

# QUICK TAKES PRO

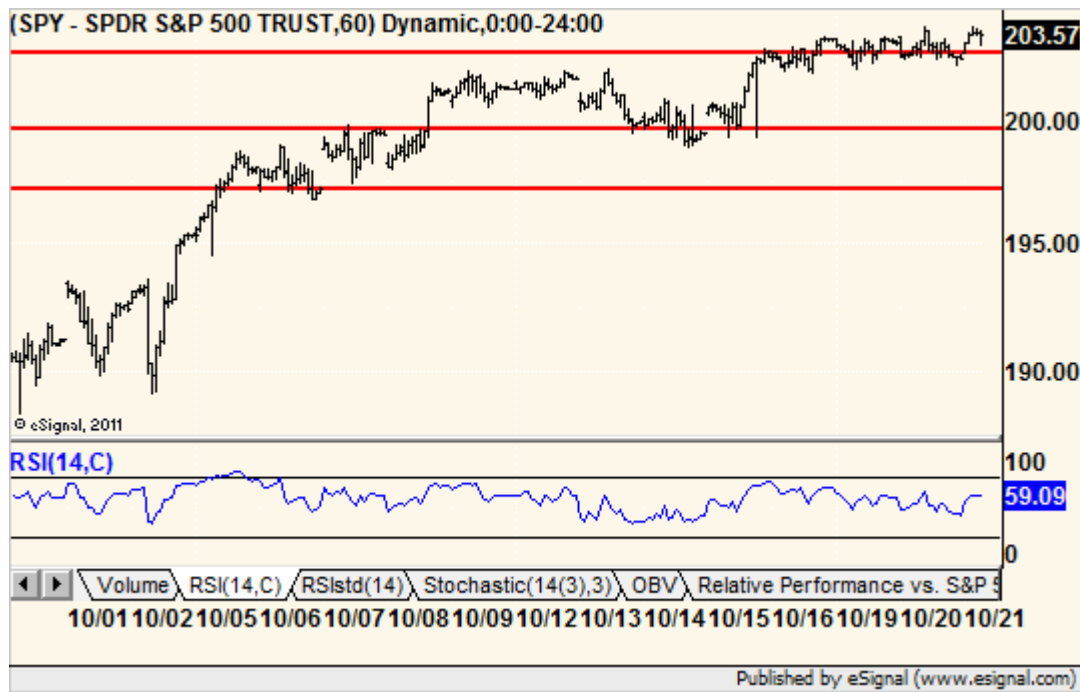
"TECHNICAL ANALYSIS FOR EVERYONE"

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RESEARCH LLC

**October 21, 2015** – Over the past few weeks, we've been fighting the trend but at the same time the bearish section of the Radar Screen shrunk while the bullish section ballooned. We still think the market is too uncertain right now to have a strong market opinion yet the fact that positive setups abound must be telling us something.

Do we bite? The answer is no. Certain stocks may be strong but the sheer size of the resistance zone above the S&P 500 should make bulls very nervous. Any bad news - a December rate hike, direct conflict with Russia in Syria, steep earnings miss in a few market superstars – could spark quite a sell off.

So again, we have plenty of individual opportunities from the long side but they are not market wide.



