

QUICK TAKES PRO

"TECHNICAL ANALYSIS FOR EVERYONE"

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November 12, 2015 – Wednesday was rather quiet as expected for a quasi-holiday session and nothing really changed on the charts. Sectors were more interesting with Macy's leading a retail decline (with Dillard's) that could be reversed with Kohl's results this morning (up big). Kohl's is not as big a Macy's but its positive results could mitigate the sector worry caused by the others.

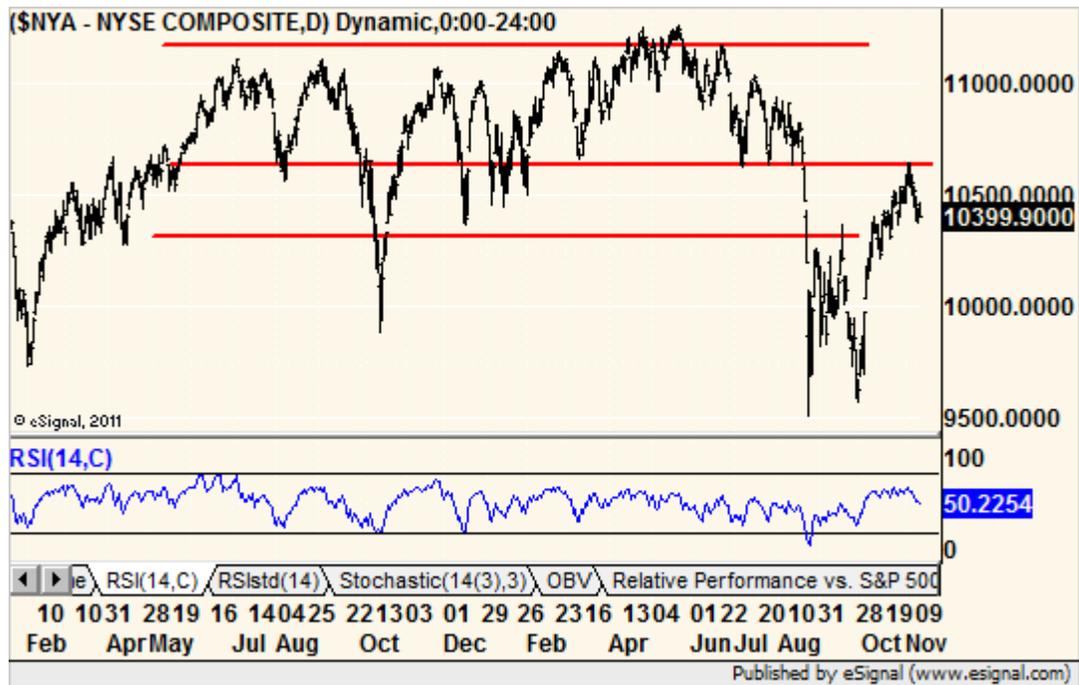
Energy was another loser and this is disappointing to us as the sector really started to look better. Crude oil may break support from its two-month range in today's session. Energy stocks are in better shape but we were stopped out of one yesterday and others are in danger of breaking trendlines. It's not over yet but with the stronger dollar the commodity is likely to remain under pressure.



