

Monday February 23, 2015

Closing prices of February 20, 2015

## IMPORTANT DISCLOSURES

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Monday February 23, 2015

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**Stocks rallied for the third week in a row as they followed through on their recent breakout to record more new highs.** They were helped by dovish comments in the FOMC minutes, better news out of the Eurozone and the U.K., and news of an interim deal for Greece.

**All of our major indexes traded higher last week for the third week in a row.** They were led for the second week by year-to-date leader Nasdaq 100, up 1.35%, the Nasdaq Composite, up 1.27%, and year-to-date laggard Dow Jones Transports, up 1.07%. The laggards were the NYSE Composite, up 0.55%, the Russell 2000 (small caps), up 0.63%, and the S&P 500, also up 0.63%. **All but the Dow Jones Transports and the Bank of New York Mellon ADR Index logged new highs.**

**Eight of the ten S&P sectors traded higher last week.** The leader was Health Care, up 1.93%, followed by Industrials, up 1.59%, and year-to-date laggard Utilities, up 1.19%. The losers were Energy, down 2.38%, and Telecom Services, down 1.36%. **New highs were made in HealthCare, Industrials, Information Technology, Materials, and Consumer Discretionary.**

**Seventeen of the twenty-four S&P industry groups traded higher last week.** They were led by Health Care Equipment & Services, up 2.17%, Commercial & Professional Services, up 1.83%, Pharmaceuticals, Biotech & Life Sciences, up 1.81%, and Capital Goods, up 1.68%. The losers were led by Energy, down 2.38%, Telecom Services, down 1.36%, Household & Personal Products, down 0.84%, and Food & Staples Retailing, down 0.70%. Eight of the industry groups made new highs.

**Last week we said in the short-term stocks were just under overbought levels but that the positive momentum could continue for a time for multiple reasons.** The S&P 500 went sideways Tuesday through Thursday with early morning weakness bought each day, with Friday's early drop taking the S&P 500 into negative territory for the week before buyers came in after the first half hour and the index went straight up from there, closing the week with another all-time high. Last week we also discussed negative divergences which had developed, and we said they highlighted the need for investors to be selective. Stocks were able to power through them, obviously a good sign. Some of them still exist, so we repeat the need for selectivity.

**In the short-term stocks are not yet overbought with the percentage of S&P 1500 stocks over their own 10-day moving averages at 72.6%.** Our options indicator has dropped down to 0.946, under the neutral 1.00 level for the first time since January 12<sup>th</sup>, and a level showing pessimism, not the overbullishness that makes stocks vulnerable. It is a level where deep drops in equities are very unlikely, and the rally can certainly continue. **The S&P 1500 Advance Decline line made a new high for the first time since 12/29/2014, confirming the high in the S&P 1500 and pointing to higher prices in the future.** This was the second up Friday in a row, showing that investors have become more confident as they are willing to hold positions over the weekend. That confidence is also seen in the narrowing of our valuation spreads, which show the difference between equity and bond yields, and in the lagging industry groups last week, which are defensive groups. It is still possible to see some softness this week but seasonality becomes very strong again from 2/27 through 3/5. **In addition, the quantitative easing recently announced by the ECB will begin in March, and it is a sure bet that some of that liquidity will make its way into the equities market.**

**Valuation, based on spreads between equity and bond yields, is back in the channel it traded in from May 2013 through January 2015 after a brief excursion into the fear driven zone these spreads traded in from August 2011 through May 2013.** This shows investors relaxed over the past three weeks, and this is a level where stocks are still very attractive versus bonds. We have been reporting for quite a while on the negative trend of aggregate earnings and projections. **This problem is especially highlighted at this time because P/E ratios are breaking out to multi-year highs.** How long this can continue is anyone's guess, but it is sure to make investors nervous at some point. A lot of the decrease in estimates can be attributed to the energy sector, but we still need to see the aggregate numbers move up.

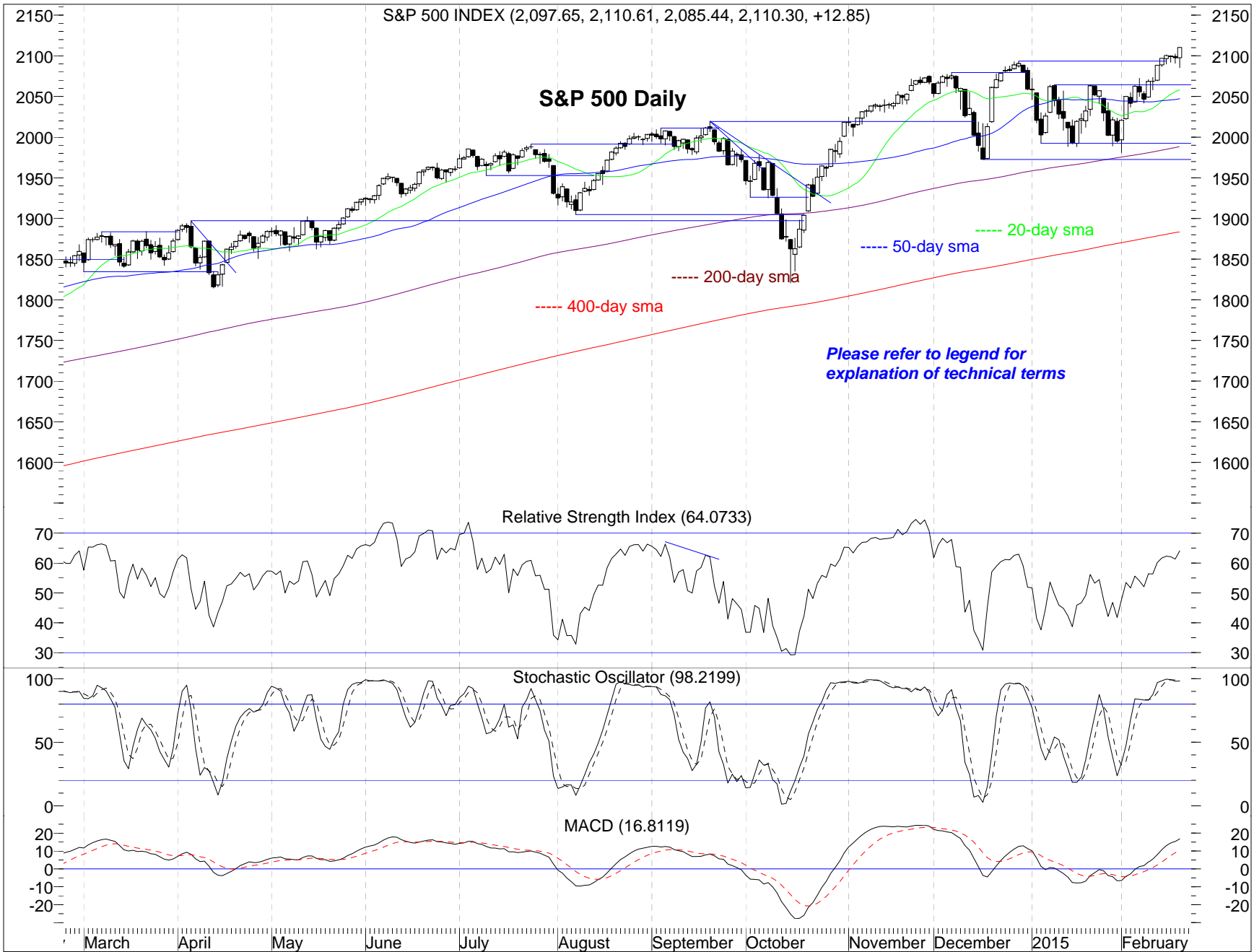
**Four-hundred forty of the S&P 500 have reported fourth quarter earnings. 67.5% beat estimates, 10.7% were in line, 21.8% missed.** In the third quarter after 441 reported 75.7% beat, 8.2% were in line, and 16.1% missed, and the quarter ended with 74.5% beating estimates, 8.8% were in line, and 16.7% missed. For the entire second quarter 67.3% beat estimates, 12.4% were in line, and 20.3% missed. In Q1 70.4% beat estimates, 9.1% were in line, and 20.5% missed. The final tally for the fourth quarter of 2013 was 67.2% beat, 12.9% were in line, and 19.9% missed.

**In summary, major indexes broke out to marginal new highs two weeks ago, and they followed through last week. Stocks are not yet overbought, and investors are not yet overbullish in spite of becoming more confident over the past few weeks. Some negative divergences persist, but as we said last week we don't expect any pullback to be deep. Ultra-positive seasonality returns again at the end of February, and March is also the beginning of the ECB quantitative easing. We repeat that investors need to be alert to sector rotation and they need to be very selective.**

**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 PHOENIX FINANCIAL SERVICES.**

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Another all-time high Friday for the S&P 500.

Daily momentum remains positive.

2/21/2015

S&P 500 INDEX (2,096.47, 2,110.61, 2,085.44, 2,110.30, +13.31)

### S&P 500 Weekly

*Please refer to legend for explanation of technical terms*

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

Relative Strength Index (60.8399)

Stochastic Oscillator (94.8776)

MACD (29.3536)

The third positive week in a row and new all-time highs on the weekly chart of the S&P 500.

Weekly momentum is positive as negative divergences are overcome.

