

Monday October 28, 2013

Closing prices of October 25, 2013

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Stocks rallied for the third week in a row last week helped by good earnings reports and weaker than expected payrolls numbers that sent bond yields plunging. Major indexes were led on the week by the Dow Jones Transports, up 2.61%, and the recently lagging Dow Industrials, up 1.11%. **The S&P 500 traded to another new all-time high, along with the Nasdaq 100, Nasdaq Composite, and the Russell 2000.**

Eight of the ten S&P sectors rose last week, led by Industrials, up 2.21%, Utilities, up 2.01%, and Consumer Discretionary, up 1.98%. Energy and Financials showed minor losses on the week.

Seventeen of the twenty-four S&P industry groups traded higher last week. The leaders were Transportation, up 3.49%, and Retailing, up 3.06%. The downside was led by Diversified Financials, down 0.88%, Semiconductors & Equipment, down 0.75%, and Health Care Equipment & Services, down 0.49%.

Last week we said that in the short-term stocks were getting overbought. We pointed out that the percentage of stocks in the S&P 1500 over their own 10-day moving averages was at 91.3%, and some major indexes had gapped higher, showing excessive enthusiasm on the part of investors. We also said our proprietary options indicator was surprisingly showing pessimism, so any pullbacks should be shallow. **We are now seeing some negative divergences develop.** For example, the percentage of stocks over their 10-day moving average is now only 73.2%. Friday's new high in the S&P 1500 recorded 484 stocks making 4-week closing highs, versus 749 on 10/18. With earnings season not quite halfway over and a period of very positive seasonality just ahead of us, these divergences may be washed away quickly. If not, at the least they show increasing selectivity on the part of investors, but they also may indicate the possibility that equities can run into some headwinds shortly. Our options indicator isn't much help here, with an about neutral reading of 1.01. **Still, selectivity may be increasing but for now the overriding factor is sellers remain firmly on the sidelines.**

Longer-term we remain bullish, as we have for a very long time. We are not far from 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: Unfortunately there is still a lot of noise regarding the effect the government shutdown may have had on our economy in the time leading up to and during the actual shutdown. The statistics that did come out recently were decidedly disappointing. **Home purchases in September fell for the first time in three months. The long awaited payrolls report for September showed weaker growth than expected, causing bond yields to plunge. The labor force participation rate is still the lowest since August 1978.** Stocks shot up on the news as investors believe the weakness pushes any tapering by the Fed well into 2014. Construction spending rose for the fifth straight month led by strong homebuilding numbers. There was good news out of China as their manufacturing picked up steam in October and topped forecasts. This was another sign of a rebound in China following the biggest gain in home prices in major cities in over two years. Maybe they will stop complaining about prices at Starbucks. **On Thursday we had more bad employment news as jobless claims came in worse than expected. Bloomberg Consumer Confidence hit the lowest level since February.** The JOLTs report on job openings showed the highest level in three years. **Unfortunately the pace of firings increased.** Kansas City region manufacturing was stronger than expected. Europe continued its recovery as factory output in October grew for the fourth straight month. Durable goods orders were better than expected due to strong aircraft demand. **Unfortunately there was a drop in orders for computers, electronics, and factory equipment that shows a lack of confidence on the part of businesses.** University of Michigan consumer confidence hit a 10-month low, while expectations for six months from now plunged to the lowest level since November 2011.

So far 243 of the S&P 500 have reported third quarter earnings. 69.3% have beat estimates, 13.9% were in line, and 16.8% missed. These are very good numbers. Last quarter after 252 had reported 68.3% beat, 11.1% were in line, and 20.6% 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 stocks are digesting an overbought condition, with negative divergences indicating some vulnerability. So far, sellers remain firmly on the sidelines. Longer-term we remain bullish due to recently improving economic data (pre-government shutdown in the U.S.), attractive valuations, strong market breadth, impending positive seasonality, and the globally synchronized program of asset purchases by central banks. We are midway through earnings season, which so far is very good, but investors need to be 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 (1,755.93, 1,759.61, 1,755.84, 1,759.57, +3.63)

S&P 500 30-Minute Intraday Chart

Each candle represents a 30-minute period

Please refer to legend for an explanation of technical terms

The S&P 500 made a marginal new high Friday.

Relative Strength Index (67.2100)

30-minute momentum is positive.

Stochastic Oscillator (83.5181)

