

Monday January 5, 2015

Closing prices of January 2, 2015

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Monday January 5, 2015

Closing prices of January 2, 2015

**Stocks opened the year with a down Friday that ended a losing, very light volume week.** All of our major indexes traded lower on the week. The least damage was in the Dow Jones Transports, down 1.09%, the S&P Midcap 400, down 1.13%, and the Dow Jones Industrials, down 1.22%. The losers were led by the Bank of New York Mellon ADR Index, down 2.31%, the Nasdaq 100, down 1.94%, and the Nasdaq Composite, down 1.67%.

**All ten S&P sectors traded lower last week.** Energy lost 0.69%, followed by Health Care, down 0.74%, and Consumer Discretionary, down 0.79%. The downside was led by Information Technology, down 2.51%, Consumer Staples, down 2.33%, and Utilities, down 2.27%.

**Twenty-three of the twenty-four S&P industry groups traded lower last week.** The leader was lone gainer Automobiles & Components, up a piddly 0.02%, followed by Retailing, down 0.12%, and Real Estate, down 0.13%. The losers were led by Technology Hardware & Equipment, down 3.24%, Household & Personal Products, down 2.90%, and Food, Beverage & Tobacco, down 2.53%.

**Last week we said stocks had gotten very overbought with the percentage of S&P 1500 stocks over their own 10-day moving averages at 95.0%, the highest since 95.4% on 12/6/2011.** The recent pullback has cured that condition, with the percentage now 30.7%. We said we were expecting weakness in January ahead of earnings season, and that we didn't expect any pullback to be severe. We still maintain that opinion.

**In the short-term stocks are no longer overbought, options buyers are pessimistic, and valuations are near the level where they were on December 16<sup>th</sup>, which was an important bottom.** The percentage of stocks over their own 10-day moving averages is 30.7%, and our options indicator is showing pessimism, which we like to see, at 0.925. Spreads between equity and bond yields are the widest since 12/16 when stocks bottomed, and intraday Friday came very close to that level. Unfortunately daily momentum indicators are negative, so more softness is possible, but again we do not think any further pullback will be severe.

**Last week we said that looking out to 2015 we remained bullish.** We said the U.S. economy continues to improve, consumers are doing better, inflation remains constrained, energy prices are low, and interest rates remain low even if they begin a moderate ascent. The fact is stocks rally in the early stages of a tightening cycle, and the Fed hasn't started yet. In recent years stocks have done better as rates went higher as we showed in a chart last week. **Actually we would like to see rates reverse their current downtrend because we are concerned that the downward direction of rates along with the plunge in commodity prices could be signaling something negative on the horizon.** We all know the rest of the world isn't doing so well and most central banks are more worried about recession as opposed to inflation. The Fed recently said they would be "patient" regarding rate hikes, and they certainly don't want to risk jumping the gun. **Therefore, we repeat once again, if investors shouldn't fight the Fed, why would anyone want to fight the Fed, the Bank of Japan, the European Central Bank, and the People's Bank of China all at the same time?**

**In addition, stock market history is on the side of the bulls.** We are in the third year of the Presidential Cycle, and it is widely known that the third year of the cycle is historically very strong. We are also in a year that ends in "5", which has a history of being the best performing year of each decade. After last quarter's earnings season, where 74.5% of the S&P 500 beat estimates we will be surprised if Q4 numbers are very disappointing. So, company guidance will set the tone for the market. Reassuring words from company management would be very welcome at a time when visibility is clouded.

**We are not without concerns.** As we said above, we do worry that the simultaneous slide in interest rates and commodity prices is a warning sign. Investors are concerned whether the weakness in the oil patch will spread to other sectors of the economy. Until the price of oil levels off it will be difficult to plug a number into financial models, and worries will persist that energy companies will have difficulty servicing their debt, and that the companies holding the debt will run into trouble. How will the huge decrease in revenues affect countries that rely heavily on oil to pay their bills, like Russia, Iran, and Venezuela? Investors wonder if this will lead to geopolitical issues. And, while not oil related, the Euro is back in the news with the possibility that Greece will exit the Eurozone.

**Valuation, based on spreads between equity and bond yields, is still very positive.** The spreads are in the upper part of the range they have traded in since June 2013. These are levels where stocks should be very attractive versus bonds. Unfortunately, even though Q3 earnings season was very positive aggregate projections for 2015 have been coming down. We need to see this reversed and projections to start rising again, or stocks will have to rely on P/E multiple expansion for price appreciation. 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.

**499 of the S&P 500 have reported third quarter earnings. 74.5% beat 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 was 67.2% beat, 12.9% were in line, and 19.9% missed.

**In summary, stocks dropped last week after getting extremely overbought. In the short-term stocks are no longer overbought, options traders are showing pessimism, and valuations are very attractive for equities, so while there may be more softness for equities we don't believe it will be extreme. We do need to see aggregate estimates, which have been coming down (mostly due to energy), start rising. Investors still need to be alert to sector rotation.**

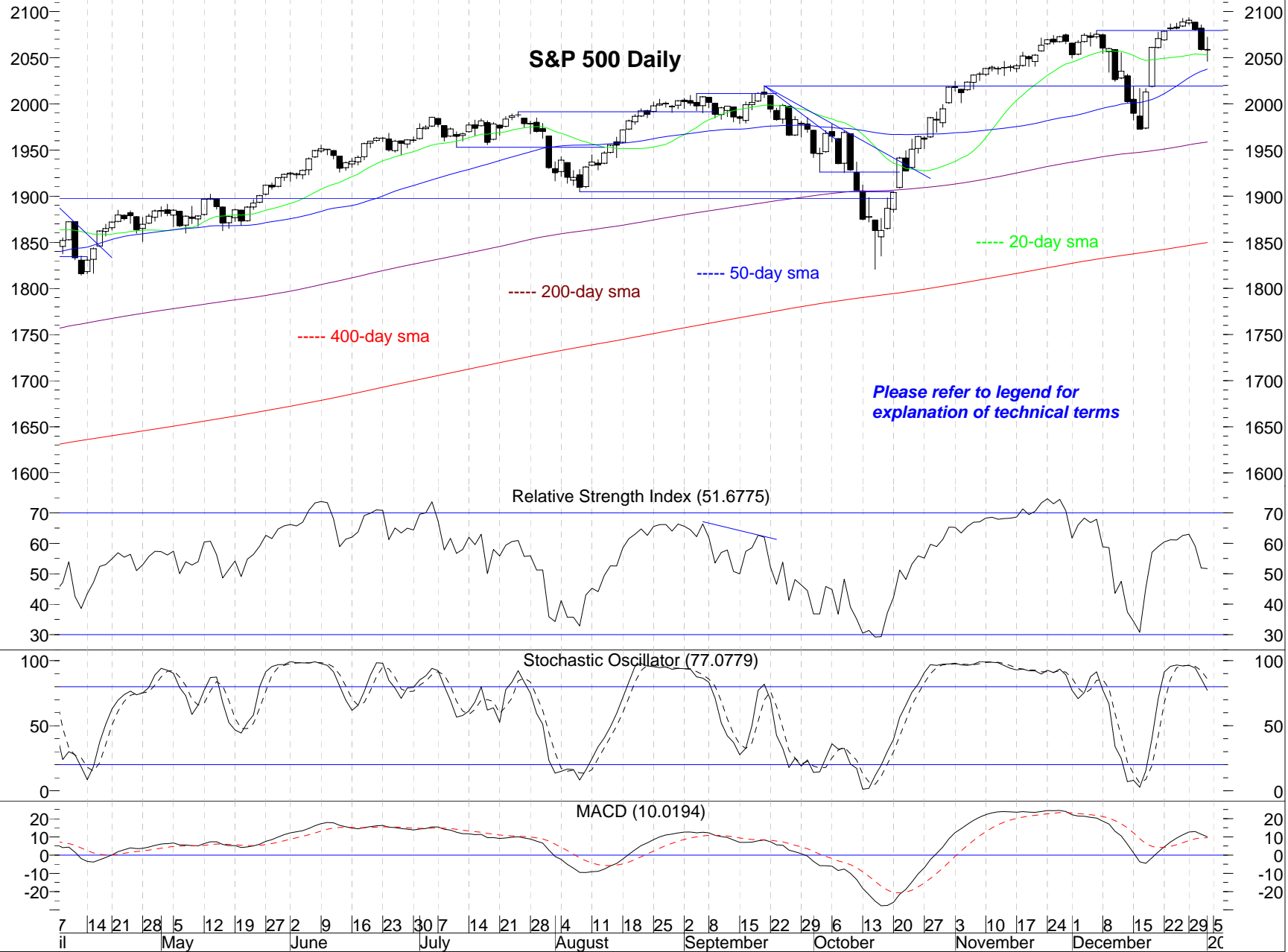
**Based on the S&P 500 the short-term, intermediate-term and long-term trends are up.**

**ALL STATISTICS IN THE KAUFMAN REPORT ARE AVAILABLE ON A DAILY BASIS AT PHOENIX FINANCIAL SERVICES.**

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S&P 500 INDEX (2,058.90, 2,072.36, 2,046.04, 2,058.20, -0.70)

S&P 500 Daily



After an early selloff the S&P 500 rallied in the afternoon to hold the 20-day sma.

Daily momentum is negative.

