

Monday April 7, 2014

Closing prices April 4, 2014

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Rockwell Securities LLC  
1 Penn Plaza, Suite 1624  
New York, New York 10119  
[wkaufman@rockwellsecurities.com](mailto:wkaufman@rockwellsecurities.com)  
[www.kaufmanreport.com](http://www.kaufmanreport.com)

# The Kaufman Report

Trade what you see, not what you think.

Wayne S. Kaufman, CMT  
Chief Market Analyst  
(866) 577-5925 Toll Free  
(212) 601-9929 Direct

Monday April 7, 2014

Closing prices of April 4, 2014

**It was an interesting week for equities as most major U.S. indexes made new highs during the week only to give back a large portion of those gains during Friday's selloff.** The indexes that did not record new highs last week were the Bank of New York Mellon ADR Index, the Russell 2000, the Nasdaq 100 and Nasdaq Composite. The leaders for the week were the Dow Jones Transports, up 1.61%, the NYSE Composite, up 0.84%, and the Bank of New York Mellon ADR Index, up 0.80%. The losers on the week were the Nasdaq 100, down 0.90%, and the Nasdaq Composite, down 0.67%. The Russell 2000 barely avoided a loss by posting a gain of 0.23%, but the recent small cap underperformance continues. The S&P 500 gained 0.40% last week, and in spite of making new highs in March and in April is up only 0.91% so far in 2014.

**Nine of the ten S&P sectors rose last week.** The leader was Industrials, up 1.44%, followed closely by Telecom Services, up 1.43%, and Materials, up 1.14%. The only loser was Information Technology, down 0.73%, with Financials the next laggard with a gain of 0.18%.

**Eighteen of the twenty-four S&P industry groups traded higher last week.** They were led by Automobiles & Components, up 2.39%, Media, up 1.69%, and Commercial & Professional Services, up 1.58%. The losers were led by Software & Services, down 1.52%, Retailing, down 0.57%, and Diversified Financials, down 0.49%. **In spite of many major indexes printing new highs last week, only ten of the twenty-four industry groups did.**

**Last week we said we were in a period of low visibility, and we were advising caution until we saw greater clarity and a pick up in investor demand.** Remarks by Fed Chair Janet Yellen on Monday followed later in the week by some well received economic reports pushed stocks higher. Unfortunately the new highs on those major indexes that did record them were accompanied by an overbought condition and obvious negative divergences in the number of new highs. On Wednesday the percentage of stocks over their own 10-day moving averages hit an overbought 85.9%. By itself that was not so bad since we have seen higher numbers over the last few months. Unfortunately, far fewer stocks were leading the charge to new index highs. **On Wednesday April 2<sup>nd</sup> the number of stocks in the S&P 1500 printing new 13-week closing highs was 190. That compares to 229 on March 18<sup>th</sup>, and 379, almost exactly double, on March 4<sup>th</sup>.** On the shorter-term number of stocks making four-week closing highs, which we keep in order to help us track sector rotation, the divergence was even worse. On Wednesday April 2<sup>nd</sup> there were 332 stocks that made four-week closing highs, while on March 4<sup>th</sup> there were 772. Therefore, with an overbought condition and far fewer stocks leading the market higher it was no surprise that last week's new highs turned into the second recent failed breakout, the other having occurred on March 21<sup>st</sup>.

**In the short-term stocks have fallen back into the range they occupied during March.** Unfortunately, the percentage of stocks over their own 10-day moving averages is not yet oversold at 42.7%, and momentum indicators are negative and also not yet oversold. The good news is the S&P 1500 Advance Decline line did print a new high last week, which does point to higher prices in the future, although it may take some time. Also, our proprietary options indicator is showing a lot of pessimism with a reading of 0.85, the lowest level since 2/3/2014, which was an important bottom. **Therefore, we are again advising caution until stocks are fully oversold or until a pickup in investor demand signals a bottom is in. This is a short-term trader's market.**

**Valuation, based on spreads between equity and bond yields, remains at levels where stocks are attractive versus bonds.** They 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 forecasts increase also 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.**

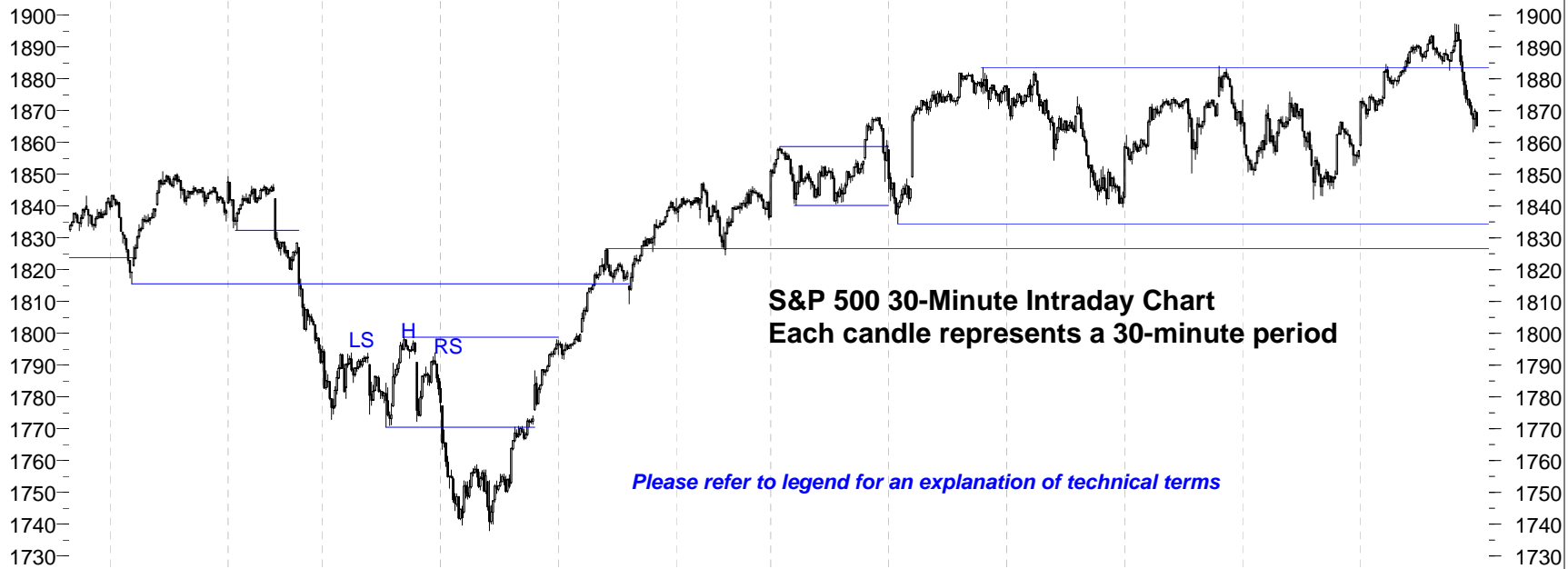
**So far 499 of the S&P 500 have reported fourth quarter earnings.** 66.0% have beaten estimates, 11.7% were in line, and 22.3% missed. The final tally for the third quarter was 67.2% beat, 12.9% were in line, and 19.9% missed.

**In summary, in the short-term we remain in a period of low visibility. Therefore we are cautious in the near-term until we see greater visibility and a pick-up in investor demand. Longer-term we remain bullish but we could change to neutral at any time. This is a short-term trader's market.**

**Based on the S&P 500 the short-term trend is down, while the intermediate-term and long-term trends are up.**

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S&P 500 INDEX (1,869.45, 1,869.65, 1,865.06, 1,865.19, -4.67)

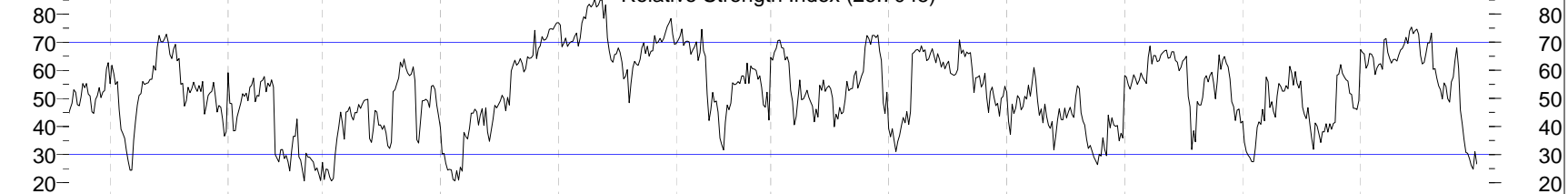


A failed breakout last week for the S&P 500 sent it back into its March trading range.

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

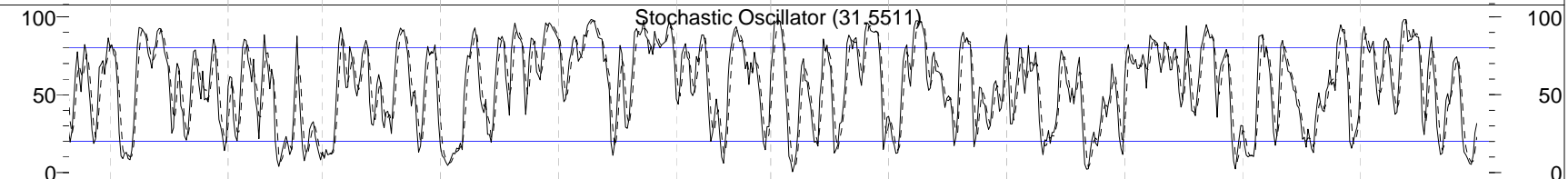
*Please refer to legend for an explanation of technical terms*

Relative Strength Index (26.7045)

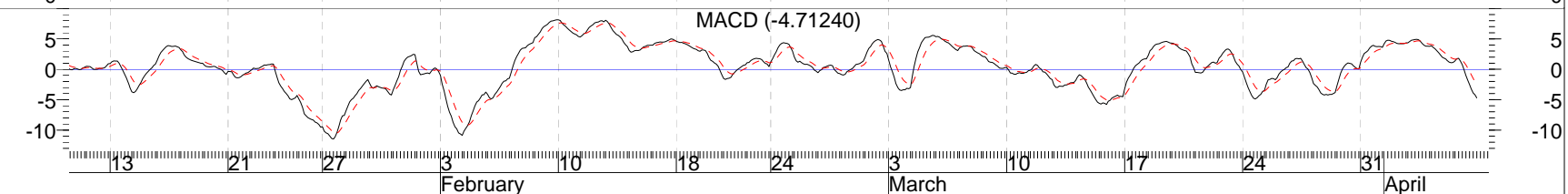


30-minute momentum is mostly oversold.

