

Monday April 28, 2014

Closing prices April 24, 2014

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Monday April 28, 2014

Closing prices of April 24, 2014

**Stocks dropped last week with most of the damage coming on Friday as some high profile companies had disappointing reports and the situation in Ukraine spooked investors.** The result was most major indexes going from positive on the week to negative after Friday's plunge. The leader was the Nasdaq 100, down only 0.04% on the week after losing 1.61% Friday, followed by the S&P 500, down 0.08% after Friday's loss of 0.81%. The biggest loss on the week was quarter-to-date and year-to-date leading loser Russell 2000 (small caps) with a loss on the week of 1.14%. We have said many times we like to see small caps leading the upside, not the downside, because it reflects the willingness of investors to assume risk, and liquidity in the market.

**Four of the ten S&P sectors rose last week.** The gainers were year-to-date leader Utilities, up 1.80%, Health Care, up 0.81%, Energy, up 0.37%, and Consumer Staples, up 0.20%. The downside was led by Telecom Services, down 3.58%, Materials, down 0.74%, and Consumer Discretionary, down 0.51%.

**Eleven of the twenty-four S&P industry groups traded higher last week.** The leaders were Technology Hardware & Equipment, up 2.72%, Utilities, up 1.80%, and Pharmaceuticals, Biotech, and Life Science, up 1.47%. The laggards were Telecom Services, down 3.58%, Software & Services, down 2.05%, Retailing, down 1.46%, and Semiconductors & Equipment, down 1.35%.

**Last week we said we had seen multiple short-term buy signals during the prior week, and that the low visibility environment was changing to give investors more clarity.** We also said we still had some indicators that were negative, and we would be watching for an all-clear signal. The week started with some positive follow through, but unfortunately Tuesday was the high for the week. The good news was that Tuesday the S&P 1500 printed a new Advance Decline line high, which is a positive that points to higher prices for the index in the future. Unfortunately, we still have some negative indicators so we did not get the all-clear signal yet. For example, the 10-day average of advancing stocks remains below 50%, at 48.6%. We also continue to have a negative situation regarding the 10-day averages of stocks making 4-week closing lows versus 4-week closing highs. As we said last week, a healthy market obviously has a greater number of new highs than lows.

**In the short-term stocks are not oversold, and investors are no longer overbearish.** The percentage of stocks in the S&P 1500 over their own 10-day moving averages rallied to 80.0% Tuesday, the edge of the overbought zone. Thereafter it dropped to its current reading of 43.4%. Unfortunately our proprietary options indicator is no longer showing any pessimism as it sits at 1.025, a level showing slight optimism on the part of options buyers. Two weeks ago it was at 0.831, a pessimistic level very supportive of stock prices. Last week we said 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 30<sup>th</sup> through May 5<sup>th</sup>. Earnings season is now about halfway complete, and while a high percentage of companies are beating estimates so far, on the whole it is shaping up to be a lackluster quarter. One problem is that aggregate forecasts continue to languish, and the spread between aggregate reported numbers and estimates is around the levels of September 2012, a time equities ran into trouble. If the balance of earnings season doesn't show improvement, stocks may be in for a difficult period. The period of strong seasonality just ahead of us should give us a good indication of investor demand. A lack of improvement here too will probably be a red flag.

**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.**

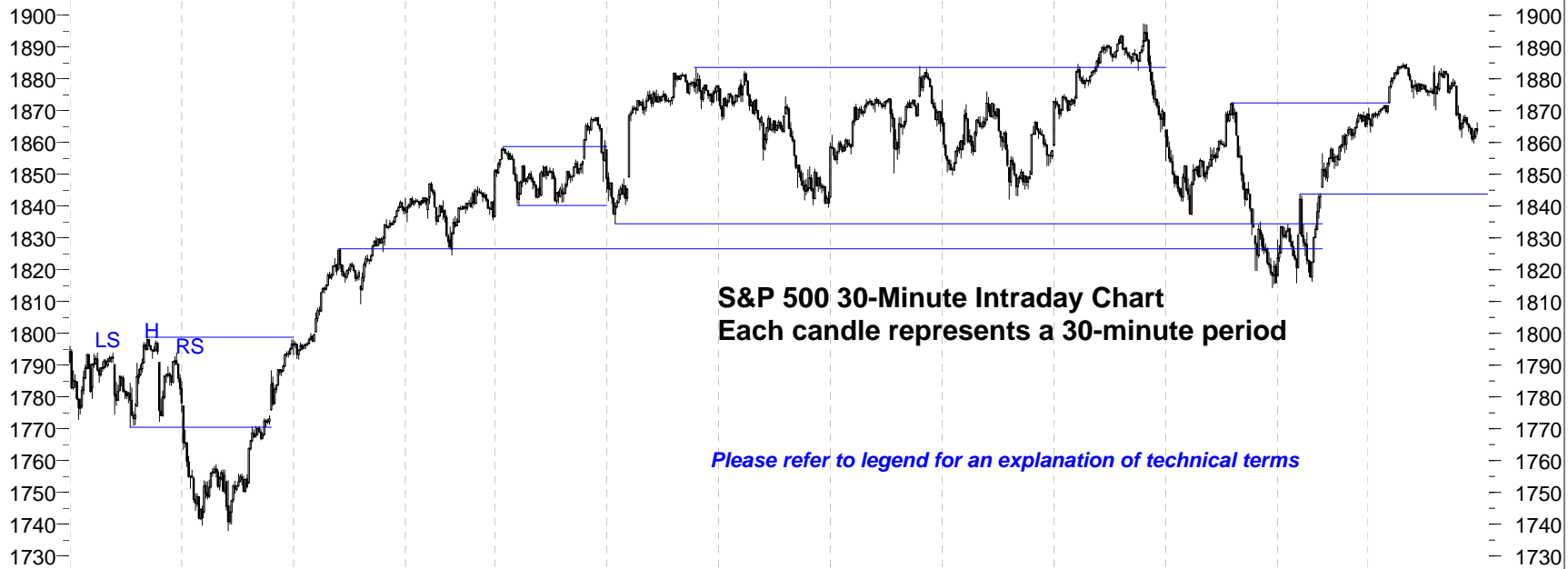
**So far 241 of the S&P 500 have reported first quarter earnings.** 70.5% have beaten estimates, 10.0% were in line, and 19.5% missed. Last quarter after 250 had reported 71.6% beat estimates, 11.6% were in line, and 16.8% missed. The final tally for the fourth quarter was 67.2% beat, 12.9% were in line, 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 remain at an inflection point as we see if the remaining technical negatives can be erased and if forecasts for earnings improve. 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 (1,864.28, 1,866.19, 1,862.63, 1,863.58, -0.68)

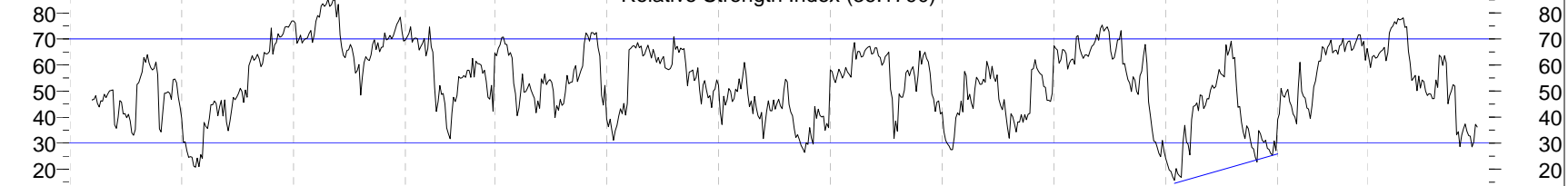


**S&P 500 30-Minute Intraday Chart**  
Each candle represents a 30-minute period

*Please refer to legend for an explanation of technical terms*

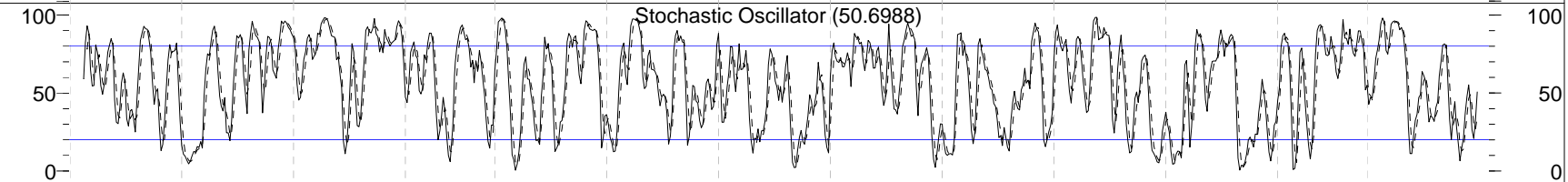
The S&P 500 remains in a sideways range for the last two months on its 30-minute chart, in spite of a failed breakout and a failed breakdown.

Relative Strength Index (36.1790)

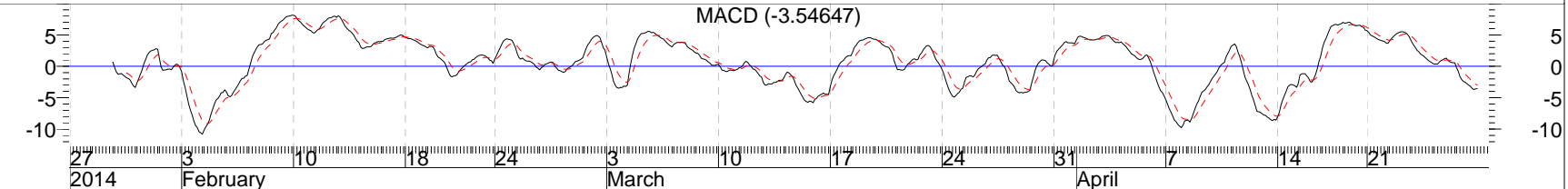


30-minute momentum is slightly positive.

