

Monday April 21, 2014

Closing prices April 17, 2014

IMPORTANT DISCLOSURES

- THE INFORMATION PROVIDED IN THIS REPORT IS BASED ON ALL FINAL DATA AS OF THE CLOSING PRICES OF THURSDAY, April 17, 2014.
- FOR A DEFINITION OF ALL TECHNICAL TERMS FOUND WITHIN THE KAUFMAN REPORT PLEASE VIEW THE LEGEND FOUND AT THE END OF THIS REPORT.
- FOR ADDITIONAL INFORMATION AND A PROSPECTUS ON ANY MATERIAL FOUND WITHIN THIS REPORT PLEASE VIEW http://rockwellsecurities.com/Kaufman_Report_Prospectuses.php OR CONTACT WAYNE KAUFMAN AT (212) 601-9929.
- EACH SECURITY CHART IS FOLLOWED IN PARENTHESIS WITH ITS “OHLC” (OPEN, HIGH, LOW, CLOSE) AND PRICE CHANGE.
- PLEASE VIEW OUR ADDITIONAL “INVESTMENT SPECIFIC DISCLOSURES” FOUND TOWARDS THE END OF THIS REPORT.
- THE PERFORMANCE DATA QUOTED IN THE KAUFMAN REPORT REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED.
- THE INFORMATION PROVIDED IN THIS PUBLICATION IS FOR INFORMATIONAL PURPOSES ONLY. INVESTORS SHOULD CONSIDER THIS REPORT AS ONLY A SINGLE FACTOR IN MAKING THEIR INVESTMENT DECISION. THIS INFORMATIONAL REPORT IS NOT AN OFFER TO SELL OR A SOLICITATION TO BUY ANY SECURITY IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE ILLEGAL. THIS REPORT HAS BEEN PREPARED AS A MATTER OF GENERAL INFORMATION. IT IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF ANY SECURITY OR COMPANY MENTIONED, AND IS NOT AN OFFER TO BUY OR SELL ANY SECURITY.
- ALL FACTS AND STATISTICS ARE FROM SOURCES BELIEVED TO BE RELIABLE, BUT ARE NOT GUARANTEED AS TO ACCURACY. SECURITIES, FINANCIAL INSTRUMENTS OR STRATEGIES MENTIONED HEREIN MAY NOT BE SUITABLE FOR ALL INVESTORS. THIS MATERIAL DOES NOT TAKE INTO ACCOUNT YOUR PARTICULAR INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS OR STRATEGIES. BEFORE ACTING ON THE MATERIALS HEREIN, YOU SHOULD CONSIDER WHETHER IT IS SUITABLE FOR YOUR PARTICULAR CIRCUMSTANCES AND, IF NECESSARY SEEK PROFESSIONAL ADVICE.
- INVESTMENTS INVOLVE RISK AND AN INVESTOR MAY INCUR EITHER PROFITS OR LOSSES. TRADING AND INVESTMENT DECISIONS ARE THE SOLE RESPONSIBILITY OF THE READER.

I, Wayne S. Kaufman, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject issuer(s) or securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Monday April 21, 2014

Closing prices of April 17, 2014

Stocks rebounded sharply from an oversold and overbearish condition last week as investors responded to good economic news and first quarter earnings season becoming more positive. The result was positive market breadth in each of last week's four sessions, and every major domestic index tacking on gains of better than 2%. The leader was the Dow Jones Transports with a gain of 3.7%, followed by the S&P 500, up 2.71%. The laggard among major indexes was the Bank of New York Mellon ADR Index, which is made up of foreign issuers and gained 1.63%. Small caps continued their recent lagging performance as the Russell 2000 gained 2.44%.

All ten S&P sectors rose last week. The leaders were led by quarter-to-date leader Energy, up 4.67%, followed by Industrials, up 3.59%, and Materials, up 3.13%. The laggards were year-to-date leader Utilities, up 1.56%, and Telecom Services, up 1.92%.

All twenty-four S&P industry groups traded higher last week. The leaders were Energy, up 4.67%, Diversified Financials, up 3.95%, Automobiles & Components, up 3.78%, and Capital Goods, up 3.71%. The laggards were Health Care Equipment & Services, up 0.37%, Consumer Services, up 1.21%, and Utilities, up 1.56%.

Last week we maintained our cautious stance while saving there was the possibility of a bounce because stocks had become very oversold and investors overbearish. Since our report dated March 17th we have discussed a lack of visibility for investors. Last week good news on industrial production and capacity utilization, more good news on the unemployment front, and a decent week of earnings reports gave investors some clarity and brought buyers back while sending sellers to the sidelines. Multiple short-term buy signals were generated during the week, and the next few days should tell us if we have an all-clear signal.

In the short-term stocks are neither oversold nor overbought, but investors are still overbearish. The percentage of stocks in the S&P 1500 over their own 10-day moving averages is 62.9%, which allows further price appreciation before becoming overbought. Our proprietary options indicator is still showing extreme pessimism at 0.871. Last week we said it was at 0.831, the lowest since 6/6/2013 and a level where immediate plunges are unlikely and rallies can start. So what are we looking for regarding the all-clear signal mentioned above? While we did get multiple short-term buy signals last week, there are still some indicators that are negative. The 10-day average of advancing stocks in the S&P 1500 is still under 50%, at 48.6%. Our price oscillator, which is an excellent indicator of trends, is still slightly negative. And, our 10-day averages of 4-week and 13-week closing price highs versus lows are still negative. Obviously a healthy market has a greater number of new highs than lows. **The odds say we will see these issues clear up shortly.** Earnings season can provide the catalyst for more buying, and we are only a week away from a period of very strong positive seasonality from April 30th through May 5th. **Therefore, with our options indicator still at a very low level and stocks not overbought, we believe there is a good chance stocks will challenge their recent highs in the near term. If they do not do so in the coming weeks we will probably consider that a red flag.** However, even if they do, investors will still need to be alert to the increasing selectivity in the market as well as to sector rotation.

Valuation, based on spreads between equity and bond yields, remains at levels where stocks are attractive versus bonds. The spreads remain in the middle of the range they have been in since June 2013, which is also the range of pre-August 2011. On a historical basis these are levels where stocks should be attractive versus bonds. We need to see earnings and forecasts increase because with P/E ratios still near multi-year highs equities can't continue to rely on multiple expansion for price appreciation. **In 2013 the S&P 1500 gained 30.11%. The P/E ratio expanded 20.1%. Earnings only increased 8.1%. Without aggregate earnings growth it will be tough sledding for equities to appreciate substantially even with low interest rates.**

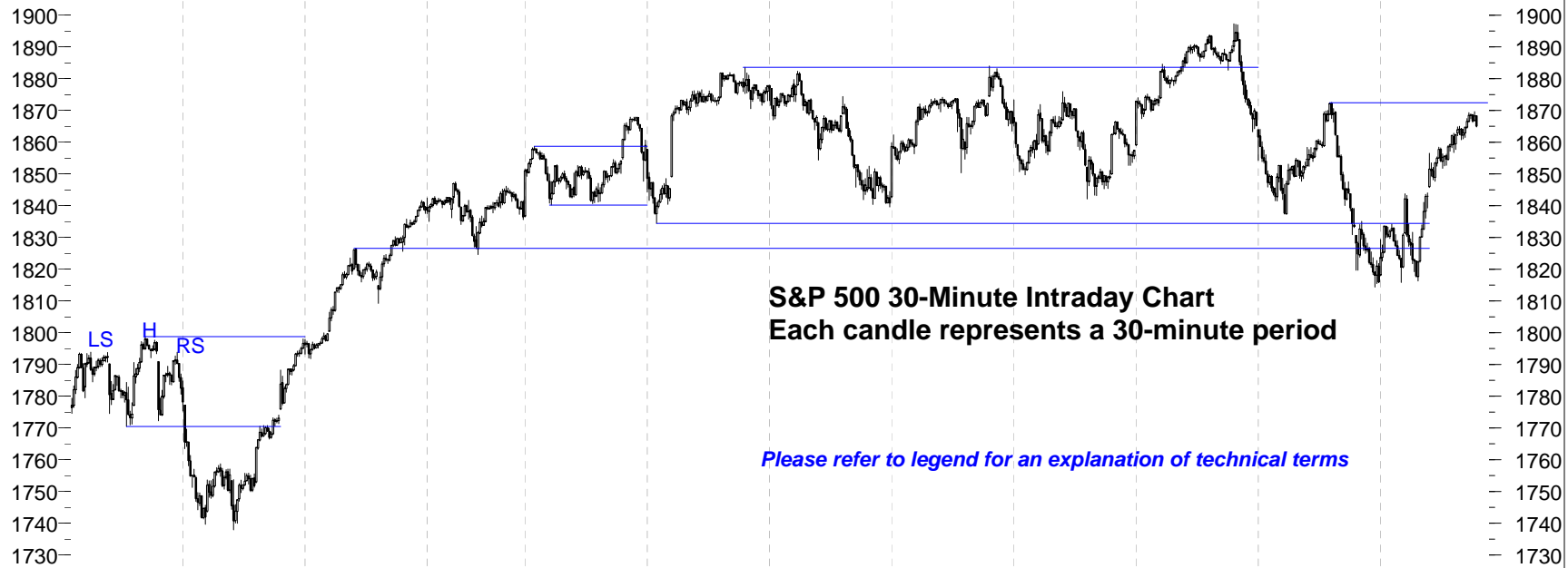
So far 83 of the S&P 500 have reported first quarter earnings. 68.3% have beaten estimates, 12.2% were in line, and 19.5% missed. Last quarter after 90 had reported 64.4% beat estimates, 13.3% were in line, and 22.2% missed. The final tally for the third quarter was 67.2% beat, 12.9% were in line, and 19.9% missed.

In summary, the low visibility we have been experiencing is giving way to greater clarity due to economic and earnings news. Stocks are at an inflection point as we see if the remaining technical negatives can be erased. Until then this is a short-term trader's market. Longer-term we remain bullish but we could change that opinion at any time.

Based on the S&P 500 the short-term, intermediate-term, and long-term trends are up.

ALL STATISTICS IN THE KAUFMAN REPORT ARE AVAILABLE ON A DAILY BASIS AT ROCKWELL SECURITIES LLC.

S&P 500 INDEX (1,868.32, 1,868.32, 1,865.05, 1,865.05, -3.27)



S&P 500 30-Minute Intraday Chart
Each candle represents a 30-minute period

Please refer to legend for an explanation of technical terms

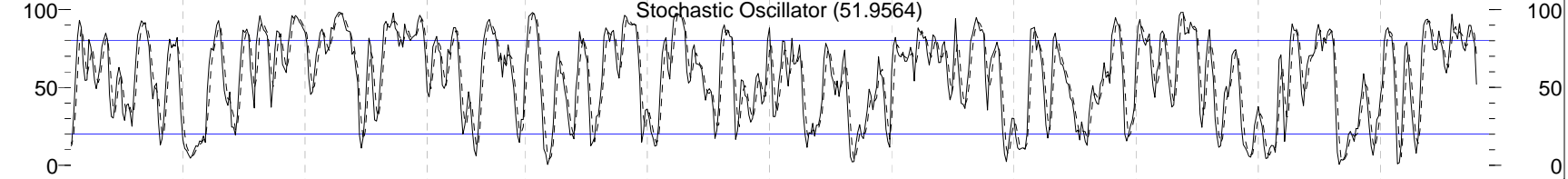
A strong rebound after a break of important support.

Relative Strength Index (61.8152)

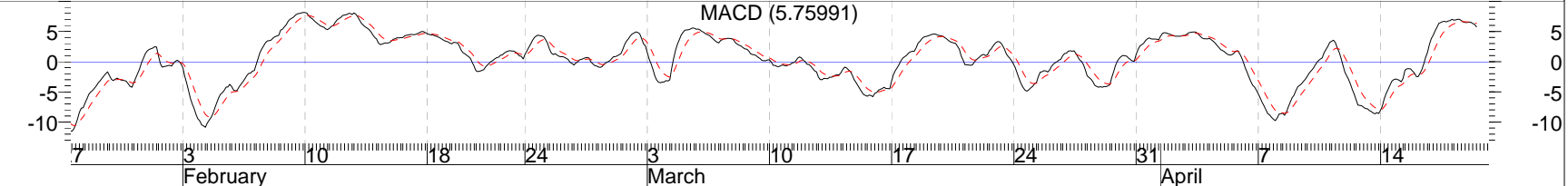


30-minute momentum is negative.