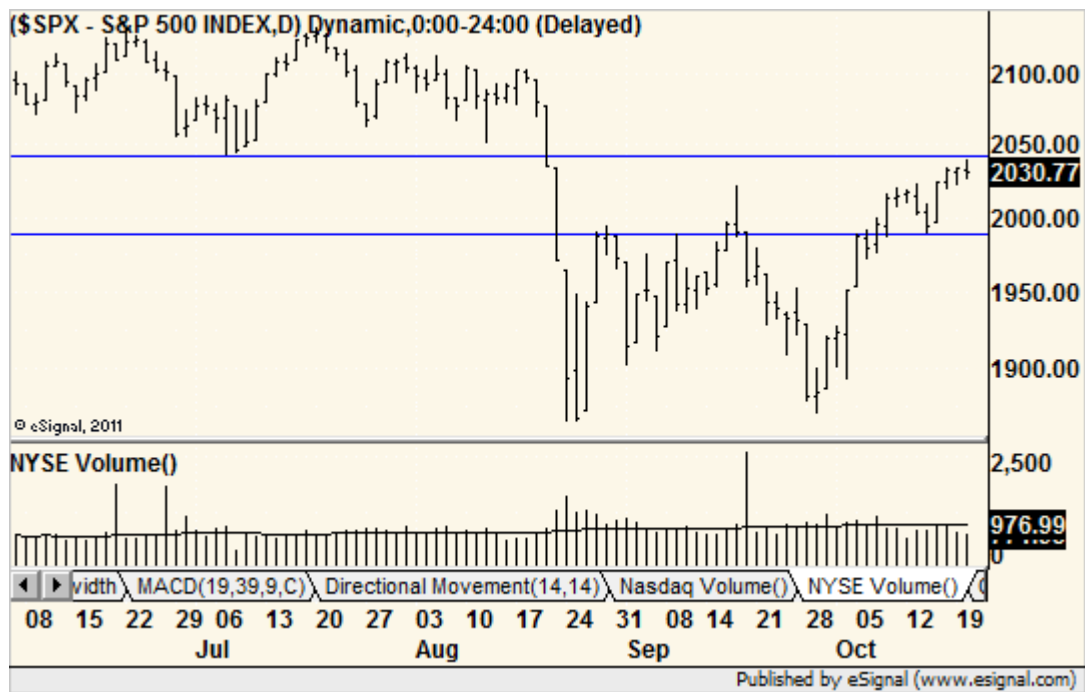
Today's hourly chart looks just about the same as yesterday's. This market is stuck in the mud.

And the same seems true in bonds, dollar, gold and oil. Nothing really did anything yesterday.

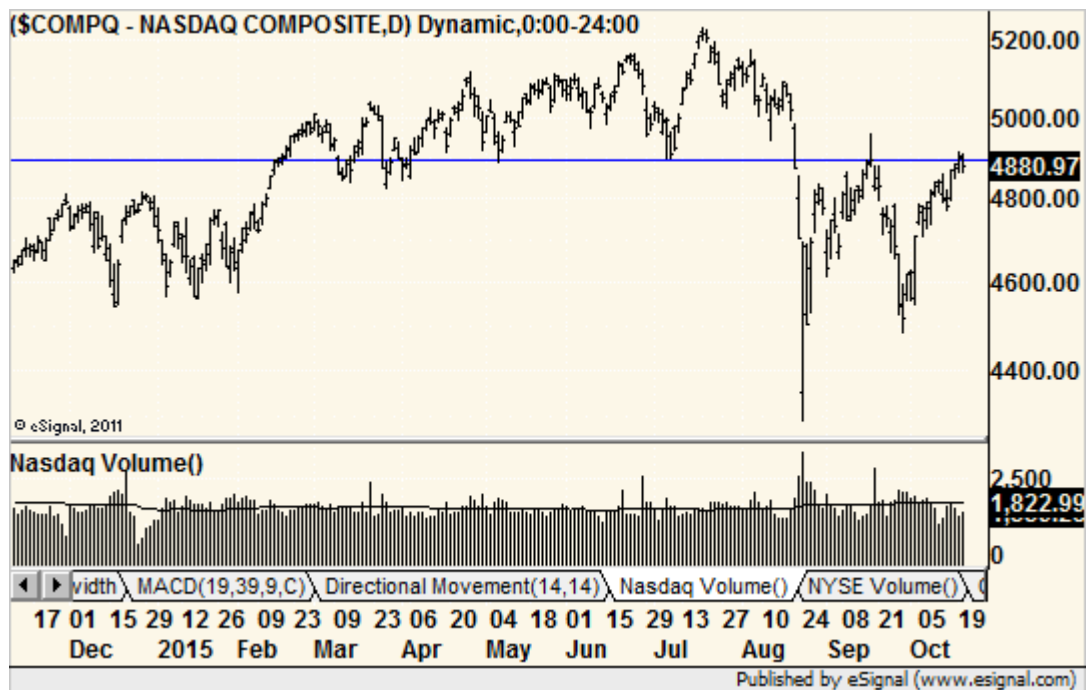
So, the battle between takeovers and weak earnings continues. And MarketWatch reported that the IPO market is the worst in four years (that's risk off).

They say never to short a dull market but this is flat, not dull. Uncertainty is everywhere from the Presidential race on down. For us it is a tactical bull vs. a strategic bear.

