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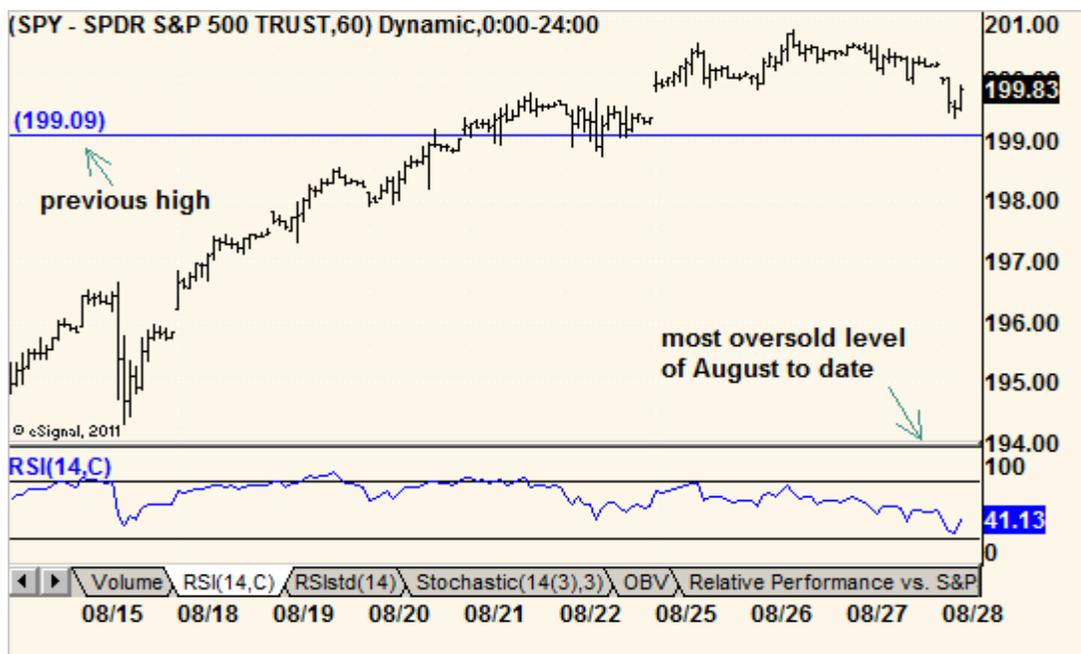
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August 28, 2014 - Two more days to go before Labor Day. Usually, that means the market returns to normal but since the financial crisis there has been no such thing. All we can count on is more volume next week and volume has not really mattered much either.

The headline this morning is another Russian encroachment into Ukraine and predictably that gave European stock markets the fits. Was that the reason or the excuse? The German DAX stalled at the 61.8% retracement of its recent correction (down 10% July-August). For what it's worth, the Russian market is down over 3%. It seems they should consider that part of the equation when planning their geopolitics. But I digress.

The market here was already ripe for a pause as the hourly chart showed fading momentum for days. And of course it happened the day after a study showing that a 10-day run in the **QQQ** (Nasdaq-100 ETF) leads to more strength practically went viral, appearing on Yahoo, Barron's (from me), and MarketWatch.

So is this "the one?" Hardly. We've seen these Ukraine dips before and before the "news" the US market really did have a lot going for it. Therefore, let's see if this is a test of the breakout, as illustrated in the hourly chart below. The Nasdaq's test comes on its daily chart in the Index Charts of the Day section.