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 J J A S O N D 2015

2/21/2015

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S&P 500 INDEX (1,996.67, 2,110.61, 1,980.90, 2,110.30, +115.31)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

--- 12-month sma

--- 3-month sma

After holding support at its 3-month sma the S&P 500 has moved back into the ascending price channel it traded in since mid-2012.

Relative Strength Index (73.1061)

Monthly momentum remains slightly positive.

Stochastic Oscillator (84.0235)

MACD (136.989)

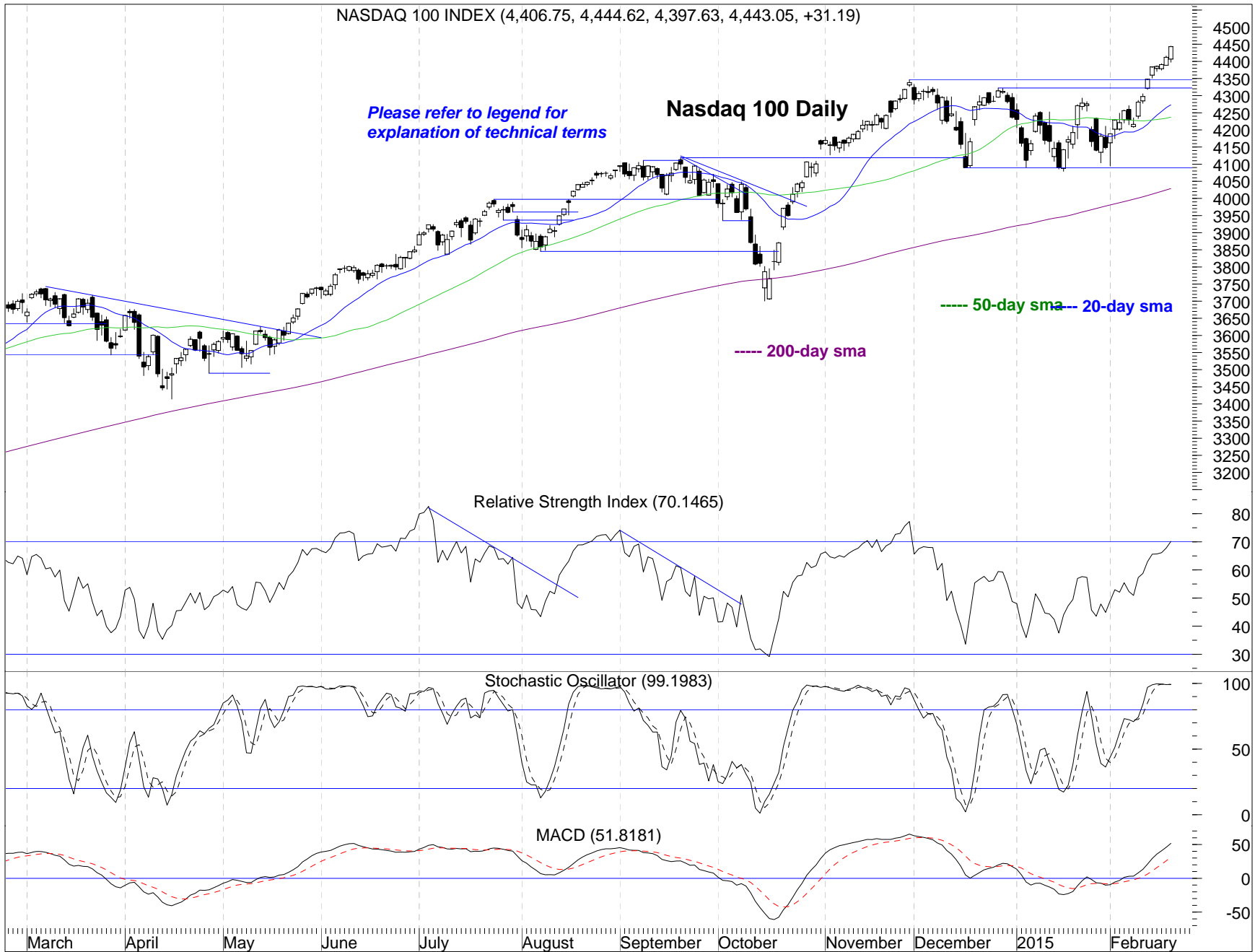
97 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 20

2/21/2015

NASDAQ 100 INDEX (4,406.75, 4,444.62, 4,397.63, 4,443.05, +31.19)

*Please refer to legend for explanation of technical terms*

### Nasdaq 100 Daily



The Nasdaq 100 followed through on the breakout of 2/13 and made a new high each day last week.

Daily momentum is positive.

2/21/2015

NASDAQ 100 INDEX (4,379.31, 4,444.62, 4,370.63, 4,443.05, +59.03)



*Please refer to legend for explanation of technical terms*

### Nasdaq 100 Weekly

----- 20-week sma

----- 40-week sma

----- 80-week sma

Relative Strength Index (64.5259)

Stochastic Oscillator (92.4337)

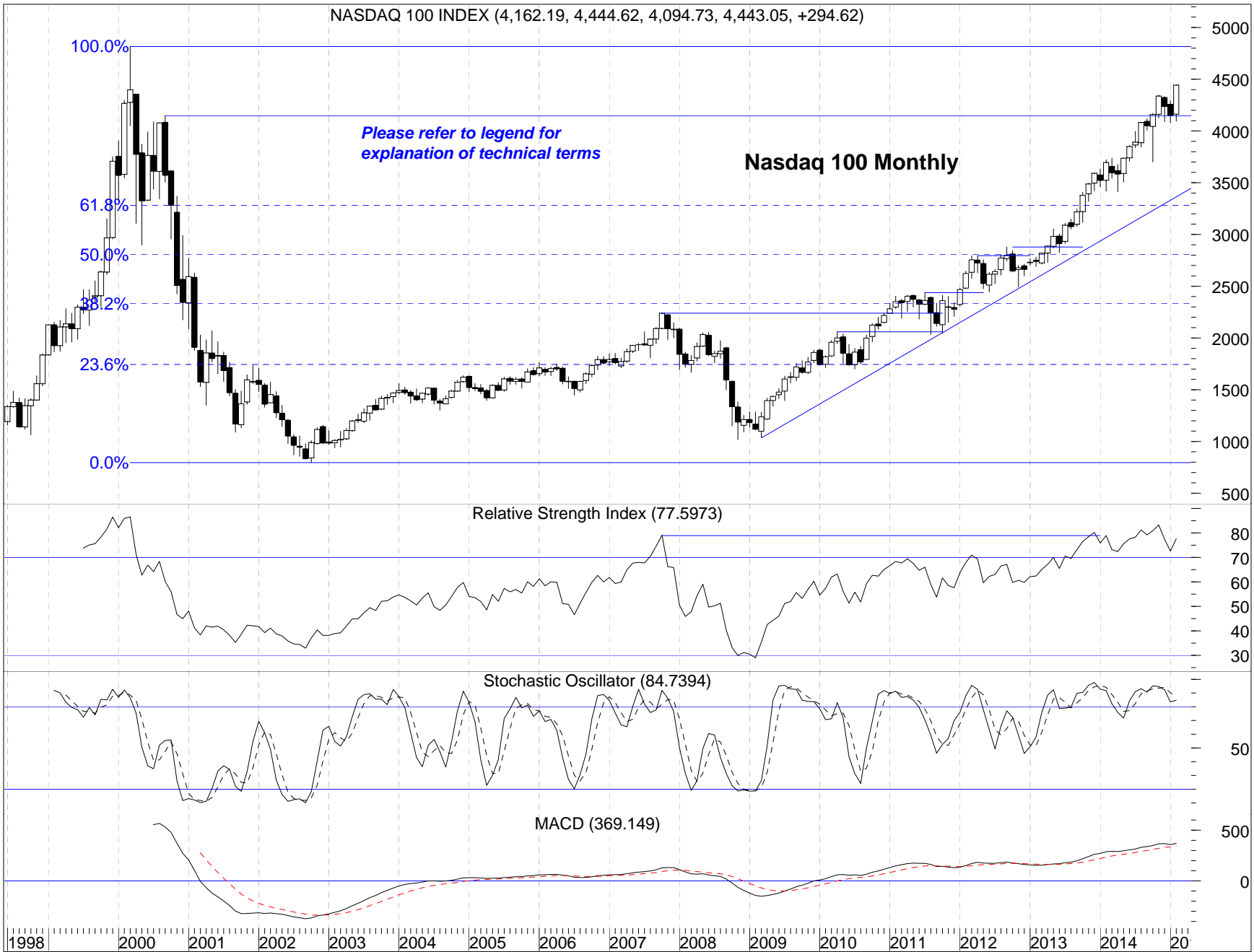
MACD (96.0341)

New weekly highs after a three-week winning streak.

Weekly momentum is now positive as the NDX overcame recent negative divergences.

2/21/2015

NASDAQ 100 INDEX (4,162.19, 4,444.62, 4,094.73, 4,443.05, +294.62)



The Nasdaq 100 is now above its all-time monthly closing high of 4397.84 set in March 2000.

