference back then was the Fed and QE. True, the rest of the world is still meddling with rate cuts and threats of stimulus but then again they were doing the same back then too.

Now it is time for the bulls to drag out the corollary to "Sell in May" as the winter months starting this week are the better half of the year. But if you sold in May this year and bought at the open today you basically broke even albeit without the volatility. Selling in May did not work last year or the year before. It barely worked in 2012 and the exalted correction year of 2011. And it did not work in 2010. Getting our drift?

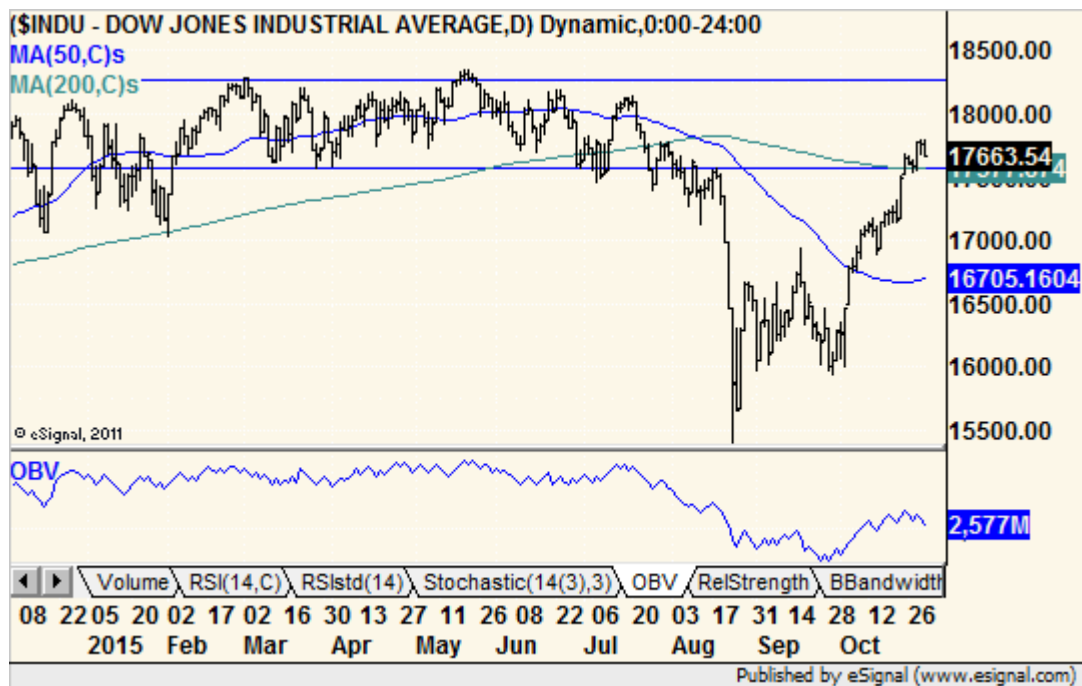
The point is that so many of our cherished old saws are not working – and we blame central banks, of course. Therefore, do not assume buying now as the outrageous MarketWatch headline, "Today's the day that will probably decide whether you die rich or poor," will guarantee a good result.

With that said, we cannot assume the market will not go up a little more. And we still have to consider that the Fed will indeed raise rates next month. Stock surely will not like that although the dollar probably will.

