

Monday November 11, 2013

Closing prices of November 8, 2013

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Monday November 11, 2013

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Stocks were very volatile and recorded another mixed performance last week with the Dow Jones Industrials hitting an all-time. Major indexes were led on the week by the Dow Jones Industrials, up 0.94%, and the S&P 500, up 0.50% but unable to exceed its October 30th high. The losers were led by the Bank of NY Mellon ADR Index, down 0.99%, the S&P Midcap 400, down 0.49%, and the Dow Jones Transports, down 0.44%.

Seven of the ten S&P sectors rose last week. The leaders were the prior week's biggest loser, Materials, up 1.17%, the prior week's second biggest loser, Financials, up 1.07%, and the prior week's fourth worst sector, Energy, up 1.04%. The losers last week were led by the prior week's winner, Telecom Services, down 2.06%, Utilities, down 0.41%, and Consumer Discretionary, down 0.40%.

Fifteen of the twenty-four S&P industry groups traded higher last week. The leaders were Insurance, up 2.61% with almost all of that coming on Friday, Software & Services, up 1.59%, Diversified Financials, up 1.51% after Friday's industry group leading gain of 2.81%, and Health Care Equipment & Services, up 1.47%. The laggards were led by Real Estate, down 3.57%, Telecom Services, down 2.06%, and the number two industry group so far this year, Media, down 1.15%.

For two weeks we have discussed negative divergences developing, and last week we said we were advising caution in the short-term for multiple reasons. We have also been warning for a while that investors need to be aware of sector rotation. These and other factors kicked in last week, but the week's market action showed that the buy the dip mentality is still intact, and that sellers remain largely on the sidelines. Thursday's selloff, which came one day after the end of the period of very positive seasonality we have noted in previous reports, was reversed on Friday. While it is possible that there may be more weakness yet to come, we have not changed our roadmap that called for a period of consolidation after the recent highs and overbought condition, and a strong finish to the year. We are not far from the next period of extremely positive seasonality, November 26th to December 5th.

In the short-term stocks are no longer overbought but our options indicator remains elevated at 1.12, showing lots of call buying recently. This can be a definite headwind for stocks. In addition, various momentum indicators are showing weakness. We are now 89.6% through what has been a positive earnings season, so earnings as a catalyst is in the rearview mirror. Valuations for stocks are very good. Spreads between equity and bond yields have been moving in a tight range recently, and that shouldn't change unless there is a major move higher in bond yields. Yields did jump up again Friday, and they may still go higher causing further pressure on stocks in the near-term, but as we said last week unless they go considerably higher investors should take higher yields in stride. **Therefore, we are still cautious in the short-term regarding entry points but believe that any further weakness will only be a period of consolidation before equities rally to close the year. We also will be watching for confirmation of new highs made on major indexes. We do not want to see a small number of individual stocks making new highs, or a divergence in the Advance Decline line.**

Longer-term we remain bullish, as we have been for a very long time. We have entered the best three-month period of the year on a seasonality basis, November through January. We have discussed for months that the longer-term indicators of market breadth do not show the deterioration that is seen prior to important long-term market tops, although we are seeing signs that investors may be getting more selective, and we will keep watching for that. Equity valuations remain attractive. Global economic statistics have been improving, with China rebounding and the recession in the euro zone recently ending. In addition, we think central banks around the world will do whatever they can to promote growth to make sure economies do not slip back into recession. Janet Yellen will certainly not change that.

Economic indicators last week: The New York ISM number for October was 59.3 versus September's 53.6. **U.S. Factory Orders for August and September came in less than expected. Mortgage applications dropped to the lowest level since mid-September, with the purchases gauge the lowest since December.** Challenger job cuts in October were down 4.4% year-over-year. In September the U.S. Index of Leading Indicators rose more than expected. Initial Jobless Claims came in about as expected and down slightly from the prior week. GDP for the third quarter came in at a much better than expected 2.8% versus the 2.0% estimate. **An inventory buildup was a concern, as was consumer spending, which came in at the slowest pace since 2011. The Bloomberg Consumer Comfort index dropped for the sixth straight week to the lowest level since October 2012.** Consumer Credit in September rose more than expected. The most important report of all, payrolls, came in much better than expected in October with 204K jobs created versus the estimate of 2.0%. This handily beat even the highest estimate, and September's number was revised higher by 15K. Seasonal hiring by retailers was very strong, foreshadowing a good holiday season. The University of Michigan index of consumer confidence dropped again in November to the lowest level since December 2011. Euro zone PMI numbers showed the service sector expanded more than estimated in October. **The European Commission last week lowered its projection of growth in 2014 from 1.2% to 1.1%.** Chinese Industrial Production for October came in better than expected showing a rise of 10.3% year-over-year, while Chinese inflation was less than expected.

So far 448 of the S&P 500 have reported third quarter earnings. 67.9% have beaten estimates, 12.3% were in line, and 19.7% missed. Last quarter after 452 had reported 67.3% beat, 8.9% were in line, and 23.8% missed.

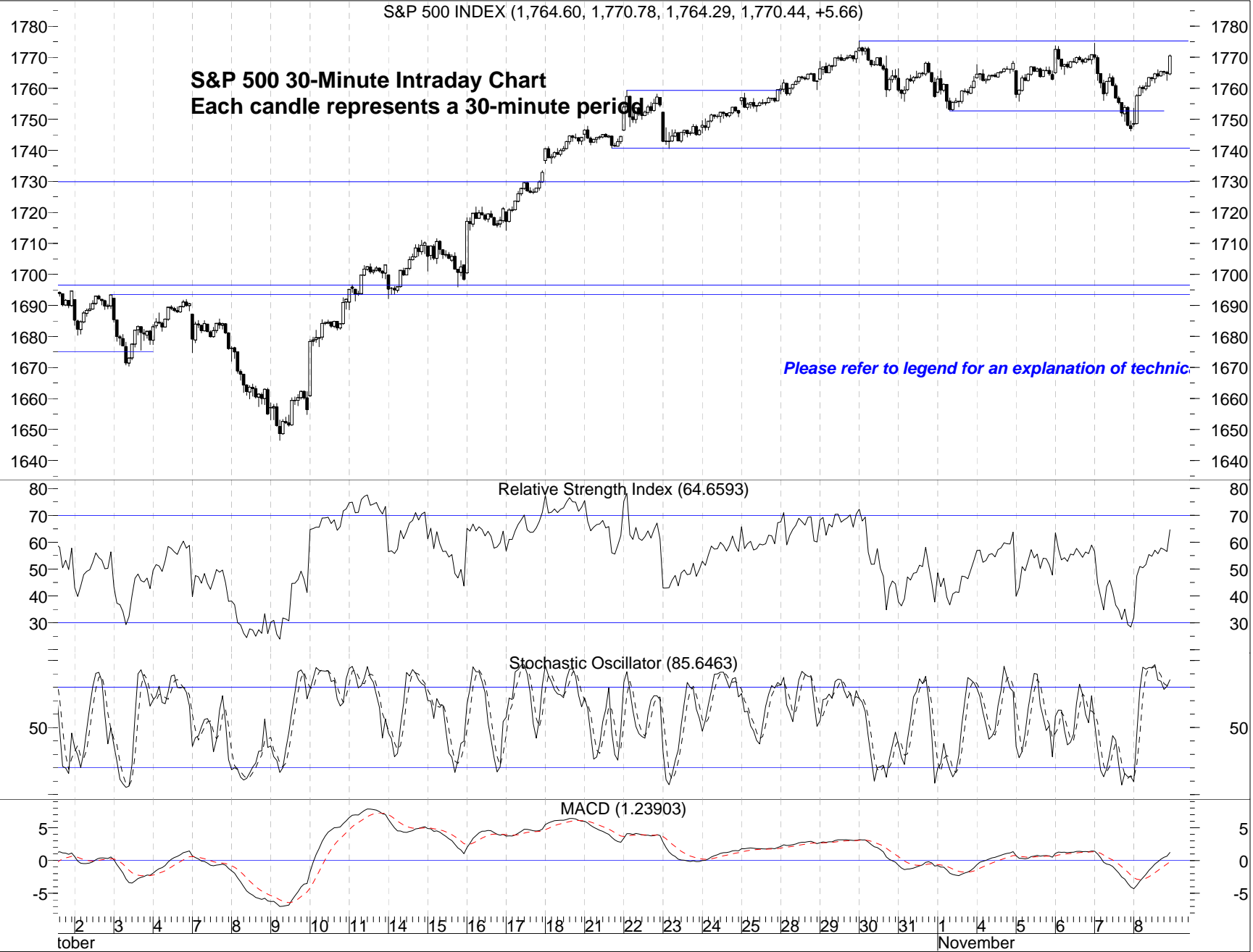
Valuation, based on spreads between equity and bond yields, seems to have found a comfort zone around the levels of pre-August 2011. We have discussed this since late 2012, saying that if the bottom of the range these spreads were in since August 2011 was broken it would mean investors had reached the "point of recognition" where they finally accept that the economy is healing and we are not going to see a repeat of the economic and market crash of 2008 – 2009. The bottom of the range was broken decisively in early June and spreads have stayed below it and continue to narrow. Even with the narrowing of these spreads, on a historical basis they remain at levels where stocks should be attractive versus bonds.

In summary, in the short-term we advise caution regarding entry points as stocks are still consolidating after a nice rally. Longer-term we remain bullish due to recently improving economic data (pre-government shutdown in the U.S.), attractive valuations, strong market breadth, positive seasonality, and the globally synchronized program of asset purchases by central banks. We are 89.6% through earnings season, which has been very good, but investors still need to remain alert for sector rotation.

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

S&P 500 INDEX (1,764.60, 1,770.78, 1,764.29, 1,770.44, +5.66)

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



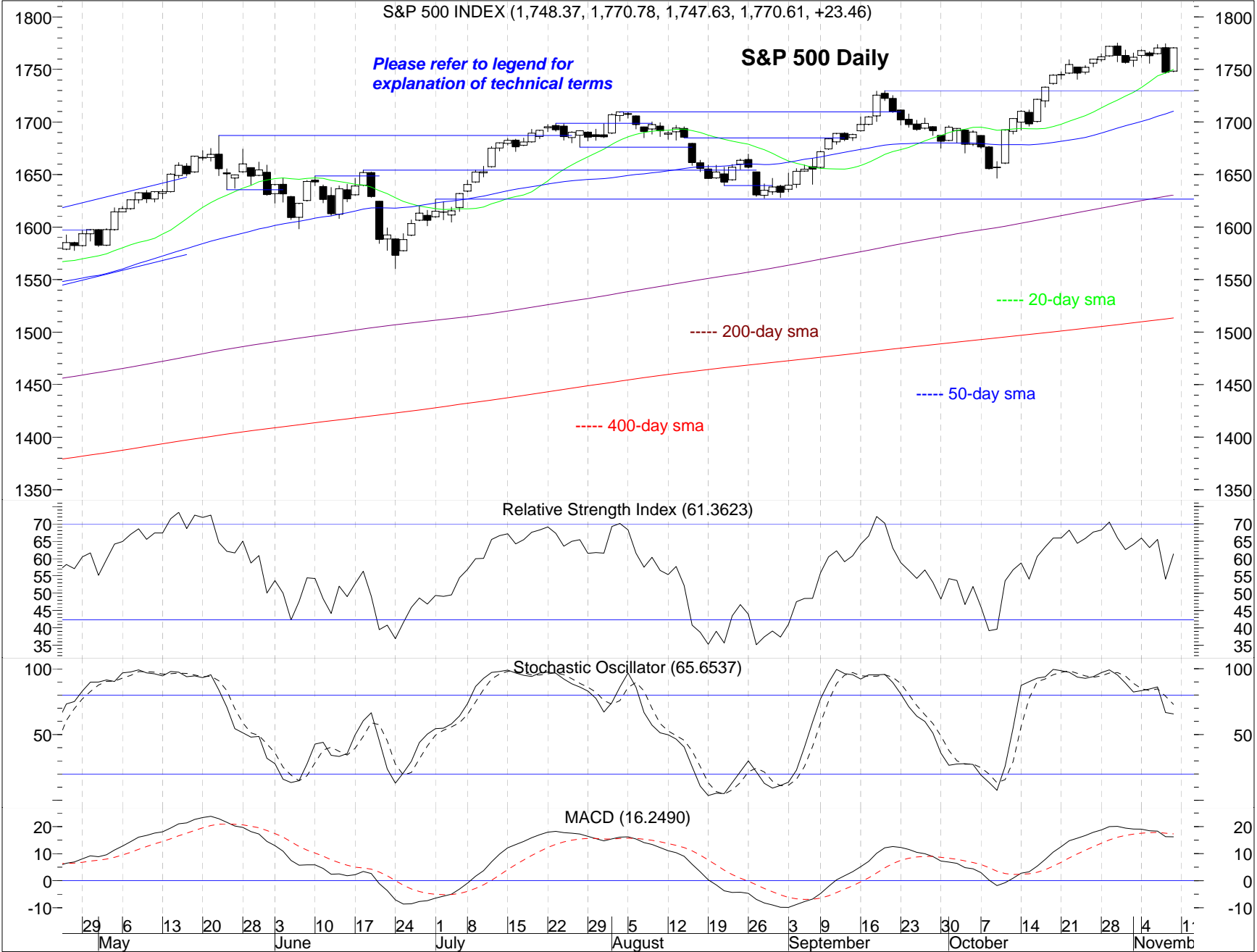
The S&P 500 broke a support level Thursday but rebounded Friday and is not far from its high.