1/3/2015

S&P 500 INDEX (2,087.63, 2,093.55, 2,046.04, 2,058.20, -30.57)

### S&P 500 Weekly

Please refer to legend for explanation of technical terms

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

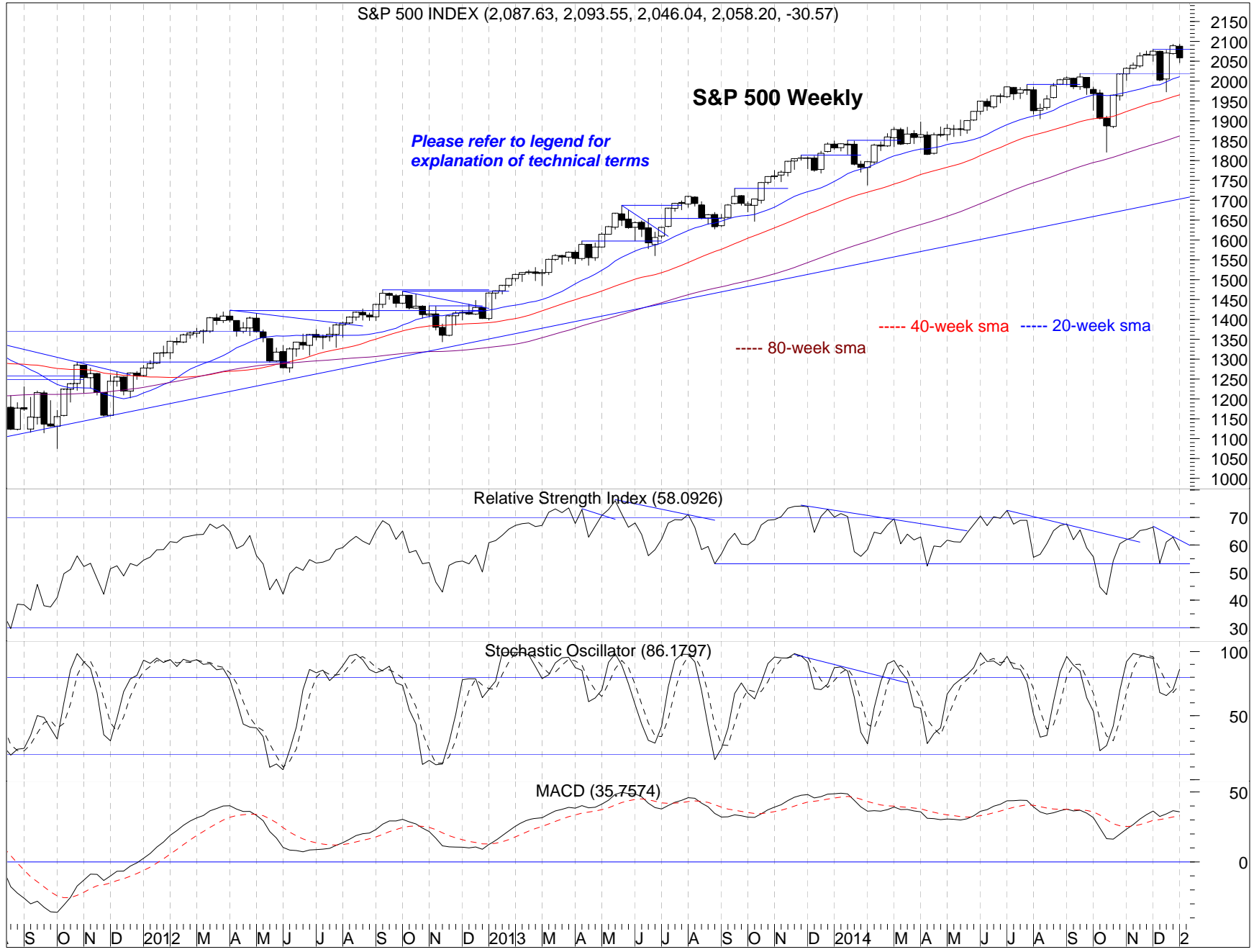
Relative Strength Index (58.0926)

Stochastic Oscillator (86.1797)

MACD (35.7574)

The S&P 500 remains well above its 20-week sma.

Weekly momentum is slightly positive.



1/3/2015

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (2,058.90, 2,072.36, 2,046.04, 2,058.20, -0.70)

*Please refer to legend for explanation of technical terms*

**S&P 500 Monthly**

----- 12-month sma

----- 3-month sma

Relative Strength Index (75.5058)

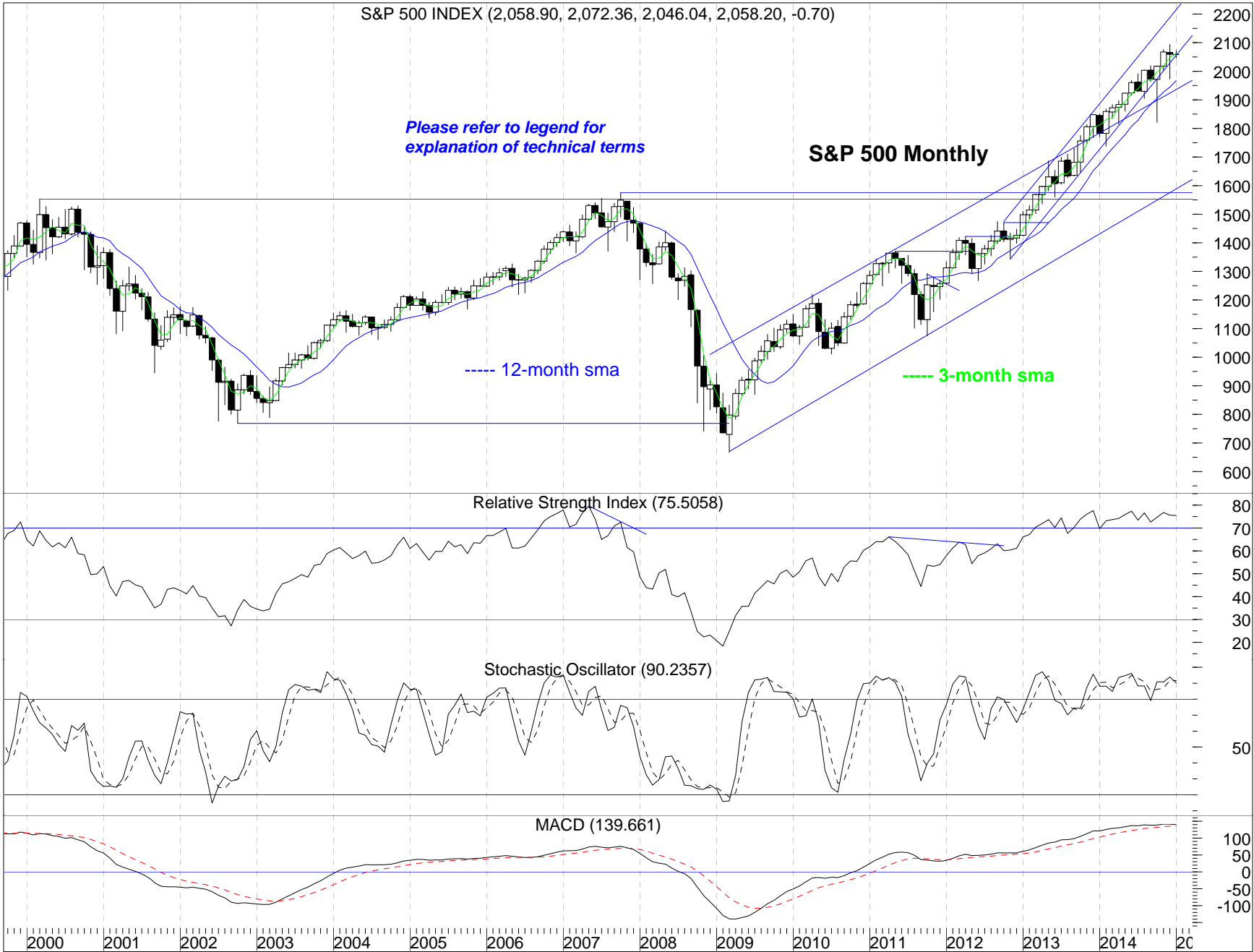
Stochastic Oscillator (90.2357)

MACD (139.661)

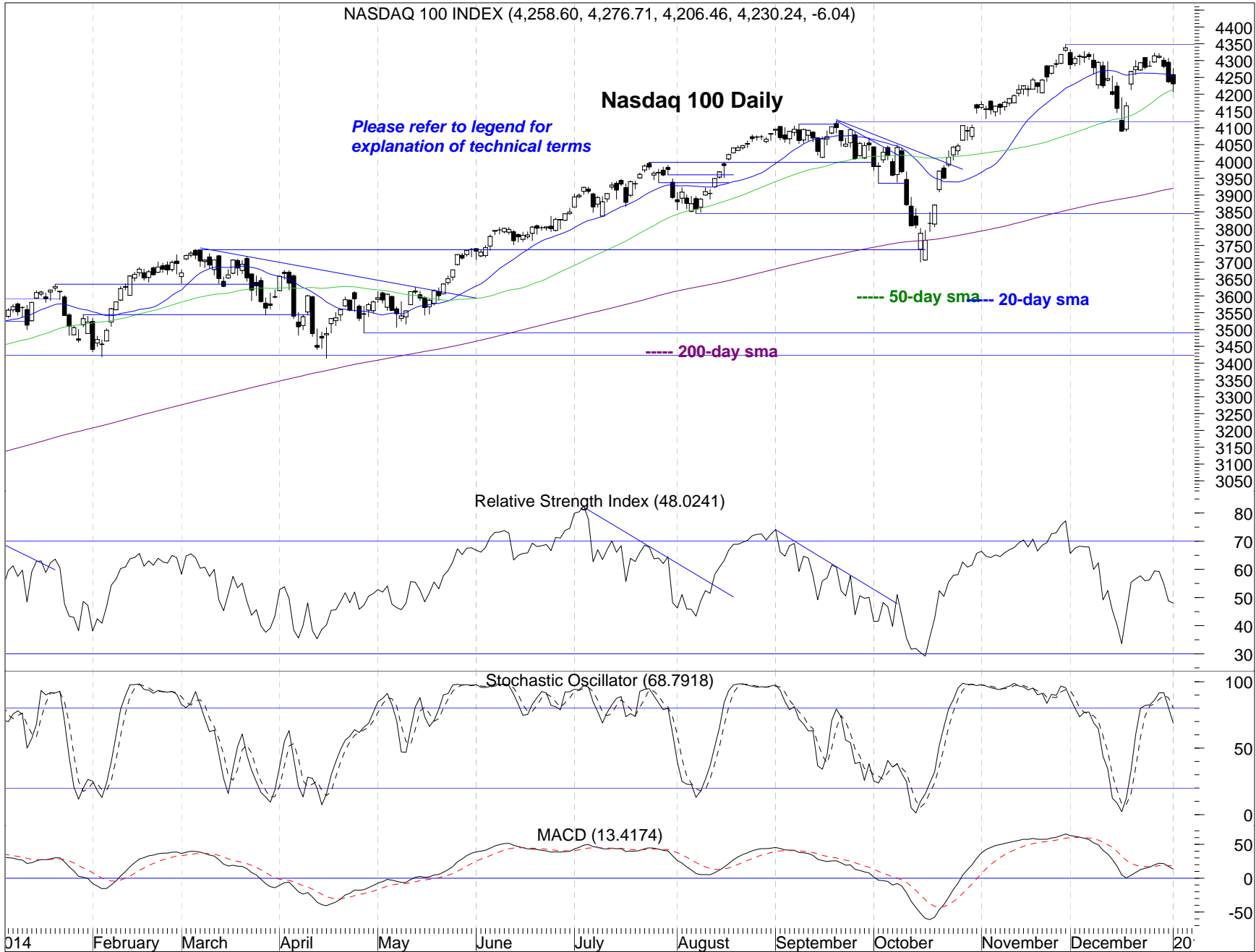
The S&P 500 is right on the lower boundary of the ascending price channel it has been in since mid-2012.