## Index Charts of the Day



Same chart as yesterday only with even lower volume.



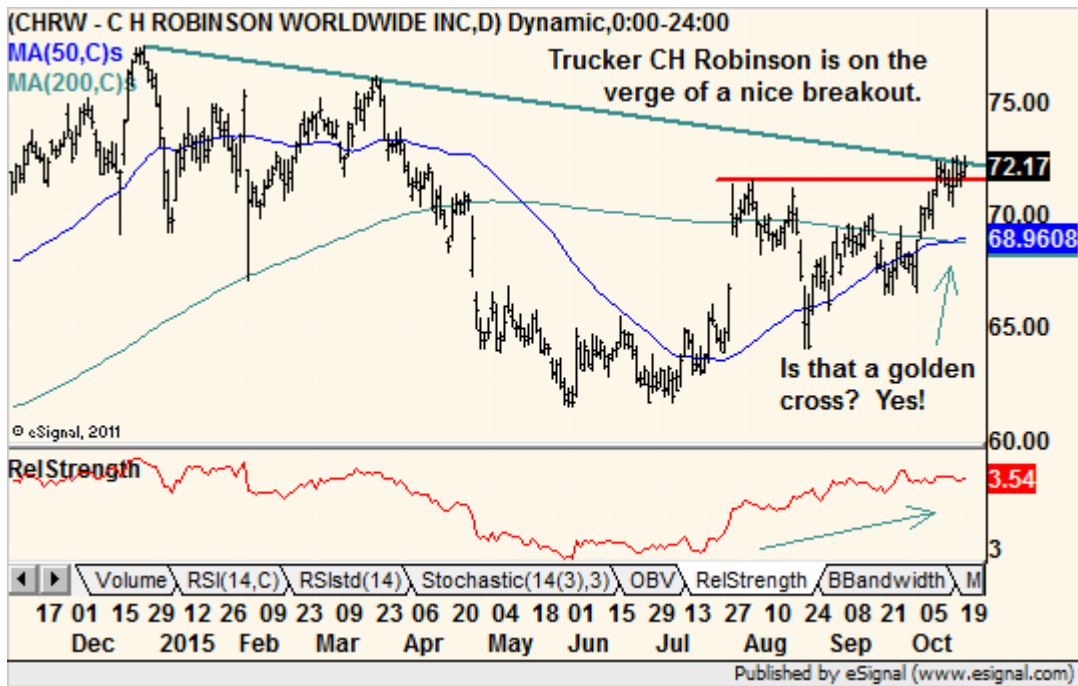
Not much new here, either.