Stochastic Oscillator (50.6988)



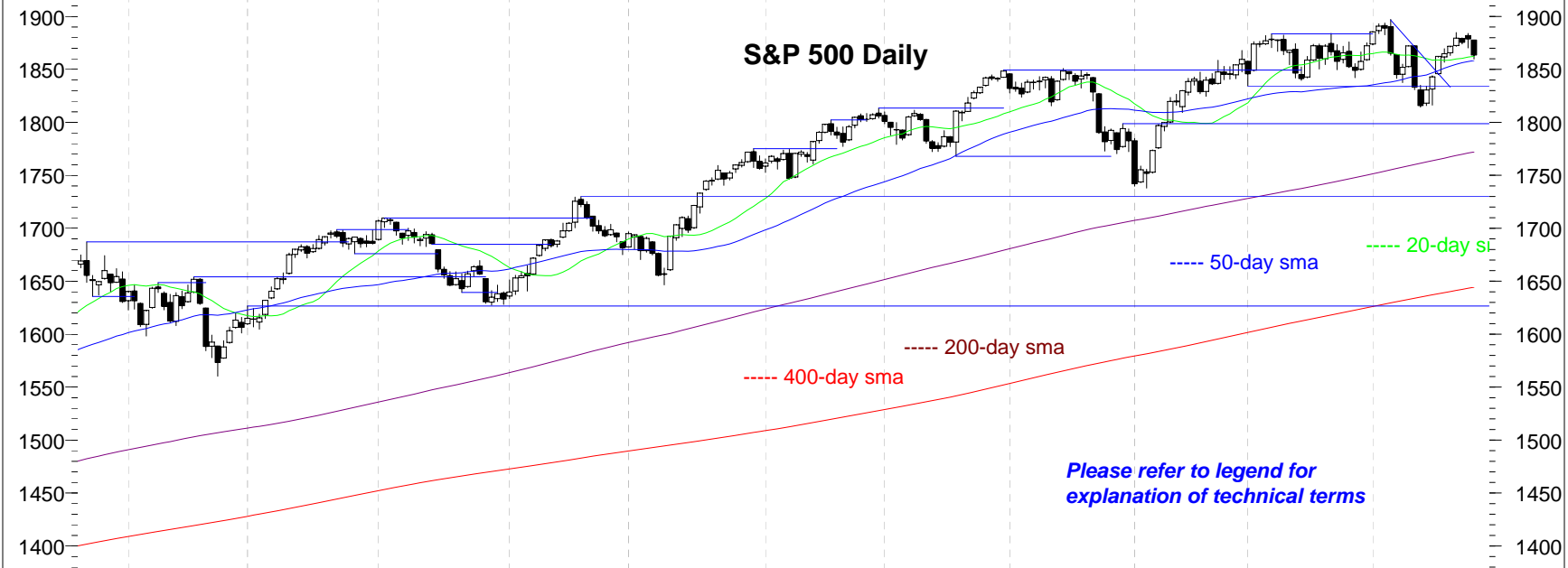
MACD (-3.54647)



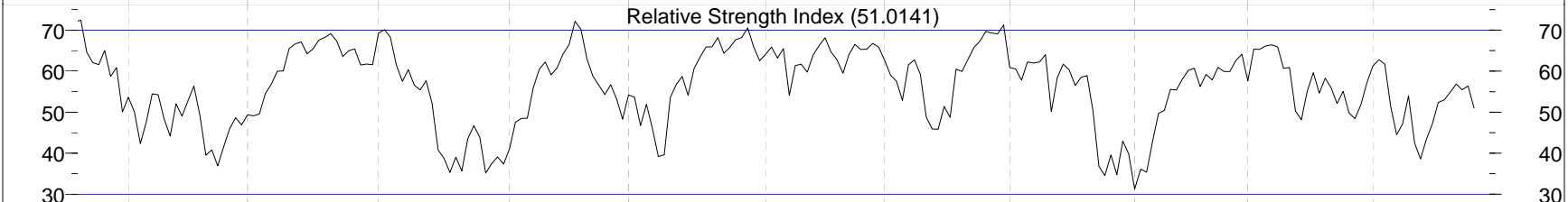
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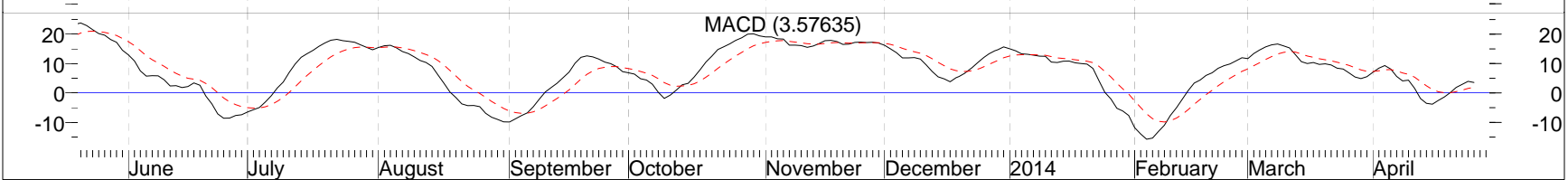
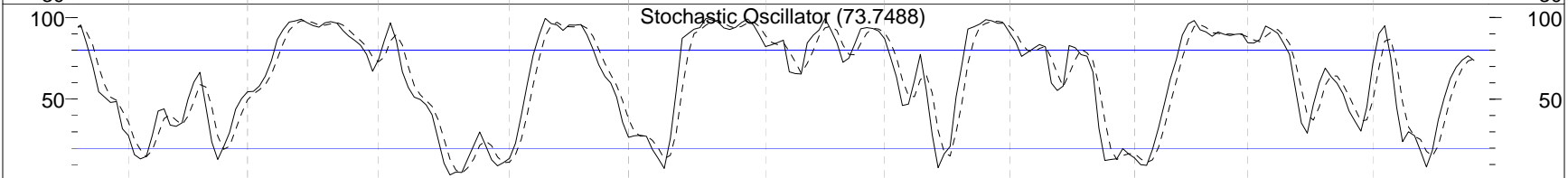
S&P 500 INDEX (1,877.72, 1,877.72, 1,859.70, 1,863.40, -15.21)



The S&P 500 is just above its 20 and 50-day sma. It is only 1.82% from a new high.



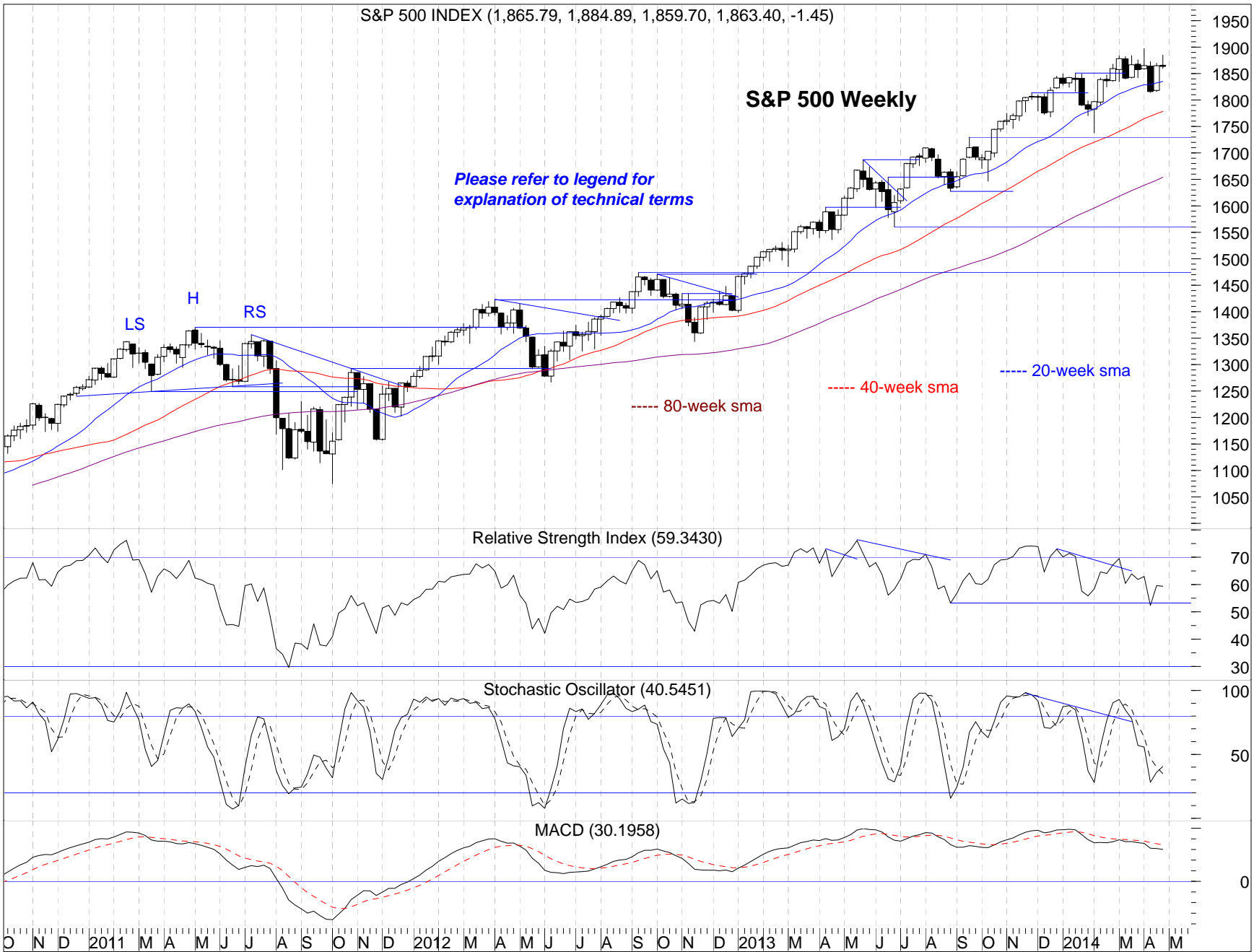
Daily momentum is slightly negative.