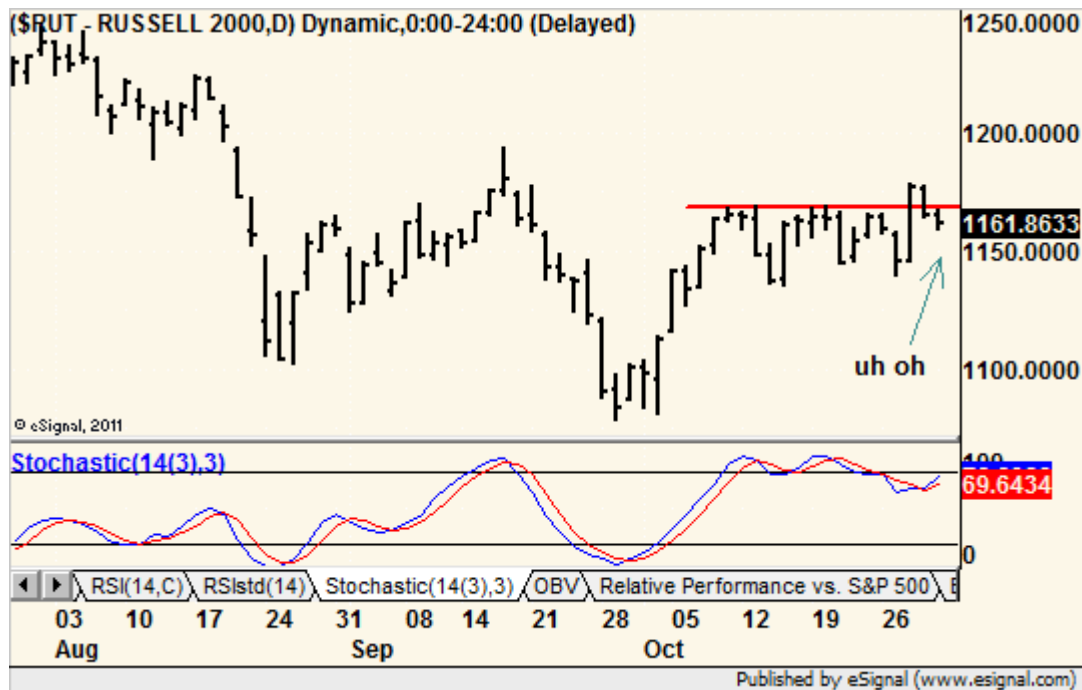


The hourly chat shows the market once again challenging the trendline and with a bearish RSI divergence. Look for a vertical move rather than sideways below the trendline as the signal the October party is over.

Index Charts of the Day



The Dow is in the resistance zone after hitting its 200-day average. Remember, the average is just a guide, not a hard resistance. And considering that it is flat there is not a whole lot of information to be had. But what's with the rolling over of on-balance volume?



This probably should rally right away to avoid the breakout failure.