Monthly momentum is neutral but threatening to roll over.

1/3/2015



NASDAQ 100 INDEX (4,258.60, 4,276.71, 4,206.46, 4,230.24, -6.04)



Please refer to legend for explanation of technical terms

### Nasdaq 100 Daily

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

----- 200-day sma

The Nasdaq 100 found support Friday at its 20-day sma.

Daily momentum is negative.

014 February March April May June July August September October November December 20

1/3/2015

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NASDAQ 100 INDEX (4,309.70, 4,321.20, 4,206.46, 4,230.24, -83.86)

Nasdaq 100 Weekly

Please refer to legend for explanation of technical terms

----- 80-week sma

----- 40-week sma

----- 20-week sma

Relative Strength Index (59.4454)

Stochastic Oscillator (73.5844)

MACD (115.211)

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

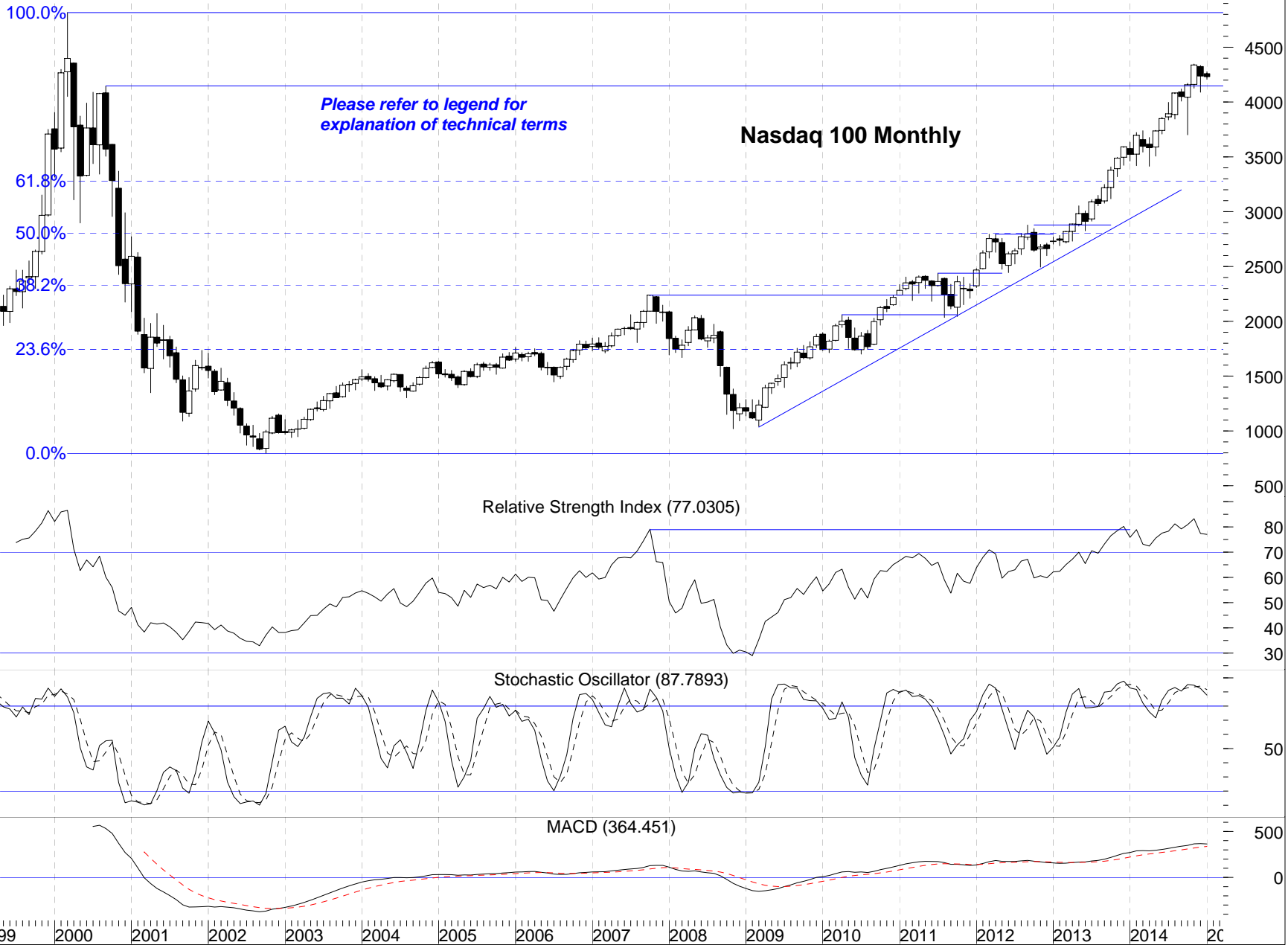
1/3/2015

The Nasdaq 100 remains above its 20-day sma and the level of its October breakout, which held in December as support. Obviously a break of that level would be bearish.

Weekly momentum is mostly negative.

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NASDAQ 100 INDEX (4,258.60, 4,276.71, 4,206.46, 4,230.24, -6.04)



*Please refer to legend for explanation of technical terms*

**Nasdaq 100 Monthly**

Relative Strength Index (77.0305)

Stochastic Oscillator (87.7893)

MACD (364.451)

November's close was not far from the all-time monthly closing high of March 2000. The index is not far from that level.

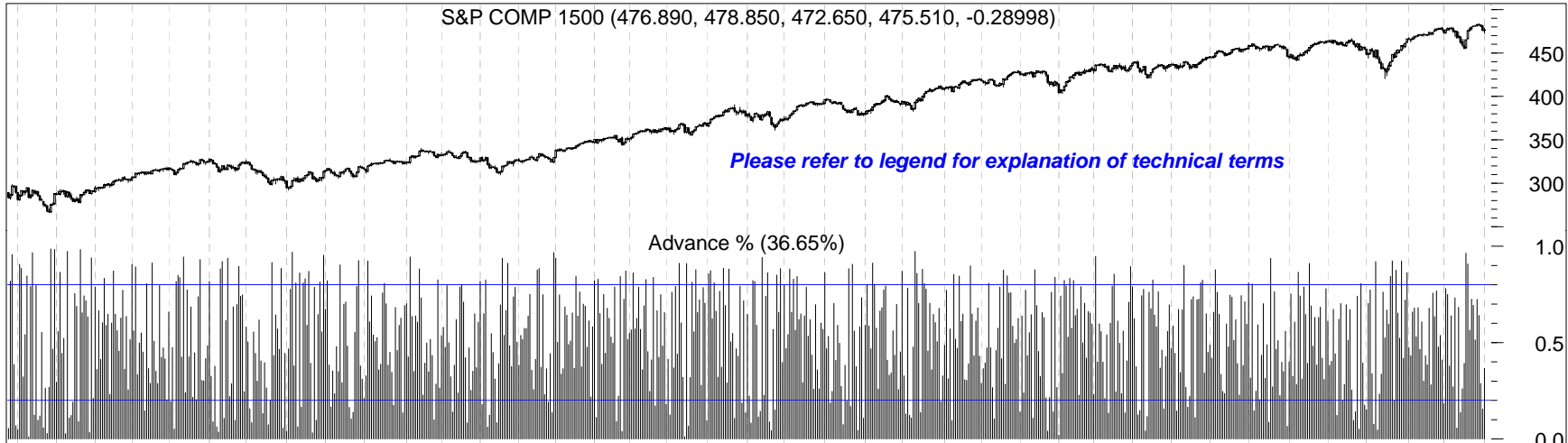
Monthly momentum is slightly negative.

1/3/2015

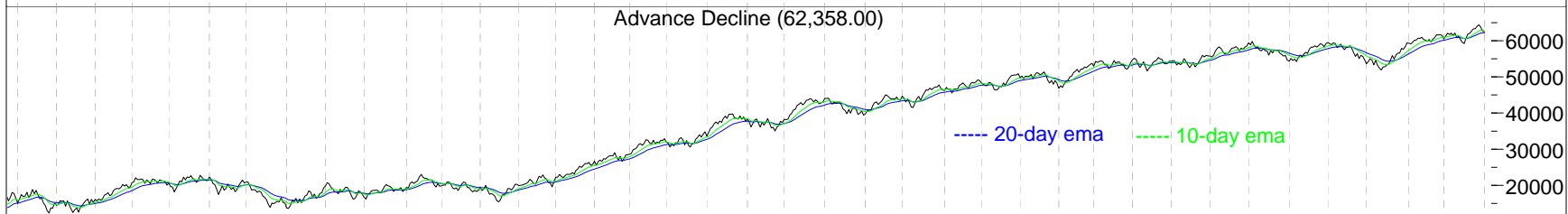


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S&P COMP 1500 (476.890, 478.850, 472.650, 475.510, -0.28998)

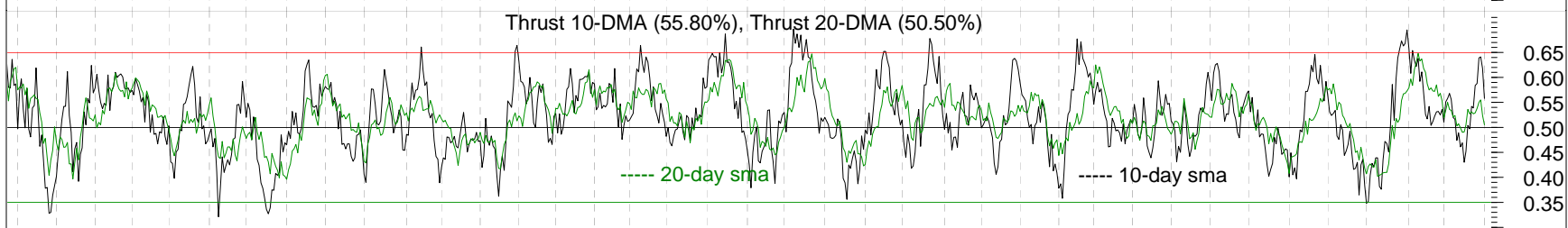


Advance % (36.65%)



