

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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September 10, 2015 – China follow through got the market cooking in the morning but worries that the Fed may raise rates next week took it back down and then some. Of course, from the technical point of view, the two-week consolidation of the August smack down is still in effect. We also look for the eventual downside break from that pattern. And until it does we still have plenty of cash.

What really stinks for us is getting stopped out of perfectly viable short positions during the morning rally. Goldman Sachs (GS) for example, scored a major intraday reversal to the downside but traded above our stop. If you did not stop out, good! But we have to maintain integrity and record stop outs on several positions despite being right on the overall direction of these names. That's the breaks.

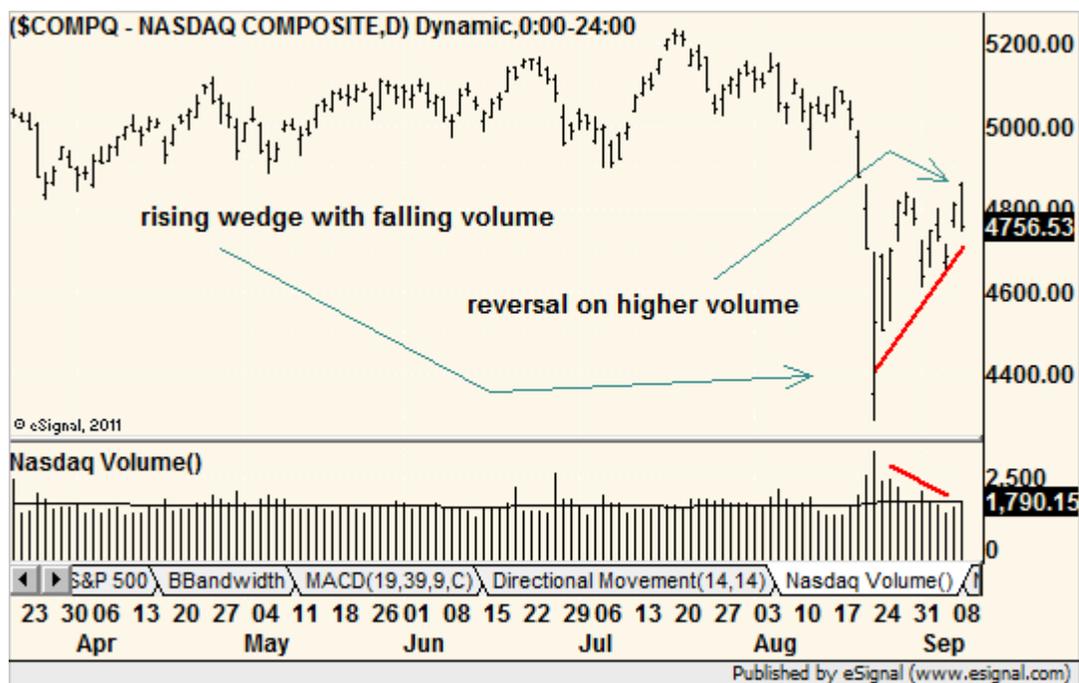


We've changed the markings today to show an ascending triangle on the hourly chart. It's all semantics because we think the market is pausing in a new down trend. However, we now have good levels to watch on top and bottom in order to take appropriate action as the market starts to move.

Overseas, China gave a little back but remains in a range. Japan gave a chunk back but as we said it remains below major averages and in a down trend. Around the globe, yesterday was a failure day. This market is not done falling just yet.

So that's it. We are already short enough so no new stock pans. And nothing really looks good enough to buy right now. It makes for a brief newsletter but forcing the issue doesn't do anybody any good.

