

Monday June 30, 2014

Closing prices of June 27, 2014

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# The Kaufman Report

Trade what you see, not what you think.

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Monday June 30, 2014

Closing prices of June 27, 2014

**Many major indexes rose to new highs on Tuesday before profit taking set in, leaving some with small losses and the S&P 500 down a piddly 0.09%.** The Nasdaq 100 was immune to the profit taking and was the leader on the week with a gain of 1.10%, and was the only major index to print a new high on Friday. It was followed by the Nasdaq Composite with a gain of 0.68%. The Bank of New York Mellon ADR Index led the downside with a loss of 0.80%, only a little worse than the Dow Industrials, down 0.56%. As the quarter comes to an end year-to-date leader Dow Transports is also the quarter-to-date leader with a gain of 7.92%.

**Four of the ten S&P sectors rose last week.** The leader was year-to-date worst sector Consumer Discretionary, up 1.04%, followed year-to-date leader Utilities, up 0.96%, and Information Technology, up 0.75%. The downside was led by Industrials, down 1.39%, and Consumer Staples, down 1.36%.

**Thirteen of the twenty-four S&P industry groups traded higher last week.** Media led with a gain of 2.17%, followed by Consumer Durables & Apparel, up 1.67%, Automobiles & Components, up 1.35%, and Software & Services, up 1.11%. The losers were led by Food, Beverage & Tobacco, down 1.90%, Capital Goods, down 1.78%, and Insurance, down 1.27%.

**In our last report, way back on May 26<sup>th</sup>, we warned that if new highs in indexes were made and negative divergences persisted, investors may need to be vigilant.** Equities did break out to new highs May 27<sup>th</sup>, and fortunately market breadth improved shortly thereafter along with an expansion in new highs. Since then stocks have continued to grind higher with just a couple of pauses. As everybody knows volume has been light and investors are still showing a greater degree of selectivity. **However, the overriding characteristic of this market has been a lack of sellers.** Until sellers have a reason to be more aggressive, the technical negatives such as a lack of robust buying or fewer stocks making new highs will only lead to short-term pullbacks as buyers get tired. Hopefully second quarter earnings season, which gets underway shortly, will not be a catalyst for sellers.

**In the short-term we have entered a period of positive seasonality that extends through July 7<sup>th</sup>.** Shortly thereafter we enter second quarter earnings season. First quarter earnings had 70.4% of stocks beating analyst estimates. Should we see a repeat performance it would certainly not help the bearish case. In addition, we are getting to the time of the year where we could start to see 2015 earnings estimates get ratcheted up. Should that happen it would obviously be very supportive for stock prices. **We are not without concerns, one of which is investors becoming overbullish.** Our proprietary options indicator is at 1.058, a level showing optimism but not yet an extreme amount. Should stocks jump higher during the current period of positive seasonality bullish sentiment could become too extreme. In addition, geopolitical issues could create a spike in crude oil prices that could easily spook investors. So, while we remain bullish we do not want to be complacent.

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

**After 499 of the S&P 500 reported first quarter earnings 70.4% have 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.

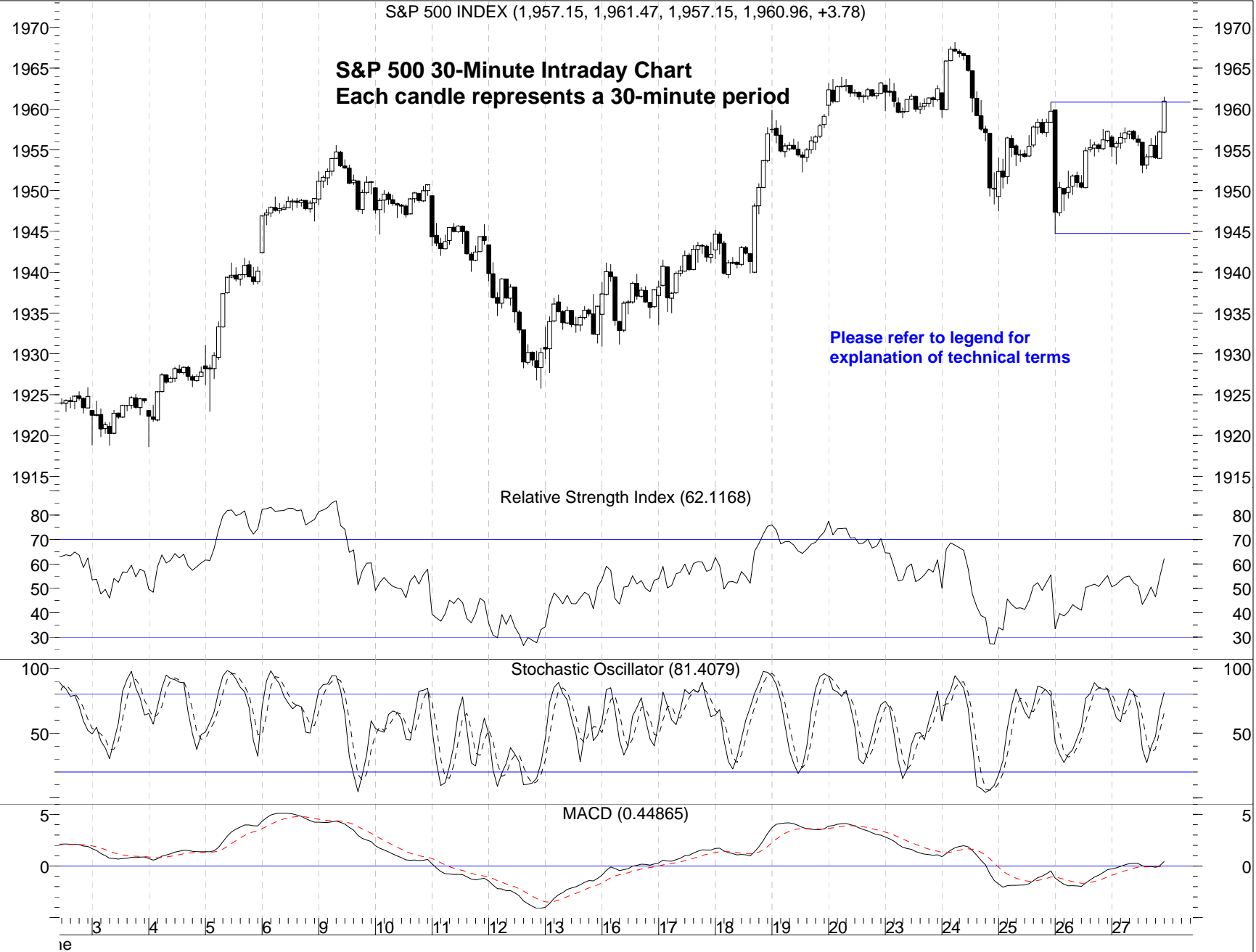
**In summary, stocks continue to grind higher as we enter a period of positive seasonality. The lack of sellers has overcome various technical negatives that have arisen occasionally. We are concerned about possible overbullish sentiment, and we do not want to be complacent. Longer-term we remain bullish due to an improving economy and attractive valuations for equities.**

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

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

S&P 500 INDEX (1,957.15, 1,961.47, 1,957.15, 1,960.96, +3.78)

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



The S&P 500 is trying to reverse the pattern of the last few days of lower tops and bottoms as it challenges Wednesday's high.

30-minute momentum is positive.

6/28/2014

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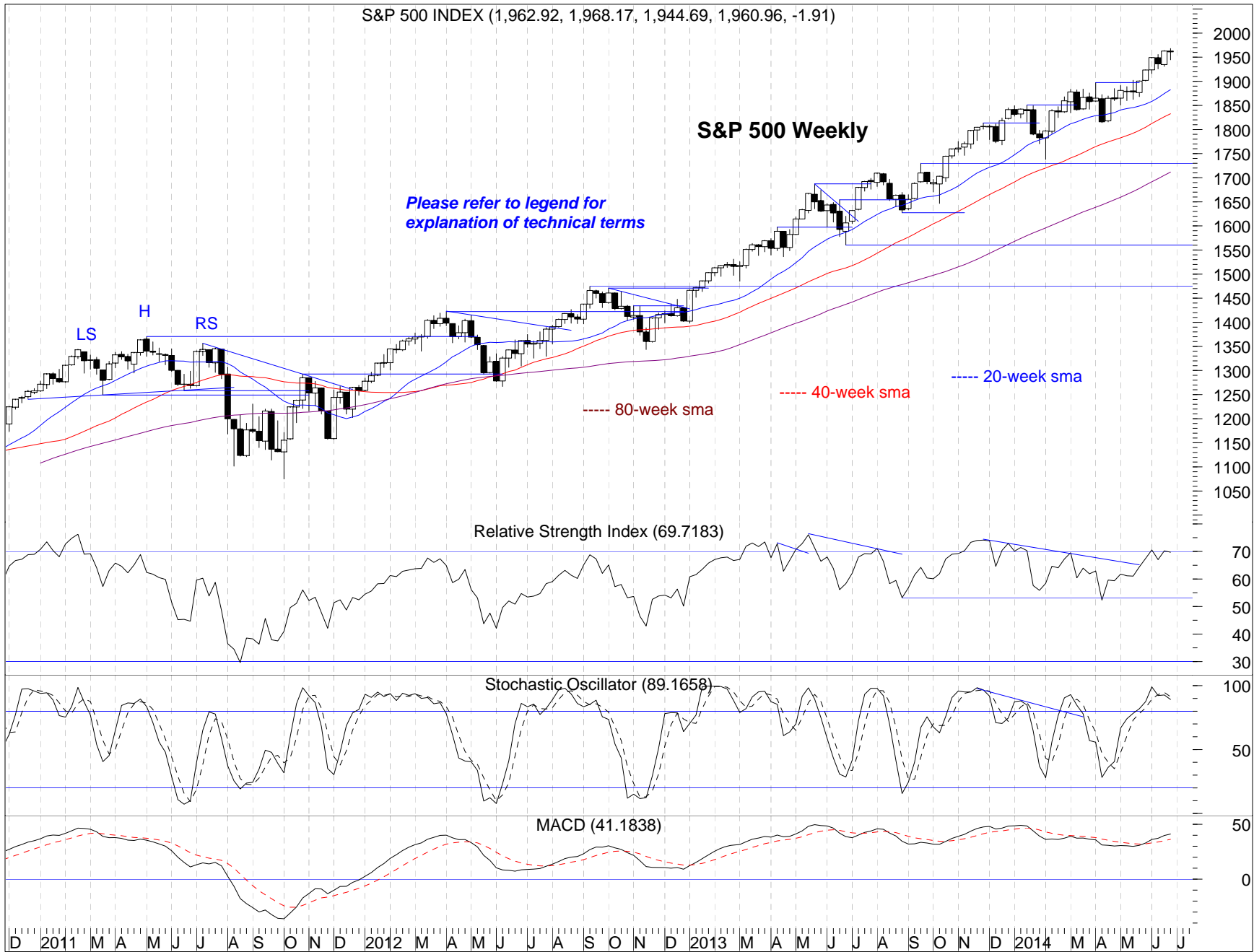
The S&P 500 sits just under its recent highs on its daily chart.