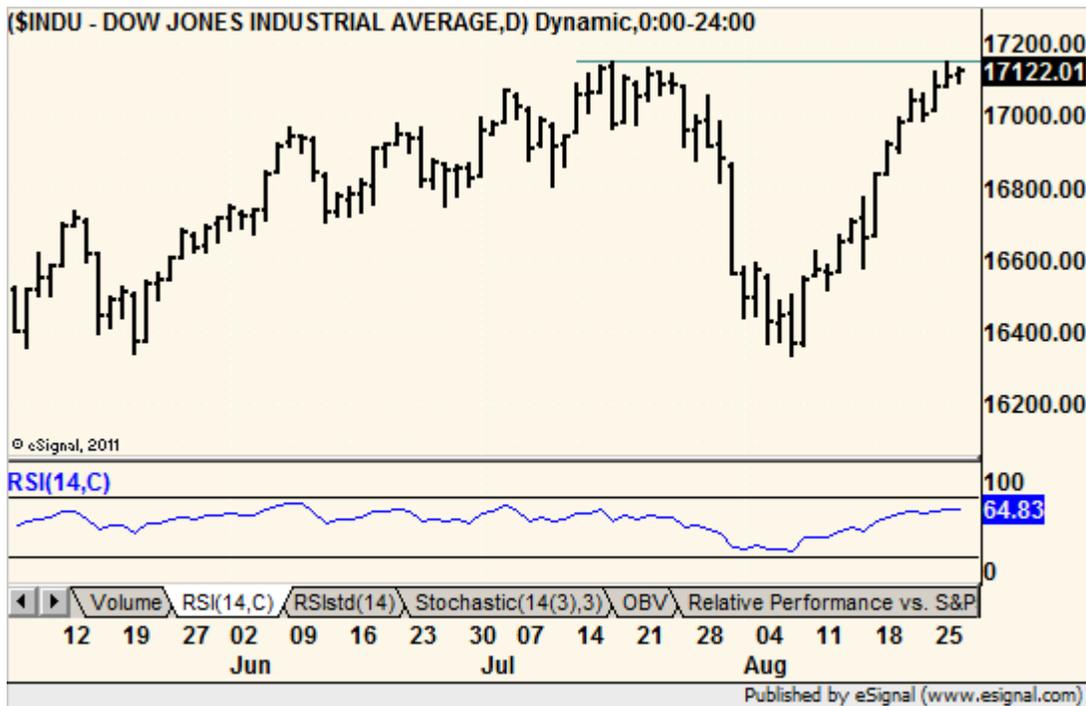
Here, we can see the **SPY** heading towards its breakout level 199.09. Note that it already had quite a bout of buying two hours before the day session opens. Not shown are the GDP and jobs wiggles.

In sectors, Internet was weakest thanks to on-line brokers, on-line travel. With the exception of Orbitz (**OWW**) in the latter category, trends there did not change. And the winners were utilities of every ilk. The **TLT** long T-bond ETF closed at a fresh new rally high and is bid even higher this morning.

This is why we've been skeptical of this August rally but skeptical does not mean bearish. The first step for the bears is taking indices below breakout levels. If that happens, it would also be a Dow failure at resistance.

That's all. Again, this week is no time to get fancy or too aggressive.

Index Charts of the Day



The Dow is setting up for a failure at resistance. Of course, if it picks itself up here then it flips to a breakout. Which one? We cannot know but resistance should get the benefit of the doubt.



With apologies to the political types, the Nasdaq has a "red line" at 4485.93.