## The Radar Screen

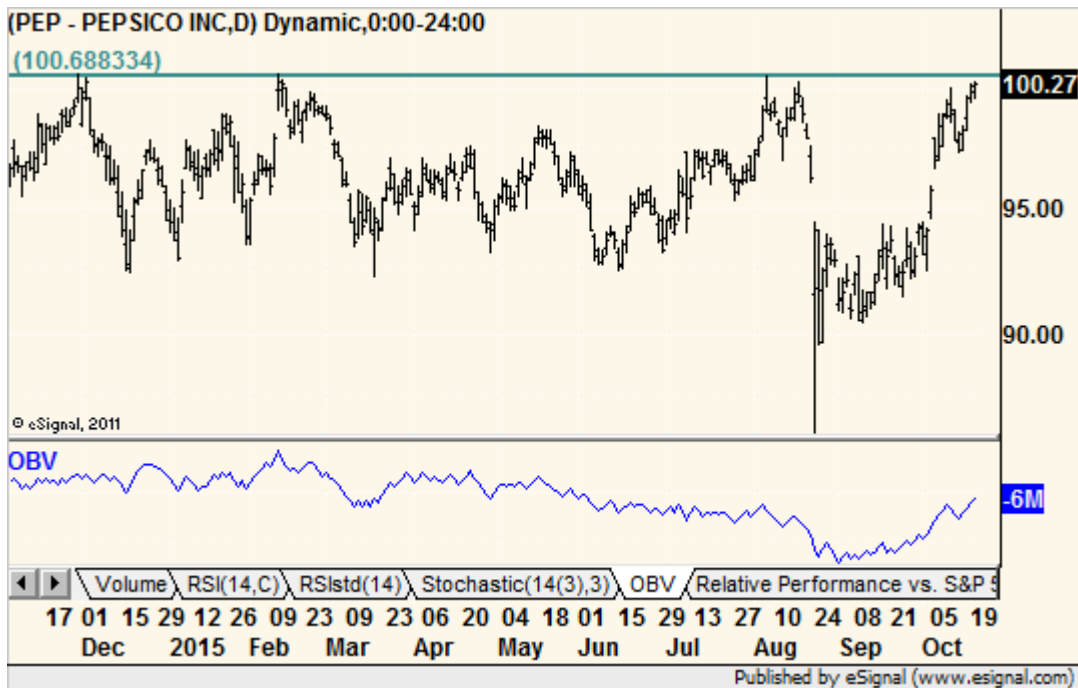
This is a list of potential opportunities, not a recommended portfolio. Underlined text is a change from previous report and if important it will be highlighted in yellow. If and when stocks give buy or sell signals here, they then move into the Advice Tracker section below. Dates listed are first appearances 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>		
<b>KLA Tencor KLAC</b> – A semiconductor equipment stock with a nice comeback potential on a breakout. Buy 53.75. <b>Whoo Hoo!</b>	<b>Triggered</b>	
<b>Sonoco Products SON</b> – This is the packaging stock, not the oil refiner. A possible buy candidate. Trend break. Good momentum. Looks better than many of its industrial peers. Buy close over 41.30	<b>Triggered</b>	10/9
<b>Oil Services ETF OIH</b> – Arguable trendline breakout. Bull flag buy trigger 31.50		10/6
<b>Taubman Centers TCO</b> – Shopping REIT with strong on-balance volume. Also one of the lowest P/Es in the group. Buying dip to 75.75. <b>Running away from us.</b>	<b>Removed</b>	10/19
<b>Southwest Airlines LUV</b> – From Barron’s Online. Pick your pattern. In either case, a new high for the past week would be another breakout. By close over 41.50.		10/20
<b>CH Robinson Worldwide CHRW</b> – Trucker pausing at a trendline. Moving average golden cross in place. Looks good with a move above 72.60.	<b>New</b>	10/21
<b>Pepsico</b> – Consumer sectors are leading and this one is challenging big resistance. If it moves through, then it has clear sailing. Buy close over 100.70.	<b>New</b>	10/21
<b>Bearish Implications</b>		
<b>Teleflex TFX</b> – This medical supplies stock makes single use diagnostic devices. A break of support targets the next support at 109. Sell close under 122.90.		10/14
<b>Hologic HOLX</b> – This medical supplies stock was my topic in this week’s Profitable trading website. Yesterday’s bounce allows subscribers to benefit from the price reset to lower risk. Sell support break under 36.75.		10/16
<b>Holding Tank</b> – red shade leans bearish, green shade leans bullish		
<b>Macys M</b> – We want this stock at around 47.		9/30
<b>Bed Bath &amp; Beyond BBBY</b> – Retailer looking good if it hits bottom of massive trading range at 54.60.		10/1
<b>3M MMM</b> – Double bottom breakout? Volume says otherwise. Waiting for a test. <u>That could have been it already.</u>		10/8
<b>Sector Watch</b> (observations that may spark ideas)		
<b>Emerging Markets ETF EEM</b> – If commodities are coming back we will keep an eye on the trendline from April here. Breakout		10/6
<b>Industrial Metals Group</b> – Moved above resistance for an arguable double bottom breakout. <b>Breakout now in danger of failing.</b>		10/8
<b>REIT ETF IYR</b> – Watching March trendline. Starting to look like it wants to break out now after withstanding Wednesday drop. Breakout		10/9
<b>Trucking</b> – Index failed at trendline but rebounded. Have to be on breakout alert. See chart of <b>CHRW</b> below.		10/14
<b>Biotech</b> – <b>IBB</b> and <b>BBH</b> ETFs on bear flag breakdown watch		10/14
<b>SPDR homebuilder ETF XHB</b> – A pretty rotten Wednesday as it failed at resistance on serious volume. Just keeping an eye on it for now		10/15
<b>Semiconductors</b> – Breakout.		10/15
<b>Transports</b> – Led by airlines, on the verge of a breakout. See Barron’s Online column yesterday. Marine transport lagging.	<b>New</b>	10/20
<b>Updates</b>		
<b>Celgene CELG</b> – Outside-day lower at its trendline. Not bullish.		

