

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

November 5, 2015 – The headline - U.S. stocks end lower as Yellen hints at December rate hike. To that we give a rousing duh. Doesn't it seem that everyone is in denial about this? How can they hike when the economy is still so sluggish? How can they hike when the rest of the world is cutting? The Fed has no power anymore so it does not matter, right?

Well, it does matter. No, not for the levels of rates or the message it sends about the economy but for the sentiment surrounding it. Denial. How many bulls will be caught with their pants down?

Of course, that is just our opinion and anything goes. Plus there is plenty of time before December and that means the S&P can move to new highs.

Think about that next. At new highs the chartists declare a breakout. The summer dip was the mother of all fake outs and the size of the 2015 trading range would suggest a big, big rally. And then comes the Fed. We can see the stampede to the exit doors.

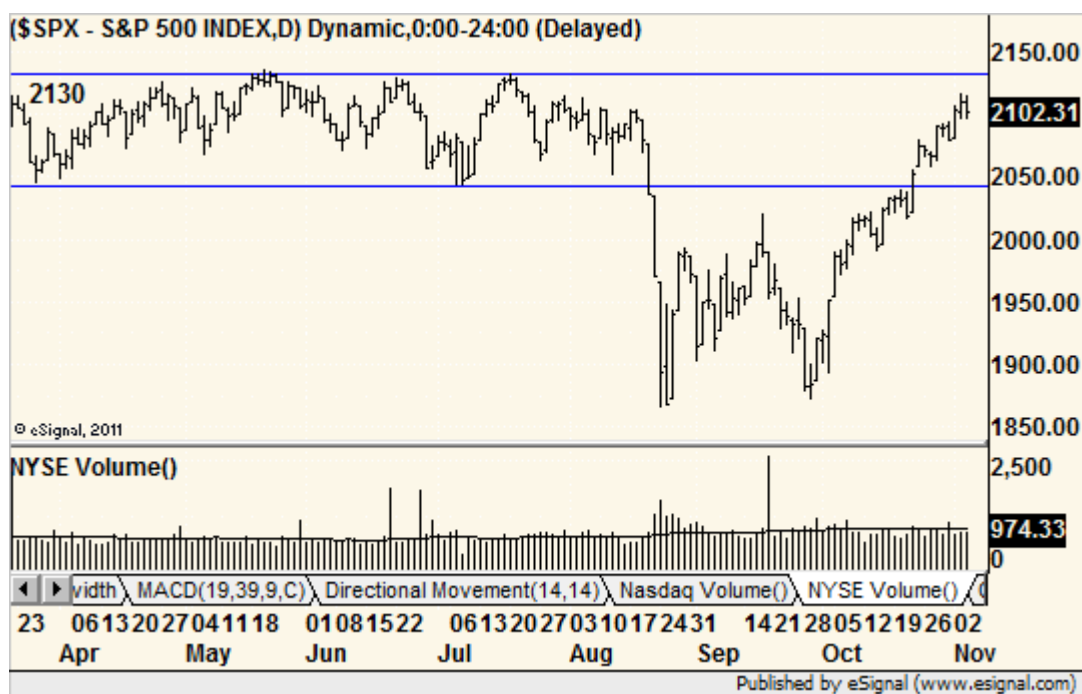


The hourly trendline still rules but the wedge is running out of room. Something needs to happen soon.