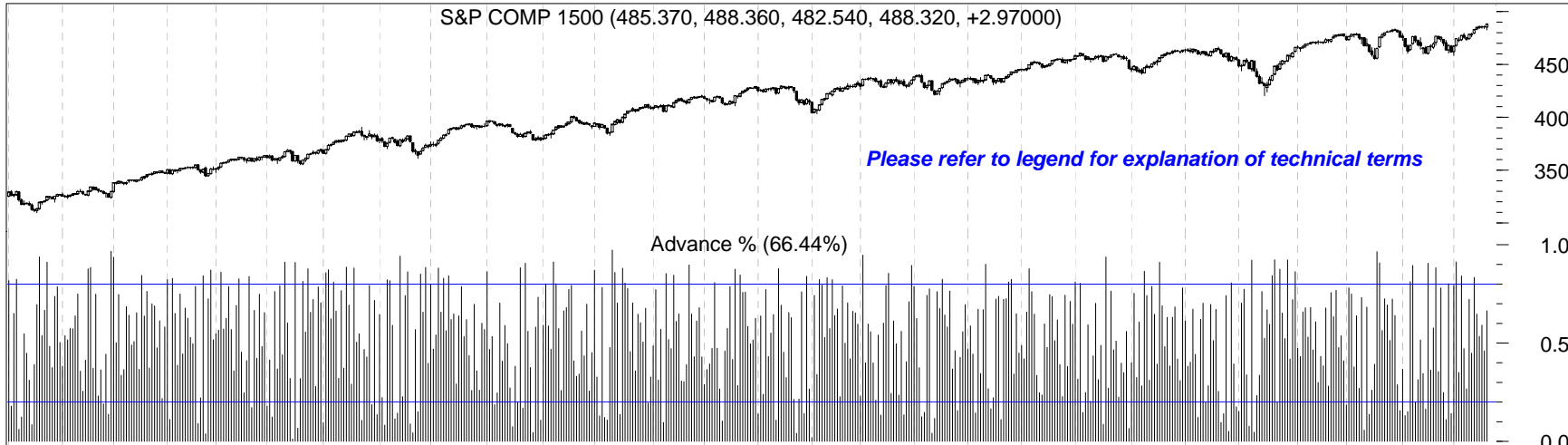
Monthly momentum is mixed.

2/21/2015

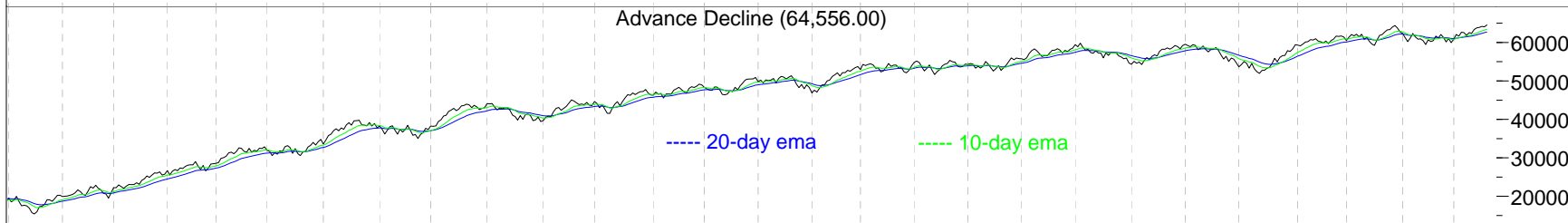


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S&P COMP 1500 (485.370, 488.360, 482.540, 488.320, +2.97000)



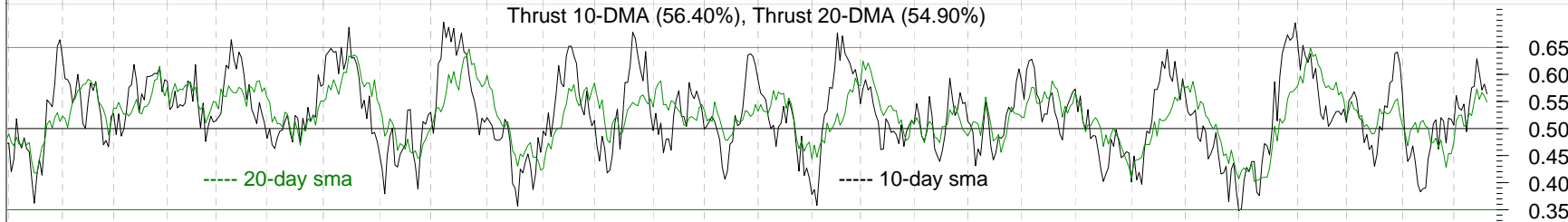
Advance % (66.44%)



Advance Decline (64,556.00)

--- 20-day ema

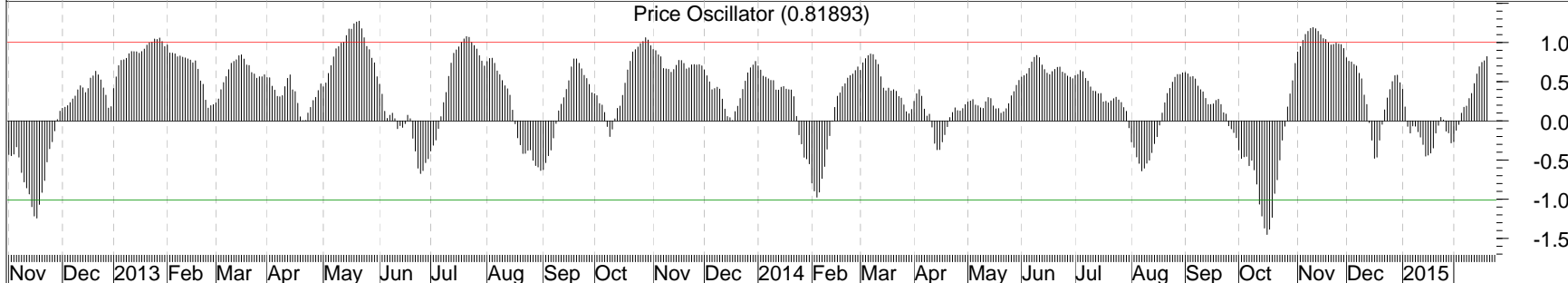
--- 10-day ema



Thrust 10-DMA (56.40%), Thrust 20-DMA (54.90%)

--- 20-day sma

--- 10-day sma



Price Oscillator (0.81893)

Nov Dec 2013 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015

2/21/2015

On Friday 66.44% of the S&P 1500 traded higher, making the 5-day average 57.9%.

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

The 10 and 20-day percentages of advancing stocks remain positive.

Our price oscillator, a good indicator of trends, remains positive although it is not far from the level where stocks get overbought.

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S&P COMP 1500 (485.370, 488.360, 482.540, 488.320, +2.97000)

% Over 10-Sma (72.60%)

Kaufman Options Indicator (0.946)

4-Week Closing Highs (398), 4-Week Closing Lows (43)

10-SMA 4-Week Closing Highs (352.50), 10-SMA 4-Week Closing Lows (79.90)

13-Week Closing Highs (254), 13-Week Closing Lows (19.)

10-sma 13-Week Highs (190.20), 10-sma 13-Week Lows (22.80)

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 J J A S O N D 2015

2/21/2015

The percentage of stocks over their own 10-day sma is 72.6%, a negative divergence considering the index is at new highs. Shows the need for selectivity.

Our proprietary options indicator has dropped into pessimistic territory at 0.946, a level where sharp moves down are unlikely and rallies can certainly continue.

New highs continue to expand and are dominating the number of new lows.

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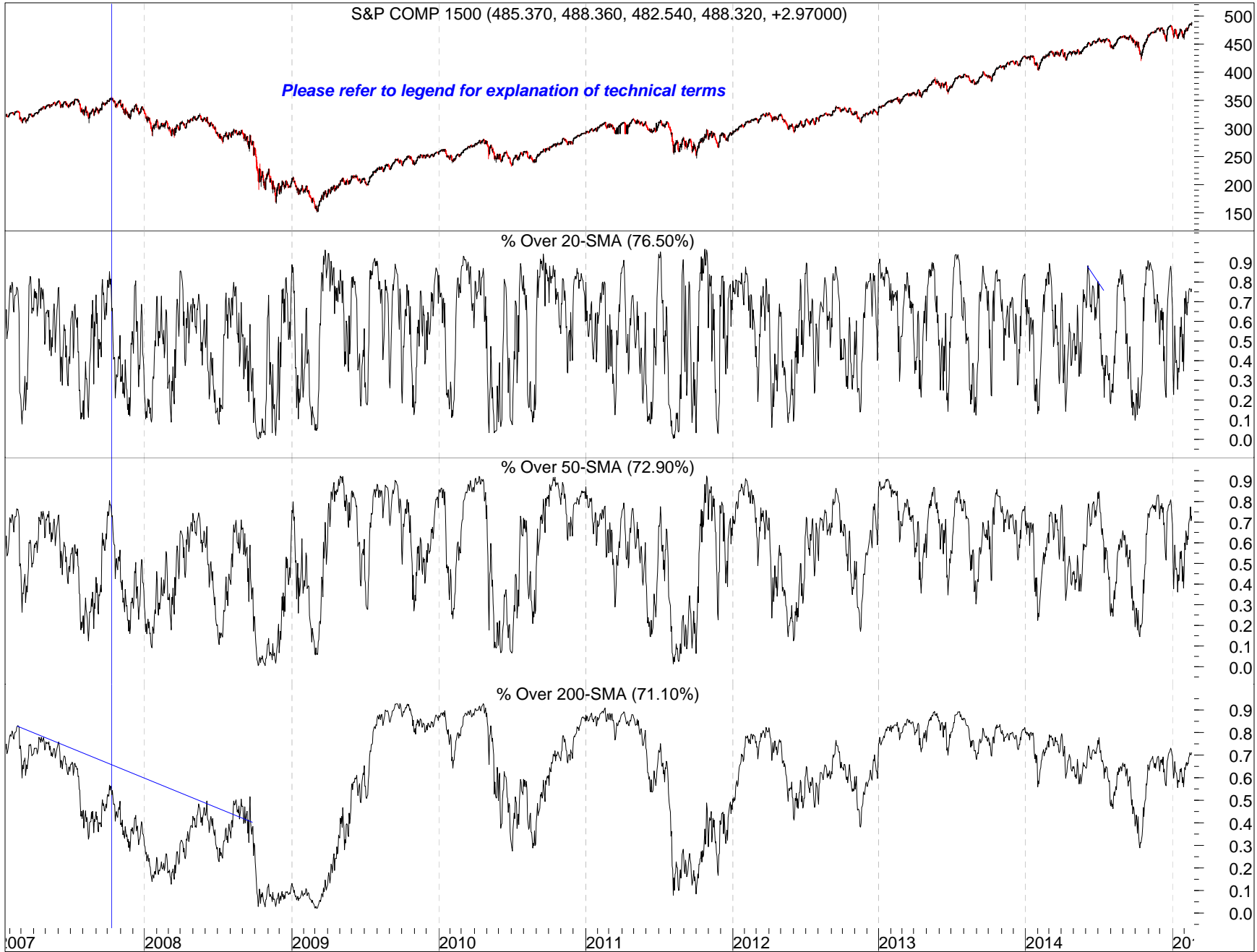
S&P COMP 1500 (485.370, 488.360, 482.540, 488.320, +2.97000)

