

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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September 29, 2015 – Smaller stock indices took out August lows Monday as the market reminded the young'uns that bear markets do exist. Think about the 28-year old trader who has developed a nice swagger since graduating college as the stock market bottomed in 2009. He/she has never seen a bear market.

We can blame China or Greece or Washington or whatever else reporters connect dot-to-dot. The technicals were pretty good in telling us what to do over the past two months and they still have unfinished business to the downside. Sure, support from August is upon many sectors already but the healthcare juggernaut is now officially dead.

Indeed, almost everything is reeling as the only bull market seems to be the U.S. dollar. We are just waiting for the euro to get its next breakdown before promoting King Dollar to emperor. It already has an all-time high in place vs. the Brazilian Real and both Canada and Australia are at multi-year lows. Note that these three are commodities related economies. What does that tell you about commodities? It's not good.

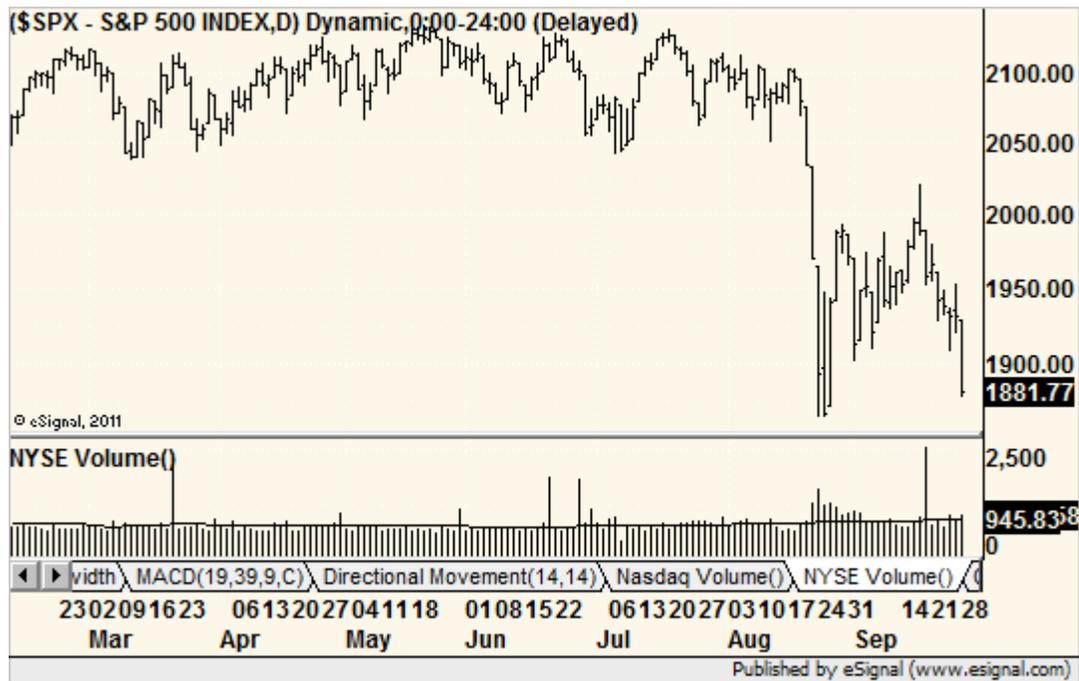


The hourly chart is stair-stepping its way to the August low (the bottom red line above).

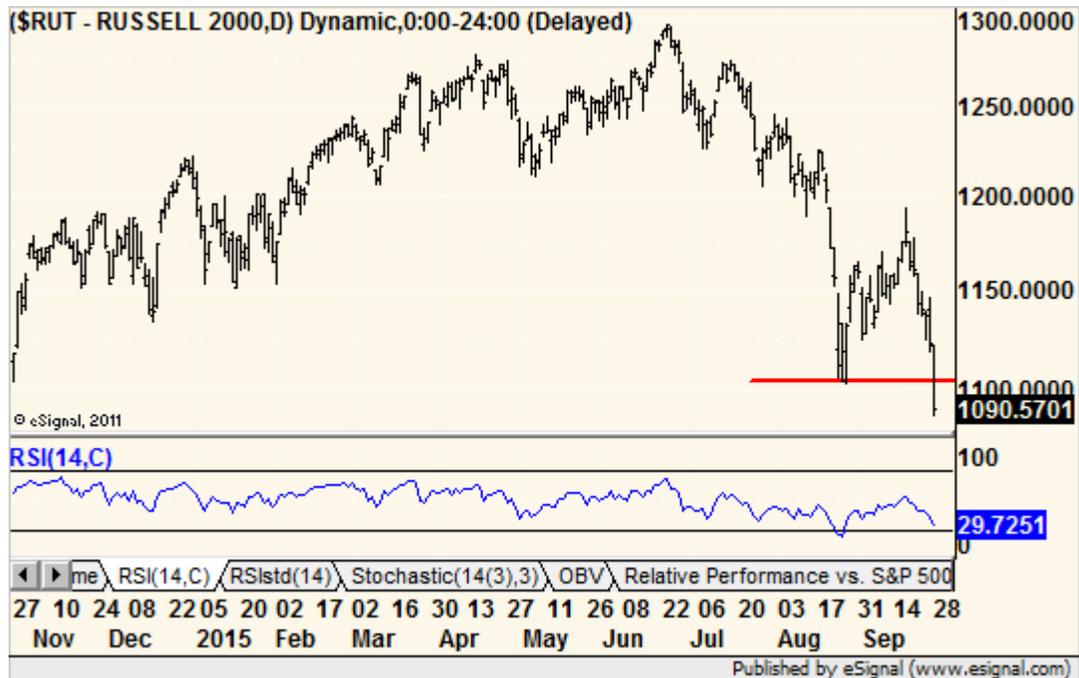
Once again, there is nothing happening in gold and oil. Coffee is celebrating National Coffee Day in bear market.