Stochastic Oscillator (51.9564)



MACD (5.75991)

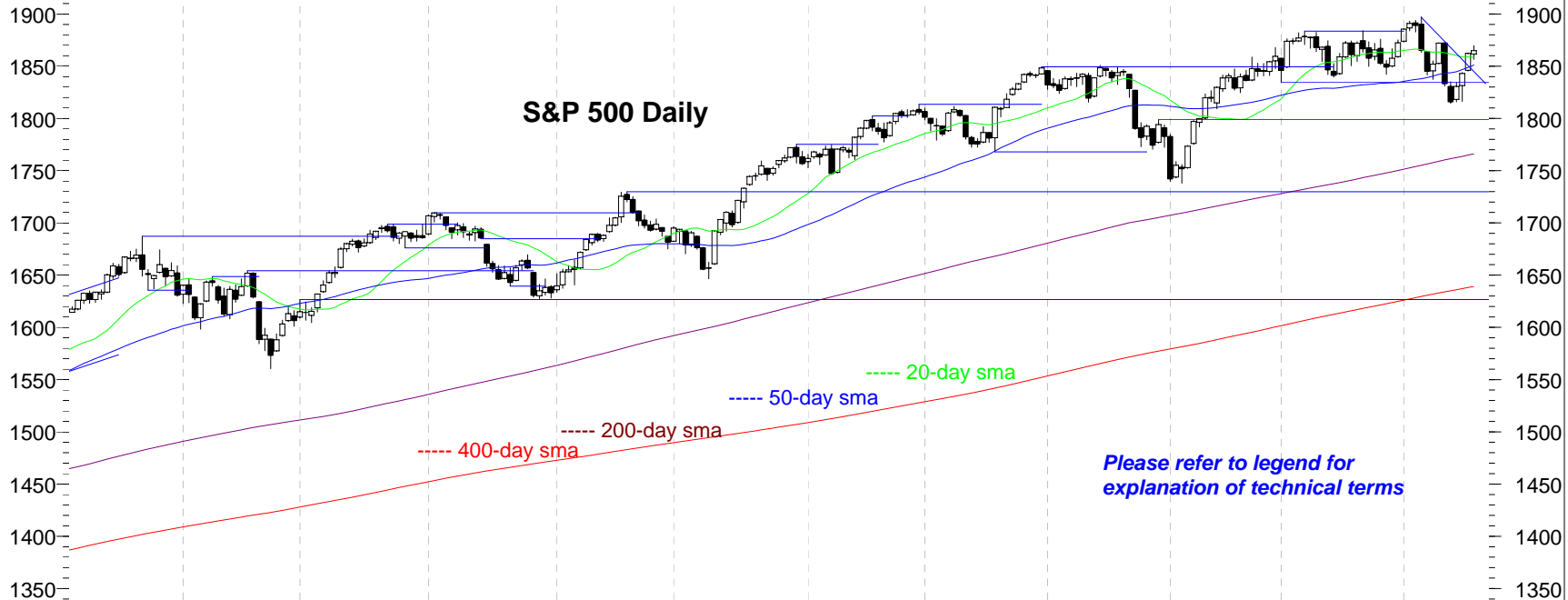


4/20/2014

The Kaufman Report - Wayne S. Kaufman, CMT

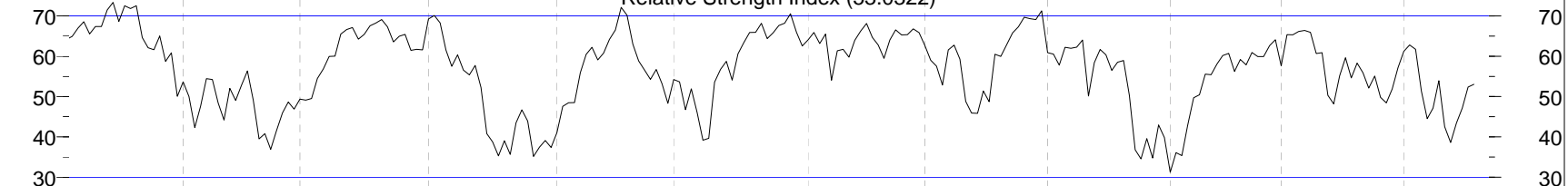
S&P 500 INDEX (1,861.73, 1,869.63, 1,856.72, 1,864.85, +2.54)

S&P 500 Daily



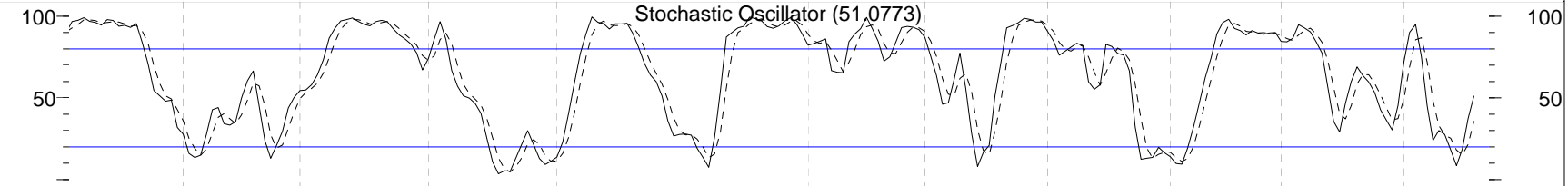
Last week the S&P 500 took out its recent down trend line and closed above its 20 and 50-day sma.

Relative Strength Index (53.0322)

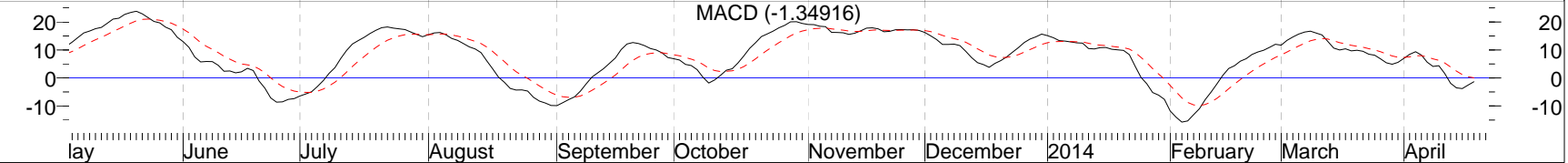


Daily momentum is almost all positive.

Stochastic Oscillator (51.0773)



MACD (-1.34916)



4/20/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,818.18, 1,869.63, 1,815.80, 1,864.85, +49.16)

S&P 500 Weekly

Please refer to legend for explanation of technical terms

LS

H

RS

----- 80-week sma

----- 40-week sma

----- 20-week sma

Relative Strength Index (59.6311)

Stochastic Oscillator (36.0635)

MACD (30.8866)

O N D 2011 M A M J J A S O N D 2012 M A M J J A S O N D 2013 M A M J J A S O N D 2014 M A M

4/20/2014

Last week's rally of 2.71% almost completely erased the 2.65% drop of the week before.

Weekly momentum is mixed after bouncing from prior support levels.

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,873.96, 1,897.28, 1,814.36, 1,864.85, -7.49)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

---- 12-month sma

----- 3-month sma

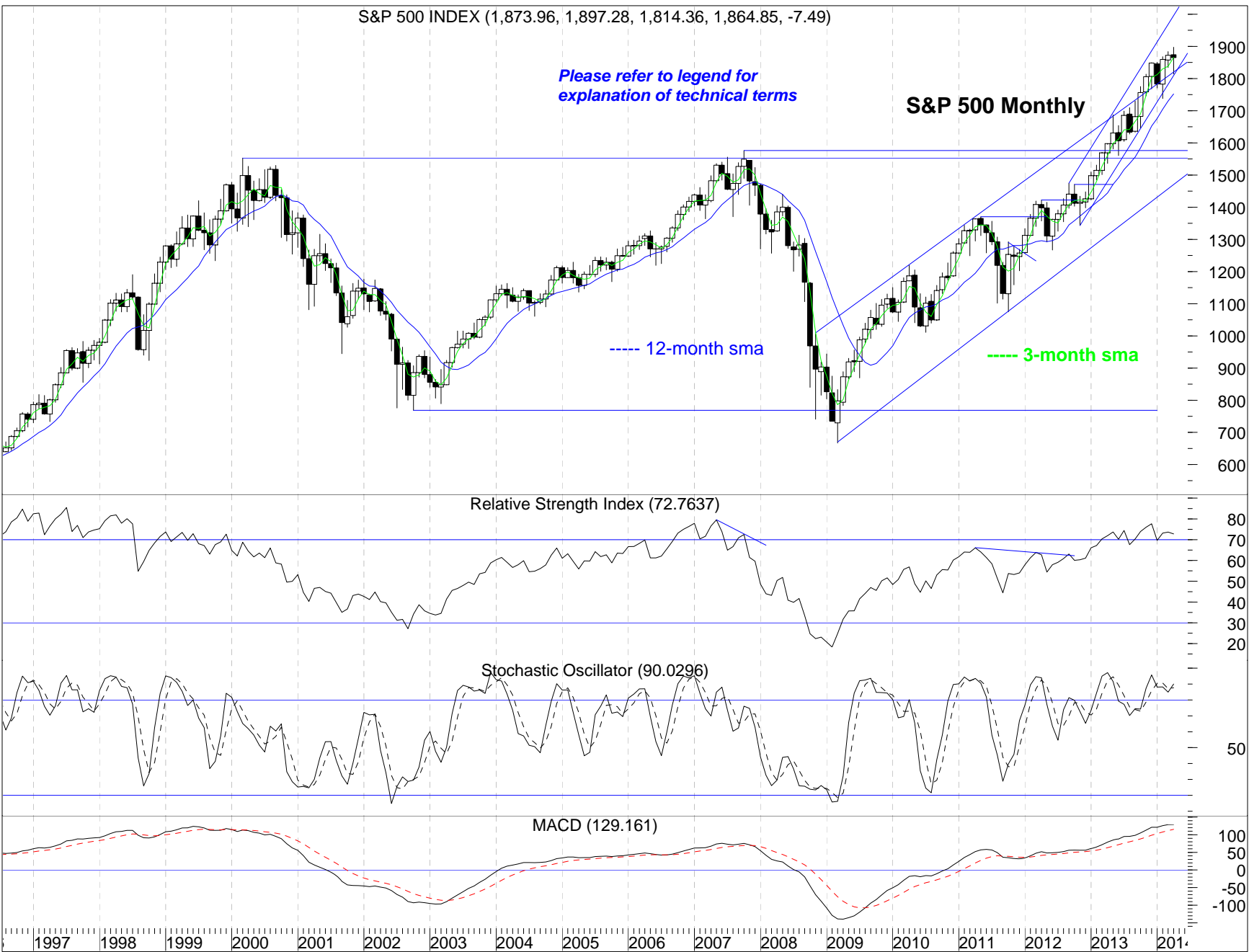
Relative Strength Index (72.7637)

Stochastic Oscillator (90.0296)

MACD (129.161)

April is not over but so far the S&P 500 bounced off the bottom of its rising price channel and is only 1.74% from its recent all time highs.

Weekly momentum is still mostly positive but also still at high or overbought levels.

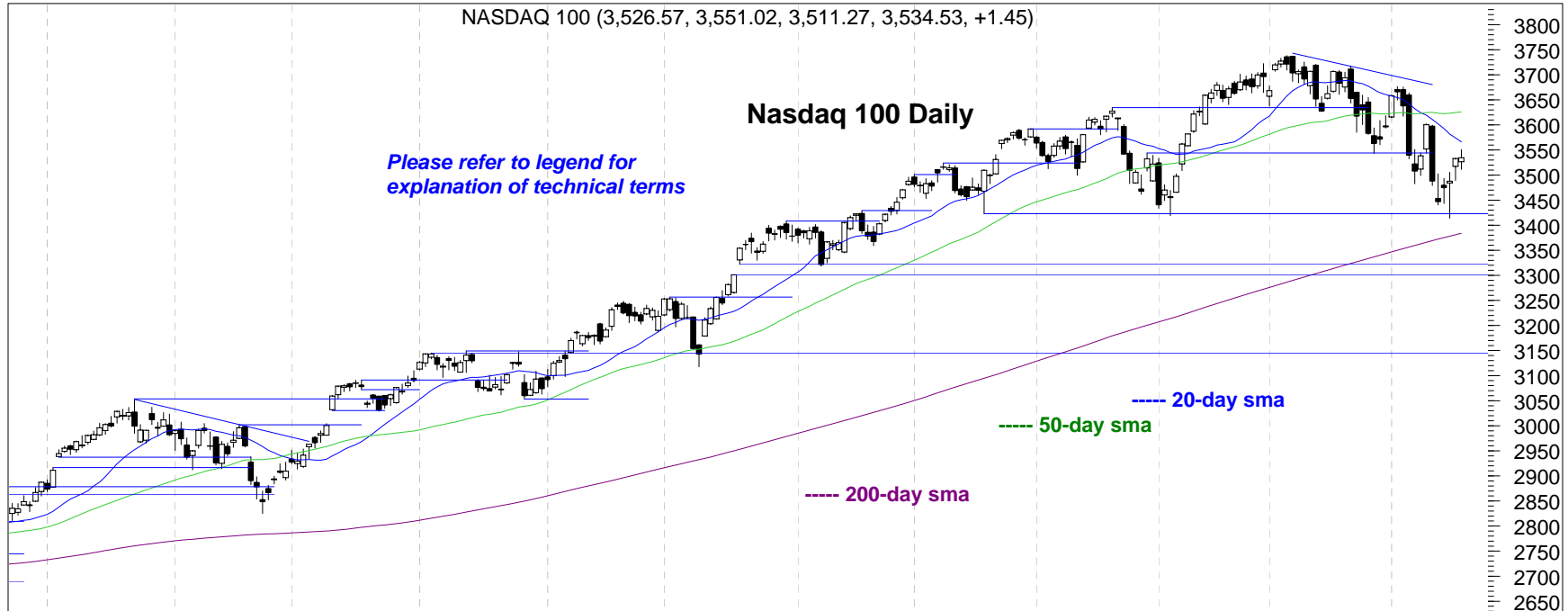


4/20/2014

NASDAQ 100 (3,526.57, 3,551.02, 3,511.27, 3,534.53, +1.45)

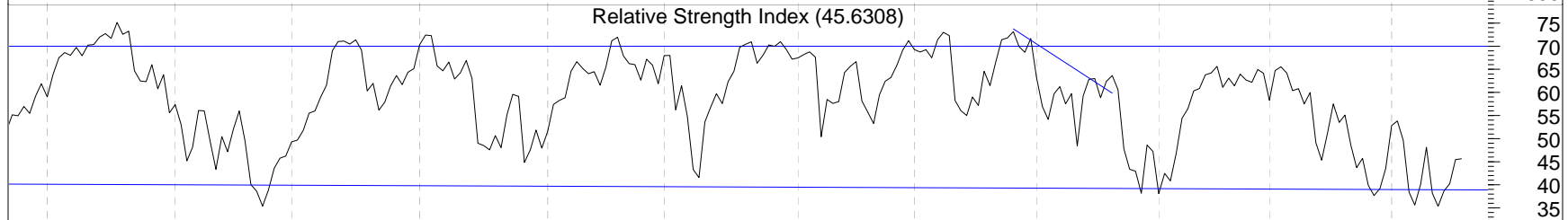
Nasdaq 100 Daily

Please refer to legend for explanation of technical terms



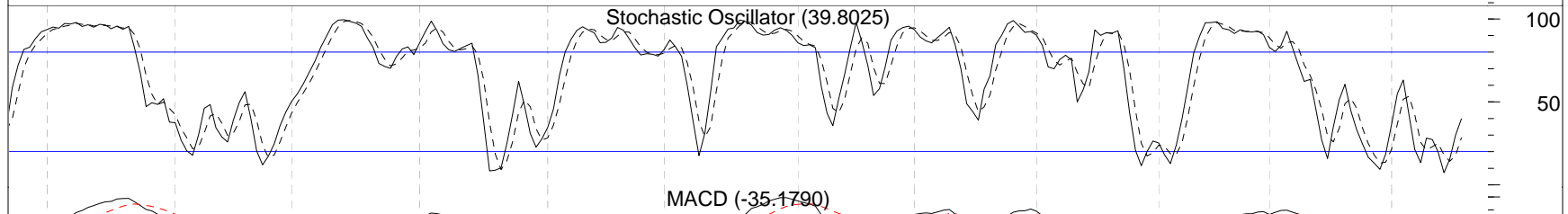
The Nasdaq 100 bounced off support and is just under its 20-day sma.