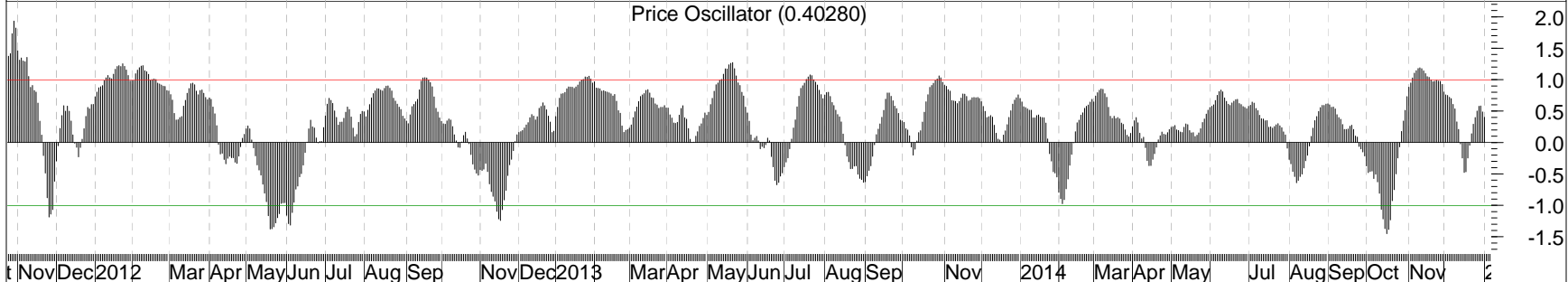
Advance Decline (62,358.00)

--- 20-day ema --- 10-day ema



Thrust 10-DMA (55.80%), Thrust 20-DMA (50.50%)

--- 20-day sma --- 10-day sma



Price Oscillator (0.40280)

t NovDec2012 MarApr MayJun Jul AugSep NovDec2013 MarApr MayJun Jul AugSep Nov 2014 MarApr May Jul AugSepOct Nov 15

1/3/2015

Only 36.65% of S&P 1500 stocks traded higher Friday. The 5-day average is 43.5%.

The S&P 1500 AD line hit a new high 12/29, pointing to higher prices for the index in the future although a pullback can come first.

These breadth numbers are still positive.

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

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S&P COMP 1500 (476.890, 478.850, 472.650, 475.510, -0.28998)

% Over 10-Sma (30.70%)

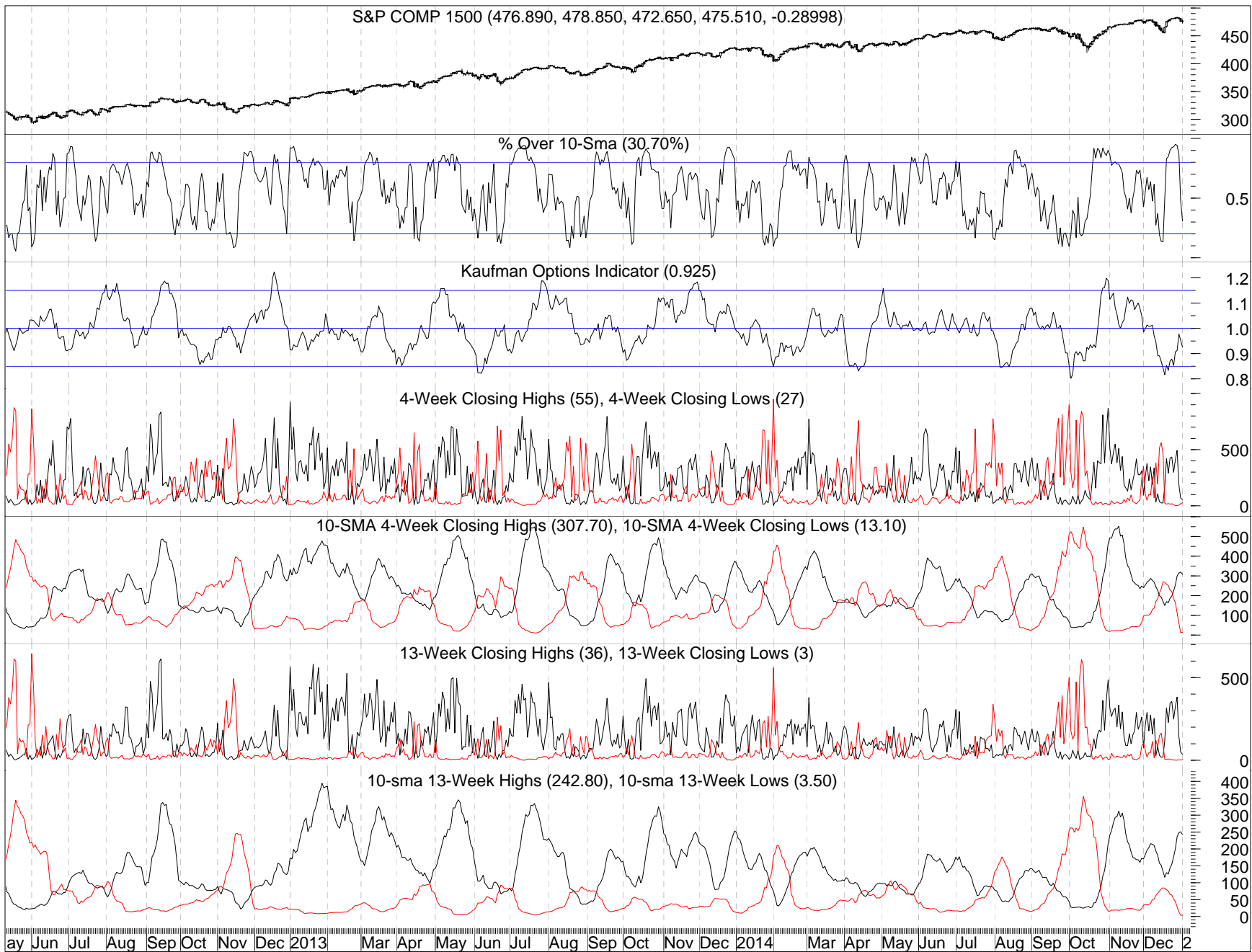
Kaufman Options Indicator (0.925)

4-Week Closing Highs (55), 4-Week Closing Lows (27)

10-SMA 4-Week Closing Highs (307.70), 10-SMA 4-Week Closing Lows (13.10)

13-Week Closing Highs (36), 13-Week Closing Lows (3)

10-sma 13-Week Highs (242.80), 10-sma 13-Week Lows (3.50)



After hitting an extremely overbought 95% over the 10-sma on 12/26 (highest since 12/6/2011) the percentage has plunged to 30.7%.

Our proprietary options indicator is showing pessimism, so any further pullback shouldn't be too deep.

New highs have shrunk, but new lows have barely expanded, showing more profit taking versus liquidation. The 10-day averages of closing price highs versus lows remain very positive.

1/3/2015

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S&P COMP 1500 (476.890, 478.850, 472.650, 475.510, -0.28998)

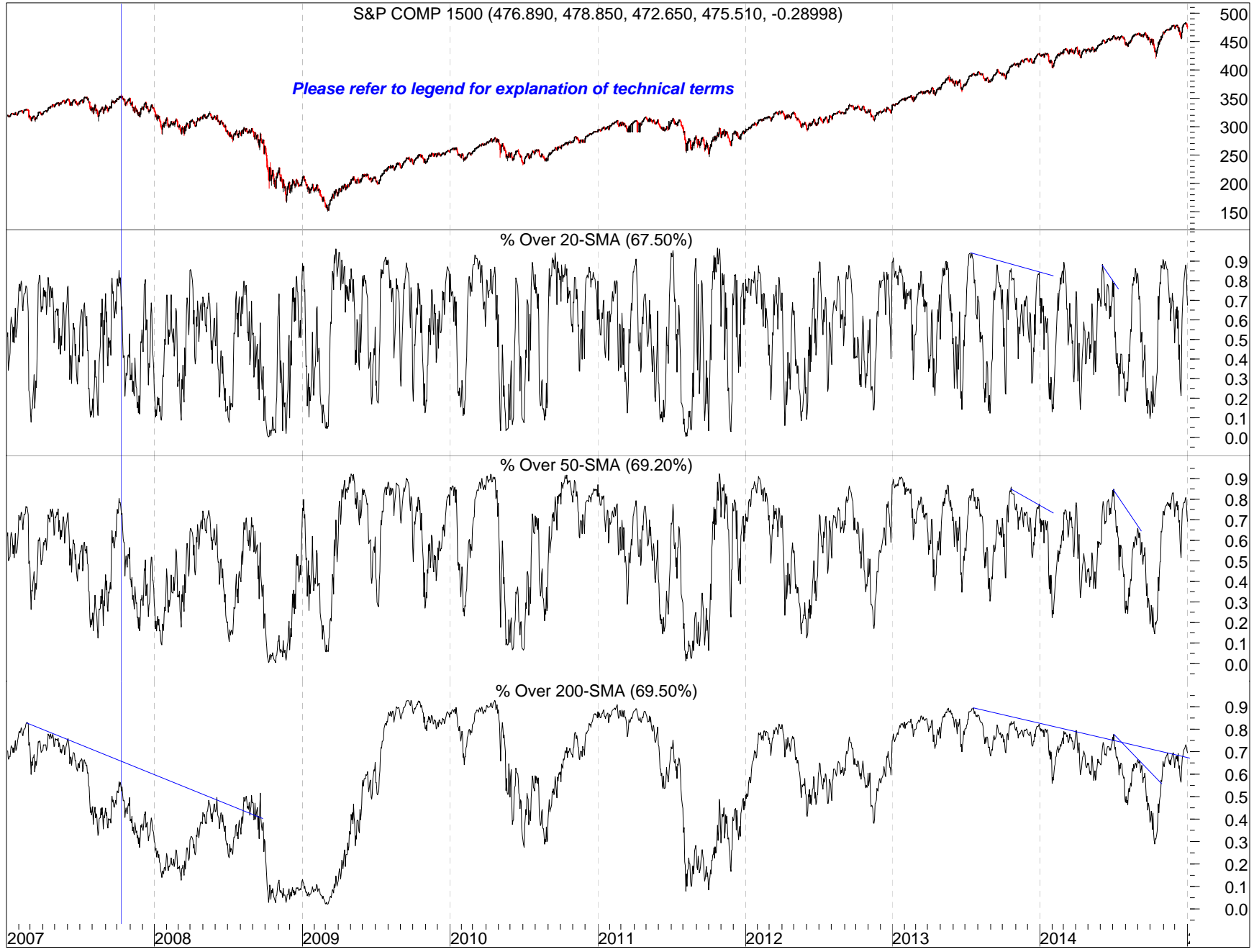
Please refer to legend for explanation of technical terms

% Over 20-SMA (67.50%)

% Over 50-SMA (69.20%)

% Over 200-SMA (69.50%)

These breadth numbers all pulled back from last week, but so far nothing to get alarmed about.