Stochastic Oscillator (31.5511)



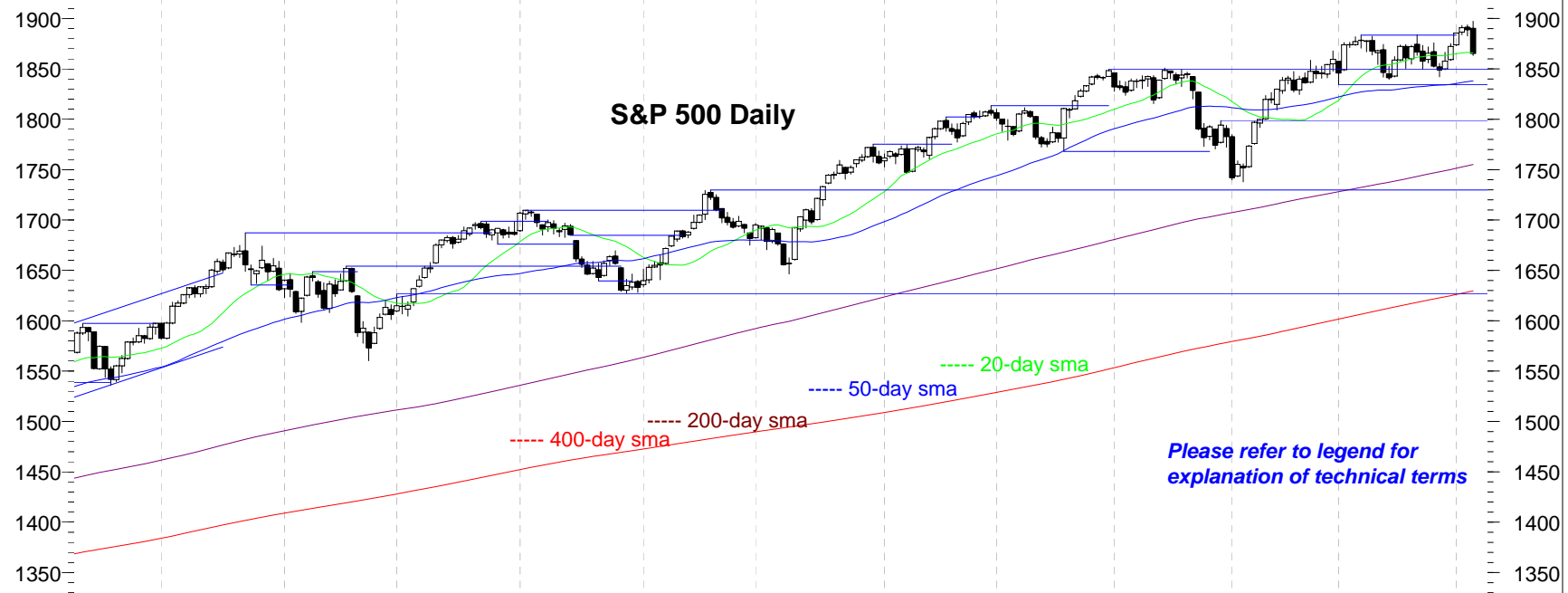
MACD (-4.71240)



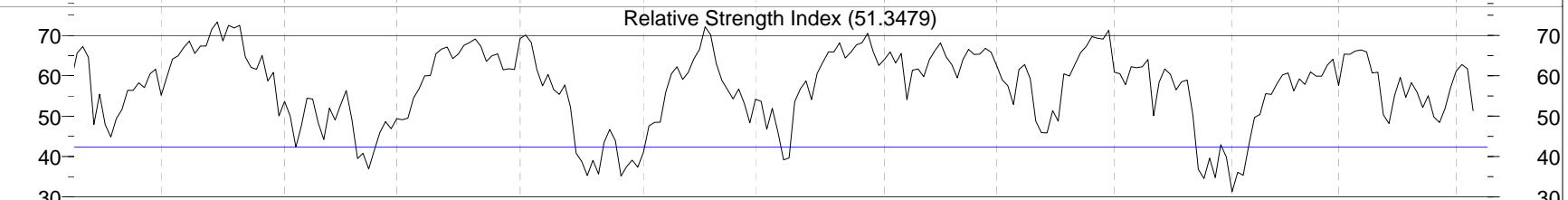
4/5/2014

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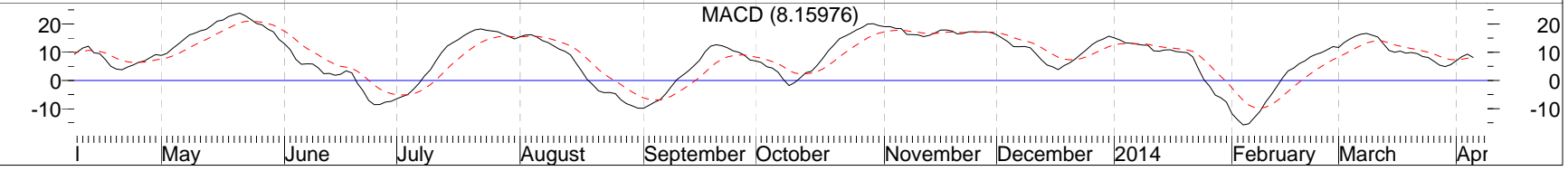
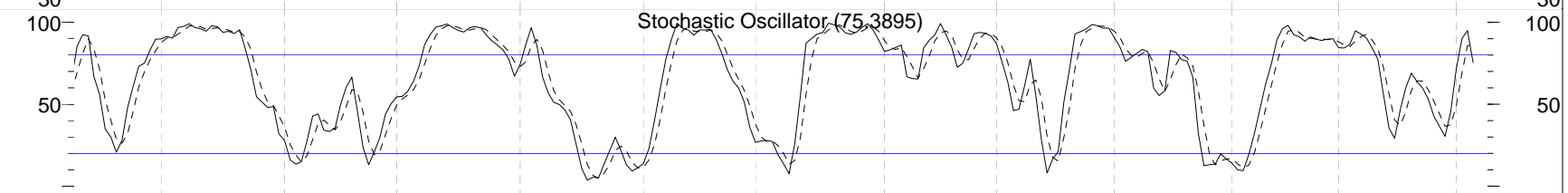
S&P 500 INDEX (1,890.25, 1,897.28, 1,863.26, 1,865.09, -23.68)



The S&P 500 dropped 1.25% Friday, its worst day since 1/24/2014.



Daily momentum is almost all negative.

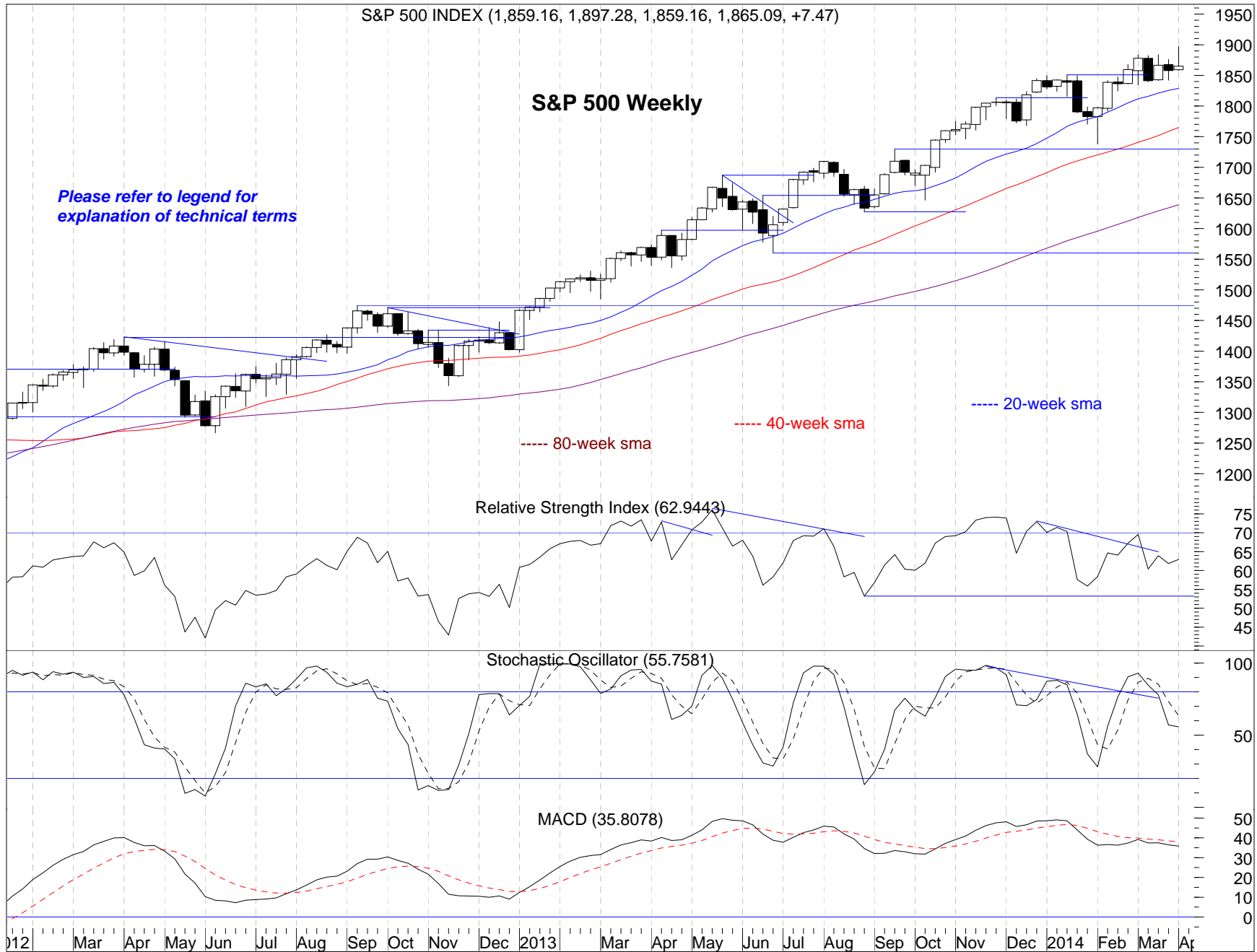


4/5/2014

S&P 500 INDEX (1,859.16, 1,897.28, 1,859.16, 1,865.09, +7.47)

### S&P 500 Weekly

*Please refer to legend for explanation of technical terms*



The S&P 500 remains in a sideways range on its weekly chart. Even with Friday's plunge the index posted a 0.40% gain on the week.

Weekly momentum is mostly negative.