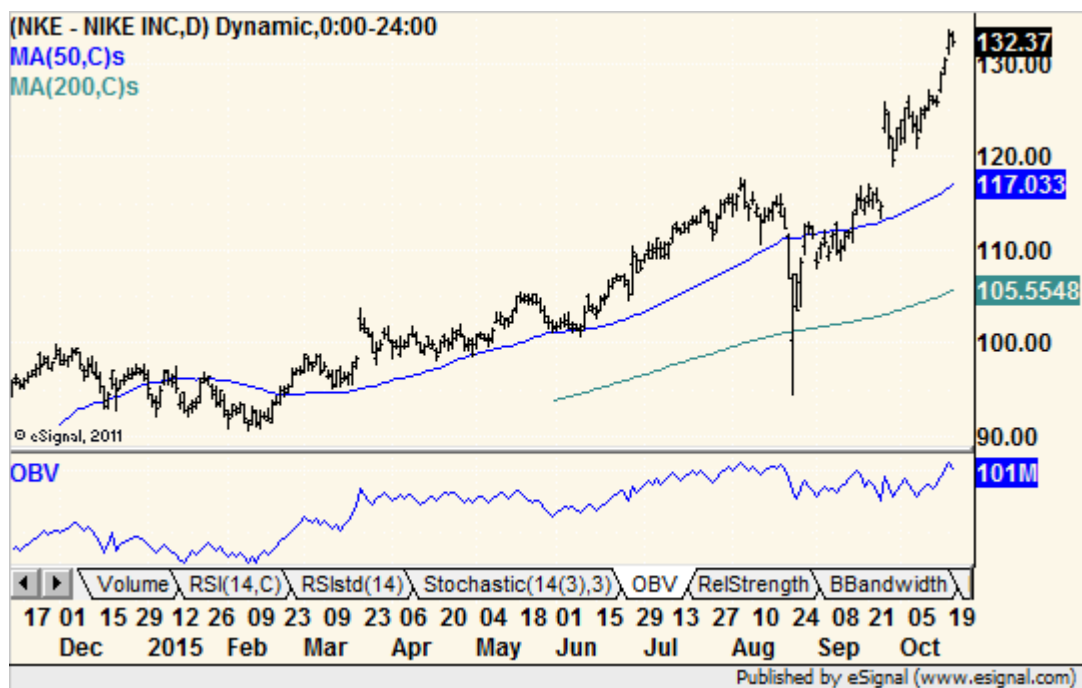
## Market Highlights



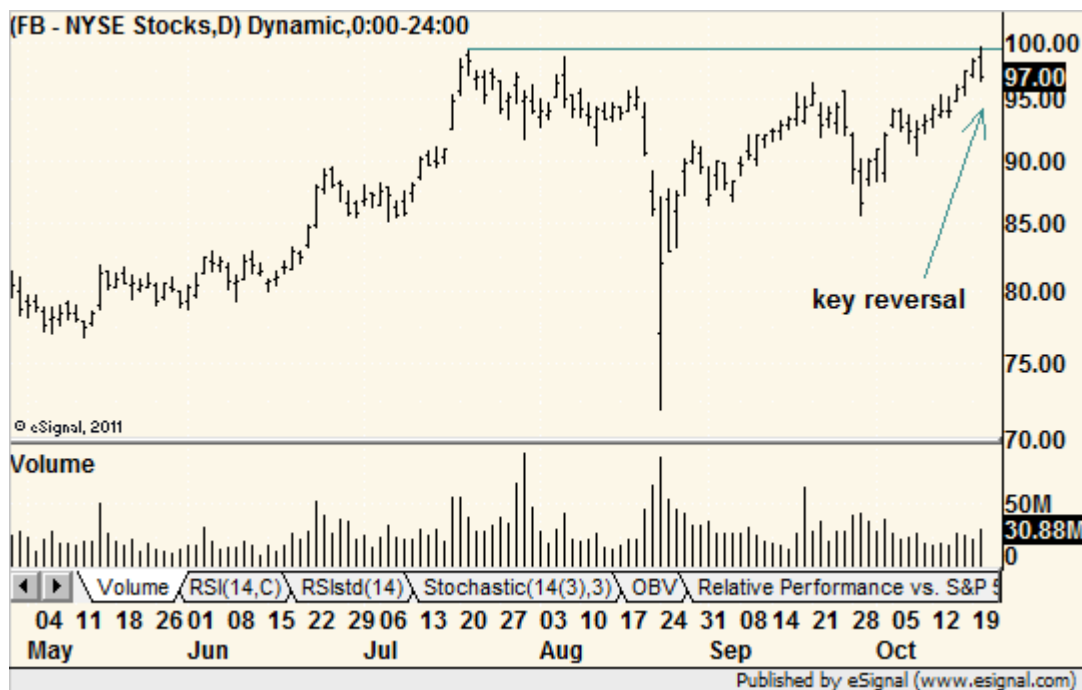
**CH Robinson Worldwide** – This was yesterday’s free chart of the day. Looks good with a move above 72.60.