30-minute momentum is positive.

S&P 500 INDEX (1,748.37, 1,770.78, 1,747.63, 1,770.61, +23.46)

Please refer to legend for explanation of technical terms

S&P 500 Daily

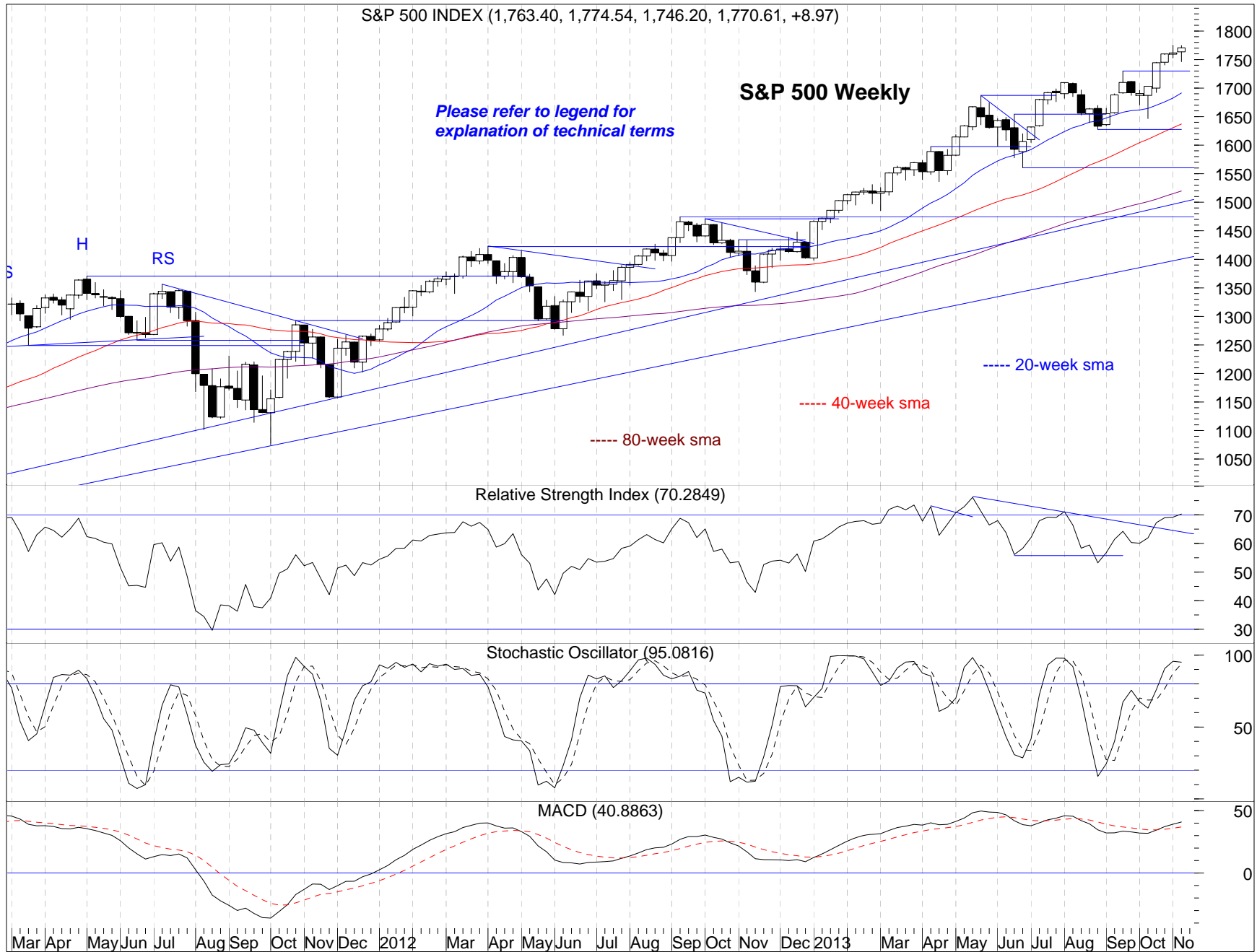


The S&P 500 plunged Thursday but reversed Friday to completely erase Thursday's loss.

Daily momentum is slightly negative.

11/9/2013

S&P 500 INDEX (1,763.40, 1,774.54, 1,746.20, 1,770.61, +8.97)



An all-time closing weekly high for the S&P 500, although not an all-time intraweek high.

Weekly momentum is positive.

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,758.70, 1,774.54, 1,746.20, 1,770.61, +14.07)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

----- 3-month s

----- 12-month sma

Relative Strength Index (74.5452)

Stochastic Oscillator (87.1008)

MACD (110.394)

The S&P 500 is just above the upper trend line of the rising price channel it has been in since 2009.

Monthly momentum remains positive but at high or overbought levels.

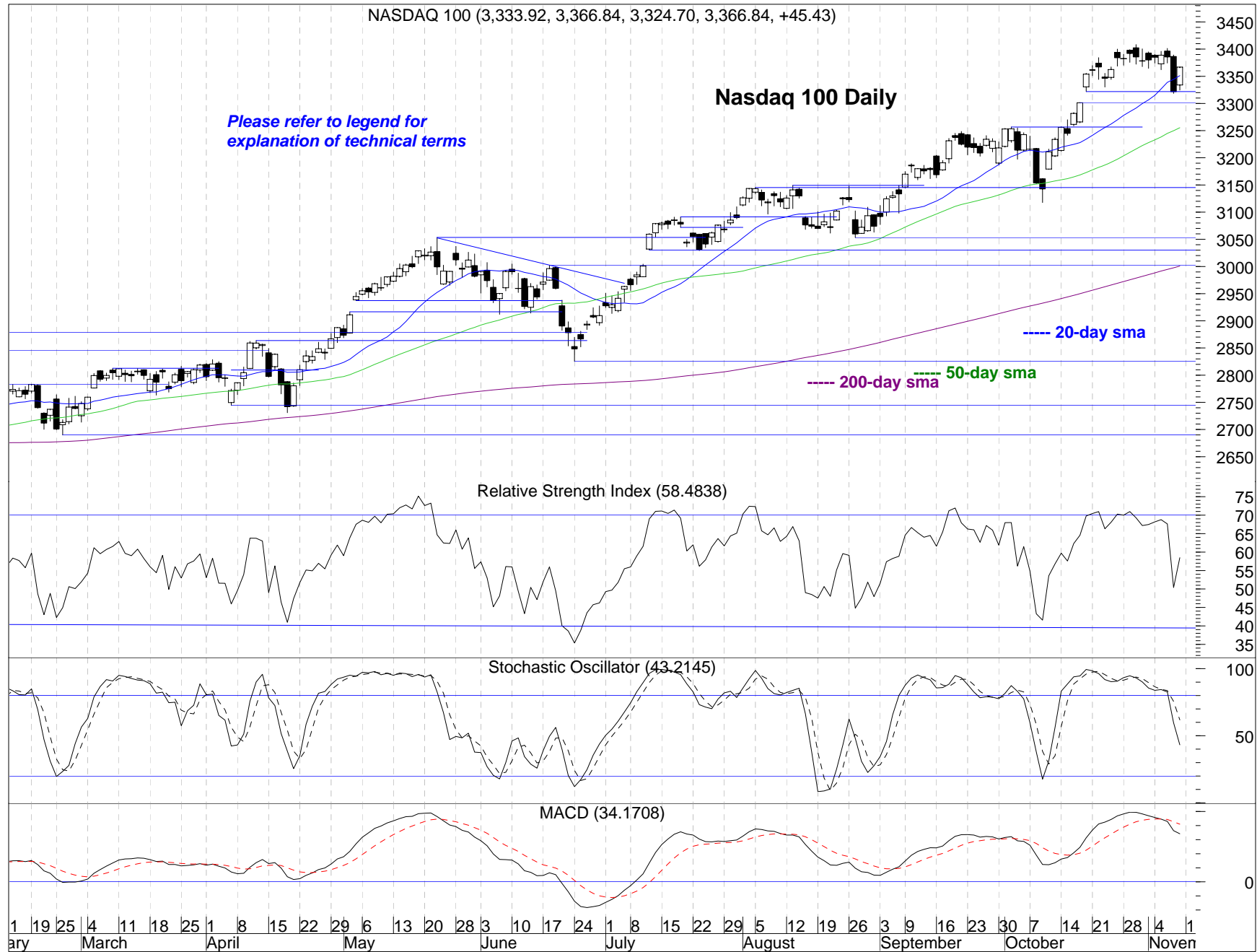
2 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

11/9/2013

NASDAQ 100 (3,333.92, 3,366.84, 3,324.70, 3,366.84, +45.43)

Nasdaq 100 Daily

Please refer to legend for explanation of technical terms



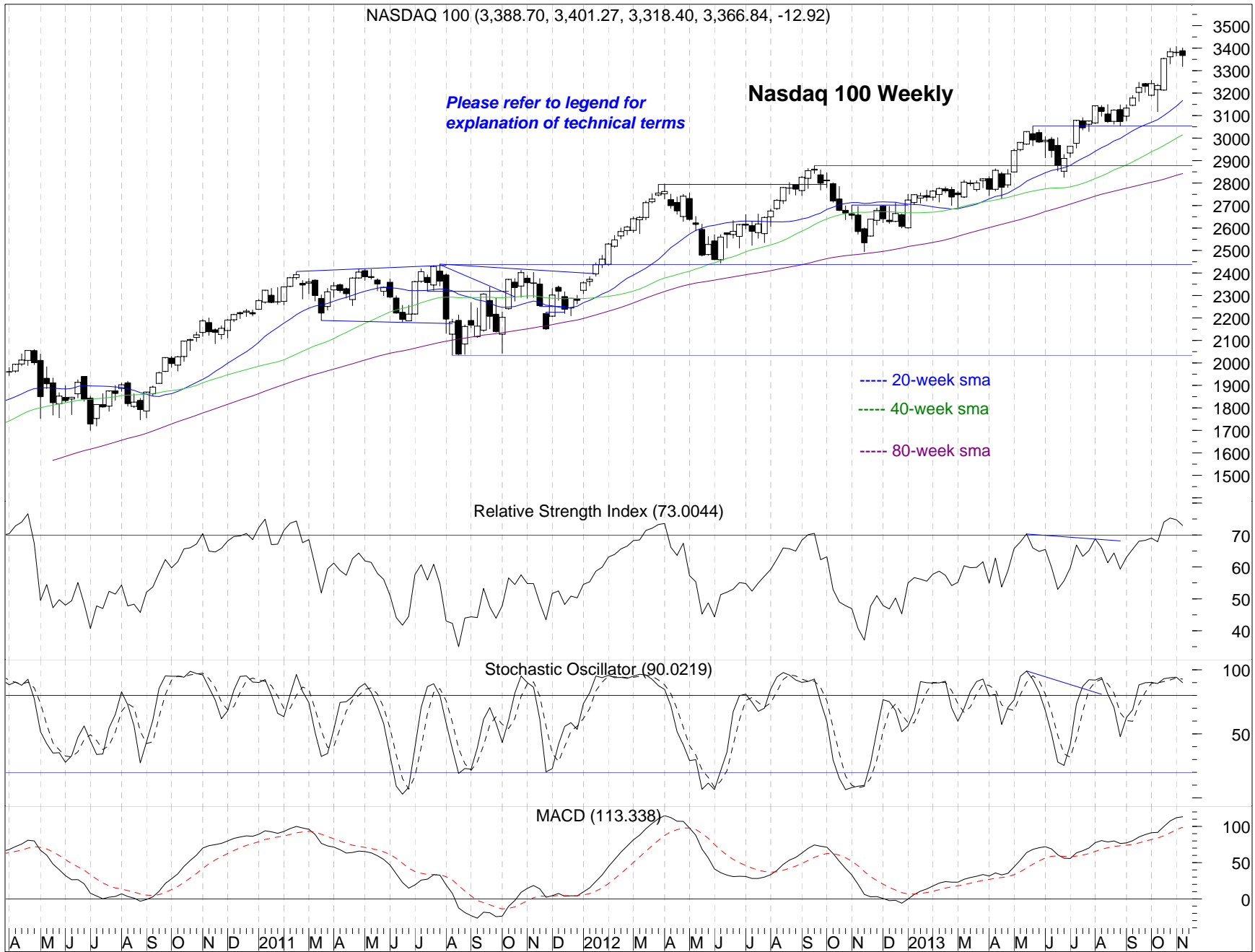
Last week we noted that despite making new highs the Nasdaq 100 had closed below its open in four of five sessions. It dropped sharply Thursday but rebounded Friday after finding support at its gap zone. The bounce leaves it just under resistance.