*Please refer to legend for explanation of technical terms*

% Over 20-SMA (76.50%)

% Over 50-SMA (72.90%)

% Over 200-SMA (71.10%)



These breadth numbers are all at bull market levels. They are not as high as in the past when the S&P 1500 was making new highs, a negative divergence that highlights the need for selectivity. At the same time they are not showing levels of over exuberance which can make stocks vulnerable to sharp pullbacks.

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S&P COMP 1500 (485.370, 488.360, 482.540, 488.320, +2.97000)

*Please refer to legend for explanation of technical terms*

10 Y TSY YLD NDX (20.7800, 21.4200, 20.4500, 21.3300, +0.20000)

----- 200-day sma    ----- 50-day sma

----- 20-day sma

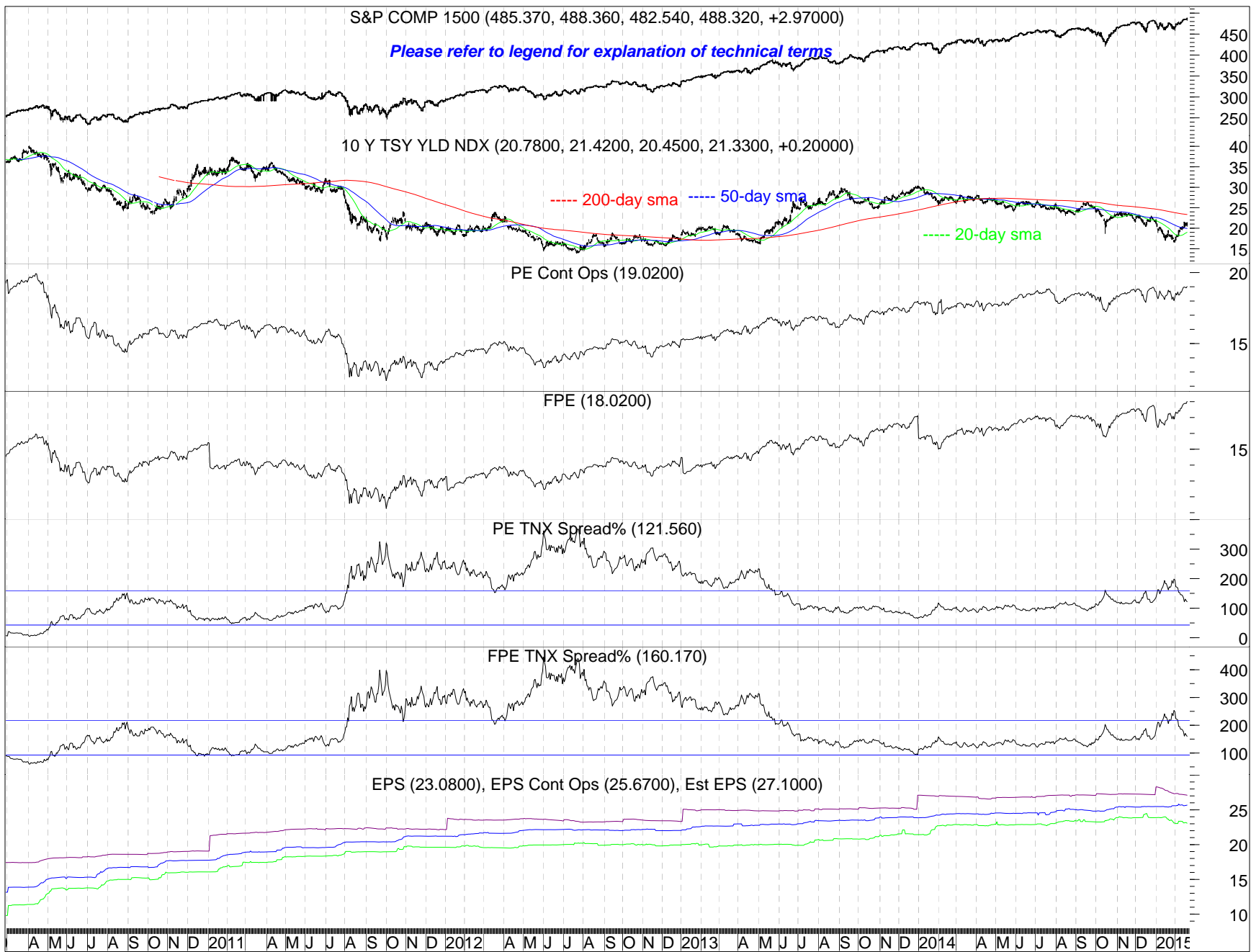
PE Cont Ops (19.0200)

FPE (18.0200)

PE TNX Spread% (121.560)

FPE TNX Spread% (160.170)

EPS (23.0800), EPS Cont Ops (25.6700), Est EPS (27.1000)



P/E ratios are breaking out to multi-year highs.

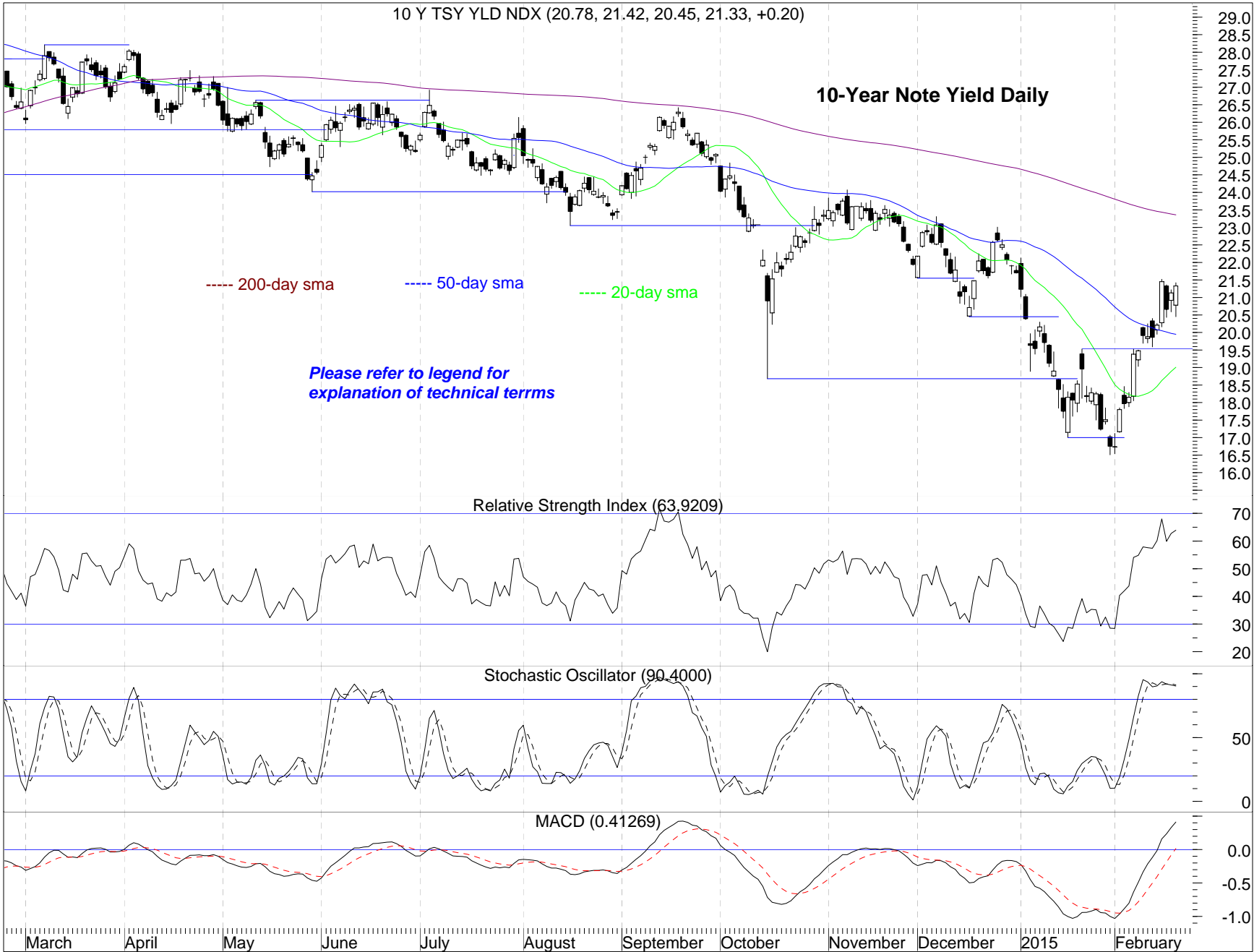
Spreads between equity and bond yields narrowed again last week showing that investor fears have been alleviated. The spreads had been at the levels seen from August 2011 through May 2013, times of great concern for investors.

