

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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August 20, 2015 – The gruesome twosome - Greece and China – both fell more than 3% overnight. How cute! But kidding aside, the news that the Fed does not think it has good enough reason to delay raising rates smacked traders who thought all the global weakness and deflationary pressures would be that reason. Stocks sold off.

We still look for the key levels on the S&P 500 and the Dow to a lesser degree, as the point of no return or no recovery. Breadth is lousy with nearly 9% of all stocks on the NYSE hitting new 52-week lows yesterday. And the advance-decline is in a clear down trend.

Not a whole lot else to talk about. And since we hope everyone is already heavy into cash there is not much to do now, save for finding some good short setups. And by that we mean good setups, not just indiscriminate shorting. Again, the S&P 500 is still above its support and technically did remain above its 200-day average at the close Wednesday.



Well, we were right. We had our answer by lunch yesterday that the **SPY** had indeed scored a failed breakout. And now we look for continued weakness as the both the S&P 500 and Dow head towards their respective critical supports on daily charts (below).

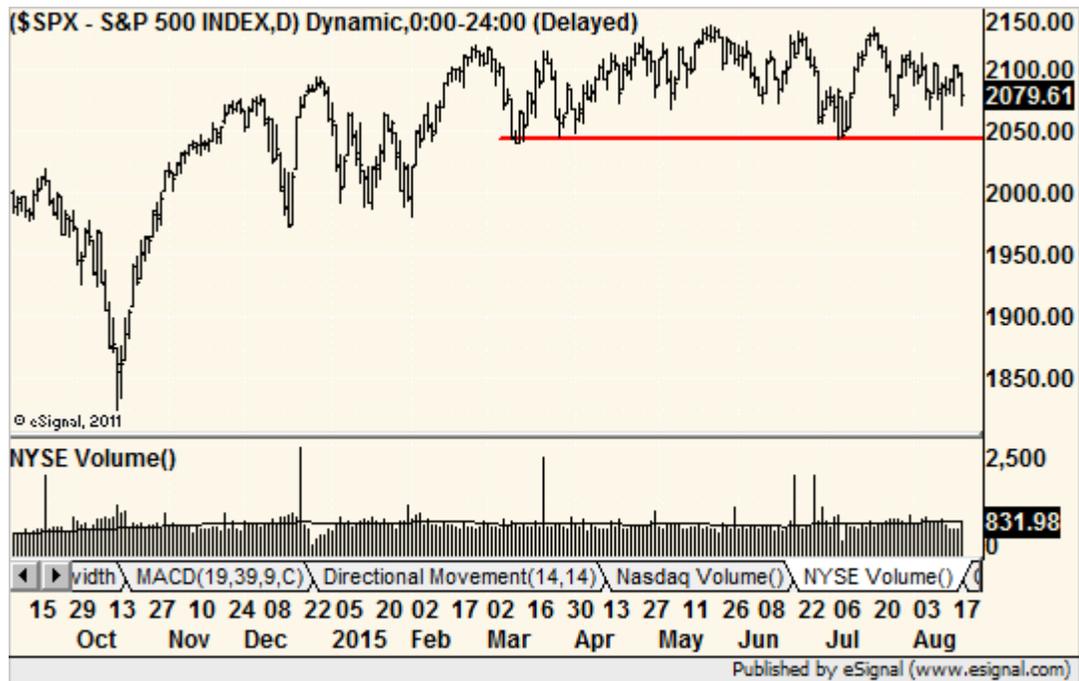
By the way, there are now death crosses in Canada, Brazil, Australia, Germany and the U.K.

Oil still has the headlines with its new low but we think sentiment is rather bad making this contrarian interesting. Yes, we know we have been early here but we do not see much more downside.