**Pepsico** – Consumer sectors are leading but we remain a bit skeptical on the market’s saying power. Therefore, we’ll look at staples and this one is challenging big resistance. If it moves through, then it has clear sailing. Buy close over 100.70.



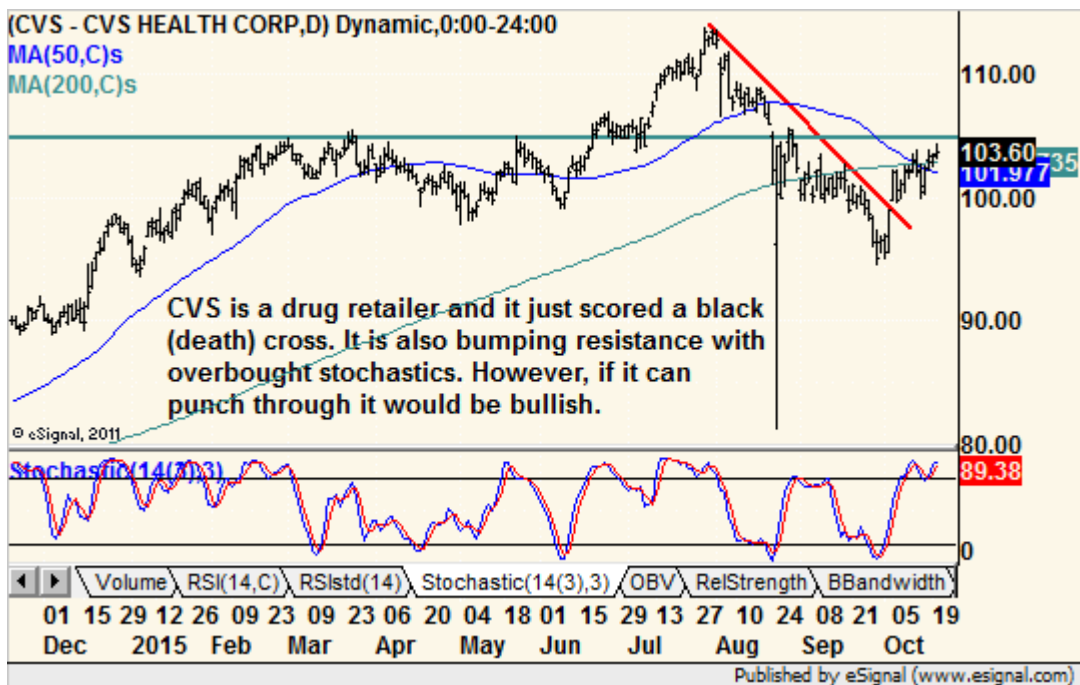
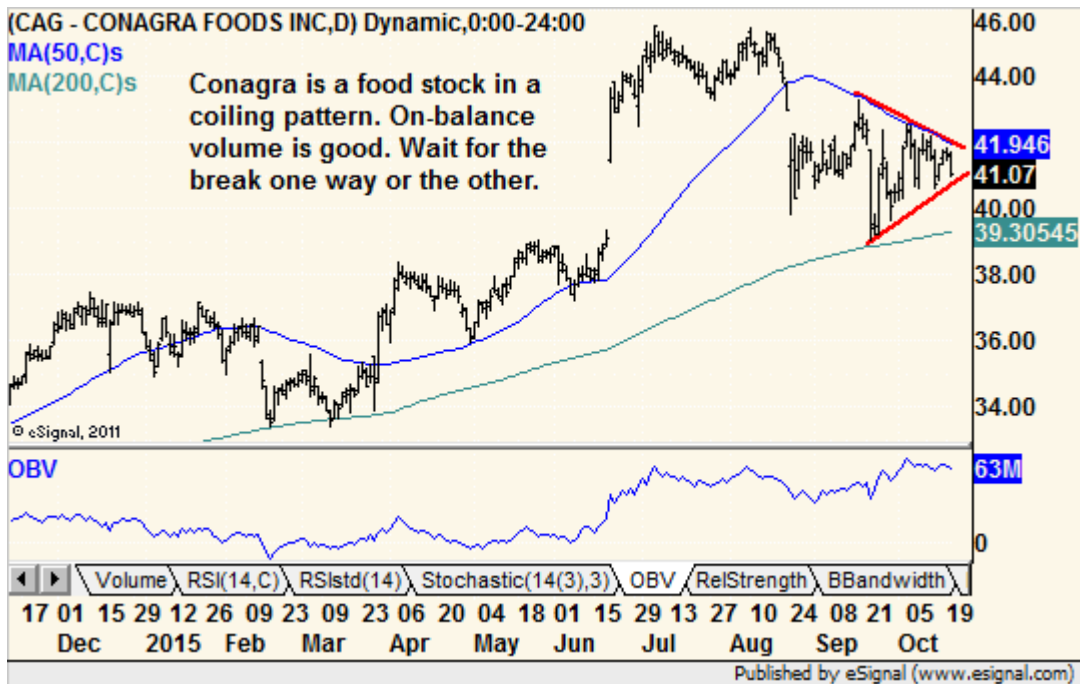
**Nike** – This looks a bit extended with overbought RSI (not shown) and rather flat on-balance volume considering the size of the price gain. This looks to be a rally on lack of sellers rather than enthusiasm.

