

Monday May 26, 2014

Closing prices of May 23, 2014

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**Stocks continued their low volume grind higher last week as first quarter earnings season comes to an end.** In spite of very low trading volume, earnings and economic news have been good enough to keep sellers on the sidelines. In addition, comments by Vladimir Putin indicating that he will actually respect the law regarding Ukraine elections must have been calming to investors, and helped push Russia to a gain of 13.25% so far in May, the best of the thirty-four international ETFs we follow.

**Most of our major indexes traded higher last week, led by the Nasdaq 100, up 2.51%, the Nasdaq Composite, up 2.33%, and the Russell 2000, up 2.07%.** The sole loser was the Bank of New York Mellon ADR Index, down a mere 0.22% and certainly not helped by the continued strength in the U.S. Dollar. **The Dow Jones Transports rose to a fresh all-time high, and the S&P 500 printed a new all-time closing price high.** The Russell 2000 (small caps) was the leader Friday, and we like to see the Nasdaq and the Russell 2000 indexes leading as it shows a willingness on the part of investors to assume more risk.

**Seven of the ten S&P sectors rose last week.** The leader was Information Technology, up 2.24%, followed by year-to-date worst performer Consumer Discretionary, up 2.06%, and Health Care, up 1.4%. The laggards were Telecom Services, down 1.22%, year-to-date leader Utilities, down 0.91%, and Consumer Staples, down 0.05%.

**Nineteen of the twenty-four S&P industry groups traded higher last week.** Media led with a gain of 2.93%, followed by Automobiles & Components, up 2.36%, Software & Services, up 2.34%, and Semiconductors & Equipment, up 2.20%. The downside was led by Telecom Services, down 1.22%, Utilities, down 0.91%, and year-to-date leader Real Estate, down 0.61%.

**Last week we said we remained in a bifurcated market where investors needed to be very selective.** We discussed the internal deterioration in the equities markets again. During the week we saw improvements in that, as the 10 and 20-day averages of daily advancing stocks on the S&P 1500 are now 53.9% and 52.0%, respectively. We also saw improvement in our statistics of 4-week and 13-week closing price highs versus lows. In addition, the S&P 1500 advance decline line is only fifty net advancers from the high it made on May 12<sup>th</sup>. Most important, the S&P 500 printed new all-time daily and weekly closing price highs. Even bears will concede it is hard to argue with new highs. Still, the extremely selective bifurcated market we have been in remains. **For example, in spite of the S&P 1500 printing a new all-time closing high Friday, only 51.9% of the stocks in the index are over their own 50-day moving averages. Also, the number of stocks in the index making new highs is well under the amount we have seen recently at other new highs. If this picture doesn't change soon markets will be vulnerable to another failed breakout.**

**In the short-term we remain in a market where investors need to be very selective.** We have discussed for a while that demand for stocks has been weak, and it remains so. Weekly volume has decreased each of the last three weeks and is around the lowest levels of the year. With earnings season 98.0% finished we wonder where the catalyst for increased investor demand will come from. The two potential areas are continued improving economic reports, and increasing forecasts for corporate earnings. We remain hopeful about the first because the economy does seem to be improving, although begrudgingly. The second, forecast earnings, is something we have been concerned about for a while, and remains very troubling. **Seasonality wise, while we can see some softness in the coming week the period through June 5<sup>th</sup> tends to be positive. If new highs in indexes are made and the negative divergences persist, that will be a period where investors may need to be vigilant.**

**While aggregate reported earnings are coming in better than expected (although with little growth) aggregate forecasts continue to languish, and the spread between aggregate reported numbers and estimates is the narrowest since August 2012.** If this doesn't change equities will have to rely on multiple expansion for price appreciation, which, as we have discussed for weeks, will be difficult with P/E ratios not far from their recent multi-year highs. The good news is while buying has been lackluster, selling for the most part has also been muted. **Still, if stocks can't make any headway investors may at a point grow impatient and decide they would rather wait things out from the sidelines.**

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

**So far 490 of the S&P 500 have reported first quarter earnings.** 70.3% have beaten estimates, 9.2% 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, while major indexes make or remain near all-time highs the charge higher is being led by fewer stocks. Unfortunately overall investor demand is very poor. Until this changes this is a bifurcated short-term trader's market. Investors need to be alert regarding sector rotation. Longer-term we remain bullish but we could change that opinion at any time.**

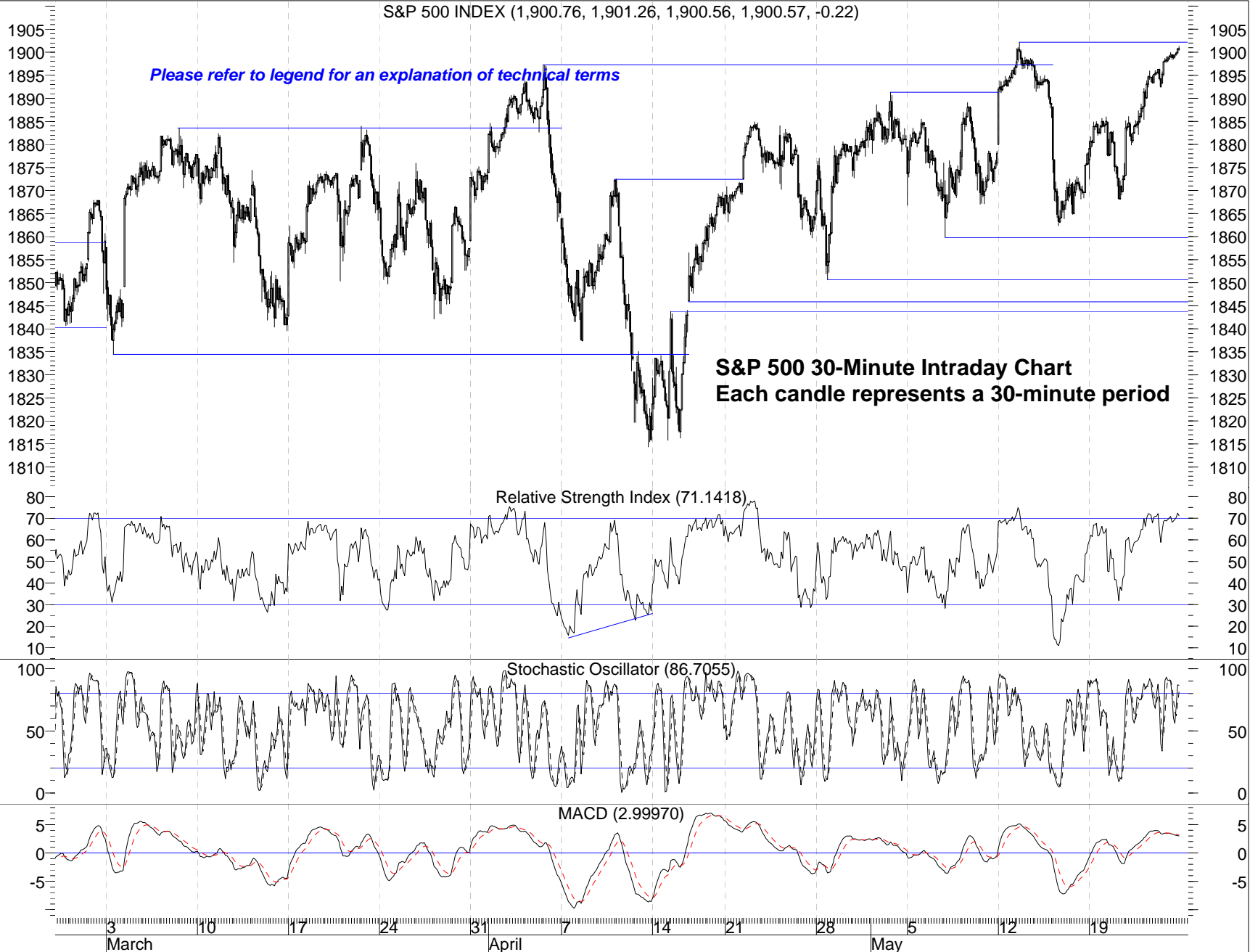
*Based on the S&P 500 the short-term, intermediate-term and long-term trends are up.*

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

S&P 500 INDEX (1,900.76, 1,901.26, 1,900.56, 1,900.57, -0.22)

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

After the failed breakout of 5/13 the S&P 500 is making another attempt.

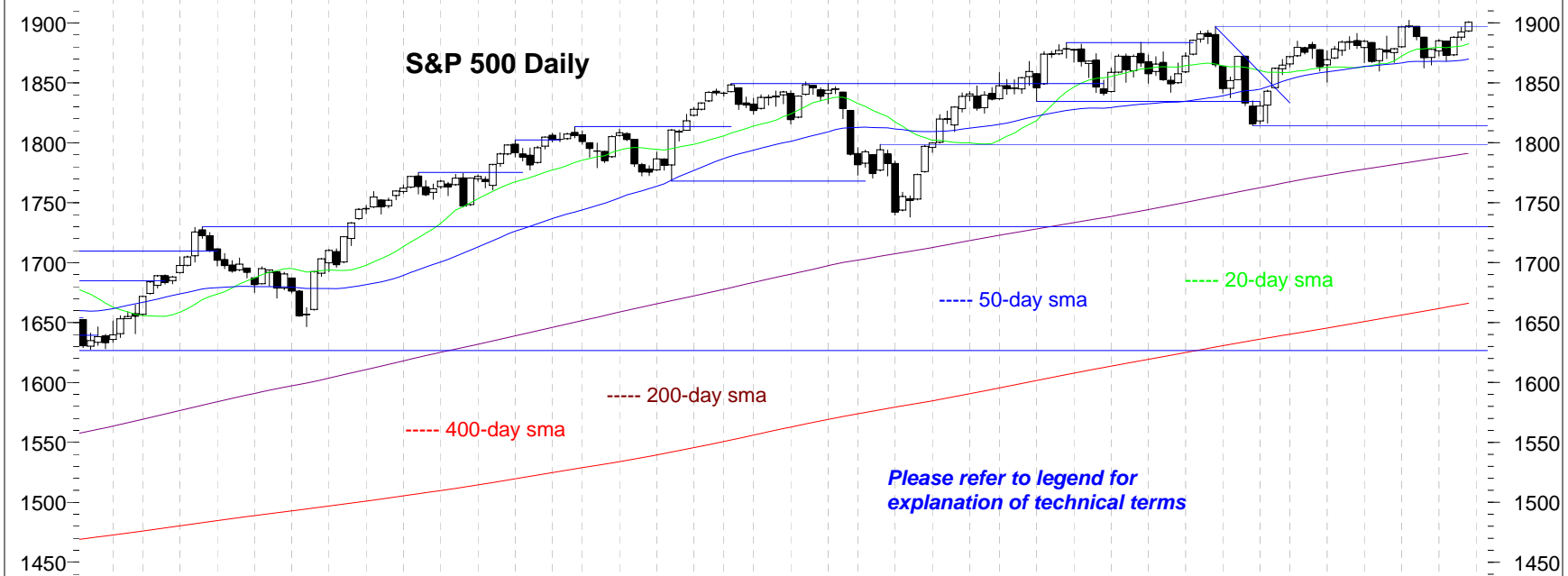


30-minute momentum is at high or overbought levels.