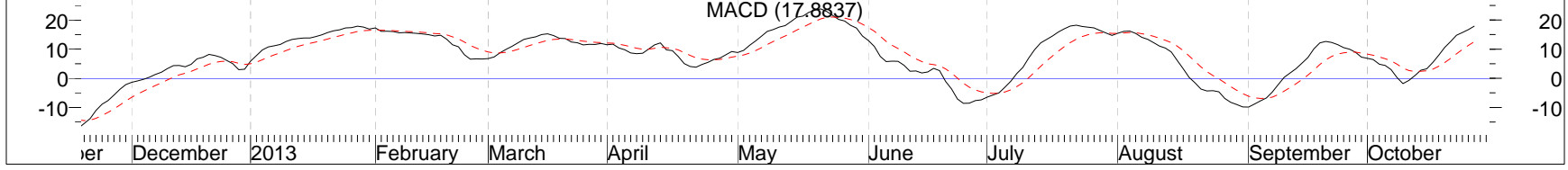
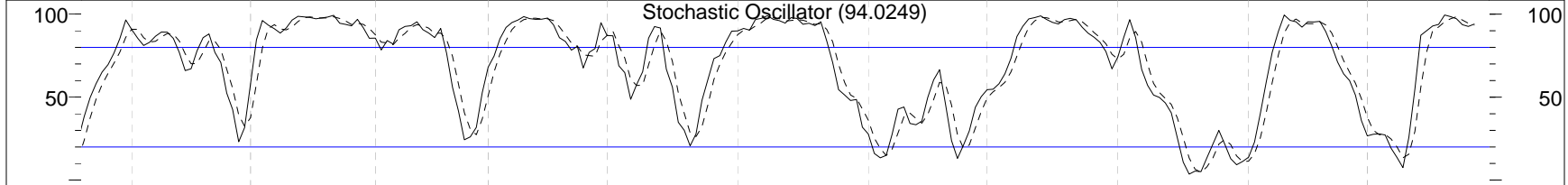
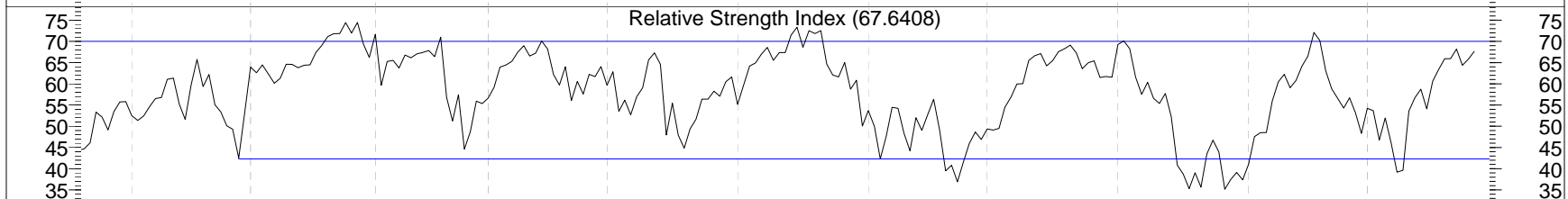
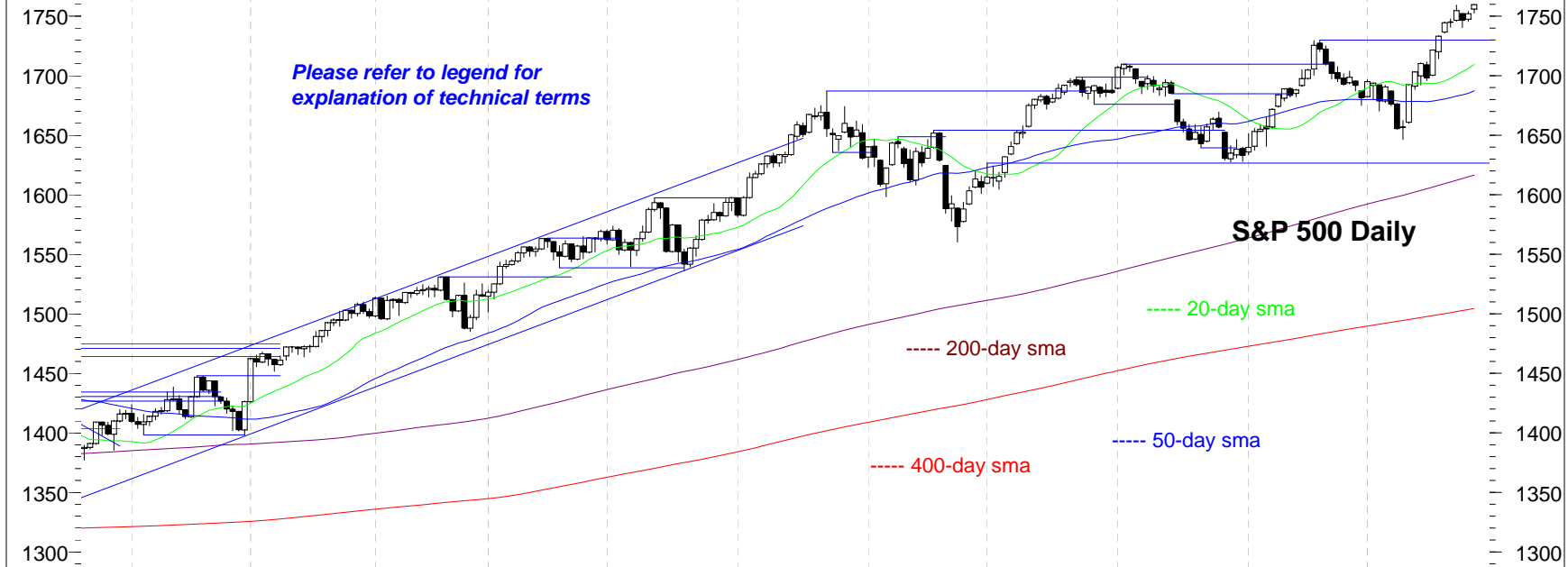
MACD (1.99925)



10/26/2013

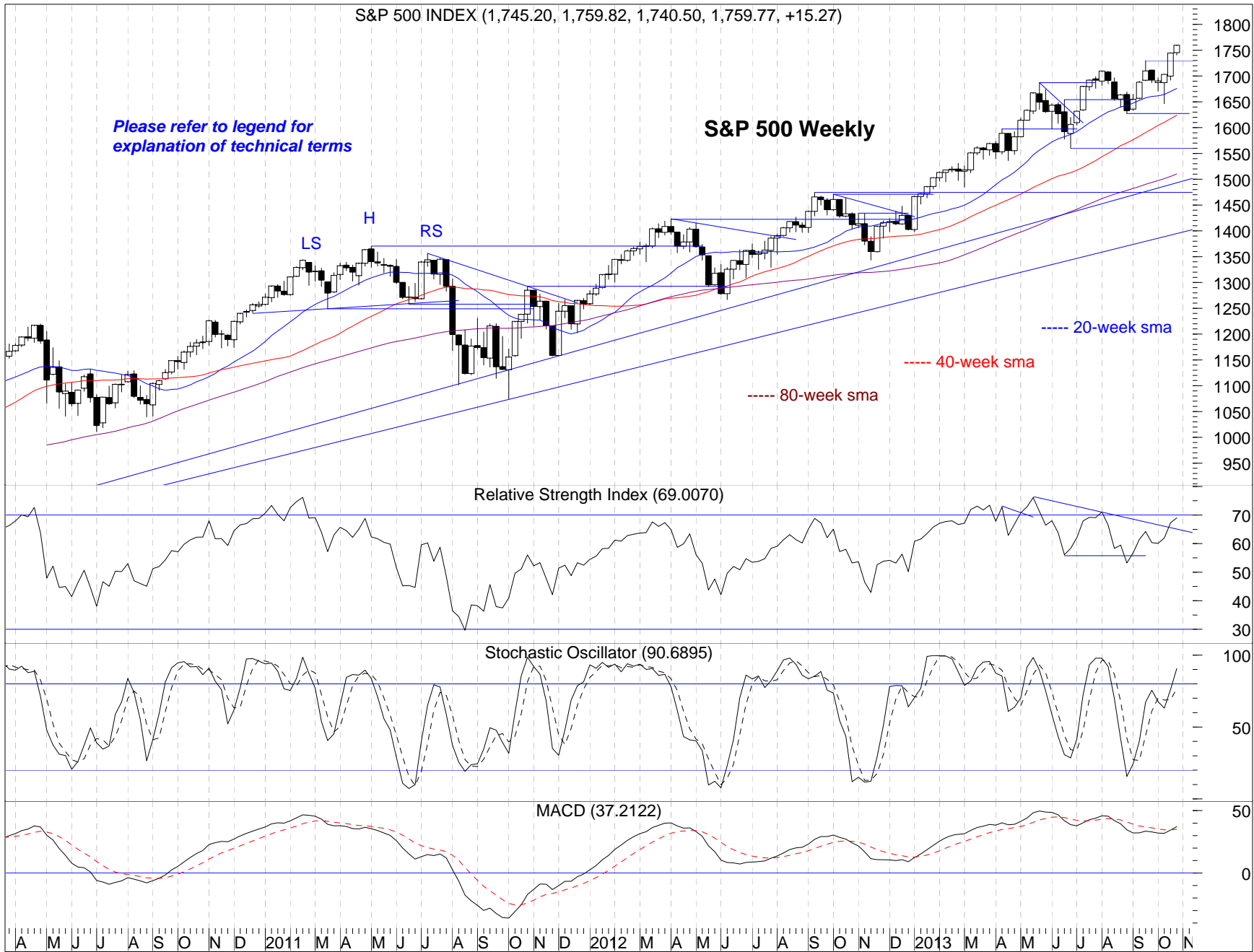
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S&P 500 INDEX (1,756.01, 1,759.82, 1,752.45, 1,759.77, +7.70)



10/26/2013

S&P 500 INDEX (1,745.20, 1,759.82, 1,740.50, 1,759.77, +15.27)



Please refer to legend for explanation of technical terms

S&P 500 Weekly

----- 20-week sma

----- 40-week sma

----- 80-week sma

Relative Strength Index (69.0070)