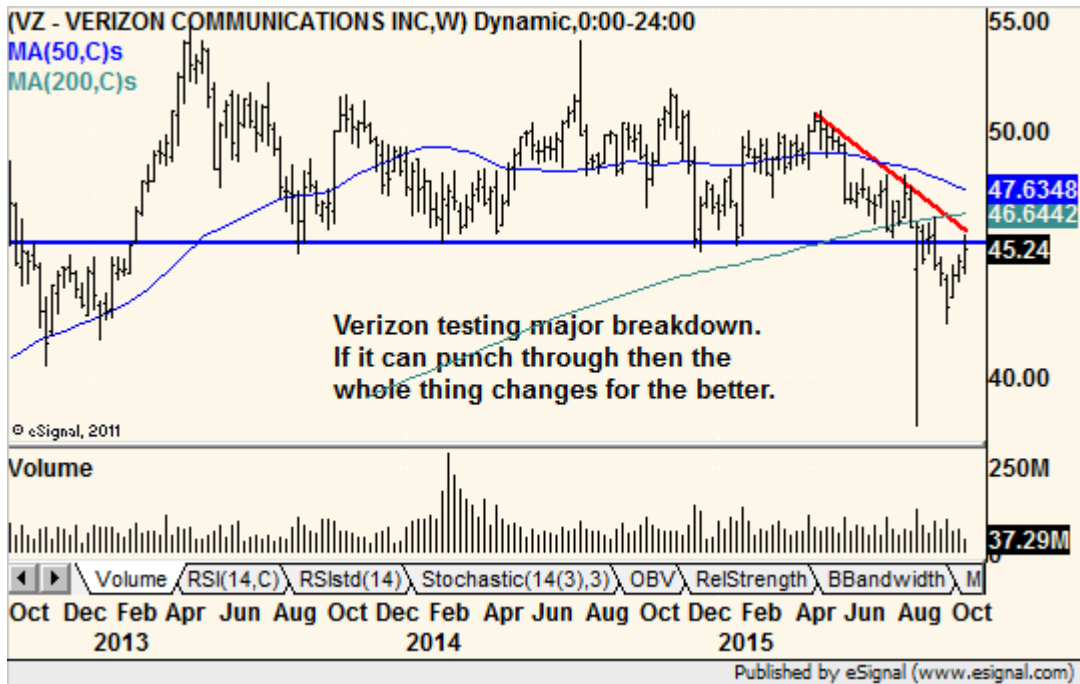
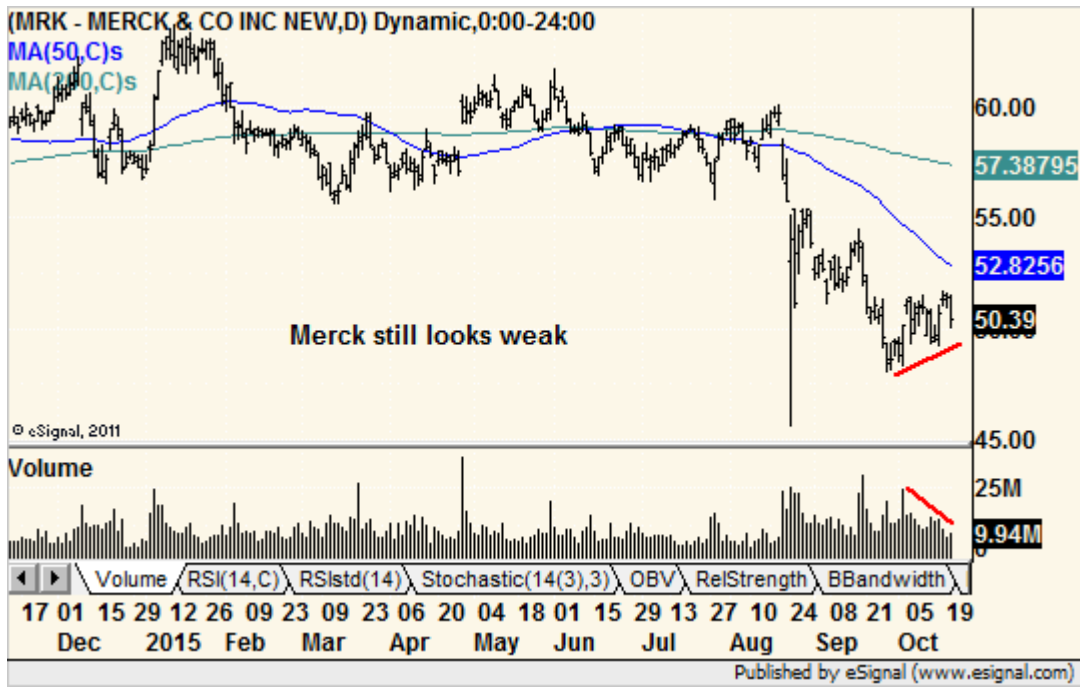