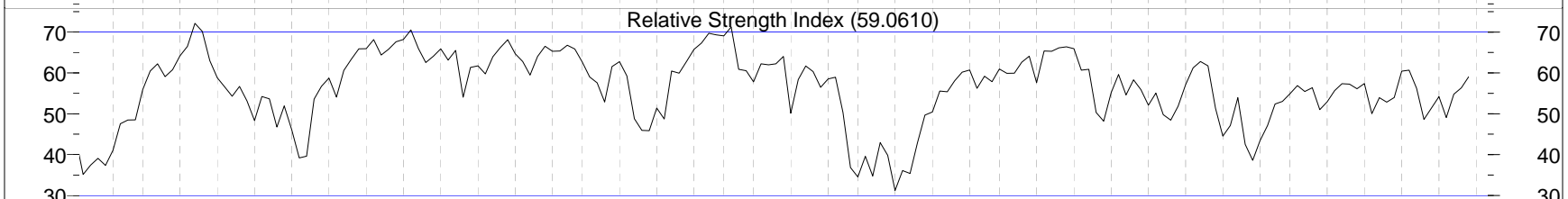
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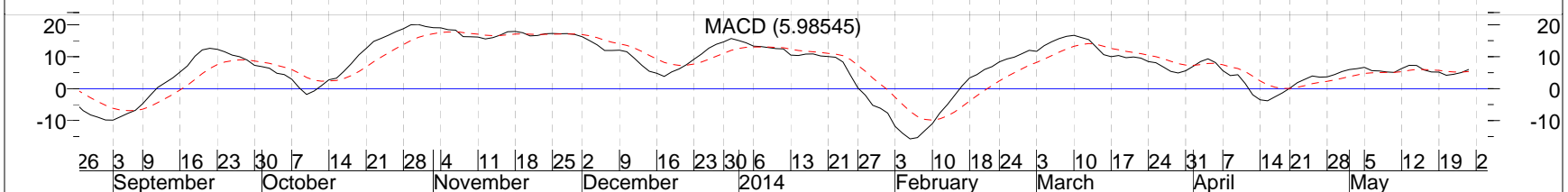
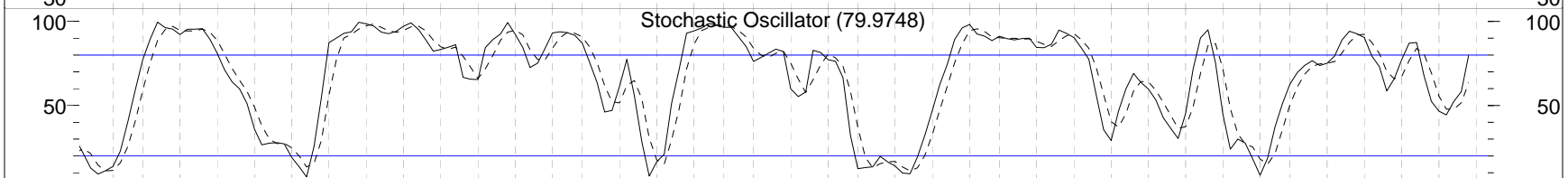
S&P 500 INDEX (1,893.32, 1,901.26, 1,893.32, 1,900.53, +8.04)



A new all-time daily closing high Friday for the S&P 500 as it tries again to break out of the recent tight trading range.



Daily momentum is positive.



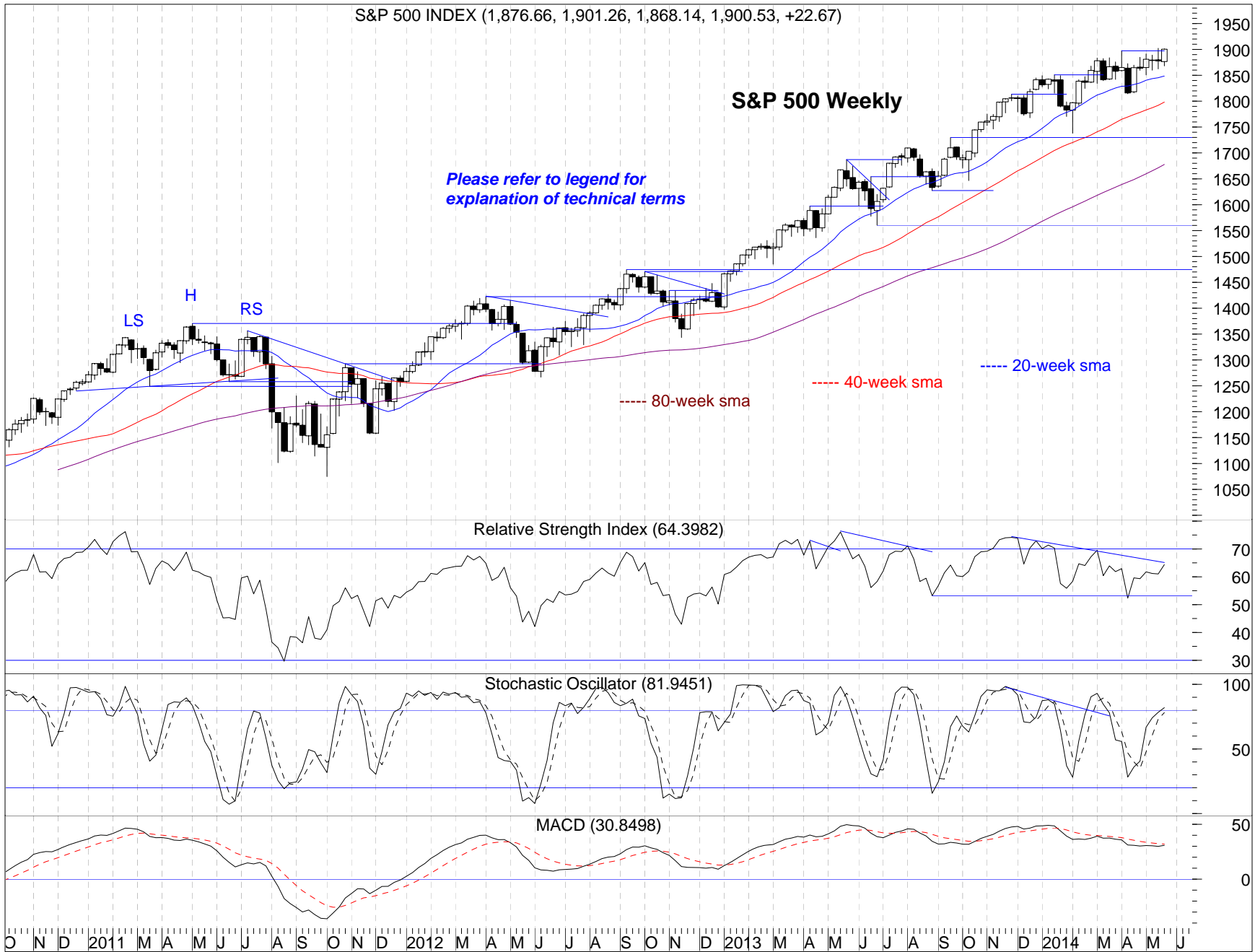
26 3 9 16 23 30 7 14 21 28 4 11 18 25 2 9 16 23 30 6 13 21 27 3 10 18 24 3 10 17 24 31 7 14 21 28 5 12 19 2

September October November December 2014 February March April May

5/23/2014

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S&P 500 INDEX (1,876.66, 1,901.26, 1,868.14, 1,900.53, +22.67)



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 (64.3982)

Stochastic Oscillator (81.9451)

MACD (30.8498)

A new all-time weekly closing high for the S&P 500.

Weekly momentum is almost all positive.

5/23/2014

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S&P 500 INDEX (1,884.39, 1,902.17, 1,859.79, 1,900.53, +16.58)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

----- 12-month sma

----- 3-month sma

Relative Strength Index (74.9313)

Stochastic Oscillator (94.3363)

MACD (131.808)

The S&P 500 remains in the ascending price channel it has occupied since the end of 2012.

Monthly momentum is positive.

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

5/23/2014

NASDAQ 100 (3,656.27, 3,678.17, 3,646.23, 3,677.33, +26.47)

### Nasdaq 100 Daily

*Please refer to legend for explanation of technical terms*

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

On Wednesday the Nasdaq 100 took out its downtrend line. It is at its highest level since March 21st.

Relative Strength Index (62.6535)

Stochastic Oscillator (97.4981)

MACD (17.2513)

Daily momentum is positive.

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

5/23/2014

NASDAQ 100 (3,577.85, 3,678.17, 3,572.28, 3,677.33, +90.14)

### Nasdaq 100 Weekly

*Please refer to legend for explanation of technical terms*

----- 80-week sma

----- 40-week sma

----- 20-week sma

Relative Strength Index (62.7147)

Stochastic Oscillator (83.8320)

MACD (52.6312)

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

5/23/2014

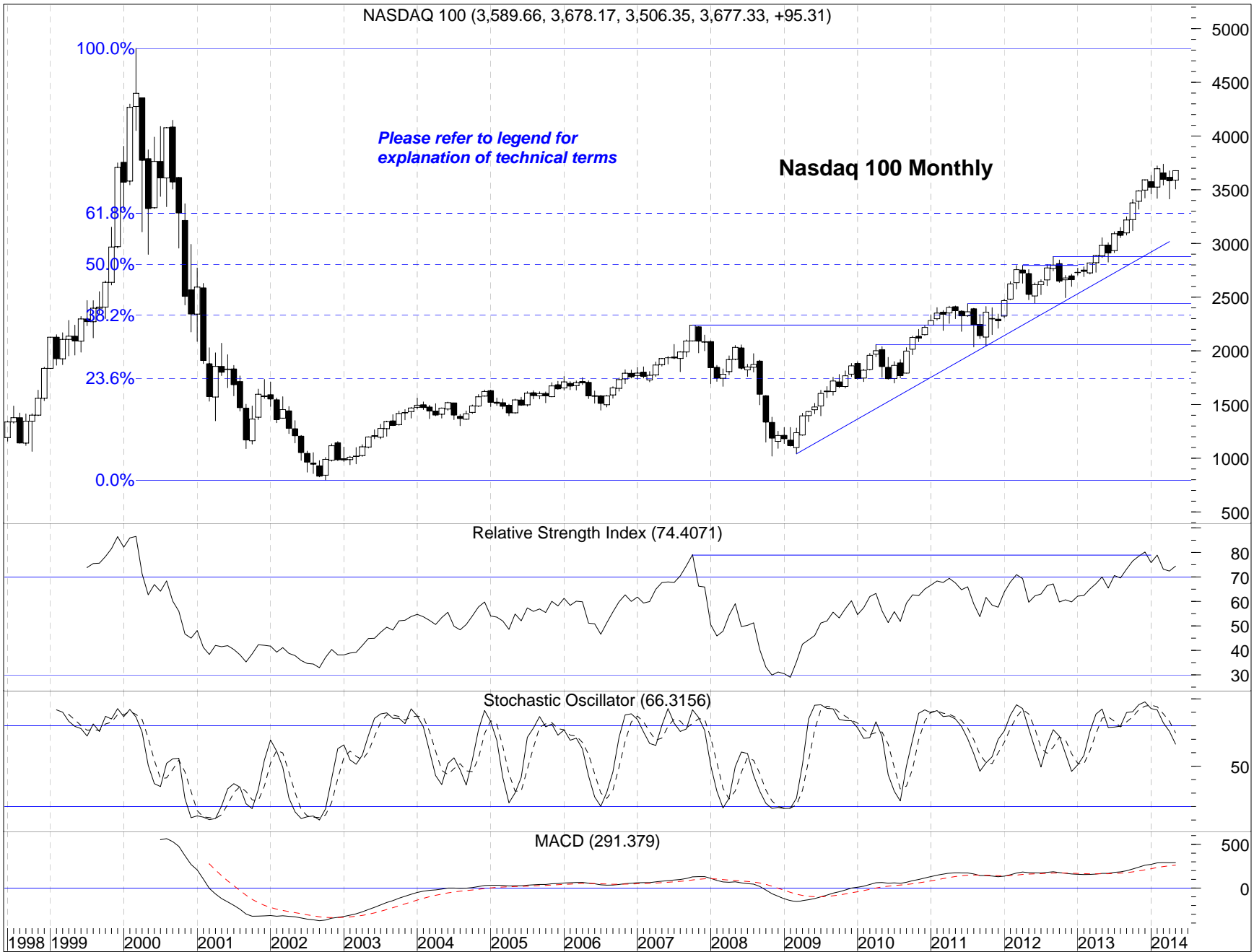
The best week for the Nasdaq 100 since 4/18 printed the highest weekly close since 3/7.