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S&P 500 INDEX (1,865.79, 1,884.89, 1,859.70, 1,863.40, -1.45)



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 (59.3430)

Stochastic Oscillator (40.5451)

MACD (30.1958)

The S&P 500 has been in a sideways range for two months. It is only up 0.81% for 2014.

Monthly momentum is mixed.

4/26/2014

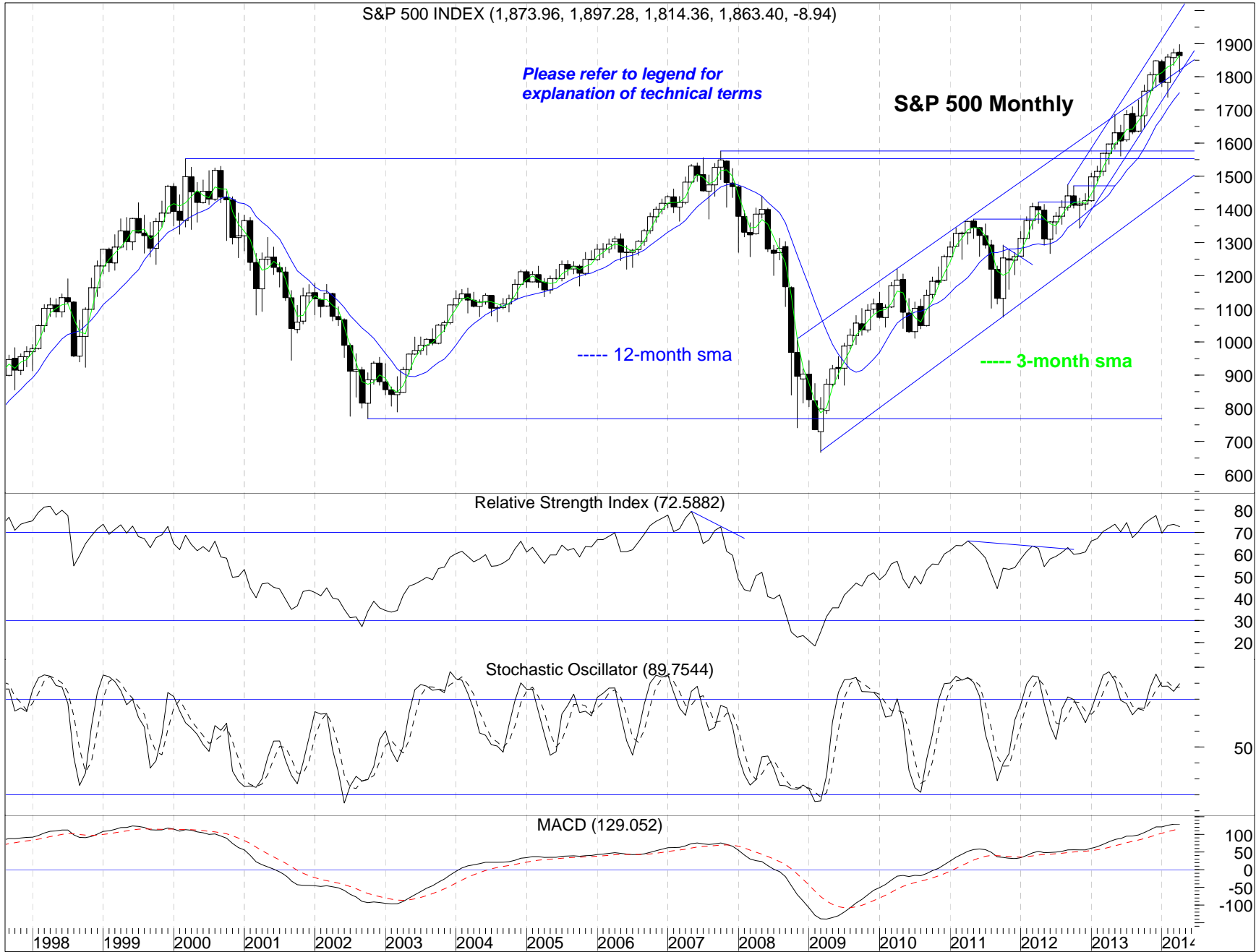
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S&P 500 INDEX (1,873.96, 1,897.28, 1,814.36, 1,863.40, -8.94)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

The S&P 500 remains in its ascending price channel on its monthly chart.



Monthly momentum is mostly positive but at high or overbought levels.

4/26/2014

NASDAQ 100 (3,569.92, 3,573.95, 3,525.60, 3,533.09, -57.93)

### Nasdaq 100 Daily

*Please refer to legend for explanation of technical terms*

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

After rebounding close to its 50-day sma the Nasdaq 100 dropped back under its 20-sma.

Relative Strength Index (45.8460)

Stochastic Oscillator (61.7778)

MACD (-17.7320)

Daily momentum is slightly negative.

9 5 12 19 26 3 9 16 23 30 7 14 21 28 4 11 18 25 2 9 16 23 30 6 13 21 27 3 10 18 24 3 10 17 24 31 7 14 21 28  
 August September October November December 2014 February March April

4/26/2014

NASDAQ 100 (3,543.65, 3,613.20, 3,525.59, 3,533.09, -1.44)

### Nasdaq 100 Weekly

*Please refer to legend for explanation of technical terms*

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

The Nasdaq 100 remains below its 20-week sma.

Relative Strength Index (53.3292)

Stochastic Oscillator (28.8844)

MACD (56.4759)

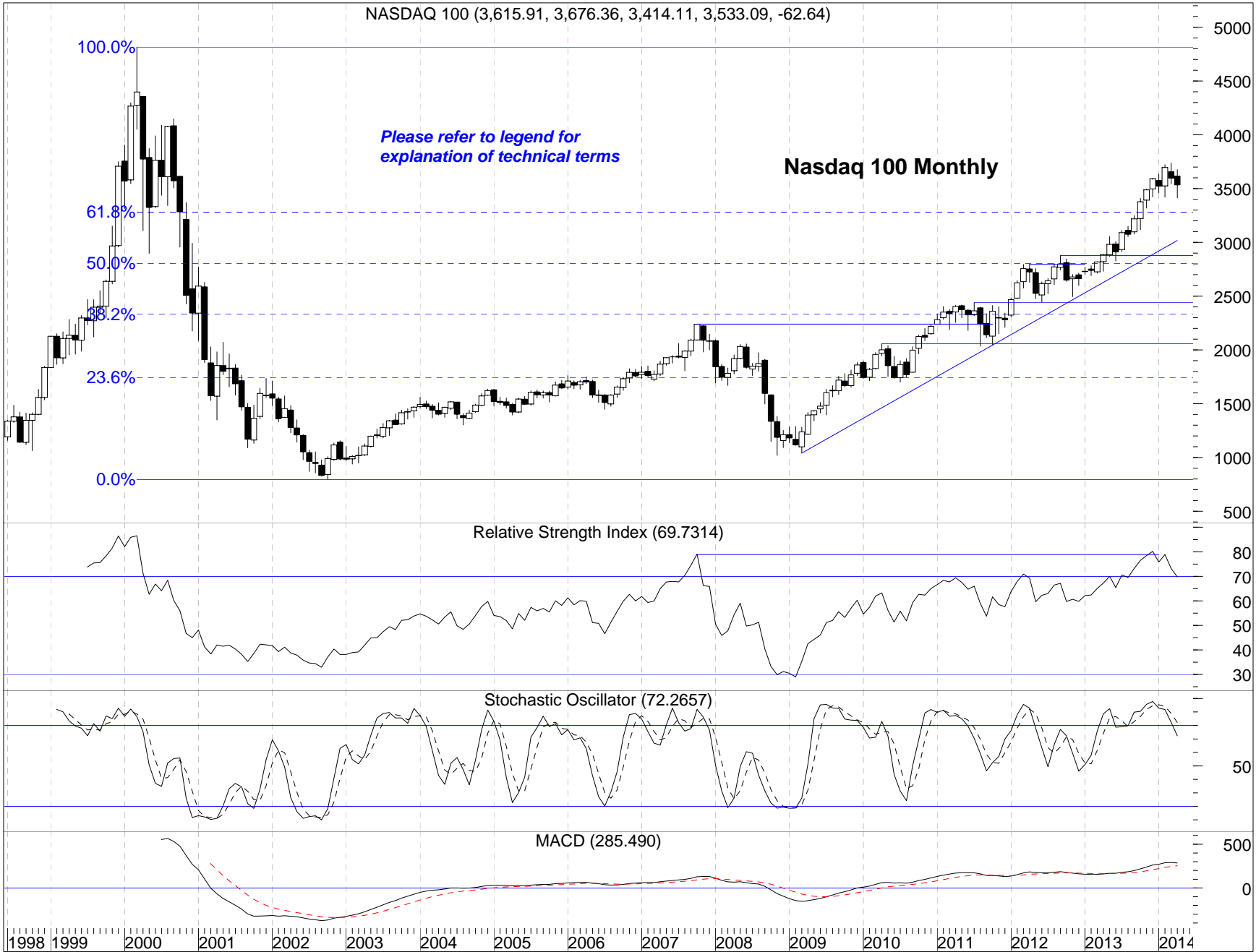
Weekly momentum is mixed but the stochastic has turned positive from an oversold level.

