

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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September 14, 2015 – Stocks finished strong last week but the Fed rate decision looms large for this week. But in context, the gain was small compared to recent swings and the rising wedge pattern remains dominant on most major index charts. Left alone without outside interference from the Fed (or China) the wedge usually breaks to the downside. But the Fed (and China) is out there so anything goes. We've seen good arguments for and against a rate hike – so we wait.

The Jewish holidays began yesterday evening and run through tomorrow evening. That brings us the seasonal tendency for this time of year and the old saw "sell on Rosh Hashanah and buy on Yom Kippur (next week)" supposedly to take advantage of the unburdening taking place during this time of reflection. However, it may just have to do with the seasonal tendencies from all other places that put September in the "weak" category. Read Art Cashin's now famous explanation - <http://www.businessinsider.com/sell-rosh-hashanah-buy-yom-kippur-2014-9>

By the way, the odds of success with this strategy are about even.

What we see now in the market is the waiting game. Some people cannot believe the Fed will raise rates and therefore are buying ahead of the news. Some may be waiting for the last moment to position for the surprise rate hike to take advantage of the current rally before selling. But we just do not know, short of interviewing every trader and money manager across the country.

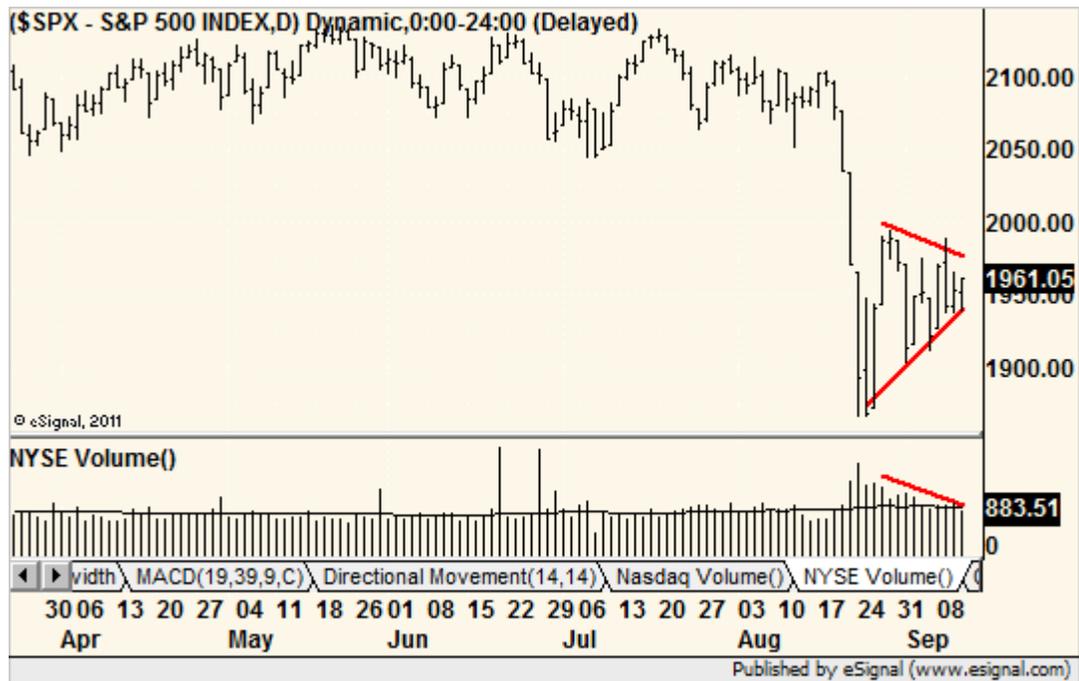
The charts are all we have and they are in a pause pattern. That pattern leans bearish but until it breaks we have to be patient.



The wedge continues on the hourly chart, as well. Stochastics seems to have peaked before price hit resistance so that is a warning. However, it does not mean any action until the borders break.

Still laying low. Maybe until Thursday just before the close when the Fed news is out for a few hours. Below we have a few stocks positioned well should the market rally after the news.

Index Charts of the Day



We redrew the pattern as a triangle and volume confirms the uncertainty.



Nasdaq wedge with falling volume as it hits resistance. If it were not for the Fed, we might take a short nibble now.

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 89.45.	Changed	9/11
Cisco CSCO – How many trendline have to break before we get bearish? One more. Sell close under 25.60.		9/11
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. See chart below		8/31
Transocean RIG – Battered. But trading sideways for months. That is a good base so we wait for a better signal to buy. Big down Friday so we are moving on.	Removed	8/31
IBM – This stock is down 30% and still looks terrible. But support at 132.50 and a trailing P/E of 9.7 with a 3.5% dividend yield makes it look enticing on the next dip.		9/8
A few stocks that may do well post-Fed – NKE, SBUX, FB, AMZN	New	9/14
Sector Watch (observations that may spark ideas)		
Semiconductors – Nice bear reversal on the weak SOX index.		9/10
Updates		
none -		

Market Highlights



GoPro – Just looking for things to keep traders occupied until the Fed. This one is oversold below major support. Could be good for a few points on the long side to test that broken support. Caveat emptor.



Nike – Erased the mid-August swoon. Looks good on a Fed-induced breakout.



Starbucks – One of the generals. As with **NKE** above, this one has recovered all the way and looks good on a Fed induced breakout. Arguable breakout already in place. Actually, other generals **FB** and **AMZN** look similar.



Airlines – Bouncing into serious resistance. This as oil still looks bad.

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	11.88	10.3%	12.50	13.10	7/27	48
	FDX	FEDEX CORP	151.08	8.2%	155.00	163.50	8/20	24
	CMG	CHIPOTLE MEXICAN GRILL	729.06	-1.2%	740.00	720.01	8/20	24
	AGN	ALLERGAN PLC	295.24	5.5%	310.00	311.51	8/28	16
	PFE	PFIZER INC	32.97	1.0%	33.50	33.30	8/28	16
	MSFT	MICROSOFT CORP	43.48	0.2%	44.50	43.56	8/31	13
	KO	COCA COLA CO	38.13	2.0%	40.00	38.90	9/2	11
	ESRX	EXPRESS SCRIPTS HLDG CO	84.49	0.6%	87.00	85.00	9/9	4
	FB	FACEBOOK INC	92.05	-1.1%	94.00	91.00	9/9	4
	NFLX	NETFLIX INC	97.51	0.5%	103.00	98.00	9/9	4

Notes: none

Subscriber Corner

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Other Information

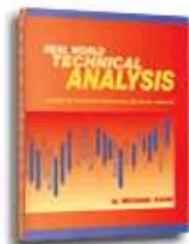
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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