Relative Strength Index (45.6308)

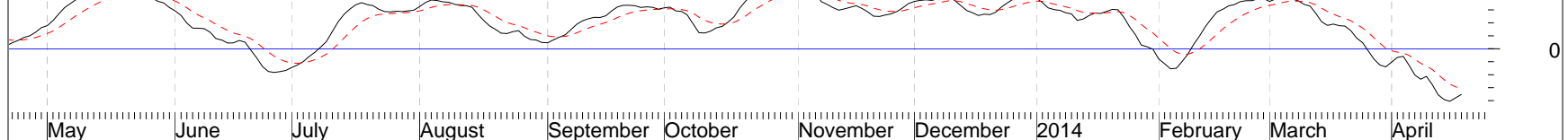


Daily momentum is almost all positive and rebounding from low levels.

Stochastic Oscillator (39.8025)



MACD (-35.1790)



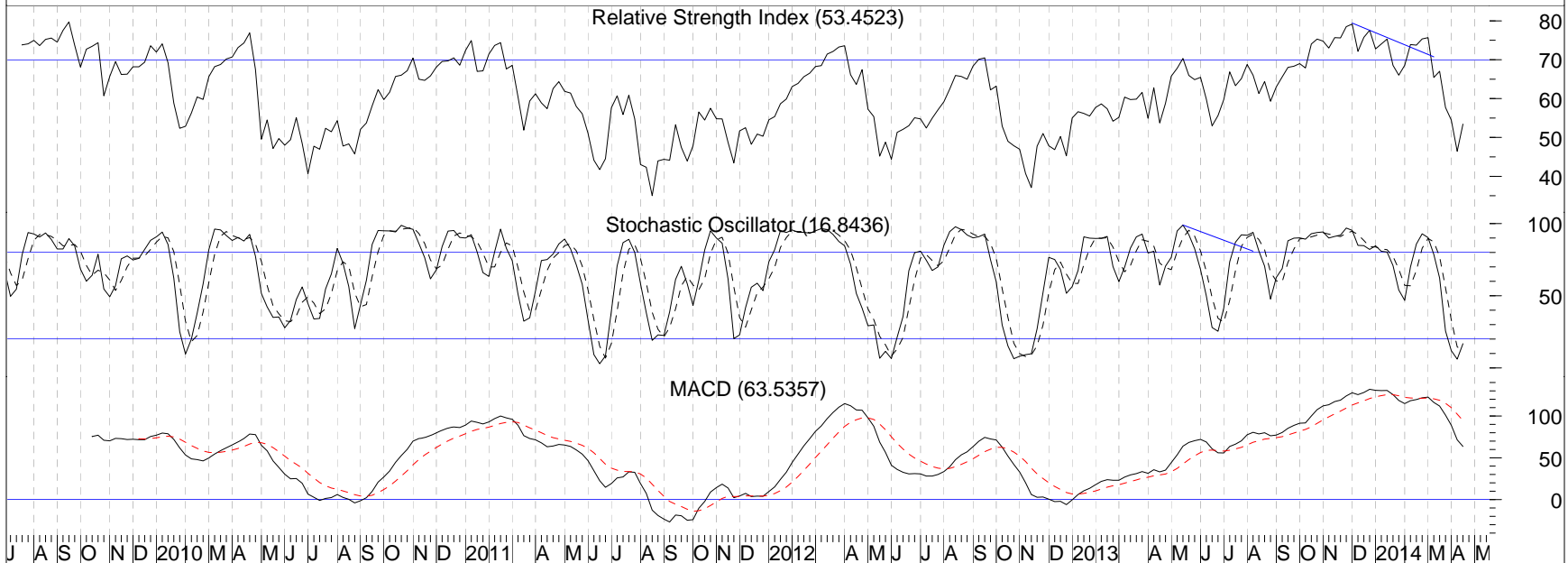
May June July August September October November December 2014 February March April

4/20/2014

NASDAQ 100 (3,479.66, 3,551.02, 3,414.11, 3,534.53, +87.69)



A nice bounce off support on the Nasdaq 100 weekly chart. It is just below its 20-week sma.

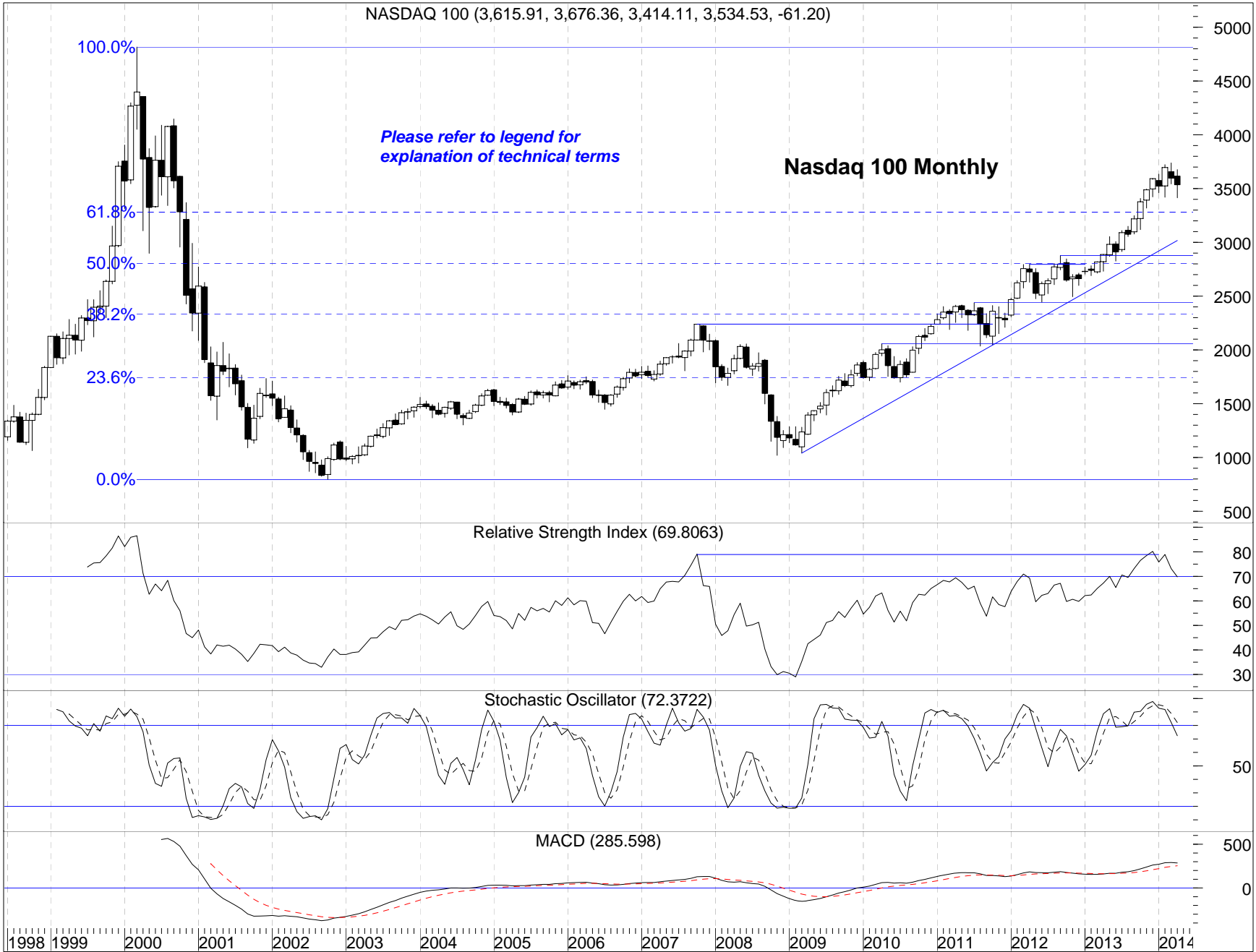


The weekly RSI and stochastic are turning up from low or oversold levels.

4/20/2014

The Kaufman Report - Wayne S. Kaufman, CMT

NASDAQ 100 (3,615.91, 3,676.36, 3,414.11, 3,534.53, -61.20)



Please refer to legend for explanation of technical terms

Nasdaq 100 Monthly

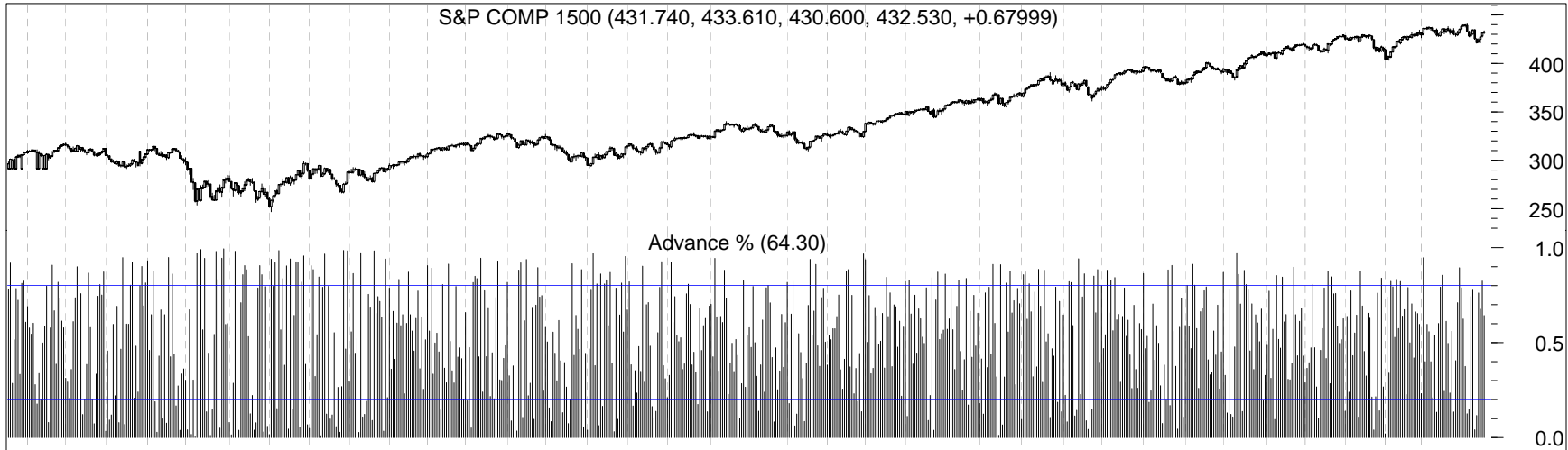
Still lagging behind the S&P 500, which in spite of the recent pullback made a new high in April, while the Nasdaq 100 made its new high in early March.

Monthly momentum still looks ominous for the Nasdaq 100.

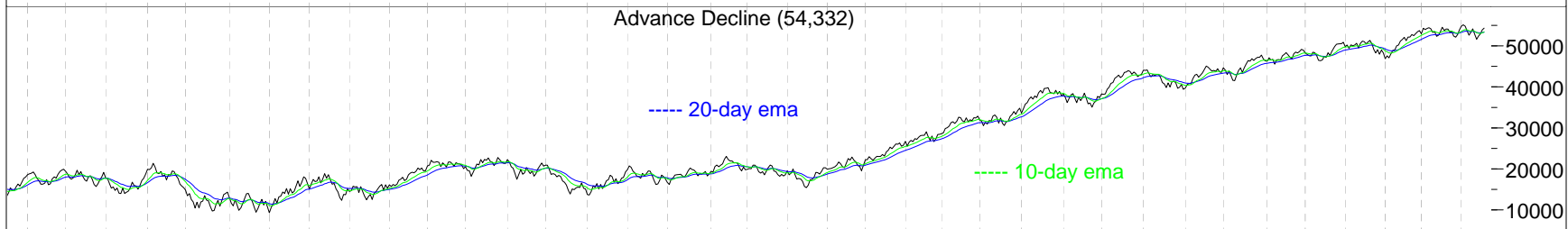
4/20/2014

The Kaufman Report - Wayne S. Kaufman, CMT

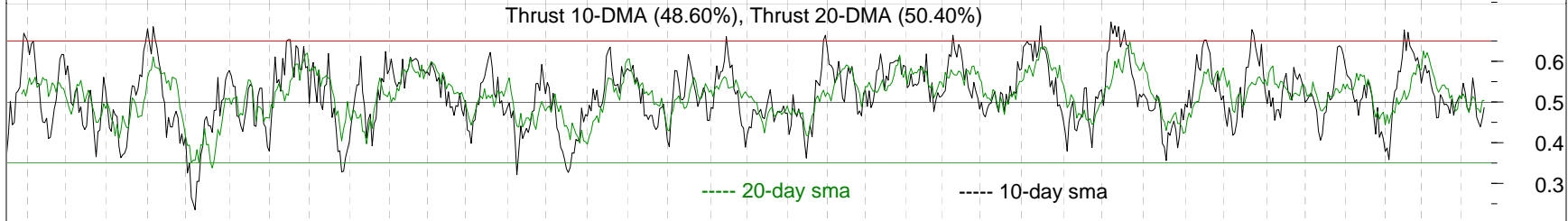
S&P COMP 1500 (431.740, 433.610, 430.600, 432.530, +0.67999)



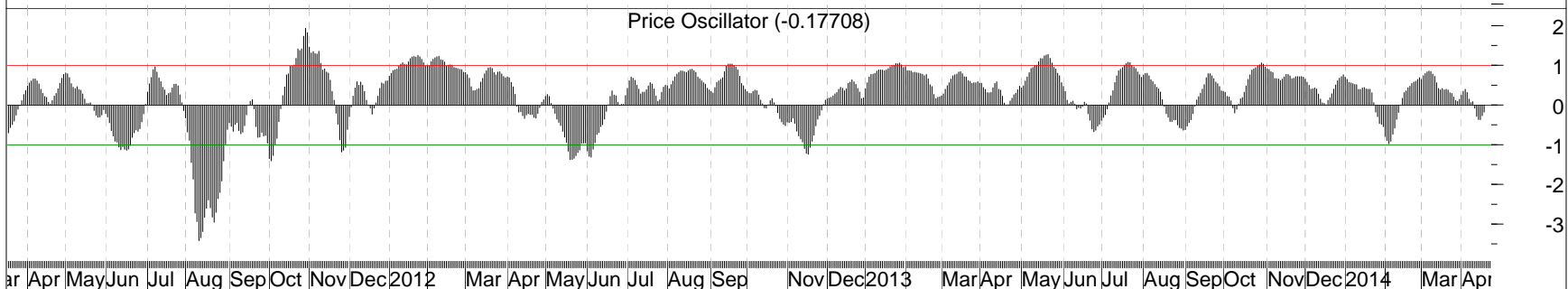
Breadth was positive every session last week, lifting the 5-day average of advancers on the S&P 1500 to 60.4%.