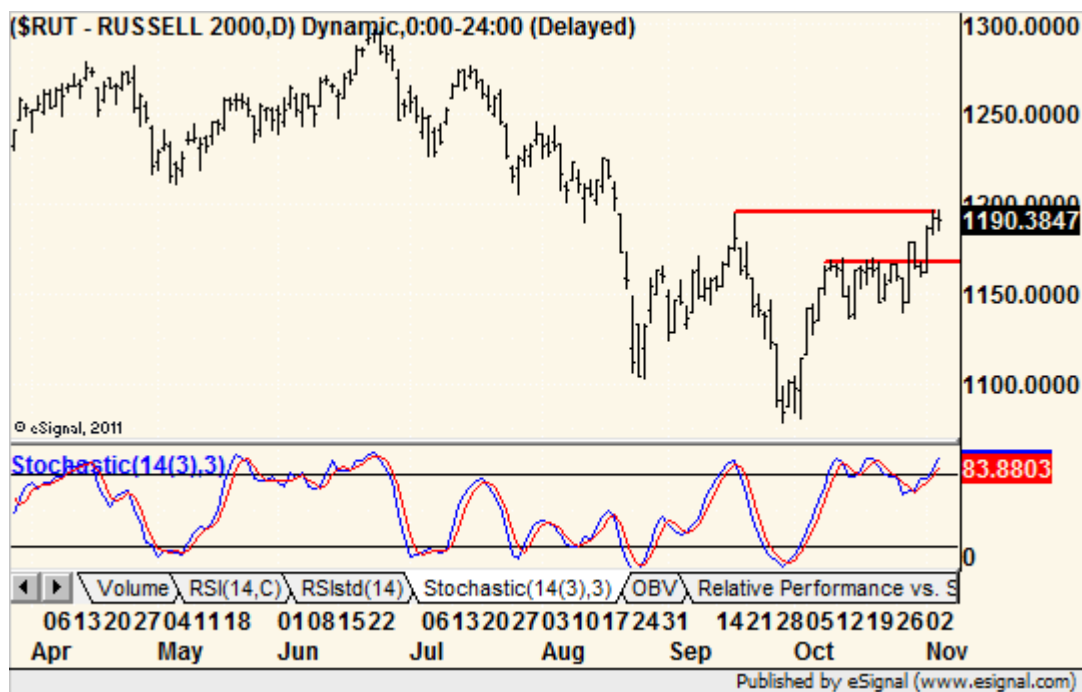
The dollar had a good day yesterday and the test of the last week's breakout is complete. That could cause problems for the energy rally but then again, oil stocks have rallied without the commodity. Perhaps that suggests consolidation ahead in the industry.

Elsewhere, sugar suffered a fairly big bearish reversal yesterday. Livestock continues to new lows. Rubber is in a bear market. And interest rates may be breaking out (chart below).

Index Charts of the Day



A little pause as it heads into resistance.



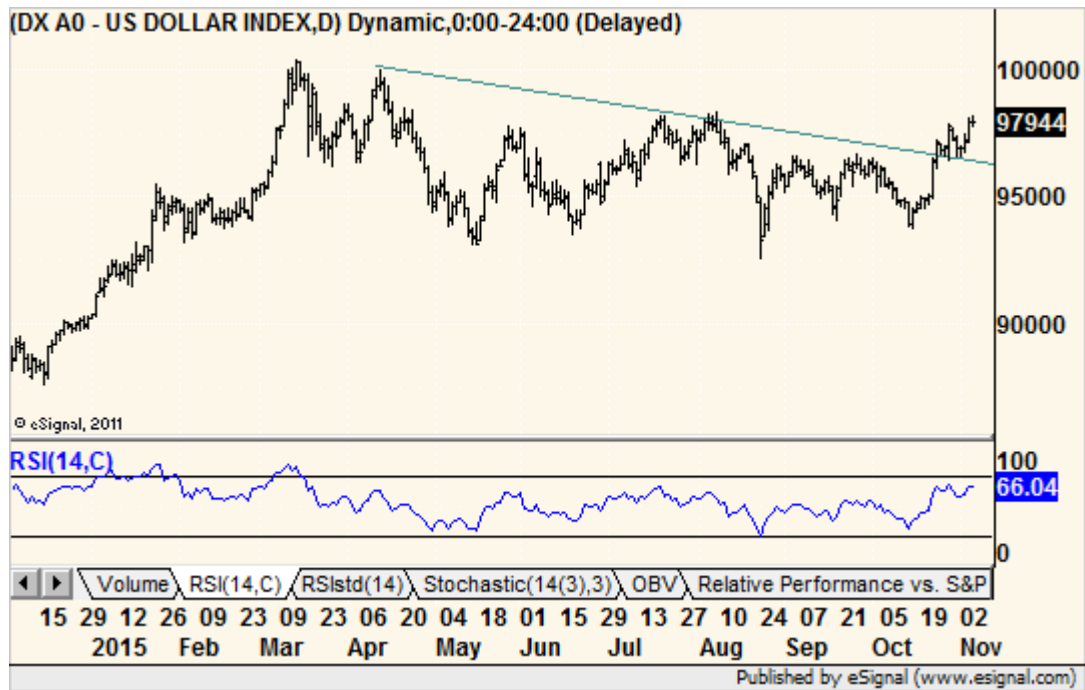
Ditto the Russell.