**Facebook** – This one regained its leadership status but scored a key outside-day reversal to the downside at resistance yesterday. Volume was elevated, too. The party may be over here.

## Quick Takes

In this section, we take a fast look at charts with just captions.





## 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>LQD</b>	ISHARES IBOXX \$ INVEST GRADE	116.76	-0.2%	115.00	117.00	10/14	7
	<b>XLE</b>	ENERGY SELECT SECTOR SPDR	68.05	0.7%	66.00	67.61	10/15	6
	<b>OII</b>	OCEANEERING INTL INC	46.80	-1.6%	44.50	47.55	10/16	5
	<b>KLAC</b>	KLA-TENCOR CORP	53.86	0.2%	sell	53.75	10/20	1
	<b>SON</b>	SONOCO PRODS CO	41.95	0.0%	40.00	41.95	10/20	1
<u>Short</u>	<b>TMK</b>	TORCHMARK CORP	58.07	-3.0%	59.00	56.35	9/28	23
	<b>GS</b>	GOLDMAN SACHS GROUP INC	185.51	-3.4%	cover	179.19	10/9	2
	<b>AAPL</b>	APPLE INC	113.77	-3.3%	cover	110.00	10/9	2

**Notes:** Two new longs. **SON** triggered at the close.

And the winner of the day **KLAC** which triggered intraday. This morning we learn that they have a takeover offer on the table and the stock is way up. We'll take the gift and run.

On the short side, we are going to cover **GS** and **AAPL**, both of which no longer look bearish.



## 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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