Stochastic Oscillator (90.6895)

MACD (37.2122)

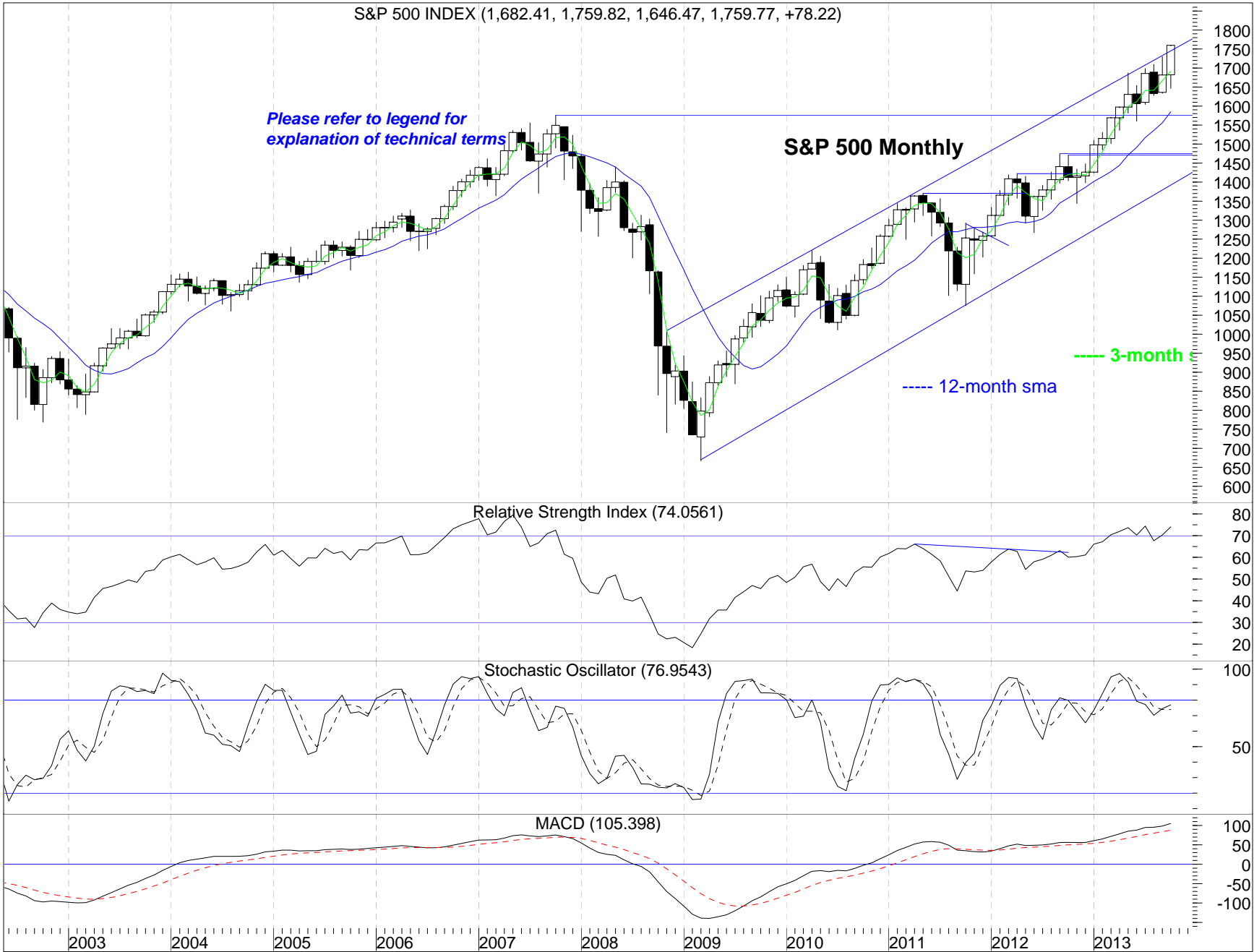
Three up weeks in a row for the S&P 500.

Weekly momentum is positive and not yet fully overbought.

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S&P 500 INDEX (1,682.41, 1,759.82, 1,646.47, 1,759.77, +78.22)



Please refer to legend for explanation of technical terms

S&P 500 Monthly

----- 3-month

----- 12-month sma

Relative Strength Index (74.0561)

Stochastic Oscillator (76.9543)

MACD (105.398)

The S&P 500 is starting to break above the upper trendline of the multi-year price channel it has been in.

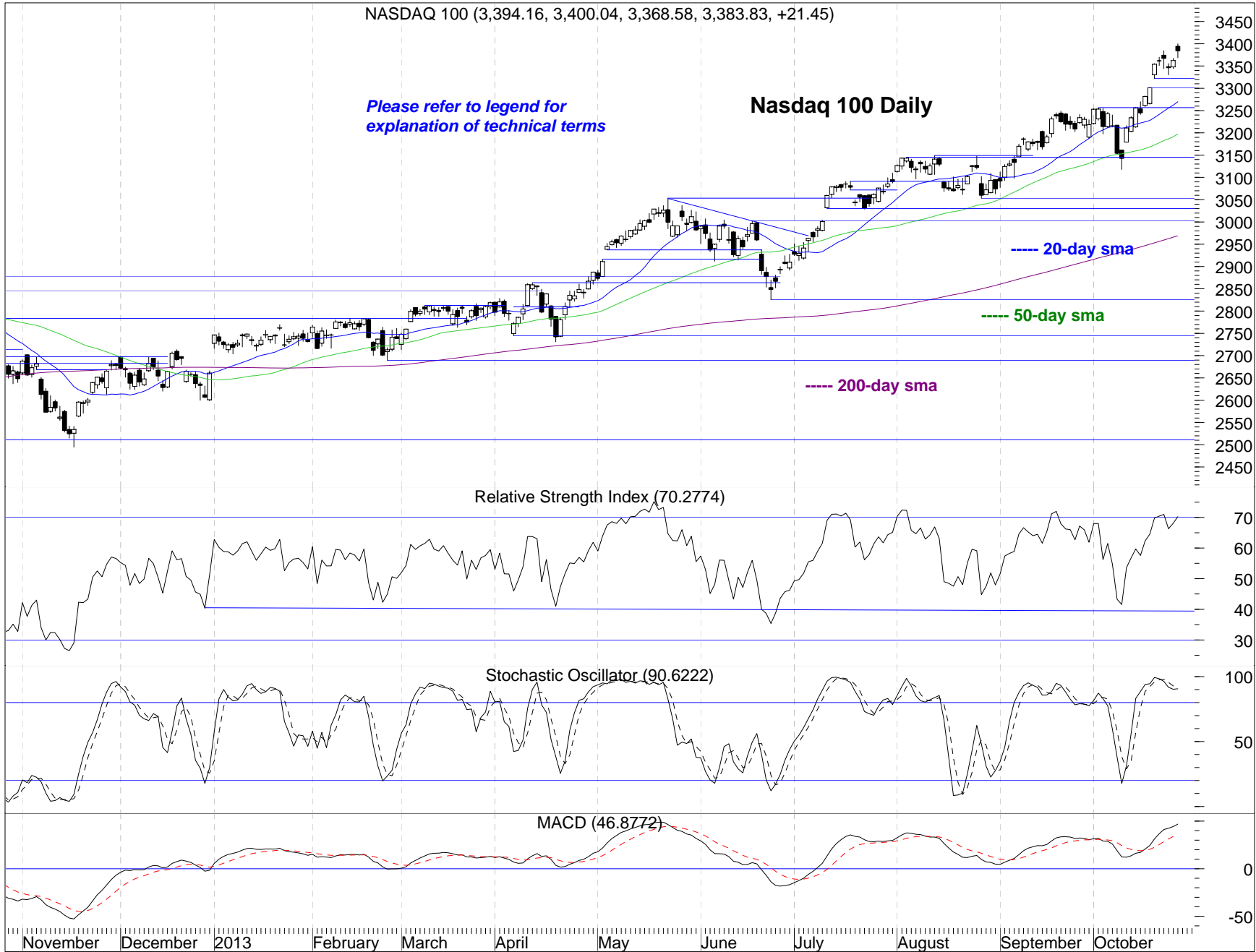
Monthly momentum is positive with a negative divergence on the stochastic.