Weekly momentum is mostly positive.



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NASDAQ 100 (3,589.66, 3,678.17, 3,506.35, 3,677.33, +95.31)



*Please refer to legend for explanation of technical terms*

**Nasdaq 100 Monthly**

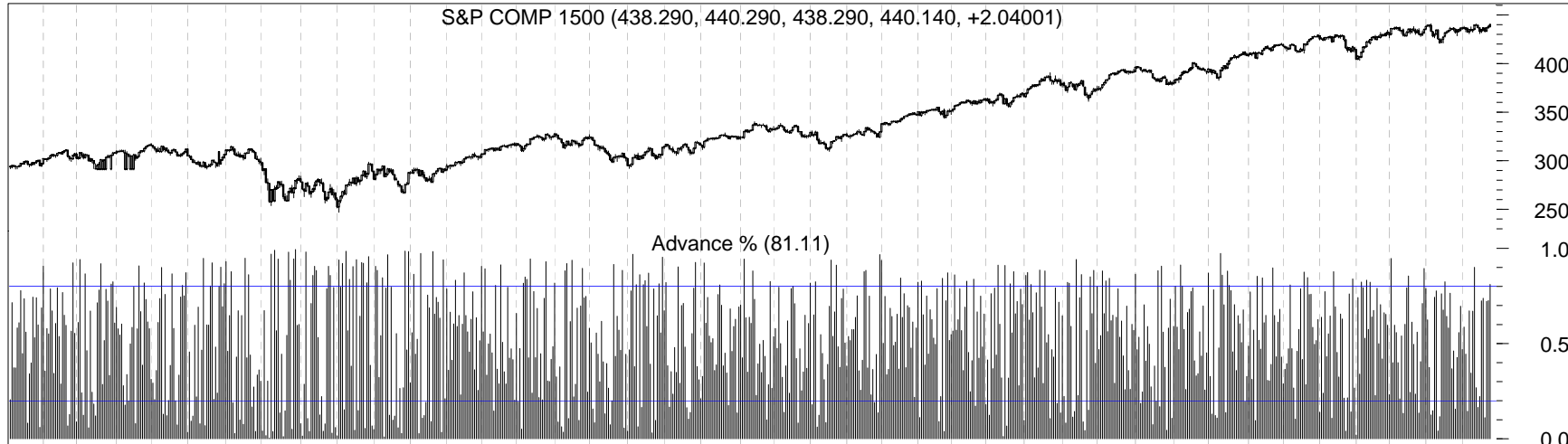
The Nasdaq 100 has been trading in a sideways range for the last five months as it consolidates after a big move up in 2013.

Monthly momentum is mixed.

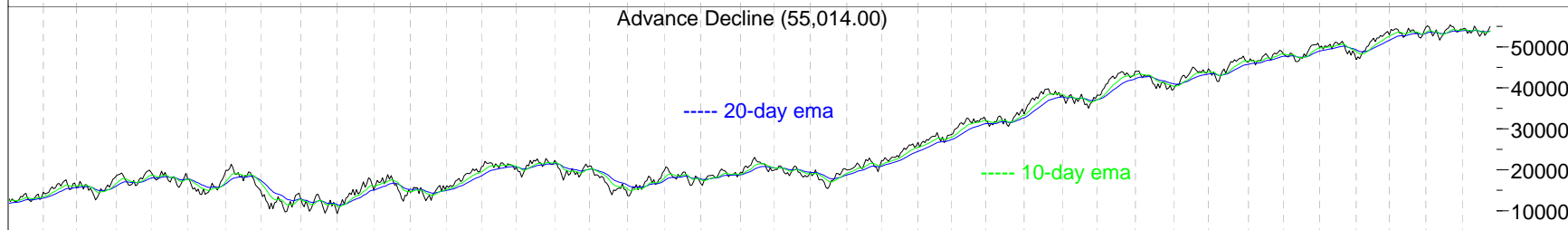
5/23/2014

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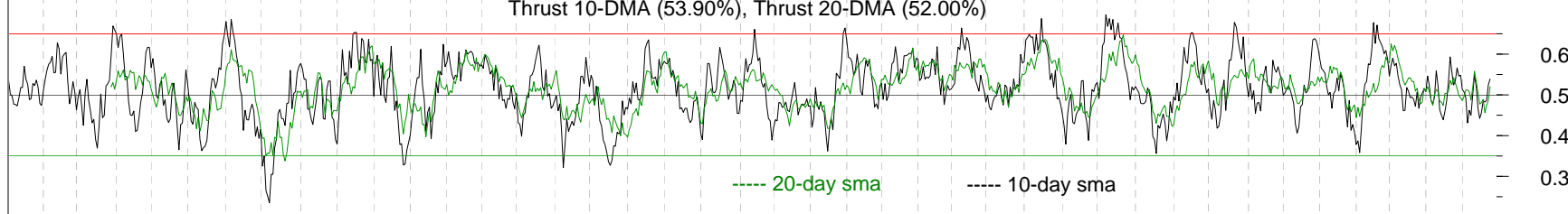
S&P COMP 1500 (438.290, 440.290, 438.290, 440.140, +2.04001)



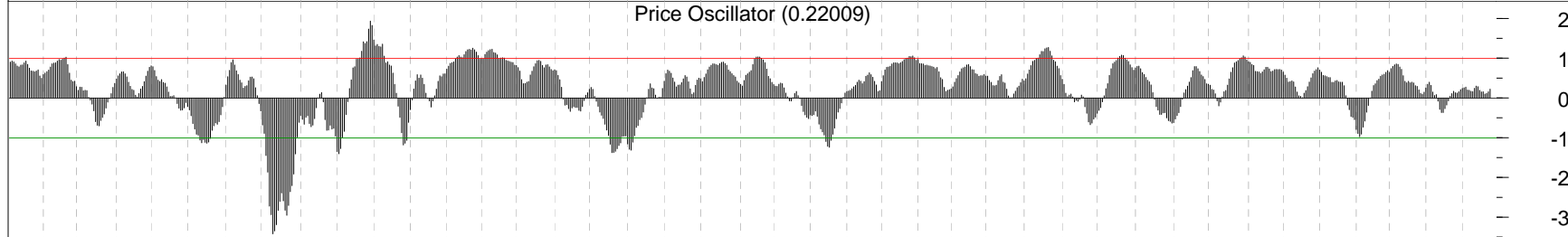
81.11% of the S&P 1500 traded higher Friday. Breadth has been improving, with the 5-day average of advancers at 62.2%.



The AD line is only 50 net advancers from the high it made on 5/12.



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



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

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

5/23/2014

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S&P COMP 1500 (438.290, 440.290, 438.290, 440.140, +2.04001)

Please refer to legend for explanation of technical terms

% Over 10-Sma (70.90)

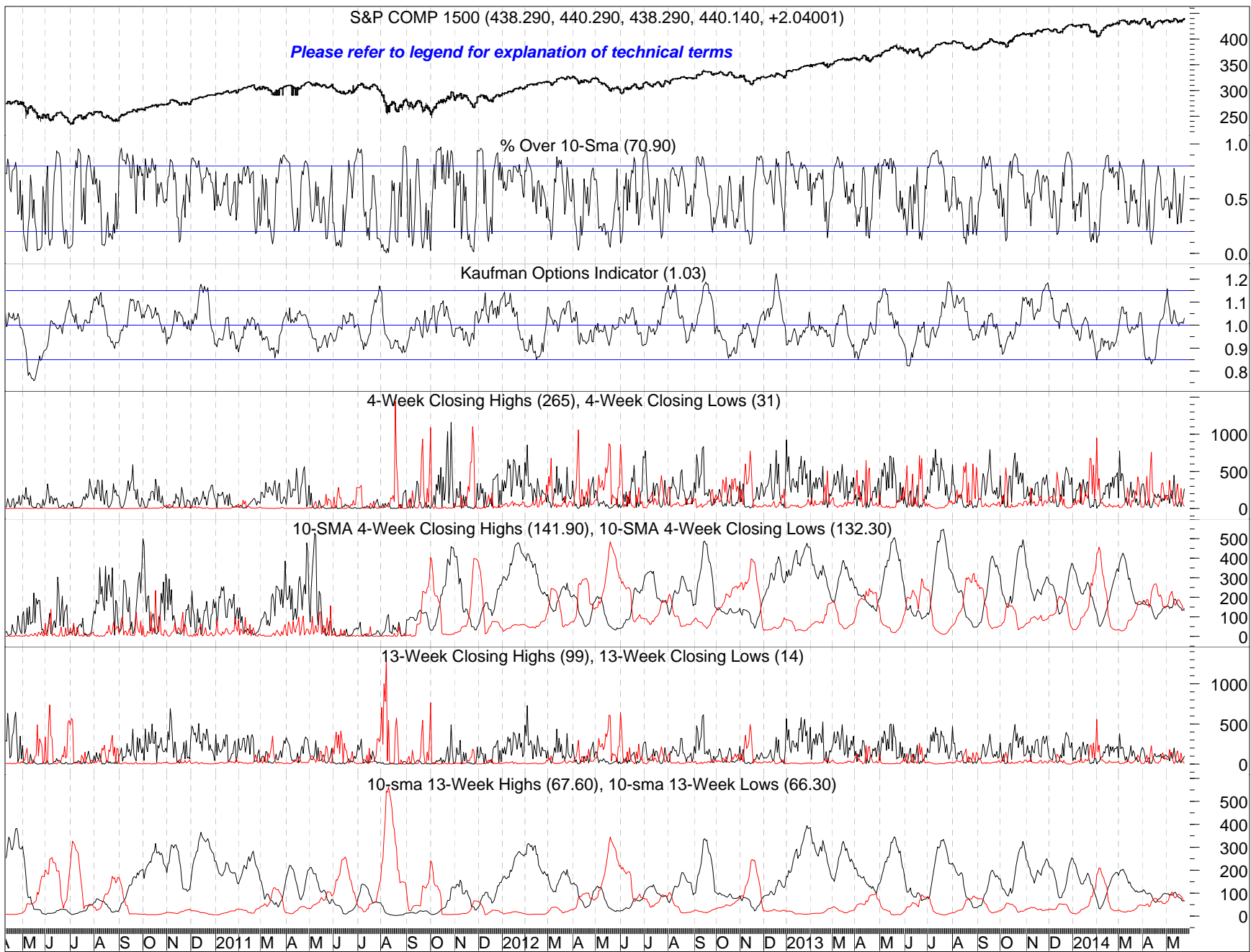
Kaufman Options Indicator (1.03)

4-Week Closing Highs (265), 4-Week Closing Lows (31)

10-SMA 4-Week Closing Highs (141.90), 10-SMA 4-Week Closing Lows (132.30)

13-Week Closing Highs (99), 13-Week Closing Lows (14)

10-sma 13-Week Highs (67.60), 10-sma 13-Week Lows (66.30)



The percent of stocks in the S&P 1500 over their own 10-day sma is a not yet overbought 70.9%.