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

4/26/2014



NASDAQ 100 (3,615.91, 3,676.36, 3,414.11, 3,533.09, -62.64)



*Please refer to legend for explanation of technical terms*

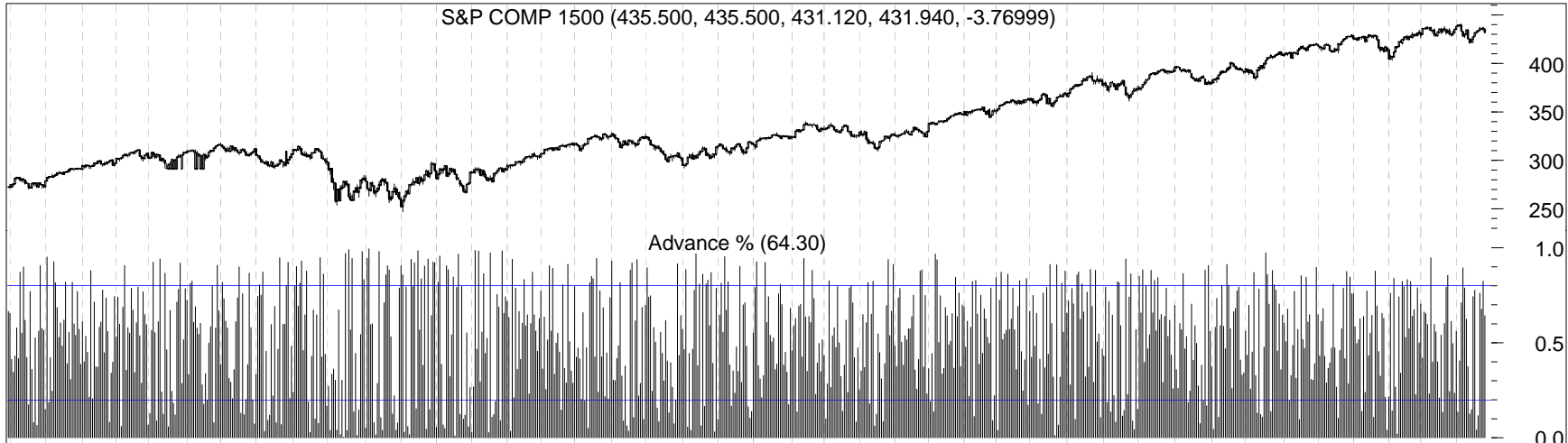
### Nasdaq 100 Monthly

The Nazsdaq 100 is threatening to have back-to-back losing months for the first time since May 2012. There hasn't been three negative months in a row since November 2008.

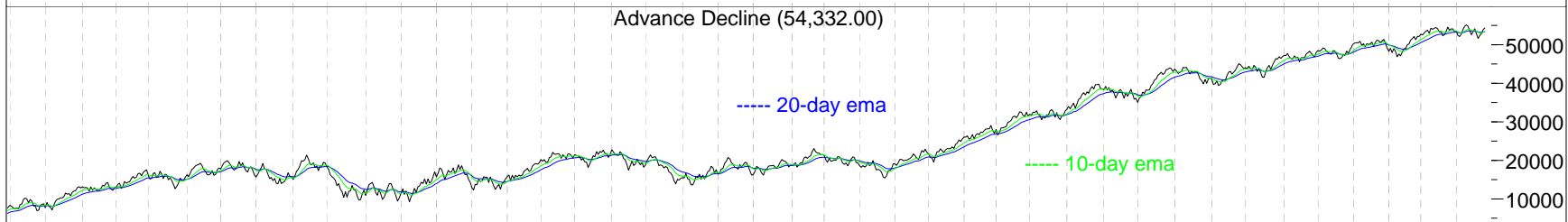
Monthly momentum is mostly negative.

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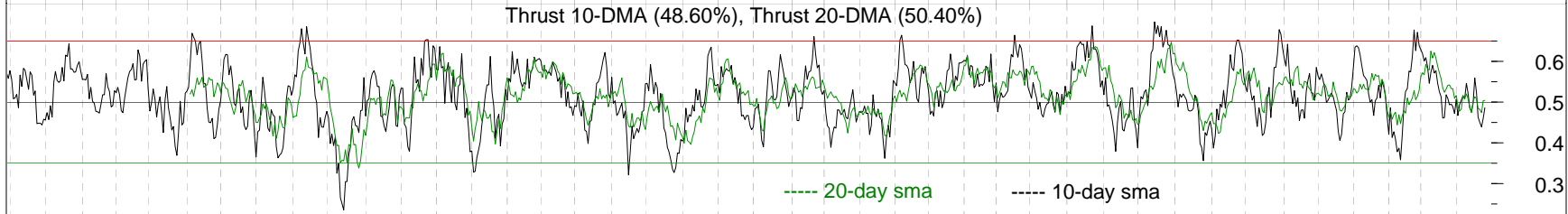
S&P COMP 1500 (435.500, 435.500, 431.120, 431.940, -3.76999)



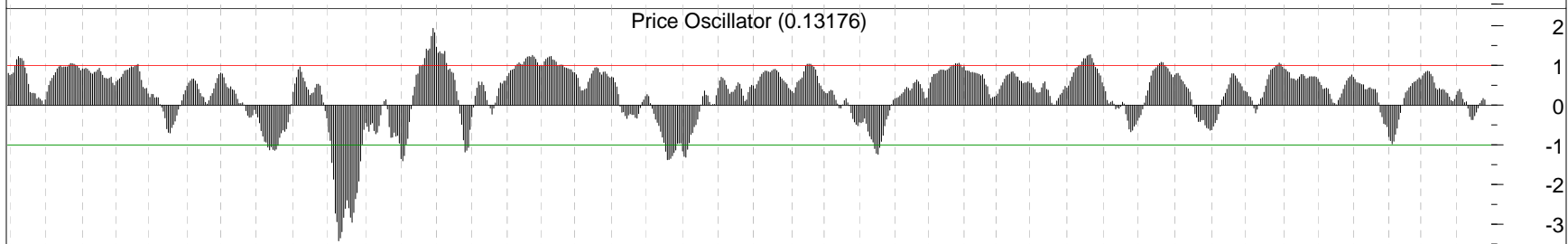
64.3% of stocks advanced Friday. The 5-day average is 46.6%.



The AD line is back over its 10 and 20-ema. It made a new high on 4/22, pointing to higher prices for stocks in the future.



The 20-day average of advancers is slightly positive while the 10-day average remains negative.



Our price oscillator, a good indicator of trends, is back in positive territory.

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

4/26/2014

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S&P COMP 1500 (435.500, 435.500, 431.120, 431.940, -3.76999)

Please refer to legend for explanation of technical terms

% Over 10-Sma (43.40)

Kaufman Options Indicator (1.025)

4-Week Closing Highs (94), 4-Week Closing Lows (339)

10-SMA 4-Week Closing Highs (129.6), 10-SMA 4-Week Closing Lows (195.5)

13-Week Closing Highs (75), 13-Week Closing Lows (123)

10-sma 13-Week Highs (86.10), 10-sma 13-Week Lows (64.00)

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

4/26/2014

400  
350  
300  
250  
1.0  
0.5  
0.0  
1.2  
1.1  
1.0  
0.9  
0.8  
1000  
500  
0  
500  
400  
300  
200  
100  
0  
1000  
500  
0  
500  
400  
300  
200  
100  
0

After hitting the 80% level on 4/22 the percent over 10-sma is down to 43.4%.

Our proprietary options indicator has gone from extreme pessimism, which we like to see, to slight optimism.

Four-week closing price lows continue to be greater than four-week closing highs.

The 10-day average of closing highs remains slightly above its counterpart of closing lows.