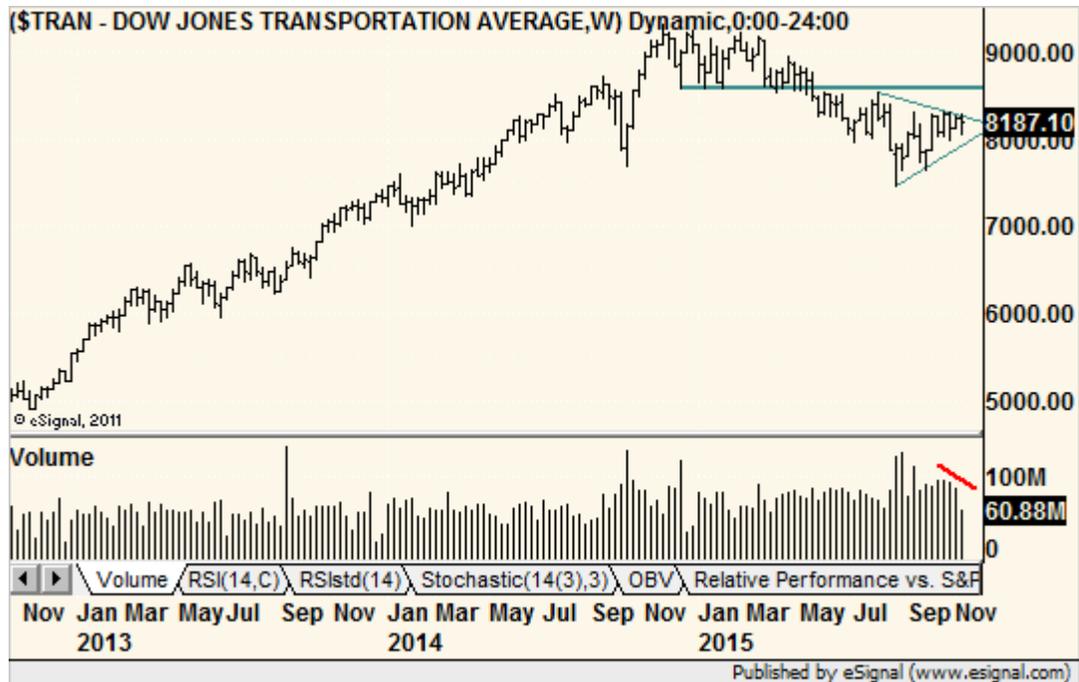
On the hourly chart, we were skeptical of the breakout attempt and for good reason. The trend is down.

Service Note – As many of you saw yesterday via email, the daily incarnation of this newsletter ends tomorrow. The weekly version will replace it starting at the end of next week. Some of you will stay with us and some will part ways (you must tell us if you are staying). But to each and every one of you, thank you for subscribing. Some of you have been with us for our entire 14-year run and for that we will always be grateful.

Index Charts of the Day



Since yesterday was another day of nothing on the charts here is the NYSE composite for a change of pace. We drew the middle line before the rally that ended right at it. Momentum flattened out days ago so this seems to be a formidable ceiling. Not impossible but work must be done.



When the transports are presented in weekly format we cannot help but say this is a consolidation in a declining trend. Volume confirms the triangle but we still have to wait for the break one way or the other.

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		
Gilead Sciences GILD – Pausing at the trendline with nice on-balance volume. Buy close over 109.		11/3
United Continental UAL – An airline basing and possibly preparing to catch up to peers. Transports are weak but airlines better. Buy close over 62.		11/3
Merck MRK – Pausing at resistance. Buy close above 55.75.		11/4
Eaton ETN – This is a power management company and it sports the same base we’ve seen elsewhere. Buy close over 57.55.		11/5
Embraer ERJ – One of the defense stocks we’ve been watching. This looks to be a bull flag so we’ll buy the breakout on a close over 29.75.		11/11
Investment ENV – This is a portfolio, wealth and practice management software maker for financial advisors. In August, it collapsed on news it was buying another company. The decline was not a selling climax but rather a serious break. As we can see, it took months to heal and now it appears to be breaking out. Check out strong on-balance volume and the shaking off of earnings Tuesday. This one is a buy.	New	11/12
Macys M – We said aggressive traders might buy the open but more conservative traders want some sort of reversal first. But after the intraday decline we think this stock is fully puked and we’ll take a bite now.	Moved (again)	11/11
Opus Bank OPB – This is a thinly traded stock so beware. However, technically it has a nice breakout. Intraday, it already pulled back so if you can justify such a low volume stock it looks good here.	New	11/12
Bearish Implications		
Colgate Palmolive CL – First casualty of a strong dollar? (personal products stock). Failed at resistance. Looks like we were too timid and missed it. Sell 66.80	Triggered	11/2
Unknown Implications		
Conagra CAG – Food stock with a bearish eye but this one is in a triangle with rising on-balance volume. Still, we wait for the break one way or the other. Buy 42 sell 40		11/10
Holding Tank – red shade leans bearish, green shade leans bullish		
Waiting for dips - Bed Bath & Beyond BBBY 54.60, IBM 132		9/30
Electronic Arts EA – Friday the company beat its numbers and raised its outlook. The stock was not so happy and this is quite bearish. Failed to hold rebound Monday. Looks like it is forming a range.		11/2
GoPro GPRO – Possible selling climax. What brought it to our attention was a social media analysis report saying that customers and others talking about its products online are very positive.		11/11
SPDR Biotech ETF XBI – We usually look at the IBB but this looks the same. Here we see a rally into a trendline but on falling volume. Waiting for one of the two lines to break although we expect downside.	New	11/12
Sector Watch (observations that may spark ideas)		
Defense – Inverted head-and-shoulders for the DFI index. ERJ , COL and ITT		10/29
Updates		
Junk Bonds ETF JNK – Continued lower		
McDonalds MCD – Dragonfly doji Tuesday and another doji Wednesday. Still uncertain but it is bid higher today suggesting it is still alive and kicking.		