4/5/2014

S&P 500 INDEX (1,873.96, 1,897.28, 1,863.26, 1,865.09, -7.25)

Please refer to legend for explanation of technical terms

### S&P 500 Monthly

----- 12-month sma

----- 3-month sma

Relative Strength Index (72.7928)

Stochastic Oscillator (90.0751)

MACD (129.179)

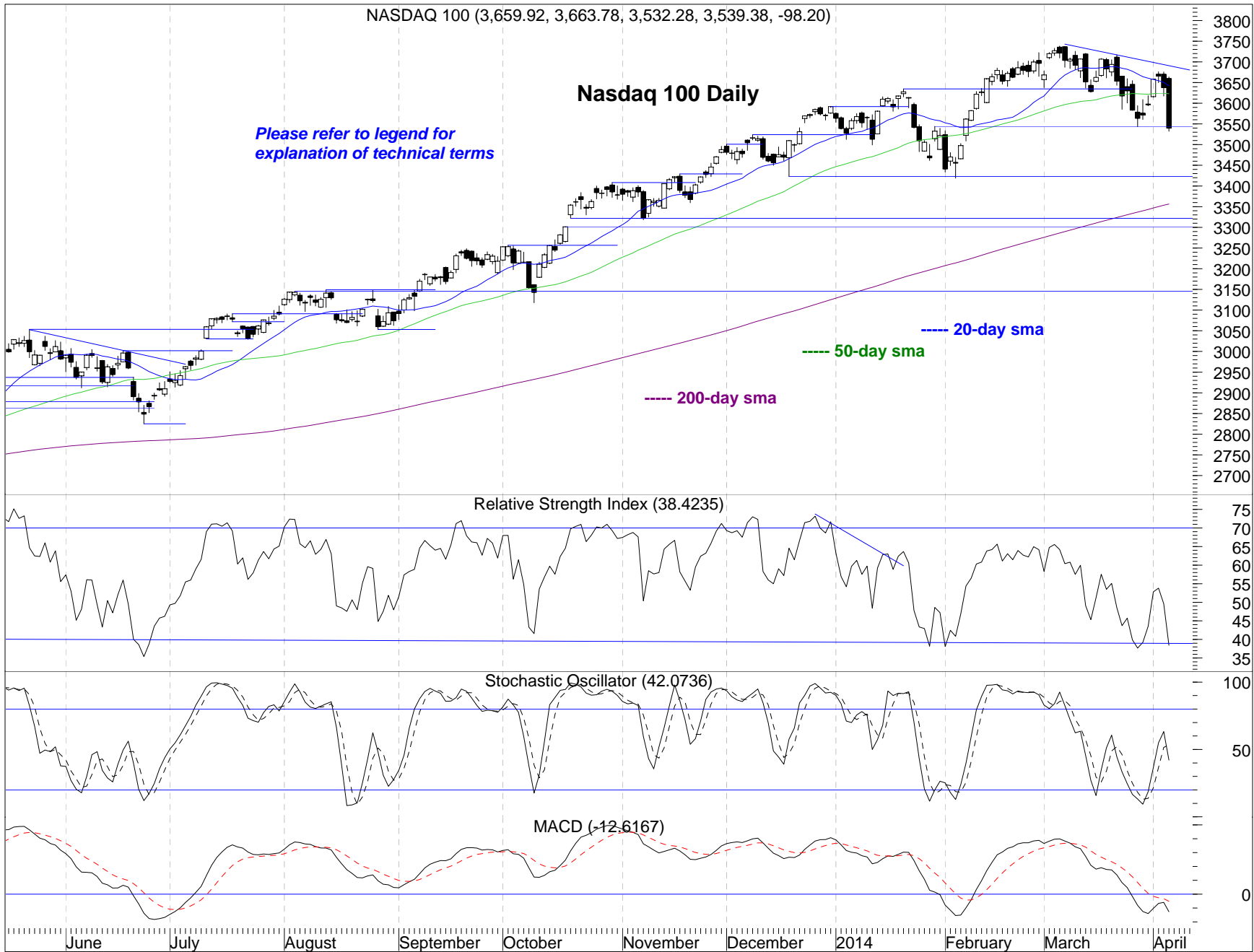
The S&P 500 remains in the ascending price channel it has been in since mid-2012.

Monthly momentum is still mostly positive, although it remains at high or overbought levels.

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

4/5/2014

NASDAQ 100 (3,659.92, 3,663.78, 3,532.28, 3,539.38, -98.20)



The Nasdaq 100 dropped 2.70% Friday, its worst session since 11/09/2011. It is slightly piercing the end of March support.

Daily momentum is negative but the RSI and MACD are oversold.

4/4/2014

NASDAQ 100 (3,598.08, 3,676.36, 3,532.28, 3,539.38, -32.11)

*Please refer to legend for explanation of technical terms*

**Nasdaq 100 Weekly**



The nasdaq 100 closed below its 20-week moving average for the first time since December 2012.

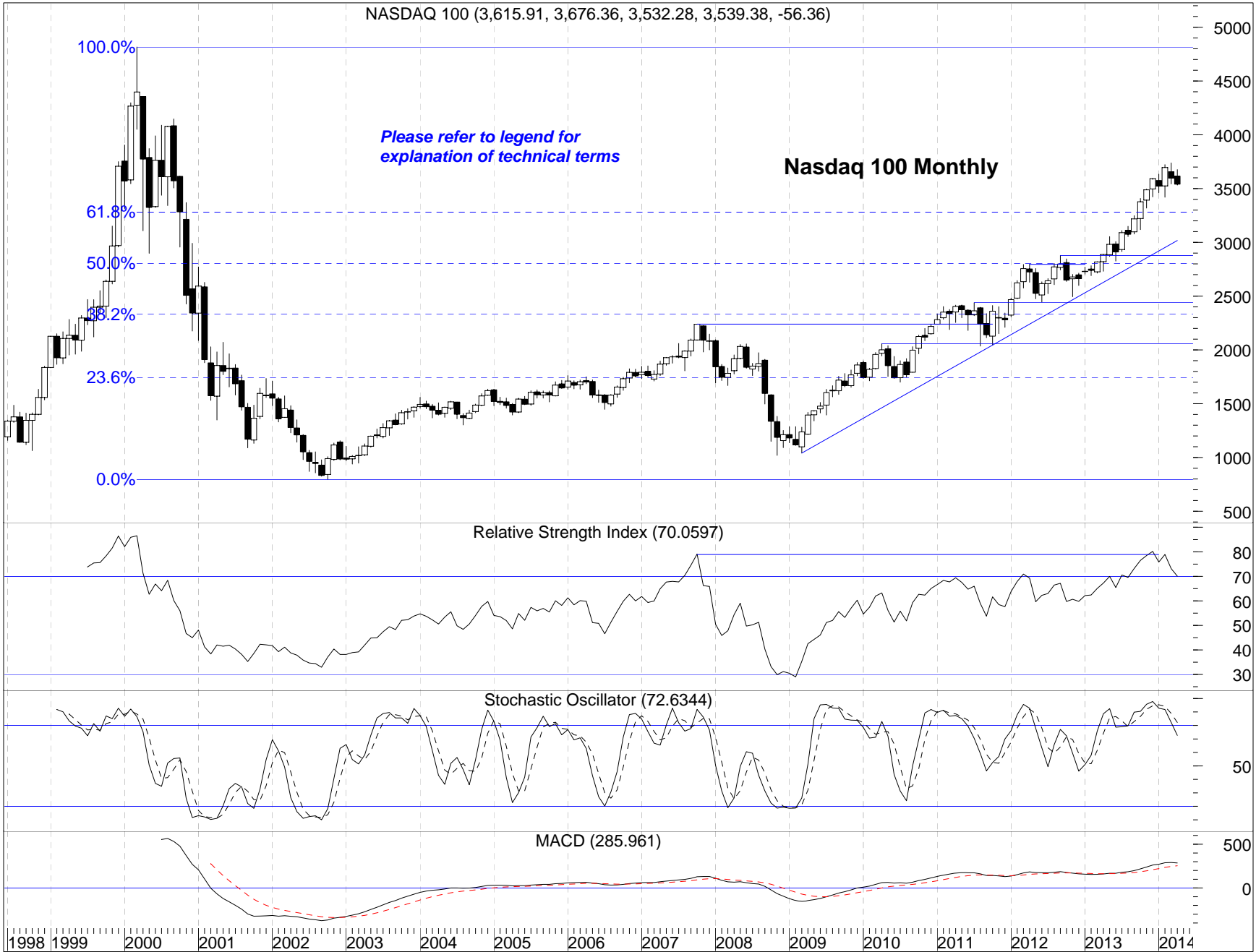
Weekly momentum is negative with the stochastic just entering the oversold zone.

4/4/2014



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NASDAQ 100 (3,615.91, 3,676.36, 3,532.28, 3,539.38, -56.36)



*Please refer to legend for explanation of technical terms*

**Nasdaq 100 Monthly**

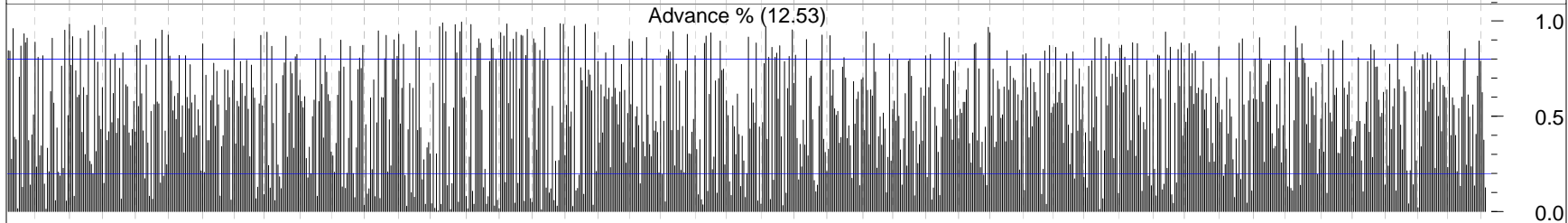
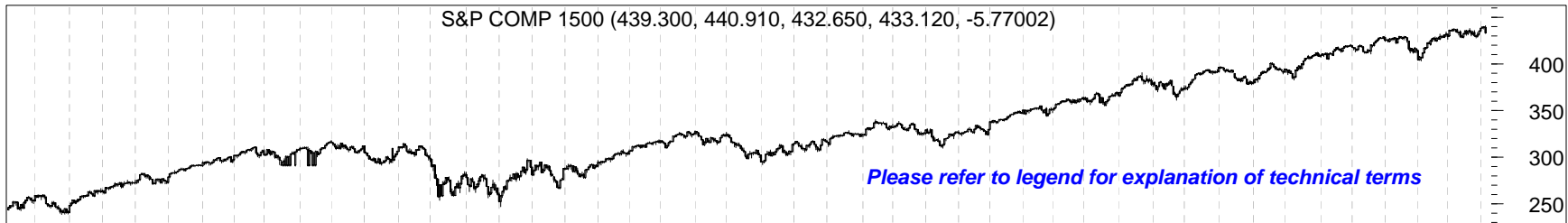
After a down February April is off to a poor start. The Nasdaq 100 hasn't had a two month losing streak since May 2012.