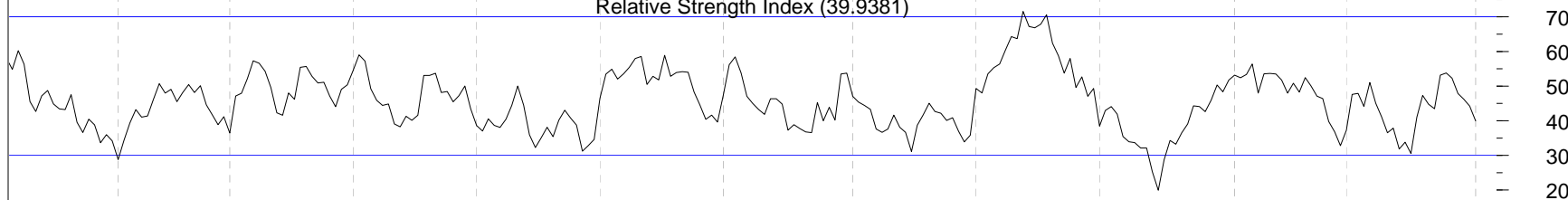
1/3/2015

10 Y TSY YLD NDX (21.97, 22.13, 21.02, 21.23, -0.47)



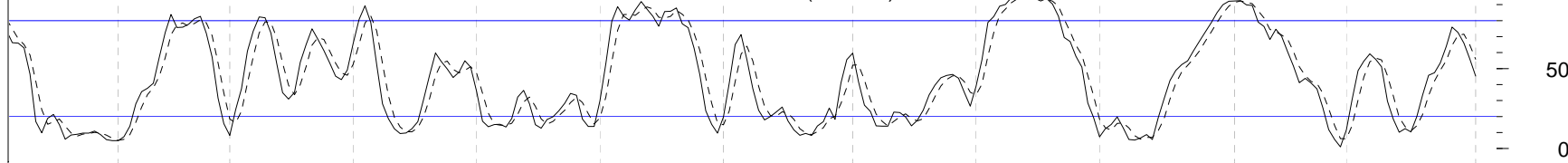
The 10-year note yield is back under its 20-day sma after dropping the last five sessions in a row.

Relative Strength Index (39.9381)

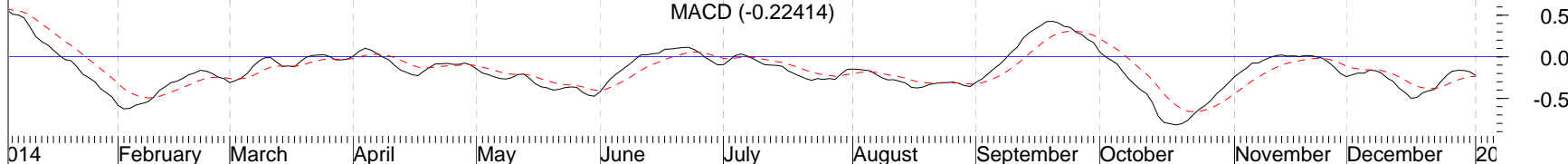


Daily momentum is negative.

Stochastic Oscillator (45.3125)



MACD (-0.22414)



014    February    March    April    May    June    July    August    September    October    November    December    20

1/3/2015

10 Y TSY YLD NDX (22.23, 22.29, 21.02, 21.23, -1.27)

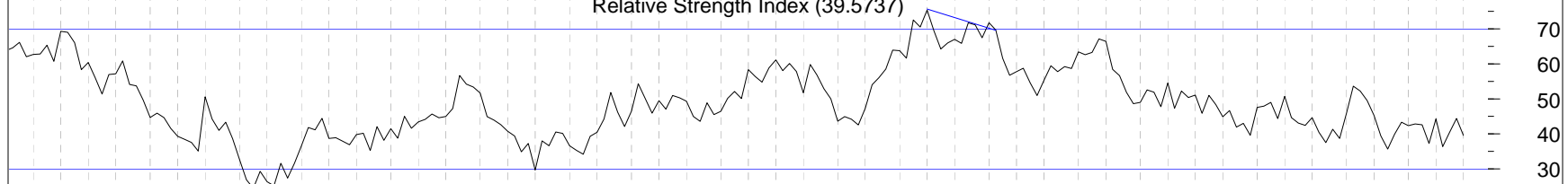
Please refer to legend for explanation of technical terms

### 10-Year Note Yield Weekly



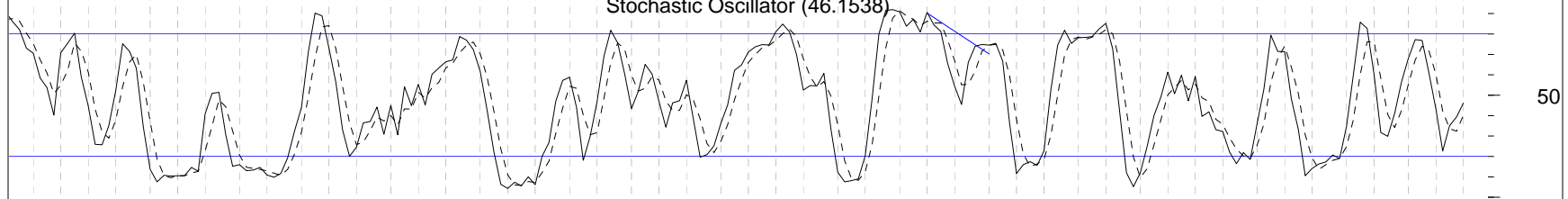
The 10-year note yield has been in a downtrend since the beginning of 2014. It is trying to hold the December support.

Relative Strength Index (39.5737)

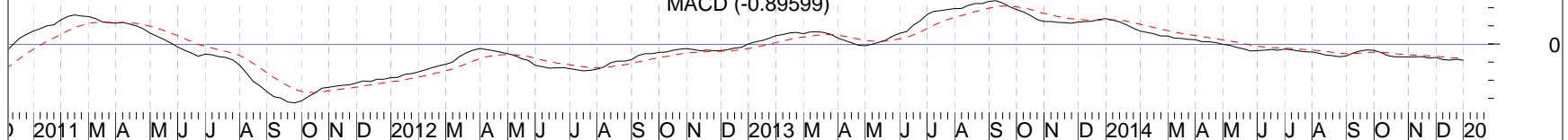


Weekly momentum is mostly negative.

Stochastic Oscillator (46.1538)



MACD (-0.89599)



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 20

1/3/2015

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10 Y TSY YLD NDX (21.97, 22.13, 21.02, 21.23, -0.47)

Please refer to legend for explanation of technical terms

10-Year Note Yield Monthly

-----12-Month sma      ----- 3-Month sma

The 10-year yield is just under its 3-month sma.

Relative Strength Index (42.9933)

Monthly momentum is negative.

Stochastic Oscillator (37.2260)

MACD (-0.19968)

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

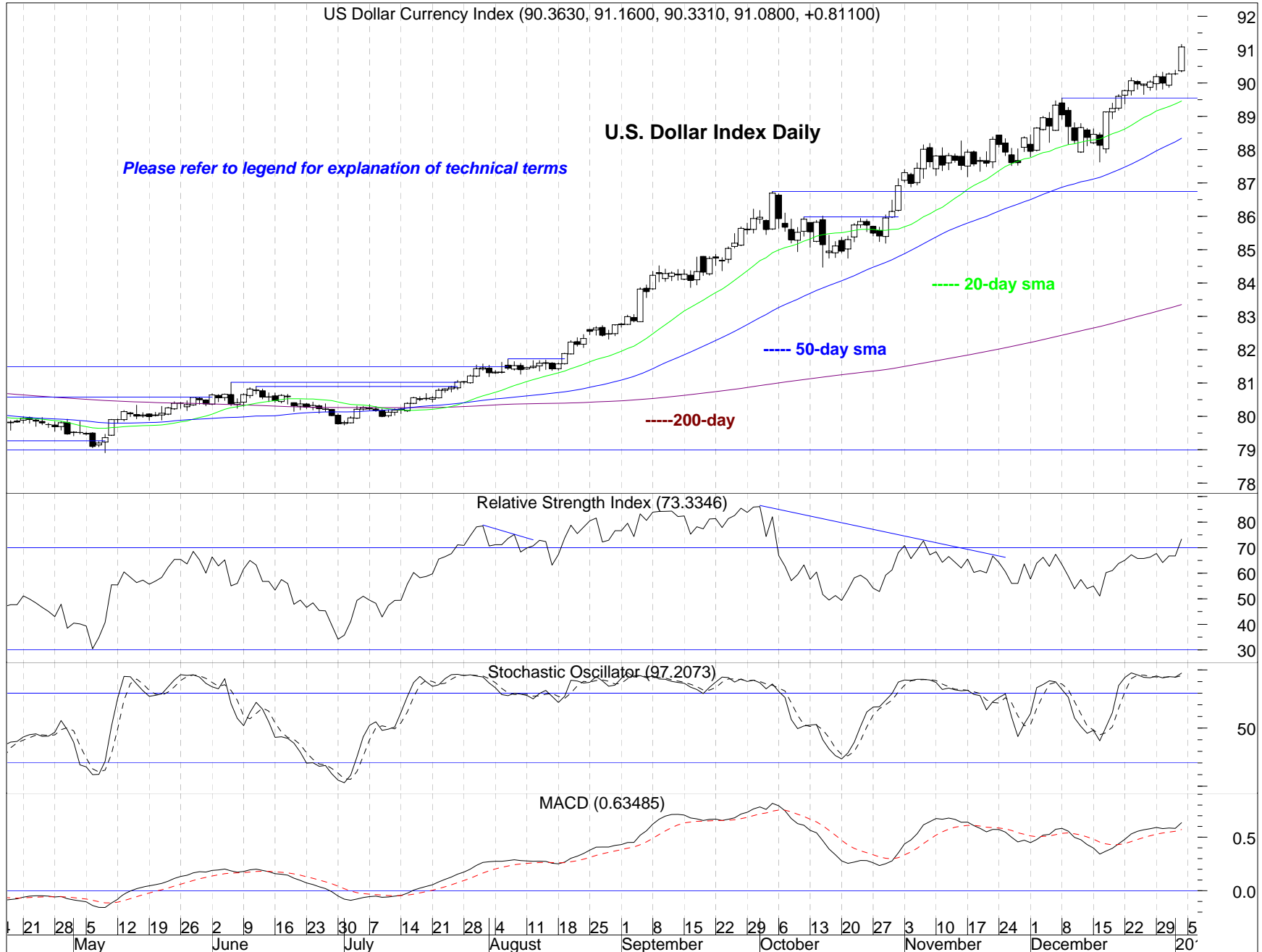
1/3/2015



US Dollar Currency Index (90.3630, 91.1600, 90.3310, 91.0800, +0.81100)

### U.S. Dollar Index Daily

*Please refer to legend for explanation of technical terms*



The awesome U.S. Dollar Index rally continues with a big day Friday.