The Radar Screen

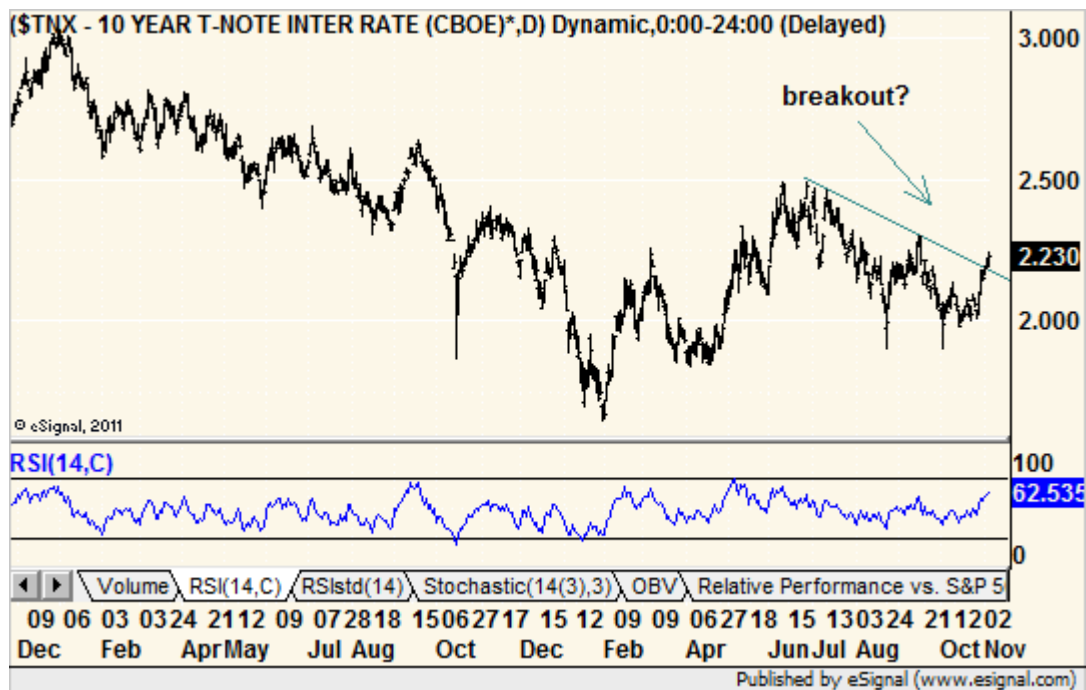
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Halliburton HAL – Waiting for the trendline break. Got it.	Triggered	11/3
Murphy Oil MUR – Big change in on-balance volume makes this oil producer look good to catch up. Nice div but negative earnings. Looks good here.	Triggered	11/3
Noble NE – Another energy coming out of a base. Huge Monday with a small pause Tuesday. Sign of strength. Looks good.	Triggered	11/3
Gilead Sciences GILD – Pausing at the trendline with nice on-balance volume. Buy close over 110.		11/3
United Continental UAL – An airline basing and possibly preparing to catch up to peers. Transports are weak but airlines better. Buy close over 62.		11/3
Wendy’s WEN – Chipotle or not this is a breakout for risk lovers. Came down to test Monday breakout and looks good today.	Triggered	11/4
Rockwell Collings COL – Moving this defense stock up here as it looks to have calmed down following a breakout. Buying here.	Moved	11/5
Merck MRK – Pausing at resistance. Buy close above 55.75.	Moved	11/4
Bearish Implications		
none –		
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Waiting for dips - Macys M 47, Bed Bath & Beyond BBBY54.60, IBM 132		9/30
Colgate Palmolive CL – First casualty of a strong dollar? (personal products stock). Failed at resistance.		11/2
Electronic Arts EA – Friday the company beat its numbers and raised its outlook. The stock was not so happy and this is quite bearish. Failed to hold rebound Monday. Looks like it is forming a range.		11/2
Barret Bill BBG – Oil producer with a breakout. Much higher risk. Perhaps on a dip.		11/4
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 – Looks like a rebound but 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 – This may not be a failure after all. Still watching.		11/2
Energy XLE - breakout		11/4
Updates		
none –		