Monthly momentum is almost all negative.

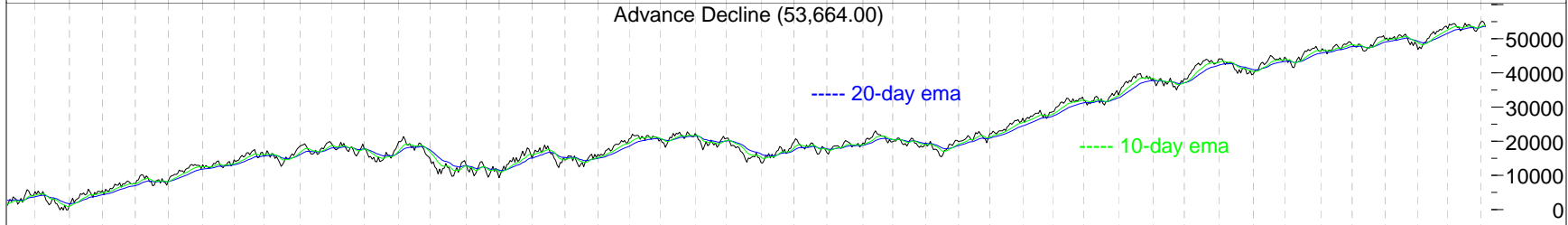
4/4/2014

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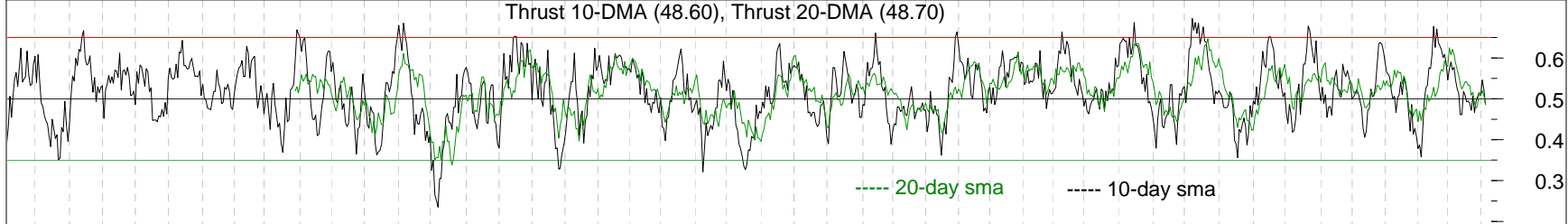
S&P COMP 1500 (439.300, 440.910, 432.650, 433.120, -5.77002)



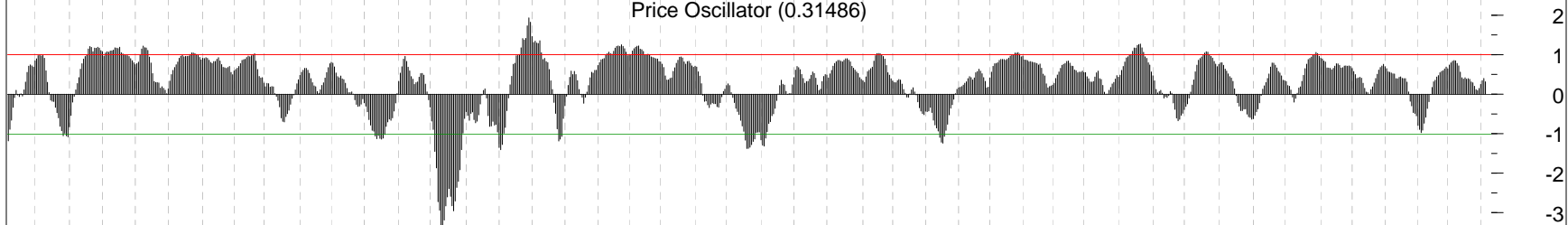
Only 12.52% of stocks advanced in the S&P 1500 Friday, the lowest since 2/3/2014. The 5-day average of advancers is 56.2%.



The S&P 1500 made a new AD line high Wednesday, confirming the high in the index and pointing towards higher prices in the future.



The 10 and 20-day average of advancing stocks are both below the 50% level.



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

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

4/5/2014

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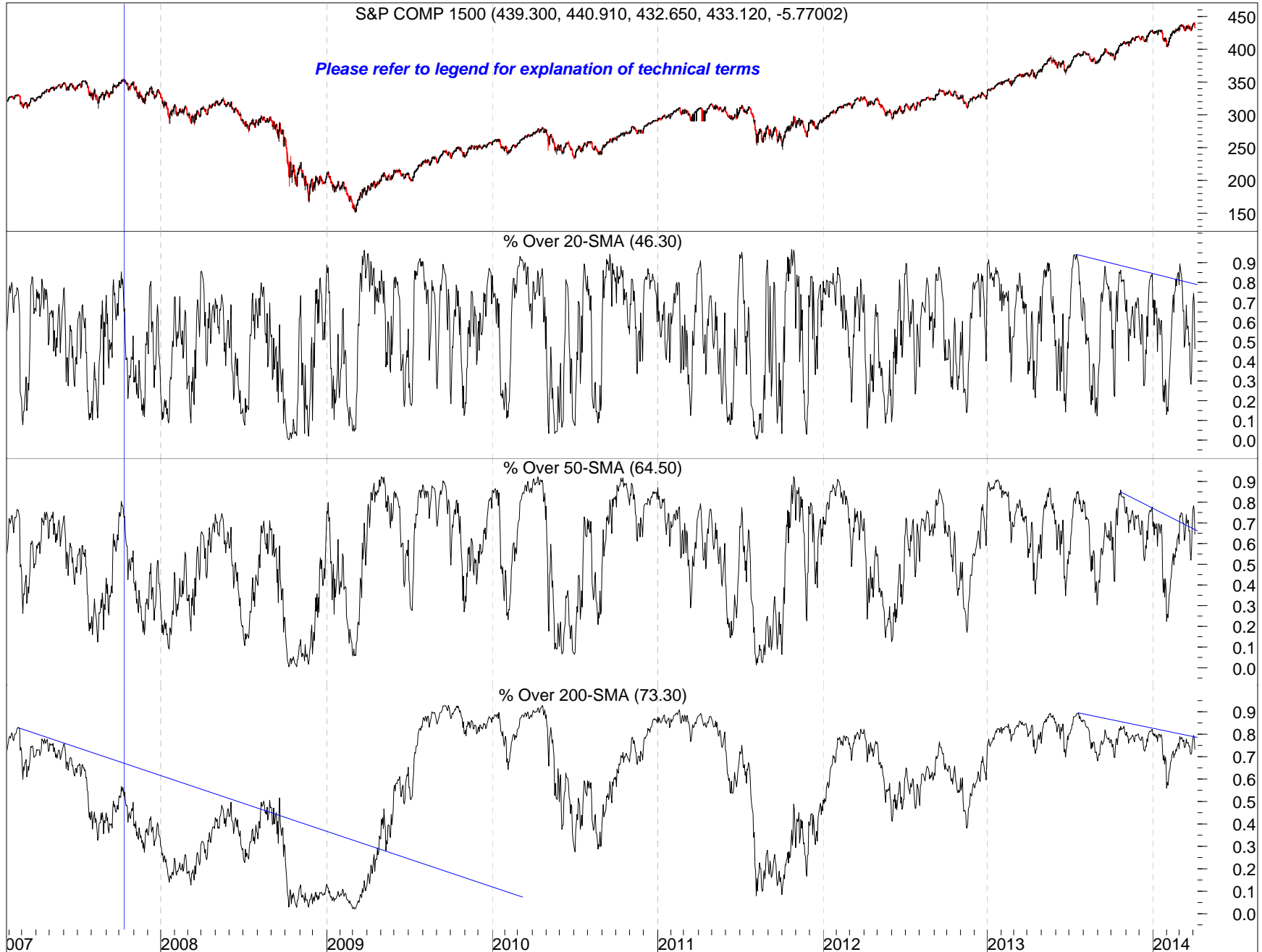
S&P COMP 1500 (439.300, 440.910, 432.650, 433.120, -5.77002)

*Please refer to legend for explanation of technical terms*

% Over 20-SMA (46.30)

% Over 50-SMA (64.50)

% Over 200-SMA (73.30)



The percentages of stocks over their own 20, 50, and 200-day moving averages has been deteriorating. At this point these are still bull market numbers, but we are watching for the kind of weakening that preceded the important top in 2007.

4/5/2014

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S&P COMP 1500 (439.300, 440.910, 432.650, 433.120, -5.77002)

Please refer to legend for explanation of technical terms

% Over 10-Sma (42.70)