Daily momentum remains positive and overbought.

1/3/2015

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US Dollar Currency Index (89.9780, 91.1600, 89.7890, 91.0800, +1.05000)



U.S. Dollar Index Weekly

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

Please refer to legend for explanation of technical terms

Relative Strength Index (79.6728)

Stochastic Oscillator (96.9343)

MACD (2.06863)

The highest weekly close for the Dollar Index since December 2005.

Weekly momentum remains positive.

1/3/2015



US Dollar Currency Index (90.2750, 91.1600, 90.2410, 91.0800, +0.81100)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

--- 3-month sma

--- 12-month sma

The Dollar Index is at a post-crisis high and near its 2005 highs.

Relative Strength Index (74.2430)

Monthly momentum is positive and overbought.

Stochastic Oscillator (99.1605)

MACD (2.11645)



1/3/2015

UNITED STATES OIL ETF (19.9700, 20.3500, 19.6900, 19.8900, -0.4700)

### U.S. Oil ETF Daily

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

Please refer to legend for explanation of technical terms

----- 200-day sma

----- 50-day sma

----- 20-day sma

New lows on the daily chart for the oil ETF.

Relative Strength Index (25.9393)

Stochastic Oscillator (9.99918)

MACD (-1.71198)

Daily momentum is neutral.

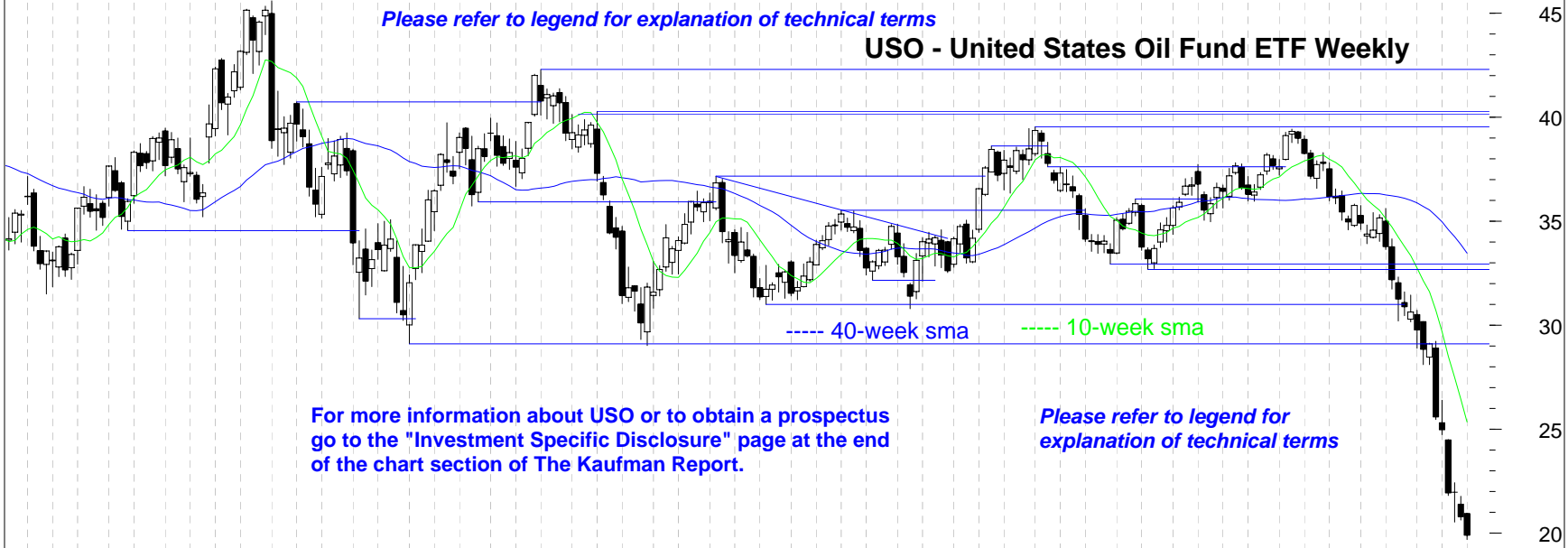
rch April May June July August September October November December 20

1/3/2015

UNITED STATES OIL ETF (20.9500, 20.9501, 19.6900, 19.8900, -0.8900)

*Please refer to legend for explanation of technical terms*

### USO - United States Oil Fund ETF Weekly

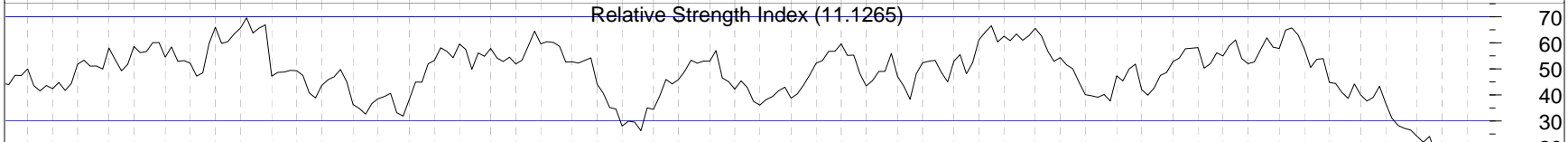


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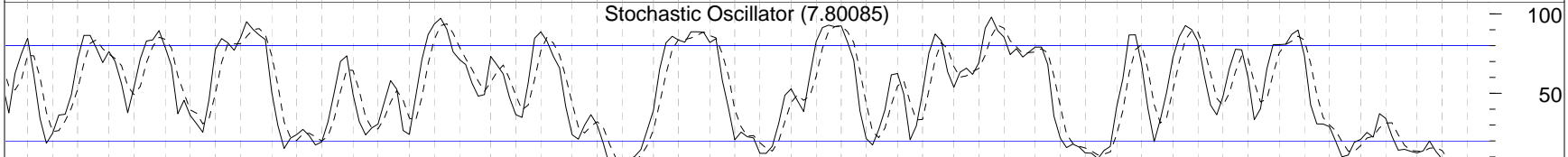
*Please refer to legend for explanation of technical terms*

Another weekly closing low for the oil ETF. The price of crude made its lowest weekly close since April 2009.

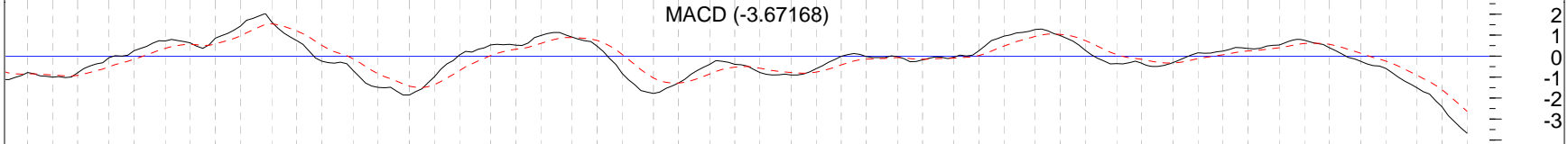
Relative Strength Index (11.1265)



Stochastic Oscillator (7.80085)



MACD (-3.67168)



Weekly momentum is still negative but extremely oversold.

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 20

1/3/2015

UNITED STATES OIL ETF (19.9700, 20.3500, 19.6900, 19.8900, -0.4700)

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 below its 3-month sma.

Relative Strength Index (25.7842)

Monthly momentum remains negative but extremely oversold.

Stochastic Oscillator (1.80838)

MACD (-2.73747)

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

1/3/2015

SPDR GOLD SHARES ETF (112.4900, 114.8000, 112.3200, 114.0800, +0.5000)

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

The gold ETF gapped down at the open Friday but rebounded to close higher on the day. It is just under its 20 and 50-day sma.

Relative Strength Index (47.9920)

Daily momentum is mixed.

Stochastic Oscillator (32.6670)

MACD (-0.34349)

014    February    March    April    May    June    July    August    September    October    November    December    20

1/3/2015

SPDR GOLD SHARES ETF (114.6100, 116.2600, 112.3200, 114.0800, -0.7500)

### 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.

----- 10-week sma

----- 40-week sma

Please refer to legend for explanation of technical terms

The gold ETF closed just under its 10-week sma.

Relative Strength Index (41.5260)

Stochastic Oscillator (35.9518)

MACD (-2.23392)

Weekly momentum is slightly negative.

1/3/2015

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SPDR GOLD SHARES ETF (112.4900, 114.8000, 112.3200, 114.0800, +0.5000)

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

Please refer to legend for explanation of technical terms

GLD Monthly

----- 3-month sma

----- 12-month sma

The gold ETF is just above its 3-month sma.

Relative Strength Index (38.8528)

Monthly momentum remains neutral.

Stochastic Oscillator (14.9320)

MACD (-7.13314)

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

1/3/2015

BRCLYS BK IPATH BLOOM COPPER SUB ETN (33.9400, 33.9400, 33.6700, 33.8500, -0.1100)

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.

### Copper ETN Daily

Please refer to legend for explanation of technical terms

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

The copper ETN, representing the metal with a Ph.D. in economics, made a new intraday low Friday but not a closing price low.

Relative Strength Index (38.6515)

Stochastic Oscillator (19.7651)

MACD (-0.44308)

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

1/3/2015

Daily momentum is neutral.



BRCLYS BK IPATH BLOOM COPPER SUB ETN (34.08, 34.45, 33.67, 33.85, +0.01)

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.

Please refer to legend for explanation of technical terms

--- 40-Week sma    --- 10-Week sma

Copper ETN Weekly

Copper remains in a down trend

Relative Strength Index (32.3063)

Weekly momentum is negative.