Treasury bonds remain firm while **junk plummets**. Our stance remains the same – bearish but not quite all on. In other words, major support for the S&P 500 is still below – see the update Big Picture chart below.

Index Charts of the Day



The S&P 500 is well on its way to the August low. An upside reaction is warranted here but the trend is down. Sell any bounce.



The Russell took out its August low. Nothing in its way to falling to last October's low.

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		
MasterCard MA – Broken and now waiting for the correction to break. Sell close under 91.00.	Triggered	9/11
Torchmark TMK – This is the insurance stock I wrote in Barron’s last week that has room to fall to catch up (down) with its sector. Sell breakdown under support and 200-day average at 56.35.	Triggered	9/22
Vulcan Materials VMC – A new sell-the-bounce candidate. The RSI divergence looks better on weekly charts. Also, a high trailing P/E. Setting the trigger at 89 but it may drop.	New	9/29
Unknown Implications		
none –		
Holding Tank – red shade leans bearish, green shade leans bullish		
Archer Daniels Midland ADM – Reversal wiped out. Moving on.	Removed	9/25
Campbell Soup CPB – Here in case we are wrong about the market. Looks like we are not. Moving on.	Removed	9/25
Royal Caribbean RCL – Here in case we are wrong about the market. Looks like we are not. Moving on.	Removed	9/25
Regeneron Pharma REGN – We wanted to sell a bounce but it fell sharply yesterday. Moving on.	Removed	9/28
Amgen AMGN – We wanted to sell a bounce but it fell sharply yesterday. Moving on.	Removed	9/28
Apple AAPL – On the brink. Already failed at 50-day average. Watching for trendline breakdown.	New	9/29
Sector Watch (observations that may spark ideas)		
none –		
Updates		
none -		

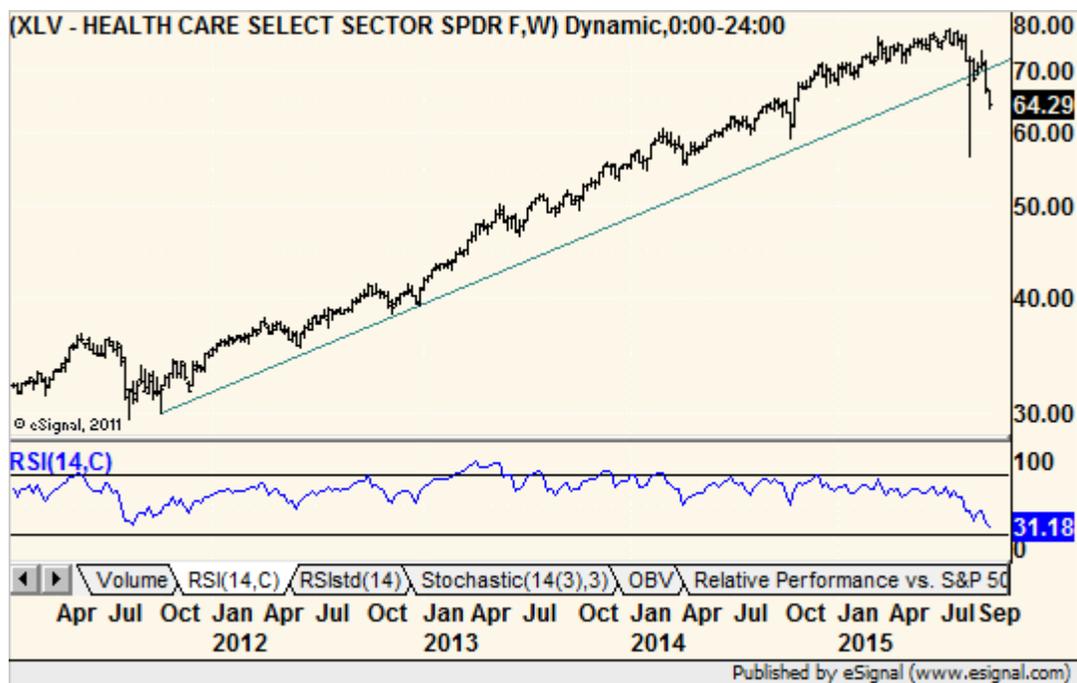
Market Highlights



Vulcan Materials – A new sell-the-bounce candidate. The RSI divergence looks better on weekly charts. Also, a high trailing P/E. Setting the trigger at 89 but it may drop.