Our proprietary options indicator is a slightly above neutral 1.03.

Four-week closing price highs have been slightly above four-week lows. Unfortunately, in spite of Friday's all-time closing price high on the S&P 1500 the number of individual stocks making closing price highs is way under the numbers seen at prior highs. This number needs to expand immediately, assuming the market goes higher next week, or it leaves stocks vulnerable to yet another failed breakout.

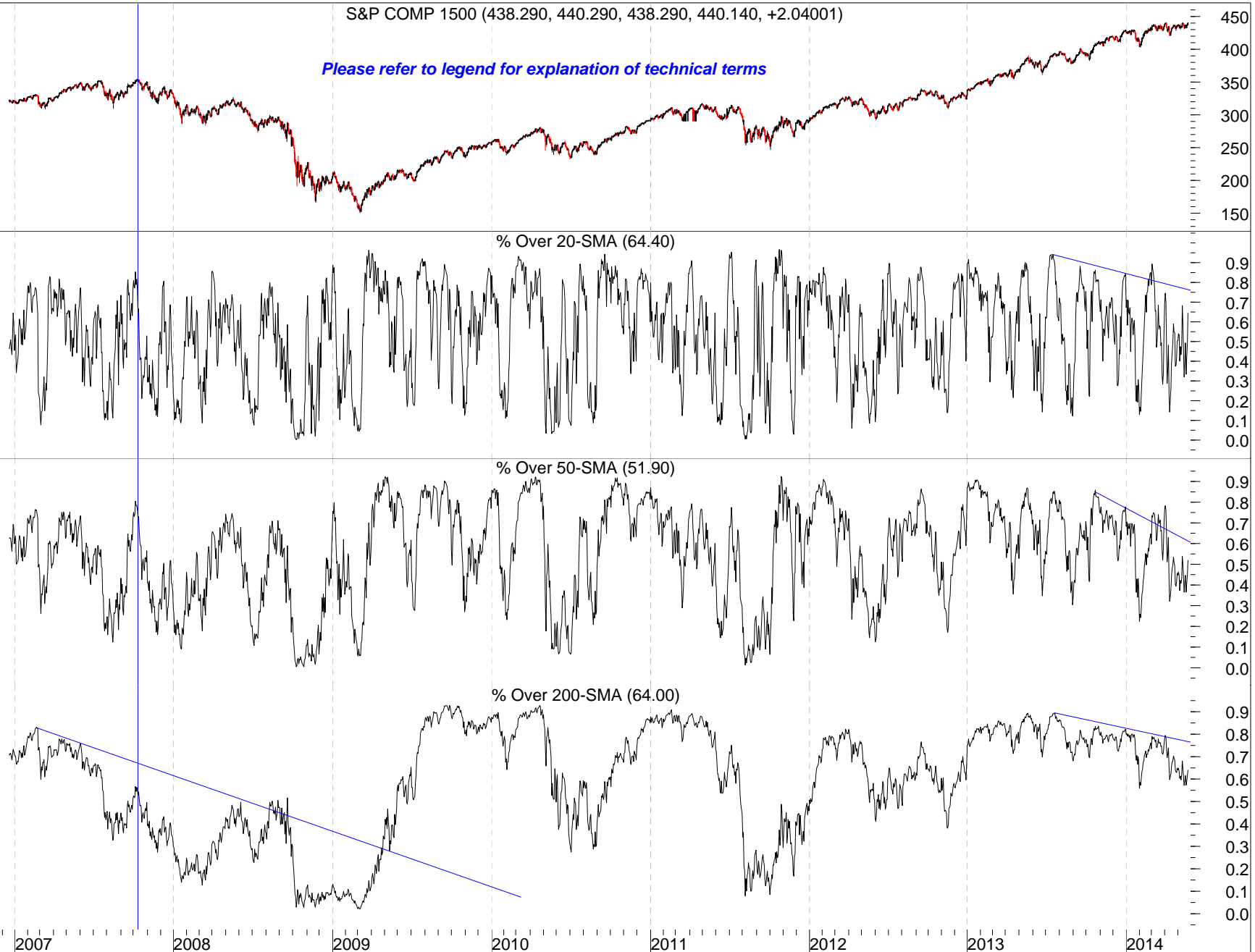
13-week closing highs and lows show a similar picture to the 4-week numbers. These highlight the selectivity we have been discussing for quite a while.

5/23/2014

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S&P COMP 1500 (438.290, 440.290, 438.290, 440.140, +2.04001)

*Please refer to legend for explanation of technical terms*



Negative divergences remain in the number of stocks over important moving averages. In spite of the S&P 1500 printing a new all-time closing price high Friday, the percentage of stocks over their own 50-day sma is only 51.9%. At only 64.0% the percentage of stocks over their own 200-day sma remains much lower than it was at any time during 2013. Again, this is a sign of increased selectivity on the part of investors.

5/23/2014

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S&P COMP 1500 (438.290, 440.290, 438.290, 440.140, +2.04001)

*Please refer to legend for explanation of technical terms*

10 Y TSY YLD NDX (25.4300, 25.4500, 25.1800, 25.3600, -0.19000)

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

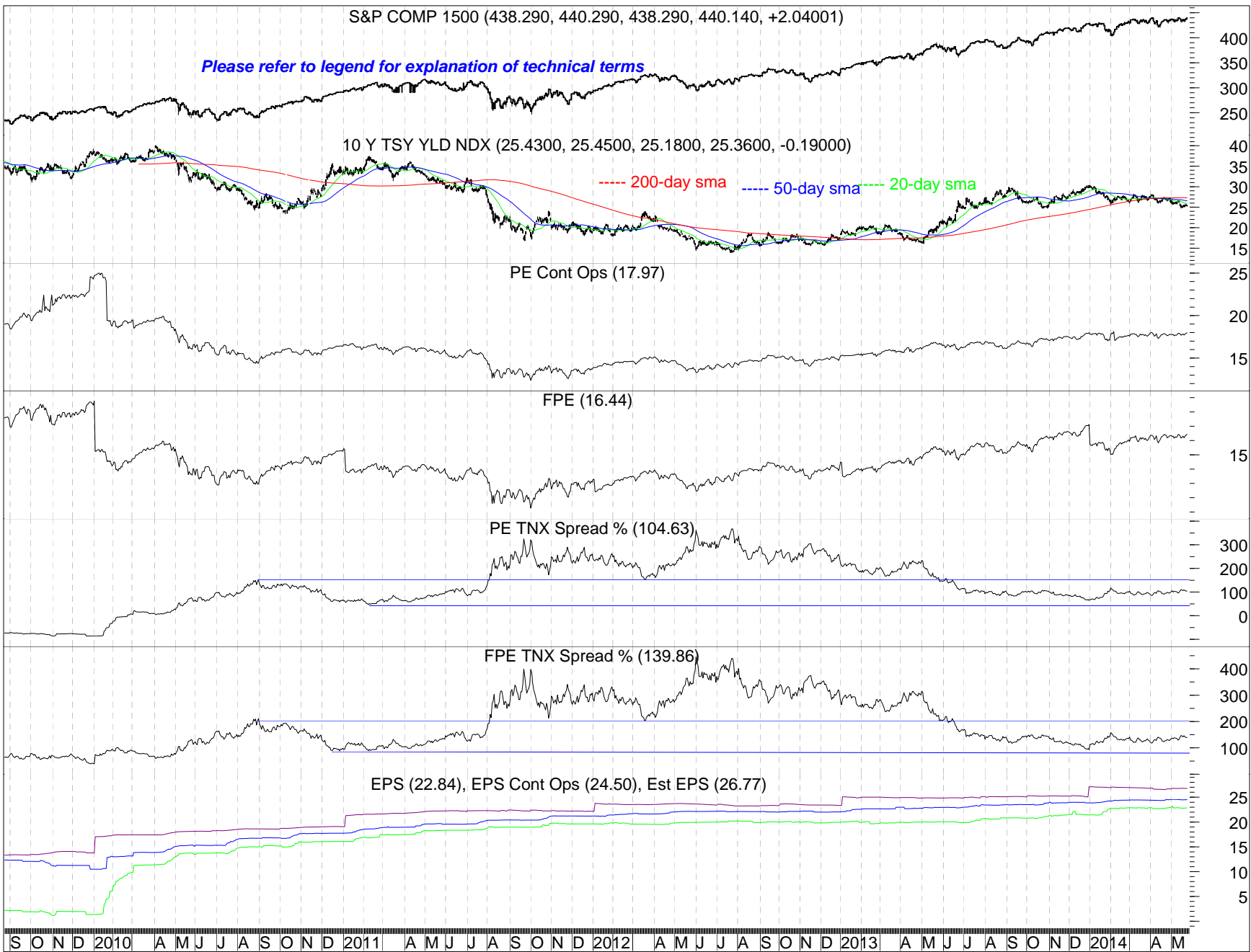
PE Cont Ops (17.97)

FPE (16.44)

PE TNX Spread % (104.63)

FPE TNX Spread % (139.86)

EPS (22.84), EPS Cont Ops (24.50), Est EPS (26.77)



10-year note yields have been very weak, helping equity valuations.

P/E ratios remain in a sideways range not far from their recent highs.

Spreads between equity and bond yields also remain in a tight sideways range, which is the same range they traded in pre-August 2011.

Aggregate earnings and projections have stagnated. If these numbers don't start moving higher stocks will need to rely on multiple expansion for price appreciation, something that will be difficult considering the already high levels of P/E ratios.