Aggregate earnings and forecasts are still not going in the right direction, but for the moment investors don't seem concerned.

2/21/2015

10 Y TSY YLD NDX (20.78, 21.42, 20.45, 21.33, +0.20)

### 10-Year Note Yield Daily



----- 200-day sma

----- 50-day sma

----- 20-day sma

*Please refer to legend for explanation of technical terms*

Relative Strength Index (63.9209)

Stochastic Oscillator (90.4000)

MACD (0.41269)

10-year note yields rose in three of last week's four sessions.

Daily momentum is positive but the stochastic is overbought.

2/21/2015

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10 Y TSY YLD NDX (20.28, 21.52, 20.16, 21.33, +1.12)



Please refer to legend for explanation of technical terms

10-Year Note Yield Weekly

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

After the bullish engulfing candle three weeks ago yields had two more strong weeks, moving up to the 20-week sma. This moving average has been strong resistance since the beginning of 2014.

Relative Strength Index (48.3605)

Stochastic Oscillator (84.4955)

MACD (-1.27157)

Weekly momentum has turned positive.

2/21/2015

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10 Y TSY YLD NDX (16.74, 21.52, 16.54, 21.33, +4.58)

Please refer to legend for explanation of technical terms

10-Year Note Yield Monthly

-----12-Month sma

-----3-Month sma

The 10-year note yield has almost recovered the complete down move of January. It is back over its 3-month sma.

Relative Strength Index (46.0247)

Stochastic Oscillator (31.1008)

MACD (-0.61425)

Monthly momentum is mixed.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

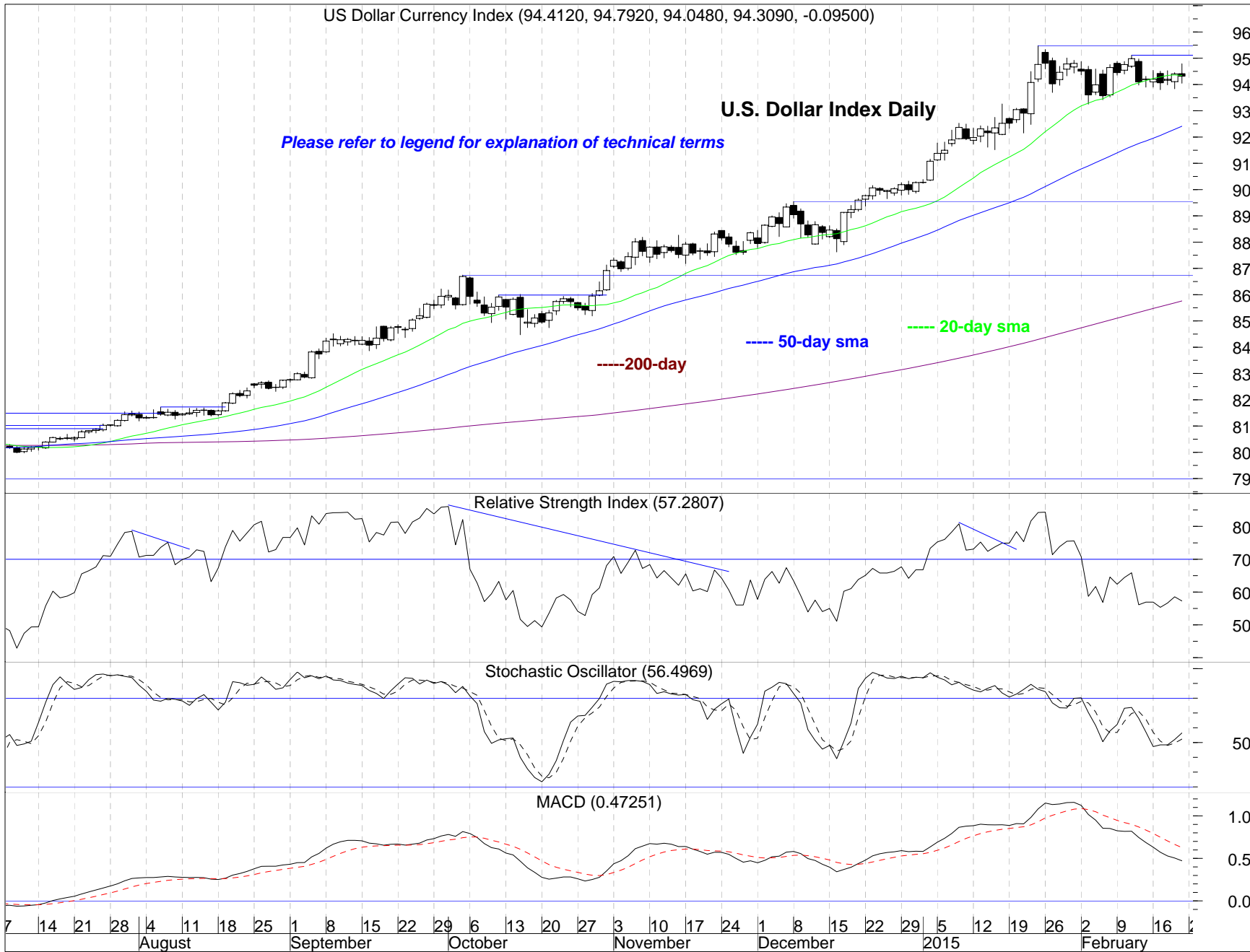
2/21/2015

US Dollar Currency Index (94.4120, 94.7920, 94.0480, 94.3090, -0.09500)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Daily

After peaking in mid-January the U.S. Dollar Index has been going sideways.



2/21/2015



US Dollar Currency Index (94.0990, 94.7920, 93.8010, 94.3090, +0.10800)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Weekly

----- 10-week sma

----- 40-week sma

Relative Strength Index (81.0816)

Stochastic Oscillator (71.8205)

MACD (2.74698)

After two down weeks the U.S. Dollar Index managed to eke out a gain of 0.06% last week.

Weekly momentum is mixed.

2013 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015 Feb

2/21/2015

US Dollar Currency Index (94.5820, 95.1150, 93.2500, 94.3090, -0.49500)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

----- 3-month sma  
----- 12-month sma

The U.S. Dollar Index remains in an up trend at the highest level since 2003.

Relative Strength Index (76.8125)

Monthly momentum remains overbought and threatening to turn down.

Stochastic Oscillator (94.2192)

MACD (2.84480)



2/21/2015

UNITED STATES OIL ETF (19.0700, 19.1700, 18.6400, 18.6500, -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.

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

Please refer to legend for explanation of technical terms

The oil ETF is pinched between its 20 and 50-day sma.

Relative Strength Index (47.1927)

Stochastic Oscillator (61.0494)

MACD (-0.02124)

Daily momentum is slightly negative.

30 7 14 21 28 4 11 18 25 2 8 15 22 29 6 13 20 27 3 10 17 24 1 8 15 22 29 5 12 20 26 2 9 17 21

July August September October November December 2015 February

2/21/2015

UNITED STATES OIL ETF (19.3800, 20.1900, 18.3900, 18.6500, -0.9700)

Please refer to legend for explanation of technical terms

### 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 fighting its 10-week sma. On the chart of WTI crude there is resistance around the \$54 area.

Relative Strength Index (23.7425)

Stochastic Oscillator (73.8513)

MACD (-3.92605)

Oil's plunge has created a strangely mixed picture on the weekly momentum indicators, but it wouldn't take much for them to all become positive.

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 J J A S O N D 2015 N

2/21/2015

UNITED STATES OIL ETF (18.4000, 20.2900, 17.9300, 18.6500, +0.8300)

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

### USO - United States Oil Fund ETF Monthly

Please refer to legend for explanation of technical terms

----- 12-month sma

----- 3-month sma

The oil ETF is trying to break a seven month losing streak. It is up 4.66% so far in February.

Relative Strength Index (26.1913)

Stochastic Oscillator (8.00275)

MACD (-3.50055)

Monthly momentum is trying to turn positive from very oversold levels.