Apple – On the brink. Already failed at 50-day average. Watching for trendline breakdown.



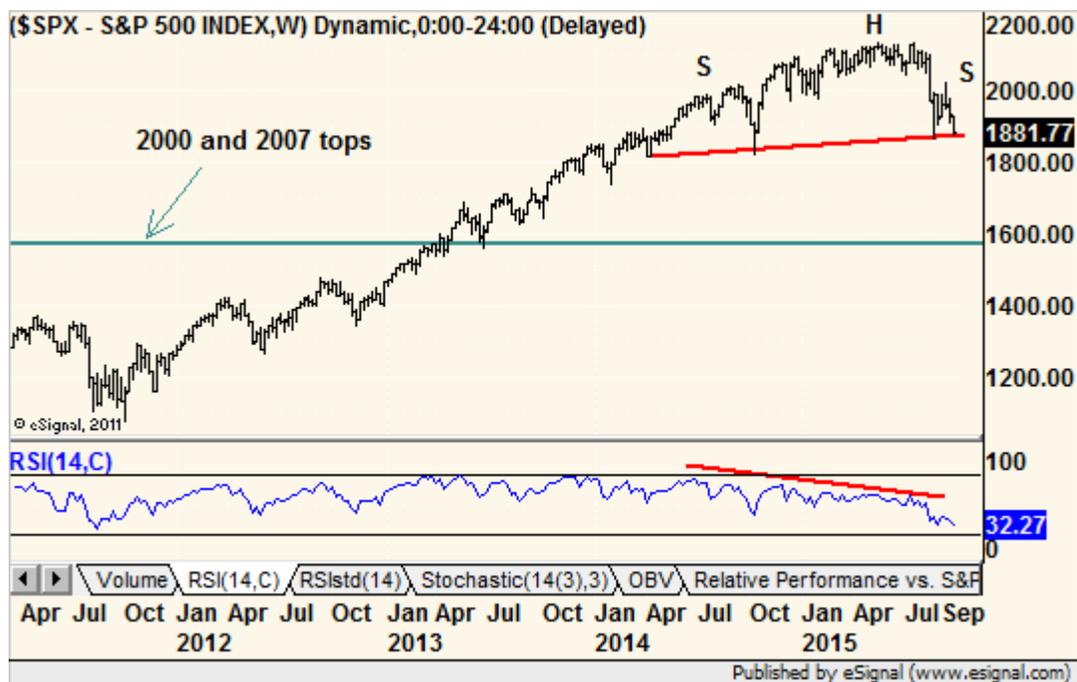
Healthcare ETF – Clearly not a good thing. Don't forget to ignore the August spike low on the price mismanagement in most ETFs.



Nasdaq Biotech ETF – Looks like the great unwind. This is not over.

The Big Picture

In this section, we take a macro look at things.



Our head-and-shoulders theory looks pretty good. A breakdown below the neck would be the signal that a big bear market is upon us with a target of the prior bull market tops below 1600.

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>	FDX	FEDEX CORP	140.74	16.2%	149.00	163.50	8/20	39
	AGN	ALLERGAN PLC	254.87	22.2%	275.00	311.51	8/28	31
	PFE	PFIZER INC	30.82	8.0%	32.75	33.30	8/28	31
	KO	COCA COLA CO	39.53	-1.6%	40.00	38.90	9/2	26
	ESRX	EXPRESS SCRIPTS HLDG	80.00	6.3%	85.00	85.00	9/9	19
	CSCO	CISCO SYS INC	25.66	-0.5%	26.50	25.54	9/18	10
	SHW	SHERWIN WILLIAMS CO	220.56	11.8%	235.00	246.65	9/18	10
	YUM	YUM BRANDS INC	76.00	6.6%	81.00	81.00	9/18	10
	MAR	MARRIOTT INTL INC NEW	66.17	7.1%	71.00	70.86	9/18	10
	CVS	CVS HEALTH CORP	96.35	2.9%	101.00	99.15	9/18	10
	MA	MASTERCARD INC	88.35	0.0%	92.00	88.35	9/28	0
	TMK	TORCHMARK CORP	56.24	0.2%	59.00	56.35	9/28	0

Notes: Well, we have to hit ourselves in the head with a metaphorical ballpeen hammer after covering shorts in **CMG** and **CF**. Money left on the table.

Otherwise, it was a good day to be 100% short, especially in health care. **AGN** was down nearly 9%.

New short in **MA** at the close – which was unfortunate since our trigger was selling the close under 91. That left plenty of profit on the table.

Also a new short in **TMK**.

And many stops lowered across the board. We left **AGN**'s stop quite wide.

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

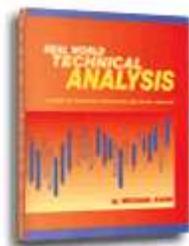
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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