Daily momentum is mostly negative.

NASDAQ 100 (3,388.70, 3,401.27, 3,318.40, 3,366.84, -12.92)

Please refer to legend for explanation of technical terms

Nasdaq 100 Weekly



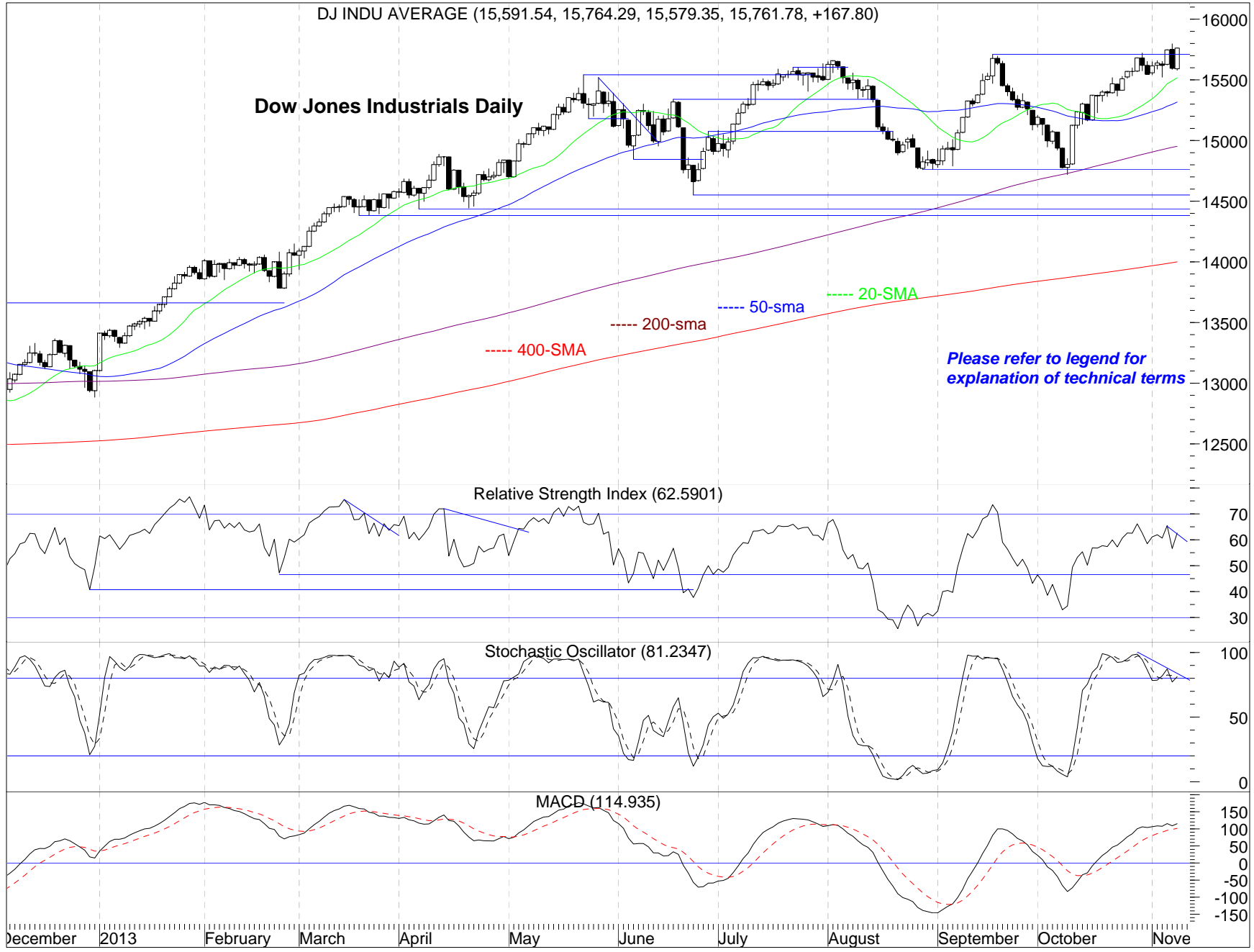
In last week's report we said the Nasdaq 100 had printed a doji candle on the weekly chart, and that doji are signs of indecision frequently seen at turning points. Last week was its worst week since 8/30 as it printed a hanging man candle on the weekly chart. A hanging man is a potentially bearish candle that requires confirmation from the next candle.

Weekly momentum is slightly negative.

11/9/2013

DJ INDU AVERAGE (15,591.54, 15,764.29, 15,579.35, 15,761.78, +167.80)

Dow Jones Industrials Daily

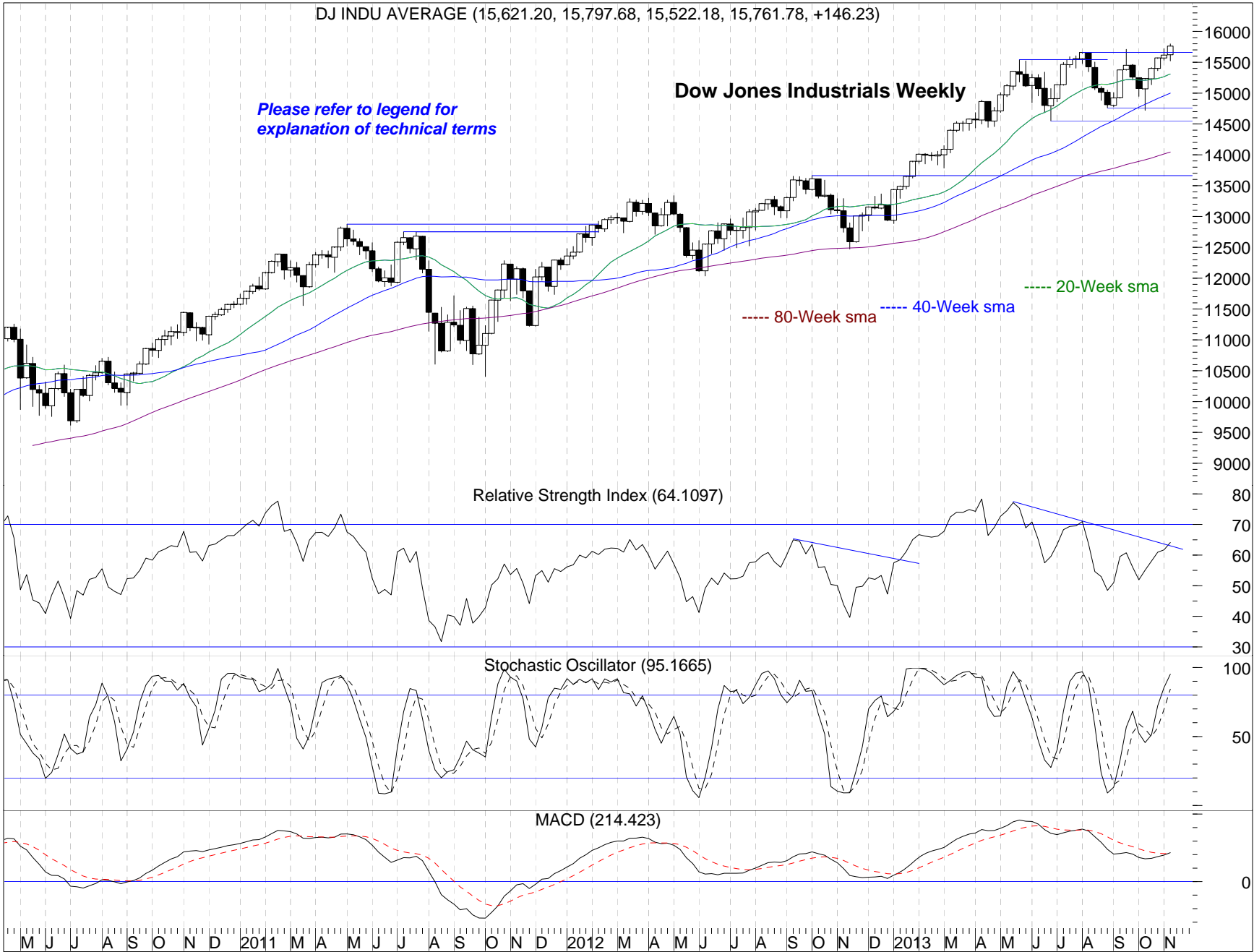


The Dow Industrials eked out marginal all-time intraday and closing highs last week

Daily momentum is mostly positive but with slight negative divergences.

11/9/2013

DJ INDU AVERAGE (15,621.20, 15,797.68, 15,522.18, 15,761.78, +146.23)



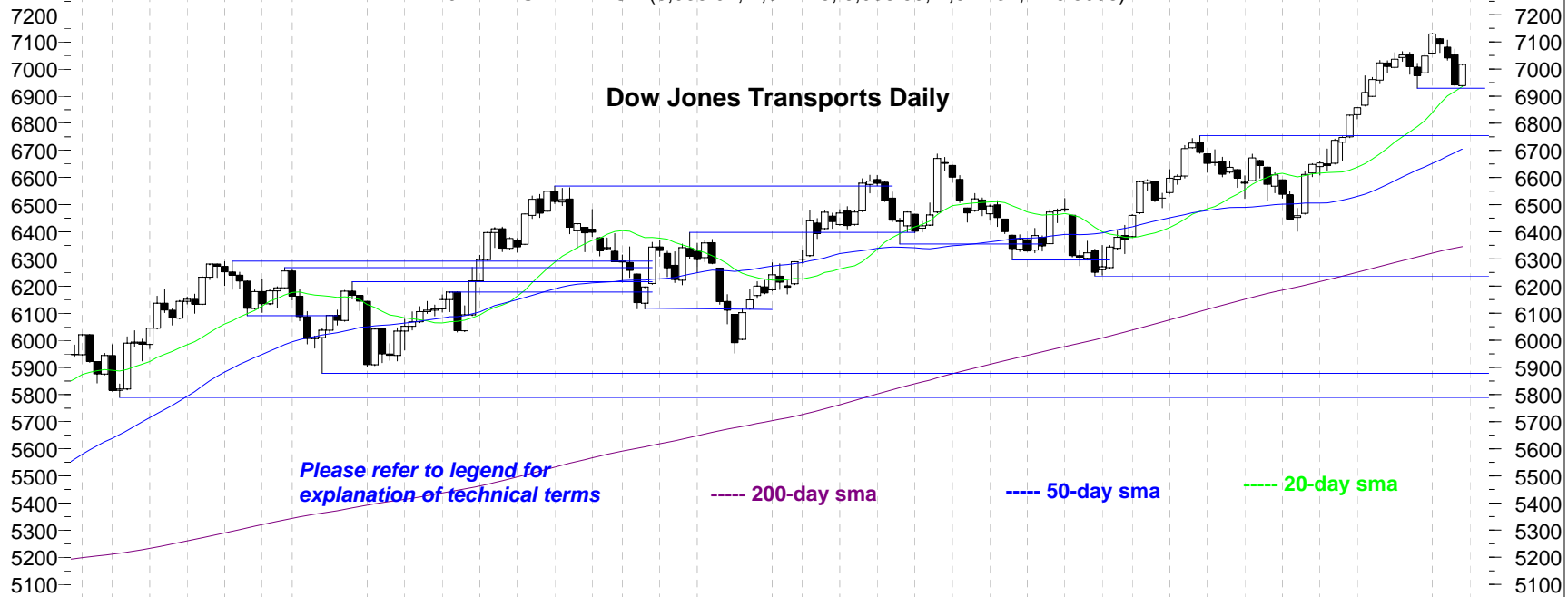
A five week winning streak for the Dow Industrials.

Weekly momentum is positive although there is a negative divergence on the RSI.