The AD line is back above its 10 and 20-day ema.



The 10-day average of advancing stocks is still negative at 48.6%, but the 20-day average is positive again at 50.4%.



Our price oscillator, a good indicator of trends, remains in negative territory, but just slightly.

Jan Apr May Jun Jul Aug Sep Oct Nov Dec 2012 Mar Apr May Jun Jul Aug Sep Nov Dec 2013 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Mar Apr

4/18/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P COMP 1500 (431.740, 433.610, 430.600, 432.530, +0.67999)

Please refer to legend for explanation of technical terms

% Over 10-Sma (62.90)

Kaufman Options Indicator (0.871)

4-Week Closing Highs (153), 4-Week Closing Lows (68)

10-SMA 4-Week Closing Highs (87.30), 10-SMA 4-Week Closing Lows (269.20)

13-Week Closing Highs (96), 13-Week Closing Lows (18)

10-sma 13-Week Highs (59.40), 10-sma 13-Week Lows (77.30)

S O N D 2010 A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014 A

4/18/2014

The percentage of stocks in the S&P 1500 above their own 10-day sma is 62.9%, leaving room to go higher before it is overbought.

Our proprietary options indicator remains at a low level showing lots of pessimism, which is good for the prospects of a continuing rally.

New 4-week and 13-week closing highs were greater than new lows Thursday and Friday. The 10-day average of each of these is negative, with the 13-week numbers becoming negative Wednesday. The 4-week numbers have been negative since early April.

The Kaufman Report - Wayne S. Kaufman, CMT

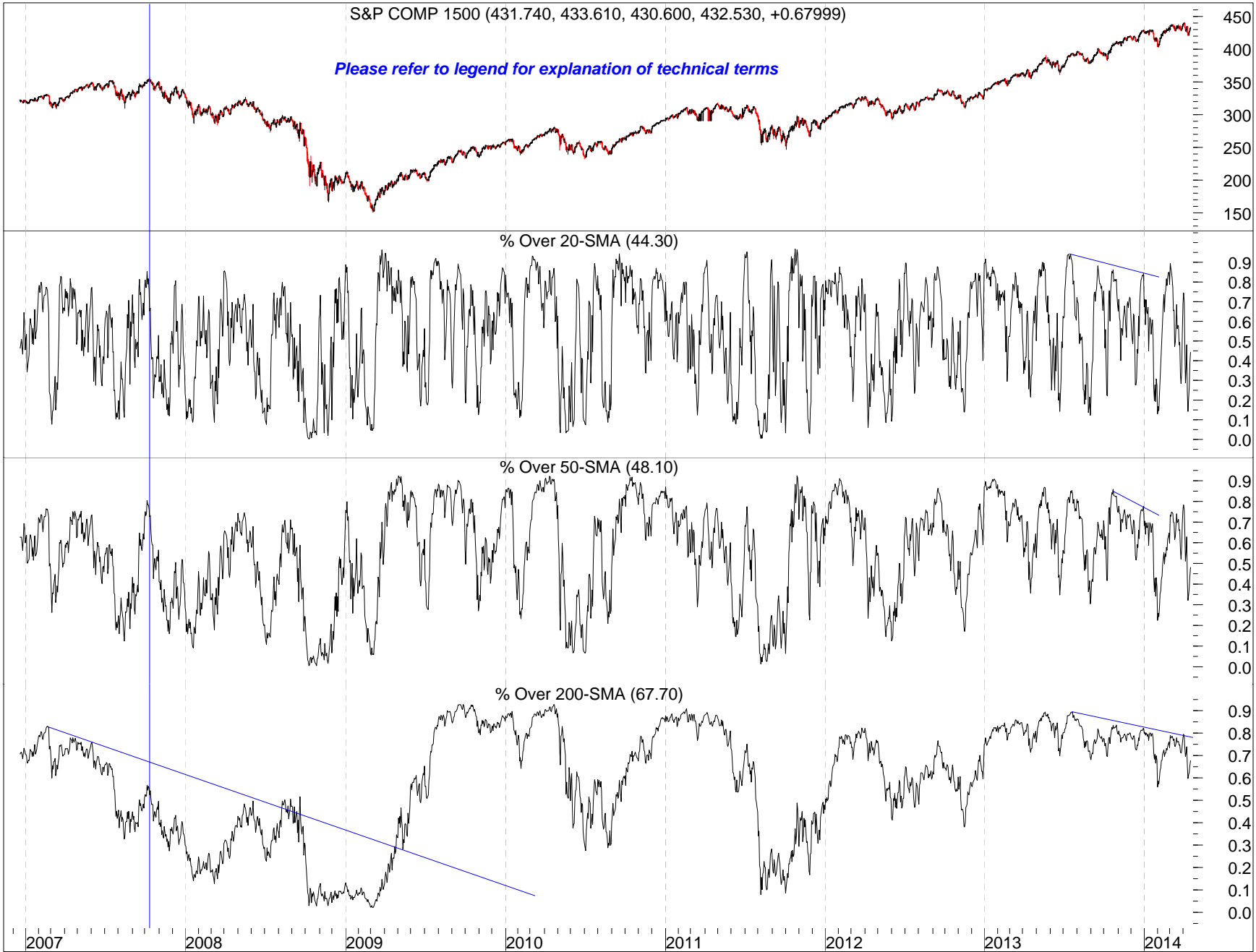
S&P COMP 1500 (431.740, 433.610, 430.600, 432.530, +0.67999)

Please refer to legend for explanation of technical terms

% Over 20-SMA (44.30)

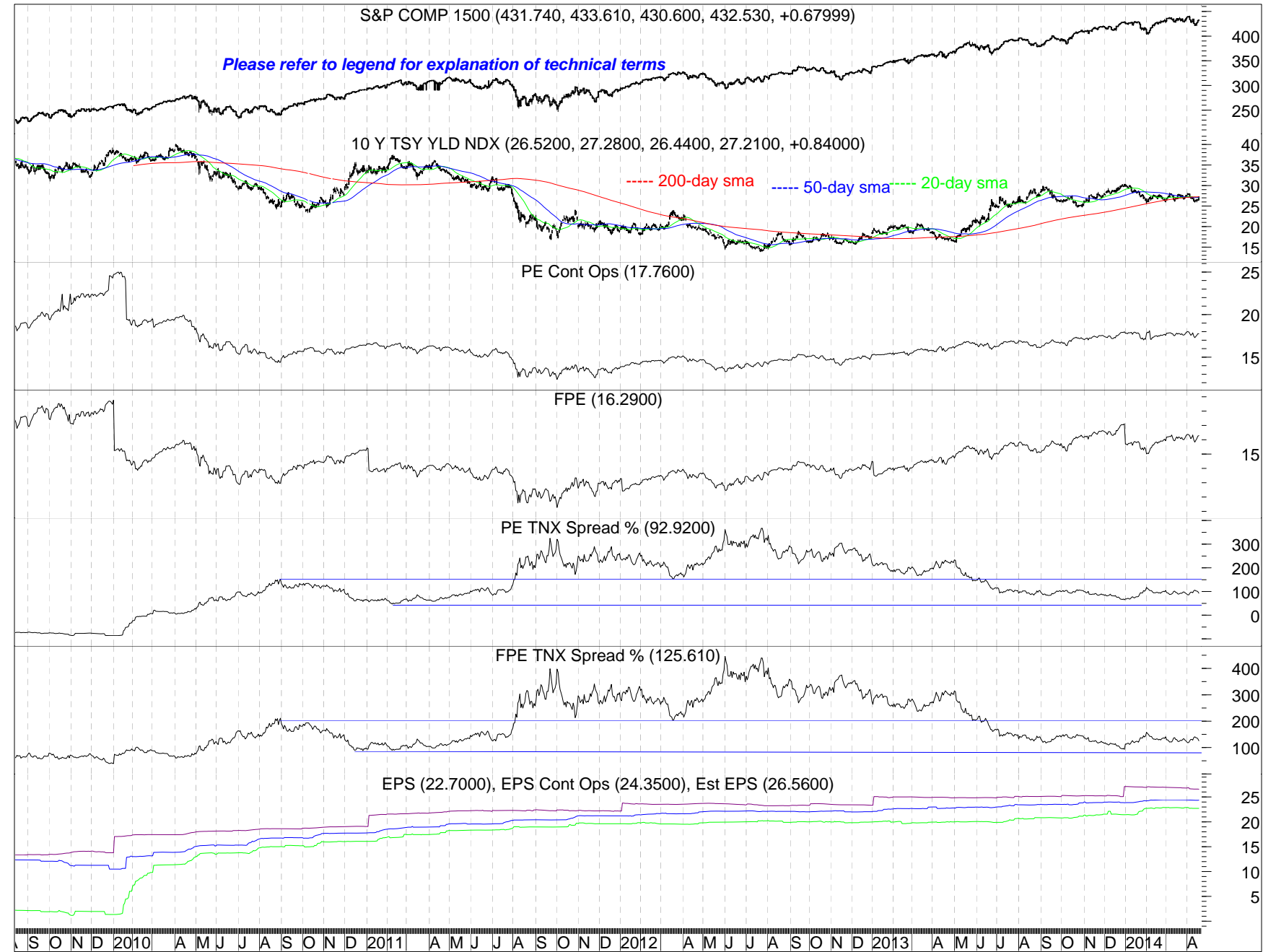
% Over 50-SMA (48.10)

% Over 200-SMA (67.70)



Even though the S&P 1500 is over its own 20-day simple moving average, only 44.3% of the stocks in the index are over their own 20-day sma. A similar story shows up in the percentage over their own 50-day sma, although not as pronounced. This is due to the lagging performance of small cap stocks.

The Kaufman Report - Wayne S. Kaufman, CMT



P/E ratios remain near their recent multi-year high levels.

Spreads between equity and bond yields remain in a tight sideways range since July 2013. This is the same range they traded in pre-August 2011.

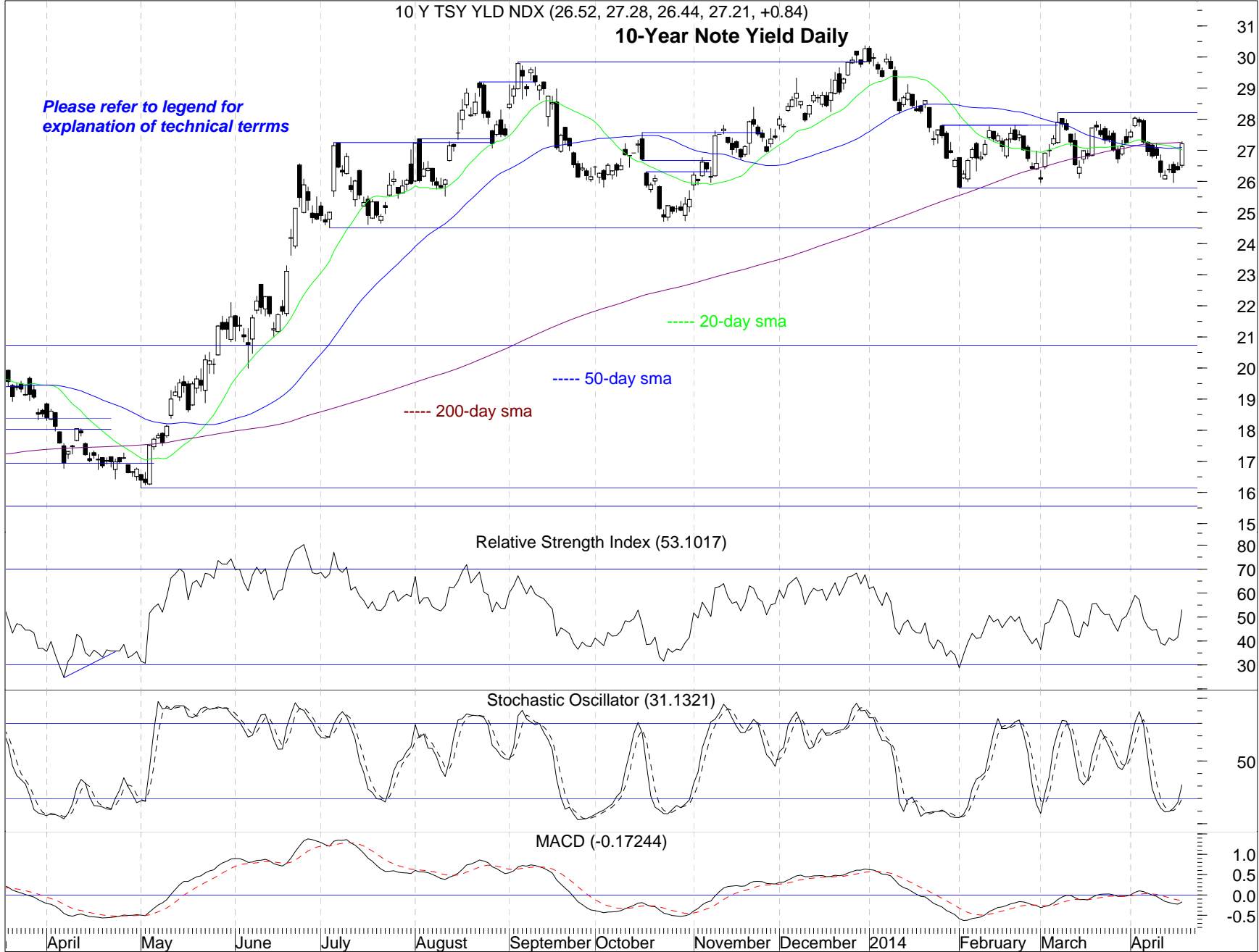
Aggregate earnings and forecasts for the S&P 1500 have stagnated. They need to start moving higher or stocks will be relying on multiple expansion for price appreciation, something that will be difficult considering the already high level of P/E ratios.