Daily momentum is mixed.

6/28/2014

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S&P 500 INDEX (1,962.92, 1,968.17, 1,944.69, 1,960.96, -1.91)



Please refer to legend for explanation of technical terms

S&P 500 Weekly

----- 80-week sma

----- 40-week sma

----- 20-week sma

Relative Strength Index (69.7183)

Stochastic Oscillator (89.1658)

MACD (41.1838)

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

6/28/2014

The S&P 500 printed a doji candle on its weekly chart. Doji are signs of indecision frequently seen at turning points.

The RSI and stochastic are overbought with the stochastic threatening to roll over.

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S&P 500 INDEX (1,923.87, 1,968.17, 1,915.98, 1,960.96, +37.39)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

----- 12-month sma

----- 3-month sma

Relative Strength Index (77.4087)

Stochastic Oscillator (96.3523)

MACD (137.151)

997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

6/28/2014

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

Monthly momentum remains positive, although the indicators are at high or overbought levels.

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NASDAQ 100 (3,825.02, 3,844.89, 3,823.21, 3,844.44, +17.53)

Nasdaq 100 Daily

Please refer to legend for explanation of technical terms

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

The Nasdaq 100 continues to rally after its early June breakout.

Relative Strength Index (73.8313)

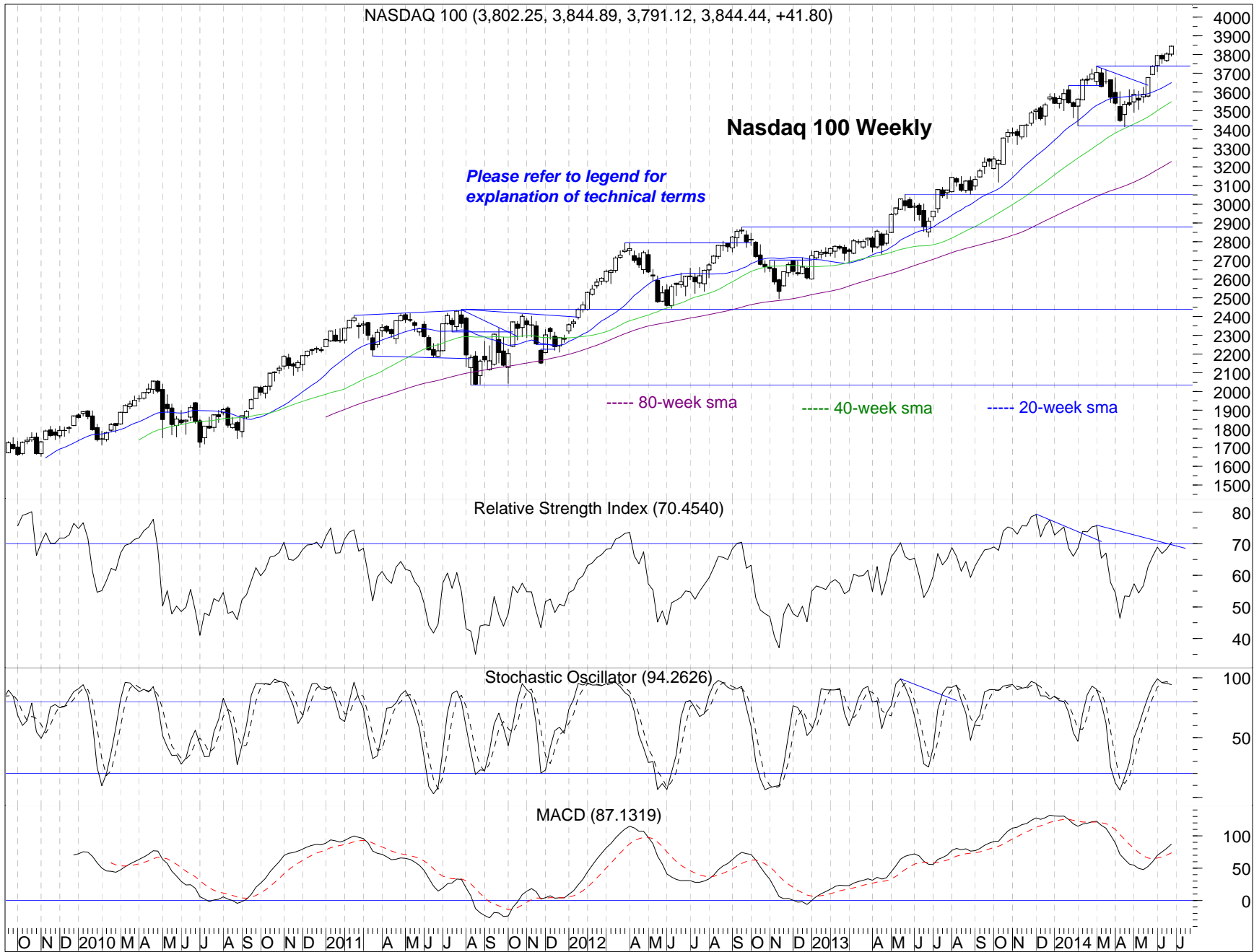
Stochastic Oscillator (92.2174)

MACD (39.3840)

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

6/28/2014

NASDAQ 100 (3,802.25, 3,844.89, 3,791.12, 3,844.44, +41.80)



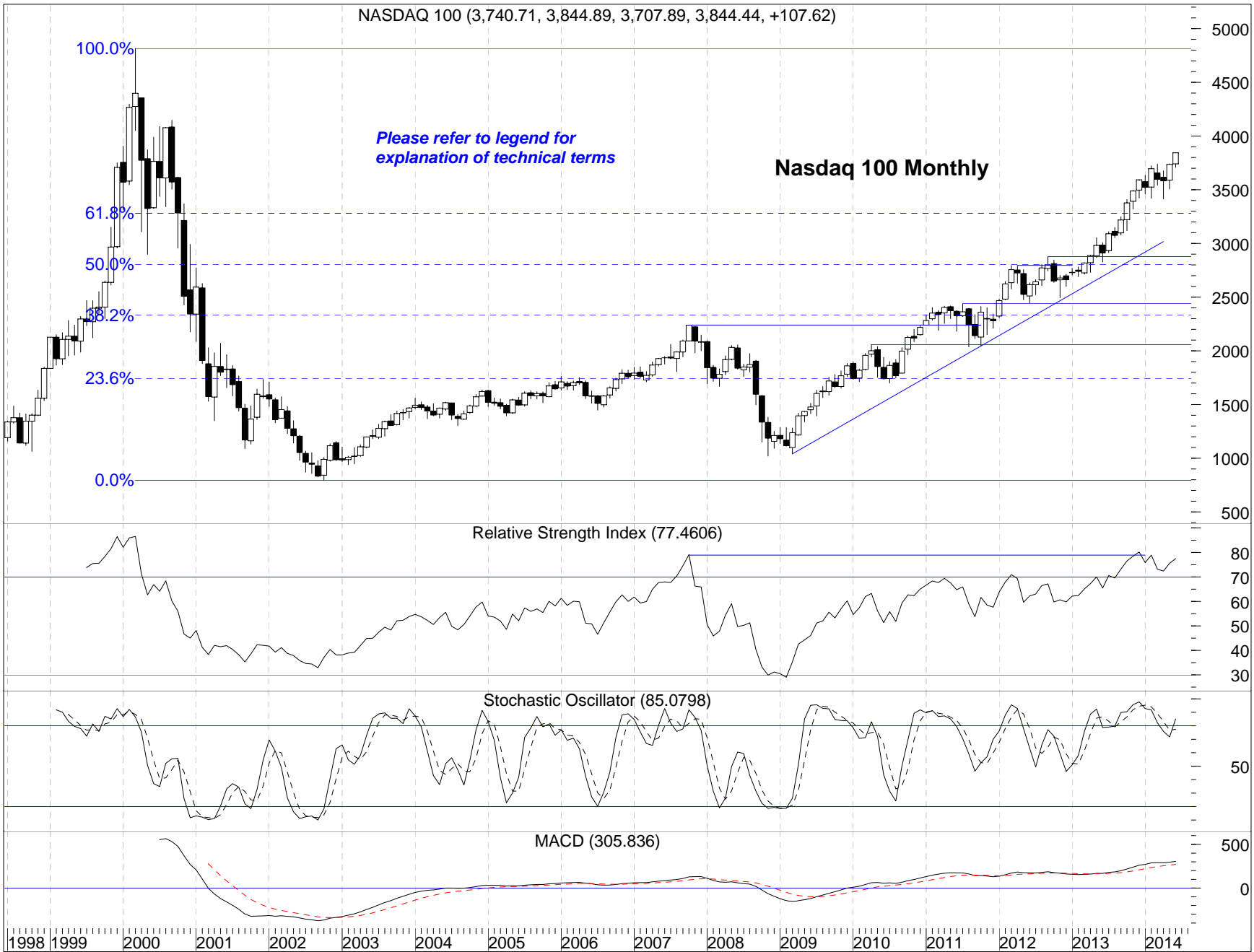
The Nasdaq 100 printed another weekly closing high.

Weekly momentum is mostly positive but there is a negative divergence on the RSI and the stochastic is overbought.