11/9/2013

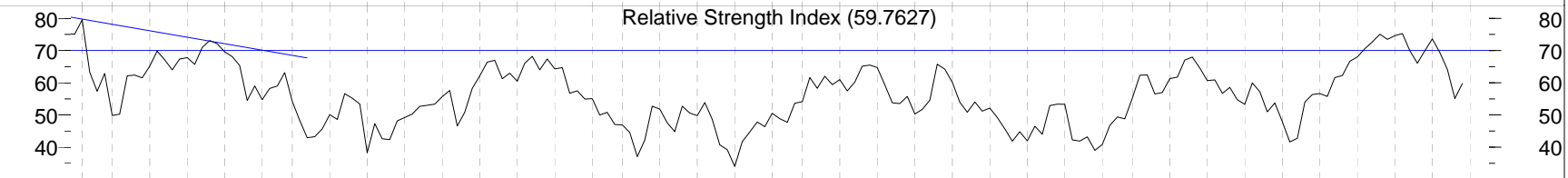
DJ TRANS AVERAGE (6,938.92, 7,017.45, 6,938.59, 7,017.34, +76.5098)

Dow Jones Transports Daily



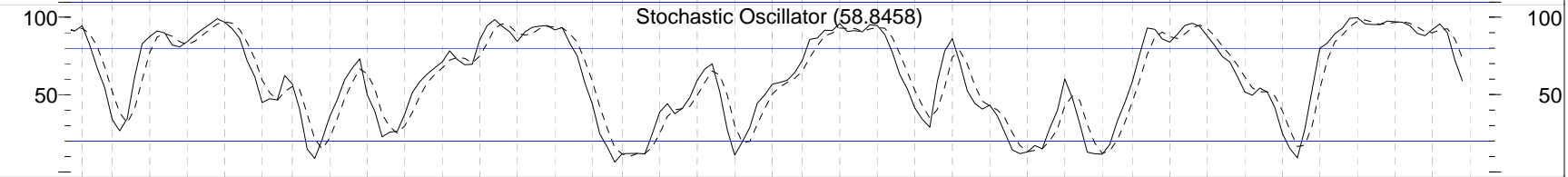
The Dow Transports bounced at price and moving average support Friday.

Relative Strength Index (59.7627)

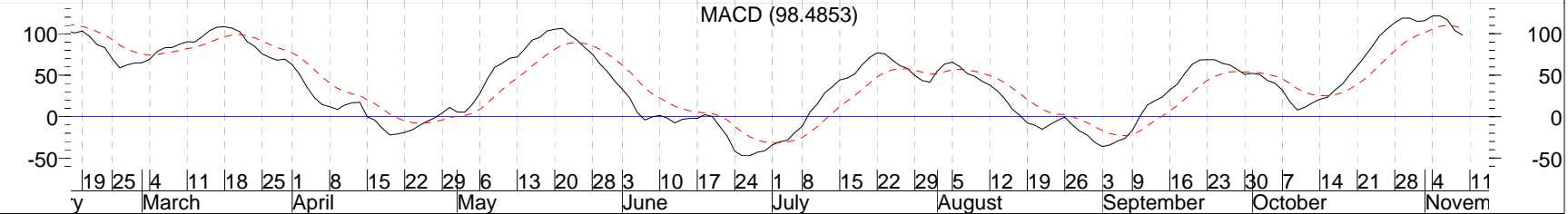


Daily momentum is mostly negative with room to move lower.

Stochastic Oscillator (58.8458)



MACD (98.4853)

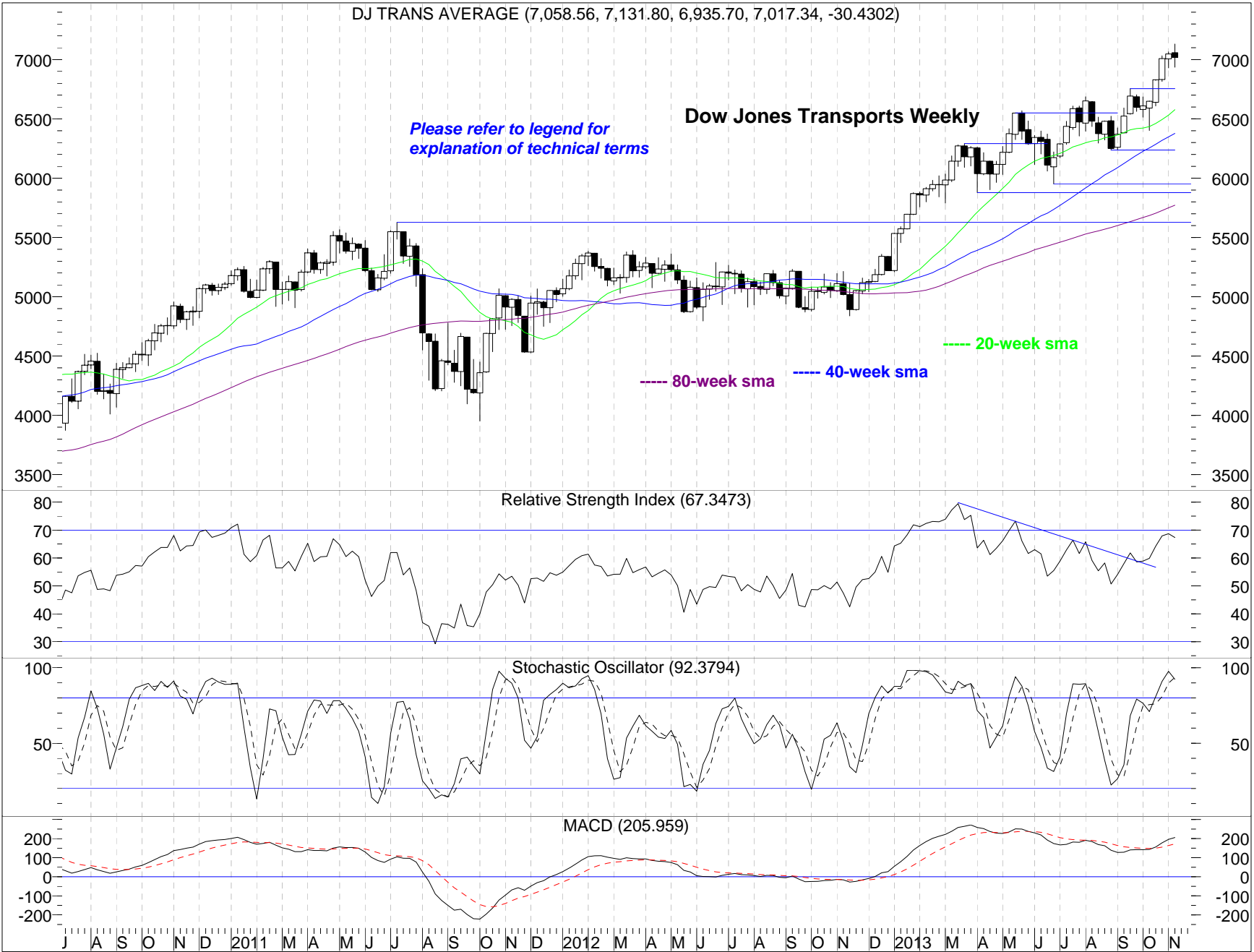


19 25 4 11 18 25 1 8 15 22 29 6 13 20 28 3 10 17 24 1 8 15 22 29 5 12 19 26 3 9 16 23 30 7 14 21 28 4 11
y March April May June July August September October Novem

11/9/2013

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DJ TRANS AVERAGE (7,058.56, 7,131.80, 6,935.70, 7,017.34, -30.4302)



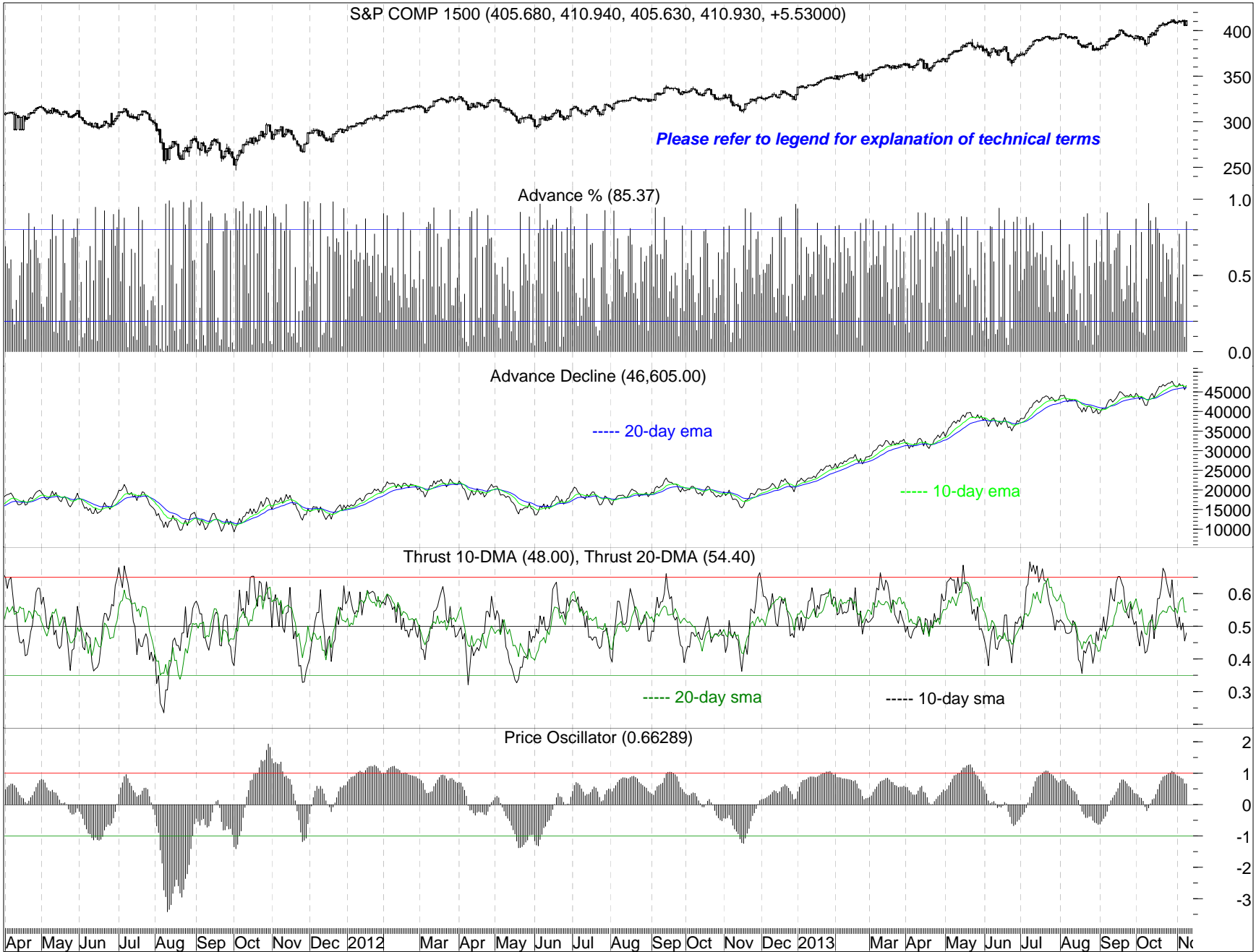
A new high last week but a reversal and negative close. In doing so the Transports printed a high wave spinning top, a sign of indecision showing the tug of war between buyers and sellers.

Weekly momentum is mixed with the stochastic very overbought.

11/9/2013

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S&P COMP 1500 (405.680, 410.940, 405.630, 410.930, +5.53000)



85.37% of the S&P 1500 traded higher Friday, the best since 10/16.

The AD line is back over its 10 and 20-ema but it is showing a slight negative divergence.

The 10-day average of advancing issues is 48.0%.

Our price oscillator, a good indicator of trends, remain in positive territory after pulling back from a level where it frequently tops.