5/23/2014

10 Y TSY YLD NDX (25.43, 25.45, 25.18, 25.36, -0.19)

### 10-Year Note Yield Daily



Please refer to legend for explanation of technical terms

The 10-year note yield is between new resistance and old support.

Daily momentum is nearly positive.

5/23/2014

10 Y TSY YLD NDX (25.20, 25.62, 24.95, 25.36, +0.18)

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, but still above its 80-week.

Relative Strength Index (43.0082)

Stochastic Oscillator (21.9009)

MACD (-0.26556)

Weekly momentum is slightly negative but the stochastic is trying to turn up from the oversold zone.

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

5/23/2014

10 Y TSY YLD NDX (26.60, 27.00, 24.73, 25.36, -1.12)

### 10-Year Note Yield Monthly

*Please refer to legend for explanation of technical terms*

-----12-Month sma

-----3-Month sma

Relative Strength Index (52.3191)

Stochastic Oscillator (19.0958)

MACD (1.15804)

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

5/23/2014

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

Monthly momentum is mostly negative.



US DOLLAR INDEX (80.2260, 80.4430, 80.2340, 80.3930, +0.13900)

### U.S. Dollar Index Daily

*Please refer to legend for explanation of technical terms*

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

Relative Strength Index (65.4010)

Stochastic Oscillator (91.4338)

MACD (0.11464)

Last week the U.S. Dollar Index continued the rally it began after it marginally pierced long-term support on 5/8. It is at its 200-day sma.

Daily momentum is positive.

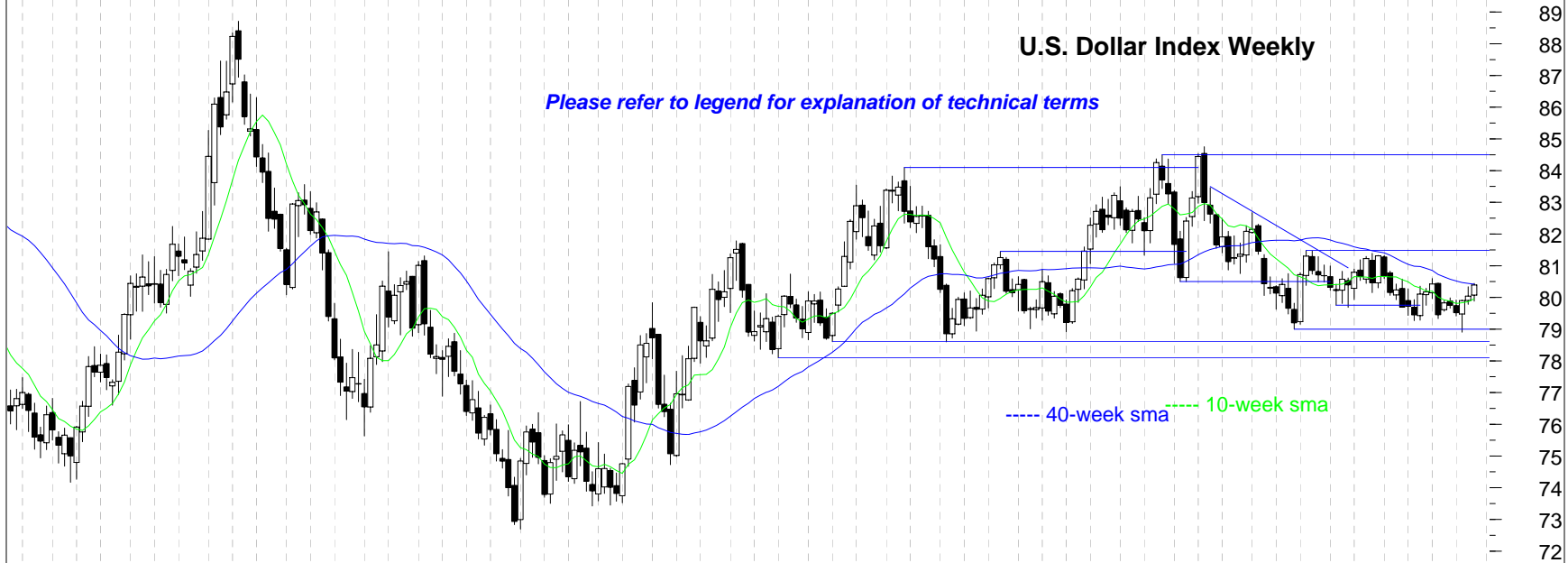
June July August September October November December 2014 February March April May

5/23/2014

US DOLLAR INDEX (80.0750, 80.4430, 79.8810, 80.3930, +0.35000)

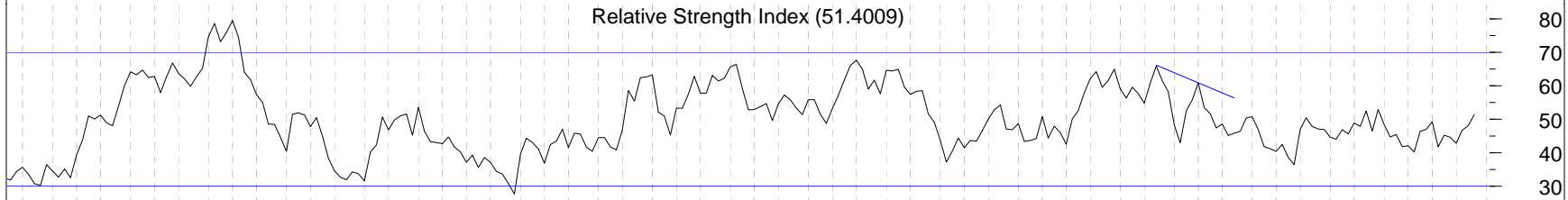
### U.S. Dollar Index Weekly

*Please refer to legend for explanation of technical terms*



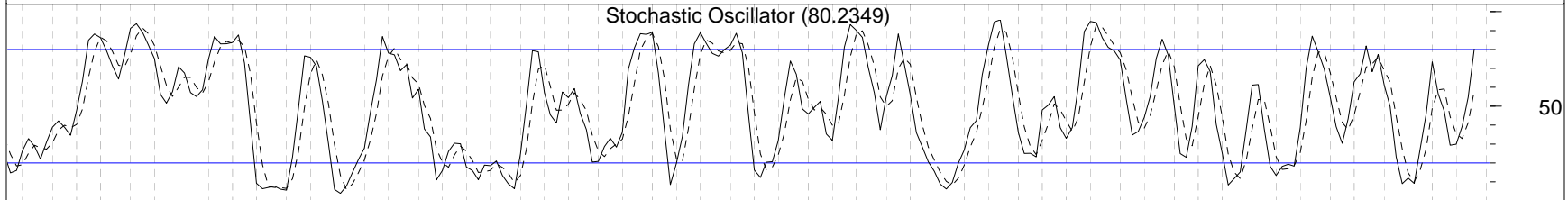
The U.S. Dollar Index has rallied three weeks in a row and is at its 40-week sma.

Relative Strength Index (51.4009)

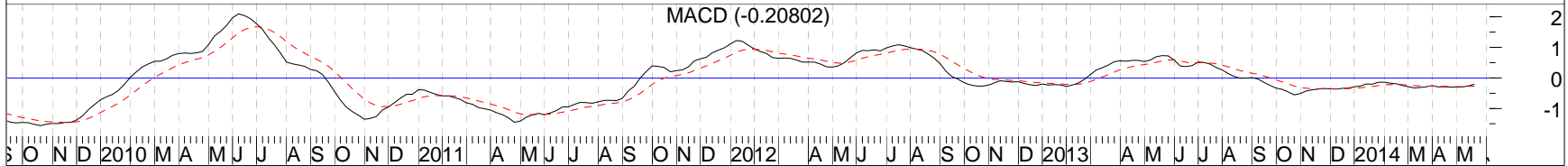


Weekly momentum is positive.

Stochastic Oscillator (80.2349)



MACD (-0.20802)



5/23/2014

US DOLLAR INDEX (79.5150, 80.4430, 78.9060, 80.3540, +0.88000)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

--- 3-month sma

---- 12-month sma

Relative Strength Index (49.7581)

Stochastic Oscillator (36.4730)

MACD (0.04923)

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

5/23/2014

The U.S. Dollar Index remains at the bottom of the tight sideways range it has been in since late 2011.

Monthly momentum is mixed.

UNTD ST OIL FUND (38.1000, 38.2700, 38.0500, 38.1800, +0.1700)

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

### U.S. Oil ETF Daily

Please refer to legend for explanation of technical terms

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

The oil ETF broke through resistance Wednesday and is at its highest level since September.

Relative Strength Index (71.7223)

Stochastic Oscillator (92.9771)

MAGD (0.32644)

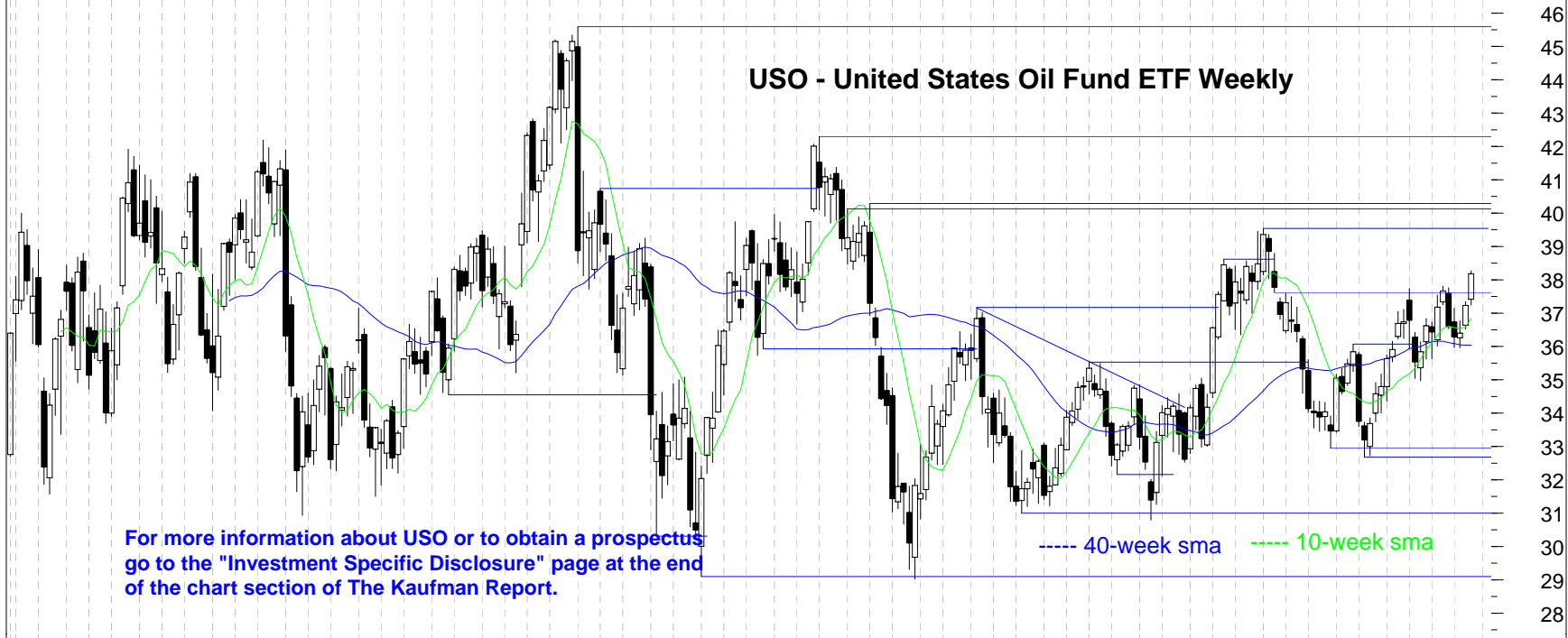
Daily momentum is positive but is at high or overbought levels.