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S&P COMP 1500 (435.500, 435.500, 431.120, 431.940, -3.76999)

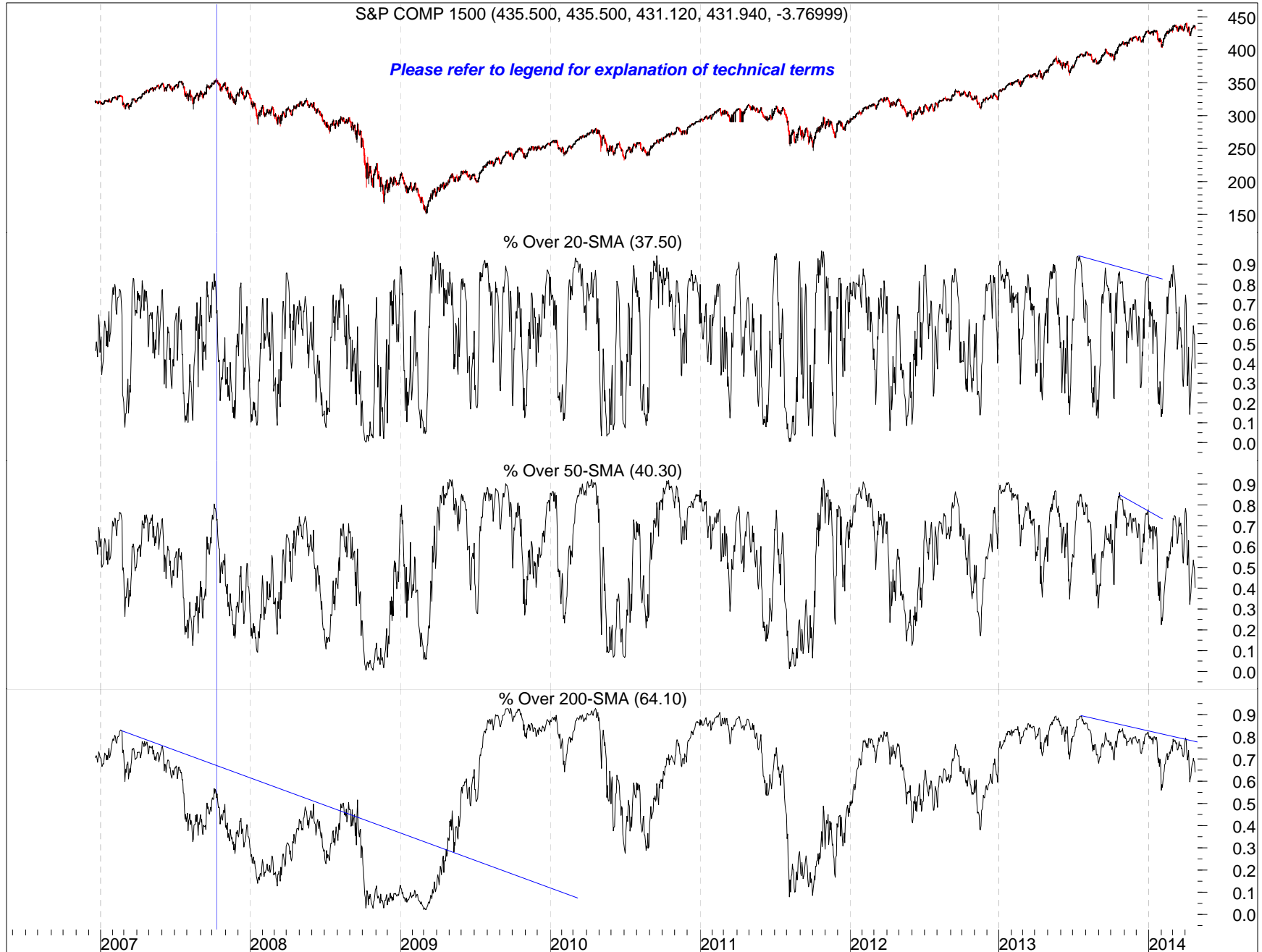
*Please refer to legend for explanation of technical terms*

% Over 20-SMA (37.50)

% Over 50-SMA (40.30)

% Over 200-SMA (64.10)

In spite of the S&P 1500 being less than 2% below its all-time high the percentages over important moving averages is deteriorating. This shows the increasing selectivity among investors.



4/26/2014

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S&P COMP 1500 (435.500, 435.500, 431.120, 431.940, -3.76999)

Please refer to legend for explanation of technical terms

10 Y TSY YLD NDX (26.6600, 26.7900, 26.4400, 26.6600, -0.22000)

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

PE Cont Ops (17.63)

FPE (16.19)

PE TNX Spread % (98.78)

FPE TNX Spread % (131.68)

EPS (22.88), EPS Cont Ops (24.50), Est EPS (26.68)

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

4/26/2014

P/E ratios remain near their multi-year highs.

Spreads between equity and bond yields remain in a tight sideways range since July 2013.

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.

10 Y TSY YLD NDX (26.66, 26.79, 26.44, 26.66, -0.22)

### 10-Year Note Yield Daily

Please refer to legend for explanation of technical terms



The 10-year note yield is below its important moving averages but is essentially in a sideways range since January.

Daily momentum is mostly negative.

4/26/2014

10 Y TSY YLD NDX (27.22, 27.48, 26.44, 26.66, -0.55)

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

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

Relative Strength Index (48.3438)

Stochastic Oscillator (33.1200)

MACD (0.07412)

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 M

4/26/2014

The 10-year note is below its 10 and 40-week sma but essentially sideways on its weekly chart.

Weekly momentum is mostly negative.

US DOLLAR INDEX (79.7490, 79.8000, 79.6620, 79.7490, -0.05000)

### U.S. Dollar Index Daily

*Please refer to legend for explanation of technical terms*

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

The U.S. Dollar Index remains below its important moving averages.

Relative Strength Index (45.0627)

Daily momentum is negative.

Stochastic Oscillator (43.0008)

MACD (-0.05093)

June July August September October November December 2014 February March April

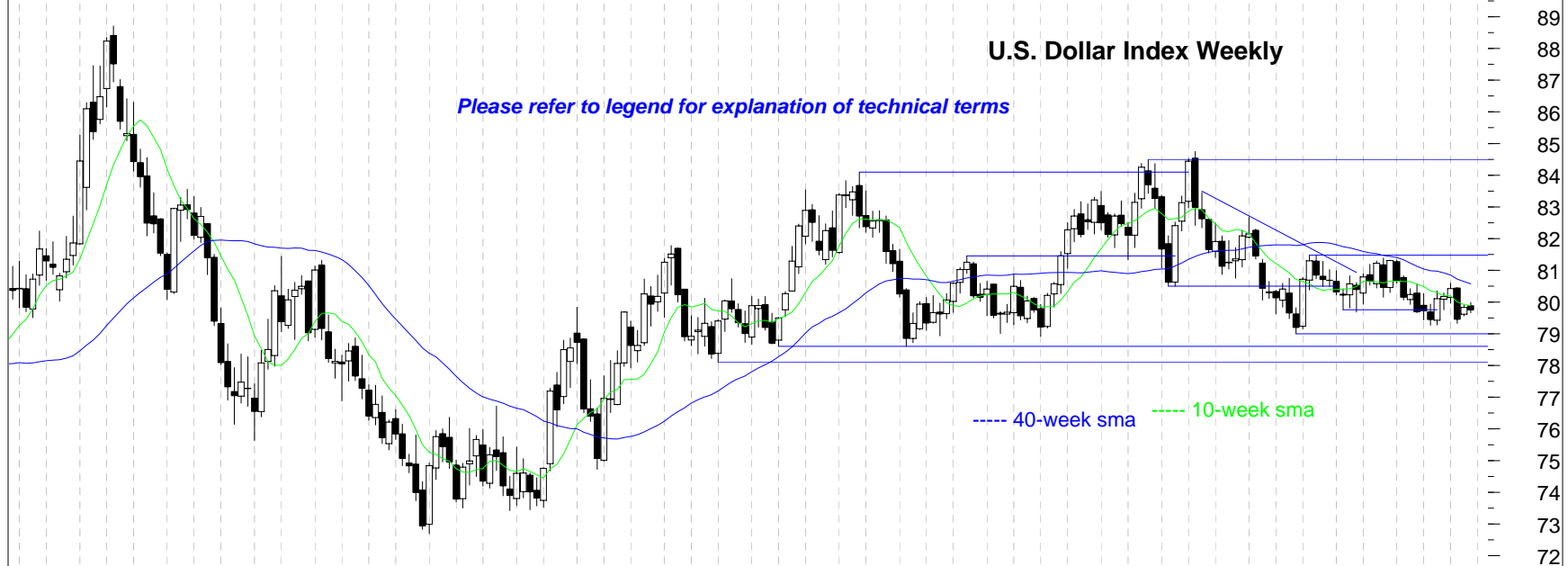
4/26/2014



US DOLLAR INDEX (79.8850, 79.9880, 79.6620, 79.7490, -0.07900)

### U.S. Dollar Index Weekly

*Please refer to legend for explanation of technical terms*



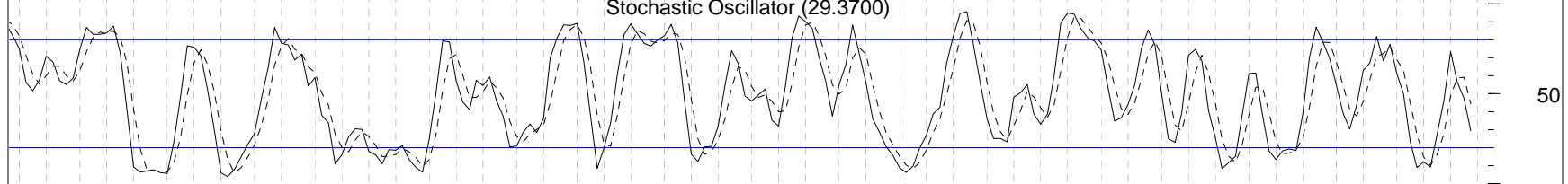
The Dollar Index remains in a tight range on its weekly chart.

Relative Strength Index (44.6356)

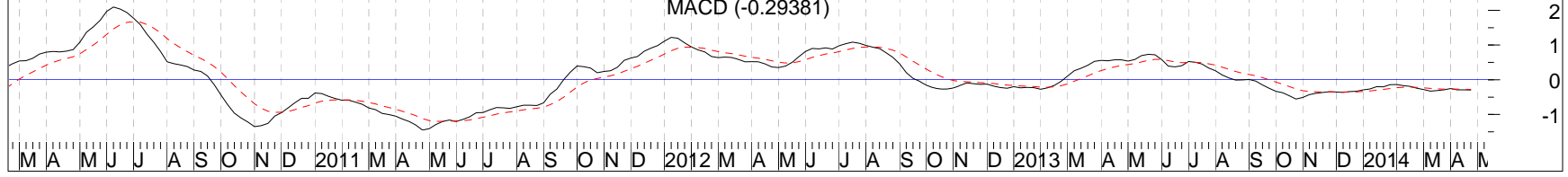


Weekly momentum is slightly negative.