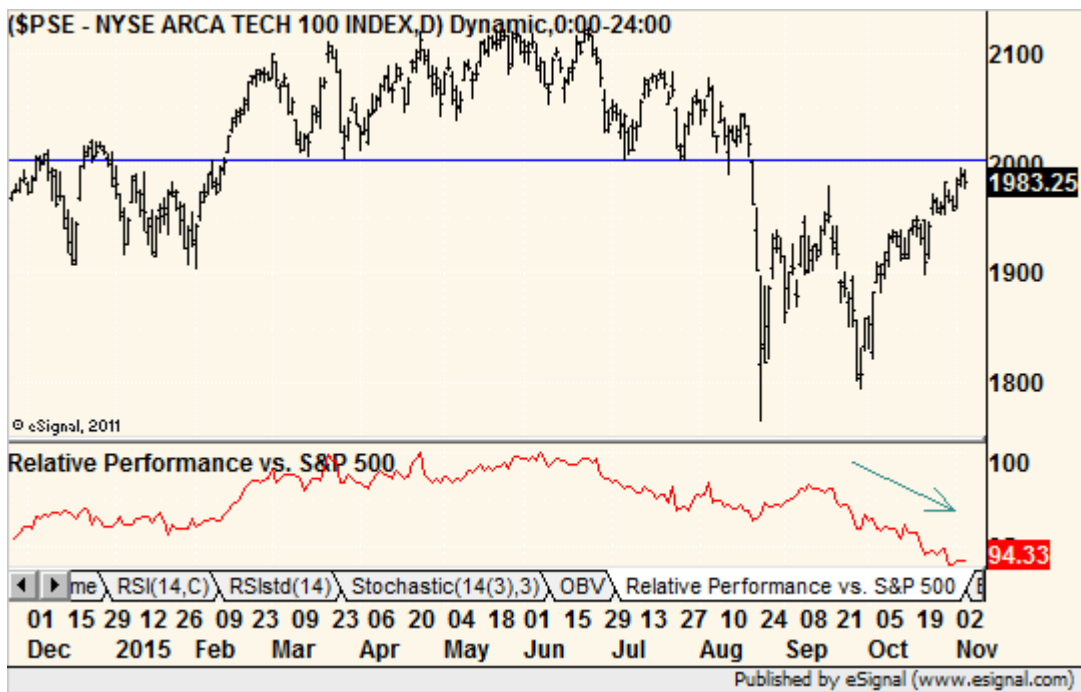
Market Highlights



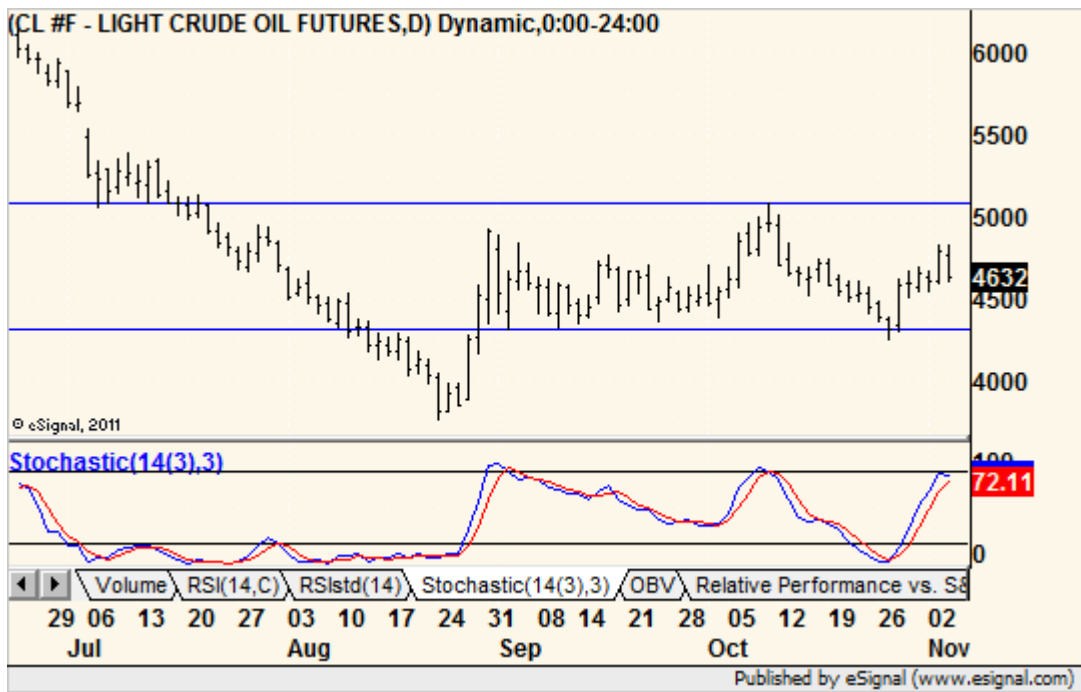
US Dollar Index – test of breakout completed.