Index Charts of the Day



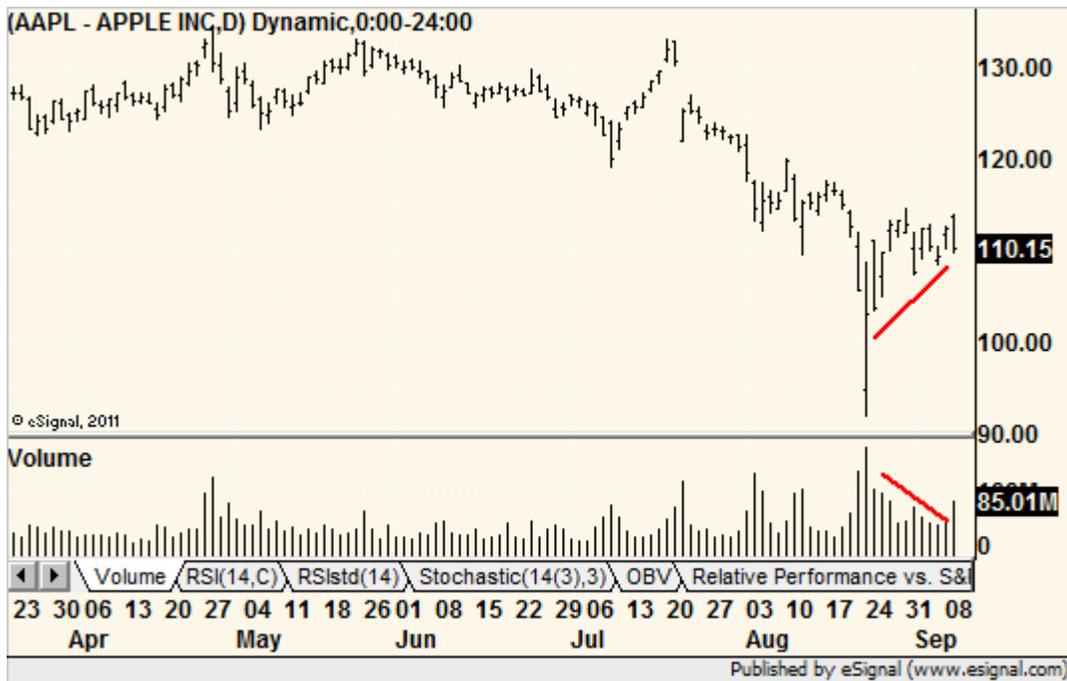
Looks like a correction in a bearish trend. A break of the lower wedge border would be a good “all in” sell signal.

The Radar Screen

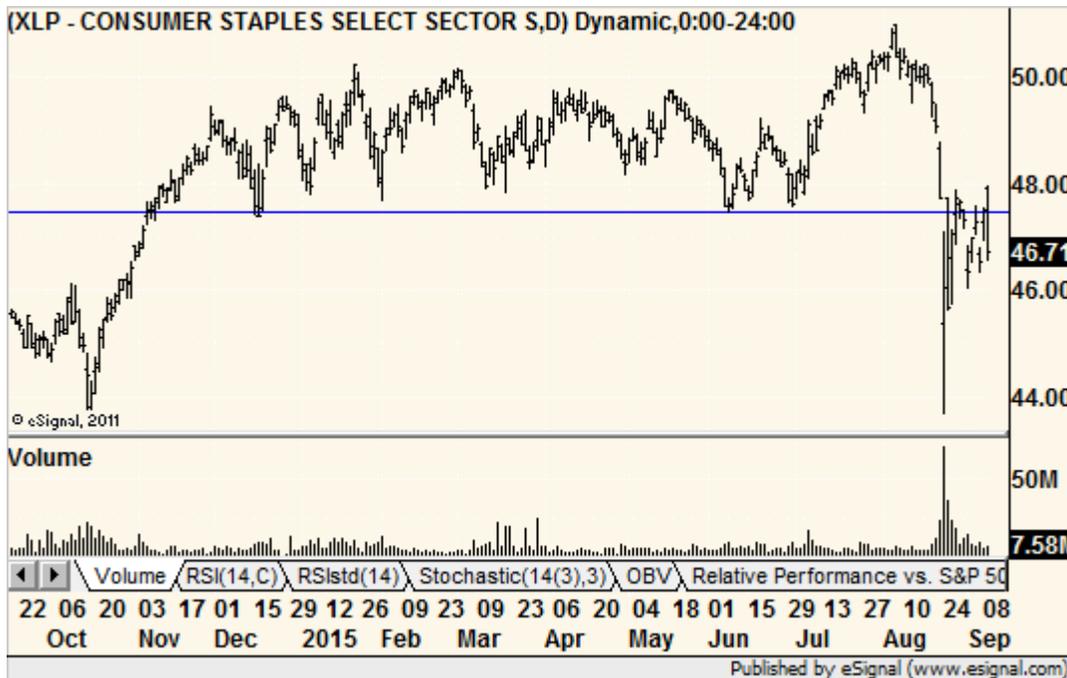
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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		
Express Scripts ESRX – Another one to sell if it bounces a little more to the 200-day average. Sell 85.	Triggered	9/3
Facebook FB – Dare we say the same for Facebook at 91?	Triggered	9/3
Netflix NFLX – Completed a head-and-shoulders top with neck at 100. Let’s take advantage of market strength and try to sell at 98.	Triggered	9/2
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Gold Miners ETF GDX – This is changed to a long-shot for now but still interesting enough to keep it here.		8/31
Transocean RIG – Battered. But trading sideways for months. That is a good base so we wait for a better signal to buy. Made an attempt		8/31
Diamond Offshore DO – Small base but big volume. Somebody is trading this thing and we have to think it is smarter money.		8/31
IBM – This stock is down 30% and still looks terrible. But support at 132.50 and a current trailing P/E of 9.5 with a 3.6% dividend yield makes it look enticing on the next dip.		9/8
Sector Watch (observations that may spark ideas)		
Semiconductors – Nice bear reversal on the weak SOX index.	New	9/10
Updates		
none –		