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

5/23/2014

UNTD ST OIL FUND (37.4200, 38.2700, 37.2400, 38.1800, +0.9500)

### USO - United States Oil Fund ETF Weekly

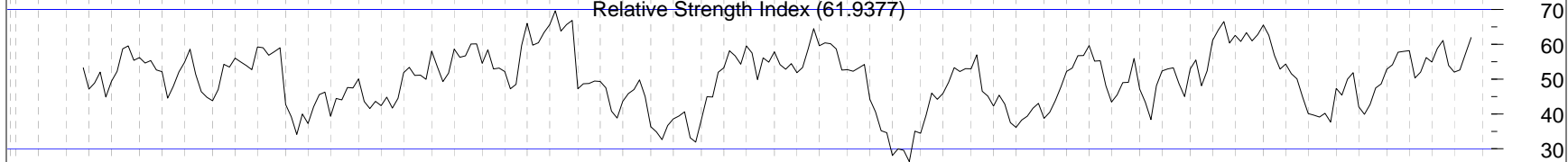


For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" page at the end of the chart section of The Kaufman Report.

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

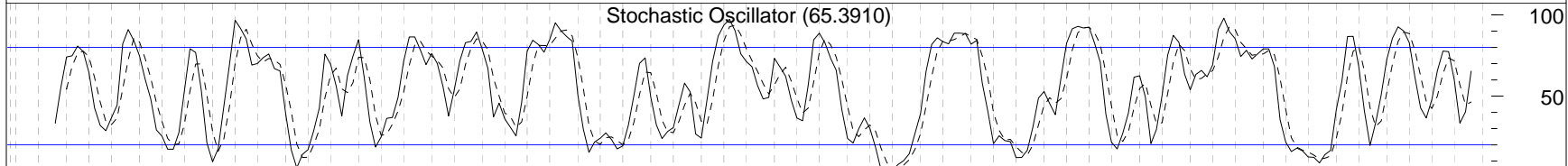
The oil ETF had a nice breakout on its weekly chart.

Relative Strength Index (61.9377)

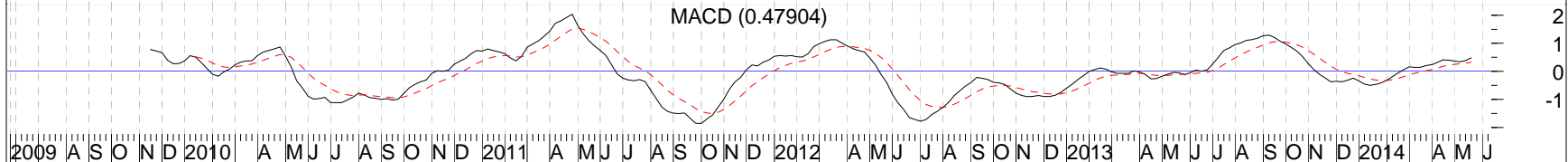


Weekly momentum is positive.

Stochastic Oscillator (65.3910)



MACD (0.47904)



2009 A S O N D 2010 A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014 A M J

5/23/2014

UNTD ST OIL FUND (36.0300, 38.2700, 35.9600, 38.1800, +1.8600)

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 continues to trade in an eerily tight sideways range on its monthly chart. However, it is above its 3 and 12-month sma, and so far May is the fourth consecutive month showing a higher bottom.

Relative Strength Index (55.1133)

Monthly momentum is positive.

Stochastic Oscillator (82.6996)

MACD (0.07115)

2006 2007 2008 2009 2010 2011 2012 2013 2014

5/23/2014

BAR IPA UBS COPR (38.6200, 38.6900, 38.5900, 38.6200, +0.3200)

### Copper ETN Daily

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

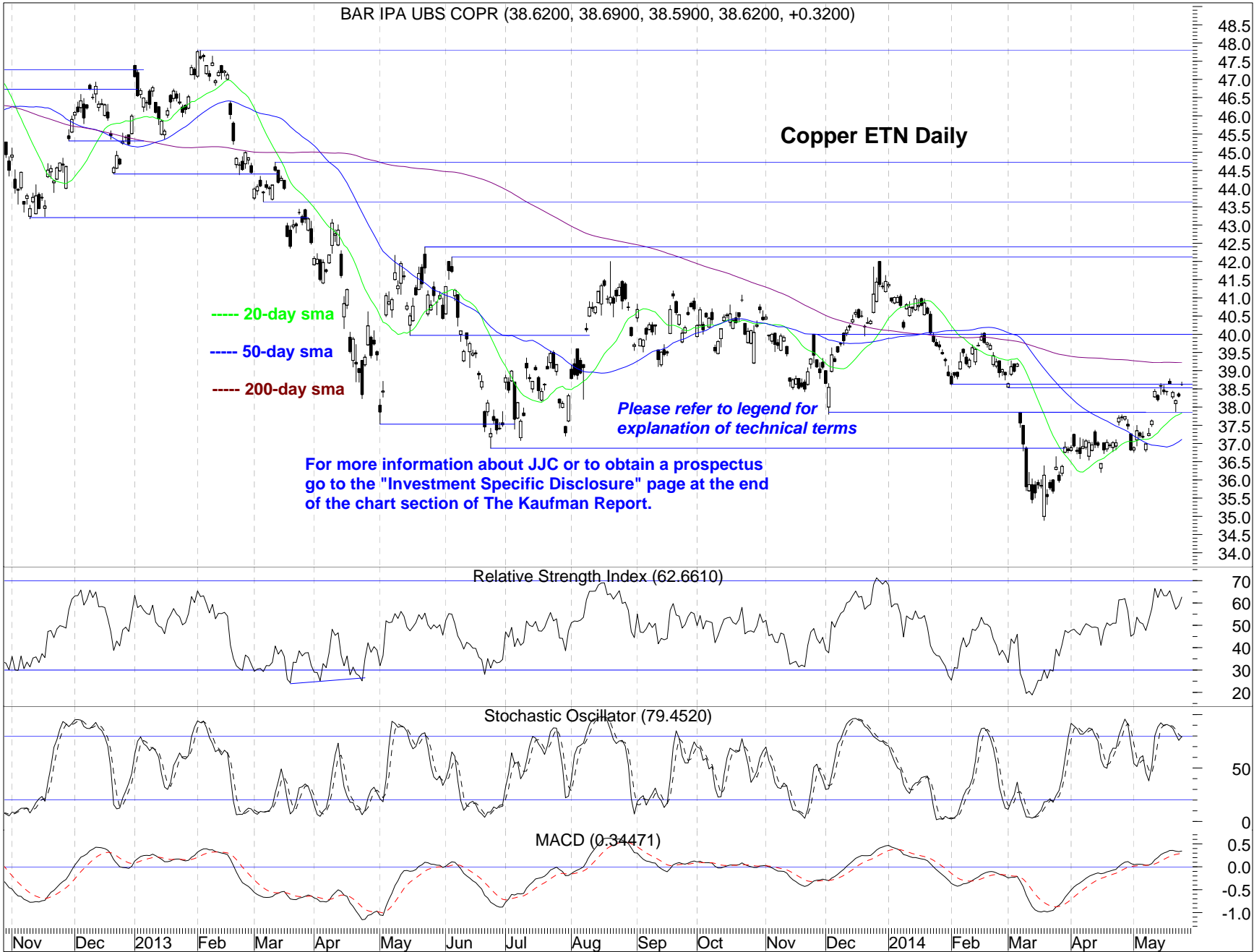
Please refer to legend for explanation of technical terms

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

Relative Strength Index (62.6610)

Stochastic Oscillator (79.4520)

MACD (0.34471)



The copper ETN, representing the metal with a Ph.D. in economics, has rebounded to just above a resistance zone. It has been trading above its 20 and 50-day sma for all of May.

Daily momentum is at high or overbought levels.

BAR IPA UBS COPR (38.71, 38.78, 37.87, 38.62, +0.20)

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

Relative Strength Index (51.1190)

Stochastic Oscillator (90.7634)

MACD (-0.52219)

Weekly momentum is positive but the stochastic is overbought.

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

5/23/2014

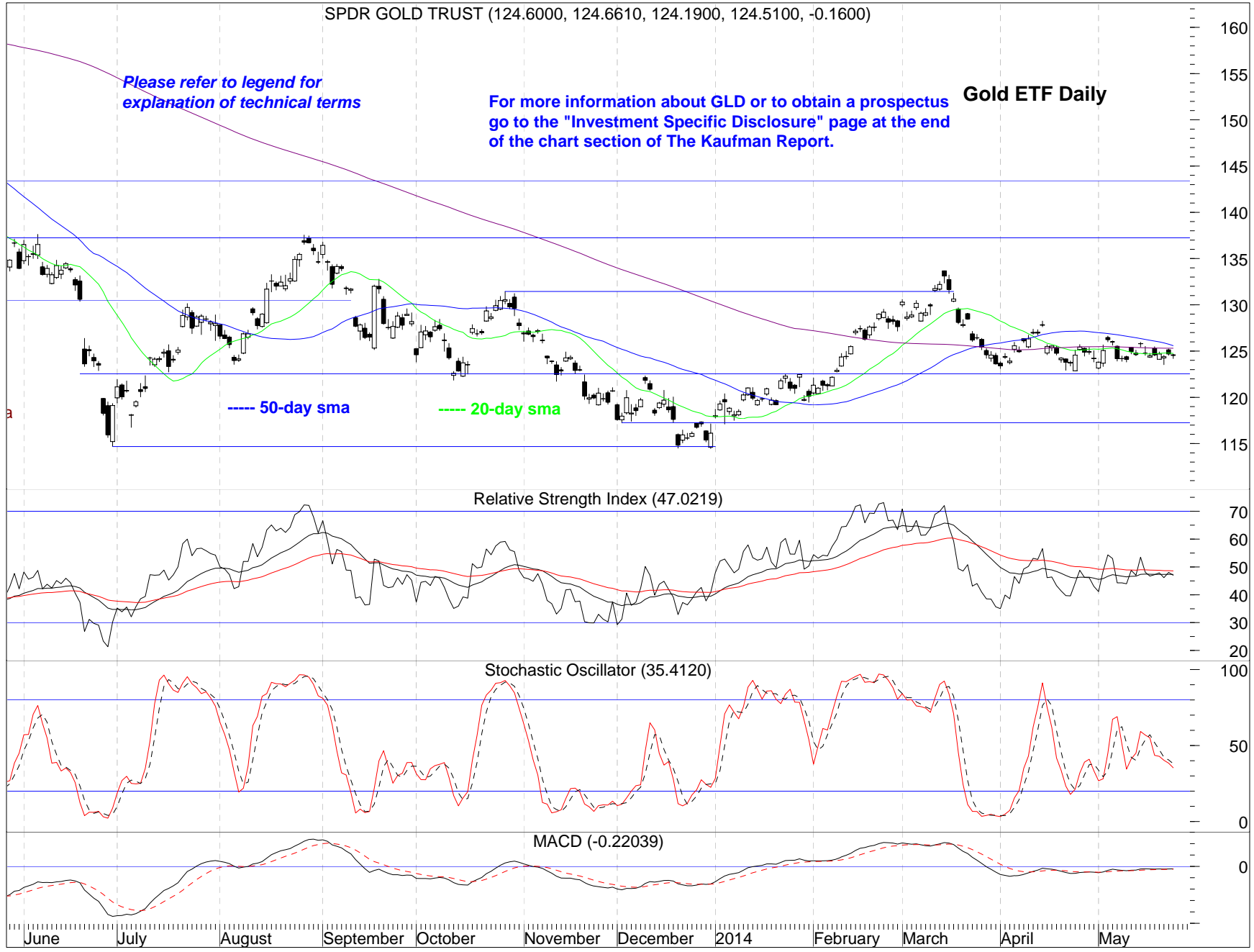


SPDR GOLD TRUST (124.6000, 124.6610, 124.1900, 124.5100, -0.1600)