4/18/2014

10 Y TSY YLD NDX (26.52, 27.28, 26.44, 27.21, +0.84)

10-Year Note Yield Daily

Please refer to legend for explanation of technical terms



The 10-year note yield held its recent support and bounced up to its 200-day sma. It remains in a multi-month sideways range.

Daily momentum is almost all positive with plenty of room to move higher.

4/18/2014

The Kaufman Report - Wayne S. Kaufman, CMT

10 Y TSY YLD NDX (26.37, 27.28, 25.96, 27.21, +1.02)

Please refer to legend for explanation of technical terms 10-Year Note Yield Weekly

----- 80-week sma ----- 40-week sma ----- 20-week

The 10-year note yield is just under its 20 and 40-week sma.

Relative Strength Index (51.0078)

Weekly momentum is mixed.

Stochastic Oscillator (41.8496)

MACD (0.12223)

J A S O N D 2010 M A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014 M A N

4/18/2014

10 Y TSY YLD NDX (27.43, 28.08, 25.96, 27.21, -0.02)

10-Year Note Yield Monthly

Please refer to legend for explanation of technical terms

-----12-Month sma

-----3-Month sma

The 10-year note yield is above its 3 and 12-month sma.

Relative Strength Index (56.7409)

Monthly momentum is mixed.

Stochastic Oscillator (32.3015)

MACD (1.32296)

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

4/18/2014



US DOLLAR INDEX (79.8590, 79.8940, 79.8150, 79.8470, +0.01900)

U.S. Dollar Index Daily

Please refer to legend for explanation of technical terms

-----200-day ----- 50-day sma ----- 20-day sma

After challenging support two weeks ago the U.S. Dollar Index has bounced up to resistance in the form of its 20 and 50-day sma.

Relative Strength Index (48.2143)

Daily momentum is mostly positive.

Stochastic Oscillator (39.0860)

MACD (-0.07389)

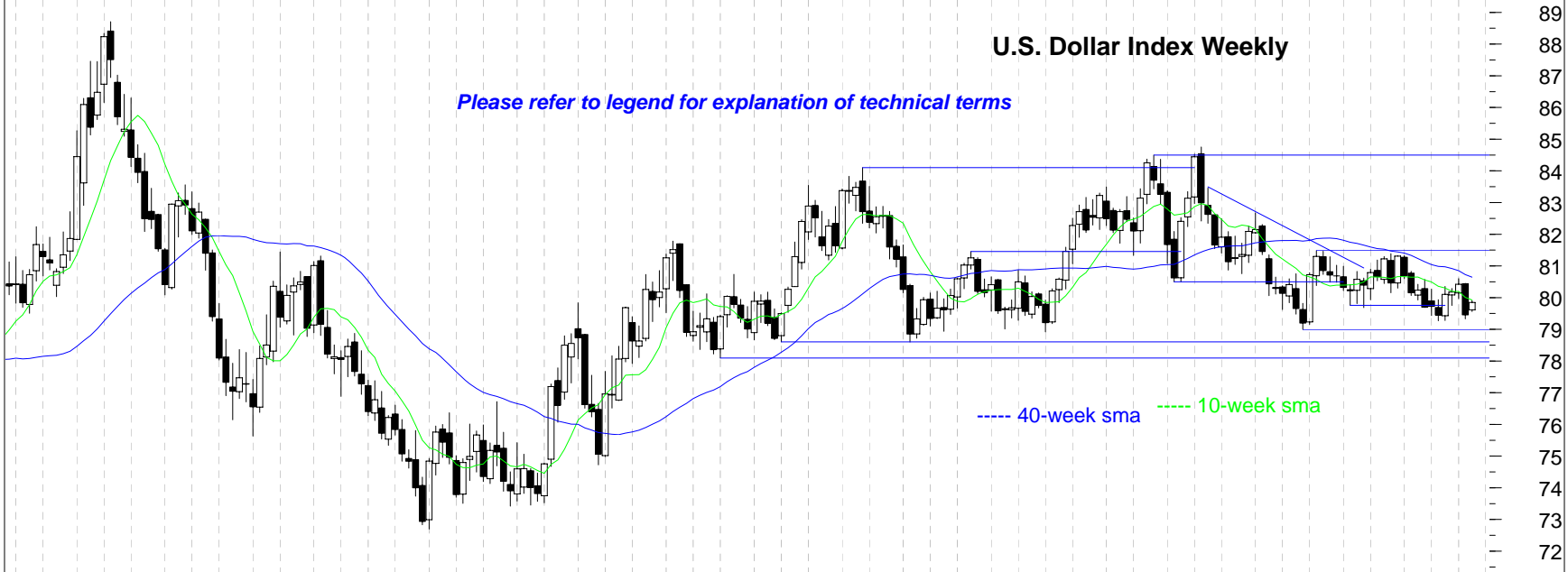
May June July August September October November December 2014 February March April

4/18/2014

US DOLLAR INDEX (79.6160, 79.9040, 79.5620, 79.8470, +0.39500)

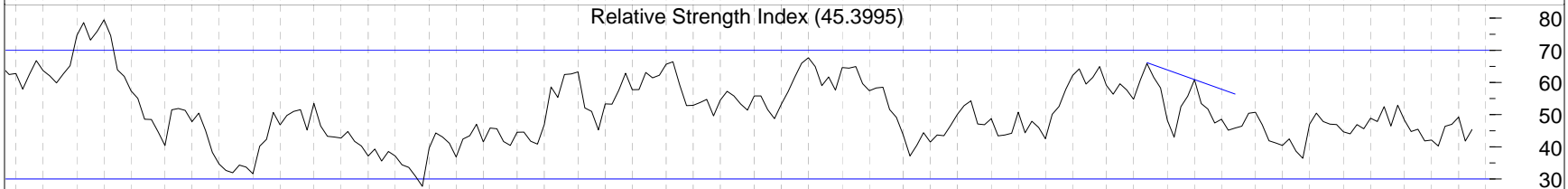
U.S. Dollar Index Weekly

Please refer to legend for explanation of technical terms



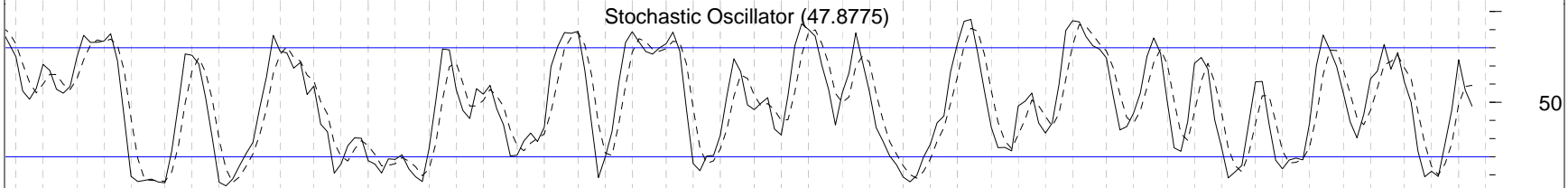
The U.S. Dollar Index is in a tight sideways range on its weekly chart.

Relative Strength Index (45.3995)

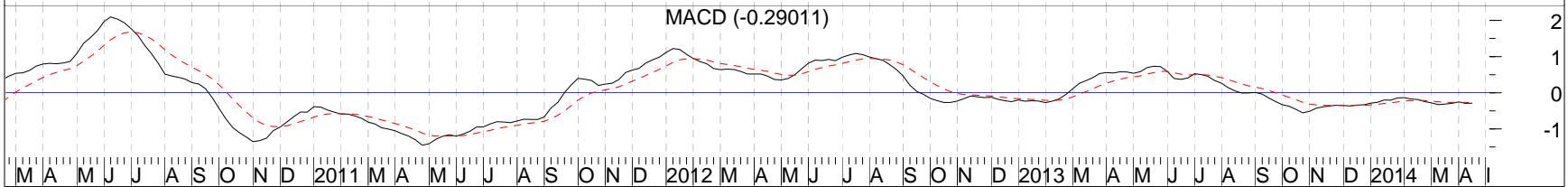


Weekly momentum is mixed.

Stochastic Oscillator (47.8775)



MACD (-0.29011)



M A M J J A S O N D 2011 M A M J J A S O N D 2012 M A M J J A S O N D 2013 M A M J J A S O N D 2014 M A I

4/18/2014

US DOLLAR INDEX (80.1010, 80.5990, 79.3300, 79.8470, -0.25300)

Please refer to legend for explanation of technical terms

U.S. Dollar Index Monthly

--- 3-month sma

--- 12-month sma

Relative Strength Index (47.8157)

Stochastic Oscillator (30.8595)

MACD (0.09410)

Since late 2011 the U.S. Dollar Index has been trading in an eerily tight sideways range.

Monthly momentum is slightly negative.

8 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

4/18/2014

UNTD ST OIL FUND (37.5100, 37.7900, 37.4500, 37.6600, +0.1800)

U.S. Oil ETF Daily

For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

Please refer to legend for explanation of technical terms

----- 200-day sma ----- 50-day sma ----- 20-day sma

Relative Strength Index (68.5084)

Stochastic Oscillator (89.5238)

MACD (0.39056)

February March April May June July August September November December 2014 February March April

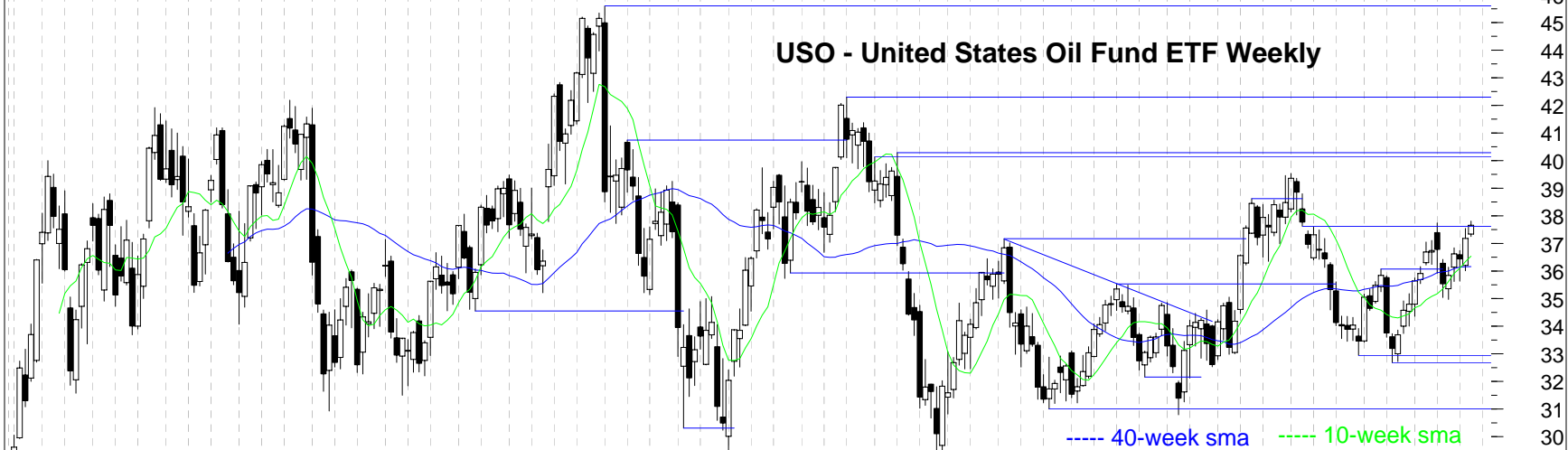
4/18/2014

The oil ETF is in an up trend and trying to break through a resistance area.

Daily momentum is positive but at high or overbought levels.

UNTD ST OIL FUND (37.3400, 37.8100, 37.2500, 37.6600, +0.4800)

USO - United States Oil Fund ETF Weekly



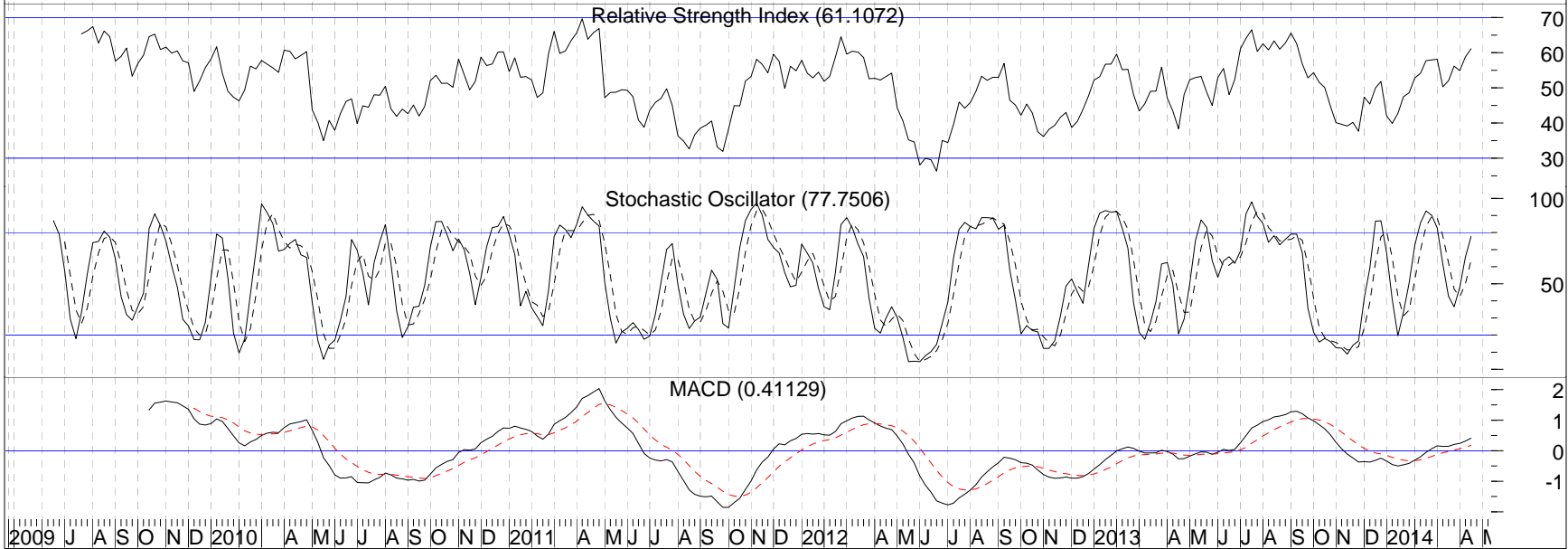
For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

The oil ETF is challenging a resistance area on its weekly chart. More resistance is just overhead.

