

# QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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**September 30, 2015** – It's the last day of the quarter and statistically the worst day of the year. Of course, the latter is never a guarantee as the premarket rally confirms. Still, tis the season for weakness and that season really ends later in October, when we are supposed to come back after being away since May.

Europe is up nicely this morning as is Japan but the whole thing looks rather dead-catty to us. We see no reason to think anything has changed and it is merely time to relieve some of the downward excesses. And in that light, if domestic indices could not find an excuse to bounce from support and oversold conditions then they might as well just gap down 20% and get it over with (sic).

They should have bounced more yesterday but we really should give them another day (today) to do so. Too bad the Nasdaq was significantly in the red Tuesday but that could have just been because Apple was down 3%.

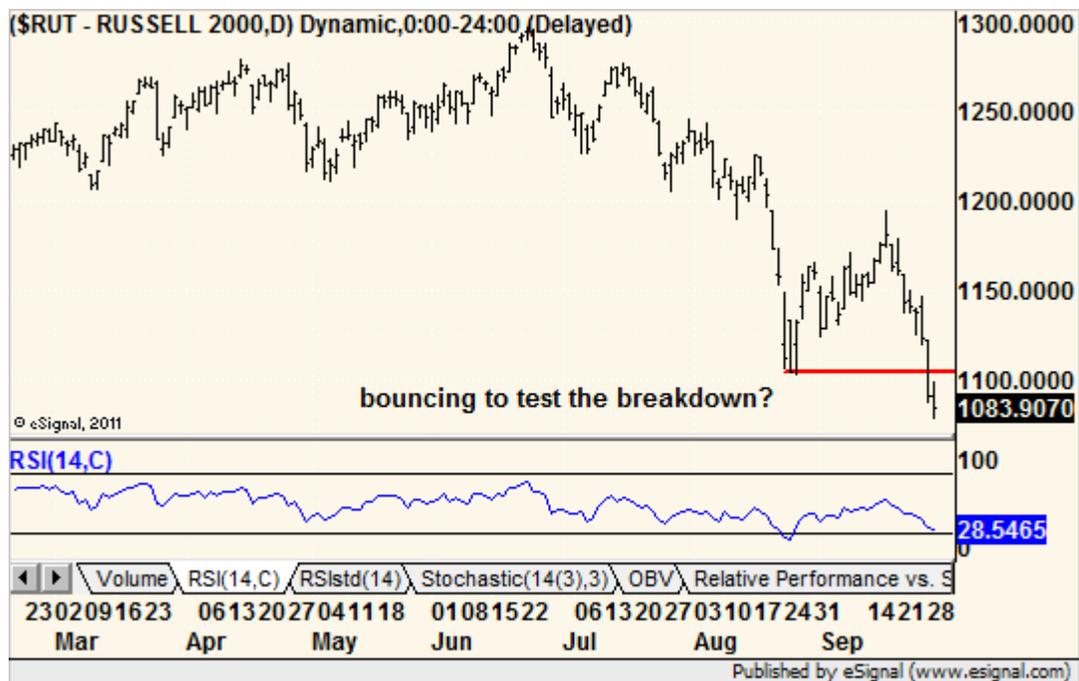


Here we go again and that's good. The **SPY** is respecting support and resistance beautifully in the hourly time frame. And if it punches through today there are plenty of resistance levels overhead to keep it in check. In other words, we are not buyers.

## Index Charts of the Day



This is the weekly head-and-shoulders we've been watching. If it could not bounce here at the neckline at least a little then it would be game over. Even so, bears welcome the pause to set up the theoretical real breakdown ahead. Remember, there is no breakdown until there is (Yogi Berra, sort of).



The Russell broke down but is now bouncing in the premarket right at that level again. This is actually good for bears and only becomes bullish on a serious upside violation of the red line to erase the week's loss.

## 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.

<b>Bullish Implications</b>		
none –		
<b>Bearish Implications</b>		
<b>Vulcan Materials VMC</b> – A new sell-the-bounce candidate. The RSI divergence looks better on weekly charts. Also, a high trailing P/E. Trigger at 89		9/29
<b>Unknown Implications</b>		
none –		
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<b>Apple AAPL</b> – On the brink. Already failed at 50-day average. Watching for trendline breakdown. <b>Breakdown!</b>		9/29
<b>Micron Technology MU</b> – It is rather clear we are market bears but this semiconductor stock looks pretty good. That is a nice bullish RSI divergence and its P/E is quite low. Needs a buy trigger but we are going to follow it	<b>New</b>	9/30
<b>Macys M</b> – We want this stock at around 47.	<b>New</b>	9/30
<b>Newell Rubbermaid NWL</b> – Another sell the bounce candidate	<b>New</b>	9/30
<b>Sector Watch</b> (observations that may spark ideas)		
none –		
<b>Updates</b>		
none -		