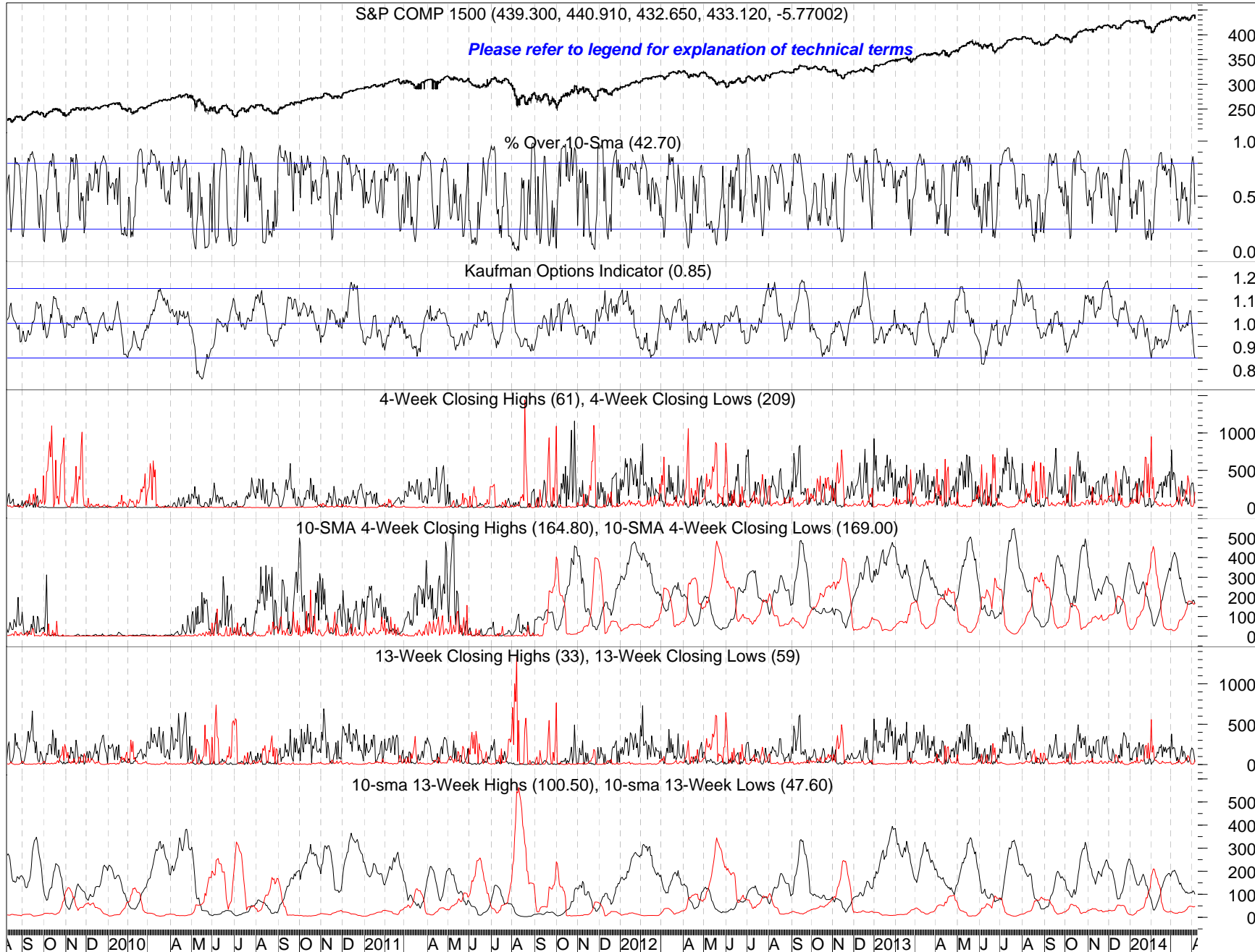
Kaufman Options Indicator (0.85)

4-Week Closing Highs (61), 4-Week Closing Lows (209)

10-SMA 4-Week Closing Highs (164.80), 10-SMA 4-Week Closing Lows (169.00)

13-Week Closing Highs (33), 13-Week Closing Lows (59)

10-sma 13-Week Highs (100.50), 10-sma 13-Week Lows (47.60)



The percentage of stocks over their own 10-day moving averages plunged from an overbought 85.9% Wednesday to the current 42.7%.

Our proprietary options indicator is at 0.85, a level of extreme pessimism and the lowest since 2/3/2014, which was an important bottom.

The number of 4-week closing highs and lows are not extreme, and the 10-day averages of each are about the same.

The longer-term 10-day averages of 13-week highs and lows is still positive, but the average number of highs was very low considering the new highs on the S&P 1500 index early in the week. This shows the increasing selectivity on the part of investors.

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S&P COMP 1500 (439.300, 440.910, 432.650, 433.120, -5.77002)

Please refer to legend for explanation of technical terms

10 Y TSY YLD NDX (27.9500, 28.0100, 27.2100, 27.2600, -0.64000)

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

PE Cont Ops (17.79)

FPE (16.27)

PE TNX Spread % (92.46)

FPE TNX Spread % (125.47)

EPS (22.72), EPS Cont Ops (24.35), Est EPS (26.63)

A M J J A 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 /

4/5/2014

400  
350  
300  
250  
200  
40  
35  
30  
25  
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20  
15  
15  
300  
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100  
0  
400  
300  
200  
100  
25  
20  
15  
10  
5

P/E ratios are moving sideways but are still at high levels.

Spreads between equity and bond yields remain in the middle of the range they have been in since July 2012, which is also the range they traded in pre-August 2011.

Reported and projected earnings are flat lining ahead of earnings season. These need to rise because equities can't rely on multiple expansion for price appreciation.

10 Y TSY YLD NDX (27.95, 28.01, 27.21, 27.26, -0.64)

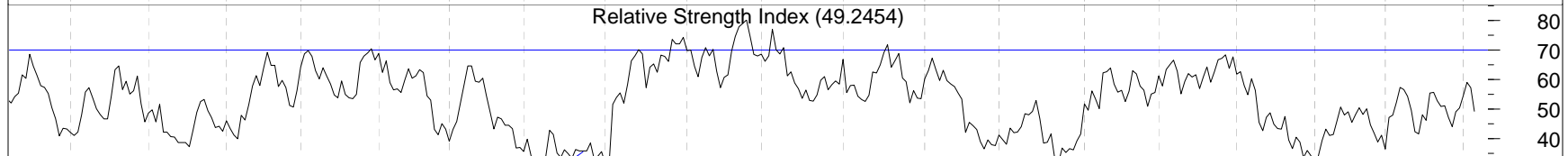
### 10-Year Note Yield Daily

*Please refer to legend for explanation of technical terms*



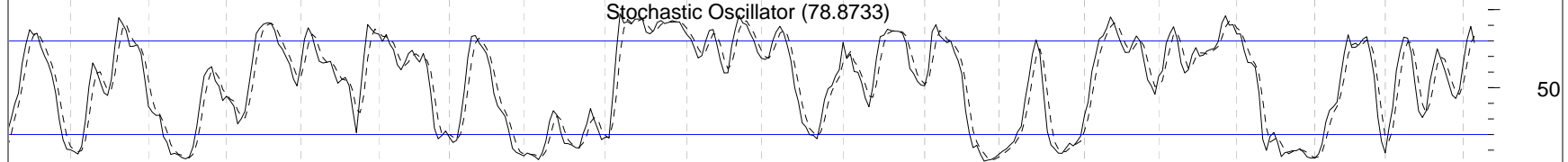
Once again the 10-year note yield ran into resistance at the 2.8% area.

### Relative Strength Index (49.2454)

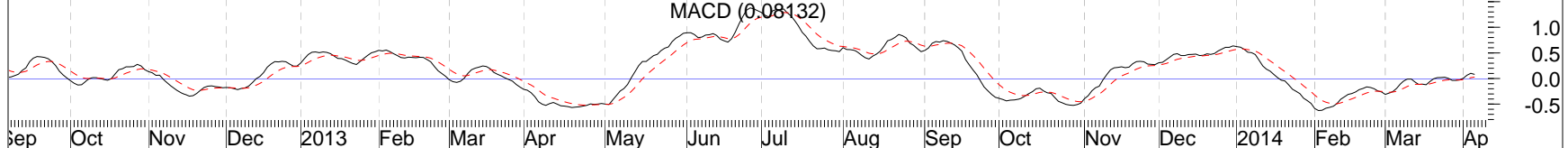


Daily momentum is mostly negative.

### Stochastic Oscillator (78.8733)



### MACD (0.08132)



sep Oct Nov Dec 2013 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Feb Mar Ap

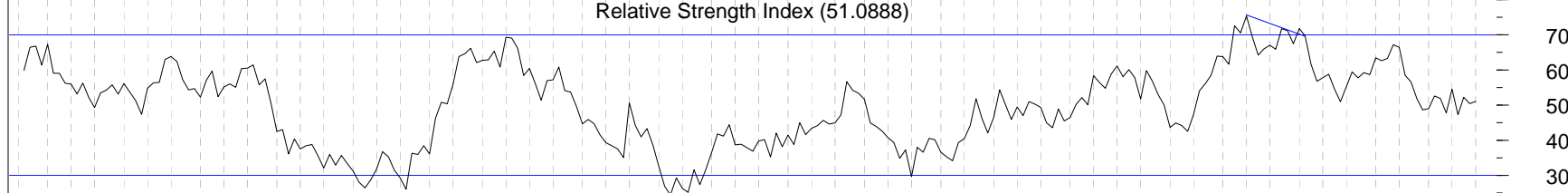
4/4/2014

10 Y TSY YLD NDX (27.44, 28.08, 27.21, 27.26, +0.14)



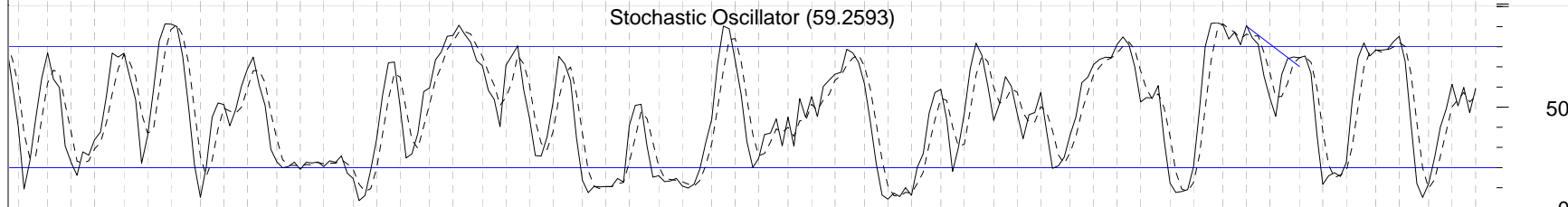
The 10-year note yield has been in a tight sideways range on its weekly chart.

Relative Strength Index (51.0888)

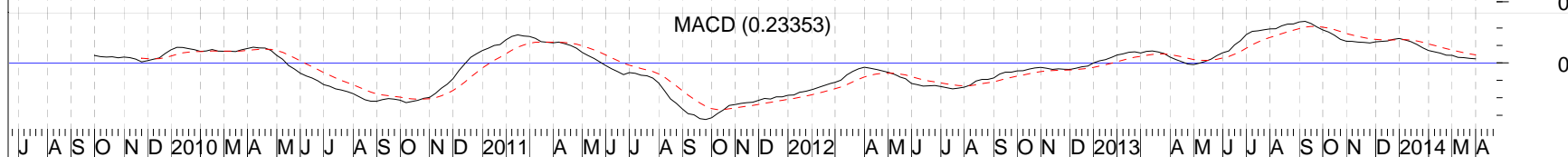


Weekly momentum is mixed.

Stochastic Oscillator (59.2593)



MACD (0.23353)



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

4/4/2014

US DOLLAR INDEX (80.4520, 80.5990, 80.3430, 80.4230, -0.05200)

Please refer to legend for explanation of technical terms

U.S. Dollar Index Daily

-----200-day

-----50-day sma

-----20-day sma

Relative Strength Index (59.7660)

Stochastic Oscillator (89.7152)

MACD (0.05651)

The U.S. Dollar Index is above its 20 and 50-day sma, and not far under its 200-day sma. On Thursday it took out some resistance from mid-March.

Daily momentum is positive but the stochastic is at overbought levels.