Relative Strength Index (61.1072)

Stochastic Oscillator (77.7506)

MACD (0.41129)



Weekly momentum is positive and not overbought.

4/18/2014

UNTD ST OIL FUND (36.4500, 37.8100, 35.6300, 37.6600, +1.0700)

For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

USO - United States Oil Fund ETF Monthly

Please refer to legend for explanation of technical terms

----- 12-month sma

----- 3-month sma

The oil ETF is in a strangely tight sideways range on its monthly chart, but is starting to show a pattern of higher bottoms.

Relative Strength Index (53.9682)

Stochastic Oscillator (85.7616)

MACD (-0.03169)

Monthly momentum is mostly positive.

2006

2007

2008

2009

2010

2011

2012

2013

2014

4/18/2014

The Kaufman Report - Wayne S. Kaufman, CMT

SPDR GOLD TRUST (125.3800, 125.5300, 124.5700, 124.7500, -0.7900)

Please refer to legend for explanation of technical terms

Gold ETF Daily

For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

---- 50-day sma

---- 200-day sma

---- 20-day sma

Relative Strength Index (43.3012)

Stochastic Oscillator (41.8299)

MACD (-0.33179)

November 2013 February April May June July August September November 2014 February April

4/18/2014

The gold ETF gapped down bearishly Tuesday and is just under the important moving averages.

Daily momentum is almost all negative.

SPDR GOLD TRUST (127.8000, 128.2500, 124.5700, 124.7500, -2.1800)

GLD Weekly



For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

Please refer to legend for explanation of technical terms

Relative Strength Index (47.9443)

Stochastic Oscillator (25.3285)

MACD (-0.00301)

The gold ETF is just under resistance on its weekly chart.

Weekly momentum is mixed but the stochastic is just above the oversold zone.

4/18/2014

The Kaufman Report - Wayne S. Kaufman, CMT

SPDR GOLD TRUST (123.7100, 128.2500, 123.1099, 124.7500, +1.1400)

For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

Please refer to legend for explanation of technical terms

GLD Monthly

---- 3-month sma

----- 12-month sma

The gold ETF is trading in a sideways range on its monthly chart.

Relative Strength Index (42.5045)

Stochastic Oscillator (23.2177)

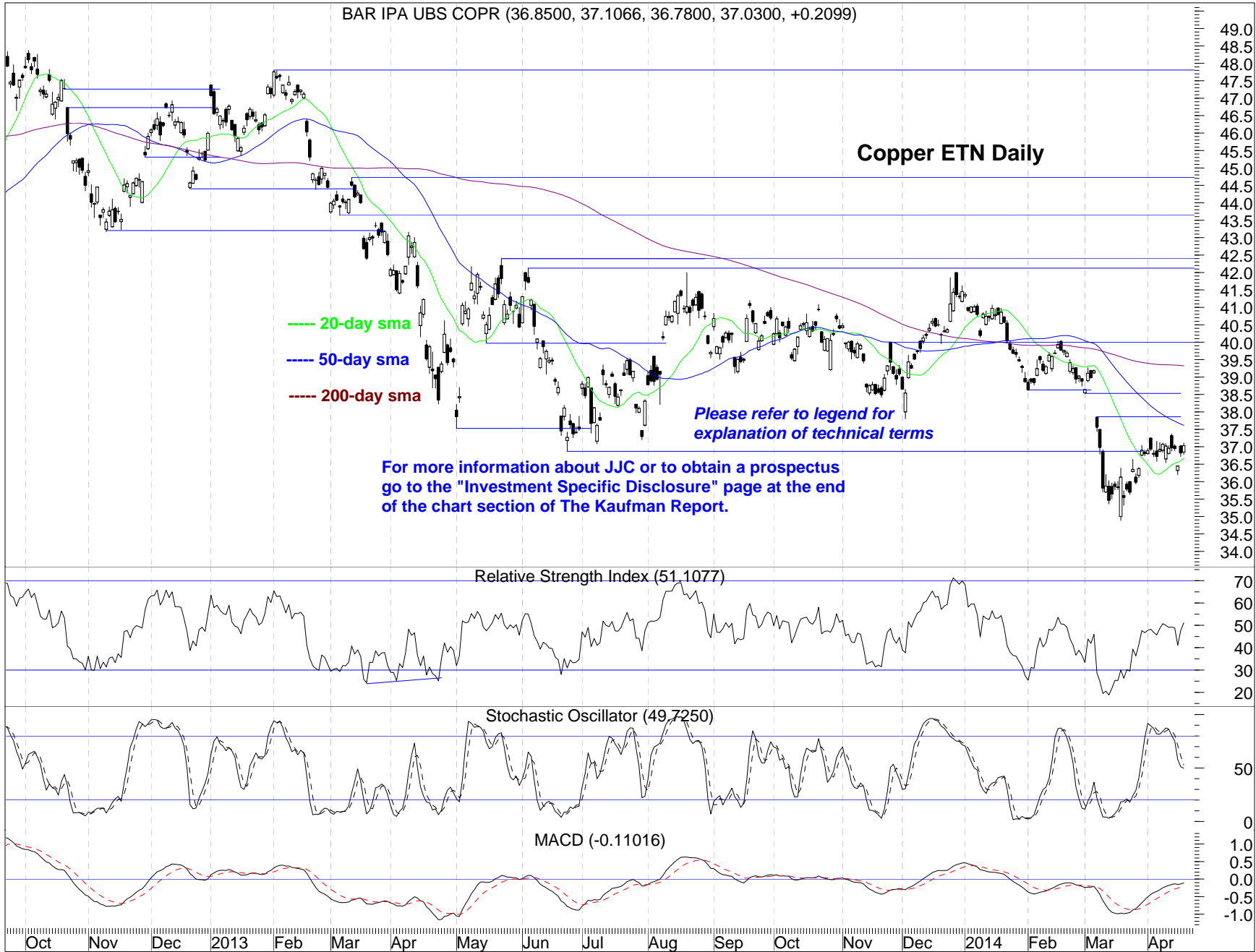
MACD (-6.82049)

Monthly momentum is mixed.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014

4/18/2014

BAR IPA UBS COPR (36.8500, 37.1066, 36.7800, 37.0300, +0.2099)



For more information about JJC or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

The copper ETN, representing the metal with a Ph.D. in economics, gapped down Wednesday but gapped up Thursday, printing an island reversal bottom on its daily chart. That should be support, but there is plenty of resistance not far above.

INVESTMENT SPECIFIC DISCLOSURES

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included or incorporated by reference in the appropriate prospectus, including the financial statements and the related notes. To view prospectuses, please go to;

http://rockwellsecurities.com/Kaufman_Report_Prospectuses.php

- 1) **GLD (GOLD)** - The value of the Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares. The Shares are designed to mirror as closely as possible the performance of the price of gold, and the value of the Shares relates directly to the value of the gold held by the Trust, less the Trust's liabilities (including estimated accrued expenses). The price of gold has fluctuated widely over the past several years. Several factors may affect the price of gold, including:
 - Global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as South Africa, the United States and Australia;
 - Global or regional political, economic or financial events and situations;
 - Investors' expectations with respect to the rate of inflation;
 - Currency exchange rates;
 - Interest rates; and
 - Investment and trading activities of hedge funds and commodity funds.

- 2) **JJC (BARCLAYS IPATH COPPER ETN)** – You may lose some or your entire principal if you invest in the ETN. Any payment on the ETN at or prior to maturity is subject to the creditworthiness of Barclays Bank PLC and is not guaranteed by any third party.
 - The ETNs are unsecured promises of Barclays Bank and are not secured debt.
 - Even if the value of the underlying index at maturity or upon redemption exceeds its initial level, you may receive less than the principal amount of your ETNs.
 - The market value of the ETN may be influenced by many unpredictable factors
 - Commodity prices may change unpredictably, affecting the value of the indices and the value of the ETN in unforeseeable ways.

- 3) **USO (UNITED STATES OIL FUND ETF)** - USOF is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act. Some of the risks of investing in USOF include:
 - Investing in crude oil interests subjects USO to the risks of the crude oil industry which could result in large fluctuations in the price of USOF's units.
 - If certain correlations do not exist, then investors may not be able to use USO as a cost-effective way to invest indirectly in crude oil or as a hedge against the risk of loss in oil-related transactions.
 - USOF does not expect to make cash distributions.
 - USOF and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.

- 4) **RISKS ASSOCIATED WITH INTERNATIONAL / FOREIGN ETFs**
 - **TAXES** - Every country has different tax laws, so there may be particular foreign ETFs that are not a good fit for your ETF trading strategy as they may have a negative effect on your tax return.
 - **CURRENCY RATES** – Currency rates for different regions covered by a foreign ETF may be volatile /skewed, certain foreign ETFs may not be a good fit for a portfolio.
 - **LOW TRADING VOLUMES** – Low trading volumes (lack of liquidity) may cause wide “bid-ask spreads” and may diminish the advantage of purchasing an ETF over an Index or security.
 - **LONG INVESTMENT HORIZON** – The intraday trading aspect (short-term) of ETFs may not be suited for longer term investors.
 - **INACTIVITY**- Some foreign ETFs may not be as actively traded as others due to a sector related issues or a regional issue.
 - **NON-REGISTERED SECURITIES** - The securities of non U.S. issuers may not be registered with or subject to the reporting requirements of the U.S. Securities and Exchange Commission. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. securities. Foreign companies may be more volatile than the securities of comparable U.S. companies.

- 5) **RISKS ASSOCIATED WITH COMMODITIES**
 - **GEOPOLITICAL RISK** – International disagreements, licensing agreement issues, tax structures, environmental concerns and access to technology can cause risk to your investment.
 - **PRICE RISK** – Price risk may arise out of adverse movements in world prices, exchange rates and basis between local and world prices.
 - **SPECULATIVE RISK** – Short term traders can increase market volatility and may have a detrimental effect to your investment
 - **CORPORATE GOVERNANCE RISK** – Corporate fraud

Indexes, Sectors, and Industry Groups

Major Index	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Dow Jones Transportation	7634.45	0.57%	3.70%	2.73%	0.79%	0.79%	3.16%	7715.91	4/3/2014	5917.00	4/17/2013
S&P 500	1864.86	0.14%	2.71%	1.73%	-0.40%	-0.40%	0.89%	1897.28	4/4/2014	1536.03	4/18/2013
S&P 1500	432.54	0.16%	2.68%	1.67%	-0.58%	-0.58%	0.80%	440.64	4/4/2014	355.38	4/18/2013
S&P Midcap 400	1352.05	0.27%	2.54%	1.24%	-1.92%	-1.92%	0.71%	1398.91	4/4/2014	1101.03	4/18/2013
Nasdaq 100	3534.53	0.04%	2.54%	1.34%	-1.70%	-1.70%	-1.60%	3738.32	3/6/2014	2730.97	4/18/2013
NYSE Composite	10535.30	0.28%	2.47%	1.63%	0.07%	0.07%	1.30%	10669.43	4/4/2014	8814.76	6/24/2013
Russell 2000	1138.58	0.60%	2.44%	0.97%	-2.94%	-2.94%	-2.15%	1212.82	3/4/2014	898.40	4/18/2013
Nasdaq Composite	4095.52	0.23%	2.39%	1.02%	-2.46%	-2.46%	-1.94%	4371.71	3/6/2014	3154.96	4/18/2013
Dow Jones Industrials	16408.66	-0.10%	2.38%	1.47%	-0.30%	-0.30%	-1.01%	16631.63	4/4/2014	14444.03	4/19/2013
Bank of New York Mellon ADR	152.01	0.48%	1.63%	1.10%	0.69%	0.69%	-0.03%	152.87	4/9/2014	125.76	6/24/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Energy	679.13	0.82%	4.67%	4.44%	4.02%	4.02%	4.21%	680.80	4/17/2014	544.61	4/17/2013
Industrials	454.82	0.80%	3.59%	2.55%	0.92%	0.92%	0.52%	460.66	4/4/2014	346.17	4/19/2013
Materials	299.50	0.30%	3.13%	1.90%	0.38%	0.38%	2.70%	304.94	4/4/2014	233.52	4/18/2013
Financials	294.43	0.08%	2.65%	1.45%	-2.20%	-2.20%	-0.10%	305.46	3/21/2014	239.21	4/18/2013
Consumer Discretionary	505.68	0.14%	2.46%	1.05%	-1.50%	-1.50%	-4.61%	536.43	3/7/2014	415.35	4/18/2013
Information Technology	588.13	-0.30%	2.26%	1.07%	-1.38%	-1.38%	0.45%	622.58	4/3/2014	457.00	4/19/2013
Health Care	658.58	0.00%	2.15%	1.05%	-2.72%	-2.72%	2.54%	698.62	3/6/2014	534.23	6/24/2013
Consumer Staples	448.38	0.08%	2.09%	1.55%	1.46%	1.46%	1.30%	448.60	4/17/2014	401.66	6/20/2013
Telecom Services	156.89	0.37%	1.92%	1.57%	1.62%	1.62%	0.88%	168.85	4/23/2013	143.28	2/3/2014
Utilities	215.13	-1.16%	1.56%	1.45%	2.13%	2.13%	11.34%	218.10	4/17/2014	182.19	6/21/2013