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



The gold ETF is in a tight sideways range on its daily chart.

Daily momentum is mixed to slightly negative.

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SPDR GOLD TRUST (125.2800, 125.4700, 123.5300, 124.5100, +0.0100)

### GLD Weekly



The gold ETF's sideways trend is evident on its weekly chart. It remains just below its 10 and 40-week sma.

Weekly momentum is neutral.

The Kaufman Report - Wayne S. Kaufman, CMT

SPDR GOLD TRUST (123.1700, 126.6300, 123.0600, 124.5100, +0.2900)

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 right at its 3 and 12-month sma.

Relative Strength Index (42.3506)

Stochastic Oscillator (22.1170)

MACD (-6.67980)

Monthly momentum is neutral but at low levels.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014

5/23/2014

## INVESTMENT SPECIFIC DISCLOSURES

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

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

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

# Indexes, Sectors, and Industry Groups

Major Index	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Nasdaq 100	3677.33	0.73%	2.51%	2.51%	2.66%	2.27%	2.38%	3738.32	3/6/2014	2825.18	6/24/2013
Nasdaq Composite	4185.81	0.76%	2.33%	2.33%	1.73%	-0.31%	0.22%	4371.71	3/6/2014	3294.95	6/24/2013
Russell 2000	1125.73	1.06%	2.07%	2.07%	-0.10%	-4.03%	-3.26%	1212.82	3/4/2014	942.79	6/24/2013
Dow Jones Transportation	7986.64	0.80%	1.79%	1.79%	4.10%	5.43%	7.92%	7995.39	5/23/2014	5952.18	6/24/2013
S&P Midcap 400	1370.21	0.72%	1.31%	1.31%	1.05%	-0.60%	2.06%	1398.91	4/4/2014	1114.04	6/24/2013
S&P 1500	440.13	0.46%	1.23%	1.23%	0.85%	1.16%	2.57%	440.76	5/13/2014	360.72	6/24/2013
S&P 500	1900.53	0.42%	1.21%	1.21%	0.88%	1.51%	2.82%	1902.17	5/13/2014	1560.33	6/24/2013
NYSE Composite	10683.26	0.36%	0.76%	0.76%	0.53%	1.48%	2.72%	10725.09	5/13/2014	8814.76	6/24/2013
Dow Jones Industrials	16606.27	0.38%	0.70%	0.70%	0.15%	0.90%	0.18%	16735.51	5/13/2014	14551.27	6/24/2013
Bank of New York Mellon ADR	154.08	0.14%	-0.22%	-0.22%	0.33%	2.06%	1.33%	155.28	5/14/2014	125.76	6/24/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Information Technology	610.00	0.97%	2.24%	2.24%	2.08%	2.29%	4.19%	622.58	4/3/2014	480.12	6/24/2013
Consumer Discretionary	515.53	0.84%	2.06%	2.06%	1.86%	0.42%	-2.75%	536.43	3/7/2014	427.87	6/24/2013
Health Care	681.33	0.08%	1.40%	1.40%	1.25%	0.64%	6.08%	698.62	3/6/2014	534.23	6/24/2013
Materials	305.76	0.85%	1.38%	1.38%	1.78%	2.48%	4.84%	306.31	5/14/2014	238.75	6/24/2013
Financials	296.28	0.25%	1.27%	1.27%	0.05%	-1.59%	0.53%	305.46	3/21/2014	250.74	6/24/2013
Energy	686.90	-0.12%	0.85%	0.85%	0.09%	5.21%	5.41%	696.56	5/7/2014	562.08	6/24/2013
Industrials	460.65	0.60%	0.78%	0.78%	0.70%	2.21%	1.81%	465.76	5/13/2014	359.33	6/24/2013
Consumer Staples	453.97	0.13%	-0.05%	-0.05%	0.03%	2.73%	2.56%	458.83	5/12/2014	401.66	6/20/2013
Utilities	211.20	-0.23%	-0.91%	-0.91%	-3.78%	0.27%	9.31%	221.28	4/30/2014	182.19	6/21/2013
Telecom Services	159.53	0.24%	-1.22%	-1.22%	2.89%	3.33%	2.58%	164.81	5/28/2013	143.28	2/3/2014

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Media	438.83	0.89%	2.93%	2.93%	3.86%	4.03%	2.00%	444.39	3/7/2014	335.21	6/13/2013
Automobiles & Components	136.37	0.99%	2.36%	2.36%	0.38%	1.44%	-1.88%	143.67	12/17/2013	109.70	6/24/2013
Software & Services	841.68	0.89%	2.34%	2.34%	1.52%	-0.73%	0.99%	902.43	4/3/2014	690.47	6/24/2013
Semiconductors & Equipment	445.73	0.77%	2.20%	2.20%	0.72%	0.21%	5.49%	456.84	4/4/2014	356.76	8/30/2013
Technology Hardware & Equipmen	638.92	1.15%	2.10%	2.10%	3.41%	8.07%	9.19%	639.20	5/23/2014	466.39	6/24/2013
Banks	211.11	0.23%	1.99%	1.99%	-0.84%	-5.78%	0.91%	228.93	3/21/2014	181.12	6/6/2013
Consumer Durables & Apparel	275.10	1.32%	1.80%	1.80%	1.53%	-0.18%	-3.50%	285.53	1/3/2014	231.91	6/24/2013
Retailing	866.96	0.89%	1.77%	1.77%	0.99%	-2.59%	-7.75%	944.66	12/27/2013	757.39	6/24/2013
Transports	520.02	0.84%	1.64%	1.64%	4.43%	6.04%	8.42%	520.84	5/23/2014	382.50	6/24/2013
Pharmaceuticals, Biotech & Life Sci	662.97	-0.05%	1.41%	1.41%	-0.07%	1.05%	6.20%	688.05	3/6/2014	509.10	6/24/2013
Materials	305.76	0.85%	1.38%	1.38%	1.78%	2.48%	4.84%	306.31	5/14/2014	238.75	6/24/2013
Health Care Equip & Services	609.91	0.37%	1.38%	1.38%	4.15%	-0.24%	5.80%	621.96	4/4/2014	495.33	6/6/2013
Insurance	284.29	0.06%	1.32%	1.32%	0.26%	1.50%	-1.66%	289.51	12/31/2013	236.86	6/24/2013
Diversified Financials	446.39	0.14%	1.27%	1.27%	0.07%	-1.23%	-0.47%	459.40	3/21/2014	370.88	6/24/2013
Consumer Services	686.78	0.17%	0.98%	0.98%	1.07%	0.19%	0.19%	701.76	3/11/2014	589.34	6/24/2013
Energy	686.90	-0.12%	0.85%	0.85%	0.09%	5.21%	5.41%	696.56	5/7/2014	562.08	6/24/2013
Commercial & Professional Service	193.30	0.38%	0.78%	0.78%	1.10%	3.84%	0.20%	193.69	12/27/2013	159.95	6/24/2013
Capital Goods	496.59	0.56%	0.57%	0.57%	-0.24%	1.15%	0.37%	505.20	5/13/2014	391.13	6/24/2013
Household & Personal Products	508.55	0.04%	0.21%	0.21%	-1.87%	0.98%	-0.20%	530.20	11/26/2013	464.34	6/20/2013
Food & Staples Retailing	324.87	0.18%	-0.08%	-0.08%	-1.01%	0.89%	2.24%	331.14	5/5/2014	276.36	6/24/2013
Food, Beverage & Tobacco	527.08	0.15%	-0.15%	-0.15%	1.27%	4.27%	3.84%	531.35	5/13/2014	466.32	8/29/2013
Real Estate	168.37	0.75%	-0.61%	-0.61%	2.10%	5.72%	13.04%	171.53	5/23/2013	142.12	8/19/2013
Utilities	211.20	-0.23%	-0.91%	-0.91%	-3.78%	0.27%	9.31%	221.28	4/30/2014	182.19	6/21/2013
Telecom Services	159.53	0.24%	-1.22%	-1.22%	2.89%	3.33%	2.58%	164.81	5/28/2013	143.28	2/3/2014