Market Highlights



Apple – Despite the hype, this chart looks like most others with a rising wedge and high volume bear reversal. We won't read any more into it – including the product release hoopla or lack thereof.



Consumer Staples ETF – Nowhere to hide. Here is another failure at resistance following a low volume rising wedge.

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>	none							
<u>Short</u>	NYT	NEW YORK TIMES CO	12.02	9.0%	12.50	13.10	7/27	44
	GS	GOLDMAN SACHS GROUP INC	190.00	6.2%		201.70	8/11	29
	FDX	FEDEX CORP	151.56	7.9%	155.00	163.50	8/20	20
	CMG	CHIPOTLE MEXICAN GRILL INC	718.83	0.2%	740.00	720.01	8/20	20
	MHK	MOHAWK INDS INC	205.00	-5.4%		194.01	8/28	12
	AGN	ALLERGAN PLC	294.92	5.6%	315.00	311.51	8/28	12
	PFE	PFIZER INC	31.96	4.2%	33.50	33.30	8/28	12
	XLI	INDUSTRIAL SELECT SECTOR SPDR	52.75	-2.6%		51.39	8/31	9
	MSFT	MICROSOFT CORP	43.07	1.1%	44.50	43.56	8/31	9
	KO	COCA COLA CO	38.30	1.6%	40.00	38.90	9/2	7
	CTXS	CITRIX SYS INC	70.50	-4.4%		67.39	9/2	7
	ESRX	EXPRESS SCRIPTS HLDG CO	83.61	1.7%	87.00	85.00	9/9	0
	FB	FACEBOOK INC	90.44	0.6%	94.00	91.00	9/9	0
	NFLX	NETFLIX INC	99.18	-1.2%	103.00	98.00	9/9	0

Notes: Stopped out of several positions on the morning rally – which really bites because every one of them closed lower on the day. But a stop is a stop. **MHK** did not work well but **GS**, **XLI** and **CTXS** still look like good shorts.

New shorts in **ESRX**, **FB** and **NFLX** on “sell the bounce.”

Lowered **KO** stop.

Subscriber Corner

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

Hello! Come in Rangoon.

Now is a good time to brush up on your charting skills. This section is for your questions.

Other Information

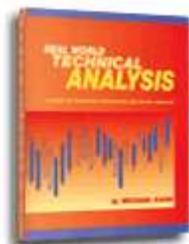
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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