6/28/2014



NASDAQ 100 (3,740.71, 3,844.89, 3,707.89, 3,844.44, +107.62)



*Please refer to legend for explanation of technical terms*

### Nasdaq 100 Monthly

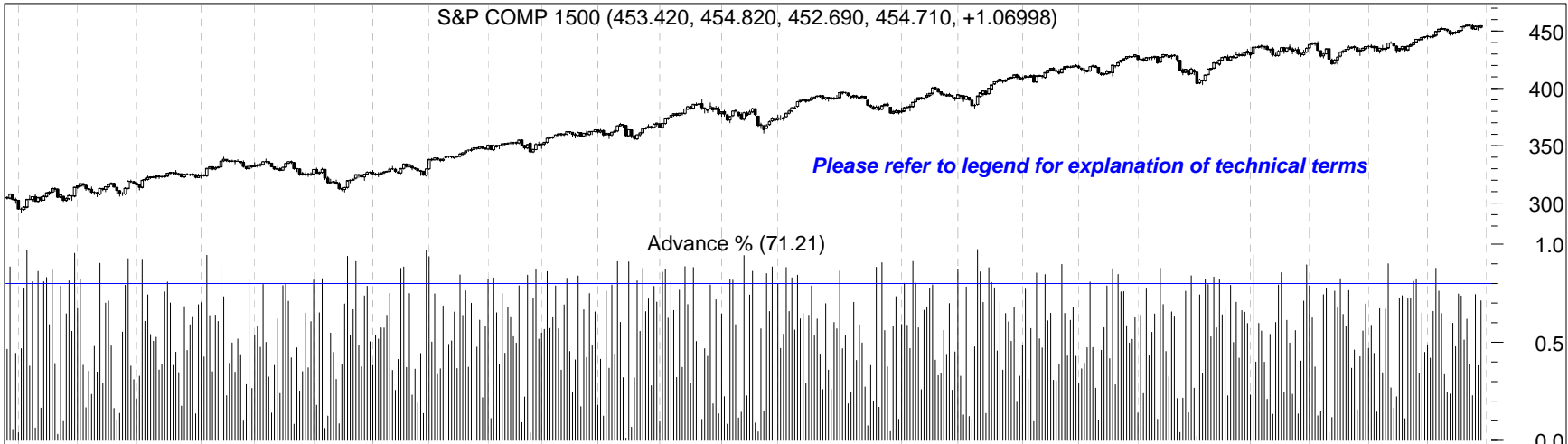
The Nasdaq 100 is a thing of beauty on its monthly chart as it trades at its highest level since September 2000. It is now above the Fibonacci 76.4% retracement level (not shown) of the bear market of 2000 - 2002. That number was 3762.29.

Monthly momentum remains positive. There is a slight divergence on the stochastic.

6/28/2014

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S&P COMP 1500 (453.420, 454.820, 452.690, 454.710, +1.06998)

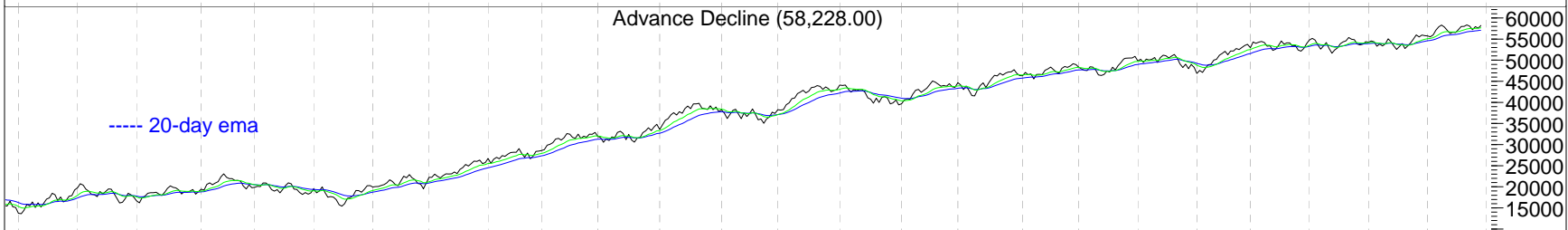


Please refer to legend for explanation of technical terms

Advance % (71.21)

No extreme days last week, and the 5-day average of advancing stocks on the S&P 1500 is 49.1%.

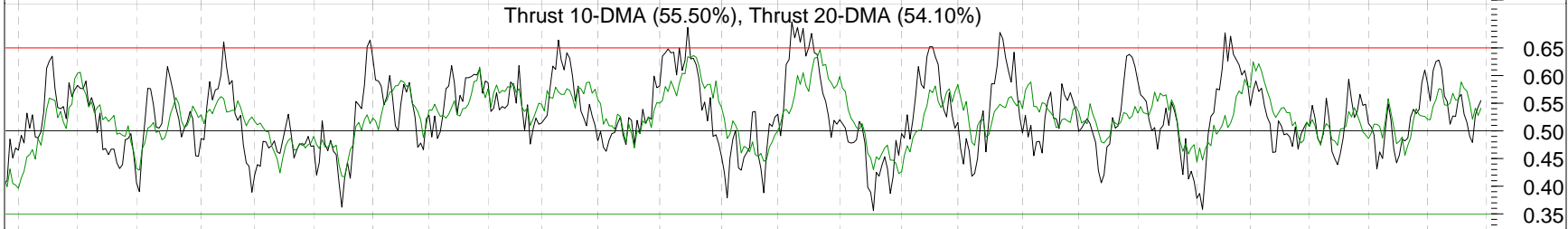
Advance Decline (58,228.00)



----- 20-day ema

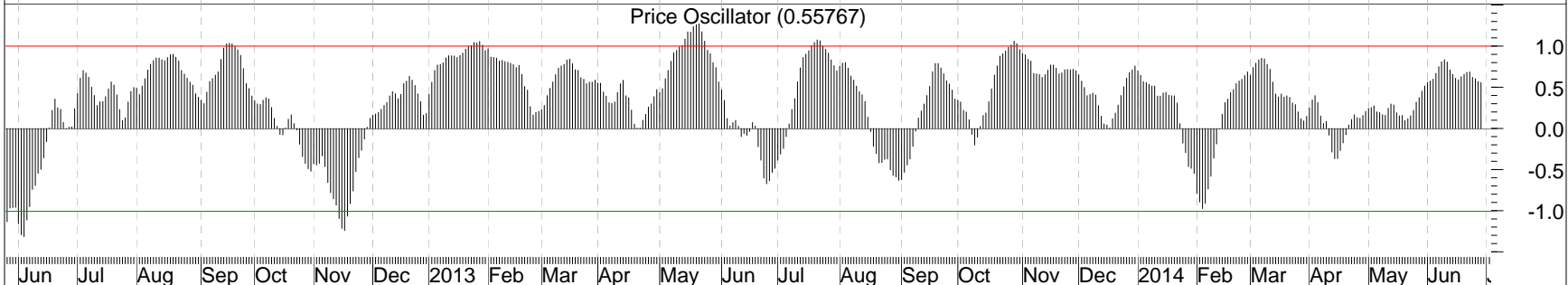
The S&P 1500 AD line is just below the high it made on 6/20/14.

Thrust 10-DMA (55.50%), Thrust 20-DMA (54.10%)



The 10 and 20-day averages of advancing stocks are both above 50%.

Price Oscillator (0.55767)



Our price oscillator, a good indicator of trends, remains in positive territory, where it has been since mid-April.

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

6/28/2014

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S&P COMP 1500 (453.420, 454.820, 452.690, 454.710, +1.06998)

Please refer to legend for explanation of technical terms

% Over 10-Sma (63.10%)

Kaufman Options Indicator (1.058)

4-Week Closing Highs (309), 4-Week Closing Lows (55)

10-SMA 4-Week Closing Highs (251.40), 10-SMA 4-Week Closing Lows (64.20)

13-Week Closing Highs (182), 13-Week Closing Lows (13)

10-sma 13-Week Highs (150.90), 10-sma 13-Week Lows (16.90)

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

6/28/2014

The percentage of stocks over their own 10-day moving averages is showing a small negative divergence.

Our proprietary options indicator is at 1.058 and showing bullishness, although not an extreme level.

4-week and 13-week closing highs have been well above their counterparts of closing lows recently, although the lower numbers compared to prior levels shows the selectivity exhibited by investors.

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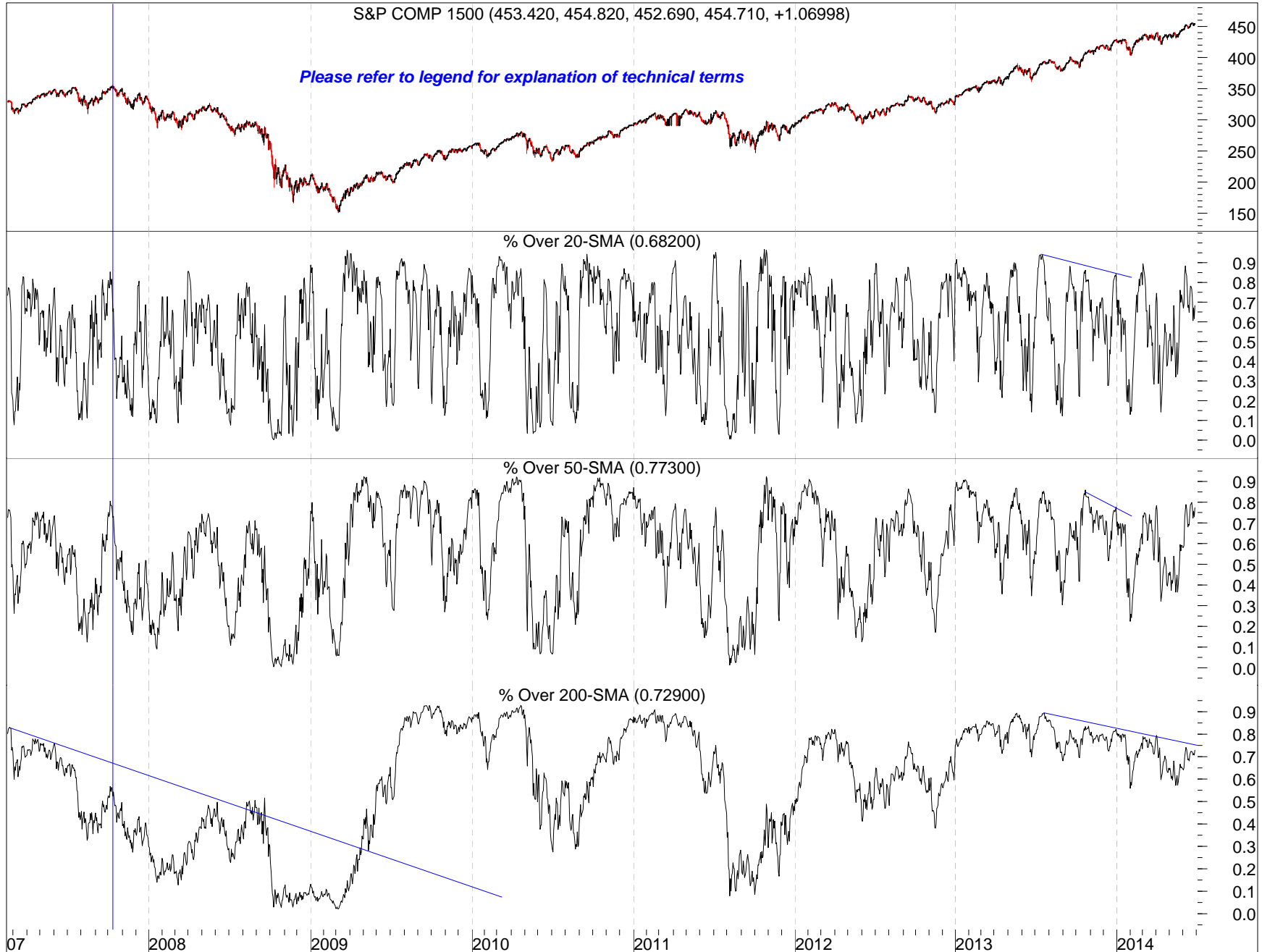
S&P COMP 1500 (453.420, 454.820, 452.690, 454.710, +1.06998)