10/26/2013

NASDAQ 100 (3,394.16, 3,400.04, 3,368.58, 3,383.83, +21.45)

Please refer to legend for explanation of technical terms

Nasdaq 100 Daily



After gapping higher on 10/18 the Nasdaq 100 has gone on to more new highs.

Daily momentum is at high or overbought levels.

10/26/2013

NASDAQ 100 (3,361.76, 3,400.04, 3,330.20, 3,383.83, +29.95)



Please refer to legend for explanation of technical terms

Nasdaq 100 Weekly

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

The Nasdaq 100 printed a spinning top candle on its weekly chart. This indicates the tug-of-war between buyers and sellers at this price level.

Relative Strength Index (75.3144)

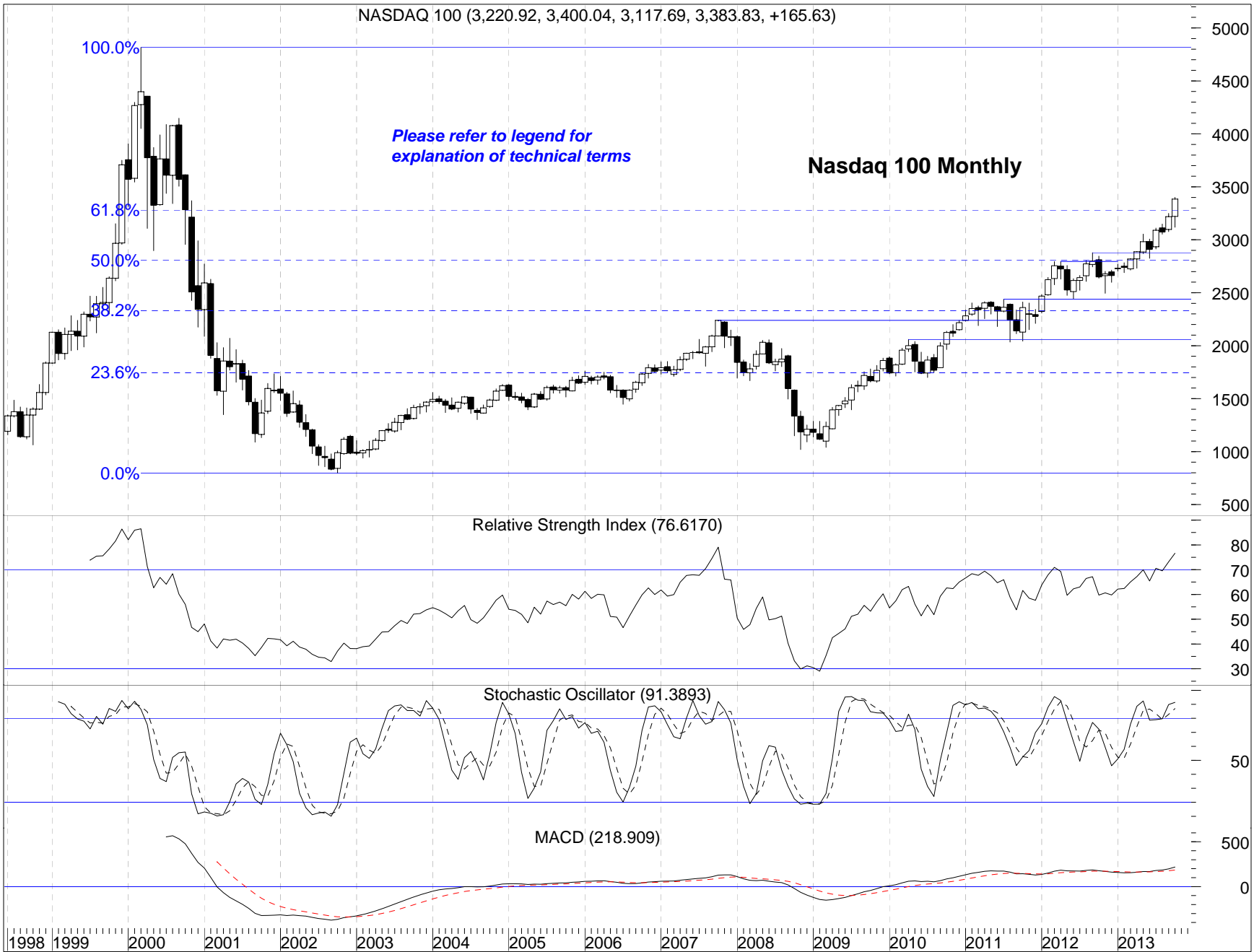
Stochastic Oscillator (93.8040)

MACD (107.578)

Weekly momentum is positive but at high or overbought levels.

10/26/2013

NASDAQ 100 (3,220.92, 3,400.04, 3,117.69, 3,383.83, +165.63)