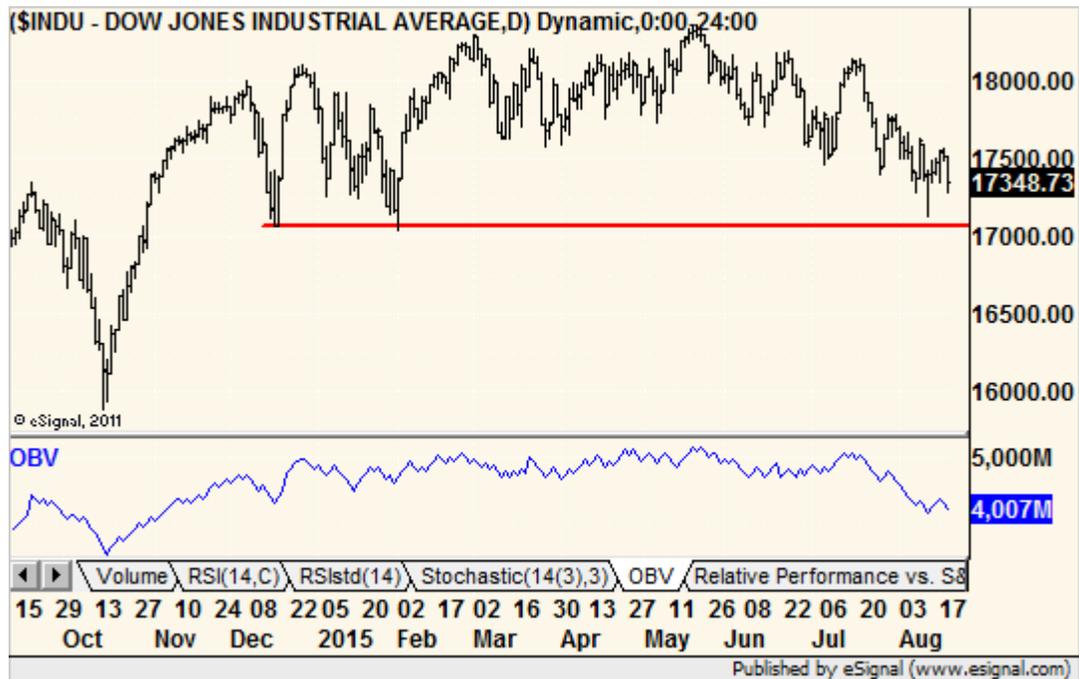
Contrast that to industrial metals, which we still see in a bear market.

And on gold, we may add to our one small stock position.

Index Charts of the Day



Heading to support.



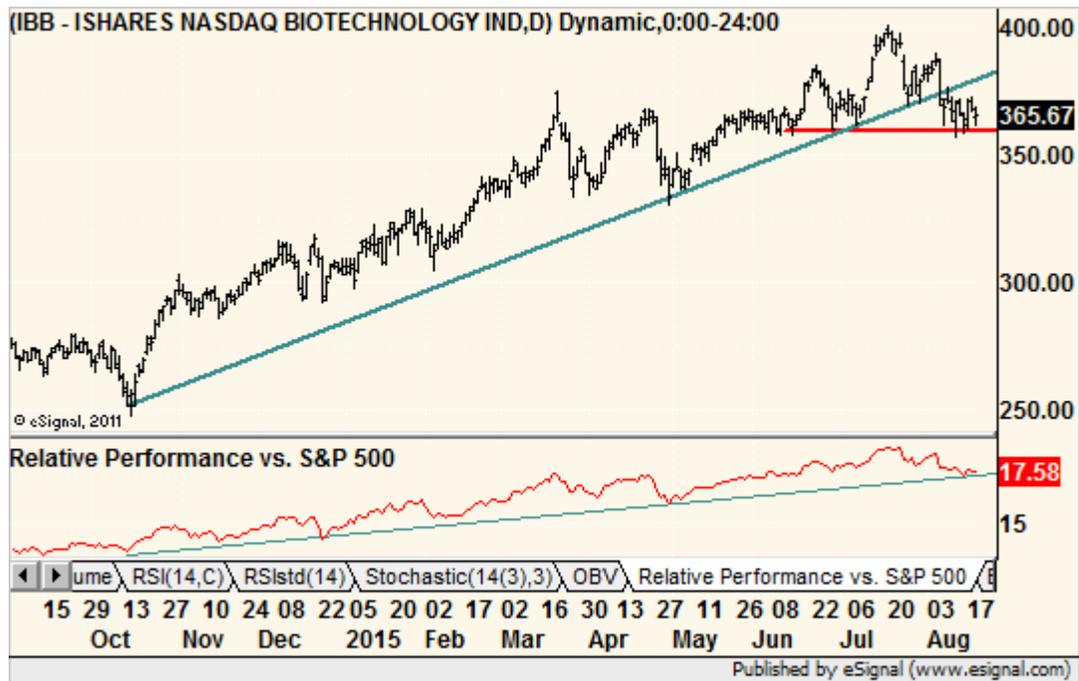
Also heading to support and the threshold for a Dow Theory sell signal. Note the sudden change in on-balance volume.