Stochastic Oscillator (29.3700)



MACD (-0.29381)



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 N

4/26/2014

US DOLLAR INDEX (80.1010, 80.5990, 79.3300, 79.7490, -0.35100)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

--- 3-month sma

--- 12-month sma

Relative Strength Index (47.5045)

Stochastic Oscillator (29.4221)

MACD (0.08675)

The Dollar index remains in an eerily narrow sideways range on its monthly chart.

Monthly momentum is negative.

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

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UNTD ST OIL FUND (36.5800, 36.7200, 36.5300, 36.6000, -0.4500)

### 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

The oil ETF has dropped to its 50-sma after hitting resistance.

Relative Strength Index (47.7026)

Daily momentum is negative.

Stochastic Oscillator (48.9323)

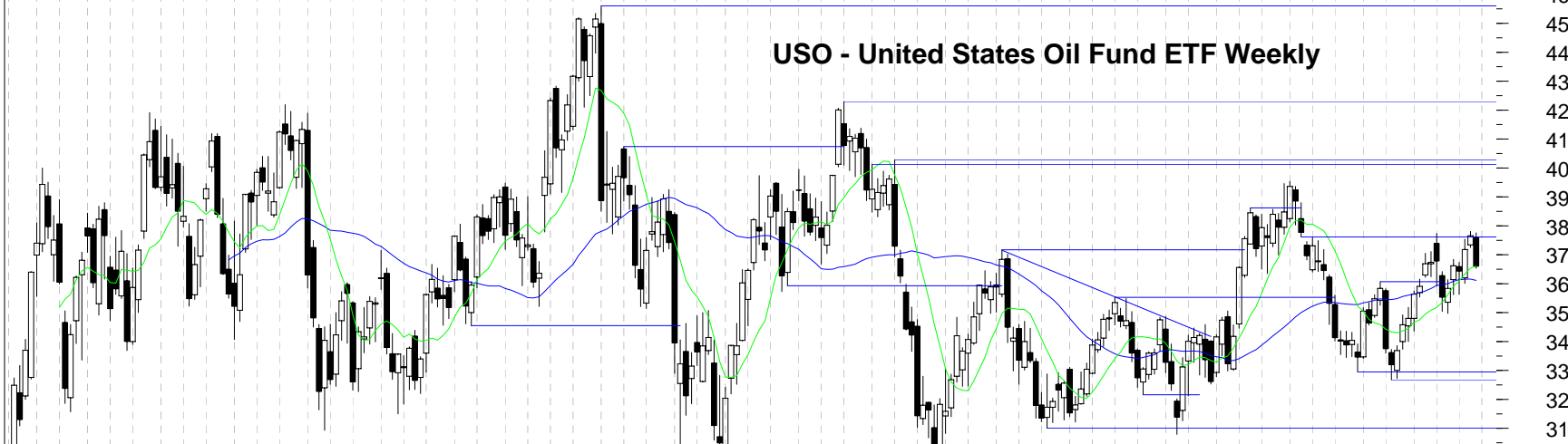
MACD (0.23965)

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

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UNTD ST OIL FUND (37.5900, 37.7596, 36.5300, 36.6000, -1.0600)

### 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.

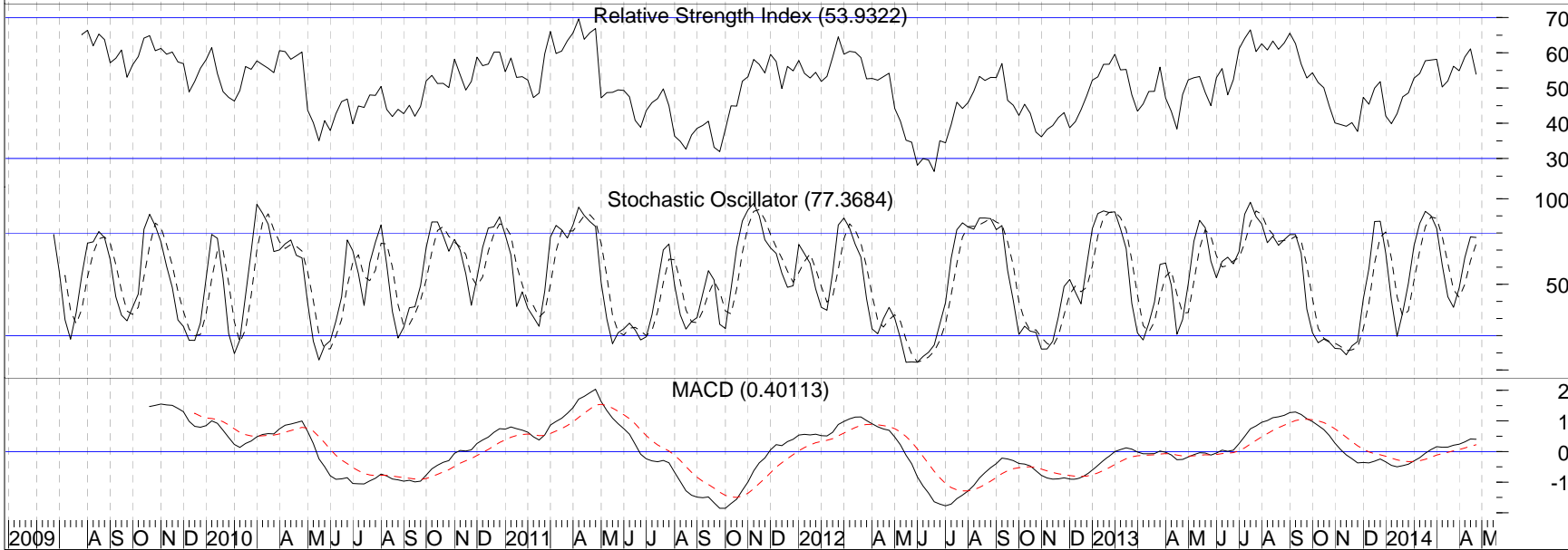
----- 40-week sma ----- 10-week sma

The oil ETF is pulling back after bouncing up to a resistance level on its weekly chart.

Relative Strength Index (53.9322)

Stochastic Oscillator (77.3684)

MACD (0.40113)



Weekly momentum is mixed.

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UNTD ST OIL FUND (36.4500, 37.8100, 35.6300, 36.6000, +0.0100)

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 remains in a tight sideways range.

Relative Strength Index (51.8014)

Monthly momentum is slightly positive.

Stochastic Oscillator (78.7417)

MACD (-0.11119)

2006 2007 2008 2009 2010 2011 2012 2013 2014

4/26/2014

BAR IPA UBS COPR (37.7276, 37.7899, 37.6300, 37.7100, +0.0100)

### Copper ETN Daily

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

*Please refer to legend for explanation of technical terms*

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.

Relative Strength Index (61.5215)

Stochastic Oscillator (88.4547)

MACD (0.06032)

The copper ETN, reflecting the metal with a Ph.D. in economics, has rebounded up to a resistance zone. It is above its 50-day sma for the first time since January.

Daily momentum is positive.

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

4/26/2014

BAR IPA UBS COPR (36.94, 37.79, 36.77, 37.71, +0.68)

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

### Copper ETN Weekly

Please refer to legend for explanation of technical terms

----- 40-Week sma

----- 10-Week sma

An oversold bounce for the copper ETN on its weekly chart with a little to go before hitting very tough resistance.

Relative Strength Index (44.0850)

Weekly momentum is almost all positive.

Stochastic Oscillator (86.9158)

MACD (-0.84615)