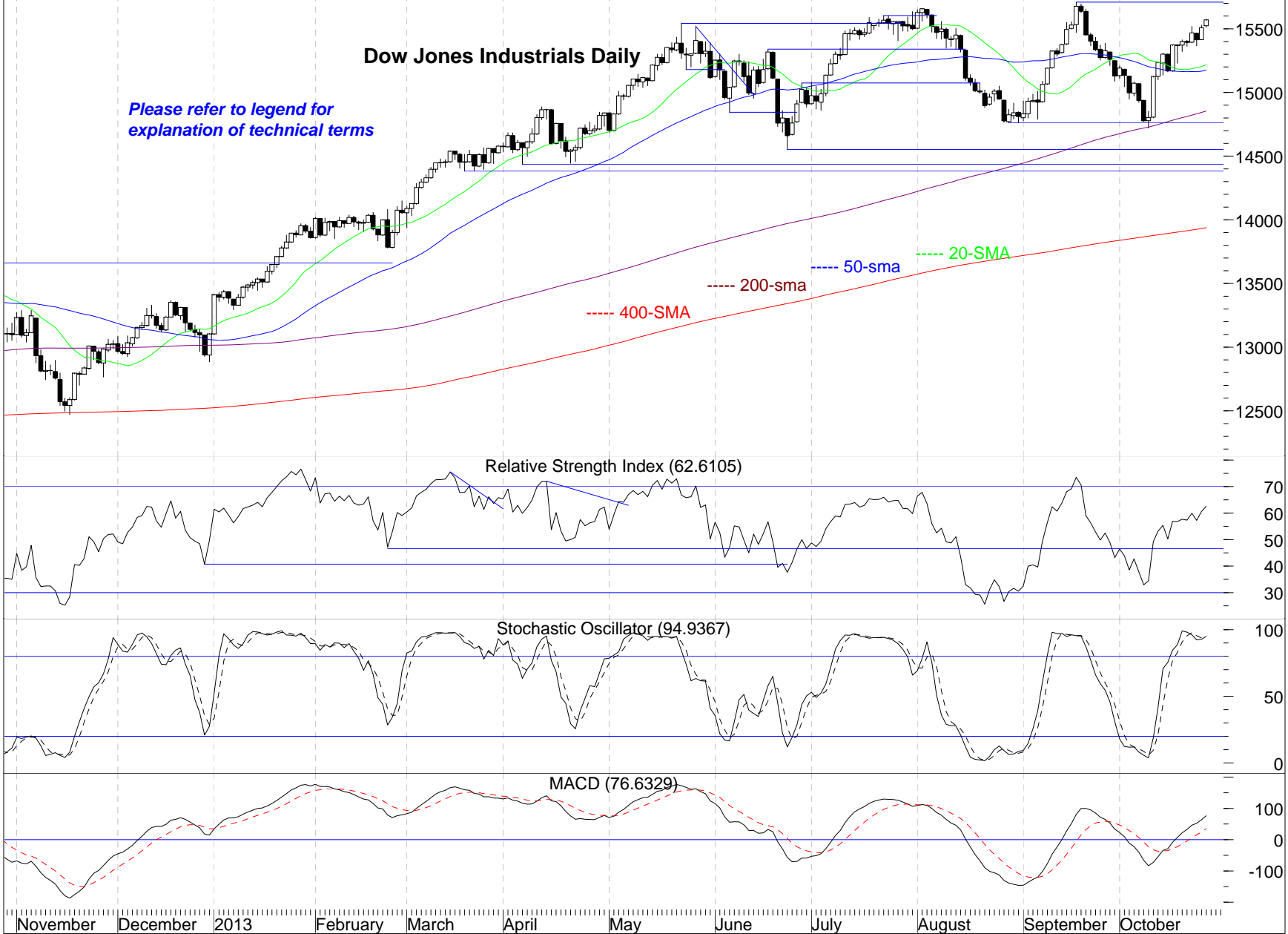
The Nasdaq 100 is at the highest level since October 2000. In our report dated June 3rd we said the Nasdaq 100 had broken decisively through the 50% Fibonacci retracement level of the bear market of 2000 - 2002. We said at that time that at some point there should be a move to the 61.8% level. We recently hit that level and have exceeded it slightly. The next Fibonacci retracement level is 76.4%, which is at 3867.37.

Monthly momentum is positive but at high or overbought levels.

DJ INDU AVERAGE (15,523.72, 15,570.60, 15,512.96, 15,570.28, +61.07)

Dow Jones Industrials Daily

Please refer to legend for explanation of technical terms

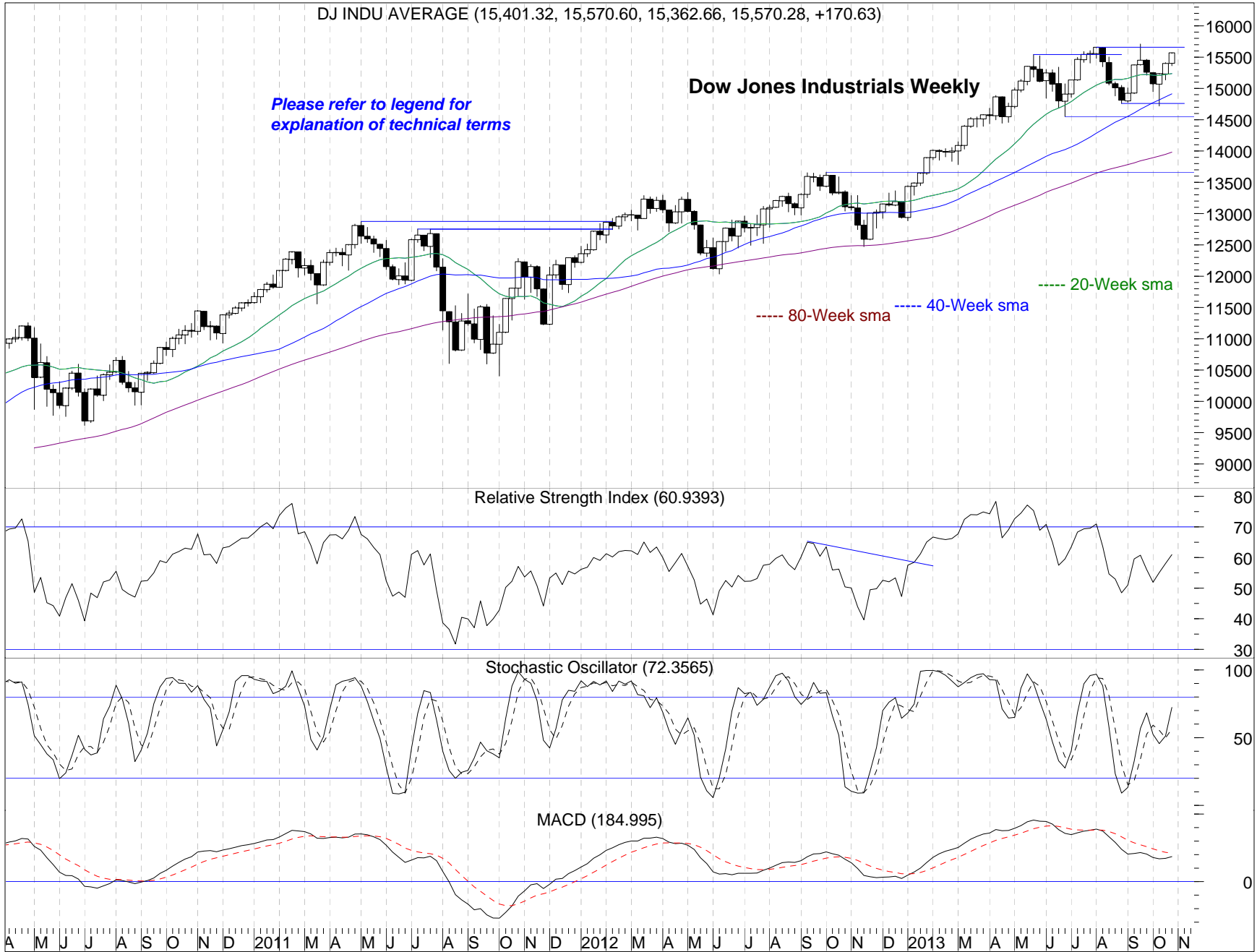


The Dow Industrials are lagging other major indexes in that it hasn't made a new high, but it is rallying.

Daily momentum is positive with only the stochastic overbought.

10/26/2013

DJ INDU AVERAGE (15,401.32, 15,570.60, 15,362.66, 15,570.28, +170.63)



Three up weeks in a row for the Dow Industrials.

Weekly momentum is almost all positive.