11/9/2013

The Kaufman Report - Wayne S. Kaufman, CMT

S&P COMP 1500 (405.680, 410.940, 405.630, 410.930, +5.53000)

Please refer to legend for explanation of technical terms

% Over 10-Sma (51.70)

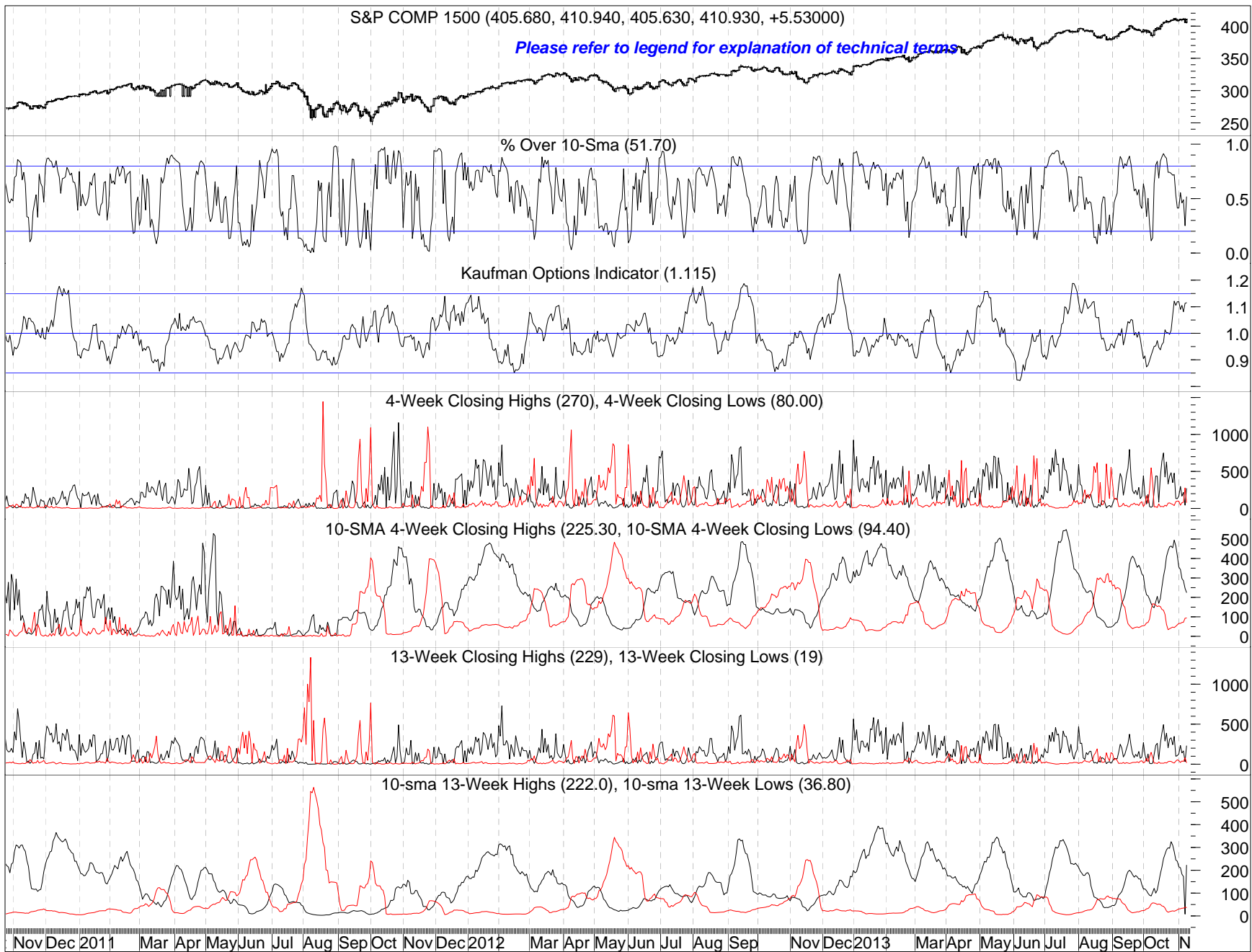
Kaufman Options Indicator (1.115)

4-Week Closing Highs (270), 4-Week Closing Lows (80.00)

10-SMA 4-Week Closing Highs (225.30), 10-SMA 4-Week Closing Lows (94.40)

13-Week Closing Highs (229), 13-Week Closing Lows (19)

10-sma 13-Week Highs (222.0), 10-sma 13-Week Lows (36.80)



The percentage of stocks over their own 10-day sma is neutral.

Our proprietary options indicator remains elevated, which can be a headwind for stocks.

Closing highs still remain well above closing lows, although the number of highs has been shrinking.

11/9/2013

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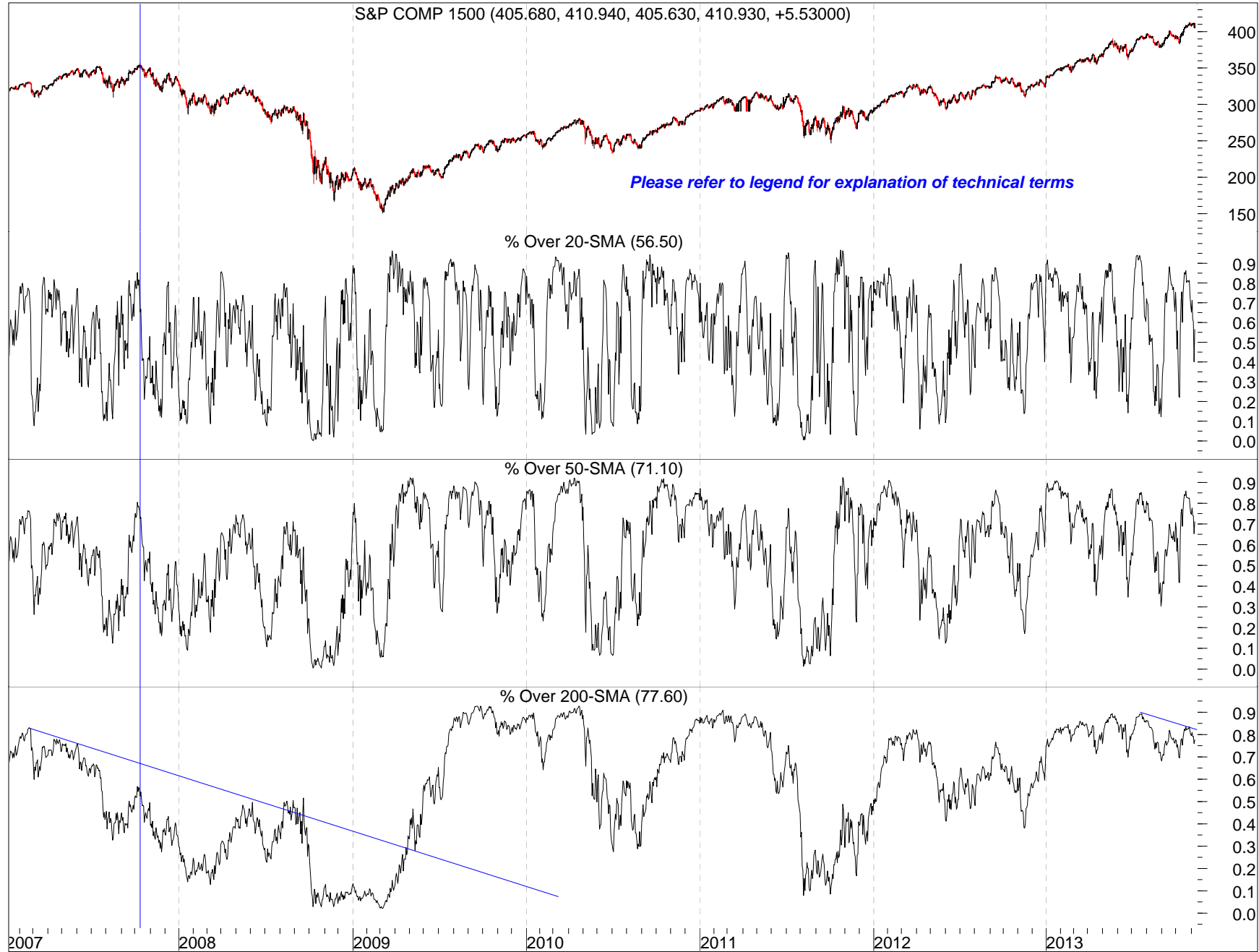
S&P COMP 1500 (405.680, 410.940, 405.630, 410.930, +5.53000)

Please refer to legend for explanation of technical terms

% Over 20-SMA (56.50)

% Over 50-SMA (71.10)

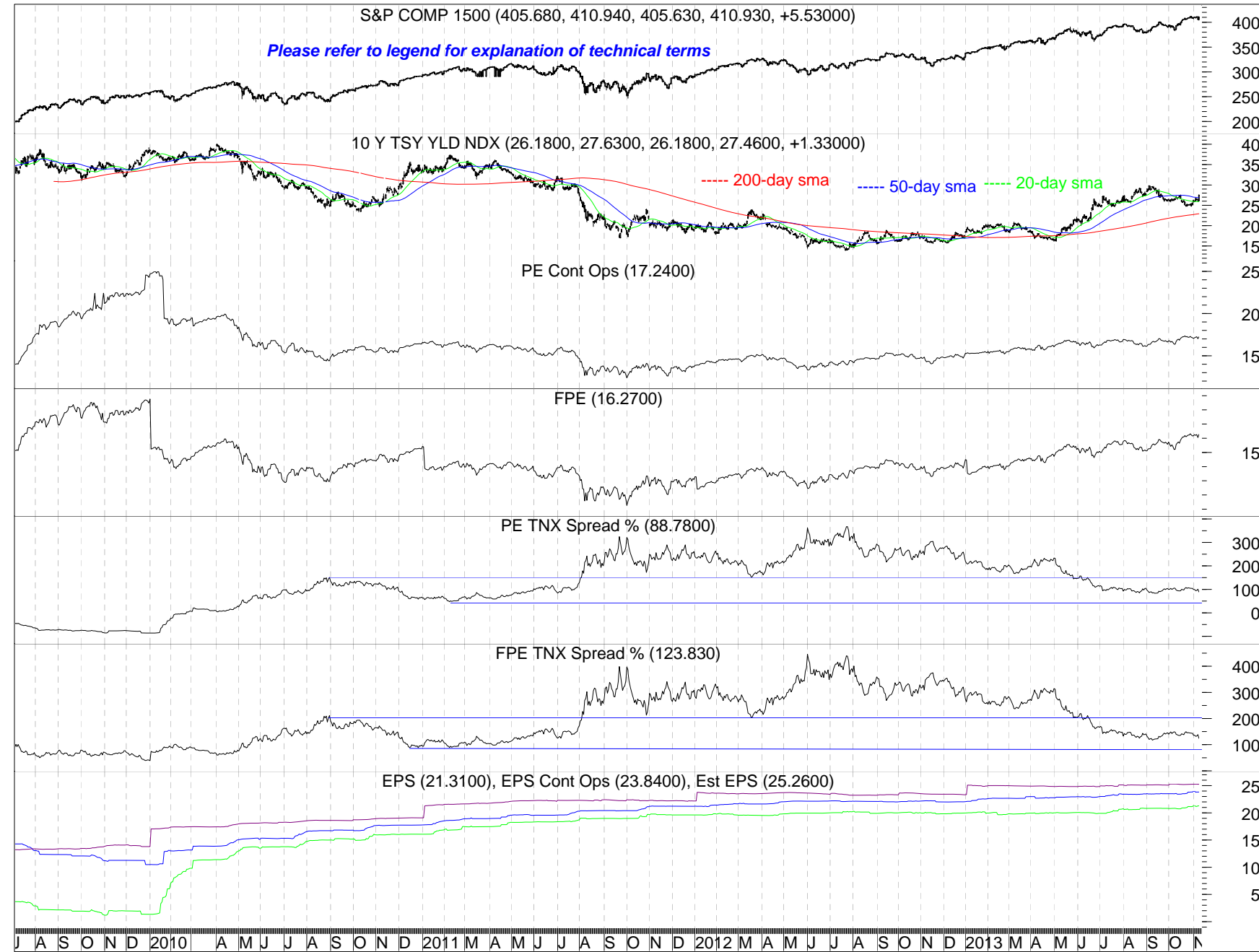
% Over 200-SMA (77.60)



For many months we have pointed out that the longer-term breadth numbers were not showing the type of deterioration seen ahead of important market tops. This is easily seen by looking at the percentage of stocks over their own 200-day moving averages during 2007 before that important top. We do have a slight negative divergence now that we will keep track of. In spite of the recent new high in the S&P 1500 fewer stocks were above their own 200-day average than at index highs earlier in the year. For now we think this just means investors are becoming more selective.

11/9/2013

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P/E ratios have pulled back slightly from multi-year highs.

Spreads between equity and bond yields have found a home at levels they were in pre-August 2011. They have been a very narrow range since the summer.

Aggregate earnings and projections have increased only slightly.