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2/21/2015

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SPDR GOLD SHARES ETF (116.1000, 116.4550, 115.0500, 115.2800, -0.6600)

Please refer to legend for explanation of technical terms

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.

Gold ETF Daily

----- 200-day sma    ----- 50-day sma

----- 20-day sma

135  
134  
133  
132  
131  
130  
129  
128  
127  
126  
125  
124  
123  
122  
121  
120  
119  
118  
117  
116  
115  
114  
113  
112  
111  
110  
109  
108

The gold ETF tried to put in a bottom Wednesday as it printed a hammer candle, but on Friday it was testing that bottom.

Relative Strength Index (37.7777)

70  
60  
50  
40  
30  
20

Daily momentum is mostly negative but the stochastic is oversold.

Stochastic Oscillator (10.2432)

100  
50  
0

MACD (-0.88416)

2  
1  
0  
-1

December 2014    February    March    April    May    June    July    August    September    October    November    2015    February

2/21/2015

SPDR GOLD SHARES ETF (116.4000, 116.5400, 114.9900, 115.2800, -2.7000)

### Gold ETF Weekly



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

Please refer to legend for explanation of technical terms

The gold ETF has fallen under its 10 and 40-week sma.

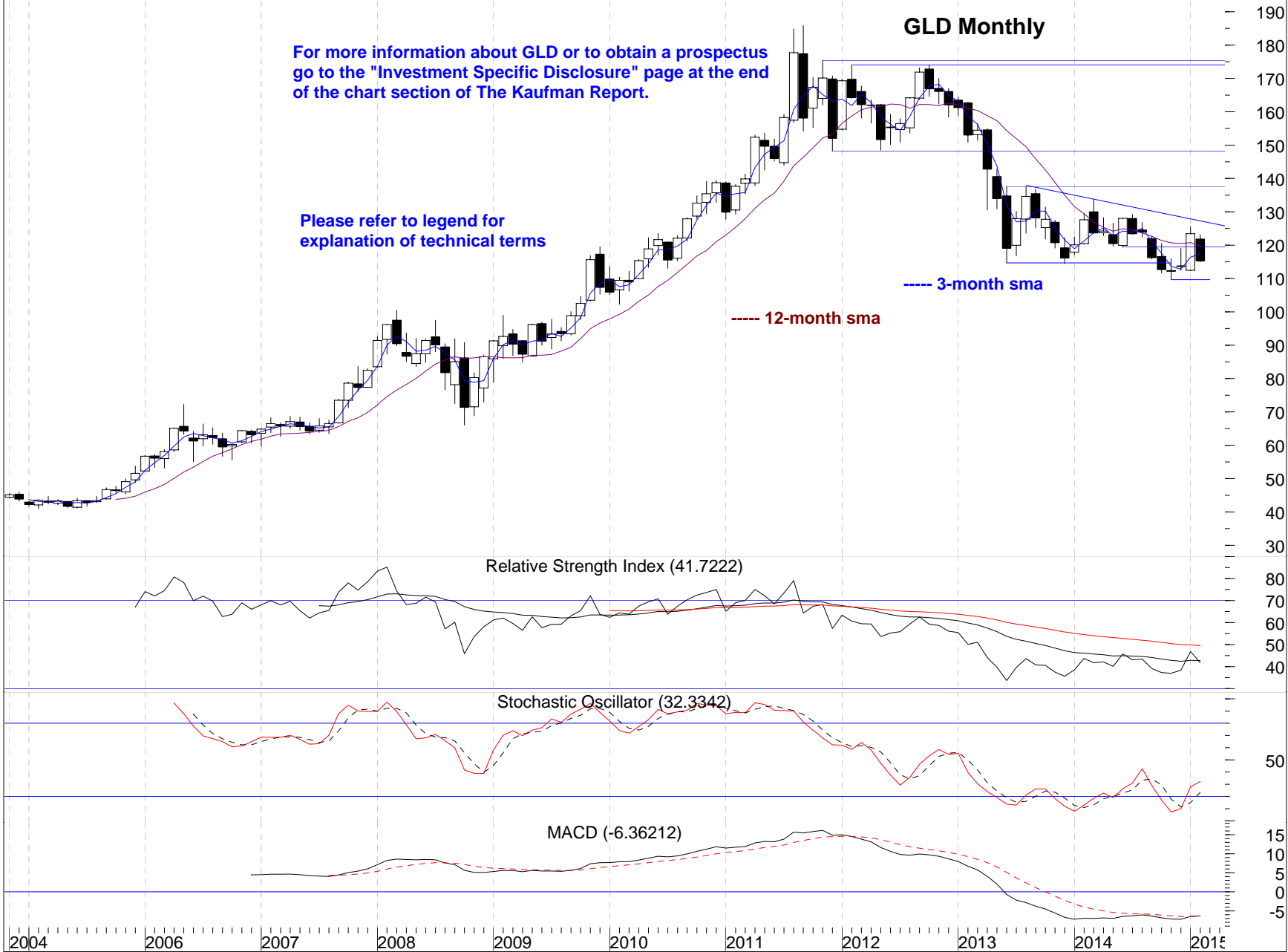
Weekly momentum is mostly negative.

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 J J A S O N D 2015

2/21/2015

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SPDR GOLD SHARES ETF (121.8400, 123.1550, 114.9900, 115.2800, -8.1700)



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

Relative Strength Index (41.7222)

Stochastic Oscillator (32.3342)

MACD (-6.36212)

After approaching its down trend line with a strong January the gold ETF has pulled back and is back under its 3-month sma.

Monthly momentum is slightly positive.

2/21/2015



BRCLYS BK IPATH BLOOM COPPER SUB ETN (30.8800, 31.1500, 30.7800, 31.0600, -0.1699)

### Copper ETN Daily

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

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.

Please refer to legend for explanation of technical terms

The copper ETN, representing the metal with a Ph.D. in economics, has been pretty stable in February after a six-month downtrend.

Relative Strength Index (48.3872)

Stochastic Oscillator (81.7897)

MACD (-0.22361)

March April May June July August September October November December 2015 February

2/21/2015

Daily momentum is mixed.

BRCLYS BK IPATH BLOOM COPPER SUB ETN (30.52, 31.59, 30.50, 31.06, -0.05)

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

--- 40-Week sma --- 10-Week sma

Please refer to legend for explanation of technical terms

After a three-week winning streak the copper ETN was down just 0.16% last week. It is not far from its 10-week sma which has been strong resistance.

Relative Strength Index (30.4957)

Stochastic Oscillator (57.4981)

MACD (-1.74281)

Weekly momentum is mostly positive.

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 J J A S O N D 2015

2/21/2015

## 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://phoenixinc.com/Kaufman-Report-Prospectuses.html>

- 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	4443.05	0.71%	1.35%	2.19%	7.10%	4.88%	4.88%	4444.62	2/20/2015	3414.11	4/15/2014
Nasdaq Composite	4955.97	0.63%	1.27%	2.02%	6.92%	4.64%	4.64%	4957.02	2/20/2015	3946.03	4/15/2014
Dow Jones Transportation	9131.16	0.60%	1.07%	1.33%	5.57%	-0.10%	-0.10%	9310.22	11/28/2014	7137.21	2/20/2014
Bank of New York Mellon ADR	147.19	0.82%	1.04%	1.95%	6.07%	5.59%	5.59%	159.35	7/3/2014	133.38	1/6/2015
S&P Midcap 400	1515.29	0.66%	0.83%	1.37%	5.59%	4.33%	4.33%	1516.33	2/20/2015	1269.45	10/15/2014
Dow Jones Industrials	18140.44	0.86%	0.67%	0.94%	5.68%	1.78%	1.78%	18144.29	2/20/2015	15855.12	10/15/2014
S&P 1500	488.32	0.61%	0.65%	1.08%	5.77%	2.63%	2.63%	488.32	2/20/2015	420.73	10/15/2014
S&P 500	2110.30	0.61%	0.63%	1.04%	5.78%	2.50%	2.50%	2110.61	2/20/2015	1814.36	4/11/2014
Russell 2000	1230.85	0.24%	0.63%	1.20%	5.62%	2.17%	2.17%	1231.92	2/20/2015	1040.47	10/15/2014
NYSE Composite	11103.49	0.59%	0.55%	0.98%	5.37%	2.44%	2.44%	11111.41	2/20/2015	9886.08	10/15/2014

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Health Care	833.58	1.03%	1.93%	2.45%	4.03%	5.25%	5.25%	833.61	2/20/2015	641.04	4/14/2014
Industrials	498.14	0.93%	1.59%	2.07%	6.32%	2.40%	2.40%	498.33	2/20/2015	421.18	10/15/2014
Utilities	231.46	0.04%	1.19%	-0.40%	-5.82%	-3.62%	-3.62%	253.29	1/28/2015	199.50	3/7/2014
Information Technology	719.00	0.63%	1.18%	1.90%	8.13%	3.91%	3.91%	719.63	2/20/2015	573.09	4/15/2014
Materials	325.80	0.38%	0.98%	1.84%	8.88%	6.72%	6.72%	325.96	2/20/2015	277.80	10/15/2014
Consumer Discretionary	598.05	0.75%	0.77%	1.34%	7.80%	4.42%	4.42%	598.07	2/20/2015	490.46	10/15/2014
Consumer Staples	509.59	0.28%	0.11%	-0.40%	3.31%	2.00%	2.00%	516.60	1/22/2015	424.31	2/20/2014
Financials	329.18	0.81%	0.10%	0.00%	6.18%	-1.24%	-1.24%	339.18	12/29/2014	285.71	4/11/2014
Telecom Services	157.44	0.07%	-1.36%	-1.49%	5.57%	3.21%	3.21%	172.45	7/29/2014	144.67	2/26/2014
Energy	589.07	-0.30%	-2.38%	-0.47%	5.58%	0.42%	0.42%	738.72	6/23/2014	533.62	1/14/2015