Stochastic Oscillator (13.4688)

MACD (-0.97924)

A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014 M A M J J A S O N D 20

1/3/2015

## 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
Dow Jones Transportation	9098.98	-0.45%	-1.09%	-0.87%	-0.45%	-0.45%	-0.45%	9310.22	11/28/2014	7009.98	2/5/2014
S&P Midcap 400	1451.31	-0.08%	-1.13%	-0.82%	-0.08%	-0.08%	-0.08%	1478.22	12/29/2014	1264.57	2/5/2014
Dow Jones Industrials	17832.99	0.06%	-1.22%	-1.09%	0.06%	0.06%	0.06%	18103.45	12/26/2014	15340.69	2/5/2014
Russell 2000	1198.80	-0.49%	-1.35%	-0.66%	-0.49%	-0.49%	-0.49%	1221.44	12/31/2014	1040.47	10/15/2014
NYSE Composite	10830.91	-0.08%	-1.41%	-1.13%	-0.08%	-0.08%	-0.08%	11108.39	9/4/2014	9732.47	2/3/2014
S&P 1500	475.44	-0.07%	-1.45%	-1.11%	-0.07%	-0.07%	-0.07%	483.64	12/29/2014	403.27	2/5/2014
S&P 500	2058.20	-0.03%	-1.46%	-1.14%	-0.03%	-0.03%	-0.03%	2093.55	12/29/2014	1737.92	2/5/2014
Nasdaq Composite	4726.81	-0.20%	-1.67%	-0.98%	-0.20%	-0.20%	-0.20%	4814.95	12/26/2014	3946.03	4/15/2014
Nasdaq 100	4230.24	-0.14%	-1.94%	-1.23%	-0.14%	-0.14%	-0.14%	4347.09	11/28/2014	3414.11	4/15/2014
Bank of New York Mellon ADR	138.85	-0.39%	-2.31%	-1.96%	-0.39%	-0.39%	-0.39%	159.35	7/3/2014	134.51	12/16/2014

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Energy	589.12	0.43%	-0.69%	-0.75%	0.43%	0.43%	0.43%	738.72	6/23/2014	534.10	12/16/2014
Health Care	795.07	0.39%	-0.74%	0.01%	0.39%	0.39%	0.39%	824.69	12/8/2014	632.48	2/5/2014
Consumer Discretionary	568.61	-0.72%	-0.79%	-0.23%	-0.72%	-0.72%	-0.72%	578.97	12/31/2014	483.96	2/3/2014
Financials	333.41	0.03%	-0.96%	-0.96%	0.03%	0.03%	0.03%	339.18	12/29/2014	276.34	2/3/2014
Materials	305.82	0.18%	-1.24%	-0.91%	0.18%	0.18%	0.18%	320.96	9/22/2014	270.00	2/5/2014
Telecom Services	153.35	0.53%	-1.51%	-1.00%	0.53%	0.53%	0.53%	172.45	7/29/2014	143.28	2/3/2014
Industrials	485.74	-0.15%	-1.63%	-1.62%	-0.15%	-0.15%	-0.15%	495.21	12/26/2014	418.01	2/5/2014
Utilities	241.51	0.57%	-2.27%	-1.09%	0.57%	0.57%	0.57%	250.94	12/29/2014	188.82	1/3/2014
Consumer Staples	497.83	-0.35%	-2.33%	-2.14%	-0.35%	-0.35%	-0.35%	511.34	12/24/2014	409.40	2/3/2014
Information Technology	690.92	-0.15%	-2.51%	-2.11%	-0.15%	-0.15%	-0.15%	710.35	12/26/2014	555.96	2/5/2014

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Automobiles & Components	134.82	-0.53%	0.02%	0.74%	-0.53%	-0.53%	-0.53%	146.81	7/14/2014	112.55	10/15/2014
Retailing	1025.77	-0.67%	-0.12%	0.36%	-0.67%	-0.67%	-0.67%	1043.60	12/31/2014	831.70	5/7/2014
Real Estate	190.51	1.39%	-0.13%	0.16%	1.39%	1.39%	1.39%	192.71	12/23/2014	147.59	1/2/2014
Pharmaceuticals, Biotech & Life Sci	768.44	0.63%	-0.46%	0.69%	0.63%	0.63%	0.63%	805.15	12/8/2014	617.10	1/6/2014
Energy	589.12	0.43%	-0.69%	-0.75%	0.43%	0.43%	0.43%	738.72	6/23/2014	534.10	12/16/2014
Banks	236.64	-0.13%	-0.77%	-0.80%	-0.13%	-0.13%	-0.13%	241.00	12/29/2014	203.00	2/4/2014
Commercial & Professional Service	215.71	0.20%	-0.93%	-0.90%	0.20%	0.20%	0.20%	218.65	12/26/2014	178.00	2/3/2014
Consumer Services	711.47	-0.51%	-0.93%	-0.31%	-0.51%	-0.51%	-0.51%	730.06	12/5/2014	636.89	10/15/2014
Consumer Durables & Apparel	303.94	-1.03%	-0.99%	-0.44%	-1.03%	-1.03%	-1.03%	312.61	11/28/2014	256.09	2/3/2014
Transports	619.05	-0.49%	-1.16%	-1.11%	-0.49%	-0.49%	-0.49%	629.86	12/31/2014	454.81	2/5/2014
Materials	305.82	0.18%	-1.24%	-0.91%	0.18%	0.18%	0.18%	320.96	9/22/2014	270.00	2/5/2014
Insurance	306.29	-0.24%	-1.28%	-1.27%	-0.24%	-0.24%	-0.24%	312.92	12/29/2014	258.33	2/3/2014
Health Care Equip & Services	721.73	-0.10%	-1.33%	-1.37%	-0.10%	-0.10%	-0.10%	736.84	12/23/2014	558.30	2/5/2014
Diversified Financials	515.12	-0.27%	-1.38%	-1.51%	-0.27%	-0.27%	-0.27%	525.97	12/23/2014	415.39	2/3/2014
Food & Staples Retailing	382.93	-0.42%	-1.43%	-1.23%	-0.42%	-0.42%	-0.42%	390.30	12/24/2014	294.41	2/3/2014
Telecom Services	153.35	0.53%	-1.51%	-1.00%	0.53%	0.53%	0.53%	172.45	7/29/2014	143.28	2/3/2014
Media	474.34	-0.82%	-1.70%	-1.12%	-0.82%	-0.82%	-0.82%	486.81	12/29/2014	400.47	2/3/2014
Capital Goods	503.96	-0.08%	-1.82%	-1.83%	-0.08%	-0.08%	-0.08%	518.39	6/9/2014	443.01	10/15/2014
Semiconductors & Equipment	560.70	0.02%	-2.10%	-2.05%	0.02%	0.02%	0.02%	581.22	12/8/2014	395.17	2/5/2014
Software & Services	916.92	0.10%	-2.14%	-2.11%	0.10%	0.10%	0.10%	941.79	12/23/2014	798.01	1/27/2014
Utilities	241.51	0.57%	-2.27%	-1.09%	0.57%	0.57%	0.57%	250.94	12/29/2014	188.82	1/3/2014
Food, Beverage & Tobacco	560.25	-0.23%	-2.53%	-2.41%	-0.23%	-0.23%	-0.23%	585.94	11/28/2014	467.35	2/3/2014
Household & Personal Products	555.57	-0.55%	-2.90%	-2.54%	-0.55%	-0.55%	-0.55%	574.38	12/24/2014	474.79	2/4/2014
Technology Hardware & Equipmen	741.12	-0.58%	-3.24%	-2.14%	-0.58%	-0.58%	-0.58%	773.05	11/28/2014	546.32	2/3/2014

**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
Tin JJT	42.29	-0.47%	3.27%	-0.47%	-0.47%	-0.47%	55.91	4/8/2014	40.43	10/24/2014
Aluminum JJU	18.33	2.05%	2.68%	2.05%	2.05%	2.05%	22.29	9/2/2014	17.10	3/17/2014
Livestock COW	30.54	0.46%	1.43%	0.46%	0.46%	0.46%	33.77	7/7/2014	27.08	1/2/2014
Copper JJC	33.85	-0.32%	0.03%	-0.32%	-0.32%	-0.32%	41.43	1/2/2014	33.67	1/2/2015
Gold GLD	114.08	0.44%	-0.65%	0.44%	0.44%	0.44%	133.69	3/14/2014	109.67	11/5/2014
Cocoa NIB	38.40	1.11%	-0.80%	1.11%	1.11%	1.11%	44.61	9/25/2014	34.76	1/2/2014
Platinum PPLT	116.57	-0.41%	-1.13%	-0.41%	-0.41%	-0.41%	147.68	7/2/2014	114.16	12/22/2014
Timber CUT	24.10	-0.58%	-1.23%	-0.58%	-0.58%	-0.58%	26.45	3/6/2014	21.69	10/16/2014
Coal KOL	14.58	-0.61%	-1.55%	-0.61%	-0.61%	-0.61%	19.75	8/19/2014	14.25	12/16/2014
Silver SLV	15.11	0.33%	-1.56%	0.33%	0.33%	0.33%	21.30	2/24/2014	14.64	11/5/2014
Palladium PALL	77.11	-0.49%	-2.84%	-0.49%	-0.49%	-0.49%	88.42	8/29/2014	67.90	2/4/2014
Natural Gas UNG	14.96	1.29%	-3.36%	1.29%	1.29%	1.29%	27.89	2/24/2014	14.60	12/31/2014
Cotton BAL	40.56	-1.51%	-3.55%	-1.51%	-1.51%	-1.51%	60.44	3/26/2014	39.90	11/24/2014
Heating Oil UHN	21.23	-1.62%	-3.89%	-1.62%	-1.62%	-1.62%	34.79	3/3/2014	21.15	1/2/2015
Sugar SGG	36.18	-2.30%	-3.98%	-2.30%	-2.30%	-2.30%	61.48	3/5/2014	35.93	1/2/2015
OIL USO	19.89	-2.31%	-4.28%	-2.31%	-2.31%	-2.31%	39.44	6/20/2014	19.69	1/2/2015
Corn CORN	26.48	-0.60%	-4.44%	-0.60%	-0.60%	-0.60%	35.79	4/9/2014	22.62	10/1/2014
Grains GRU	5.14	-1.17%	-4.46%	-1.17%	-1.17%	-1.17%	6.93	4/16/2014	4.33	10/1/2014
Coffee JO	29.09	-4.56%	-4.62%	-4.56%	-4.56%	-4.56%	42.87	4/24/2014	21.66	1/2/2014
Grains JIG	38.18	-1.06%	-4.93%	-1.06%	-1.06%	-1.06%	52.38	4/30/2014	32.58	10/1/2014