The Radar Screen

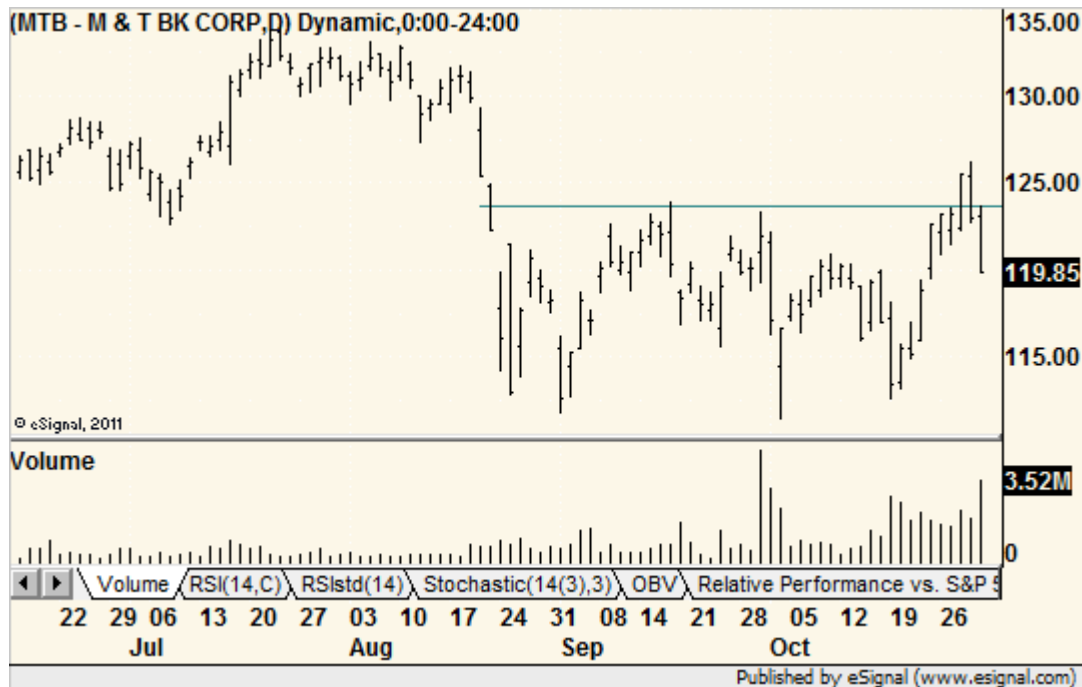
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Verizon VZ – Bumping into multiple resistances. But if it punches through... Looks like it did Friday. We are going to buy.	Moved	10/22
Las Vegas Sands LVS – Now at resistance. Volume actually looks bullish with a selling climax and rally/pullback with confirming levels. Must wait for a clear breakout. Buy 50.50 on close but must have decent volume.	New	11/2
Bearish Implications		
Wellcare Health Plans WCG – We think health care providers are weak and this HMO seems to have topped in its developing trading range. On-balance volume remains weak. Selling now.	New	11/2
Goodyear Tire GT – Looks like a failure at resistance. Low risk sell here because stop would be close at new highs. Peer CTB is similar.	New	11/2
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Macys M – We want this stock at around 47. The fresh range breakdown and bear trend tells us not to jump so fast. We’ll let it sink even lower and require it give us a technical sign – oversold, climax, reversal.		9/30
Bed Bath & Beyond BBBY – Retailer looking good if it hits bottom of massive trading range at 54.60.		10/1
CVS Health CVS – Scored a death cross and is just under resistance. But if it punches through it would be a very good sign. Getting close. Boom! This is why we wait for signals.	Removed	10/21
IBM – Now approaching major support with a big 3.7% dividend and 9.4 trailing P/E. Would love it at 132.		10/28
Sector Watch (observations that may spark ideas)		
Emerging Markets ETF EEM – If commodities are coming back we will keep an eye on the trendline from April here. Possible “handle”-like formation.		10/6
Healthcare – providers and medical supplies looking ugly.		10/23
Drug sector – trendline breakout. But still lagging.		10/27
Defense – Inverted head-and-shoulders for the DFI index. ERJ, COL and ITT		10/29
Banks – Looks like the breakout failed. ← significant		11/2
Updates		
none –		