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Health Care Equip & Services	772.05	1.24%	2.17%	2.45%	5.99%	6.87%	6.87%	772.13	2/20/2015	579.51	4/28/2014
Commercial & Professional Service	223.71	0.19%	1.83%	1.56%	5.66%	3.91%	3.91%	224.11	2/18/2015	179.40	4/15/2014
Pharmaceuticals, Biotech & Life Sci	797.80	0.92%	1.81%	2.45%	3.09%	4.47%	4.47%	805.15	12/8/2014	617.97	4/14/2014
Capital Goods	519.97	1.00%	1.68%	2.47%	6.92%	3.10%	3.10%	520.20	2/20/2015	443.01	10/15/2014
Technology Hardware & Equipmen	813.87	0.82%	1.45%	1.94%	10.56%	9.18%	9.18%	814.13	2/20/2015	567.19	3/14/2014
Retailing	1112.32	1.01%	1.39%	1.75%	7.96%	7.71%	7.71%	1112.73	2/20/2015	831.70	5/7/2014
Automobiles & Components	143.38	0.38%	1.30%	1.08%	12.03%	5.79%	5.79%	146.81	7/14/2014	112.55	10/15/2014
Transports	619.66	0.91%	1.22%	0.85%	4.48%	-0.40%	-0.40%	630.63	1/22/2015	463.13	2/20/2014
Utilities	231.46	0.04%	1.19%	-0.40%	-5.82%	-3.62%	-3.62%	253.29	1/28/2015	199.50	3/7/2014
Software & Services	928.33	0.49%	1.08%	2.00%	6.63%	1.34%	1.34%	941.79	12/23/2014	802.85	5/7/2014
Materials	325.80	0.38%	0.98%	1.84%	8.88%	6.72%	6.72%	325.96	2/20/2015	277.80	10/15/2014
Food, Beverage & Tobacco	582.36	0.34%	0.85%	0.02%	3.69%	3.70%	3.70%	588.97	1/22/2015	481.33	2/20/2014
Semiconductors & Equipment	561.25	0.65%	0.80%	1.38%	7.47%	0.12%	0.12%	581.22	12/8/2014	421.15	3/3/2014
Diversified Financials	510.74	0.89%	0.75%	0.01%	7.19%	-1.12%	-1.12%	525.97	12/23/2014	426.16	4/14/2014
Consumer Services	742.79	0.13%	0.74%	0.91%	4.04%	3.87%	3.87%	745.01	2/19/2015	636.89	10/15/2014
Consumer Durables & Apparel	309.53	1.10%	0.53%	1.36%	4.01%	0.79%	0.79%	312.61	11/28/2014	262.89	10/15/2014
Insurance	303.02	0.33%	0.51%	1.30%	8.06%	-1.31%	-1.31%	312.92	12/29/2014	266.60	10/15/2014
Media	485.87	0.71%	-0.10%	1.10%	9.76%	1.59%	1.59%	486.81	12/29/2014	402.89	4/15/2014
Banks	228.98	0.87%	-0.37%	-0.07%	8.17%	-3.36%	-3.36%	241.00	12/29/2014	205.15	10/15/2014
Real Estate	195.23	1.02%	-0.56%	-1.21%	-1.78%	3.91%	3.91%	205.55	1/28/2015	154.89	3/20/2014
Food & Staples Retailing	398.81	0.56%	-0.70%	-1.09%	3.35%	3.70%	3.70%	404.00	2/19/2015	311.48	2/20/2014
Household & Personal Products	535.06	-0.21%	-0.84%	-0.63%	2.26%	-4.22%	-4.22%	574.38	12/24/2014	486.38	8/1/2014
Telecom Services	157.44	0.07%	-1.36%	-1.49%	5.57%	3.21%	3.21%	172.45	7/29/2014	144.67	2/26/2014
Energy	589.07	-0.30%	-2.38%	-0.47%	5.58%	0.42%	0.42%	738.72	6/23/2014	533.62	1/14/2015

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

## Commodities ETFs/ETNs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Natural Gas UNG	15.03	4.01%	5.70%	9.95%	1.76%	1.76%	27.89	2/24/2014	13.12	2/9/2015
Cotton BAL	44.01	-0.10%	2.06%	8.67%	6.87%	6.87%	60.44	3/26/2014	38.80	1/23/2015
Cocoa NIB	38.87	0.89%	2.03%	11.80%	2.35%	2.35%	44.61	9/25/2014	34.59	2/2/2015
Coal KOL	14.35	0.42%	0.77%	6.06%	-2.18%	-2.18%	19.75	8/19/2014	13.45	1/29/2015
Timber CUT	25.99	0.89%	0.12%	4.71%	7.22%	7.22%	26.45	3/6/2014	21.69	10/16/2014
Copper JJC	31.06	-0.54%	-0.16%	4.09%	-8.54%	-8.54%	40.18	7/3/2014	29.00	1/29/2015
Heating Oil UHN	23.27	0.34%	-0.21%	14.64%	7.83%	7.83%	34.79	3/3/2014	18.61	1/13/2015
Corn CORN	25.87	-1.03%	-0.58%	3.56%	-2.89%	-2.89%	35.79	4/9/2014	22.62	10/1/2014
Grains GRU	4.92	-0.20%	-0.79%	2.93%	-5.40%	-5.40%	6.93	4/16/2014	4.33	10/1/2014
Grains JIG	36.22	-1.28%	-1.17%	3.28%	-6.14%	-6.14%	52.38	4/30/2014	32.58	10/1/2014
Livestock COW	26.30	-1.01%	-1.57%	-4.29%	-13.48%	-13.48%	33.77	7/7/2014	25.94	2/18/2015
Palladium PALL	75.50	-0.94%	-1.68%	0.87%	-2.57%	-2.57%	88.42	8/29/2014	70.85	10/16/2014
Gold GLD	115.28	-0.57%	-2.29%	-6.62%	1.50%	1.50%	133.69	3/14/2014	109.67	11/5/2014
Aluminum JJU	17.33	1.58%	-2.94%	-5.09%	-3.51%	-3.51%	22.29	9/2/2014	16.93	1/14/2015
Platinum PPLT	112.94	-0.57%	-3.48%	-6.20%	-3.51%	-3.51%	147.68	7/2/2014	112.29	2/20/2015
Sugar SGG	36.60	-2.17%	-3.56%	-3.71%	-1.16%	-1.16%	61.48	3/5/2014	35.82	2/2/2015
Tin JTT	38.01	0.00%	-4.18%	-5.19%	-10.54%	-10.54%	55.91	4/8/2014	37.65	2/9/2015
OIL USO	18.65	-2.36%	-4.94%	4.66%	-8.40%	-8.40%	39.44	6/20/2014	16.30	1/29/2015
Silver SLV	15.54	-1.02%	-6.05%	-6.05%	3.19%	3.19%	21.30	2/24/2014	14.64	11/5/2014
Coffee JO	27.28	0.37%	-8.49%	-7.62%	-10.50%	-10.50%	42.87	4/24/2014	26.80	2/20/2015

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

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## 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	17.33	-5.30	-10.37	N.A.	-3.07	-10.01	N.A.	0.75	-3.10
Coal KOL	14.35	-18.39	-14.99	N.A.	-18.61	-15.07	N.A.	0.59	-0.28
Cocoa NIB	38.87	-0.66	-3.35	N.A.	0.44	-3.35	N.A.	0.75	-0.66
Coffee JO	27.28	-18.98	-6.54	N.A.	-20.98	-6.76	N.A.	0.75	0.42
Copper JJC	31.06	-21.88	-7.47	N.A.	-21.66	-7.41	N.A.	0.75	-0.11
Corn CORN	25.87	-20.03	N.A.	N.A.	-18.62	N.A.	N.A.	2.75	-0.02
Cotton BAL	44.01	-19.45	2.97	N.A.	-19.75	2.96	N.A.	0.75	0.02
Gold GLD	115.28	-9.66	1.04	10.42	-8.77	1.28	10.52	0.40	-0.15
Grains GRU	4.92	-18.10	-0.68	N.A.	N.A.	N.A.	N.A.	0.75	N.A.
Grains JGG	36.22	-21.24	-0.01	N.A.	-19.66	0.30	N.A.	0.75	-0.04
Heating Oil UHN	23.27	-32.80	-2.79	N.A.	-33.33	-2.90	N.A.	0.91	0.44
Livestock COW	26.30	-9.34	-1.79	N.A.	-7.74	-1.59	N.A.	0.75	-0.12
Natural Gas UNG	15.03	-43.90	-27.18	N.A.	-46.83	-27.62	N.A.	0.60	-0.85
OIL USO	18.65	-49.43	-13.74	N.A.	-48.36	-13.34	N.A.	0.45	0.24
Palladium PALL	75.50	5.09	11.46	N.A.	5.19	11.74	N.A.	0.60	0.65
Platinum PPLT	112.94	-18.43	-5.93	N.A.	-18.33	-5.58	N.A.	0.60	0.12
Silver SLV	15.54	-26.00	-0.54	N.A.	-23.47	0.46	N.A.	0.50	-1.94
Sugar SGG	36.60	-33.71	-13.47	N.A.	-32.91	-13.04	N.A.	0.75	0.24
Timber CUT	25.99	3.10	10.82	N.A.	2.21	10.77	N.A.	0.71	-0.06
Tin JJT	38.01	-27.87	-0.94	N.A.	-23.35	0.11	N.A.	0.75	-5.63