*Please refer to legend for explanation of technical terms*

% Over 20-SMA (0.68200)

% Over 50-SMA (0.77300)

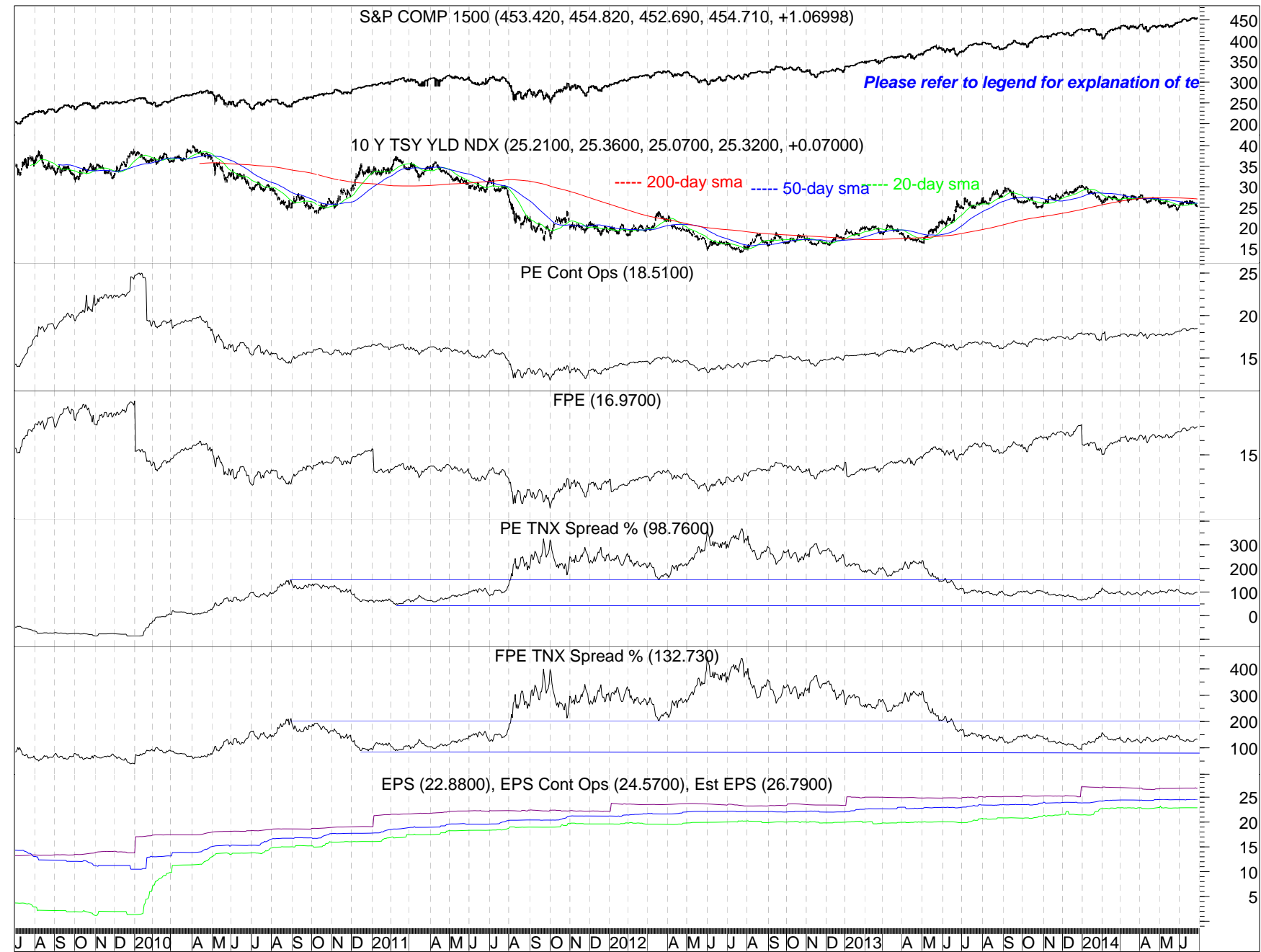
% Over 200-SMA (0.72900)



These are all bull market numbers, although the consistently decreasing number of stocks above their own 200-sma shows the increasing selectivity among investors. Hopefully earnings season will improve this.

6/28/2014

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Current and forward P/E ratios are around the highest levels seen in years. This leaves equities very vulnerable if earnings disappoint.

The spread between equity and bond yields remains in a tight sideways range. In other words, in spite of the increase in stock prices valuations have remained relatively unchanged.

Aggregate current and forecast earnings need to move up as the year progresses. With multiples already at high levels further expansion seems very unlikely.

6/28/2014

10 Y TSY YLD NDX (25.21, 25.36, 25.07, 25.32, +0.07)

### 10-Year Note Yield Daily

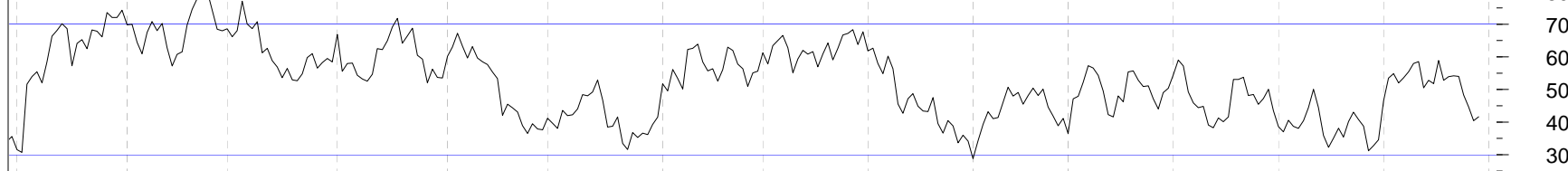


*Please refer to legend for explanation of technical terms*

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

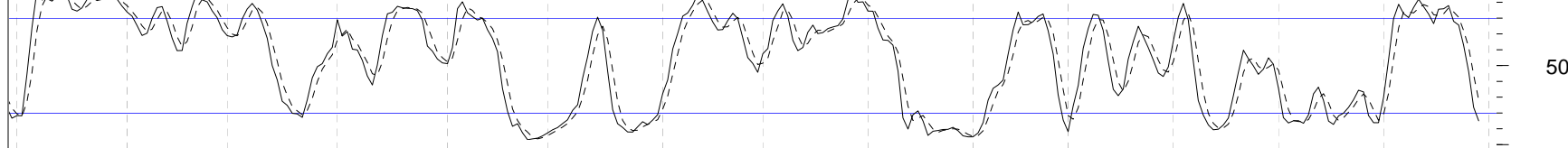
The 10-year note is below its important moving averages and has resistance from 2.58% to 2.66%.

Relative Strength Index (41.6348)

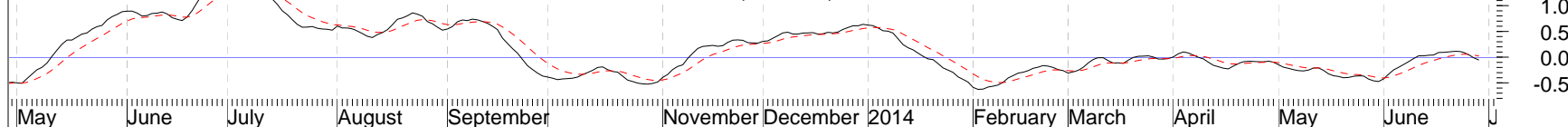


Daily momentum is negative but the stochastic is getting oversold.

Stochastic Oscillator (15.0588)



MACD (-0.05285)



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

6/28/2014

10 Y TSY YLD NDX (25.99, 26.24, 25.07, 25.32, -0.92)



Please refer to legend for explanation of technical terms

10-Year Note Yield Weekly

80-week sma

40-week sma

20-week

The 10-year note yield is below its 20 and 40-week sma. The 80-week sma, which was support at the end of May, is in an important price support zone and is currently at 2.436.

Weekly momentum is mostly negative.

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

6/28/2014

10 Y TSY YLD NDX (25.00, 26.59, 24.87, 25.32, +0.75)

### 10-Year Note Yield Monthly

*Please refer to legend for explanation of technical terms*

-----12-Month sma

-----3-Month sma

Relative Strength Index (52.2048)

Stochastic Oscillator (16.8435)

MACD (1.00960)

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

6/28/2014

The 10-year note yield is below its 3 and 12-month sma, with the 3 below the 12.

Monthly momentum is mixed.



US DOLLAR INDEX (80.2080, 80.2150, 80.0140, 80.0170, -0.20300)

### U.S. Dollar Index Daily

*Please refer to legend for explanation of technical terms*

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

After attempting to breakout in early June the U.S. Dollar Index reversed and Friday it closed below its important moving averages.

Relative Strength Index (39.6395)

Daily momentum is negative but the stochastic is oversold and at a level where it has found support recently.