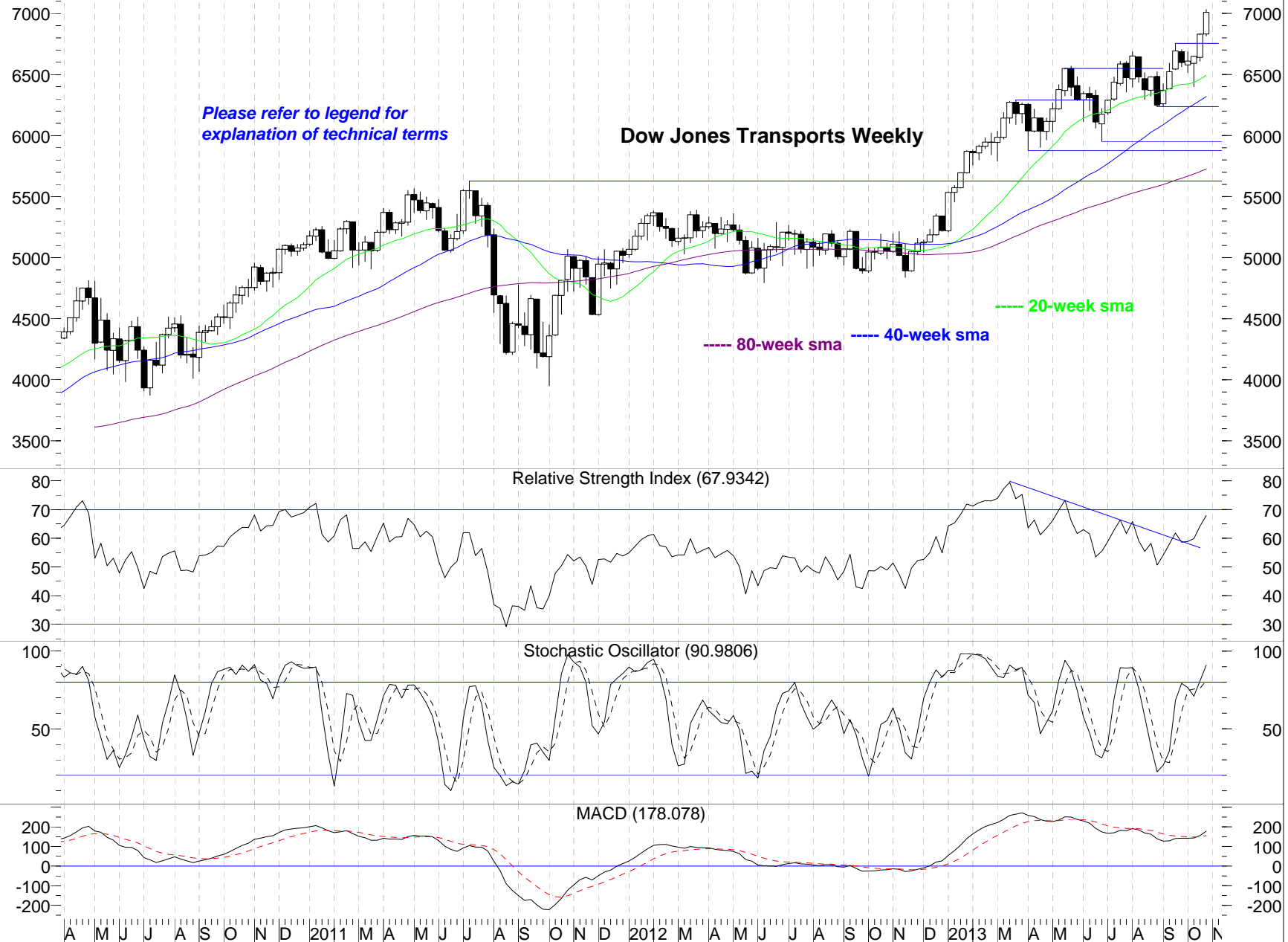
10/26/2013



The Dow Transports, unlike the Industrials, have made new highs. In Dow Theory this is a non-confirmation, at least so far.

Daily momentum is at high or overbought levels.

DJ TRANS AVERAGE (6,831.70, 7,031.92, 6,815.70, 7,009.05, +178.600)



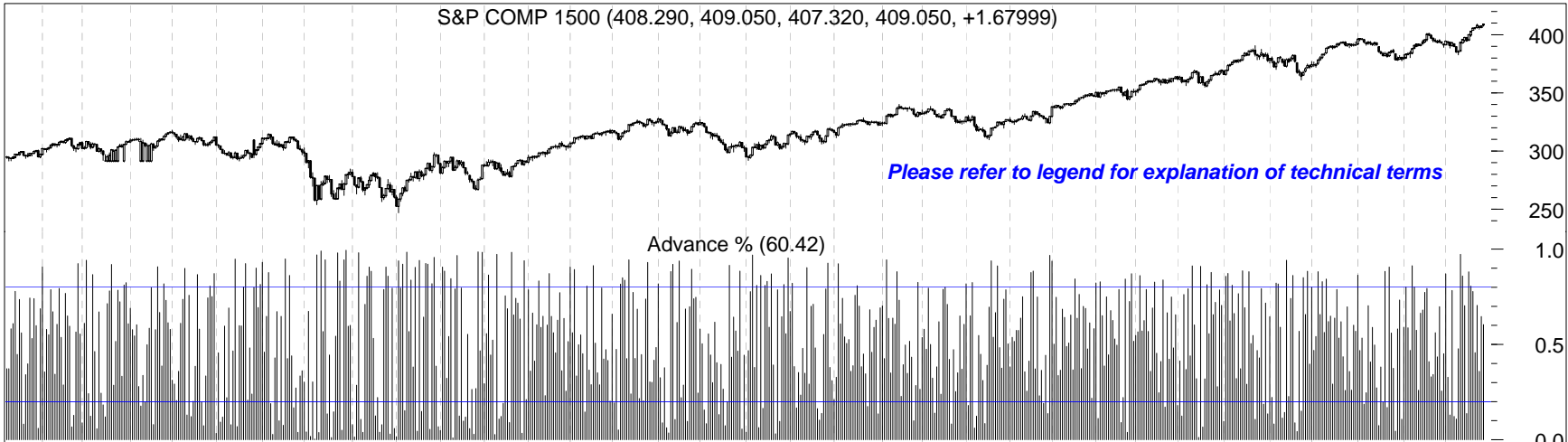
A strong rally for the Dow Transports after finding support at the 20-week moving average.

Weekly momentum is positive and not yet fully overbought.

10/26/2013

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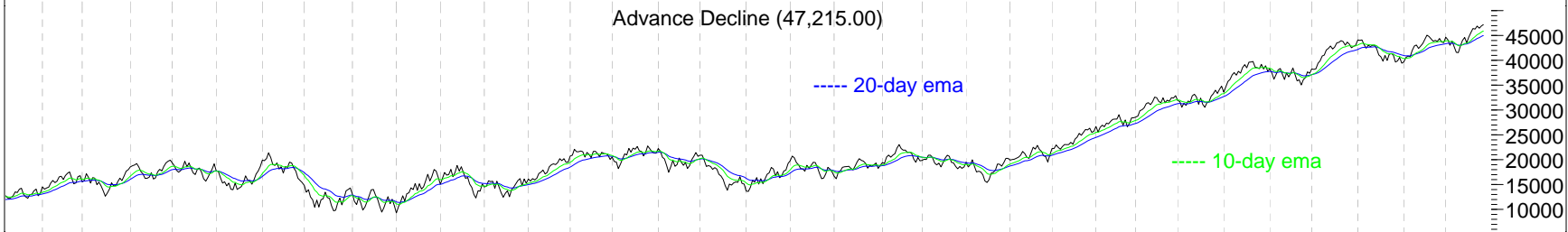
S&P COMP 1500 (408.290, 409.050, 407.320, 409.050, +1.67999)



Please refer to legend for explanation of technical terms

Advance % (60.42)

60.42% of the S&P 1500 traded higher Friday.