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

## INTERNATIONAL ETFs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Italy EWI	15.05	2.52%	4.22%	9.77%	10.66%	10.66%	18.44	6/9/2014	12.71	1/12/2015
Greece GREK	14.11	10.06%	3.37%	34.38%	5.30%	5.30%	25.76	3/19/2014	10.44	1/30/2015
Japan EWJ	12.33	0.90%	3.35%	7.31%	9.70%	9.70%	12.34	2/20/2015	10.73	10/16/2014
Israel EIS	48.34	0.15%	3.09%	4.70%	3.33%	3.33%	55.51	7/2/2014	45.21	1/6/2015
Austria EWO	16.46	2.43%	2.62%	13.44%	8.43%	8.43%	21.06	2/25/2014	14.38	1/16/2015
Sweden EWD	34.38	1.90%	2.57%	5.98%	8.56%	8.56%	37.34	5/21/2014	29.68	10/16/2014
Spain EWP	35.21	1.85%	2.32%	7.91%	1.67%	1.67%	44.46	6/19/2014	31.79	1/9/2015
Netherlands EWN	25.42	1.27%	2.05%	5.96%	6.34%	6.34%	26.48	6/19/2014	21.79	10/16/2014
France EWQ	26.67	1.29%	1.87%	6.89%	8.19%	8.19%	30.73	6/6/2014	23.30	1/7/2015
Switzerland EWL	33.43	1.33%	1.86%	5.29%	5.49%	5.49%	35.46	6/10/2014	29.64	10/16/2014
Belgium EWK	17.44	0.93%	1.69%	5.51%	7.62%	7.62%	17.99	5/12/2014	14.74	10/16/2014
Australia EWA	23.52	0.56%	1.25%	7.30%	6.09%	6.09%	27.51	9/4/2014	21.30	12/17/2014
Germany EWG	29.50	1.37%	1.06%	5.17%	7.62%	7.62%	32.38	6/19/2014	25.00	10/16/2014
United Kingdom EWU	19.09	0.63%	0.95%	5.82%	5.88%	5.88%	22.11	6/19/2014	17.11	1/6/2015
China 25 FXI	43.33	0.63%	0.81%	5.07%	4.11%	4.11%	43.89	1/23/2015	32.58	3/20/2014
United States SPY	211.24	0.60%	0.70%	5.91%	2.77%	2.77%	212.97	12/18/2014	181.31	4/11/2014
Vietnam VNM	19.64	0.77%	0.56%	7.38%	2.19%	2.19%	23.82	9/3/2014	18.12	2/2/2015
Chile ECH	41.25	0.68%	0.56%	8.24%	3.41%	3.41%	47.85	5/14/2014	37.45	1/16/2015
Hong Kong EWH	21.86	0.28%	0.37%	0.88%	6.43%	6.43%	22.77	8/20/2014	18.99	3/20/2014
Turkey TUR	52.14	0.06%	0.27%	-2.32%	-4.00%	-4.00%	60.49	7/28/2014	41.10	3/3/2014
South Korea EWY	56.17	0.81%	0.25%	0.93%	1.59%	1.59%	67.76	7/30/2014	53.68	1/6/2015
Indonesia IDX	24.81	0.69%	0.16%	4.86%	2.14%	2.14%	27.70	7/22/2014	22.41	2/26/2014
South Africa EZA	69.63	1.50%	0.00%	3.03%	7.42%	7.42%	72.77	9/5/2014	58.98	12/16/2014
Emerging Markets EEM	40.67	0.67%	0.00%	4.23%	3.51%	3.51%	45.85	9/5/2014	37.23	12/16/2014
Singapore EWS	12.96	0.54%	0.00%	1.49%	-0.92%	-0.92%	14.16	5/27/2014	12.23	3/20/2014
BRIC EEB	30.27	0.07%	0.00%	5.91%	5.95%	5.95%	39.25	9/4/2014	27.11	12/16/2014
Mexico EWW	59.05	0.53%	-0.08%	4.98%	-0.57%	-0.57%	73.11	9/8/2014	54.46	12/16/2014
India IFN	29.09	-0.38%	-0.14%	0.38%	12.71%	12.71%	30.10	1/28/2015	18.48	2/20/2014
Russia RSX	17.99	0.06%	-0.33%	23.05%	22.97%	22.97%	27.42	6/24/2014	12.48	12/16/2014
Brazil EWZ	34.86	-0.34%	-0.54%	1.60%	-4.68%	-4.68%	54.56	9/3/2014	32.64	2/11/2015
Taiwan EWT	15.88	0.57%	-0.75%	4.27%	5.10%	5.10%	16.59	9/3/2014	13.73	3/20/2014
Latin America ILF	31.36	0.32%	-0.76%	4.19%	-1.41%	-1.41%	43.42	9/3/2014	29.06	12/16/2014
Thailand THD	82.91	0.69%	-0.80%	3.77%	7.04%	7.04%	85.88	9/24/2014	66.89	2/25/2014
Canada EWC	27.71	-0.43%	-1.32%	4.80%	-3.98%	-3.98%	33.11	9/4/2014	26.05	1/30/2015
Malaysia EWM	13.40	0.22%	-2.05%	3.32%	-0.59%	-0.59%	16.26	8/27/2014	12.69	1/6/2015

DATA QUOTED REPRESENTS PAST PERFORMANCE.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**INTERNATIONAL ETFs Standard Performance**

	-----PRICE-----			-----NAV-----			Expense	Premium	
	Price	1-Year	5-Year	10-Year	1-Year	5-Year	10-Year	Ratio%	% to NAV
Australia EWA	23.52	-7.76	N.A.		-9.12			0.06	0.06
Austria EWO	16.46	-6.70	N.A.		-8.03			0.08	0.08
Belgium EWK	17.44	0.69	N.A.		-0.78			0.08	0.08
Brazil EWZ	34.86	8.99	N.A.		9.07			-0.05	-0.05
BRIC EEB	30.27	-2.82	N.A.		-3.95			0.06	0.06
Canada EWC	27.71	-26.55	N.A.		-27.32			-0.04	-0.04
Chile ECH	41.25	-3.80	N.A.		-3.75			0.03	0.03
China 25 FXI	43.33	56.15	N.A.		56.15			0.04	0.04
Emerging Markets EE	40.67	-39.43	N.A.		-45.07			0.04	0.04
France EWQ	26.67	17.81	N.A.		14.41			0.08	0.08
Germany EWG	29.50	16.42	N.A.		14.63			0.08	0.08
Greece GREK	14.11	-17.83	N.A.		-19.17			0.05	0.05
Hong Kong EWH	21.86	5.25	N.A.		4.68			0.06	0.06
India IFN	29.09	-2.61	N.A.		-2.32			0.13	0.13
Indonesia IDX	24.81	-1.91	N.A.		-2.05			0.57	0.26
Israel EIS	48.34	14.44	N.A.		13.87			0.03	0.03
Italy EWI	15.05	-3.05	N.A.		-3.88			0.11	0.11
Japan EWJ	12.33	6.42	N.A.		5.49			0.10	0.10
Latin America ILF	31.36	-8.43	N.A.		-8.81			-0.01	-0.01
Malaysia EWM	13.40	9.35	N.A.		6.46			-0.01	-0.01
Mexico EWW	59.05	2.21	N.A.		0.48			-0.01	-0.01
Netherlands EWN	25.42	16.98	N.A.		16.91			0.06	0.06
Russia RSX	17.99	-4.43	N.A.		-5.99			0.23	0.23
Singapore EWS	12.96	1.63	N.A.		-0.07			-0.01	-0.01
South Africa EZA	69.63	6.15	N.A.		4.74			0.07	0.07
South Korea EWY	56.17	-5.00	N.A.		-4.71			0.02	0.02
Spain EWP	35.21	-10.54	N.A.		-9.55			0.02	0.02
Sweden EWD	34.38	25.21	N.A.		22.38			0.09	0.09
Switzerland EWL	33.43	-8.39	N.A.		-7.34			0.05	0.05
Taiwan EWT	15.88	-0.42	N.A.		0.46			0.05	0.05
Thailand THD	82.91	-2.41	N.A.		-2.03			0.07	0.07
Turkey TUR	52.14	24.77	N.A.		23.19			-0.04	-0.04
United Kingdom EWL	19.09	21.31	N.A.		21.95			0.06	0.06
United States SPY	211.24	-4.46	N.A.		-5.46			0.03	0.03
Vietnam VNM	19.64	-4.15	N.A.		-4.87			0.02	0.02

**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.

**Tweezers Top** – Two candlesticks back-to-back with matching (or almost matching) highs or lows.

**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.