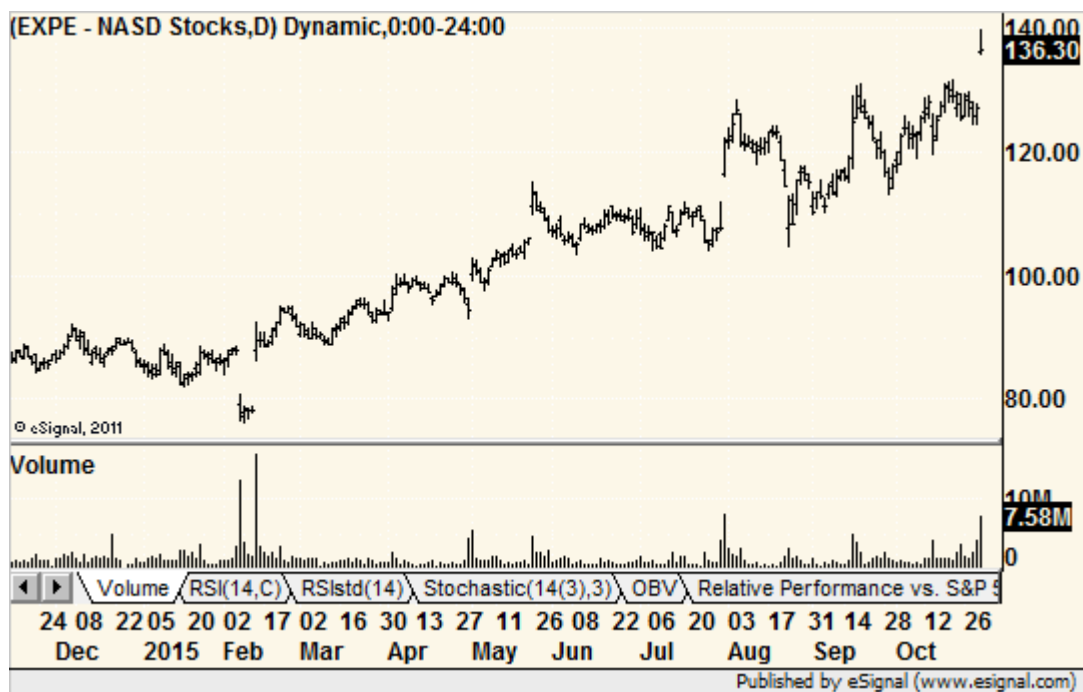
Market Highlights



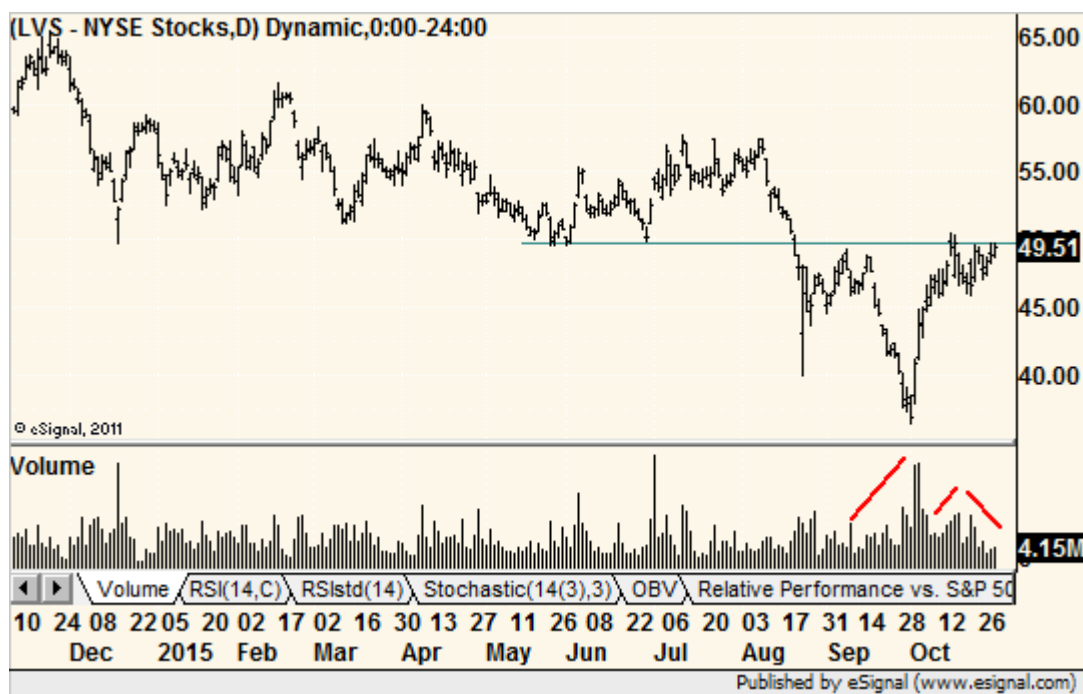
Wellcare Health Plans – We think health care providers are weak and this HMO seems to have topped in its developing trading range. On-balance volume remains weak. Selling now.