11/9/2013

10 Y TSY YLD NDX (26.18, 27.63, 26.18, 27.46, +1.33)

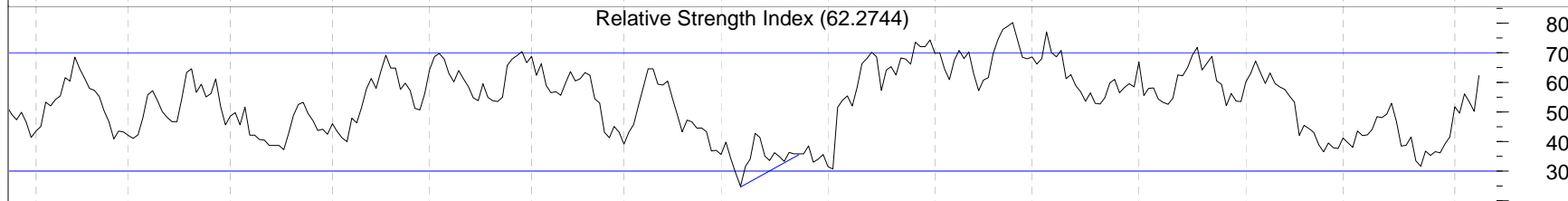
Please refer to legend for explanation of technical terms

10-Year Note Yield Daily



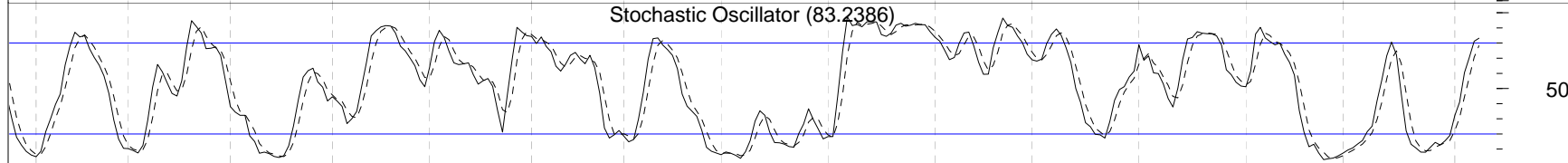
The 10-year note yield vaulted to its highest daily close since 9/19 Friday. It is at the October resistance.

Relative Strength Index (62.2744)

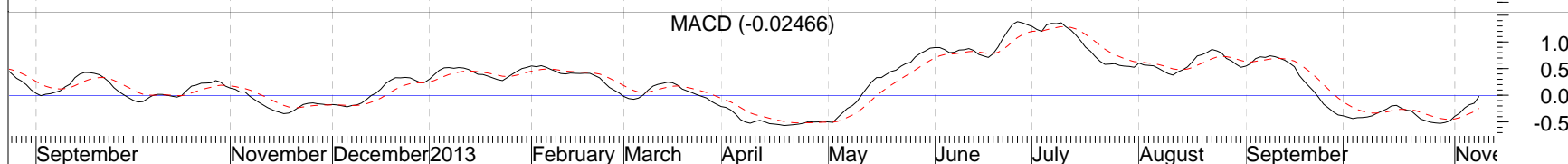


Daily momentum is positive and not fully overbought.

Stochastic Oscillator (83.2386)



MACD (-0.02466)

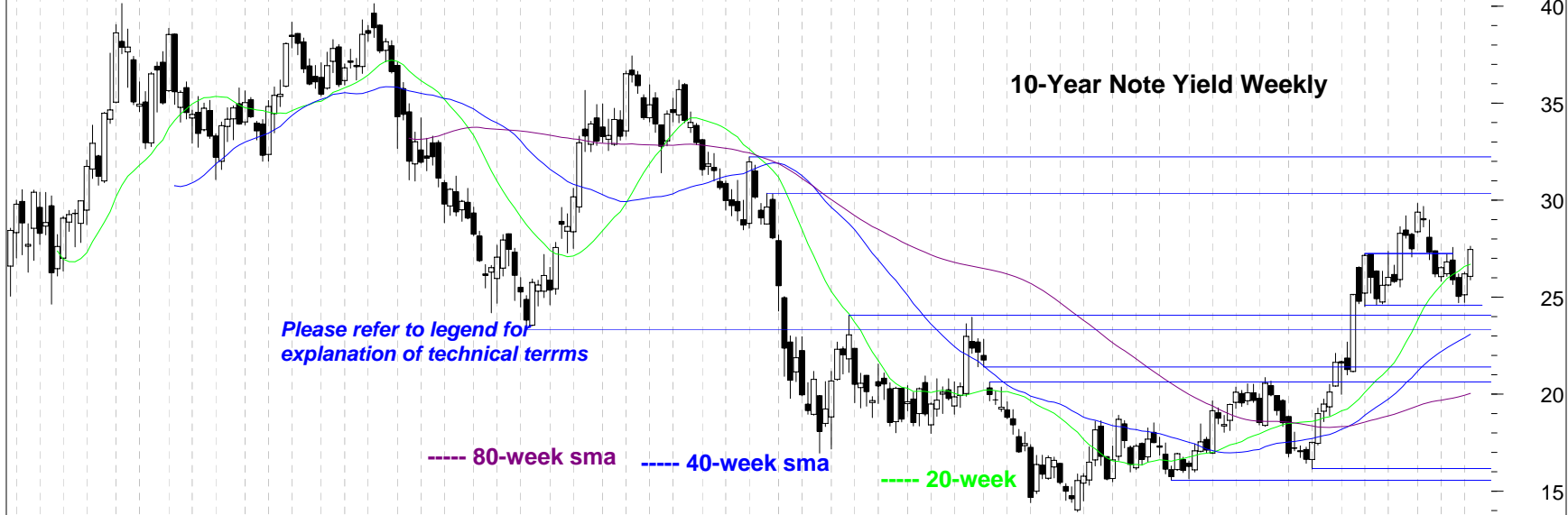


September November December 2013 February March April May June July August September November

11/9/2013

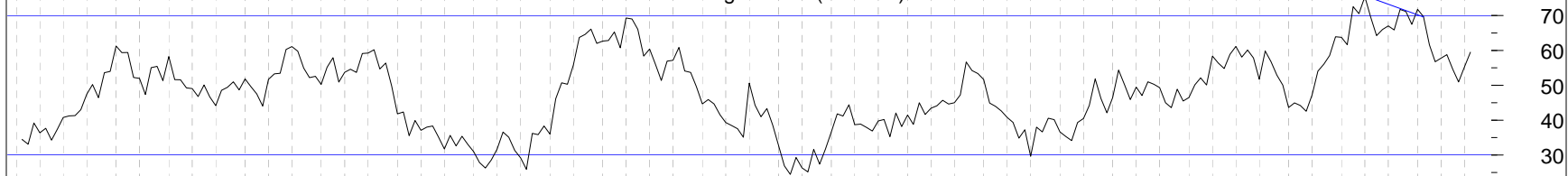
10 Y TSY YLD NDX (26.07, 27.63, 25.89, 27.46, +1.26)

10-Year Note Yield Weekly



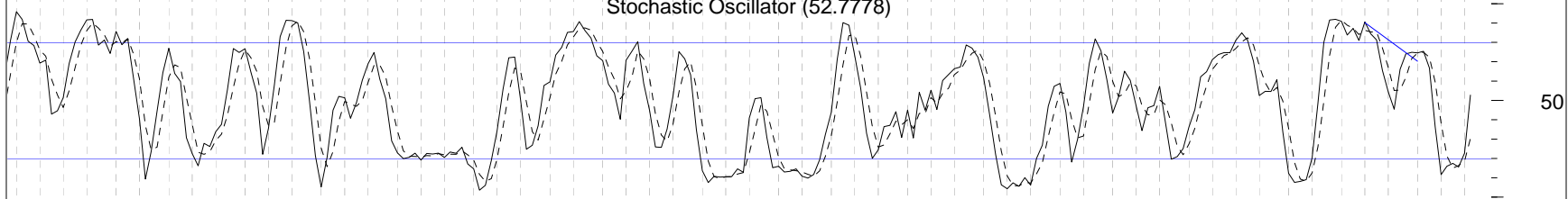
Back over the 20-week moving average after holding support at the 2.6 to 2.7 range.

Relative Strength Index (59.4651)

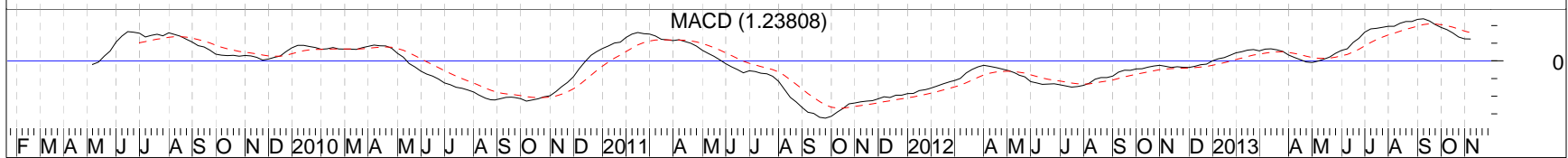


Weekly momentum is mostly positive with plenty of room to move higher.

Stochastic Oscillator (52.7778)



MACD (1.23808)



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

11/9/2013

US DOLLAR INDEX (80.8850, 81.4820, 80.7800, 81.3030, +0.45800), Volume (0)

U.S. Dollar Index Daily

Please refer to legend for explanation of technical terms

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

A big jump in the U.S. Dollar index left it not far from the 200-day sma.

Relative Strength Index (66.2045)

Daily momentum is positive but at high or overbought levels.

Stochastic Oscillator (81.9570)

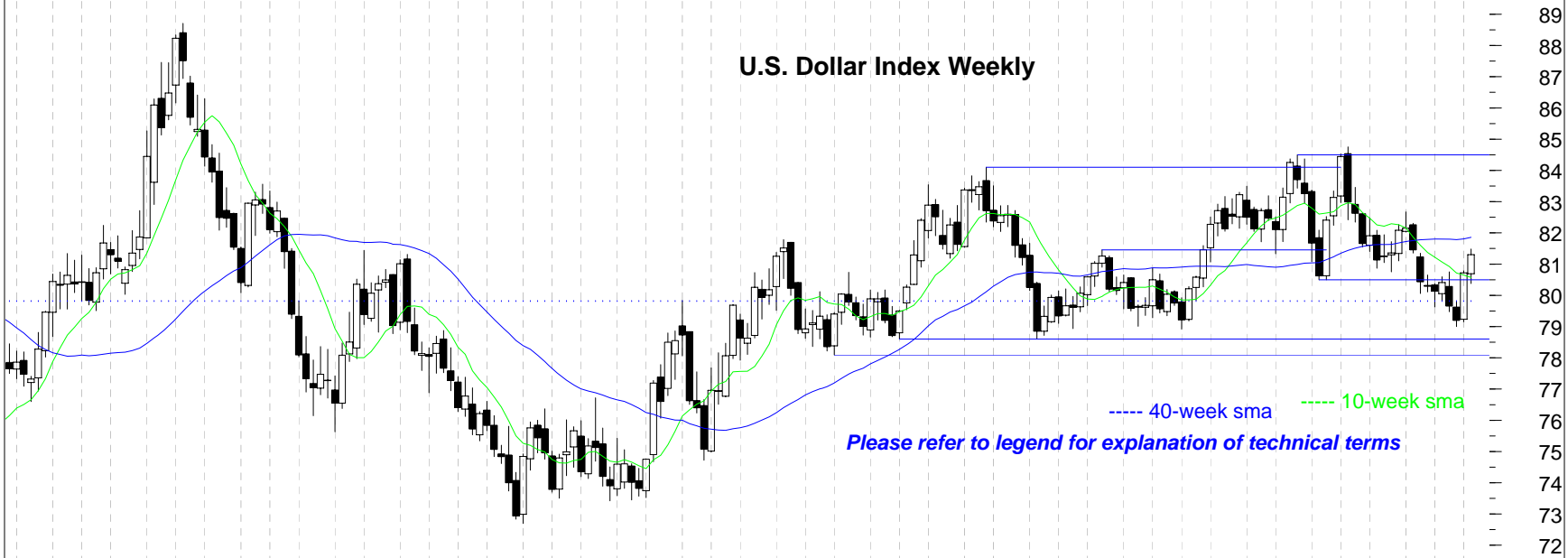
MACD (0.12556)

December 2013 February March April May June July August September October Nov

11/9/2013

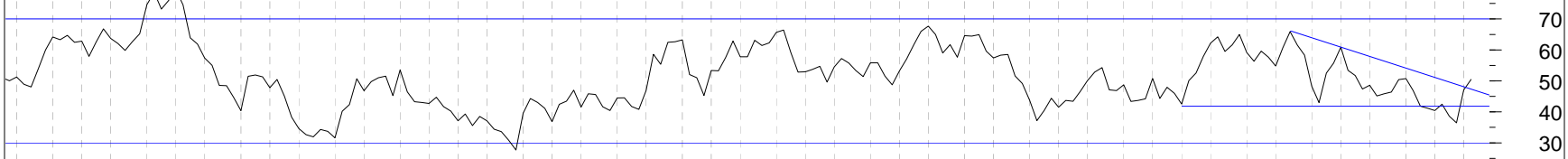
US DOLLAR INDEX (80.6910, 81.4820, 80.3800, 81.3030, +0.58100), Volume (0)