June July August September October November December 2014 February March April

4/5/2014



US DOLLAR INDEX (80.1480, 80.5990, 79.9620, 80.4230, +0.24699)

### U.S. Dollar Index Weekly

*Please refer to legend for explanation of technical terms*



The U.S. Dollar Index remains in a sideways range on its weekly chart. It is above its 10-week sma and just below its 40-week.

Weekly momentum is positive.

4/5/2014

US DOLLAR INDEX (80.1010, 80.5990, 79.9730, 80.4180, +0.31800)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

----- 3-month sma

----- 12-month sma

Relative Strength Index (49.7256)

Stochastic Oscillator (39.2344)

MACD (0.13693)

The U.S. Dollar Index remains in the narrow sideways range it has been in for over two years.

Monthly momentum is mixed.

4/5/2014

UNTD ST OIL FUND (36.4800, 36.6200, 36.3900, 36.4300, +0.2900)

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.

### U.S. Oil ETF Daily

Please refer to legend for explanation of technical terms

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

The oil ETF is just above the intersection of its 20, 50, and 200-sma. At some point soon those moving averages will diverge from each other.

Relative Strength Index (55.9285)

Stochastic Oscillator (59.8880)

MACD (0.08139)

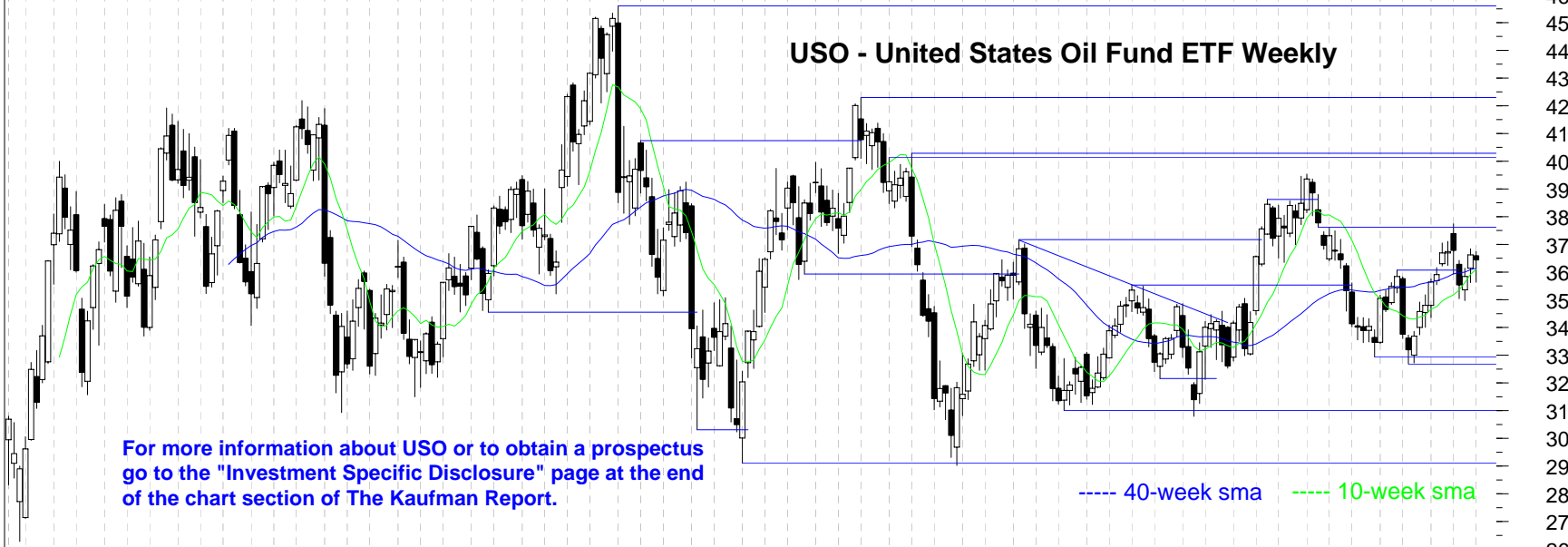
Daily momentum is mixed.

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

4/5/2014

UNTD ST OIL FUND (36.5900, 36.7400, 35.6300, 36.4300, -0.1900)

### 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

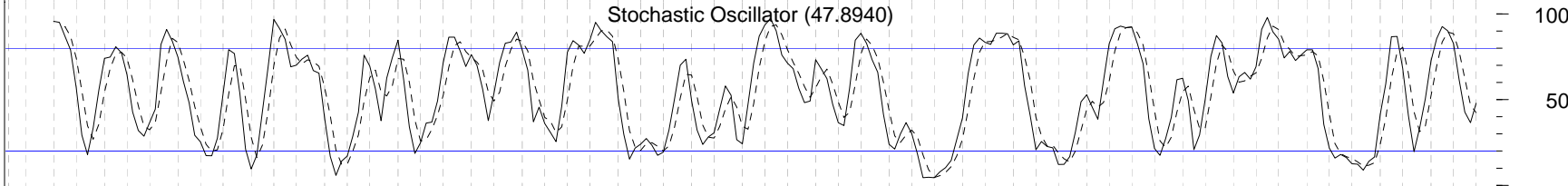
The oil ETF is just above its 10 and 40-week sma.

Relative Strength Index (54.9277)

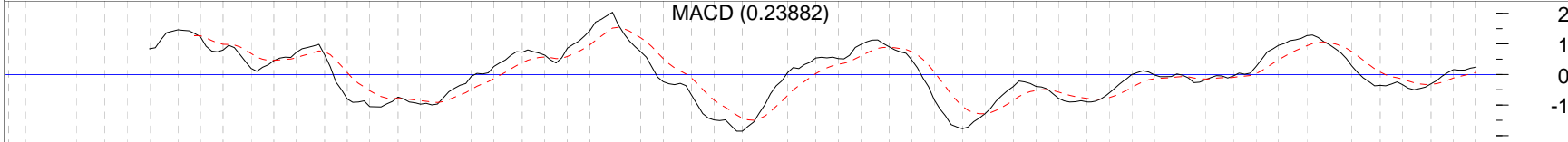


Weekly momentum is mixed.

Stochastic Oscillator (47.8940)



MACD (0.23882)



2009 J A 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

4/5/2014

UNTD ST OIL FUND (36.4500, 36.6200, 35.6300, 36.4300, -0.1600)

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 an amazing sideways range on its monthly chart.

Relative Strength Index (51.4145)

Monthly momentum is slightly positive.

Stochastic Oscillator (77.9774)

MACD (-0.12394)

2006

2007

2008

2009

2010

2011

2012

2013

2014

4/5/2014

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SPDR GOLD TRUST (125.2000, 125.9600, 124.8600, 125.5700, +1.6500)

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.

Please refer to legend for explanation of technical terms

----- 50-day sma    ----- 200-day sma

----- 20-day sma

The 20, 50, and 200-day sma have converged, a situation that won't last long.

Relative Strength Index (46.5330)

Daily momentum is almost all positive.

Stochastic Oscillator (15.5294)

MACD (-0.81197)

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

4/4/2014

SPDR GOLD TRUST (124.5200, 125.9600, 123.1099, 125.5700, +1.0100)

**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.



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

Please refer to legend for explanation of technical terms

Relative Strength Index (49.3064)

Stochastic Oscillator (19.5203)

MACD (0.02380)

The gold ETF bounced off its 20-week sma (not shown) but has moving average and gap resistance not far above.

Weekly momentum is mixed with the stochastic

4/4/2014

The Kaufman Report - Wayne S. Kaufman, CMT

SPDR GOLD TRUST (123.7100, 125.9600, 123.1099, 125.5700, +1.9600)

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 price is right at the intersection of the 3 and 12-month sma.

Relative Strength Index (43.0770)

Stochastic Oscillator (23.8017)

MACD (-6.75899)

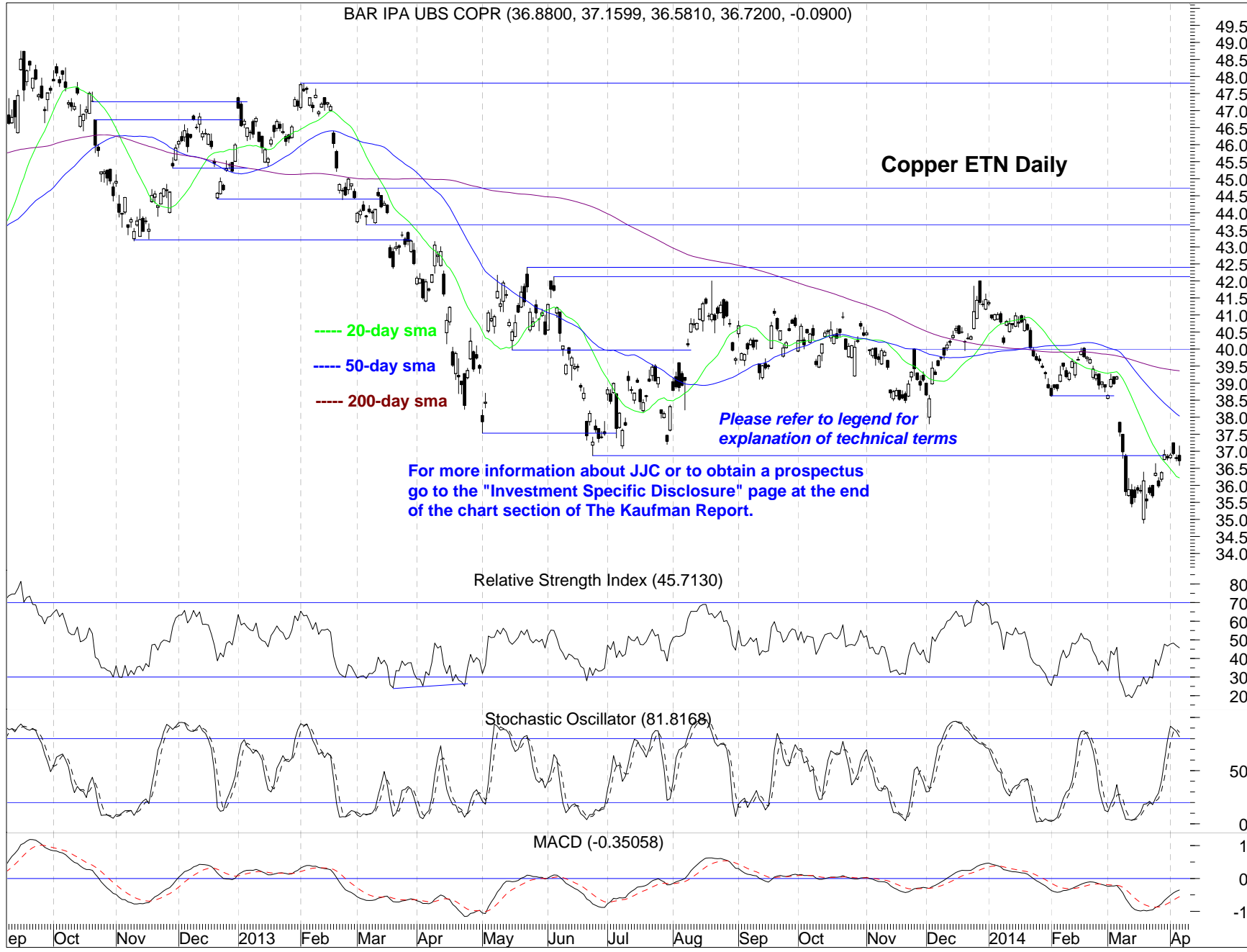
Monthly momentum is not far from turning positive.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014

4/4/2014



BAR IPA UBS COPR (36.8800, 37.1599, 36.5810, 36.7200, -0.0900)



### 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 (45.7130)

Stochastic Oscillator (81.8168)

MACD (-0.35058)

The copper ETN, representing the metal with a Ph.D. in economics, has bounced from a very oversold level and is above its 20-sma.

