

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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**September 24, 2015** – It looked as if the market was going to pull a rabbit out of a hat yesterday after being down big in the morning and marching back up to flat in the afternoon before a final dip. But the real fun happened overnight as the Nikkei was down 2.8% although a lot of that was catching up with weakness in the region after a three-day holiday.

In Europe, they blame weakness on autos and Volkswagen in particular. We think it is a lot more than that but as chartists the reason for the decline is not as important as the decline itself. Spain has taken out its October 2014 low. The UK did that last month. And all major Europe broke down from their flag patterns.

Oil gave up the ghost midday Wednesday and ended with a bearish outside-day to the downside. If oil and stocks have been correlated that is bad news for the latter. Then again, after breaking its wedge, the S&P 500 was already heading lower.



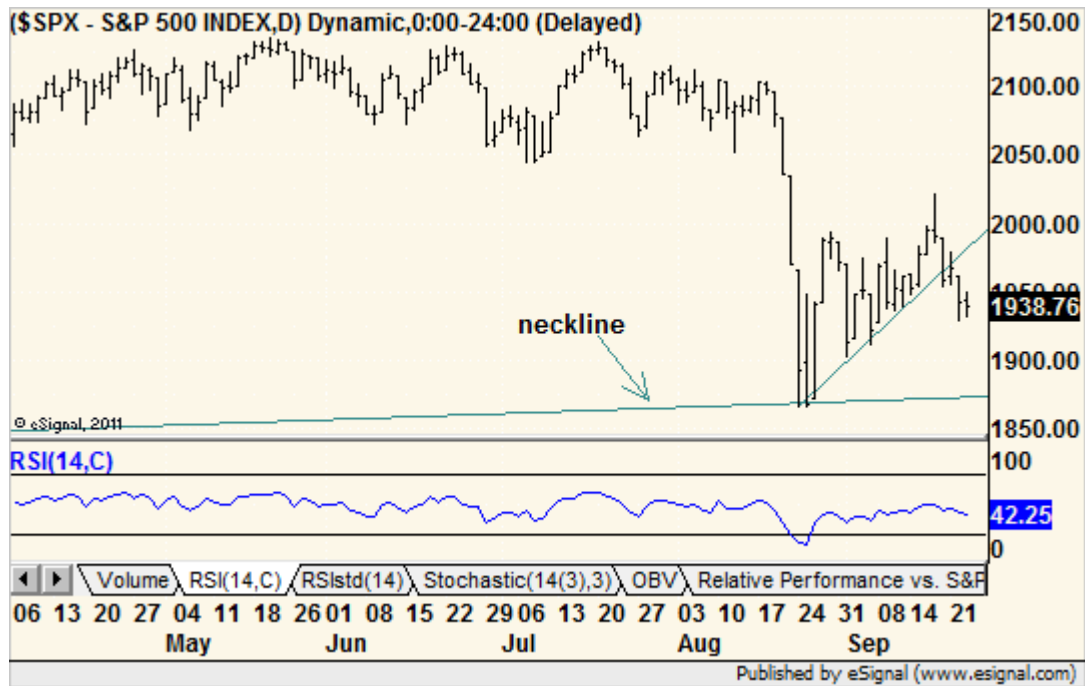
The fully captioned hourly chart says it all. The only problem we have is that the breakdown happened overnight and that has been prone to reversal. That does not mean it will reverse but we are going to pay attention.

In sectors, industrial commodities continue to get crushed. Even coal, which is already so low that it looks like value, hit a new low. Copper, energy, heavy construction – all were the biggest losers. Gambling is also on that list but we think that has a lot to do with China.