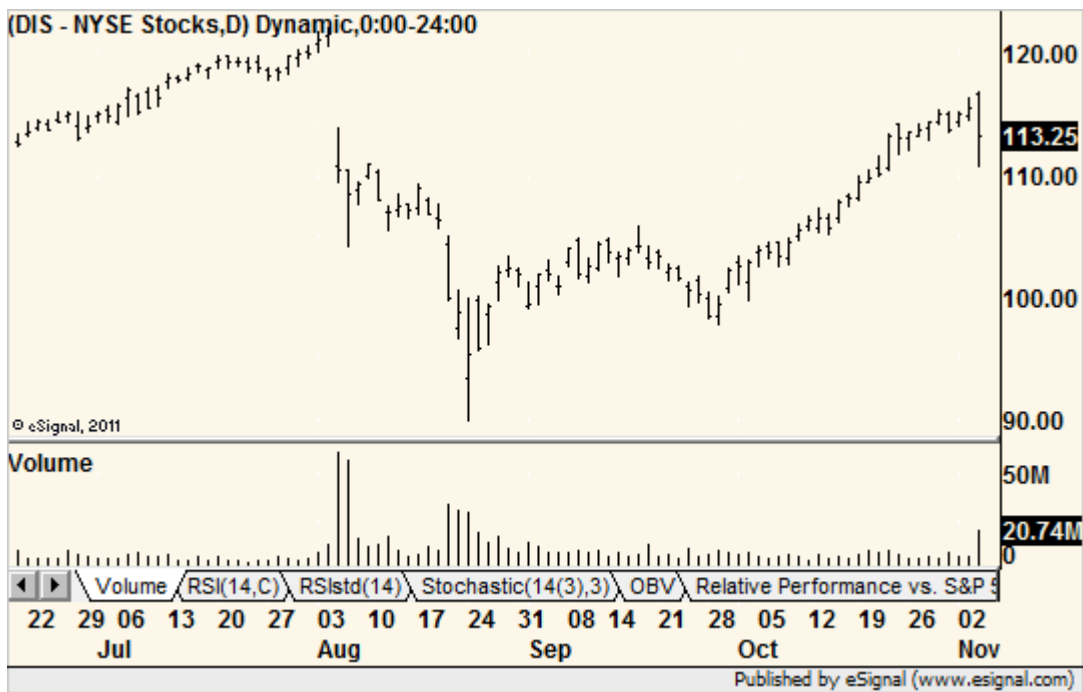
10-year Treasury yield – A possible short-term breakout. Resistance between 2.40 and 2.50 is rather strong.