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 M

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## 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](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
Nasdaq 100	3533.10	-1.61%	-0.04%	-0.04%	-1.74%	-1.74%	-1.64%	3738.32	3/6/2014	2825.18	6/24/2013
S&P 500	1863.43	-0.81%	-0.08%	-0.08%	-0.48%	-0.48%	0.82%	1897.28	4/4/2014	1560.33	6/24/2013
S&P 1500	431.99	-0.85%	-0.13%	-0.13%	-0.71%	-0.71%	0.67%	440.64	4/4/2014	360.72	6/24/2013
NYSE Composite	10512.55	-0.60%	-0.19%	-0.19%	-0.14%	-0.14%	1.08%	10669.43	4/4/2014	8814.76	6/24/2013
S&P Midcap 400	1348.51	-1.09%	-0.22%	-0.22%	-2.18%	-2.18%	0.45%	1398.91	4/4/2014	1114.04	6/24/2013
Dow Jones Industrials	16361.78	-0.85%	-0.28%	-0.28%	-0.58%	-0.58%	-1.30%	16631.63	4/4/2014	14551.27	6/24/2013
Nasdaq Composite	4075.56	-1.75%	-0.49%	-0.49%	-2.94%	-2.94%	-2.42%	4371.71	3/6/2014	3268.03	4/26/2013
Bank of New York Mellon ADR	151.21	-0.66%	-0.53%	-0.53%	0.16%	0.16%	-0.56%	153.08	4/22/2014	125.76	6/24/2013
Dow Jones Transportation	7586.03	-1.61%	-0.63%	-0.63%	0.15%	0.15%	2.51%	7774.58	4/23/2014	5952.18	6/24/2013
Russell 2000	1124.89	-1.70%	-1.14%	-1.14%	-4.10%	-4.10%	-3.33%	1212.82	3/4/2014	924.21	5/1/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Utilities	219.00	1.14%	1.80%	1.80%	3.97%	3.97%	13.35%	219.05	4/25/2014	182.19	6/21/2013
Health Care	663.90	-0.73%	0.81%	0.81%	-1.94%	-1.94%	3.36%	698.62	3/6/2014	534.23	6/24/2013
Energy	681.63	-0.44%	0.37%	0.37%	4.40%	4.40%	4.60%	687.79	4/24/2014	562.08	6/24/2013
Consumer Staples	449.27	0.17%	0.20%	0.20%	1.66%	1.66%	1.50%	449.58	4/25/2014	401.66	6/20/2013
Financials	294.33	-0.84%	-0.03%	-0.03%	-2.24%	-2.24%	-0.13%	305.46	3/21/2014	249.02	5/1/2013
Information Technology	585.95	-1.37%	-0.37%	-0.37%	-1.75%	-1.75%	0.08%	622.58	4/3/2014	471.91	4/26/2013
Industrials	452.88	-0.88%	-0.43%	-0.43%	0.49%	0.49%	0.09%	460.66	4/4/2014	354.48	5/1/2013
Consumer Discretionary	503.08	-1.67%	-0.51%	-0.51%	-2.00%	-2.00%	-5.10%	536.43	3/7/2014	427.87	6/24/2013
Materials	297.28	-0.68%	-0.74%	-0.74%	-0.36%	-0.36%	1.93%	304.94	4/4/2014	238.75	6/24/2013
Telecom Services	151.27	-0.38%	-3.58%	-3.58%	-2.02%	-2.02%	-2.73%	168.43	5/15/2013	143.28	2/3/2014

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Technology Hardware & Equipment	604.60	-0.29%	2.72%	2.72%	2.27%	2.27%	3.32%	608.30	4/24/2014	455.26	4/26/2013
Utilities	219.00	1.14%	1.80%	1.80%	3.97%	3.97%	13.35%	219.05	4/25/2014	182.19	6/21/2013
Pharmaceuticals, Biotech & Life Sci	651.30	-0.57%	1.47%	1.47%	-0.72%	-0.72%	4.33%	688.05	3/6/2014	509.10	6/24/2013
Food & Staples Retailing	325.78	-0.11%	0.74%	0.74%	1.17%	1.17%	2.52%	327.04	4/24/2014	276.36	6/24/2013
Insurance	278.89	-0.74%	0.50%	0.50%	-0.43%	-0.43%	-3.53%	289.51	12/31/2013	232.16	4/26/2013
Commercial & Professional Service	186.65	-0.83%	0.46%	0.46%	0.27%	0.27%	-3.25%	193.69	12/27/2013	159.95	6/24/2013
Energy	681.63	-0.44%	0.37%	0.37%	4.40%	4.40%	4.60%	687.79	4/24/2014	562.08	6/24/2013
Food, Beverage & Tobacco	515.67	0.28%	0.35%	0.35%	2.01%	2.01%	1.60%	515.89	4/23/2014	466.32	8/29/2013
Real Estate	162.84	-0.32%	0.32%	0.32%	2.24%	2.24%	9.32%	177.55	5/22/2013	142.12	8/19/2013
Consumer Services	677.77	-0.12%	0.30%	0.30%	-1.13%	-1.13%	-1.12%	701.76	3/11/2014	589.34	6/24/2013
Media	418.59	-1.10%	0.20%	0.20%	-0.76%	-0.76%	-2.71%	444.39	3/7/2014	335.21	6/13/2013
Consumer Durables & Apparel	271.29	-0.79%	-0.08%	-0.08%	-1.57%	-1.57%	-4.83%	285.53	1/3/2014	231.91	6/24/2013
Transports	491.19	-1.39%	-0.10%	-0.10%	0.16%	0.16%	2.41%	501.12	4/23/2014	382.50	6/24/2013
Banks	213.57	-1.12%	-0.19%	-0.19%	-4.68%	-4.68%	2.09%	228.93	3/21/2014	171.38	5/1/2013
Diversified Financials	442.33	-0.79%	-0.32%	-0.32%	-2.13%	-2.13%	-1.38%	459.40	3/21/2014	360.31	5/2/2013
Capital Goods	493.84	-0.77%	-0.58%	-0.58%	0.59%	0.59%	-0.19%	502.71	4/4/2014	382.60	5/1/2013
Health Care Equip & Services	583.97	-1.09%	-0.61%	-0.61%	-4.48%	-4.48%	1.30%	621.96	4/4/2014	478.00	4/26/2013
Materials	297.28	-0.68%	-0.74%	-0.74%	-0.36%	-0.36%	1.93%	304.94	4/4/2014	238.75	6/24/2013
Household & Personal Products	510.35	0.20%	-0.77%	-0.77%	1.34%	1.34%	0.15%	530.20	11/26/2013	464.34	6/20/2013
Automobiles & Components	133.78	-2.42%	-1.00%	-1.00%	-0.49%	-0.49%	-3.74%	143.67	12/17/2013	105.60	4/25/2013
Semiconductors & Equipment	438.72	-2.98%	-1.35%	-1.35%	-1.37%	-1.37%	3.83%	456.84	4/4/2014	352.27	4/26/2013
Retailing	854.85	-2.87%	-1.46%	-1.46%	-3.95%	-3.95%	-9.04%	944.66	12/27/2013	740.51	5/2/2013
Software & Services	812.13	-1.70%	-2.05%	-2.05%	-4.22%	-4.22%	-2.56%	902.43	4/3/2014	681.34	4/26/2013
Telecom Services	151.27	-0.38%	-3.58%	-3.58%	-2.02%	-2.02%	-2.73%	168.43	5/15/2013	143.28	2/3/2014

**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
United Kingdom EWU	21.08	-0.14%	0.86%	2.38%	2.38%	0.96%	21.44	2/24/2014	17.55	6/24/2013
Belgium EWK	17.52	-0.17%	0.81%	0.92%	0.92%	6.90%	17.63	4/24/2014	13.37	7/3/2013
France EWQ	29.69	-0.37%	0.49%	1.68%	1.68%	4.36%	29.94	4/21/2014	22.96	7/3/2013
Spain EWP	41.32	-0.86%	0.32%	1.27%	1.27%	7.13%	41.98	4/7/2014	27.50	6/24/2013
Sweden EWD	36.03	-0.47%	0.31%	-1.61%	-1.61%	0.56%	37.11	4/1/2014	29.42	6/24/2013
Austria EWO	19.87	-0.90%	0.20%	-0.60%	-0.60%	0.30%	21.06	2/25/2014	16.10	7/3/2013
Switzerland EWL	34.53	-0.29%	0.16%	0.55%	0.55%	4.67%	34.84	4/23/2014	28.01	6/24/2013
Australia EWA	26.47	-0.26%	0.08%	2.32%	2.32%	8.62%	28.12	4/30/2013	22.00	7/3/2013
Canada EWC	29.96	-0.13%	0.07%	1.39%	1.39%	2.74%	30.25	4/9/2014	25.61	6/24/2013
United States SPY	186.29	-0.82%	-0.05%	-0.39%	-0.39%	0.87%	189.70	4/4/2014	155.73	6/24/2013
Germany EWG	30.93	-1.09%	-0.29%	-1.34%	-1.34%	-2.61%	31.93	12/31/2013	23.96	7/5/2013
Italy EWI	17.72	-1.12%	-0.45%	0.06%	0.06%	13.66%	18.05	4/22/2014	11.66	7/3/2013
India IFN	22.19	-0.76%	-0.85%	-3.69%	-3.69%	10.95%	23.49	4/2/2014	16.16	8/28/2013
Malaysia EWM	15.61	-0.51%	-1.20%	-0.26%	-0.26%	-1.33%	16.81	5/8/2013	13.74	8/28/2013
Netherlands EWN	25.20	-0.90%	-1.29%	-3.52%	-3.52%	-2.82%	26.34	4/1/2014	20.34	6/24/2013
Singapore EWS	13.37	-1.04%	-1.33%	2.37%	2.37%	1.52%	14.71	5/9/2013	11.94	2/3/2014
South Africa EZA	66.34	-0.58%	-1.36%	0.20%	0.20%	2.87%	69.07	10/22/2013	53.37	6/24/2013
Thailand THD	75.05	-0.87%	-1.39%	3.23%	3.23%	9.32%	96.11	5/8/2013	61.94	1/3/2014
Japan EWJ	11.02	-0.63%	-1.43%	-2.74%	-2.74%	-9.22%	12.43	5/22/2013	10.36	6/6/2013
Latin America ILF	37.58	-1.34%	-1.44%	2.76%	2.76%	1.46%	44.15	5/8/2013	31.89	2/3/2014
Brazil EWZ	46.71	-1.60%	-1.66%	3.72%	3.72%	4.54%	56.18	5/8/2013	38.00	2/3/2014
Indonesia IDX	25.34	0.64%	-1.97%	0.80%	0.80%	19.19%	33.39	5/22/2013	20.06	1/7/2014
South Korea EWY	62.38	-1.70%	-2.06%	1.41%	1.41%	-3.54%	66.07	10/22/2013	49.56	6/24/2013
Israel EIS	51.43	-0.81%	-2.35%	-2.59%	-2.59%	6.22%	53.99	4/4/2014	41.19	8/28/2013
Vietnam VNM	20.20	1.66%	-2.42%	-6.87%	-6.87%	7.50%	23.15	2/26/2014	17.00	8/28/2013
Mexico EWW	63.08	-0.77%	-2.73%	-1.36%	-1.36%	-7.24%	74.02	5/8/2013	57.57	6/21/2013
Chile ECH	45.43	-1.07%	-2.76%	-0.26%	-0.26%	-4.38%	64.59	5/3/2013	39.62	2/3/2014
BRIC EEB	32.13	-1.41%	-2.78%	-0.89%	-0.89%	-7.27%	37.70	10/22/2013	28.86	6/24/2013
Emerging Markets EE	40.82	-1.35%	-2.83%	-0.46%	-0.46%	-2.33%	44.27	5/8/2013	36.16	6/24/2013
Hong Kong EWH	20.37	-1.26%	-2.91%	2.98%	2.98%	-1.12%	21.30	4/14/2014	17.79	6/24/2013
China 25 FXI	34.70	-0.80%	-3.13%	-3.02%	-3.02%	-9.56%	40.32	12/2/2013	31.35	6/25/2013
Taiwan EWT	14.41	-2.44%	-3.35%	0.14%	0.14%	-0.07%	14.95	4/17/2014	12.48	6/24/2013
Greece GREK	22.62	-2.25%	-3.46%	-7.94%	-7.94%	0.40%	25.76	3/19/2014	14.10	6/24/2013
Turkey TUR	50.81	-1.13%	-3.48%	4.38%	4.38%	6.61%	77.40	5/22/2013	40.03	2/3/2014
Russia RSX	21.74	-2.95%	-9.38%	-9.38%	-9.38%	-24.70%	30.25	10/22/2013	20.86	3/13/2014