Daily momentum is mixed.

ep Oct Nov Dec 2013 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Feb Mar Ap

4/4/2014

BAR IPA UBS COPR (36.85, 37.25, 36.58, 36.72, -0.18)

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

The copper ETN is bouncing from the lowest levels since 2009.

Relative Strength Index (36.7182)

Stochastic Oscillator (33.4896)

MACD (-0.92307)

Weekly momentum is mixed.

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

4/4/2014

## 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
Dow Jones Transportation	7571.03	-1.46%	1.61%	1.61%	-0.05%	-0.05%	2.30%	7715.91	4/3/2014	5878.12	4/5/2013
NYSE Composite	10522.05	-0.72%	0.84%	0.84%	-0.05%	-0.05%	1.17%	10669.43	4/4/2014	8814.76	6/24/2013
Bank of New York Mellon ADR	150.87	-0.44%	0.80%	0.80%	-0.07%	-0.07%	-0.78%	152.67	3/6/2014	125.76	6/24/2013
S&P Midcap 400	1367.44	-1.56%	0.68%	0.68%	-0.80%	-0.80%	1.86%	1398.91	4/4/2014	1101.03	4/18/2013
Dow Jones Industrials	16412.97	-0.96%	0.55%	0.55%	-0.27%	-0.27%	-0.99%	16631.63	4/4/2014	14434.43	4/5/2013
S&P 1500	433.20	-1.30%	0.45%	0.45%	-0.43%	-0.43%	0.96%	440.64	4/4/2014	355.38	4/18/2013
S&P 500	1865.13	-1.25%	0.40%	0.40%	-0.39%	-0.39%	0.91%	1897.28	4/4/2014	1536.03	4/18/2013
Russell 2000	1154.49	-2.25%	0.23%	0.23%	-1.58%	-1.58%	-0.79%	1212.82	3/4/2014	898.40	4/18/2013
Nasdaq Composite	4127.73	-2.60%	-0.67%	-0.67%	-1.70%	-1.70%	-1.17%	4371.71	3/6/2014	3154.96	4/18/2013
Nasdaq 100	3539.38	-2.70%	-0.90%	-0.90%	-1.57%	-1.57%	-1.46%	3738.32	3/6/2014	2730.97	4/18/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Industrials	452.51	-1.12%	1.44%	1.44%	0.40%	0.40%	0.01%	460.66	4/4/2014	346.17	4/19/2013
Telecom Services	156.28	-0.18%	1.43%	1.43%	1.23%	1.23%	0.49%	168.85	4/23/2013	143.28	2/3/2014
Materials	298.59	-1.30%	1.14%	1.14%	0.08%	0.08%	2.38%	304.94	4/4/2014	233.52	4/18/2013
Utilities	210.72	0.57%	1.09%	1.09%	0.04%	0.04%	9.06%	212.99	4/4/2014	182.19	6/21/2013
Energy	659.50	-0.41%	1.00%	1.00%	1.01%	1.01%	1.20%	667.52	4/4/2014	544.61	4/17/2013
Health Care	671.80	-1.54%	0.49%	0.49%	-0.77%	-0.77%	4.59%	698.62	3/6/2014	533.41	4/8/2013
Consumer Discretionary	512.47	-1.70%	0.44%	0.44%	-0.17%	-0.17%	-3.33%	536.43	3/7/2014	411.81	4/5/2013
Consumer Staples	440.57	-0.44%	0.29%	0.29%	-0.31%	-0.31%	-0.46%	446.69	11/15/2013	401.66	6/20/2013
Financials	298.78	-1.15%	0.18%	0.18%	-0.76%	-0.76%	1.38%	305.46	3/21/2014	239.21	4/18/2013
Information Technology	587.18	-2.23%	-0.73%	-0.73%	-1.54%	-1.54%	0.29%	622.58	4/3/2014	457.00	4/19/2013

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Automobiles & Components	136.59	-1.75%	2.39%	2.39%	1.60%	1.60%	-1.72%	143.67	12/17/2013	99.04	4/5/2013
Media	425.04	-1.55%	1.69%	1.69%	0.76%	0.76%	-1.21%	444.39	3/7/2014	327.62	4/5/2013
Commercial & Professional Service	186.60	-0.81%	1.58%	1.58%	0.24%	0.24%	-3.27%	193.69	12/27/2013	159.95	6/24/2013
Transports	491.60	-0.95%	1.50%	1.50%	0.24%	0.24%	2.50%	498.46	4/4/2014	371.79	4/5/2013
Telecom Services	156.28	-0.18%	1.43%	1.43%	1.23%	1.23%	0.49%	168.85	4/23/2013	143.28	2/3/2014
Capital Goods	493.22	-1.19%	1.41%	1.41%	0.46%	0.46%	-0.31%	502.71	4/4/2014	373.01	4/22/2013
Real Estate	160.52	0.33%	1.26%	1.26%	0.79%	0.79%	7.77%	177.55	5/22/2013	142.12	8/19/2013
Materials	298.59	-1.30%	1.14%	1.14%	0.08%	0.08%	2.38%	304.94	4/4/2014	233.52	4/18/2013
Insurance	280.19	-1.14%	1.11%	1.11%	0.03%	0.03%	-3.08%	289.51	12/31/2013	222.77	4/18/2013
Utilities	210.72	0.57%	1.09%	1.09%	0.04%	0.04%	9.06%	212.99	4/4/2014	182.19	6/21/2013
Energy	659.50	-0.41%	1.00%	1.00%	1.01%	1.01%	1.20%	667.52	4/4/2014	544.61	4/17/2013
Semiconductors & Equipment	442.84	-2.18%	0.98%	0.98%	-0.44%	-0.44%	4.80%	456.84	4/4/2014	326.74	4/5/2013
Food & Staples Retailing	323.19	-0.75%	0.80%	0.80%	0.37%	0.37%	1.71%	327.03	4/4/2014	273.26	4/5/2013
Health Care Equip & Services	608.86	-1.43%	0.57%	0.57%	-0.41%	-0.41%	5.62%	621.96	4/4/2014	474.48	4/18/2013
Pharmaceuticals, Biotech & Life Sci	649.87	-1.59%	0.45%	0.45%	-0.94%	-0.94%	4.11%	688.05	3/6/2014	509.10	6/24/2013
Household & Personal Products	499.70	-0.30%	0.15%	0.15%	-0.77%	-0.77%	-1.94%	530.20	11/26/2013	464.34	6/20/2013
Food, Beverage & Tobacco	503.40	-0.35%	0.11%	0.11%	-0.42%	-0.42%	-0.82%	509.74	11/15/2013	466.32	8/29/2013
Technology Hardware & Equipmen	589.91	-1.60%	0.01%	0.01%	-0.22%	-0.22%	0.81%	603.09	4/3/2014	439.29	4/19/2013
Banks	221.48	-1.32%	-0.07%	-0.07%	-1.15%	-1.15%	5.87%	228.93	3/21/2014	165.24	4/18/2013
Consumer Durables & Apparel	272.90	-1.57%	-0.31%	-0.31%	-0.98%	-0.98%	-4.27%	285.53	1/3/2014	225.17	4/5/2013
Consumer Services	678.21	-1.31%	-0.32%	-0.32%	-1.06%	-1.06%	-1.06%	701.76	3/11/2014	585.17	4/5/2013
Diversified Financials	445.72	-1.58%	-0.49%	-0.49%	-1.38%	-1.38%	-0.62%	459.40	3/21/2014	345.43	4/18/2013
Retailing	882.70	-2.02%	-0.57%	-0.57%	-0.82%	-0.82%	-6.08%	944.66	12/27/2013	718.62	4/5/2013
Software & Services	826.27	-2.63%	-1.52%	-1.52%	-2.55%	-2.55%	-0.86%	902.43	4/3/2014	664.52	4/19/2013