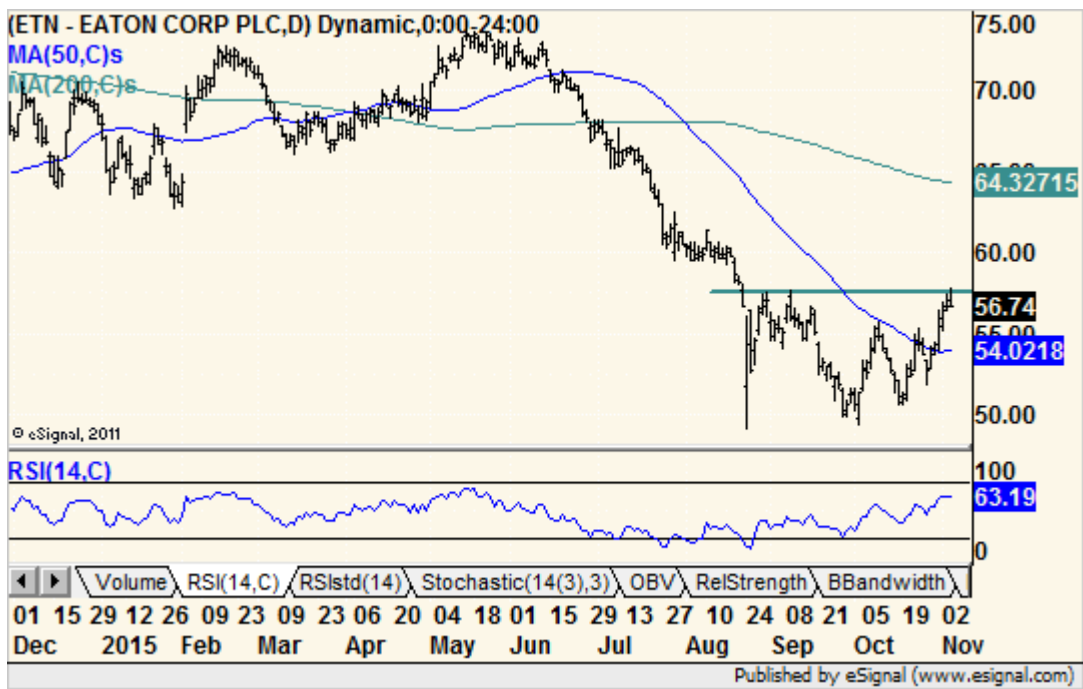
NYSE Arca tech – We talk a lot about the PSE index as a better representative of tech. Here, we see it at resistance and badly lagging the market.



Crude Oil – Extreme high stochastics within a trading range is not bullish. Oil is still floundering and while we like to believe anything cycles from support to resistance and back it may be the case here. The only positive is that oil stocks are doing much better and they can lead the commodity.



Disney – Time Warner put the kibosh on the whole entertainment sector. This is Disney. **VIAB**, too.



Eaton – This is a power management company and it sports the same base we've seen elsewhere.

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.