The Radar Screen

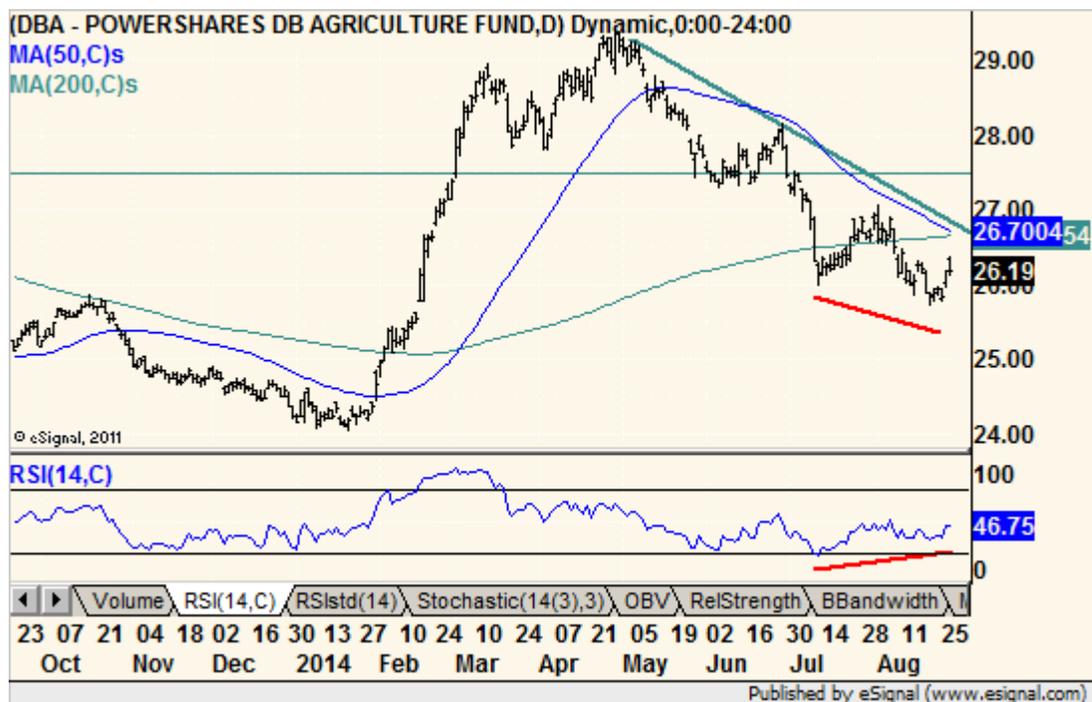
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Kellogg K - This cereal maker just broke through at trendline and sports super rising on-balance volume. Buy a close over the 50-day average, recently 65.00. Lately, a breakout seems less likely but now be more powerful. General Mills (GIS) is the same and already through its 50-day.	Triggered	8/21
Relypsa RLYP - A pharma stock looking to come out of a nice base. It had a Bollinger Band "breakout" earlier this month (not shown) so it is already showing strength. Up 3.3% Monday but still in a triangle sitting on the top of the base. We'll take a close over 27.20 as a long-term buy signal.	New	8/26
Bearish Implications		
Caterpillar CAT - Nice looking bear flag with falling volume. Now in the gap and still losing volume. Sell below 106.50		8/13
International Paper IP - Paper was a superstar sector in June but things changed. Now on support within a larger trading range. On-balance volume is weak vs. Feb/Mar highs. Sell close under 47.00.		8/21
Unknown Implications		
none -		
Holding Tank - red shade leans bearish, green shade leans bullish		
ExxonMobil XOM - Just when it looked as if energy stocks were getting killed, this one seems to be stabilized at its 200-day average. Small rectangle.		8/20
Dicks Sporting Goods DKS - I wrote this in Barron's Online as a stock that was showing signs of healing (reversal earlier this month). Last week it popped on heavy volume.		8/21
Hospira HSP - This is a drug delivery company (injectables) in a strong rally. Currently, it is in a triangle pattern, which normally leans bullish. However, it sports divergences in momentum and volume. We'll keep an eye on this one.		8/25
Jarden JAH - This is a consumer products company that makes everything from baseball gloves to household matches. It is approaching two similar trendlines with on-balance volume already at a new 52-week high. It is not quite ripe so we'll watch it for a while		8/25
Sector Watch (observations that may spark ideas)		
Biotech - the leader		8/15
Oil Refiners - very strong. HFC, TSO, VLO, PSX, MPC, WNR, ALJ		8/20
Solar Power - Some nice rising trends. TSL, SPWR, FSLR, CSIQ		8/20
Technology XLK - still leading but flattening relative to the market.		8/25
Healthcare XLV - Now one of the leaders		8/25
Financials XLF - Broke out but still merely pacing the market. Banks still lagging		8/25
Fertilizer - firming AGU, MOS, POT		8/26
Updates		
Latin 40 ETF - Big follow through after breakout		

Market Highlights



Pinnacle Foods - Bullish setup. Triangle pattern above 50-day average and broken trendline.



DB Agriculture fund - As a follow up to my Monday column, this holds a basket of ag futures and wheat is in play thanks to Russia. However, it is only 6% of this fund. Regardless, the RSI divergence and pending moving average/ trendline breakout are compelling.

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>	PCLN	PRICELINE GRP INC	1260.77	0.4%	1260.00	1255.95	7/30	28
	MCD	MCDONALDS CORP	94.65	0.4%	92.50	94.25	8/18	9
	SFLY	SHUTTERFLY INC	50.48	0.0%	48.00	50.47	8/20	7
	GNC	GNC HLDGS INC	37.63	0.3%	35.50	37.50	8/25	2
	MRVL	MARVELL TECHNOLOGY GROUP	13.76	-1.1%	13.10	13.91	8/25	2
	NEM	NEWMONT MINING CORP	26.52	0.1%	25.70	26.50	8/26	1
	CERN	CERNER CORP	57.00	-0.2%	54.50	57.12	8/26	1
	VZ	VERIZON COMMUNICATIONS INC	49.43	0.6%	48.00	49.15	8/26	1
	K	KELLOGG CO	65.28	0.4%	62.75	65.00	8/27	0
<u>Short</u>	USB	US BANCORP DEL	42.20	1.7%	42.50	42.90	7/11	47
	CMCSA	COMCAST CORP NEW	54.56	-1.5%	56.00	53.73	7/31	27
	CVS	CVS CAREMARK CORPORATION	79.43	-3.7%	80.00	76.50	8/5	22
	LVS	LAS VEGAS SANDS CORP	67.54	2.1%	72.00	68.94	8/22	5

Notes: Our apologies as we neglected to add the long in **VZ** triggered Tuesday.

New long in **K** as it moved through its 50-day average.

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

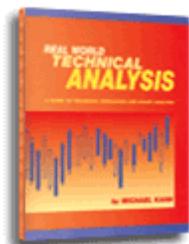
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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