U.S. Dollar Index Weekly

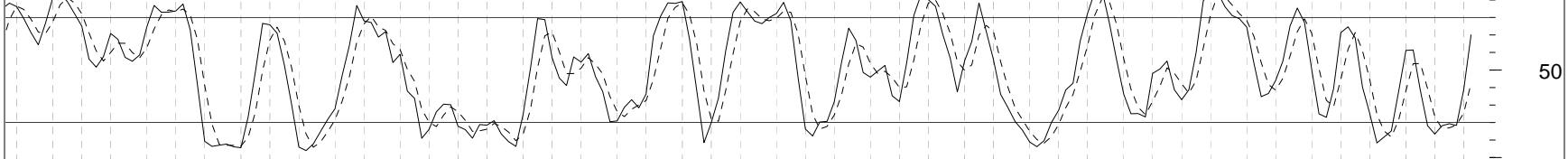


----- 40-week sma - - - - 10-week sma
Please refer to legend for explanation of technical terms

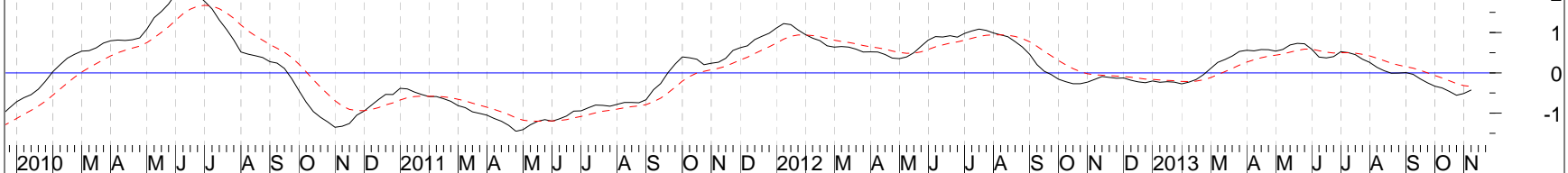
Relative Strength Index (50.4539)



Stochastic Oscillator (70.1012)



MACD (-0.42666)



The U.S. Dollar Index broke above price and moving average resistance on its weekly chart. It is just below its 40-week moving average.

Weekly momentum is almost all positive.

2010 M A 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

11/9/2013

SPDR GOLD TRUST (124.4600, 124.4600, 123.6200, 124.2790, -1.8810)

Gold ETF Daily

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

Please refer to legend for explanation of technical terms

----- 50-day sma

----- 200-day sma

----- 20-day sma

The gold ETF is just above support on its daily chart.

Relative Strength Index (37.9654)

Daily momentum is negative but near levels of support.

Stochastic Oscillator (11.4596)

MACD (-0.39812)

September December 2013 February March April May June July August September October November

11/9/2013

SPDR GOLD TRUST (127.1800, 127.5200, 123.6200, 124.2790, -2.6710)

GLD Weekly



The gold ETF remains below its 10-week moving average with the down sloping 40-week not far above.

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

Please refer to legend for explanation of technical terms

Weekly momentum is mixed.

11/9/2013

BAR IPA UBS COPR (39.5600, 40.0100, 39.5600, 39.9500, +0.2600)

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

Copper ETN Daily

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

Please refer to legend for explanation of technical terms

Relative Strength Index (46.5446)

Stochastic Oscillator (30.8378)

MACD (-0.09640)

The ETF representing copper, the metal with a Ph.D. in economics, is in the lower part of the sideways range it has been in and just above support.

Daily momentum is slightly negative.

September December 2013 February March April May June July August September October Nove

11/9/2013

BAR IPA UBS COPR (39.98, 40.03, 39.52, 39.95, -0.52)

Copper ETN Weekly

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" section on the fourth to last page of The Kaufman Report.

--- 10-Week sma

--- 40-Week sma

Relative Strength Index (46.1864)

Stochastic Oscillator (49.1588)

MACD (-0.28940)

S O N D 2010 M A 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

11/9/2013

The copper ETN is hanging on to support on its weekly chart but is just under its 10 and 40-week moving averages.

Weekly momentum is threatening to turn negative.

UNTD ST OIL FUND (34.0800, 34.2100, 33.8700, 34.0100, +0.0400)

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.

Please refer to legend for explanation of technical terms

U.S. Oil ETF Daily

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

Relative Strength Index (32.9368)

Stochastic Oscillator (18.0833)

MACD (-0.77408)

After a big plunge the oil ETF remains below resistance on its daily chart.

Daily momentum is trying to turn positive from oversold levels.

December 2013 February March April May June July August September October Nove

11/9/2013

UNTD ST OIL FUND (34.0600, 34.3700, 33.5500, 34.0100, -0.1190)

USO - United States Oil Fund ETF Weekly

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.

The oil ETF printed a doji candle on its weekly chart. Doji are signs of indecision frequently seen at turning points.

Relative Strength Index (39.6515)

Stochastic Oscillator (12.3597)

MACD (0.06517)

Weekly momentum is negative but at the stochastic is oversold and the RSI is around levels of prior support.

M A 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

11/9/2013

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

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

Indexes, Sectors, and Industry Groups

Major Index	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Dow Jones Industrials	15761.72	1.08%	0.94%	0.94%	1.39%	4.18%	20.28%	15797.68	11/7/2013	12471.49	11/16/2012
S&P 500	1770.59	1.34%	0.51%	0.51%	0.80%	5.30%	24.15%	1775.22	10/30/2013	1343.35	11/16/2012
S&P 1500	410.91	1.36%	0.45%	0.45%	0.70%	5.09%	24.60%	411.90	11/7/2013	309.69	11/16/2012
Russell 2000	1099.97	1.94%	0.39%	0.39%	-0.02%	2.44%	29.51%	1123.26	10/30/2013	763.55	11/16/2012
NYSE Composite	10019.86	0.96%	0.02%	0.02%	0.10%	4.14%	18.67%	10127.63	10/30/2013	7841.76	11/16/2012
Nasdaq Composite	3919.23	1.60%	-0.07%	-0.07%	-0.01%	3.92%	29.80%	3966.71	10/30/2013	2810.80	11/16/2012
Nasdaq 100	3366.84	1.37%	-0.38%	-0.38%	-0.32%	4.62%	26.53%	3408.28	10/30/2013	2494.38	11/16/2012
Dow Jones Transportation	7017.06	1.10%	-0.44%	-0.44%	0.60%	6.60%	32.23%	7131.80	11/4/2013	4838.10	11/16/2012
S&P Midcap 400	1284.41	1.32%	-0.49%	-0.49%	-0.37%	3.26%	25.87%	1302.41	10/22/2013	940.92	11/15/2012
Bank of New York Mellon ADR	147.05	0.54%	-0.99%	-0.99%	-1.40%	2.21%	9.75%	151.73	10/22/2013	121.24	11/16/2012

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Materials	278.47	1.84%	1.17%	1.17%	0.93%	5.08%	17.19%	279.62	10/30/2013	216.73	11/16/2012
Financials	280.50	2.28%	1.07%	1.07%	1.33%	4.52%	26.78%	283.34	10/22/2013	202.39	11/16/2012
Energy	634.08	1.42%	1.04%	1.04%	0.73%	4.83%	18.97%	637.67	11/6/2013	506.16	11/16/2012
Information Technology	548.54	1.08%	0.93%	0.93%	1.09%	5.64%	18.27%	550.98	11/7/2013	432.80	11/16/2012
Industrials	427.58	1.38%	0.83%	0.83%	1.58%	6.71%	30.06%	429.00	11/7/2013	305.04	11/16/2012
Consumer Staples	438.68	0.36%	0.35%	0.35%	0.76%	6.93%	21.59%	443.37	11/6/2013	349.65	11/15/2012
Health Care	615.28	1.52%	0.08%	0.08%	0.76%	4.99%	32.90%	618.60	10/30/2013	445.01	11/15/2012
Consumer Discretionary	501.59	1.57%	-0.40%	-0.40%	-0.16%	4.43%	33.38%	508.77	11/6/2013	353.16	11/16/2012
Utilities	197.42	-0.21%	-0.41%	-0.41%	0.32%	3.99%	11.12%	210.47	4/30/2013	170.87	11/15/2012
Telecom Services	156.84	-0.04%	-2.06%	-2.06%	-2.14%	5.05%	7.39%	168.85	4/23/2013	139.93	11/16/2012

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Insurance	276.80	2.55%	2.61%	2.61%	1.55%	5.74%	38.59%	278.47	10/22/2013	187.92	11/16/2012
Software & Services	779.46	0.88%	1.59%	1.59%	1.88%	6.04%	23.97%	784.04	11/7/2013	588.85	11/16/2012
Diversified Financials	420.60	2.81%	1.51%	1.51%	2.26%	5.06%	30.73%	424.00	8/1/2013	284.52	11/16/2012
Health Care Equip & Services	555.39	0.91%	1.47%	1.47%	2.02%	6.15%	28.51%	557.03	11/7/2013	412.26	11/15/2012
Banks	198.30	2.78%	1.45%	1.45%	1.35%	4.49%	25.37%	203.69	8/5/2013	146.65	11/14/2012
Materials	278.47	1.84%	1.17%	1.17%	0.93%	5.08%	17.19%	279.62	10/30/2013	216.73	11/16/2012
Energy	634.08	1.42%	1.04%	1.04%	0.73%	4.83%	18.97%	637.67	11/6/2013	506.16	11/16/2012
Capital Goods	468.24	1.50%	1.02%	1.02%	1.75%	6.68%	30.32%	469.44	11/7/2013	333.22	11/16/2012
Household & Personal Products	513.32	0.18%	0.89%	0.89%	1.36%	8.74%	22.48%	518.69	10/29/2013	408.39	11/15/2012
Consumer Services	666.92	1.20%	0.46%	0.46%	0.92%	4.67%	22.76%	675.45	11/6/2013	515.82	11/16/2012
Technology Hardware & Equipment	549.09	1.39%	0.33%	0.33%	0.41%	5.63%	9.11%	556.36	10/29/2013	439.29	4/19/2013
Food & Staples Retailing	311.87	0.49%	0.33%	0.33%	1.10%	7.15%	27.45%	315.45	11/6/2013	230.53	11/16/2012
Transportation	450.71	0.86%	0.32%	0.32%	1.28%	7.42%	32.40%	455.33	11/6/2013	316.47	11/16/2012
Food, Beverage & Tobacco	501.82	0.37%	0.13%	0.13%	0.35%	6.10%	18.81%	509.40	5/16/2013	411.98	11/15/2012
Consumer Durables & Apparel	267.59	0.58%	0.01%	0.01%	0.27%	4.16%	25.71%	272.52	11/7/2013	196.40	11/15/2012
Commercial & Professional Service	181.93	1.37%	-0.10%	-0.10%	0.43%	5.02%	21.68%	182.58	11/1/2013	138.06	11/16/2012
Semiconductors & Equipment	397.16	1.02%	-0.21%	-0.21%	-0.43%	3.75%	25.42%	402.08	10/31/2013	291.35	11/16/2012
Automobiles & Components	135.16	2.05%	-0.26%	-0.26%	-0.50%	2.03%	36.36%	137.93	10/30/2013	81.52	11/16/2012
Retailing	888.38	1.39%	-0.28%	-0.28%	-0.70%	4.86%	36.03%	901.77	11/6/2013	631.57	11/15/2012
Utilities	197.42	-0.21%	-0.41%	-0.41%	0.32%	3.99%	11.12%	210.47	4/30/2013	170.87	11/15/2012
Pharmaceuticals, Biotech & Life Sci	596.32	1.82%	-0.58%	-0.58%	0.16%	4.44%	35.26%	605.63	10/30/2013	425.01	11/15/2012
Media	399.84	2.19%	-1.15%	-1.15%	-0.06%	4.66%	37.83%	406.32	11/4/2013	268.05	11/16/2012
Telecom Services	156.84	-0.04%	-2.06%	-2.06%	-2.14%	5.05%	7.39%	168.85	4/23/2013	139.93	11/16/2012
Real Estate	150.86	-1.06%	-3.57%	-3.57%	-2.85%	0.48%	-0.26%	177.55	5/22/2013	141.02	11/16/2012