Stochastic Oscillator (10.6482)

MACD (-0.00928)

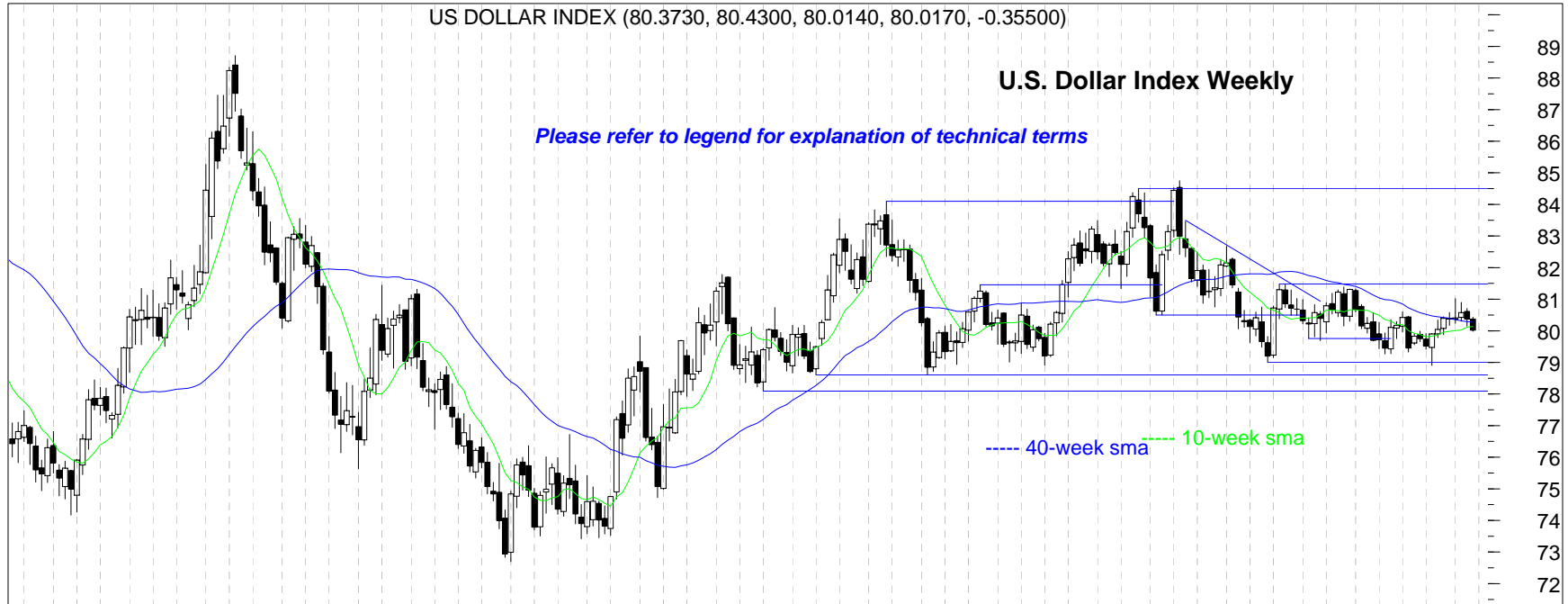
June July August September October November December 2014 February March April May June

6/28/2014

US DOLLAR INDEX (80.3730, 80.4300, 80.0140, 80.0170, -0.35500)

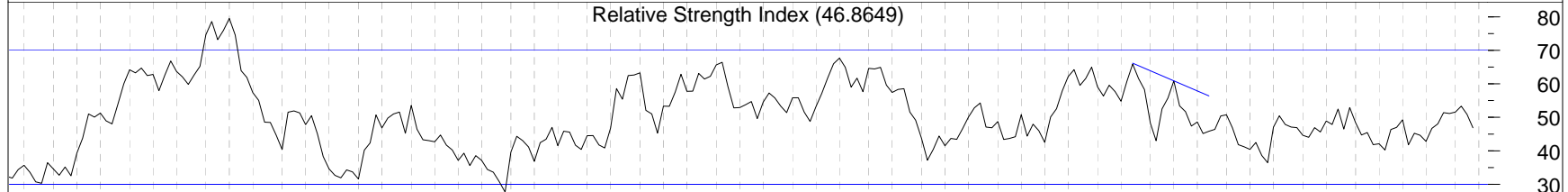
### U.S. Dollar Index Weekly

*Please refer to legend for explanation of technical terms*



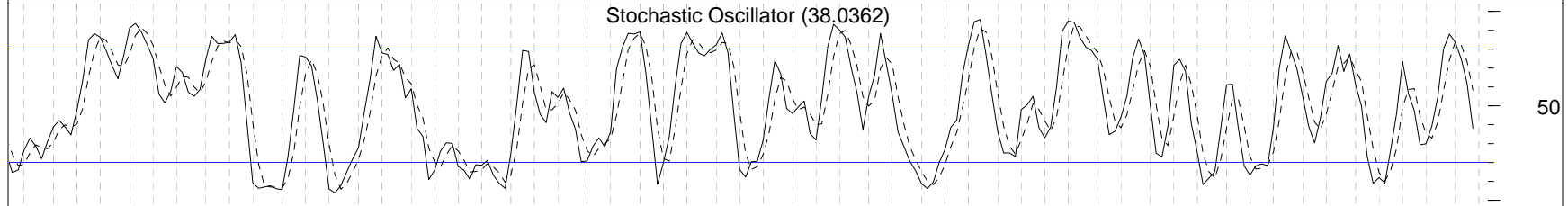
The U.S. Dollar Index closed Friday below its 10 and 40-week sma. It is just above its 20-week (not shown).

Relative Strength Index (46.8649)

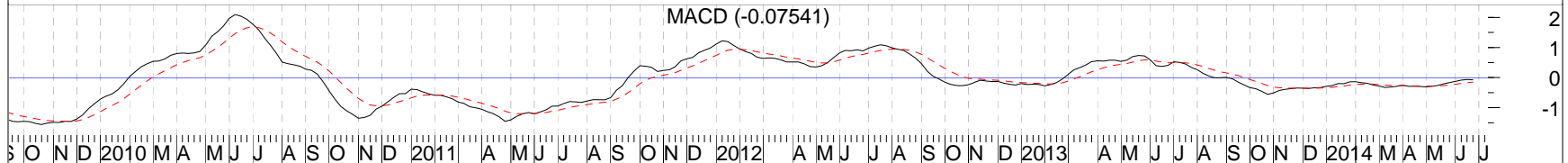


Weekly momentum is almost all negative.

Stochastic Oscillator (38.0362)



MACD (-0.07541)



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

6/28/2014

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US DOLLAR INDEX (80.3650, 81.0200, 80.0140, 80.0170, -0.35201)

Please refer to legend for explanation of technical terms

U.S. Dollar Index Monthly

----- 3-month sma

----- 12-month sma

Relative Strength Index (48.5906)

Stochastic Oscillator (39.6068)

MACD (0.01099)

The U.S. Dollar Index continues to trade in a tight sideways pattern and is at the level it was at in late 2011.

Monthly momentum is mixed.

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

6/28/2014

UNTD ST OIL FUND (39.1000, 39.1400, 38.8500, 38.9800, +0.0100)

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

### U.S. Oil ETF Daily

Please refer to legend for explanation of technical terms

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

Relative Strength Index (61.4903)

Stochastic Oscillator (78.0638)

MACD (0.42252)

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

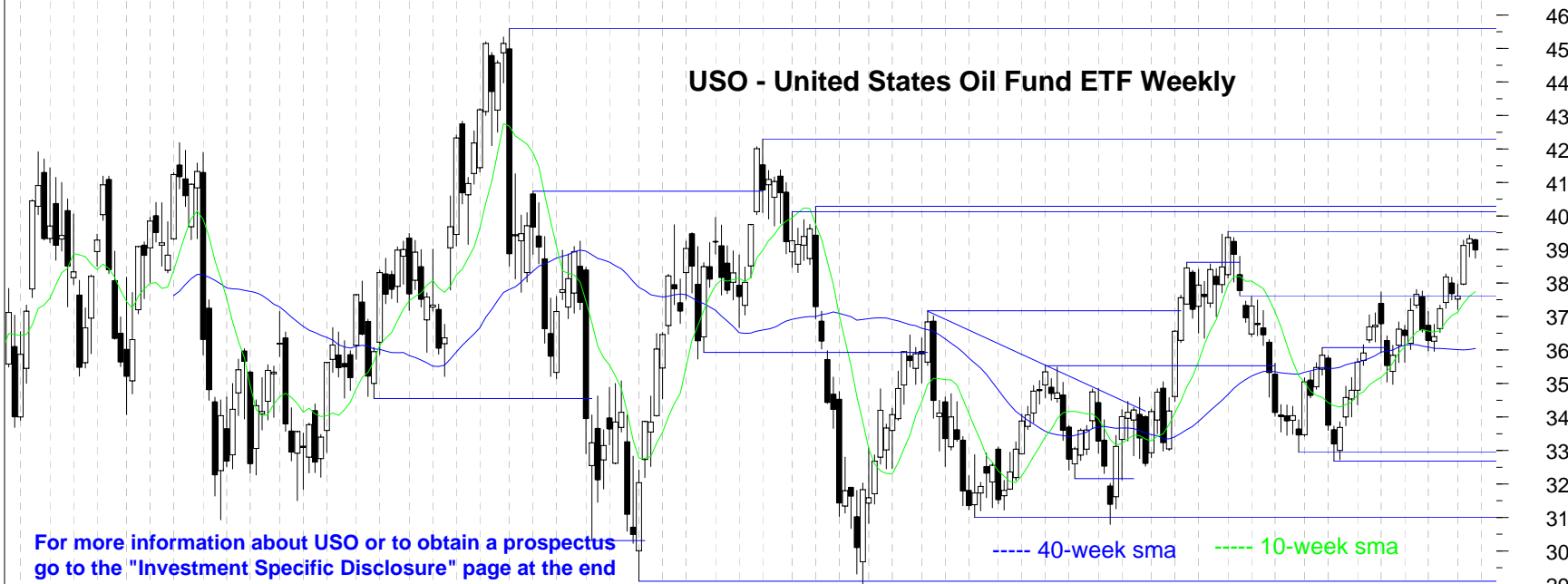
6/28/2014

After gapping up twice so far in June the oil ETF is consolidating just under its 2013 high.

Daily momentum has turned negative and has lots of room to move lower.