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

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

## Commodity ETFs/ETNs Standard Performance

	-----PRICE % Change-----			-----NAV % Change-----			Expense Ratio%	Premium % to NAV	
	Price	1-Year	5-Year	10-Year	1-Year	5-Year			10-Year
Aluminum JJU	18.33	-4.98	-10.35		-4.08	-10.52		0.75	-0.42
Coal KOL	14.58	-22.26	-15.17		-23.07	-15.03		0.59	0.22
Cocoa NIB	38.40	10.06	-4.70		5.69	-5.11		0.75	0.26
Coffee JO	29.09	32.17	-5.55		39.73	-4.74		0.75	0.53
Copper JJC	33.85	-18.18	-5.86		-18.11	-5.79		0.75	-0.11
Corn CORN	26.48	-13.27			-13.15			2.75	0.09
Cotton BAL	40.56	-23.62	1.73		-22.73	2.08		0.75	0.21
Gold GLD	114.08	-3.32	1.23	10.04	-0.58	1.26	10.15	0.40	-1.40
Grains GRU	5.14	-10.14	-2.08					0.75	
Grains JIG	38.18	-10.59	-1.36		-10.64	-1.05		0.75	-0.22
Heating Oil UHN	21.23	-34.68	-5.11		-35.05	-4.81		0.91	0.25
Livestock COW	30.54	11.26	1.63		11.30	1.36		0.75	0.60
Natural Gas UNG	14.96	-28.52	-28.56		-28.98	-28.89		0.60	0.99
OIL USO	19.89	-41.89	-12.70		-42.80	-12.44		0.45	1.03
Palladium PALL	77.11	8.71			11.56			0.60	0.06
Platinum PPLT	116.57	-14.92			-11.43			0.60	-0.32
Silver SLV	15.11	-21.42	-1.79		-18.52	-1.72		0.50	-1.52
Sugar SGG	36.18	-33.85	-13.50		-33.19	-13.39		0.75	0.30
Timber CUT	24.10	-2.80	8.31		-2.78	8.61		0.71	-0.39
Tin JTT	42.29	-17.40	1.16		-14.43	1.54		0.75	-1.75

**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.**

## INTERNATIONAL ETFs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Vietnam VNM	18.99	-1.20%	2.54%	-1.20%	-1.20%	-1.20%	23.82	9/3/2014	18.32	12/29/2014
India IFN	26.34	2.05%	2.46%	2.05%	2.05%	2.05%	27.75	12/4/2014	17.51	2/3/2014
China 25 FXI	41.68	0.14%	0.00%	0.14%	0.14%	0.14%	42.56	9/4/2014	32.58	3/20/2014
Australia EWA	22.10	-0.32%	-0.41%	-0.32%	-0.32%	-0.32%	27.51	9/4/2014	21.30	12/17/2014
Taiwan EWT	14.94	-1.13%	-0.53%	-1.13%	-1.13%	-1.13%	16.59	9/3/2014	13.26	2/3/2014
Chile ECH	39.41	-1.20%	-0.63%	-1.20%	-1.20%	-1.20%	47.85	5/14/2014	37.62	12/16/2014
Canada EWC	28.69	-0.59%	-0.66%	-0.59%	-0.59%	-0.59%	33.11	9/4/2014	26.69	12/17/2014
Singapore EWS	12.97	-0.84%	-0.84%	-0.84%	-0.84%	-0.84%	14.16	5/27/2014	11.94	2/3/2014
Israel EIS	46.58	-0.43%	-0.85%	-0.43%	-0.43%	-0.43%	55.51	7/2/2014	46.15	12/29/2014
Austria EWO	15.36	1.19%	-0.90%	1.19%	1.19%	1.19%	21.06	2/25/2014	14.76	10/16/2014
Turkey TUR	53.82	-0.90%	-0.96%	-0.90%	-0.90%	-0.90%	60.49	7/28/2014	40.03	2/3/2014
Hong Kong EWH	20.52	-0.10%	-1.06%	-0.10%	-0.10%	-0.10%	22.77	8/20/2014	18.60	2/5/2014
United States SPY	205.43	-0.05%	-1.44%	-0.05%	-0.05%	-0.05%	212.97	12/18/2014	173.71	2/5/2014
Thailand THD	76.56	-1.16%	-1.64%	-1.16%	-1.16%	-1.16%	85.88	9/24/2014	61.94	1/3/2014
Emerging Markets EE	38.77	-1.32%	-1.65%	-1.32%	-1.32%	-1.32%	45.85	9/5/2014	37.05	2/3/2014
South Africa EZA	63.51	-2.02%	-1.82%	-2.02%	-2.02%	-2.02%	72.77	9/5/2014	55.31	2/3/2014
Indonesia IDX	23.87	-1.73%	-1.89%	-1.73%	-1.73%	-1.73%	27.70	7/22/2014	20.06	1/7/2014
Belgium EWK	16.22	0.09%	-1.99%	0.09%	0.09%	0.09%	17.99	5/12/2014	14.74	10/16/2014
Sweden EWD	31.46	-0.66%	-2.09%	-0.66%	-0.66%	-0.66%	37.34	5/21/2014	29.68	10/16/2014
South Korea EWY	54.71	-1.05%	-2.09%	-1.05%	-1.05%	-1.05%	67.76	7/30/2014	54.49	1/2/2015
Mexico EWW	57.88	-2.54%	-2.33%	-2.54%	-2.54%	-2.54%	73.11	9/8/2014	54.46	12/16/2014
Netherlands EWN	23.80	-0.44%	-2.50%	-0.44%	-0.44%	-0.44%	26.48	6/19/2014	21.79	10/16/2014
Latin America ILF	30.94	-2.73%	-2.52%	-2.73%	-2.73%	-2.73%	43.42	9/3/2014	29.06	12/16/2014
Japan EWJ	11.26	0.18%	-2.60%	0.18%	0.18%	0.18%	12.25	7/1/2014	10.73	10/16/2014
Switzerland EWL	31.53	-0.50%	-2.66%	-0.50%	-0.50%	-0.50%	35.46	6/10/2014	29.64	10/16/2014
BRIC EEB	28.44	-0.44%	-2.69%	-0.44%	-0.44%	-0.44%	39.25	9/4/2014	27.11	12/16/2014
United Kingdom EWU	17.86	-0.94%	-2.99%	-0.94%	-0.94%	-0.94%	22.11	6/19/2014	17.42	12/15/2014
Malaysia EWM	13.17	-2.30%	-3.02%	-2.30%	-2.30%	-2.30%	16.26	8/27/2014	12.87	12/16/2014
Italy EWI	13.63	0.22%	-3.06%	0.22%	0.22%	0.22%	18.44	6/9/2014	13.41	12/15/2014
Brazil EWZ	35.36	-3.31%	-3.10%	-3.31%	-3.31%	-3.31%	54.56	9/3/2014	32.97	12/16/2014
Spain EWP	34.98	1.01%	-3.18%	1.01%	1.01%	1.01%	44.46	6/19/2014	34.37	12/17/2014
Germany EWG	27.28	-0.47%	-3.19%	-0.47%	-0.47%	-0.47%	32.38	6/19/2014	25.00	10/16/2014
France EWQ	24.52	-0.53%	-3.50%	-0.53%	-0.53%	-0.53%	30.73	6/6/2014	23.59	10/16/2014
Greece GREK	13.74	2.54%	-7.04%	2.54%	2.54%	2.54%	25.76	3/19/2014	13.40	12/30/2014
Russia RSX	14.79	1.09%	-7.55%	1.09%	1.09%	1.09%	28.66	1/2/2014	12.48	12/16/2014

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	22.10	-9.22			-9.83			0.00	0.00
Austria EWO	15.36	-2.58			-4.69			0.01	0.01
Belgium EWK	16.22	-6.59			-7.44			0.00	0.00
Brazil EWZ	35.36	18.82			18.33			-0.03	-0.03
BRIC EEB	28.44	-11.39			-10.14			0.00	0.00
Canada EWC	28.69	-44.85			-44.92			-0.01	-0.01
Chile ECH	39.41	-7.33			-5.86			-0.01	-0.01
China 25 FXI	41.68	44.35			44.35			0.00	0.00
Emerging Markets EE	38.77	-38.98			-38.18			-0.01	-0.01
France EWQ	24.52	4.71			4.56			-0.01	-0.01
Germany EWG	27.28	8.44			8.72			0.00	0.00
Greece GREK	13.74	-18.76			-20.08			0.03	0.03
Hong Kong EWH	20.52	3.46			2.91			0.00	0.00
India IFN	26.34	1.18			1.36			0.02	0.02
Indonesia IDX	23.87	-4.21			-3.80			0.57	-0.12
Israel EIS	46.58	4.26			4.59			0.00	0.00
Italy EWI	13.63	-13.14			-12.73			0.00	0.00
Japan EWJ	11.26	2.29			1.79			0.00	0.00
Latin America ILF	30.94	-11.34			-10.64			-0.03	-0.03
Malaysia EWM	13.17	-4.49			-4.43			-0.02	-0.02
Mexico EWW	57.88	0.14			-0.82			-0.03	-0.03
Netherlands EWN	23.80	14.50			13.53			0.00	0.00
Russia RSX	14.79	-9.49			-10.49			0.01	0.01
Singapore EWS	12.97	-4.70			-4.74			-0.01	-0.01
South Africa EZA	63.51	-1.41			-2.82			-0.02	-0.02
South Korea EWY	54.71	-11.74			-11.47			-0.01	-0.01
Spain EWP	34.98	-15.50			-14.51			0.01	0.01
Sweden EWD	31.46	25.47			18.01			-0.01	-0.01
Switzerland EWL	31.53	5.02			3.91			-0.01	-0.01
Taiwan EWT	14.94	-1.02			-0.67			-0.01	-0.01
Thailand THD	76.56	-12.88			-13.68			-0.01	-0.01
Turkey TUR	53.82	15.37			12.03			-0.01	-0.01
United Kingdom EWU	17.86	19.01			16.71			-0.01	-0.01
United States SPY	205.43	-10.18			-11.90			0.00	0.00
Vietnam VNM	18.99	-9.05			-9.92			-0.01	-0.01

**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.