## Market Highlights



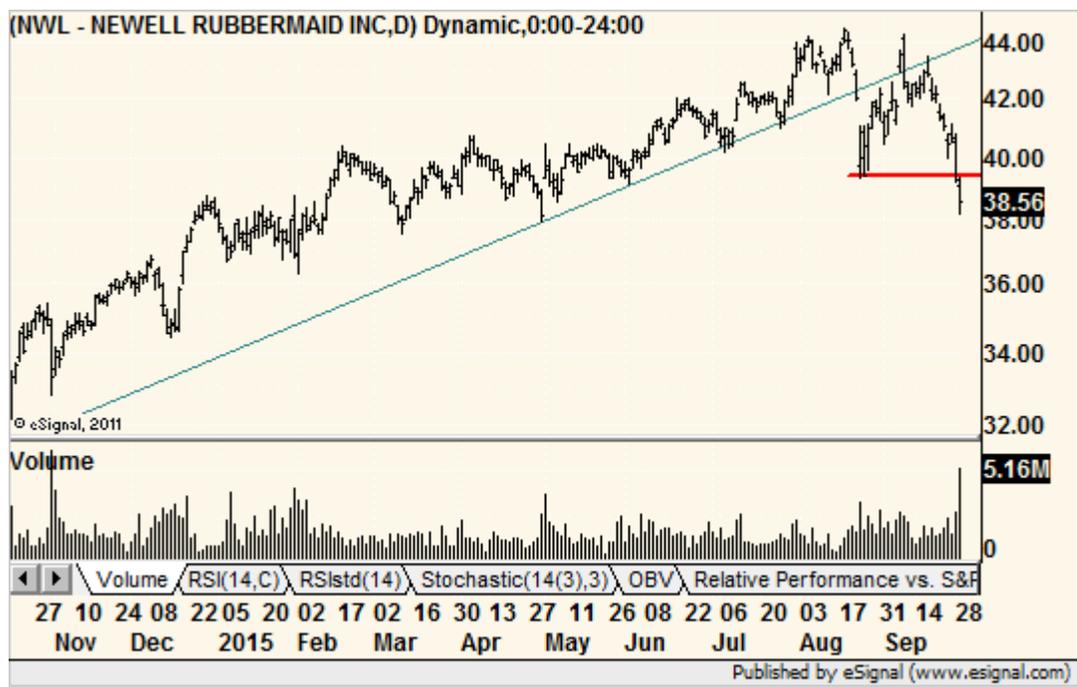
**Micron Technology** – It is rather clear we are market bears but this semiconductor stock looks pretty good. That is a nice bullish RSI divergence and its P/E is quite low. Needs a buy trigger but we are going to follow it.



**Deutsche Bank** – It cannot be good when this giant European bank hits a low not seen since 2009.



Macys – We want this stock at around 47.



Newell Rubbermaid – Another sell the bounce candidate.

## 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>	<b>none</b>							
<u>Short</u>	<b>FDX</b>	FEDEX CORP	141.93	15.2%	149.00	163.50	8/20	40
	<b>AGN</b>	ALLERGAN PLC	252.10	23.6%	266.00	311.51	8/28	32
	<b>PFE</b>	PFIZER INC	31.02	7.4%	32.75	33.30	8/28	32
	<b>KO</b>	COCA COLA CO	39.66	-1.9%	40.00	38.90	9/2	27
	<b>ESRX</b>	EXPRESS SCRIPTS HLDG CO	80.80	5.2%	85.00	85.00	9/9	20
	<b>CSCO</b>	CISCO SYS INC	25.64	-0.4%	26.50	25.54	9/18	11
	<b>SHW</b>	SHERWIN WILLIAMS CO	218.94	12.7%	230.00	246.65	9/18	11
	<b>YUM</b>	YUM BRANDS INC	76.15	6.4%	81.00	81.00	9/18	11
	<b>MAR</b>	MARRIOTT INTL INC NEW	65.44	8.3%	70.00	70.86	9/18	11
	<b>CVS</b>	CVS HEALTH CORP	95.12	4.2%	101.00	99.15	9/18	11
	<b>MA</b>	MASTERCARD INC	88.76	-0.5%	92.00	88.35	9/28	1
	<b>TMK</b>	TORCHMARK CORP	56.67	-0.6%	59.00	56.35	9/28	1

**Notes:** Just a few tweaked stops.

**KO** and other consumer staples are not looking as bearish.

## 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

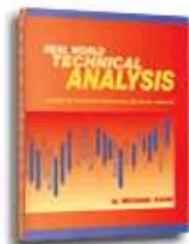
**About** - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen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



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