UNTD ST OIL FUND (39.2900, 39.3200, 38.7400, 38.9800, -0.3400)

### USO - United States Oil Fund ETF Weekly



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

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

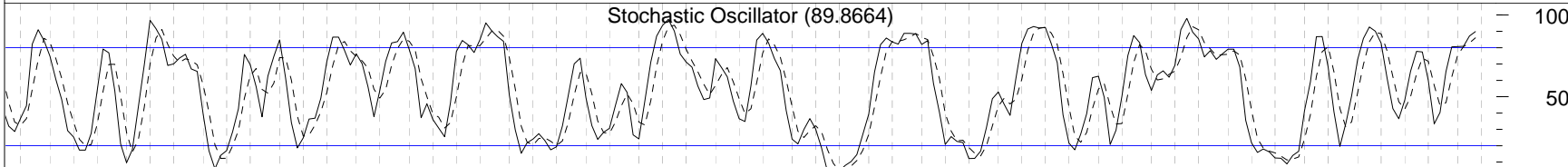
The oil ETF is just under resistance on its weekly chart.

Relative Strength Index (63.0288)

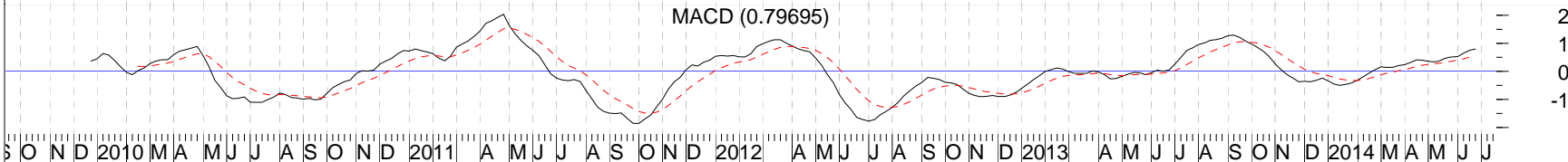


Weekly momentum remains positive but at high or overbought levels.

Stochastic Oscillator (89.8664)



MACD (0.79695)



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

6/28/2014

UNTD ST OIL FUND (37.5200, 39.4350, 37.2100, 38.9800, +1.3000)

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

Relative Strength Index (56.8028)

Stochastic Oscillator (83.9506)

MACD (0.26116)

The oil ETF continues to trade in an eerily sideways pattern on its monthly chart. However, it is just under its 2013 highs and is showing a pattern of higher bottoms for the last five months.

Monthly momentum remains positive with only the stochastic in the overbought zone.

2006 2007 2008 2009 2010 2011 2012 2013 2014

6/28/2014

SPDR GOLD TRUST (126.8800, 127.1700, 126.6500, 126.6600, -0.0700)

### Gold ETF Daily

*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.

----- 200-day sma

----- 50-day sma

----- 20-day sma

Relative Strength Index (66.3025)

Stochastic Oscillator (89.1698)

MACD (0.99418)

After getting very oversold in early June the gold ETF has snapped back sharply and is above all of its important moving averages.

Daily momentum is mostly overbought.

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

6/28/2014

SPDR GOLD TRUST (126.6500, 127.5500, 126.2000, 126.6600, +0.1600)

### GLD Weekly

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

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

Please refer to legend for explanation of technical terms

Relative Strength Index (53.5551)

Stochastic Oscillator (79.4484)

MACD (-0.36878)

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

Weekly momentum is positive.

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

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SPDR GOLD TRUST (119.9300, 127.5500, 119.4200, 126.6600, +6.2300)

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 (44.7955)

Stochastic Oscillator (25.2099)

MACD (-6.53868)

The gold ETF is back over its 3 and 12-month sma. The 3-month is just under its 12-month. The last time it was above it was January 2013.

Monthly momentum is almost all positive.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014

6/28/2014

BAR IPA UBS COPR (38.8000, 38.8300, 38.6300, 38.6600, -0.0900)

### Copper ETN Daily

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

Please refer to legend for explanation of technical terms

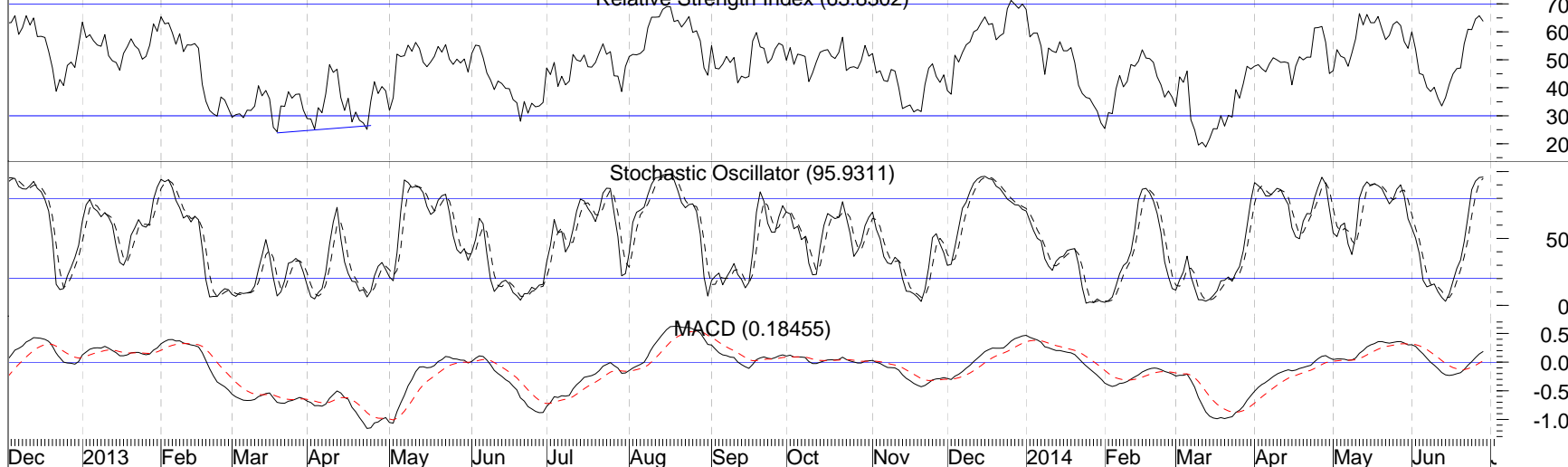
For more information about JJC or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

The copper ETN, representing the metal with a Ph.D. in economics, sits just under price and 200-day sma resistance.

Relative Strength Index (63.8302)

Stochastic Oscillator (95.9311)

MACD (0.18455)



Daily momentum is positive but at high or overbought levels.

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BAR IPA UBS COPR (38.31, 38.83, 38.29, 38.66, +0.74)

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

### Copper ETN Weekly

Please refer to legend for explanation of technical terms

--- 40-Week sma    --- 10-Week sma

The copper ETN is just under important resistance on its weekly chart.

Relative Strength Index (52.5563)

Stochastic Oscillator (51.2592)

MACD (-0.35315)

Weekly momentum is positive.

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

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## INVESTMENT SPECIFIC DISCLOSURES

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

[http://rockwellsecurities.com/Kaufman\\_Report\\_Prospectuses.php](http://rockwellsecurities.com/Kaufman_Report_Prospectuses.php)

- 1) **GLD (GOLD)** - The value of the Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares. The Shares are designed to mirror as closely as possible the performance of the price of gold, and the value of the Shares relates directly to the value of the gold held by the Trust, less the Trust's liabilities (including estimated accrued expenses). The price of gold has fluctuated widely over the past several years. Several factors may affect the price of gold, including:
  - Global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as South Africa, the United States and Australia;
  - Global or regional political, economic or financial events and situations;
  - Investors' expectations with respect to the rate of inflation;
  - Currency exchange rates;
  - Interest rates; and
  - Investment and trading activities of hedge funds and commodity funds.
- 2) **JJC (BARCLAYS IPATH COPPER ETN)** – You may lose some or your entire principal if you invest in the ETN. Any payment on the ETN at or prior to maturity is subject to the creditworthiness of Barclays Bank PLC and is not guaranteed by any third party.
  - The ETNs are unsecured promises of Barclays Bank and are not secured debt.
  - Even if the value of the underlying index at maturity or upon redemption exceeds its initial level, you may receive less than the principal amount of your ETNs.
  - The market value of the ETN may be influenced by many unpredictable factors
  - Commodity prices may change unpredictably, affecting the value of the indices and the value of the ETN in unforeseeable ways.
- 3) **USO (UNITED STATES OIL FUND ETF)** - USOF is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act. Some of the risks of investing in USOF include:
  - Investing in crude oil interests subjects USO to the risks of the crude oil industry which could result in large fluctuations in the price of USOF's units.
  - If certain correlations do not exist, then investors may not be able to use USO as a cost-effective way to invest indirectly in crude oil or as a hedge against the risk of loss in oil-related transactions.
  - USOF does not expect to make cash distributions.
  - USOF and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.
- 4) **RISKS ASSOCIATED WITH INTERNATIONAL / FOREIGN ETFs**
  - **TAXES** - Every country has different tax laws, so there may be particular foreign ETFs that are not a good fit for your ETF trading strategy as they may have a negative effect on your tax return.
  - **CURRENCY RATES** – Currency rates for different regions covered by a foreign ETF may be volatile /skewed, certain foreign ETFs may not be a good fit for a portfolio.
  - **LOW TRADING VOLUMES** – Low trading volumes (lack of liquidity) may cause wide “bid-ask spreads” and may diminish the advantage of purchasing an ETF over an Index or security.
  - **LONG INVESTMENT HORIZON** – The intraday trading aspect (short-term) of ETFs may not be suited for longer term investors.
  - **INACTIVITY**- Some foreign ETFs may not be as actively traded as others due to a sector related issues or a regional issue.
  - **NON-REGISTERED SECURITIES** - The securities of non U.S. issuers may not be registered with or subject to the reporting requirements of the U.S. Securities and Exchange Commission. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. securities. Foreign companies may be more volatile than the securities of comparable U.S. companies.
- 5) **RISKS ASSOCIATED WITH COMMODITIES**
  - **GEOPOLITICAL RISK** – International disagreements, licensing agreement issues, tax structures, environmental concerns and access to technology can cause risk to your investment.
  - **PRICE RISK** – Price risk may arise out of adverse movements in world prices, exchange rates and basis between local and world prices.
  - **SPECULATIVE RISK** – Short term traders can increase market volatility and may have a detrimental effect to your investment
  - **CORPORATE GOVERNANCE RISK** – Corporate fraud