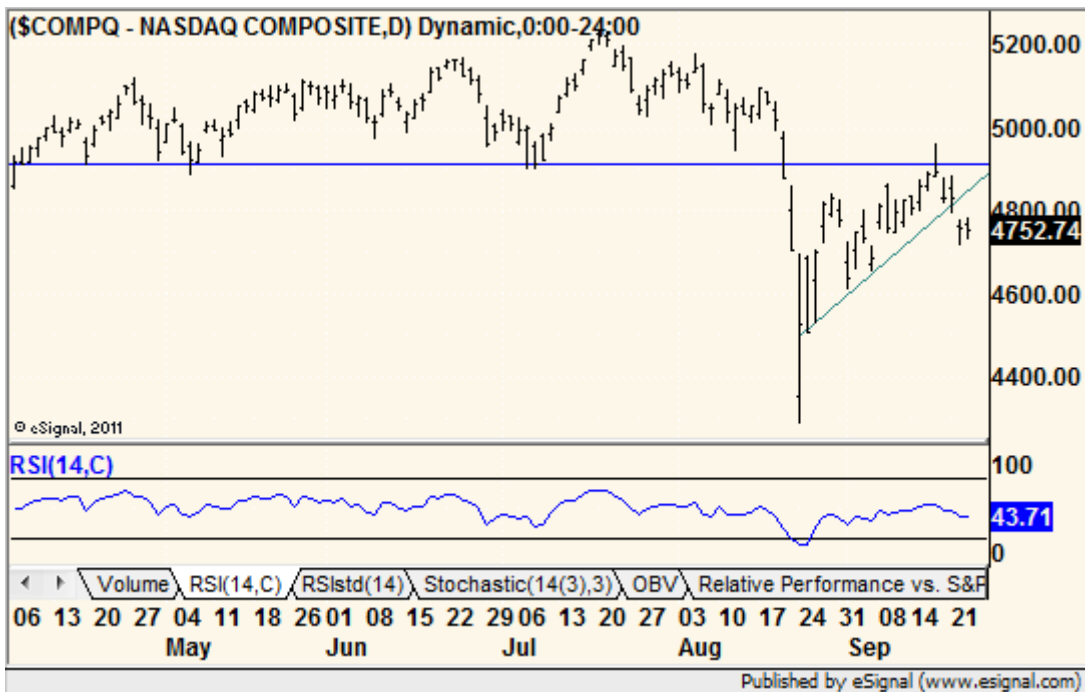
As for the best sector, the recreational services group (theme parks, cruise ships) was the winner but that was one day after getting clobbered. Still not buying.

But as for new trades, the daily charts will show the market now in no-man's land between the breakdown and next support. Again, we are happy to let what we have (short) ride.

## Index Charts of the Day



There is more room to the downside but the market is really in no-man's land between the wedge breakdown and the head-and-shoulders neckline. We are happy to let it ride short for now.



Maybe the risk/reward of new shorts here is a little bit better.