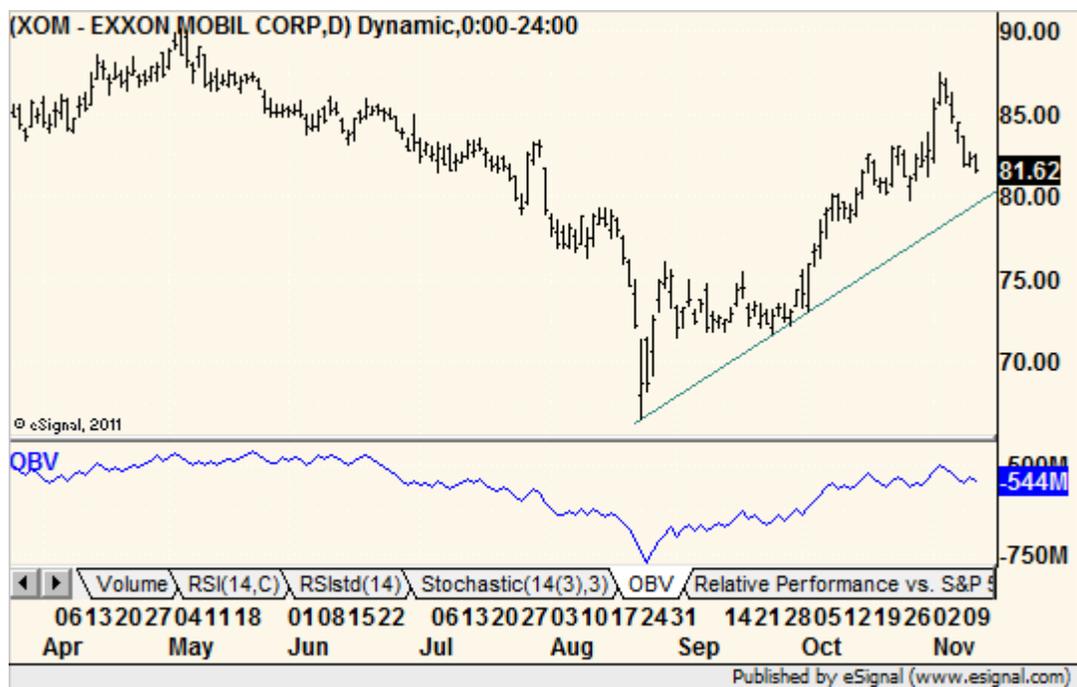
Market Highlights



Investment – This is a portfolio, wealth and practice management software maker for financial advisors. In August, it collapsed on news it was buying another company. The decline was not a selling climax but rather a serious break. As we can see, it took months to heal and now it appears to be breaking out. Check out strong on-balance volume and the shaking off of earnings Tuesday. This one is a buy.



Crude Oil – Breaking this range in the premarket. Will it hold down there? On-balance volume suggests it will.



ExxonMobil – A little more room to the trendline. Still in decent shape.



Schlumberger – Testing the breakout. On-balance volume is not really helping here.