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Energy	679.13	0.82%	4.67%	4.44%	4.02%	4.02%	4.21%	680.80	4/17/2014	544.61	4/17/2013
Diversified Financials	443.74	0.60%	3.95%	2.76%	-1.82%	-1.82%	-1.06%	459.40	3/21/2014	345.43	4/18/2013
Automobiles & Components	135.13	0.17%	3.78%	1.98%	0.52%	0.52%	-2.77%	143.67	12/17/2013	99.54	4/18/2013
Capital Goods	496.71	0.82%	3.71%	2.67%	1.17%	1.17%	0.39%	502.71	4/4/2014	373.01	4/22/2013
Commercial & Professional Service	185.80	0.59%	3.32%	1.77%	-0.19%	-0.19%	-3.69%	193.69	12/27/2013	159.95	6/24/2013
Transports	491.67	0.77%	3.20%	2.30%	0.25%	0.25%	2.51%	498.46	4/4/2014	372.07	4/17/2013
Materials	299.50	0.30%	3.13%	1.90%	0.38%	0.38%	2.70%	304.94	4/4/2014	233.52	4/18/2013
Pharmaceuticals, Biotech & Life Sci	641.87	0.32%	3.00%	1.94%	-2.16%	-2.16%	2.82%	688.05	3/6/2014	509.10	6/24/2013
Insurance	277.51	0.43%	2.95%	1.77%	-0.92%	-0.92%	-4.01%	289.51	12/31/2013	222.77	4/18/2013
Semiconductors & Equipment	444.73	1.20%	2.83%	1.51%	-0.02%	-0.02%	5.25%	456.84	4/4/2014	334.02	4/19/2013
Media	417.75	0.49%	2.78%	1.34%	-0.96%	-0.96%	-2.90%	444.39	3/7/2014	330.89	4/18/2013
Consumer Durables & Apparel	271.50	0.15%	2.49%	1.14%	-1.49%	-1.49%	-4.76%	285.53	1/3/2014	228.58	4/18/2013
Food, Beverage & Tobacco	513.86	0.04%	2.40%	1.75%	1.65%	1.65%	1.24%	514.42	4/17/2014	466.32	8/29/2013
Retailing	867.55	0.12%	2.34%	0.80%	-2.52%	-2.52%	-7.69%	944.66	12/27/2013	724.68	4/18/2013
Software & Services	829.09	-1.34%	2.30%	0.88%	-2.22%	-2.22%	-0.52%	902.43	4/3/2014	664.52	4/19/2013
Real Estate	162.31	-0.32%	2.15%	1.44%	1.91%	1.91%	8.97%	177.55	5/22/2013	142.12	8/19/2013
Technology Hardware & Equipmen	588.58	0.92%	2.01%	1.22%	-0.44%	-0.44%	0.59%	603.09	4/3/2014	439.29	4/19/2013
Telecom Services	156.89	0.37%	1.92%	1.57%	1.62%	1.62%	0.88%	168.85	4/23/2013	143.28	2/3/2014
Household & Personal Products	514.30	0.02%	1.87%	1.17%	2.13%	2.13%	0.93%	530.20	11/26/2013	464.34	6/20/2013
Banks	213.97	-0.34%	1.65%	0.26%	-4.50%	-4.50%	2.28%	228.93	3/21/2014	165.24	4/18/2013
Food & Staples Retailing	323.39	0.24%	1.59%	1.44%	0.43%	0.43%	1.77%	327.03	4/4/2014	276.36	6/24/2013
Utilities	215.13	-1.16%	1.56%	1.45%	2.13%	2.13%	11.34%	218.10	4/17/2014	182.19	6/21/2013
Consumer Services	675.71	-0.52%	1.21%	0.36%	-1.43%	-1.43%	-1.42%	701.76	3/11/2014	589.20	4/19/2013
Health Care Equip & Services	587.54	-0.68%	0.37%	-0.79%	-3.89%	-3.89%	1.92%	621.96	4/4/2014	474.48	4/18/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

INTERNATIONAL ETFs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Japan EWJ	11.18	0.27%	3.52%	-1.32%	-1.32%	-7.90%	12.43	5/22/2013	10.36	6/6/2013
Indonesia IDX	25.85	0.31%	3.36%	2.82%	2.82%	21.59%	33.39	5/22/2013	20.06	1/7/2014
Thailand THD	76.11	0.65%	3.23%	4.69%	4.69%	10.87%	96.11	5/8/2013	61.94	1/3/2014
United States SPY	186.39	0.14%	2.69%	-0.33%	-0.33%	0.92%	189.70	4/4/2014	153.55	4/18/2013
Italy EWI	17.80	0.17%	2.36%	0.51%	0.51%	14.18%	18.02	4/4/2014	11.66	7/3/2013
United Kingdom EWU	20.90	0.63%	2.20%	1.51%	1.51%	0.10%	21.44	2/24/2014	17.55	6/24/2013
Russia RSX	23.99	6.06%	2.09%	0.00%	0.00%	-16.90%	30.25	10/22/2013	20.86	3/13/2014
Singapore EWS	13.55	0.30%	1.96%	3.75%	3.75%	2.89%	14.71	5/9/2013	11.94	2/3/2014
Spain EWP	41.19	-0.02%	1.93%	0.96%	0.96%	6.79%	41.98	4/7/2014	27.50	6/24/2013
Belgium EWK	17.38	0.75%	1.91%	0.12%	0.12%	6.04%	17.49	4/2/2014	13.37	7/3/2013
Mexico EWW	64.85	0.46%	1.73%	1.41%	1.41%	-4.63%	74.02	5/8/2013	57.57	6/21/2013
France EWQ	29.55	0.42%	1.67%	1.18%	1.18%	3.85%	29.78	4/9/2014	22.60	4/18/2013
Taiwan EWT	14.91	0.61%	1.50%	3.61%	3.61%	3.40%	14.95	4/17/2014	12.48	6/24/2013
Canada EWC	29.94	0.37%	1.49%	1.32%	1.32%	2.67%	30.25	4/9/2014	25.61	6/24/2013
Switzerland EWL	34.48	0.48%	1.45%	0.39%	0.39%	4.50%	34.67	4/10/2014	28.01	6/24/2013
Germany EWG	31.02	1.01%	1.41%	-1.05%	-1.05%	-2.33%	31.93	12/31/2013	23.66	4/18/2013
Israel EIS	52.67	0.42%	1.27%	-0.25%	-0.25%	8.78%	53.99	4/4/2014	41.19	8/28/2013
South Africa EZA	67.26	1.36%	1.17%	1.58%	1.58%	4.29%	69.07	10/22/2013	53.37	6/24/2013
Turkey TUR	52.64	2.00%	1.09%	8.13%	8.13%	10.45%	77.40	5/22/2013	40.03	2/3/2014
Greece GREK	23.43	3.26%	0.86%	-4.64%	-4.64%	3.99%	25.76	3/19/2014	14.10	6/24/2013
India IFN	22.40	1.31%	0.72%	-2.78%	-2.78%	12.00%	23.49	4/2/2014	16.16	8/28/2013
Malaysia EWM	15.80	0.03%	0.64%	0.96%	0.96%	-0.13%	16.81	5/8/2013	13.74	8/28/2013
Australia EWA	26.45	0.30%	0.61%	2.24%	2.24%	8.54%	28.12	4/30/2013	22.00	7/3/2013
Emerging Markets EE	42.01	0.91%	0.43%	2.44%	2.44%	0.51%	44.27	5/8/2013	36.16	6/24/2013
Sweden EWD	35.92	0.59%	0.36%	-1.91%	-1.91%	0.25%	37.11	4/1/2014	29.42	6/24/2013
South Korea EWY	63.69	-0.34%	0.33%	3.54%	3.54%	-1.52%	66.07	10/22/2013	49.56	6/24/2013
Latin America ILF	38.13	1.19%	0.29%	4.27%	4.27%	2.94%	44.15	5/8/2013	31.89	2/3/2014
Chile ECH	46.72	-0.26%	0.26%	2.57%	2.57%	-1.66%	64.59	5/3/2013	39.62	2/3/2014
Brazil EWZ	47.50	1.91%	0.23%	5.47%	5.47%	6.31%	56.18	5/8/2013	38.00	2/3/2014
Netherlands EWN	25.53	0.08%	0.00%	-2.26%	-2.26%	-1.54%	26.34	4/1/2014	20.34	6/24/2013
BRIC EEB	33.05	1.85%	-0.03%	1.94%	1.94%	-4.62%	37.70	10/22/2013	28.86	6/24/2013
Hong Kong EWH	20.98	0.29%	-0.24%	6.07%	6.07%	1.84%	21.30	4/14/2014	17.79	6/24/2013
Austria EWO	19.83	0.41%	-0.25%	-0.80%	-0.80%	0.10%	21.06	2/25/2014	16.10	7/3/2013
China 25 FXI	35.82	0.25%	-0.89%	0.11%	0.11%	-6.65%	40.32	12/2/2013	31.35	6/25/2013
Vietnam VNM	20.70	1.82%	-4.43%	-4.56%	-4.56%	10.16%	23.15	2/26/2014	17.00	8/28/2013

DATA QUOTED REPRESENTS PAST PERFORMANCE.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

INTERNATIONAL ETFs Standard Performance

	-----PRICE-----			-----NAV-----			Expense Ratio%	Premium % to NAV
	Price	1-Year	5-Year	10-Year	1-Year	5-Year		
Australia EWA	26.45	52.48			49.84		0.02	0.09
Austria EWO	19.83	48.31			44.16		-0.01	0.00
Belgium EWK	17.38	19.02			13.61		0.00	0.06
Brazil EWZ	47.50	-16.01			-18.19		0.05	0.06
BRIC EEB	33.05	-8.11			-10.52		0.02	-0.05
Canada EWC	29.94	-3.35			-11.14		0.01	0.03
Chile ECH	46.72	19.95			18.12		0.03	-0.02
China 25 FXI	35.82	15.60			15.60		0.00	-0.07
Emerging Markets EE	42.01	48.94			40.41		0.02	0.01
France EWQ	29.55	13.84			9.97		0.01	0.04
Germany EWG	31.02	16.83			14.02		-0.01	-0.02
Greece GREK	23.43	17.23			14.61		-0.05	0.04
Hong Kong EWH	20.98	2.12			0.44		0.06	0.02
India IFN	22.40	16.08			13.64		-0.03	0.12
Indonesia IDX	25.85	4.08			3.21		0.57	1.50
Israel EIS	52.67	11.92			10.49		0.00	0.09
Italy EWI	17.80	-22.56			-23.86		0.01	0.14
Japan EWJ	11.18	31.41			27.28		-0.01	-0.08
Latin America ILF	38.13	4.89			4.19		0.04	0.03
Malaysia EWM	15.80	0.14			0.28		0.01	0.00
Mexico EWW	64.85	21.52			17.19		0.01	-0.05
Netherlands EWN	25.53	22.59			19.39		-0.02	-0.02
Russia RSX	23.99	31.84			26.51		0.00	-0.17
Singapore EWS	13.55	26.36			23.47		0.04	0.03
South Africa EZA	67.26	4.61			1.38		0.02	0.04
South Korea EWY	63.69	-5.29			-8.80		0.04	-0.02
Spain EWP	41.19	-6.59			-10.18		0.01	0.07
Sweden EWD	35.92	-13.19			-15.64		-0.02	0.00
Switzerland EWL	34.48	13.42			9.58		0.00	0.05
Taiwan EWT	14.91	22.03			20.01		0.04	0.03
Thailand THD	76.11	3.20			-0.66		0.05	0.11
Turkey TUR	52.64	6.05			3.29		0.08	0.10
United Kingdom EWU	20.90	-24.66			-26.99		0.02	0.00
United States SPY	186.39	16.10			14.03		0.00	0.01
Vietnam VNM	20.70	33.25			28.60		-0.05	0.10

DATA QUOTED REPRESENTS PAST PERFORMANCE AND PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

BLANK SPACES INDICATE THE SECURITY HAS NOT TRADED FOR THAT FULL TIME PERIOD.

Commodities ETFs/ETNs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Grains GRU	6.65	-1.63%	2.62%	0.61%	0.61%	15.05%	7.09	6/3/2013	5.41	8/15/2013
Heating Oil UHN	33.86	-0.12%	2.39%	1.65%	1.65%	2.51%	34.91	8/29/2013	29.66	4/17/2013
Grains JIG	50.59	-0.47%	2.31%	0.30%	0.30%	17.30%	52.90	6/19/2013	42.02	1/9/2014
Natural Gas UNG	26.30	4.24%	2.18%	7.70%	7.70%	27.11%	27.89	2/24/2014	16.60	8/8/2013
Cotton BAL	57.05	-0.21%	1.51%	-1.96%	-1.96%	7.28%	60.44	3/26/2014	47.97	11/5/2013
OIL USO	37.66	0.48%	1.29%	2.92%	2.92%	6.63%	39.54	9/6/2013	30.79	4/17/2013
Timber CUT	24.53	0.33%	1.20%	-3.08%	-3.08%	-5.29%	26.45	3/6/2014	20.70	6/24/2013
Coal KOL	18.81	0.27%	0.97%	1.73%	1.73%	-3.24%	22.23	5/21/2013	17.16	6/24/2013
Tin JTT	53.43	0.00%	0.79%	3.74%	3.74%	0.41%	57.05	12/27/2013	41.89	7/2/2013
Cocoa NIB	39.55	1.33%	0.71%	1.93%	1.93%	10.48%	40.25	4/9/2014	28.38	6/28/2013
Livestock COW	31.10	0.23%	0.68%	-2.23%	-2.23%	14.59%	32.90	3/19/2014	25.41	5/17/2013
Copper JJC	37.03	0.57%	0.16%	0.63%	0.63%	-10.66%	42.40	5/22/2013	34.89	3/19/2014
Coffee JO	39.87	6.26%	-0.27%	13.65%	13.65%	83.73%	41.98	3/12/2014	20.37	11/6/2013
Sugar SGG	55.27	-2.00%	-0.52%	-6.24%	-6.24%	-0.40%	66.46	10/18/2013	49.25	1/29/2014
Corn CORN	34.12	-0.81%	-1.07%	-1.56%	-1.56%	11.58%	43.00	5/30/2013	29.50	1/10/2014
Palladium PALL	77.40	-0.82%	-1.20%	2.46%	2.46%	11.17%	79.58	4/14/2014	61.81	6/26/2013
Silver SLV	18.88	0.00%	-1.62%	-0.84%	-0.84%	0.91%	23.84	8/27/2013	17.75	6/27/2013
Gold GLD	124.75	-0.63%	-1.72%	0.92%	0.92%	7.43%	143.43	4/26/2013	114.46	12/31/2013
Aluminum JJU	18.95	-2.77%	-2.55%	4.81%	4.81%	1.66%	22.60	4/22/2013	17.10	3/17/2014
Platinum PPLT	137.56	-1.76%	-2.98%	-0.41%	-0.41%	2.74%	152.47	5/3/2013	127.34	6/26/2013