# Indexes, Sectors, and Industry Groups

Major Index	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Nasdaq 100	3844.44	0.46%	1.10%	1.10%	2.88%	6.92%	7.03%	3844.89	6/27/2014	2891.57	6/28/2013
Nasdaq Composite	4397.93	0.43%	0.68%	0.68%	3.66%	4.74%	5.30%	4399.87	6/24/2014	3382.75	6/28/2013
S&P Midcap 400	1425.92	0.47%	0.04%	0.04%	3.48%	3.44%	6.21%	1431.89	6/24/2014	1150.17	6/27/2013
S&P 1500	454.72	0.24%	-0.07%	-0.07%	2.15%	4.51%	5.97%	456.34	6/24/2014	370.79	6/27/2013
S&P 500	1961.01	0.19%	-0.09%	-0.09%	1.95%	4.74%	6.09%	1968.17	6/24/2014	1601.06	6/28/2013
Russell 2000	1187.29	0.56%	-0.10%	-0.10%	4.65%	1.21%	2.03%	1212.82	3/4/2014	968.95	6/27/2013
Dow Jones Transportation	8174.56	0.30%	-0.37%	-0.37%	0.86%	7.92%	10.46%	8256.79	6/9/2014	6154.31	6/27/2013
NYSE Composite	10970.83	0.20%	-0.43%	-0.43%	1.99%	4.21%	5.49%	11025.92	6/24/2014	9074.59	7/3/2013
Dow Jones Industrials	16852.87	0.04%	-0.56%	-0.56%	0.81%	2.40%	1.67%	16978.02	6/20/2014	14719.43	10/9/2013
Bank of New York Mellon ADR	156.62	0.18%	-0.80%	-0.80%	1.72%	3.74%	3.00%	158.49	6/19/2014	129.32	7/3/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Consumer Discretionary	529.79	0.27%	1.04%	1.04%	1.90%	3.20%	-0.06%	536.43	3/7/2014	441.78	6/27/2013
Utilities	223.13	0.34%	0.96%	0.96%	3.36%	5.93%	15.48%	223.60	6/27/2014	184.47	9/4/2013
Information Technology	631.45	0.58%	0.75%	0.75%	2.10%	5.88%	7.85%	632.23	6/24/2014	485.05	6/28/2013
Health Care	707.11	-0.20%	0.63%	0.63%	2.44%	4.45%	10.09%	708.82	6/26/2014	547.22	7/3/2013
Telecom Services	158.81	0.25%	-0.21%	-0.21%	-0.93%	2.86%	2.12%	162.57	11/1/2013	143.28	2/3/2014
Financials	306.56	0.23%	-0.43%	-0.43%	2.26%	1.83%	4.02%	309.27	6/24/2014	260.33	8/28/2013
Materials	312.11	-0.36%	-0.51%	-0.51%	1.03%	4.61%	7.02%	315.00	6/25/2014	241.15	7/2/2013
Energy	727.61	-0.04%	-0.89%	-0.89%	4.92%	11.44%	11.65%	738.72	6/23/2014	576.07	6/28/2013
Consumer Staples	459.49	0.14%	-1.36%	-1.36%	-0.50%	3.98%	3.81%	467.67	6/20/2014	402.20	8/29/2013
Industrials	467.56	0.28%	-1.39%	-1.39%	0.52%	3.74%	3.34%	479.63	6/9/2014	367.23	7/3/2013

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Media	450.08	0.60%	2.17%	2.17%	2.39%	6.70%	4.61%	450.28	6/9/2014	346.65	6/27/2013
Consumer Durables & Apparel	275.53	0.71%	1.67%	1.67%	-0.14%	-0.03%	-3.35%	285.53	1/3/2014	237.31	8/28/2013
Automobiles & Components	143.91	0.20%	1.35%	1.35%	3.83%	7.05%	3.55%	144.71	6/9/2014	115.83	6/27/2013
Software & Services	860.57	0.57%	1.11%	1.11%	1.41%	1.49%	3.25%	902.43	4/3/2014	700.45	6/28/2013
Utilities	223.13	0.34%	0.96%	0.96%	3.36%	5.93%	15.48%	223.60	6/27/2014	184.47	9/4/2013
Pharmaceuticals, Biotech & Life Sci	687.46	-0.29%	0.82%	0.82%	2.48%	4.79%	10.13%	689.80	6/27/2014	526.28	7/3/2013
Commercial & Professional Service	202.88	0.25%	0.60%	0.60%	3.53%	8.99%	5.16%	203.28	6/27/2014	164.08	6/28/2013
Consumer Services	715.05	-0.08%	0.49%	0.49%	2.75%	4.31%	4.32%	716.00	6/27/2014	609.17	6/28/2013
Technology Hardware & Equipment	658.34	0.79%	0.40%	0.40%	1.16%	11.36%	12.51%	669.00	6/10/2014	467.96	6/28/2013
Real Estate	169.89	0.58%	0.29%	0.29%	-0.03%	6.67%	14.06%	172.37	6/6/2014	142.12	8/19/2013
Health Care Equip & Services	634.14	-0.02%	0.24%	0.24%	2.37%	3.73%	10.01%	635.80	6/25/2014	501.56	7/3/2013
Semiconductors & Equipment	494.70	0.09%	0.18%	0.18%	8.19%	11.21%	17.07%	499.41	6/24/2014	356.76	8/30/2013
Retailing	888.14	0.01%	0.01%	0.01%	1.21%	-0.21%	-5.50%	944.66	12/27/2013	781.02	6/27/2013
Telecom Services	158.81	0.25%	-0.21%	-0.21%	-0.93%	2.86%	2.12%	162.57	11/1/2013	143.28	2/3/2014
Banks	220.08	0.27%	-0.35%	-0.35%	2.71%	-1.77%	5.20%	228.93	3/21/2014	185.00	10/9/2013
Diversified Financials	463.26	0.22%	-0.38%	-0.38%	2.44%	2.50%	3.29%	466.35	6/24/2014	383.83	7/3/2013
Food & Staples Retailing	328.68	0.28%	-0.46%	-0.46%	-0.56%	2.07%	3.44%	336.85	6/6/2014	277.52	8/29/2013
Materials	312.11	-0.36%	-0.51%	-0.51%	1.03%	4.61%	7.02%	315.00	6/25/2014	241.15	7/2/2013
Transports	531.28	0.06%	-0.57%	-0.57%	0.83%	8.33%	10.77%	537.60	6/9/2014	391.51	7/3/2013
Energy	727.61	-0.04%	-0.89%	-0.89%	4.92%	11.44%	11.65%	738.72	6/23/2014	576.07	6/28/2013
Household & Personal Products	505.99	0.53%	-0.94%	-0.94%	-1.47%	0.48%	-0.70%	530.20	11/26/2013	469.34	10/3/2013
Insurance	293.90	-0.13%	-1.27%	-1.27%	2.85%	4.93%	1.66%	298.75	6/20/2014	245.52	6/27/2013
Capital Goods	501.75	0.34%	-1.78%	-1.78%	0.19%	2.20%	1.41%	518.39	6/9/2014	399.04	7/3/2013
Food, Beverage & Tobacco	537.20	-0.08%	-1.90%	-1.90%	-0.08%	6.27%	5.84%	549.34	6/20/2014	466.32	8/29/2013

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

**INTERNATIONAL ETFs**

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Vietnam VNM	20.77	0.48%	3.03%	2.47%	-4.24%	10.54%	23.15	2/26/2014	17.00	8/28/2013
South Korea EWY	64.97	0.17%	2.14%	0.53%	5.63%	0.46%	66.07	10/22/2013	51.37	7/5/2013
Taiwan EWT	15.71	0.64%	1.35%	3.97%	9.17%	8.95%	15.71	6/27/2014	12.96	8/21/2013
Russia RSX	26.76	0.56%	1.10%	6.61%	11.55%	-7.31%	30.25	10/22/2013	20.86	3/13/2014
Canada EWC	32.12	0.82%	0.25%	4.63%	8.70%	10.15%	32.17	6/24/2014	25.85	7/5/2013
India IFN	25.14	0.84%	0.24%	5.32%	9.11%	25.70%	25.92	6/10/2014	16.16	8/28/2013
BRIC EEB	35.51	0.08%	0.00%	4.50%	9.53%	2.48%	37.70	10/22/2013	29.41	7/5/2013
United States SPY	195.82	0.19%	-0.06%	1.63%	4.71%	6.03%	196.60	6/19/2014	159.86	6/28/2013
Turkey TUR	55.83	0.96%	-0.46%	-2.58%	14.69%	17.14%	61.29	9/19/2013	40.03	2/3/2014
Emerging Markets EE	43.35	0.23%	-0.48%	1.88%	5.71%	3.72%	43.98	6/10/2014	36.98	7/5/2013
Australia EWA	26.43	0.00%	-0.60%	-0.49%	2.16%	8.45%	27.29	10/22/2013	22.00	7/3/2013
Singapore EWS	13.59	-0.07%	-0.66%	-1.95%	4.06%	3.19%	14.16	5/27/2014	11.94	2/3/2014
Thailand THD	77.62	0.73%	-0.88%	5.66%	6.77%	13.07%	83.83	9/19/2013	61.94	1/3/2014
Chile ECH	45.56	-0.65%	-0.96%	-2.79%	0.02%	-4.10%	54.47	9/19/2013	39.62	2/3/2014
Mexico EWW	67.47	0.34%	-0.98%	1.89%	5.50%	-0.78%	70.49	8/12/2013	58.83	3/14/2014
Hong Kong EWH	20.95	0.62%	-0.99%	-1.32%	5.92%	1.70%	21.49	6/5/2014	18.05	7/3/2013
Israel EIS	52.53	0.36%	-1.17%	0.57%	-0.51%	8.49%	53.99	4/4/2014	41.19	8/28/2013
South Africa EZA	69.23	0.20%	-1.31%	2.34%	4.56%	7.35%	70.99	5/23/2014	55.21	7/5/2013
Malaysia EWM	15.97	-0.06%	-1.36%	-0.31%	2.04%	0.95%	16.31	6/24/2014	13.74	8/28/2013
Indonesia IDX	24.18	-0.12%	-1.39%	-4.24%	-3.82%	13.73%	29.41	7/1/2013	20.06	1/7/2014
China 25 FXI	37.21	0.22%	-1.64%	0.98%	4.00%	-3.02%	40.32	12/2/2013	31.44	7/3/2013
Japan EWJ	11.98	-0.25%	-1.72%	3.45%	5.74%	-1.31%	12.25	11/18/2013	10.79	4/11/2014
Latin America ILF	38.44	-0.23%	-1.79%	2.70%	5.11%	3.78%	40.78	10/22/2013	31.89	2/3/2014
Belgium EWK	17.23	0.09%	-2.46%	-2.46%	-0.78%	5.10%	17.99	5/12/2014	13.37	7/3/2013
Spain EWP	42.80	-0.40%	-2.73%	0.00%	4.90%	10.97%	44.46	6/19/2014	27.57	7/3/2013
Brazil EWZ	48.11	-0.35%	-2.93%	3.48%	6.83%	7.68%	51.75	10/22/2013	38.00	2/3/2014
Sweden EWD	35.20	0.43%	-2.95%	-4.84%	-3.88%	-1.76%	37.34	5/21/2014	29.65	6/28/2013
Germany EWG	31.22	0.42%	-3.01%	-2.86%	-0.41%	-1.70%	32.38	6/19/2014	23.96	7/5/2013
Switzerland EWL	34.24	0.23%	-3.06%	-2.89%	-0.29%	3.79%	35.46	6/10/2014	28.42	7/3/2013
France EWQ	29.22	0.07%	-3.34%	-3.25%	0.07%	2.71%	30.73	6/6/2014	22.96	7/3/2013
Italy EWI	17.41	-0.23%	-3.44%	-1.53%	-1.69%	11.67%	18.44	6/9/2014	11.66	7/3/2013
Netherlands EWN	25.40	0.00%	-3.53%	-2.01%	-2.76%	-2.04%	26.48	6/19/2014	20.75	6/27/2013
Austria EWO	19.55	0.41%	-3.79%	-2.59%	-2.20%	-1.31%	21.06	2/25/2014	16.10	7/3/2013
United Kingdom EWL	20.85	0.29%	-5.27%	-4.05%	1.26%	-0.14%	22.11	6/19/2014	17.59	6/28/2013
Greece GREK	22.56	-1.36%	-6.35%	-0.84%	-8.18%	0.13%	25.76	3/19/2014	14.49	6/27/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