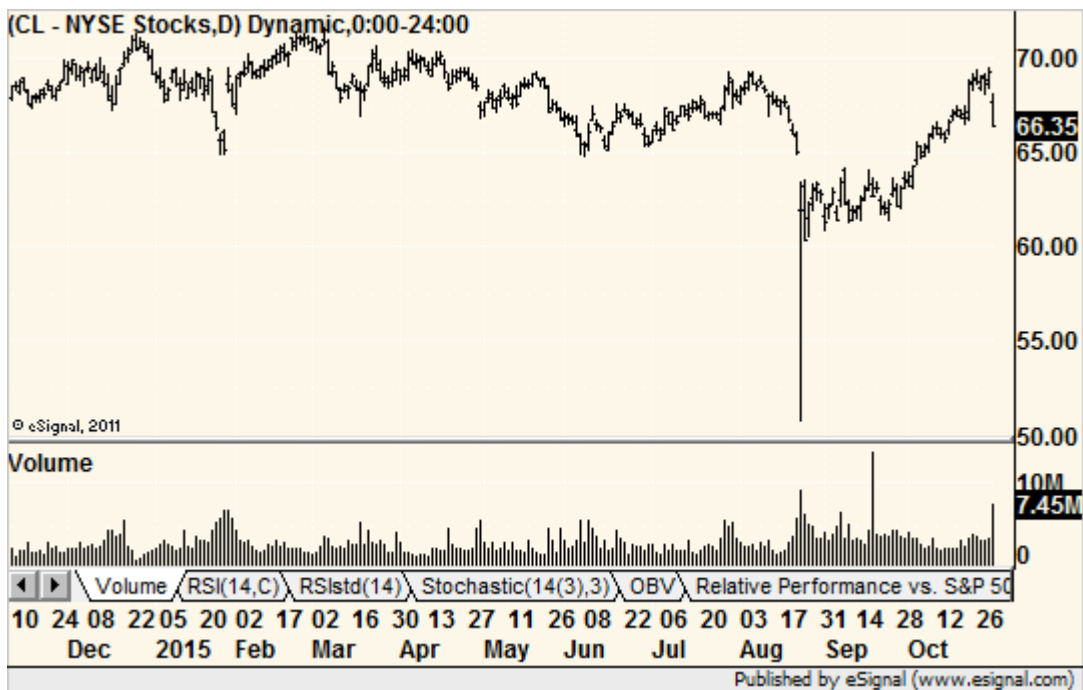
M&T Bank – Banks looked pretty good on the catch-up breakout last week but gave it up Thursday and Friday. This is a regional bank but big banks were not immune.



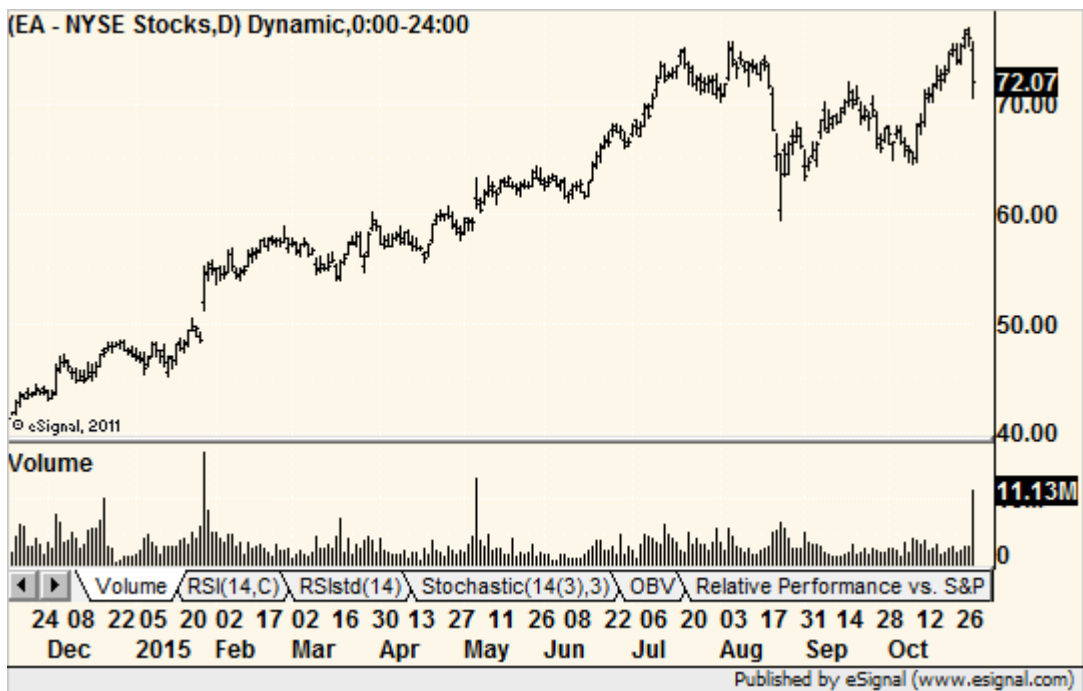
Expedia – Travel and tourism stocks were up big Friday but this could be an exhaustion gap. Have to wait.