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		
none -		
Bearish Implications		
FedEx FDX – A break of support at 163.50 would be a major breakdown. Sell it there.		8/19
Chipotle CMG – This restaurant has a possible expanding triangle top. Waiting for it to actually start falling so a close under 734 would do it.		8/19
Nasdaq biotech ETF IBB –Edge of a cliff with a trend break in place and possible relative performance break and head-and-shoulders top break pending. Sell under 360 on close.	Moved	8/4
Staples SPLS – Consolidation in a bear market. Big P/E, too. Sell close under 13.60	New	8/20
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Ford F – It’s not ripe yet but this is a nice trendline and prices seem to be hugging it. If gas prices stay low, we would guess that their truck sales would stay firm. Just watching for now.		8/14
Hershey HSY – Tough times call for chocolate. This one has a breakout but we would like to let it dip one more time before jumping in.		8/19
Seagate Technology STX – This tech stocks (storage) actually looks like it wants to break out to the upside. We’ll watch it un case the market has a bullish turnaround. Never mind Big decline Wednesday.	Removed	8/19
Sector Watch (observations that may spark ideas)		
The Generals – AMZN, NFLX, GOOGL, AAPL, GILD, FB, SBUX Overall, bent but not broken.		7/27
Defense index DFI – A declining channel presents clear boundaries.		7/31
Retail ETF XRT – Looking dicey.		8/3
Restaurants – Looking ready to fall.		8/11
Banks ETF KBE – Testing downside trend break		8/13
Telecoms – one of the weaker tech areas (VZ, T)		8/19
Semiconductors – a really weak tech area		8/19
Homebuilders – actually strong		
Updates		
Brazil – This market will get its death cross today.		

Market Highlights



Nasdaq Biotech ETF – Edge of a cliff with a trend break in place and possible relative performance break and head-and-shoulders top break pending. Sell under 360 on close.



Staples – Consolidation in a bear market. Big P/E, too. Sell close under 13.60

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>	MO	ALTRIA GROUP INC	54.81	5.6%	54.00	51.90	7/16	34
	XOM	EXXON MOBIL CORP	76.23	-2.7%	74.00	78.32	8/13	6
	DD	DU PONT E I DE NEMOURS & CO	53.15	0.0%	51.00	53.14	8/13	6
	GOLD	RANDGOLD RES LTD	63.19	0.9%	60.00	62.65	8/14	5
<u>Short</u>	HPQ	HEWLETT PACKARD CO	27.74	9.4%	29.00	30.34	7/17	33
	URBN	URBAN OUTFITTERS INC	30.95	13.1%	32.50	35.00	7/21	29
	NYT	NEW YORK TIMES CO	12.65	3.6%	13.25	13.10	7/27	23
	INTC	INTEL CORP	28.36	1.6%	29.75	28.80	8/7	12
	GS	GOLDMAN SACHS GROUP INC	200.95	0.4%	208.00	201.70	8/11	8
	BLMN	BLOOMIN BRANDS INC	21.56	0.7%	22.50	21.71	8/11	8
	ADI	ANALOG DEVICES INC	58.38	-0.2%	60.50	58.25	8/18	1

Notes: Lowered stops in some of the shorts.

Subscriber Corner

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

Other Information

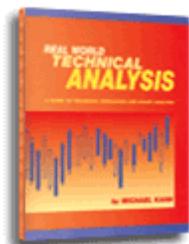
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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