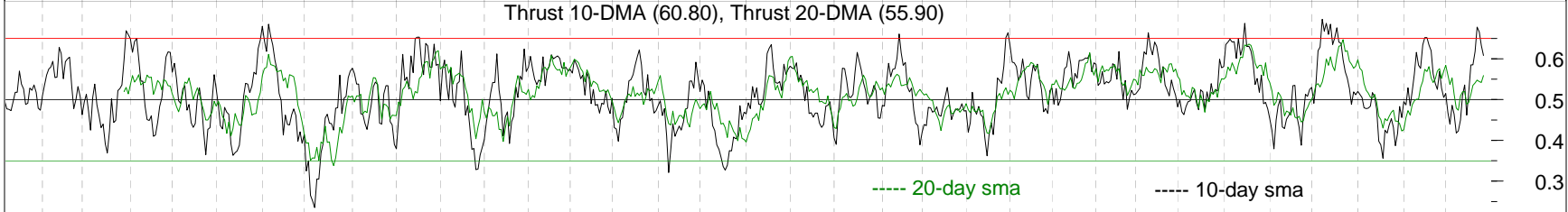


Advance Decline (47,215.00)

----- 20-day ema

----- 10-day ema

Another high for the AD line is positive.

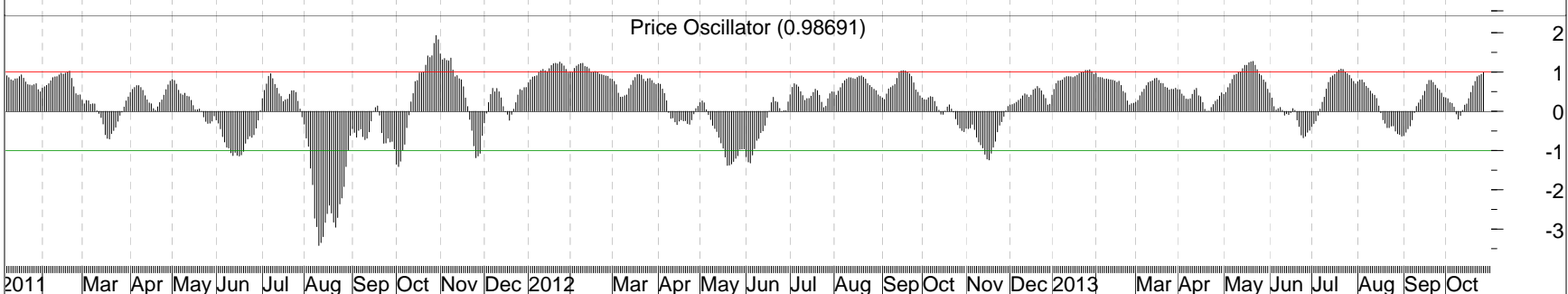


Thrust 10-DMA (60.80), Thrust 20-DMA (55.90)

----- 20-day sma

----- 10-day sma

Breadth numbers have been very strong.



Price Oscillator (0.98691)

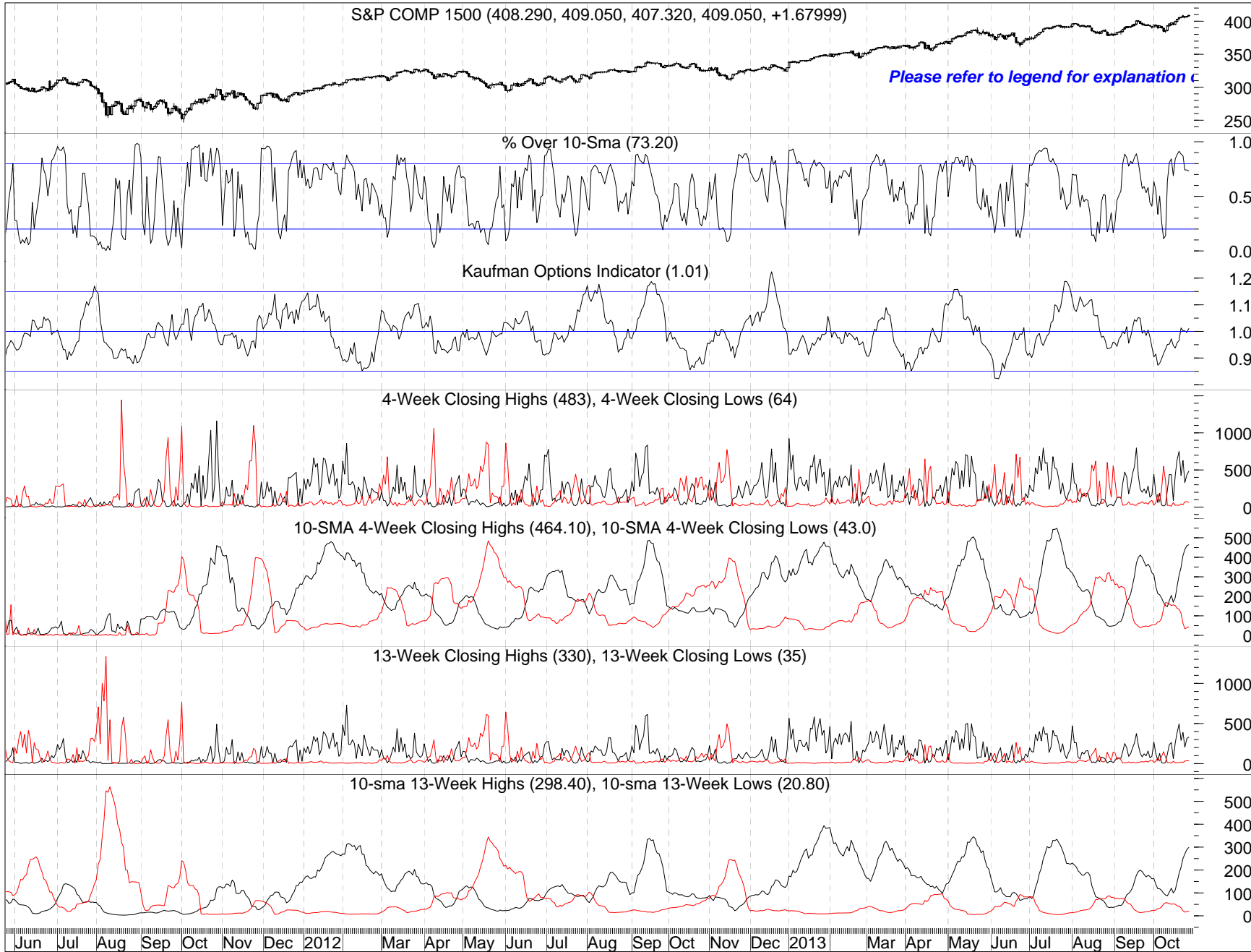
Our price oscillator, a good indicator of trends, remains in positive territory but is at a level where stocks can run into resistance.