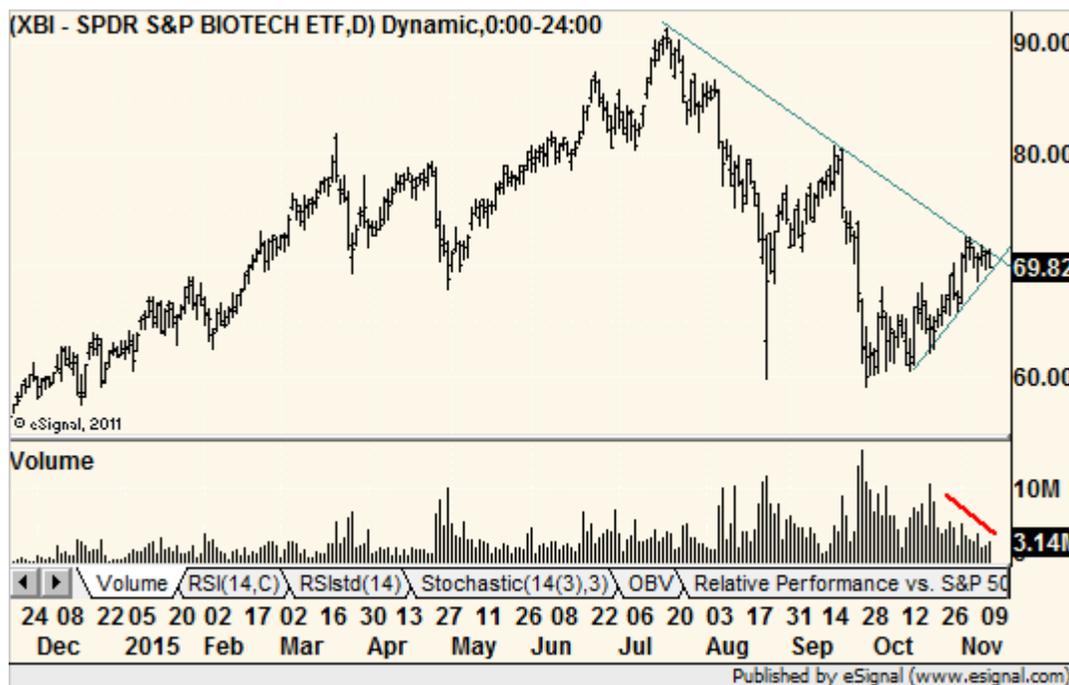
Long T-bond ETF – While this is a place to expect an upward correction, this is a weak market.



Stoxx 50 – The pan-Europe blue chip index is now in a resistance zone and lost its momentum.



Opus Bank – This is a thinly traded stock so beware. However, technically it has a nice breakout. Intraday, it already pulled back so if you can justify such a low volume stock it looks good here.



SPDR Biotech ETF – We usually look at the **IBB** but this looks the same. Here we see a rally into a trendline but on falling volume. Waiting for one of the two lines to break although we expect downside.

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>	SON	SONOCO PRODS CO	41.89	-0.1%	41.00	41.95	10/20	22
	PEP	PEPSICO INC	99.43	-3.5%	98.00	103.08	10/22	20
	AMAT	APPLIED MATLS INC	16.79	0.8%	16.25	16.65	10/26	16
	VZ	VERIZON COMMUNICATIONS	45.32	-3.6%	44.50	47.02	11/2	9
	HAL	HALLIBURTON CO	38.10	-4.8%	37.25	40.00	11/4	7
	MUR	MURPHY OIL CORP	29.25	-4.6%		30.65	11/4	7
	NE	NOBLE CORP PLC	13.33	-6.5%	13.25	14.25	11/4	7
	COL	ROCKWELL COLLINS INC	87.65	-0.5%	85.00	88.12	11/5	6
<u>Short</u>	WCG	WELLCARE HEALTH PLANS INC	79.44	11.6%	84.00	88.62	11/2	9
	GT	GOODYEAR TIRE & RUBR CO	32.77	0.2%	34.50	32.84	11/2	9

Notes: Natural resource and commodities sectors are back to out of favor and we lost **MUR** yesterday. It really looked like a good chart beforehand.

On the bright side, **WCG** continued to fall and we trailed the stop.

Other Information

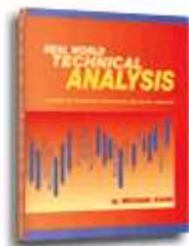
About - Michael Kahn, CMT, has been working with charts and technical analysis since 1986 and currently writes the twice-weekly “Getting Technical” column for Barron's Online. He is also a regular contributor to MarketWatch.com. Michael was formerly Chief Technical Analyst for BridgeNews and seen frequently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



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