DATA QUOTED REPRESENTS PAST PERFORMANCE.

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**INTERNATIONAL ETFs Standard Performance**

	-----PRICE-----			-----NAV-----			Expense Ratio%	Premium % to NAV
	Price	1-Year	5-Year	10-Year	1-Year	5-Year		
Australia EWA	26.47	41.97			43.76		0.02	0.09
Austria EWO	19.87	40.01			40.65		-0.01	0.00
Belgium EWK	17.52	16.53			18.90		0.01	0.07
Brazil EWZ	46.71	-19.12			-19.28		0.04	0.05
BRIC EEB	32.13	-12.06			-9.79		-0.01	-0.07
Canada EWC	29.96	-15.41			-12.22		0.01	0.03
Chile ECH	45.43	16.43			18.03		0.00	-0.04
China 25 FXI	34.70	9.71			9.71		-0.03	-0.10
Emerging Markets EE	40.82	30.46			38.05		0.00	-0.02
France EWQ	29.69	8.01			10.13		0.02	0.04
Germany EWG	30.93	7.14			10.57		-0.01	-0.03
Greece GREK	22.62	14.30			16.39		-0.08	0.00
Hong Kong EWH	20.37	-1.94			1.04		0.03	-0.01
India IFN	22.19	12.17			13.36		-0.04	0.11
Indonesia IDX	25.34	0.84			1.90		0.57	-0.36
Israel EIS	51.43	3.55			7.34		-0.03	0.06
Italy EWI	17.72	-26.90			-25.54		0.00	0.14
Japan EWJ	11.02	28.11			27.92		-0.03	-0.09
Latin America ILF	37.58	2.97			4.46		0.03	0.01
Malaysia EWM	15.61	-3.64			-1.91		0.00	-0.01
Mexico EWW	63.08	17.85			18.96		-0.01	-0.07
Netherlands EWN	25.20	19.89			21.37		-0.04	-0.03
Russia RSX	21.74	27.00			29.65		-0.09	-0.25
Singapore EWS	13.37	21.88			23.24		0.02	0.02
South Africa EZA	66.34	-2.25			0.68		0.00	0.03
South Korea EWY	62.38	-9.46			-7.92		0.01	-0.04
Spain EWP	41.32	-11.59			-9.24		0.01	0.07
Sweden EWD	36.03	-17.46			-16.23		-0.02	0.01
Switzerland EWL	34.53	10.16			10.39		0.01	0.05
Taiwan EWT	14.41	19.48			20.06		0.00	0.00
Thailand THD	75.05	-4.61			-2.19		0.03	0.09
Turkey TUR	50.81	-3.42			0.07		0.04	0.07
United Kingdom EWU	21.08	-27.87			-26.51		0.02	0.01
United States SPY	186.29	10.38			14.77		0.00	0.01
Vietnam VNM	20.20	27.16			27.18		-0.07	0.08

**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
Coffee JO	42.28	0.14%	6.04%	20.52%	20.52%	94.84%	42.87	4/24/2014	20.37	11/6/2013
Aluminum JJU	19.44	1.71%	2.56%	7.50%	7.50%	4.27%	22.58	4/26/2013	17.10	3/17/2014
Sugar SGG	56.60	-0.84%	2.41%	-3.99%	-3.99%	2.00%	66.46	10/18/2013	49.25	1/29/2014
Copper JJC	37.70	1.84%	1.81%	2.45%	2.45%	-9.05%	42.40	5/22/2013	34.89	3/19/2014
Corn CORN	34.68	-0.06%	1.64%	0.06%	0.06%	13.41%	43.00	5/30/2013	29.50	1/10/2014
Livestock COW	31.50	-0.13%	1.29%	-0.97%	-0.97%	16.06%	32.90	3/19/2014	25.41	5/17/2013
Tin JJT	54.05	0.19%	1.16%	4.94%	4.94%	1.58%	57.05	12/27/2013	41.89	7/2/2013
Cotton BAL	57.60	0.37%	0.96%	-1.01%	-1.01%	8.31%	60.44	3/26/2014	47.97	11/5/2013
Palladium PALL	78.00	1.68%	0.78%	3.26%	3.26%	12.04%	79.58	4/14/2014	61.81	6/26/2013
Heating Oil UHN	34.02	1.01%	0.47%	2.13%	2.13%	3.00%	34.91	8/29/2013	30.02	5/1/2013
Grains GRU	6.67	1.21%	0.30%	0.91%	0.91%	15.40%	7.09	6/3/2013	5.41	8/15/2013
Timber CUT	24.60	-0.16%	0.29%	-2.81%	-2.81%	-5.02%	26.45	3/6/2014	20.70	6/24/2013
Silver SLV	18.92	1.23%	0.21%	-0.63%	-0.63%	1.12%	23.84	8/27/2013	17.75	6/27/2013
Coal KOL	18.84	0.37%	0.16%	1.89%	1.89%	-3.09%	22.23	5/21/2013	17.16	6/24/2013
Platinum PPLT	137.74	0.60%	0.13%	-0.28%	-0.28%	2.88%	152.47	5/3/2013	127.34	6/26/2013
Grains JJG	50.55	0.36%	-0.08%	0.22%	0.22%	17.20%	52.90	6/19/2013	42.02	1/9/2014
Gold GLD	124.56	0.65%	-0.15%	0.77%	0.77%	7.27%	143.43	4/26/2013	114.46	12/31/2013
Natural Gas UNG	26.09	-0.95%	-0.80%	6.84%	6.84%	26.10%	27.89	2/24/2014	16.60	8/8/2013
OIL USO	37.05	0.38%	-1.62%	1.26%	1.26%	4.90%	39.54	9/6/2013	31.99	4/24/2013
Cocoa NIB	38.83	-1.62%	-1.82%	0.08%	0.08%	8.47%	40.25	4/9/2014	28.38	6/28/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

**PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

## Commodity ETFs/ETNs Standard Performance

	Price	-----PRICE % Change-----			-----NAV % Change-----			Expense Ratio%	Premium % to NAV
		1-Year	5-Year	10-Year	1-Year	5-Year	10-Year		
Aluminum JJU	18.80	-13.88	-2.64		-11.93	-2.40		0.75	1.93
Coal KOL	18.73	-11.29	3.45		-10.18	3.46		0.59	0.00
Cocoa NIB	38.74	21.98	0.27		24.71	0.43		0.75	-0.45
Coffee JO	40.47	36.83	2.28		43.30	3.25		0.75	-0.59
Copper JJC	37.71	-6.26	5.74		-3.78	5.72		0.75	0.12
Corn CORN	34.84	-11.98			-11.88			1.49	0.01
Cotton BAL	57.61	10.05	14.29		10.31	14.18		0.75	0.00
Gold GLD	125.43	-11.44	6.92		-9.95	6.88		0.40	0.13
Grains GRU	6.72	1.20	2.29					0.75	
Grains JIG	51.40	4.51	5.26		4.59	5.01		0.75	-0.06
Heating Oil UHN	33.73	8.03	10.31		10.88	10.49		0.91	-0.26
Livestock COW	31.52	19.85	0.35		20.03	0.24		0.75	0.46
Natural Gas UNG	25.82	14.10	-24.44		15.25	-24.36		0.60	-0.33
OIL USO	36.60	10.08	4.83		13.74	5.09		0.45	-0.04
Palladium PALL	78.92	18.09			16.07			0.60	1.70
Platinum PPLT	138.56	-3.60			-2.90			0.60	1.40
Silver SLV	18.94	-19.37	8.36		-17.23	7.78		0.50	3.29
Sugar SGG	56.75	-8.48	4.42		-9.04	4.23		0.75	0.15
Timber CUT	24.45	9.26	17.49		10.60	17.56		0.70	-0.22
Tin JYT	53.43	10.90	13.24		13.10	13.34		0.75	0.37

**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.