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

**INTERNATIONAL ETFs Standard Performance**

	-----PRICE-----			-----NAV-----			Expense Ratio%	Premium % to NAV
	Price	1-Year	5-Year	10-Year	1-Year	5-Year		
Australia EWA	26.43	48.44			48.79		0.02	0.08
Austria EWO	19.55	57.38			57.51		-0.02	-0.01
Belgium EWK	17.23	21.48			21.52		-0.01	0.05
Brazil EWZ	48.11	-14.16			-10.43		0.07	0.08
BRIC EEB	35.51	8.11			11.59		0.10	0.02
Canada EWC	32.12	9.66			9.56		0.09	0.10
Chile ECH	45.56	24.98			24.56		0.00	-0.04
China 25 FXI	37.21	39.42			39.42		0.04	-0.03
Emerging Markets EE	43.35	51.59			54.34		0.06	0.04
France EWQ	29.22	24.63			28.13		0.00	0.03
Germany EWG	31.22	21.88			23.23		0.00	-0.02
Greece GREK	22.56	23.33			23.15		-0.08	0.00
Hong Kong EWH	20.95	10.36			11.92		0.06	0.02
India IFN	25.14	25.68			24.96		0.09	0.26
Indonesia IDX	24.18	19.34			21.12		0.57	-0.74
Israel EIS	52.53	18.45			18.41		-0.01	0.08
Italy EWI	17.41	-13.65			-11.29		-0.02	0.12
Japan EWJ	11.98	30.71			30.53		0.06	-0.01
Latin America ILF	38.44	6.52			9.23		0.05	0.04
Malaysia EWM	15.97	9.17			13.80		0.02	0.01
Mexico EWW	67.47	22.47			22.82		0.06	-0.01
Netherlands EWN	25.40	23.96			24.46		-0.03	-0.02
Russia RSX	26.76	28.12			28.05		0.12	-0.07
Singapore EWS	13.59	24.90			26.05		0.04	0.03
South Africa EZA	69.23	15.15			18.22		0.05	0.07
South Korea EWY	64.97	7.47			9.90		0.06	0.00
Spain EWP	42.80	12.25			14.17		0.05	0.11
Sweden EWD	35.20	-0.09			2.97		-0.04	-0.02
Switzerland EWL	34.24	13.63			14.84		0.00	0.04
Taiwan EWT	15.71	24.65			23.10		0.09	0.09
Thailand THD	77.62	18.88			20.76		0.07	0.13
Turkey TUR	55.83	16.75			18.29		0.15	0.17
United Kingdom EWU	20.85	-4.35			-2.07		0.01	0.00
United States SPY	195.82	24.80			30.28		0.05	0.06
Vietnam VNM	20.77	27.40			27.83		-0.04	0.11

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

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

## Commodities ETFs/ETNs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Palladium PALL	81.94	0.80%	2.32%	0.48%	8.47%	17.70%	84.20	6/11/2014	62.80	6/27/2013
Livestock COW	32.68	-0.40%	2.00%	6.90%	2.73%	20.41%	32.90	3/19/2014	26.38	8/5/2013
Copper JJC	38.66	-0.23%	1.95%	1.15%	5.05%	-6.73%	42.00	8/20/2013	34.89	3/19/2014
Aluminum JJU	19.30	1.21%	1.84%	2.33%	6.75%	3.54%	21.99	8/15/2013	17.10	3/17/2014
Platinum PPLT	143.76	0.59%	1.41%	1.67%	4.08%	7.37%	151.51	8/27/2013	128.26	7/5/2013
Cocoa NIB	41.01	2.12%	0.76%	2.94%	5.70%	14.55%	41.20	6/27/2014	28.38	6/28/2013
Silver SLV	20.17	-0.35%	0.70%	11.57%	5.93%	7.80%	23.84	8/27/2013	17.75	6/27/2013
Grains GRU	5.96	1.54%	0.34%	-3.72%	-9.83%	3.11%	6.93	4/16/2014	5.41	8/15/2013
Gold GLD	126.66	-0.06%	0.13%	5.17%	2.47%	9.08%	137.55	8/27/2013	114.46	12/31/2013
Coal KOL	18.67	0.48%	-0.32%	1.74%	0.97%	-3.96%	20.54	9/18/2013	17.19	7/5/2013
Tin JJT	50.57	0.00%	-0.35%	-3.18%	-1.81%	-4.96%	57.05	12/27/2013	41.89	7/2/2013
Timber CUT	25.22	-0.08%	-0.71%	-0.43%	-0.36%	-2.63%	26.45	3/6/2014	21.52	6/28/2013
OIL USO	38.98	0.03%	-0.86%	3.45%	6.53%	10.36%	39.54	9/6/2013	32.68	1/9/2014
Grains JIG	45.62	-0.11%	-0.93%	-4.52%	-9.56%	5.77%	52.38	4/30/2014	42.02	1/9/2014
Corn CORN	30.96	0.95%	-1.24%	-1.93%	-10.68%	1.24%	40.65	6/27/2013	29.50	1/10/2014
Heating Oil UHN	34.04	-0.73%	-1.68%	3.78%	2.19%	3.06%	34.91	8/29/2013	30.46	11/7/2013
Sugar SGG	55.49	-2.65%	-2.65%	0.43%	-5.87%	0.00%	66.46	10/18/2013	49.25	1/29/2014
Coffee JO	33.20	-5.28%	-2.87%	-5.03%	-5.36%	53.00%	42.87	4/24/2014	20.37	11/6/2013
Cotton BAL	50.47	-0.32%	-3.33%	-4.41%	-13.27%	-5.10%	60.44	3/26/2014	47.97	11/5/2013
Natural Gas UNG	24.40	-0.45%	-3.48%	-3.17%	-0.08%	17.93%	27.89	2/24/2014	16.60	8/8/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

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



## Commodity ETFs/ETNs Standard Performance

	Price	-----PRICE % Change-----			-----NAV % Change-----			Expense	Premium
		1-Year	5-Year	10-Year	1-Year	5-Year	10-Year	Ratio%	% to NAV
Aluminum JJU	19.30	-2.48	-4.04		-2.67	-4.47		0.75	-0.08
Coal KOL	18.67	9.14	-3.33		8.35	-3.37		0.59	-0.05
Cocoa NIB	41.01	43.14	1.05		38.68	0.32		0.75	0.21
Coffee JO	33.20	29.79	-1.25		41.09	-0.38		0.75	0.48
Copper JJC	38.66	3.37	3.91		3.86	3.90		0.75	0.04
Corn CORN	30.96	-23.52			-24.85			1.49	0.04
Cotton BAL	50.47	-6.19	11.24		-5.89	11.34		0.75	0.32
Gold GLD	126.66	9.25	6.53		5.69	6.42		0.40	0.37
Grains GRU	5.96	-11.18	-0.07					0.75	
Grains JIG	45.62	-9.08	1.98		-9.41	1.98		0.75	0.13
Heating Oil UHN	34.04	8.58	5.76		9.84	5.90		0.91	0.47
Livestock COW	32.68	19.14	3.28		21.17	3.37		0.75	0.06
Natural Gas UNG	24.40	28.08	-27.05		23.62	-27.00		0.60	0.13
OIL USO	38.98	13.55	0.77		15.39	0.84		0.45	-0.16
Palladium PALL	81.94	29.08			27.30			0.60	0.01
Platinum PPLT	143.76	11.61			9.65			0.60	0.15
Silver SLV	20.17	12.74	7.72		10.99	7.33		0.50	1.20
Sugar SGG	55.49	-6.89	1.05		-5.99	1.69		0.75	0.13
Timber CUT	25.22	17.80	15.01		19.73	15.21		0.70	0.02
Tin JYT	50.57	14.18	8.20		13.46	8.23		0.75	-0.10

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

## **Kaufman Report Legend**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Equity Yield** - same as earnings yield.

**EPS** - Earnings Per Share.

**EPS Cont Ops** – Earnings per share from continuing operations

**Est EPS** – Estimated earnings per share

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

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

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

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

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

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

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

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

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

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

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

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

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

**Low** - the lowest price traded during the defined session.

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

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

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

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

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

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

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

**Open** - the first price trading occurred during a session.

**PE Cont Ops** – PE ratio from continuing operations

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

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

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

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

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

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

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

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

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

**Price Oscillator** – The difference between two moving averages.

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

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

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

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

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

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

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

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

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

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

**TNX** – The 10-year note yield.

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

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

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

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

**Wick** - see shadow.