Las Vegas Sands – Now at resistance. Volume actually looks bullish with a selling climax and rally/pullback with confirming levels. Must wait for a clear breakout. Buy 50.50 on close but must have decent volume.



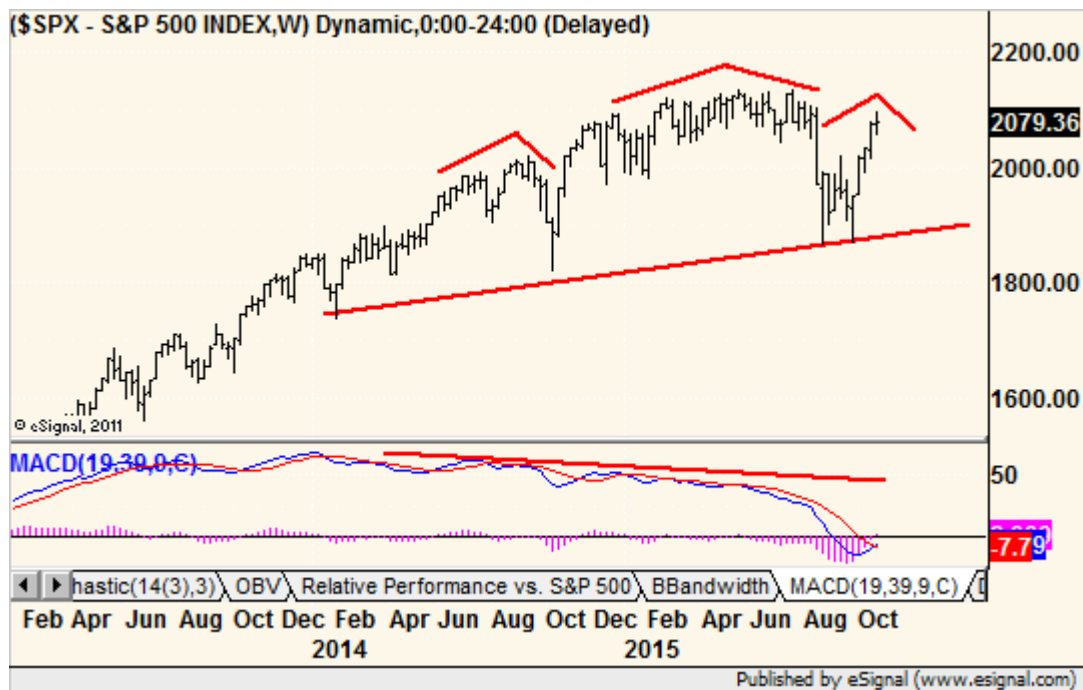
Colgate Palmolive – First casualty of a strong dollar? (personal products stock). **KMB** is similar.



Electronic Arts – Friday the company beat its numbers and raised its outlook. The stock was not so happy and this is quite bearish.

The Big Picture

In this section, we take a macro look at things.



Consider this your big picture bearish chart of the day. The weekly head-and-shoulders top is still a valid interpretation. The left shoulder was complex. The head was even more complex. The right could be complex or a simple sharp peak but we cannot know until this index starts to head lower towards the neck line. And even then, it is not a top until the neck breaks.

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>	LQD	ISHARES INVESTMENT GRADE	116.42	-0.5%	115.00	117.00	10/14	18
	SON	SONOCO PRODS CO	42.69	1.8%	41.00	41.95	10/20	12
	PEP	PEPSICO INC	102.19	-0.9%	98.00	103.08	10/22	10
	AMAT	APPLIED MATLS INC	16.77	0.7%	16.00	16.65	10/26	6
<u>Short</u>	none							

Notes: The Advice Tracker is quite small as we wait for the market to really tip its hand.

Also, we raised some stops because they had gotten too wide.

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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