**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
Turkey TUR	51.10	0.49%	8.63%	4.97%	4.97%	7.22%	77.40	5/22/2013	40.03	2/3/2014
Russia RSX	23.73	0.38%	3.62%	-1.08%	-1.08%	-17.80%	30.25	10/22/2013	20.86	3/13/2014
Hong Kong EWH	20.46	-0.20%	3.59%	3.44%	3.44%	-0.68%	21.00	5/21/2013	17.79	6/24/2013
Brazil EWZ	46.15	1.03%	2.85%	2.48%	2.48%	3.29%	56.39	4/10/2013	38.00	2/3/2014
Austria EWO	20.18	-0.69%	2.80%	0.95%	0.95%	1.87%	21.06	2/25/2014	16.10	7/3/2013
Latin America ILF	37.25	0.84%	2.79%	1.86%	1.86%	0.57%	44.44	4/10/2013	31.89	2/3/2014
Spain EWP	41.51	-0.55%	2.65%	1.74%	1.74%	7.62%	41.95	4/4/2014	27.50	6/24/2013
Indonesia IDX	25.54	-0.62%	2.45%	1.59%	1.59%	20.13%	33.39	5/22/2013	20.06	1/7/2014
Israel EIS	53.09	-1.28%	2.27%	0.55%	0.55%	9.64%	53.99	4/4/2014	41.19	8/28/2013
Mexico EWW	64.38	1.13%	2.04%	0.67%	0.67%	-5.32%	76.64	4/11/2013	57.57	6/21/2013
South Korea EWY	62.32	-0.03%	1.95%	1.32%	1.32%	-3.63%	66.07	10/22/2013	49.56	6/24/2013
Thailand THD	73.61	-0.18%	1.88%	1.25%	1.25%	7.23%	96.11	5/8/2013	61.94	1/3/2014
BRIC EEB	32.53	-0.21%	1.88%	0.34%	0.34%	-6.12%	37.70	10/22/2013	28.86	6/24/2013
Canada EWC	29.84	0.54%	1.63%	0.98%	0.98%	2.33%	30.02	4/4/2014	25.61	6/24/2013
Taiwan EWT	14.54	-0.21%	1.61%	1.04%	1.04%	0.83%	14.87	4/4/2014	12.48	6/24/2013
Italy EWI	17.81	-0.39%	1.60%	0.56%	0.56%	14.24%	18.02	4/4/2014	11.54	4/4/2013
Emerging Markets EE	41.30	-0.27%	1.37%	0.71%	0.71%	-1.18%	44.27	5/8/2013	36.16	6/24/2013
Singapore EWS	13.15	-0.08%	1.00%	0.69%	0.69%	-0.15%	14.71	5/9/2013	11.94	2/3/2014
Sweden EWD	36.19	-0.79%	0.92%	-1.17%	-1.17%	1.00%	37.11	4/1/2014	29.42	6/24/2013
Australia EWA	25.89	0.31%	0.82%	0.08%	0.08%	6.24%	28.12	4/30/2013	22.00	7/3/2013
France EWQ	29.41	-0.17%	0.79%	0.72%	0.72%	3.37%	29.65	4/4/2014	22.60	4/18/2013
Switzerland EWL	34.14	-0.67%	0.65%	-0.58%	-0.58%	3.49%	34.56	4/1/2014	28.01	6/24/2013
Netherlands EWN	26.01	-0.65%	0.62%	-0.42%	-0.42%	0.31%	26.34	4/1/2014	20.27	4/5/2013
United States SPY	186.40	-1.18%	0.49%	-0.33%	-0.33%	0.93%	189.70	4/4/2014	153.55	4/18/2013
Belgium EWK	17.29	-0.80%	0.35%	-0.40%	-0.40%	5.49%	17.49	4/2/2014	13.37	7/3/2013
United Kingdom EWU	20.58	-0.34%	0.29%	-0.05%	-0.05%	-1.44%	21.44	2/24/2014	17.55	6/24/2013
Japan EWJ	11.35	-0.44%	0.18%	0.18%	0.18%	-6.50%	12.43	5/22/2013	10.36	6/6/2013
Germany EWG	31.34	-0.29%	0.13%	-0.03%	-0.03%	-1.32%	31.93	12/31/2013	23.66	4/18/2013
China 25 FXI	35.63	-0.34%	-0.56%	-0.42%	-0.42%	-7.14%	40.32	12/2/2013	31.35	6/25/2013
Vietnam VNM	21.54	0.94%	-0.74%	-0.69%	-0.69%	14.64%	23.15	2/26/2014	17.00	8/28/2013
Malaysia EWM	15.57	0.19%	-0.89%	-0.51%	-0.51%	-1.58%	16.81	5/8/2013	13.74	8/28/2013
Chile ECH	45.21	-0.11%	-1.07%	-0.75%	-0.75%	-4.84%	64.59	5/3/2013	39.62	2/3/2014
India IFN	22.59	-1.53%	-1.48%	-1.95%	-1.95%	12.95%	23.49	4/2/2014	16.16	8/28/2013
South Africa EZA	65.33	-1.43%	-1.63%	-1.33%	-1.33%	1.30%	69.07	10/22/2013	53.37	6/24/2013
Greece GREK	24.17	-1.55%	-1.75%	-1.63%	-1.63%	7.28%	25.76	3/19/2014	14.10	6/24/2013

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	25.89	55.82			57.35		0.00	0.06
Austria EWO	20.18	51.74			52.49		0.01	0.02
Belgium EWK	17.29	16.90			16.44		0.00	0.05
Brazil EWZ	46.15	-16.20			-17.17		0.02	0.03
BRIC EEB	32.53	-10.63			-12.29		0.00	-0.06
Canada EWC	29.84	-9.98			-10.60		0.01	0.02
Chile ECH	45.21	16.23			16.63		-0.01	-0.05
China 25 FXI	35.63	15.05			15.05		0.00	-0.07
Emerging Markets EE	41.30	68.87			70.50		0.01	-0.01
France EWQ	29.41	7.25			8.02		0.01	0.03
Germany EWG	31.34	11.15			10.47		0.00	-0.01
Greece GREK	24.17	19.03			19.56		-0.02	0.07
Hong Kong EWH	20.46	-1.82			-2.50		0.03	-0.01
India IFN	22.59	10.43			9.20		-0.02	0.13
Indonesia IDX	25.54	1.65			0.24		0.57	0.39
Israel EIS	53.09	6.53			6.37		0.01	0.10
Italy EWI	17.81	-27.62			-27.66		0.01	0.14
Japan EWJ	11.35	28.07			29.37		0.00	-0.06
Latin America ILF	37.25	6.03			5.85		0.02	0.01
Malaysia EWM	15.57	5.34			8.80		-0.01	-0.02
Mexico EWW	64.38	18.54			18.29		0.01	-0.05
Netherlands EWN	26.01	22.01			23.99		0.00	0.00
Russia RSX	23.73	29.10			29.48		-0.01	-0.18
Singapore EWS	13.15	27.92			28.57		0.01	0.00
South Africa EZA	65.33	1.18			-0.45		-0.01	0.01
South Korea EWY	62.32	-9.35			-10.33		0.01	-0.04
Spain EWP	41.51	-10.47			-12.27		0.02	0.08
Sweden EWD	36.19	-16.00			-15.90		-0.01	0.01
Switzerland EWL	34.14	8.58			7.33		-0.01	0.03
Taiwan EWT	14.54	20.72			20.57		0.01	0.01
Thailand THD	73.61	-1.19			-1.33		0.01	0.07
Turkey TUR	51.10	2.15			1.30		0.05	0.07
United Kingdom EWU	20.58	-25.27			-27.18		0.00	-0.01
United States SPY	186.40	11.15			7.89		0.00	0.01
Vietnam VNM	21.54	29.36			29.24		-0.01	0.15

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**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
Aluminum JJU	18.63	-0.37%	4.31%	3.04%	3.04%	-0.05%	22.60	4/22/2013	17.10	3/17/2014
Corn CORN	34.92	0.81%	3.77%	0.75%	0.75%	14.19%	43.00	5/30/2013	29.50	1/10/2014
Coffee JO	36.96	7.44%	3.24%	5.36%	5.36%	70.32%	41.98	3/12/2014	20.37	11/6/2013
Platinum PPLT	141.30	0.43%	2.97%	2.30%	2.30%	5.53%	152.68	4/9/2013	127.34	6/26/2013
Coal KOL	18.66	0.21%	2.41%	0.92%	0.92%	-4.01%	22.72	4/12/2013	17.16	6/24/2013
Palladium PALL	77.00	0.35%	2.08%	1.93%	1.93%	10.60%	77.64	3/24/2014	61.81	6/26/2013
Tin JTT	52.72	0.00%	2.03%	2.36%	2.36%	-0.92%	57.05	12/27/2013	41.89	7/2/2013
Grains GRU	6.58	0.51%	1.13%	-0.40%	-0.40%	13.90%	7.09	6/3/2013	5.41	8/15/2013
Grains JIG	50.07	-0.14%	0.94%	-0.73%	-0.73%	16.09%	52.90	6/19/2013	42.02	1/9/2014
Timber CUT	25.43	-0.35%	0.83%	0.47%	0.47%	-1.81%	26.45	3/6/2014	20.70	6/24/2013
Gold GLD	125.57	1.33%	0.81%	1.59%	1.59%	8.14%	153.85	4/9/2013	114.46	12/31/2013
Silver SLV	19.16	0.52%	0.52%	0.63%	0.63%	2.41%	27.14	4/9/2013	17.75	6/27/2013
Copper JJC	36.72	-0.24%	-0.49%	-0.22%	-0.22%	-11.41%	43.16	4/9/2013	34.89	3/19/2014
OIL USO	36.43	0.80%	-0.52%	-0.44%	-0.44%	3.14%	39.54	9/6/2013	30.79	4/17/2013
Cocoa NIB	39.06	1.77%	-0.59%	0.67%	0.67%	9.11%	40.20	3/18/2014	28.38	6/28/2013
Natural Gas UNG	24.69	-0.08%	-1.24%	1.11%	1.11%	19.33%	27.89	2/24/2014	16.60	8/8/2013
Cotton BAL	57.58	1.95%	-1.59%	-1.05%	-1.05%	8.27%	60.44	3/26/2014	47.97	11/5/2013
Heating Oil UHN	32.65	0.25%	-1.98%	-1.98%	-1.98%	-1.15%	34.91	8/29/2013	29.66	4/17/2013
Sugar SGG	57.66	1.44%	-2.89%	-2.19%	-2.19%	3.91%	66.46	10/18/2013	49.25	1/29/2014
Livestock COW	30.59	-2.27%	-4.79%	-3.84%	-3.84%	12.71%	32.90	3/19/2014	25.41	4/15/2013

**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	18.63	-12.54	-2.67		-12.43	-3.26		0.75	0.20
Coal KOL	18.66	-13.15	4.93		-14.11	4.93		0.59	0.32
Cocoa NIB	39.06	35.16	-2.09		32.02	-2.60		0.75	0.08
Coffee JO	36.96	21.08	0.06		13.59	-1.07		0.75	-0.69
Copper JJC	36.72	-12.51	5.76		-11.67	5.57		0.75	0.21
Corn CORN	34.92	-12.53			-14.20			1.49	0.07
Cotton BAL	57.58	1.07	16.46		-1.44	15.89		0.75	-0.62
Gold GLD	125.57	-16.45	7.46		-18.79	6.82		0.40	0.17
Grains GRU	6.58	0.21	1.80					0.75	
Grains JIG	50.07	3.66	4.33		2.50	4.44		0.75	-0.02
Heating Oil UHN	32.65	1.18	8.74		0.71	8.41		0.91	-0.92
Livestock COW	30.59	16.44	-0.76		18.39	-0.24		0.75	-0.10
Natural Gas UNG	24.69	14.89	-27.39		17.16	-27.29		0.60	-0.74
OIL USO	36.43	9.10	3.32		6.94	3.08		0.45	-0.01
Palladium PALL	77.00	7.94			2.39			0.60	-0.11
Platinum PPLT	141.30	-5.37			-9.03			0.60	0.51
Silver SLV	19.16	-26.28	8.73		-27.44	8.51		0.50	-0.01
Sugar SGG	57.66	-8.77	6.20		-9.39	6.01		0.75	0.21
Timber CUT	25.43	14.00	22.14		14.89	22.09		0.70	-0.17
Tin JYT	52.72	1.60	16.16		1.17	15.78		0.75	0.40

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