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

**INTERNATIONAL ETFs**

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Greece GREK	21.87	2.53%	8.64%	-5.69%	-10.99%	-2.93%	25.76	3/19/2014	14.10	6/24/2013
Russia RSX	25.72	1.26%	5.41%	13.25%	7.21%	-10.91%	30.25	10/22/2013	20.86	3/13/2014
Turkey TUR	56.73	-0.21%	4.28%	6.62%	16.54%	19.03%	75.95	5/23/2013	40.03	2/3/2014
Vietnam VNM	20.08	0.25%	3.93%	0.00%	-7.42%	6.87%	23.15	2/26/2014	17.00	8/28/2013
Japan EWJ	11.39	0.98%	2.15%	2.80%	0.53%	-6.17%	12.25	11/18/2013	10.36	6/6/2013
South Africa EZA	70.63	0.14%	1.73%	5.32%	6.68%	9.52%	70.99	5/23/2014	53.37	6/24/2013
Austria EWO	19.55	0.62%	1.51%	-3.55%	-2.20%	-1.31%	21.06	2/25/2014	16.10	7/3/2013
Canada EWC	30.86	0.36%	1.31%	1.05%	4.43%	5.83%	30.87	5/22/2014	25.61	6/24/2013
BRIC EEB	34.67	-0.12%	1.28%	6.87%	6.94%	0.06%	37.70	10/22/2013	28.86	6/24/2013
India IFN	24.55	1.49%	1.24%	11.85%	6.55%	22.75%	24.55	5/23/2014	16.16	8/28/2013
United States SPY	190.35	0.40%	1.22%	1.08%	1.79%	3.06%	190.48	5/23/2014	155.73	6/24/2013
Netherlands EWN	25.73	0.41%	1.20%	0.10%	-1.51%	-0.79%	26.34	4/1/2014	20.34	6/24/2013
Hong Kong EWH	21.05	0.43%	1.15%	3.80%	6.42%	2.18%	21.30	4/14/2014	17.79	6/24/2013
Taiwan EWT	15.03	0.13%	1.14%	2.66%	4.45%	4.23%	15.07	5/23/2014	12.48	6/24/2013
China 25 FXI	36.34	-0.03%	1.03%	4.04%	1.57%	-5.29%	40.32	12/2/2013	31.35	6/25/2013
Italy EWI	16.94	1.80%	0.77%	-6.10%	-4.35%	8.66%	18.09	5/1/2014	11.66	7/3/2013
Germany EWG	31.56	0.25%	0.77%	-0.38%	0.67%	-0.63%	31.93	12/31/2013	23.96	7/5/2013
Emerging Markets EE	43.14	-0.19%	0.47%	4.38%	5.19%	3.22%	43.91	10/22/2013	36.16	6/24/2013
France EWQ	29.85	0.24%	0.40%	-0.63%	2.23%	4.92%	30.20	5/8/2014	22.96	7/3/2013
Mexico EWW	66.91	-0.04%	0.30%	4.74%	4.63%	-1.60%	70.49	8/12/2013	57.57	6/21/2013
Singapore EWS	13.78	0.22%	0.15%	1.25%	5.51%	4.63%	14.16	5/23/2013	11.94	2/3/2014
Spain EWP	41.76	0.24%	0.12%	-0.50%	2.35%	8.27%	42.58	5/8/2014	27.50	6/24/2013
South Korea EWY	65.07	-0.29%	0.08%	4.03%	5.79%	0.62%	66.07	10/22/2013	49.56	6/24/2013
Switzerland EWL	35.22	-0.09%	-0.14%	0.54%	2.56%	6.76%	35.33	5/23/2014	28.01	6/24/2013
Malaysia EWM	16.12	-0.43%	-0.19%	1.38%	3.00%	1.90%	16.44	5/28/2013	13.74	8/28/2013
Israel EIS	52.37	0.56%	-0.27%	1.51%	-0.81%	8.16%	53.99	4/4/2014	41.19	8/28/2013
Belgium EWK	17.39	0.06%	-0.34%	-1.14%	0.17%	6.10%	17.99	5/12/2014	13.37	7/3/2013
Sweden EWD	37.00	-0.59%	-0.64%	0.35%	1.04%	3.27%	37.34	5/21/2014	29.42	6/24/2013
United Kingdom EWU	21.71	-0.37%	-0.69%	0.88%	5.44%	3.98%	21.86	5/16/2014	17.55	6/24/2013
Chile ECH	47.01	0.15%	-0.82%	2.13%	3.21%	-1.05%	59.54	5/23/2013	39.62	2/3/2014
Australia EWA	26.45	0.38%	-1.05%	0.00%	2.24%	8.54%	27.29	10/22/2013	22.00	7/3/2013
Thailand THD	73.68	-0.01%	-1.84%	-3.21%	1.35%	7.33%	92.47	5/23/2013	61.94	1/3/2014
Latin America ILF	38.45	-0.70%	-2.31%	1.48%	5.14%	3.81%	42.37	5/28/2013	31.89	2/3/2014
Brazil EWZ	47.83	-0.81%	-2.94%	1.68%	6.21%	7.05%	55.09	5/28/2013	38.00	2/3/2014
Indonesia IDX	26.12	-0.57%	-3.15%	2.88%	3.90%	22.86%	32.65	5/28/2013	20.06	1/7/2014

**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			10-Year
Australia EWA	26.45	30.63			25.82			0.02	0.09
Austria EWO	19.55	41.83			40.59			-0.02	-0.01
Belgium EWK	17.39	15.85			13.69			0.00	0.06
Brazil EWZ	47.83	-16.68			-18.06			0.06	0.07
BRIC EEB	34.67	0.22			0.29			0.07	0.00
Canada EWC	30.86	-2.72			-6.25			0.04	0.06
Chile ECH	47.01	16.52			15.14			0.03	-0.01
China 25 FXI	36.34	21.78			21.78			0.02	-0.05
Emerging Markets EE	43.14	12.58			7.77			0.05	0.03
France EWQ	29.85	16.44			15.24			0.02	0.05
Germany EWG	31.56	10.62			7.17			0.01	-0.01
Greece GREK	21.87	10.59			9.23			-0.11	-0.03
Hong Kong EWH	21.05	1.28			-0.60			0.06	0.02
India IFN	24.55	12.94			11.79			0.07	0.23
Indonesia IDX	26.12	7.14			5.50			0.57	0.28
Israel EIS	52.37	6.54			3.41			-0.01	0.08
Italy EWI	16.94	-20.05			-21.23			-0.04	0.09
Japan EWJ	11.39	23.92			22.87			0.01	-0.06
Latin America ILF	38.45	1.03			0.21			0.05	0.04
Malaysia EWM	16.12	-0.84			-6.33			0.03	0.02
Mexico EWW	66.91	18.50			17.17			0.05	-0.02
Netherlands EWN	25.73	17.37			16.62			-0.02	-0.01
Russia RSX	25.72	22.19			20.20			0.07	-0.11
Singapore EWS	13.78	19.05			17.39			0.06	0.05
South Africa EZA	70.63	3.38			1.29			0.07	0.10
South Korea EWY	65.07	-5.76			-5.69			0.06	0.01
Spain EWP	41.76	-9.62			-9.99			0.02	0.08
Sweden EWD	37.00	-18.00			-18.71			0.01	0.03
Switzerland EWL	35.22	2.37			-2.93			0.03	0.07
Taiwan EWT	15.03	21.54			19.52			0.04	0.04
Thailand THD	73.68	2.45			1.54			0.01	0.07
Turkey TUR	56.73	0.79			-1.07			0.17	0.19
United Kingdom EWU	21.71	-23.87			-24.46			0.05	0.04
United States SPY	190.35	14.88			13.09			0.02	0.03
Vietnam VNM	20.08	21.81			20.05			-0.07	0.07

**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
Cocoa NIB	39.55	0.79%	3.83%	1.88%	1.93%	10.48%	40.25	4/9/2014	28.38	6/28/2013
OIL USO	38.18	0.45%	2.55%	5.12%	4.35%	8.10%	39.54	9/6/2013	32.53	5/31/2013
Aluminum JJU	18.26	1.16%	2.43%	-0.33%	1.00%	-2.04%	22.39	6/5/2013	17.10	3/17/2014
Palladium PALL	81.02	-0.56%	2.05%	2.61%	7.25%	16.37%	82.22	5/14/2014	61.81	6/26/2013
Timber CUT	25.21	0.84%	1.32%	2.23%	-0.40%	-2.66%	26.45	3/6/2014	20.70	6/24/2013
Platinum PPLT	143.64	-1.01%	0.76%	3.41%	4.00%	7.28%	151.51	8/27/2013	127.34	6/26/2013
Grains GRU	6.44	0.55%	0.63%	-5.85%	-2.57%	11.42%	7.09	6/3/2013	5.41	8/15/2013
Copper JJC	38.62	0.84%	0.52%	4.89%	4.95%	-6.83%	42.13	6/5/2013	34.89	3/19/2014
Silver SLV	18.66	-0.37%	0.27%	1.08%	-2.00%	-0.27%	23.84	8/27/2013	17.75	6/27/2013
Gold GLD	124.51	-0.13%	0.01%	0.23%	0.73%	7.23%	137.62	6/6/2013	114.46	12/31/2013
Heating Oil UHN	33.36	-0.21%	-0.15%	0.85%	0.15%	1.00%	34.91	8/29/2013	30.36	5/31/2013
Grains JJG	48.97	-0.45%	-0.20%	-6.33%	-2.91%	13.54%	52.90	6/19/2013	42.02	1/9/2014
Tin JJT	52.61	0.00%	-0.25%	1.38%	2.14%	-1.13%	57.05	12/27/2013	41.89	7/2/2013
Natural Gas UNG	24.36	0.74%	-0.33%	-8.25%	-0.25%	17.74%	27.89	2/24/2014	16.60	8/8/2013
Livestock COW	30.76	-1.38%	-1.16%	-1.73%	-3.30%	13.34%	32.90	3/19/2014	25.75	5/23/2013
Corn CORN	32.77	0.46%	-1.27%	-6.98%	-5.45%	7.16%	43.00	5/30/2013	29.50	1/10/2014
Coal KOL	18.71	-0.05%	-1.89%	-1.68%	1.19%	-3.76%	21.49	5/28/2013	17.16	6/24/2013
Sugar SGG	55.44	0.07%	-2.77%	-2.14%	-5.95%	-0.09%	66.46	10/18/2013	49.25	1/29/2014
Coffee JO	35.66	-0.06%	-2.78%	-12.06%	1.65%	64.33%	42.87	4/24/2014	20.37	11/6/2013
Cotton BAL	53.29	-1.68%	-3.65%	-8.75%	-8.42%	0.21%	60.44	3/26/2014	47.97	11/5/2013

**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	18.26	-11.91	-3.17		-14.66	-3.10		0.75	-0.03
Coal KOL	18.71	-10.39	-2.04		-11.50	-1.71		0.59	-0.25
Cocoa NIB	39.55	30.31	0.94		26.18	0.84		0.75	-0.12
Coffee JO	35.66	27.36	-2.66		29.85	-2.78		0.75	0.26
Copper JJC	38.62	-5.99	5.70		-8.53	5.61		0.75	-0.08
Corn CORN	32.77	-19.17			-18.65			1.49	-0.19
Cotton BAL	53.29	3.98	10.57		3.04	10.95		0.75	0.20
Gold GLD	124.51	-7.50	5.74		-8.18	5.81		0.40	-0.29
Grains GRU	6.44	-5.43	-0.63					0.75	
Grains JIG	48.97	-5.74	1.74		-4.42	1.98		0.75	0.04
Heating Oil UHN	33.36	8.18	7.84		7.05	7.86		0.91	-0.23
Livestock COW	30.76	19.32	0.44		19.92	0.71		0.75	0.16
Natural Gas UNG	24.36	6.19	-25.95		6.66	-26.15		0.60	0.37
OIL USO	38.18	13.83	2.52		13.41	2.38		0.45	0.05
Palladium PALL	81.02	12.34			10.93			0.60	-0.06
Platinum PPLT	143.64	0.13			0.61			0.60	-0.16
Silver SLV	18.66	-14.72	5.17		-13.97	5.40		0.50	-0.32
Sugar SGG	55.44	-7.48	1.72		-6.97	1.67		0.75	0.22
Timber CUT	25.21	11.39	14.09		10.31	14.26		0.70	-0.13
Tin JJT	52.61	10.71	10.75		7.39	10.99		0.75	0.17

**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.