DATA QUOTED REPRESENTS PAST PERFORMANCE.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Commodity ETFs/ETNs Standard Performance

	Price	-----PRICE % Change-----			-----NAV % Change-----			Expense	Premium
		1-Year	5-Year	10-Year	1-Year	5-Year	10-Year	Ratio%	% to NAV
Aluminum JJU	18.95	-10.24	-3.03		-12.14	-2.78		0.75	2.19
Coal KOL	18.81	-8.28	4.15		-10.93	3.45		0.59	0.23
Cocoa NIB	39.55	27.46	1.17		25.06	0.98		0.75	0.21
Coffee JO	39.87	36.35	2.98		26.32	1.18		0.75	0.95
Copper JJC	37.03	-6.30	3.85		-10.85	3.89		0.75	0.25
Corn CORN	34.12	-16.31			-15.33			1.49	-0.10
Cotton BAL	57.05	4.78	14.69		6.26	15.27		0.75	-0.07
Gold GLD	124.75	-6.11	7.91		-6.07	7.70		0.40	0.13
Grains GRU	6.65	-1.00	2.81					0.75	
Grains JIG	50.59	1.79	5.08		2.21	4.86		0.75	0.00
Heating Oil UHN	33.86	13.78	9.40		11.59	9.53		0.91	-0.39
Livestock COW	31.10	19.71	-0.41		21.23	-0.46		0.75	-0.29
Natural Gas UNG	26.30	15.00	-26.22		11.37	-26.31		0.60	0.07
OIL USO	37.66	21.44	5.04		18.05	5.07		0.45	0.04
Palladium PALL	77.40	19.44			16.77			0.60	0.09
Platinum PPLT	137.56	-1.52			-0.88			0.60	-0.37
Silver SLV	18.88	-15.86	10.08		-16.90	8.61		0.50	0.22
Sugar SGG	55.27	-12.64	4.61		-11.94	5.44		0.75	0.08
Timber CUT	24.53	14.58	19.45		11.53	19.16		0.70	0.06
Tin JYT	53.43	16.44			10.33	15.09		0.75	0.58

**DATA QUOTED REPRESENTS PAST PERFORMANCE AND PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.
BLANK SPACES INDICATE THE SECURITY HAS NOT TRADED FOR THAT FULL TIME PERIOD.**

Kaufman Report Legend

4-Week Closing Highs – The number of stocks in the S&P 1500 index that closed at the highest daily closing price of the last four weeks.

4-Week Closing Lows - The number of stocks in the S&P 1500 index that closed at the lowest daily closing price of the last four weeks.

10-Sma 4-Week Closing Highs - The 10-day simple moving average of 4-week closing price highs.

10-Sma 4-Week Closing Lows - The 10-day simple moving average of 4-week closing price lows.

10-Sma 13-Week Closing Highs – The 10-day simple moving average of 13-week closing price highs.

10-Sma 13-Week Closing Lows – The 10-day simple moving average of 13-week closing price lows.

13-Week Closing Highs - The number of stocks in the S&P 1500 index that closed at the highest daily closing price of the last thirteen weeks.

13-Week Closing Lows - The number of stocks in the S&P 1500 index that closed at the lowest daily closing price of the last thirteen weeks.

Advance Percentage - The percentage of stocks in the S&P 1500 that closed higher on the day.

Advance Decline Line – The cumulative total of daily net advances minus declines.

Bearish Engulfing Candle - a two candle pattern that occurs after an uptrend. The second candle is down and the close is lower than the open such that the real body of the second candle completely engulfs the real body of the first candle. Considered bearish because it shows a potential reversal of trend and they are frequently seen at tops.

Bullish Engulfing Candle - a two candle pattern that occurs after a downtrend. The second candle is up and the close is higher than the open such that the real body of the second candle completely engulfs the real body of the first candle. Considered bullish because it shows a potential reversal of trend and they are frequently seen at bottoms.

Candle – the name given to the pattern created during a single time increment in Japanese candlestick charting. Candles can apply to any time frame such as minutes, hours, days, weeks, months, etc. Candles are made up of an opening price, a closing price, a high and a low. The candle also has a real body, which is the fat area between the open and the close, and shadows or wicks, which are the thin lines above or below the real body that show the high or low for the candle. When price closes higher than the open the candle is white, or not filled in. When price closes below the open, the candle is dark, or filled in.

Channel lines - parallel trend lines that form the borders of a trading range. Channels can be ascending, descending, or sideways. The top trend line is considered to be price resistance, while the bottom trend line is considered to be support.

Close - the last price of trading during the session. On a daily chart where each candle represents one day the close is the last price of the day. On a weekly chart it is the last price of the week, etc.

Confirmation – when an indicator gives the same or similar interpretation to price or to another indicator. For example, in Dow Theory if the Industrials make a new high but the Transports do not that is considered non-confirmation.

Doji - a candle where the opening price and the closing price are the same or very nearly the same. Doji are considered to show indecision on the part of investors and are frequently seen at turning points.

Dow Theory - a theory about stock movement based on the writings of the first editor of the Wall Street Journal, Charles Dow. Perhaps the most widely used aspect of Dow Theory is the belief that the Industrial and Transportation Averages had to confirm each other. If one made a new high the other needed to confirm it by also making a new high. If not, there is what technicians call “non-confirmation.” This is a simple and appealing theory because if companies manufacture products they also need to ship them. Dow Theory is considered to be an intermediate-term system, not a short-term trading system.

Earnings yield - the theoretical yield of a stock based on the inverse of its P/E ratio. For example, a \$20 stock that earns \$1 per share has a P/E ratio of 20. If you take the \$1 and divide it by 20 that equals 5%, which is the earnings yield. A \$20 stock earning \$2 would have a P/E of 10, and an earnings yield of 10%. Also known as equity yield.

Equity Yield - same as earnings yield.

EPS - Earnings Per Share.

EPS Cont Ops – Earnings per share from continuing operations

Est EPS – Estimated earnings per share

EMA - Exponential Moving Average – A moving average that gives more weight to recent prices in an attempt to reduce the lag inherent in simple moving averages.

Fibonacci - a numerical sequence named after Leonardo Fibonacci. The sequence begins with “0” and “1”, then takes a number and adds it to the number just before it in the sequence to arrive at the number that will come after. The sequence goes 0,1,1,2,3,5,8,13,21,34,55,89,144,233,377, etc. The ratios created by dividing one of the numbers with its preceding or following number are used for measuring retracements or for making projections. Interestingly, the ratios created beginning with the number eight are all about 0.618 or 1.618. This is what is known as the “golden ratio.”

Gap – a price zone on a chart where no trades were executed, resulting in an open space, or “gap” from one price to the next.

H – an abbreviation for “Head” on a head & shoulders pattern.

Hammer - the name given to a single candle that looks like a hammer and has significance due to it appearing at the end of a downtrend. An easy mnemonic is to think the market is “hammering out a bottom.” The exact same candle appearing during an uptrend is NOT called a hammer. In that case it would either be insignificant or it would possibly be a “hanging man” candle.

Hanging Man - a potentially bearish candle appearing in an uptrend. It has the shape of a hammer but is not a hammer because a hammer is a bottoming candle and needs to come during a downtrend. The hanging man requires confirmation from the next candle to confirm the bearish interpretation.

Head and Shoulders – possibly the most famous pattern in technical analysis. It is a bearish topping pattern comprised of at least one left shoulder, which is a short-term peak in price, the head, which is also a peak but

which is higher than the left shoulder, and the right shoulder, which is a third short-term peak in price and which is also lower than the head. A trend line called the “neckline” can be drawn across the areas where support was found during the formation of the peaks. A break of the neckline of a regular head and shoulders pattern has bearish implications. There is also an inverted, or inverse head and shoulders pattern, which is a bullish bottoming pattern. In this case the left shoulder is support during a move lower, the head is support that is even lower than the left shoulder, and the right shoulder is support that is higher than the head. The neckline in this case is drawn across the resistance levels that were created during the formation of the support levels. A break of the neckline has bullish implications.

High – the highest price where trading took place during the session.

High Wave Candle - a candle with very long upper and lower shadows.

Horizontal lines - lines drawn on charts to show support or resistance levels. On momentum indicators they are used to define overbought or oversold zones.

Island Reversal – a chart pattern where there is a gap up or down, a period of trading, then another gap in the opposite direction of the first gap. The two gaps create the boundaries of the “island.” The island can be one or more candles. Island reversals come after an up or downtrend and are considered to be reversal signals.

Kaufman Options Indicator – a proprietary indicator consisting of multiple moving averages of call and put option buying. It is a sentiment indicator so it has a contrarian interpretation. Extreme optimism is bearish, and extreme pessimism is bullish.

Low - the lowest price traded during the defined session.

LS – an abbreviation for “left shoulder” on a head & shoulders pattern.

MACD - Moving Average Convergence Divergence – A momentum indicator created by Gerald Appel. It is comprised of three moving average signal lines, only two of which are seen. These can be user defined. Unlike the stochastic oscillator and the RSI the MACD does not have boundaries. Its most basic use is as an indicator of trends as opposed to readings of overbought or oversold like the stochastic and RSI.

Measured Move - a price move on a chart that has three sections, or “legs”, and in which the first and third legs, which move in the same direction, are of approximately the same size.

Moving Average – The average price of something over a given period of time. For example a 10-day simple moving average is the sum of the last ten days closing price divided by ten.

Neckline - a line drawn the top or bottom of a head & shoulders pattern connecting support levels. On an inverted head and shoulders pattern the line connects resistance levels. The line can be ascending, descending, or horizontal. Drawing a vertical line from the head to the neckline and adding that same length to the other side of the neckline where a breakout or breakdown occurs creates the technical target price.

Negative divergence - when an indicator fails to confirm price or another indicator, that is considered a negative divergence. For example, when an index makes a new high but the number of stocks in the index also making a new high is much fewer than at previous highs for the index, that is a negative divergence.

OHLC – Numbers at the top of price charts reflecting the opening price, high price, low price, closing price, and price change, in that order.

Open - the first price trading occurred during a session.

PE Cont Ops – PE ratio from continuing operations

PE Ratio - possibly the most common way of valuing a stock. It is the price per share divided by the earnings per share. For example, a \$20 stock with earnings of \$1 per share would have a P/E ratio of 20.

FPE – Forward PE, or the PE derived from earnings projections.

PE TNX Spread Percentage – The difference between the equity yield derived from the PE ratio and the 10-year note yield expressed as a percentage.

FPE TNX Spread Percentage – The difference between the FPE (forward PE ratio) equity yield derived from the FPE ratio and the 10-year note yield expressed as a percentage.

Percentage Over 10-Sma – The percentage of stocks in the S&P 1500 that are currently above their own 10-day simple moving average.

Percentage Over 20-Sma – The percentage of stocks in the S&P 1500 that are currently above their own 20-day simple moving average

Percentage Over 50-Sma – The percentage of stocks in the S&P 1500 that are currently above their own 50-day simple moving average.

Percentage Over 200-Sma – The percentage of stocks in the S&P 1500 that are currently above their own 200-day simple moving average.

Price Channel - parallel trend lines that form the borders of a trading range. Channels can be ascending, descending, or sideways. The top trend line is considered to be price resistance, while the bottom trend line is considered to be support.

Price Oscillator – The difference between two moving averages.

Real Body - the fat part of a candle that is between the opening price and the closing price. It does not include the thin lines above and below the real body, which are known as shadows, or wicks.

Relative Strength Index – A momentum oscillator developed by J. Welles Wilder. It compares the strength of losses versus the strength of gains for a period of time defined by the user. The most common is fourteen periods. The RSI can only travel between zero and one-hundred, so there can be times when it flat lines against the boundary. Its most basic use is as an overbought or oversold indicator.

Resistance – an area on a chart where demand (buying) weakened, prices had trouble continuing to go higher, and supply (selling) strengthened, sending prices lower. Can be a particular price or a price zone. A stock moving up may have trouble when it reaches an area of resistance. Resistance points and resistance zones can be notated by trend lines. These trend lines can be sloping up, down, or they can be horizontal. Resistance can frequently be seen in the form of moving averages. In this case it may be theoretical if price has not stopped rising at that same level previously.

RS – the abbreviation for “right shoulder” on the chart of a head & shoulders pattern.

Shadow - shadows are lines that are part of a candle and are on the top or bottom of a real body. The upper shadow top is the high of the session, while the lower shadow bottom is the low of the session. Also called a wick.

SMA – Simple Moving Average - The average price of something over a given period of time. For example a 10-day simple moving average is the sum of the last ten days closing price divided by ten. A 50-day simple moving average (sma) is the sum of the last fifty days closing price divided by fifty.

Spinning Top – a candle with a small real body. Shows indecision, or the tug-of-war between buyers and sellers.

Stochastic Oscillator – Developed by George Lane and based on the observation that in up trends prices tend to close in the upper part of their range while in down trends they close in the lower part of the range. The range can be user defined. The stochastic can only travel between zero and one-hundred, so there can be times when it flat lines against the boundary. Its most basic use is as overbought or oversold indicator.

Support - an area on a chart where supply (selling) weakened, prices had trouble continuing to go lower, and demand strengthened, sending prices higher. Can be a particular price or a price zone. A stock moving down may have trouble going lower when it reaches an area of support. Support points and support zones can be notated by trend lines. These trend lines can be sloping up, down, or they can be horizontal. Support can frequently be seen in the form of moving averages. In this case it may be theoretical if price has not stopped dropping at that same level previously.

Thrust DMA – The 10-day simple moving average of the daily percentage of advancing stocks on the S&P 1500.

TNX – The 10-year note yield.

Trend Lines – lines drawn on charts to show support or resistance levels.

Triangle - a chart pattern that forms the shape of a triangle. Can be ascending, descending, or symmetrical.

Vertical lines – seen on charts to designate different time zones. Also used as a visual aid to line up important points on price charts with their corresponding point on technical indicators.

Wedge - a chart pattern that looks like a triangle but where the top and bottom borders each slope in the same direction. In a bearish wedge each border slopes up. In a bullish wedge each border slopes down.

Wick - see shadow.