**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
Israel EIS	46.90	1.01%	1.27%	1.10%	1.25%	11.93%	48.00	10/22/2013	39.45	11/16/2012
United States SPY	177.29	1.35%	0.61%	0.85%	5.52%	24.49%	177.64	11/7/2013	134.70	11/16/2012
Austria EWO	19.95	-0.30%	0.50%	-0.30%	3.26%	9.68%	20.39	11/6/2013	15.58	11/13/2012
Australia EWA	26.75	0.38%	0.38%	0.30%	5.86%	6.40%	28.15	4/30/2013	22.02	7/3/2013
United Kingdom EWU	20.31	0.84%	0.32%	-0.20%	3.52%	13.21%	20.54	10/30/2013	16.64	11/16/2012
Canada EWC	29.32	0.62%	0.17%	-0.12%	3.57%	3.24%	29.57	10/22/2013	25.61	6/24/2013
Vietnam VNM	18.83	-0.53%	0.00%	-0.79%	5.14%	4.61%	23.59	2/11/2013	15.35	11/28/2012
Indonesia IDX	23.60	0.85%	-0.04%	-1.75%	2.88%	-17.60%	33.39	5/22/2013	20.54	8/27/2013
Sweden EWD	33.70	0.06%	-0.38%	-1.43%	-1.61%	11.59%	35.70	9/19/2013	26.26	11/16/2012
Germany EWG	29.08	0.41%	-0.39%	-0.89%	4.57%	17.73%	29.73	10/30/2013	21.49	11/16/2012
Netherlands EWN	24.75	0.61%	-0.48%	-1.08%	3.99%	20.67%	25.23	10/22/2013	18.20	11/16/2012
Japan EWJ	11.72	0.73%	-0.55%	-1.60%	-1.72%	20.15%	12.43	5/22/2013	8.75	11/14/2012
Belgium EWK	15.86	0.13%	-0.63%	-1.43%	3.05%	14.51%	16.35	10/22/2013	12.16	11/16/2012
Switzerland EWL	31.83	0.28%	-0.69%	-1.16%	1.76%	18.77%	32.76	10/28/2013	24.35	11/16/2012
Greece GREK	22.12	1.51%	-0.85%	-2.90%	14.61%	22.48%	23.22	10/22/2013	14.11	6/24/2013
France EWQ	27.39	0.29%	-1.08%	-1.81%	1.90%	16.11%	28.35	10/22/2013	20.60	11/16/2012
Singapore EWS	13.63	-0.29%	-1.23%	-1.30%	2.10%	-0.44%	14.71	5/9/2013	12.26	8/27/2013
Malaysia EWM	15.73	0.19%	-1.32%	-0.79%	4.59%	3.97%	16.85	5/8/2013	13.77	8/28/2013
Spain EWP	36.83	1.13%	-1.68%	-2.33%	5.99%	21.71%	38.96	10/22/2013	26.75	11/13/2012
Italy EWI	15.10	1.00%	-2.23%	-3.61%	6.94%	12.27%	15.94	10/22/2013	11.54	4/4/2013
Taiwan EWT	14.09	0.04%	-2.26%	-2.96%	1.19%	3.41%	14.77	10/22/2013	12.48	6/24/2013
Thailand THD	76.39	-0.74%	-2.30%	-2.69%	2.45%	-7.39%	96.11	5/8/2013	65.56	8/27/2013
Russia RSX	28.66	-0.28%	-2.35%	-1.80%	1.70%	-4.15%	31.16	1/28/2013	23.94	6/20/2013
Hong Kong EWH	20.03	0.50%	-2.48%	-1.64%	0.00%	3.14%	21.02	5/21/2013	17.81	6/24/2013
South Africa EZA	63.10	-0.28%	-2.51%	-3.85%	-0.21%	-11.85%	71.72	1/2/2013	53.37	6/24/2013
China 25 FXI	36.84	0.56%	-2.62%	-1.94%	-0.65%	-8.92%	41.97	1/3/2013	31.35	6/25/2013
South Korea EWY	62.51	0.18%	-2.86%	-2.18%	1.64%	-1.33%	66.07	10/22/2013	49.56	6/24/2013
Chile ECH	48.58	-1.94%	-2.88%	-2.90%	-3.17%	-23.18%	68.02	2/13/2013	45.84	8/28/2013
BRIC EEB	35.30	-0.23%	-3.05%	-3.26%	0.14%	-2.00%	37.70	10/22/2013	28.86	6/24/2013
Emerging Markets EE	41.16	-0.22%	-3.10%	-3.05%	0.99%	-7.20%	45.33	1/2/2013	36.16	6/24/2013
Turkey TUR	54.29	-1.09%	-4.00%	-5.99%	-1.58%	-18.70%	77.40	5/22/2013	47.27	8/28/2013
India IFN	20.17	-0.93%	-4.13%	-3.81%	5.67%	-3.23%	22.15	1/30/2013	16.83	8/28/2013
Mexico EWW	62.94	-0.25%	-4.22%	-3.81%	-1.49%	-10.76%	76.80	4/11/2013	57.69	6/21/2013
Latin America ILF	37.84	-0.99%	-4.47%	-4.85%	-1.12%	-13.69%	46.00	1/17/2013	34.38	6/24/2013
Brazil EWZ	47.02	-0.63%	-5.23%	-6.25%	-1.86%	-15.95%	57.76	3/7/2013	40.68	7/5/2013

DATA QUOTED REPRESENTS PAST PERFORMANCE.

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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	26.75	29.77			27.92			0.06	0.06
Austria EWO	19.95	42.17			40.25			0.03	0.10
Belgium EWK	15.86	26.62			27.63			0.03	0.15
Brazil EWZ	47.02	-16.19			-15.61			-0.02	-0.16
BRIC EEB	35.30	-0.94			-1.47			0.00	-0.02
Canada EWC	29.32	8.60			5.90			0.04	0.03
Chile ECH	48.58	21.45			19.69			-0.03	-0.23
China 25 FXI	36.84	-0.33			-0.33			-0.01	-0.09
Emerging Markets EE	41.16	43.56			41.29			0.01	-0.07
France EWQ	27.39	-1.39			-1.49			0.02	0.16
Germany EWG	29.08	12.96			12.86			0.05	0.18
Greece GREK	22.12	29.49			28.24			0.15	0.22
Hong Kong EWH	20.03	9.26			7.95			0.00	0.03
India IFN	20.17	8.03			6.52			0.06	-0.03
Indonesia IDX	23.60	16.24			14.72			0.58	-2.48
Israel EIS	46.90	11.44			9.18			0.01	0.12
Italy EWI	15.10	-20.17			-17.79			0.07	0.12
Japan EWJ	11.72	31.80			31.44			-0.02	0.20
Latin America ILF	37.84	9.17			8.75			-0.01	-0.14
Malaysia EWM	15.73	32.84			30.04			0.05	0.04
Mexico EWW	62.94	29.13			28.85			-0.01	-0.11
Netherlands EWN	24.75	31.26			27.90			0.04	0.21
Russia RSX	28.66	32.57			31.73			0.02	-0.04
Singapore EWS	13.63	33.75			32.61			0.02	0.00
South Africa EZA	63.10	2.53			2.24			0.00	-0.12
South Korea EWY	62.51	-6.58			-6.78			0.02	-0.01
Spain EWP	36.83	-9.05			-9.05			0.06	0.22
Sweden EWD	33.70	4.96			5.95			-0.02	0.12
Switzerland EWL	31.83	22.56			23.27			0.02	0.19
Taiwan EWT	14.09	16.01			14.35			0.01	0.03
Thailand THD	76.39	4.17			2.82			0.02	-0.07
Turkey TUR	54.29	3.77			0.88			-0.02	-0.19
United Kingdom EWL	20.31	-9.78			-6.42			0.04	0.13
United States SPY	177.29	9.98			7.97			0.06	0.24
Vietnam VNM	18.83	34.17			33.87			0.05	0.05

**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	74.16	-0.39%	2.49%	3.07%	4.83%	7.14%	77.20	3/8/2013	59.60	11/12/2012
Natural Gas UNG	17.67	1.26%	1.26%	-0.56%	-3.34%	-6.51%	24.09	4/18/2013	16.60	8/8/2013
Coal KOL	20.21	1.05%	0.85%	1.35%	6.37%	-19.61%	26.38	1/7/2013	17.16	6/24/2013
Grains JJG	44.94	1.17%	0.20%	-0.31%	-1.88%	-15.10%	58.52	11/8/2012	44.25	11/8/2013
Corn CORN	32.21	1.74%	0.19%	-0.40%	-4.05%	-27.32%	48.49	11/28/2012	31.31	11/8/2013
Livestock COW	27.94	0.48%	0.12%	-0.63%	1.10%	-2.05%	29.16	11/26/2012	25.41	4/15/2013
Cotton BAL	48.83	-0.04%	0.10%	-0.45%	-12.48%	-0.63%	60.53	3/15/2013	45.34	11/8/2012
Tin JJT	51.90	0.00%	0.08%	0.14%	-2.20%	-3.64%	58.28	1/17/2013	41.89	7/2/2013
Cocoa NIB	35.26	-1.33%	-0.17%	-0.88%	0.20%	16.37%	37.09	10/22/2013	27.47	3/6/2013
OIL USO	34.01	0.12%	-0.35%	-1.96%	-7.71%	1.92%	39.54	9/6/2013	30.79	4/17/2013
Timber CUT	25.05	0.89%	-0.40%	-0.40%	2.75%	22.55%	25.76	10/21/2013	18.00	11/16/2012
Sugar SGG	61.27	0.08%	-0.54%	-1.51%	-0.03%	-12.91%	72.20	11/20/2012	55.56	7/16/2013
Platinum PPLT	140.99	-0.86%	-0.79%	-0.46%	2.67%	-6.85%	170.78	2/7/2013	127.34	6/26/2013
Heating Oil UHN	30.90	1.19%	-0.95%	-3.88%	-3.76%	-8.38%	36.27	2/8/2013	29.66	4/17/2013
Copper JJC	39.95	0.66%	-1.28%	-1.11%	-1.82%	-13.13%	47.80	2/1/2013	36.87	6/24/2013
Grains GRU	5.98	-0.37%	-1.68%	-1.84%	-2.95%	-16.58%	7.91	11/8/2012	5.41	8/15/2013
Silver SLV	20.69	-0.67%	-1.85%	-1.92%	-1.00%	-29.55%	33.31	11/29/2012	17.75	6/27/2013
Coffee JO	20.98	-0.10%	-1.92%	-1.36%	-9.49%	-35.19%	36.01	11/12/2012	20.37	11/6/2013
Gold GLD	124.28	-1.49%	-2.10%	-2.71%	-3.04%	-23.29%	170.01	11/23/2012	114.68	6/28/2013
Aluminum JJU	19.26	0.00%	-2.73%	-4.94%	-3.83%	-20.35%	25.34	1/2/2013	18.03	6/21/2013

DATA QUOTED REPRESENTS PAST PERFORMANCE.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Commodity ETFs/ETNs Standard Performance

	Price	-----PRICE % Change-----			-----NAV % Change-----			Expense Ratio%	Premium % to NAV
		1-Year	5-Year	10-Year	1-Year	5-Year	10-Year		
Aluminum JJU	19.26	-14.21	-9.81		-14.30	-8.76		0.75	-0.45
Coal KOL	20.21	-15.36	5.83		-17.57	5.83		0.59	0.01
Cocoa NIB	35.26	10.05	2.78		9.21	3.10		0.75	0.18
Coffee JO	20.98	-41.02	-10.64		-40.67	-10.68		0.75	0.37
Copper JJC	39.95	-8.79	10.62		-8.48	10.60		0.75	-0.21
Corn CORN	32.21	-32.28			-33.78			1.49	-0.02
Cotton BAL	48.83	7.14	13.01		6.43	13.32		0.75	-0.06
Gold GLD	124.28	-26.02	11.37		-24.10	11.75		0.40	0.01
Grains GRU	5.98	-24.14	-0.01					0.75	
Grains JGG	44.94	-22.77	2.79		-23.78	2.52		0.75	-0.06
Heating Oil UHN	30.90	-6.45	-0.17		-7.14	-0.21		0.91	-0.63
Livestock COW	27.94	-0.52	-4.91		-0.75	-5.04		0.75	0.18
Natural Gas UNG	17.67	-16.61	-40.24		-17.18	-40.33		0.60	0.04
OIL USO	34.01	8.66	-7.42		9.02	-7.48		0.45	0.06
Palladium PALL	74.16	22.70			21.71			0.60	0.84
Platinum PPLT	140.99	-7.28			-7.18			0.60	0.16
Silver SLV	20.69	-34.07	15.77		-32.68	15.93		0.50	-0.58
Sugar SGG	61.27	-9.87	7.81		-10.47	8.01		0.75	0.21
Timber CUT	25.05	35.98	18.92		33.78	18.72		0.70	-0.09
Tin JJT	51.90		11.12		10.67	9.55		0.75	0.88

**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.

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.