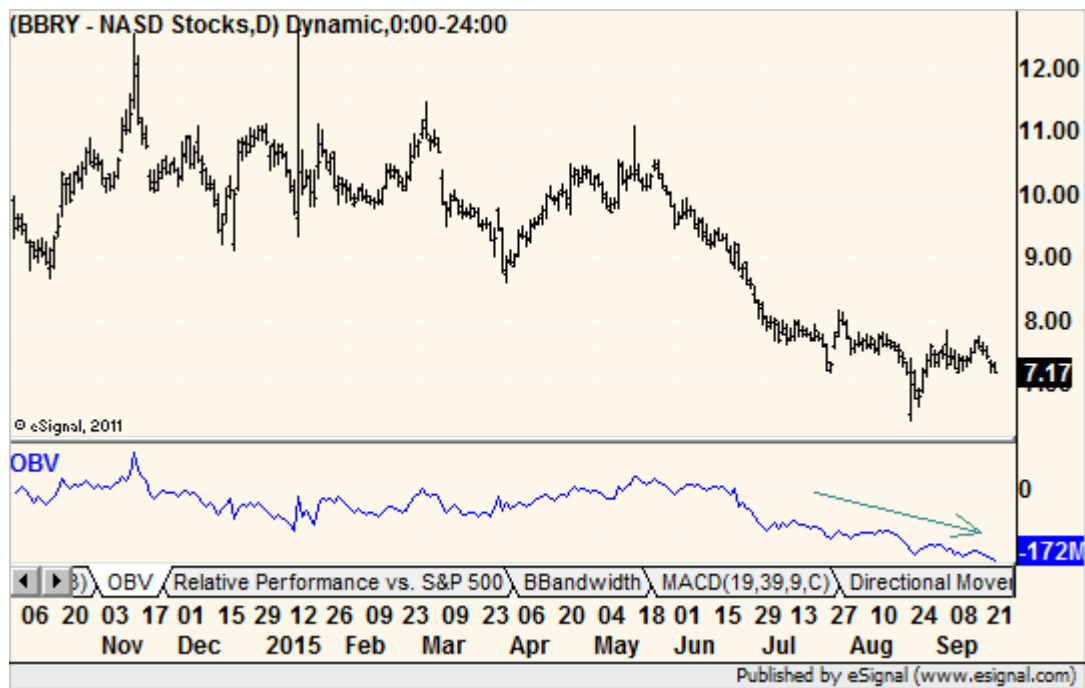
## The Radar Screen

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.

>> Getting very bare here.

<b>Bullish Implications</b>		
none –		
<b>Bearish Implications</b>		
<b>MasterCard MA</b> – Broken and now waiting for the correction to break. Sell close under <b>91.00</b> . Remarkably resilient.	<b>Changed</b>	9/11
<b>Torchmark TMK</b> – This is the insurance stock I wrote in Barron’s yesterday that has room to fall to catch up (down) with its sector. Sell breakdown under support and 200-day average at 56.35.		9/22
<b>Unknown Implications</b>		
none –		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<b>IBM</b> – This will be on our shopping list after the next big drop but there is no need to track it here daily.	<b>Removed</b>	9/8
<b>Sector Watch</b> (observations that may spark ideas)		
none -		
<b>Updates</b>		
none –		

## Market Highlights



**Blackberry** – We’ve seen chatter on this one lately. Looks like poison to us.

**OK, dear readers**, there is nothing else to point out today. We’ve flipped through countless charts (dare we say hundreds?) and still do not have any we care to present to you here. We are quite content with the short levels we advise and as we say in our marketing, we don’t waste your time with filler.

The sum of our advice today is – sit tight with a nice short percentage. Fully short and especially leveraged short is not ready for prime time. We are certainly not buying any dips.

Commodities are in bear markets. Deflation is a possibility. And all indications from the stock market tell us that the economy is heading south, no matter what the government stats say.

## 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>								
<u>Short</u>	<b>NYT</b>	NEW YORK TIMES CO	11.70	12.0%	12.30	13.10	7/27	58
	<b>FDX</b>	FEDEX CORP	143.65	13.8%	153.00	163.50	8/20	34
	<b>CMG</b>	CHIPOTLE MEXICAN GRILL	731.57	-1.6%	740.00	720.01	8/20	34
	<b>AGN</b>	ALLERGAN PLC	286.61	8.7%	305.00	311.51	8/28	26
	<b>PFE</b>	PFIZER INC	32.62	2.1%	33.50	33.30	8/28	26
	<b>MSFT</b>	MICROSOFT CORP	43.87	-0.7%	44.50	43.56	8/31	23
	<b>KO</b>	COCA COLA CO	38.76	0.4%	40.00	38.90	9/2	21
	<b>ESRX</b>	EXPRESS SCRIPTS HLDG CO	83.30	2.0%	87.00	85.00	9/9	14
	<b>CSCO</b>	CISCO SYS INC	25.28	1.0%	26.50	25.54	9/18	5
	<b>SHW</b>	SHERWIN WILLIAMS CO	232.62	6.0%	250.00	246.65	9/18	5
	<b>CF</b>	CF INDS HLDGS INC	47.74	11.7%	51.00	53.32	9/18	5
	<b>YUM</b>	YUM BRANDS INC	78.92	2.6%	84.00	81.00	9/18	5
	<b>MAR</b>	MARRIOTT INTL INC NEW	67.72	4.6%	72.00	70.86	9/18	5
	<b>CVS</b>	CVS HEALTH	100.63	-1.5%	102.50	99.15	9/18	5
	<b>NKE</b>	NIKE INC	115.43	1.4%	120.00	117.00	9/21	2

**Notes:** Big drop in CF yesterday and the stop was dropped accordingly.

**MSFT** and **CMG** are not performing. We will consider covering them and walking away unless they start to drop with the market right away.

>>> There are implications here. If we are wrong and the market does not keep falling then we'd expect these "bear resisters" to lead the way up.

**CVS** is still new so we'll give it more time.

## 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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