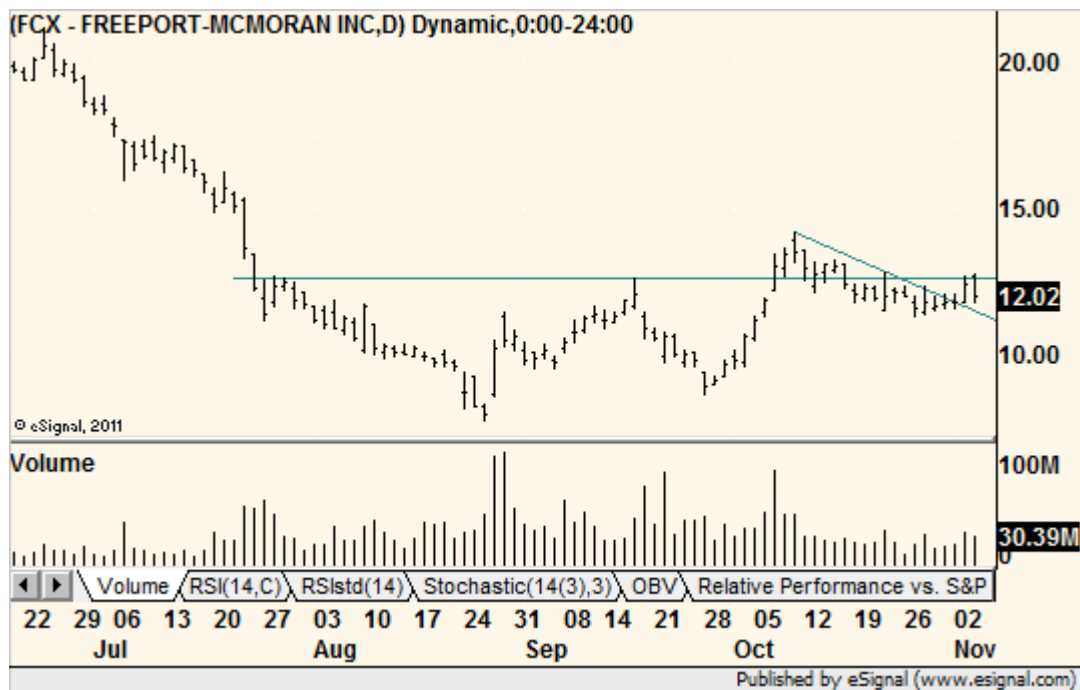
	<u>Symbol</u>	<u>Name</u>	<u>Last</u>	<u>P/L</u>	<u>Stop</u>	<u>Price in</u>	<u>Date in</u>	<u>#Days</u>
<u>Long</u>	SON	SONOCO PRODS CO	42.14	0.5%	41.00	41.95	10/20	15
	PEP	PEPSICO INC	100.62	-2.4%	98.00	103.08	10/22	13
	AMAT	APPLIED MATLS INC	16.87	1.3%	16.10	16.65	10/26	9
	VZ	VERIZON COMMUNICATIONS	46.14	-1.9%	44.50	47.02	11/2	2
	LVS	LAS VEGAS SANDS CORP	49.69	-1.8%	48.00	50.61	11/2	2
	HAL	HALLIBURTON CO	39.21	-2.0%	37.00	40.00	11/4	0
	MUR	MURPHY OIL CORP	30.42	-0.8%	28.50	30.65	11/4	0
	NE	NOBLE CORP PLC	14.00	-1.8%	13.25	14.25	11/4	0
	WEN	WENDYS CO	9.85	0.5%	9.50	9.80	11/4	0
<u>Short</u>	WCG	WELLCARE HEALTH PLANS INC	81.11	9.3%	86.00	88.62	11/2	2
	GT	GOODYEAR TIRE & RUBR CO	32.91	-0.2%	34.50	32.84	11/2	2

Notes: With the number of longs swamping the shorts it is odd that the one winner came from the short side. Lowered its stop.

New longs in three oils and a restaurant.

Subscriber Corner

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



Freeport McMoran – This one had a nice breakout Tuesday with volume even as gold fell thanks to strong copper. However, both copper and **FCX** fell back yesterday and this morning the stock is already bid lower. Perhaps this was much ado about nothing

It was not a key reversal but it does look as if this one has plenty more work to do to really break out from its July-November range.

Other Information

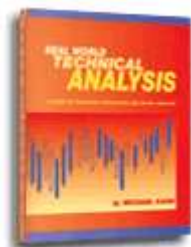
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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