2011 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2012 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2013 Mar Apr May Jun Jul Aug Sep Oct

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S&P COMP 1500 (408.290, 409.050, 407.320, 409.050, +1.67999)



Please refer to legend for explanation

% Over 10-Sma (73.20)

Kaufman Options Indicator (1.01)

4-Week Closing Highs (483), 4-Week Closing Lows (64)

10-SMA 4-Week Closing Highs (464.10), 10-SMA 4-Week Closing Lows (43.0)

13-Week Closing Highs (330), 13-Week Closing Lows (35)

10-sma 13-Week Highs (298.40), 10-sma 13-Week Lows (20.80)

The percentage of stocks over their own 10-day moving average is 73.2%, a negative divergence from last week's 91.3%.

Our proprietary options indicator is about neutral at 1.01. We prefer pessimism.

Friday's 484 4-week closing highs is a negative divergence versus 749 on 10/18.

The 10-day average of 4-week highs is above its September high. The average of closing lows shows sellers remain largely restrained.

330 13-week closing highs Friday is a lot fewer than 494 on 10/18.

The 10-day average of 13-week closing highs is very strong. The average of 13-week lows is tiny.

10/26/2013

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S&P COMP 1500 (384.340, 386.030, 380.330, 383.800, +0.06998)

Please refer to legend for explanation of technical terms

% Over 20-SMA (81.30)

% Over 50-SMA (82.60)

% Over 200-SMA (82.70)

These are very strong breadth numbers.

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 percentages of stocks over their own 200-day moving averages during 2007 before that important top. We do have a very slight negative divergence now which we will keep track of. In spite of the new high in the S&P 1500 fewer stocks are above their own 200-day average than earlier in the year. For now this just means investors are becoming more selective.

10/26/2013

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S&P COMP 1500 (408.290, 409.050, 407.320, 409.050, +1.67999)

Please refer to legend for explanation of technical terms

10 Y TSY YLD NDX (25.1800, 25.2000, 24.9600, 25.0300, -0.19000)

----- 200-day sma

----- 50-day sma

----- 20-day sma

PE Cont Ops (17.18)

FPE (16.22)

PE TNX Spread % (106.68)

FPE TNX Spread % (146.310)

EPS (21.16), EPS Cont Ops (23.81), Est EPS (25.23)

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

10/26/2013

10-year note yields have come down, helping stock valuations.

The P/E ratio is the highest since May 2010.

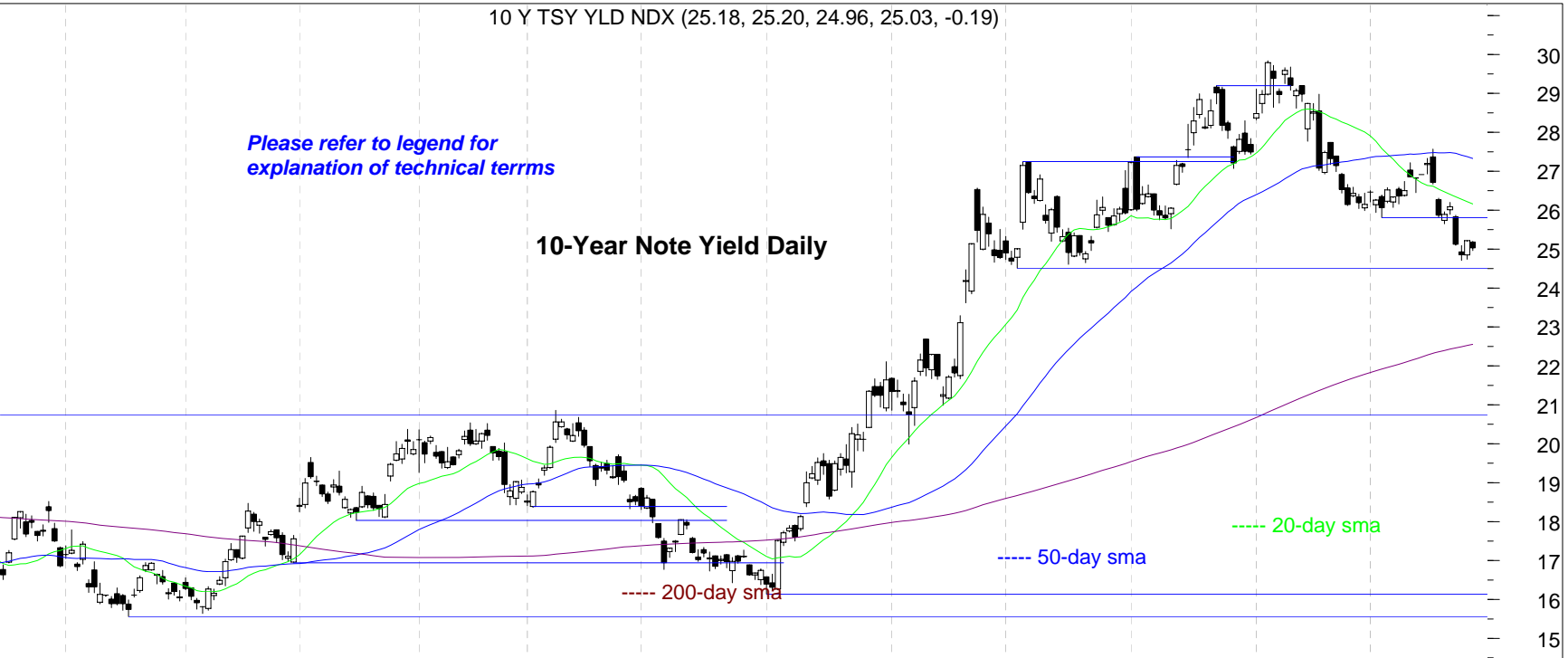
The forward P/E is the highest in years.

Spreads between equity and bond yields are in a tight sideways range. They have found a home at the level where they were in pre-August 2011 before they spiked to historic levels.

10 Y TSY YLD NDX (25.18, 25.20, 24.96, 25.03, -0.19)

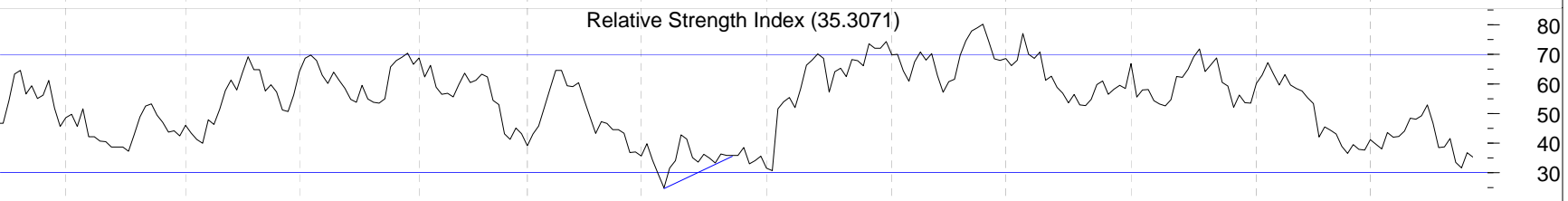
Please refer to legend for explanation of technical terms

10-Year Note Yield Daily



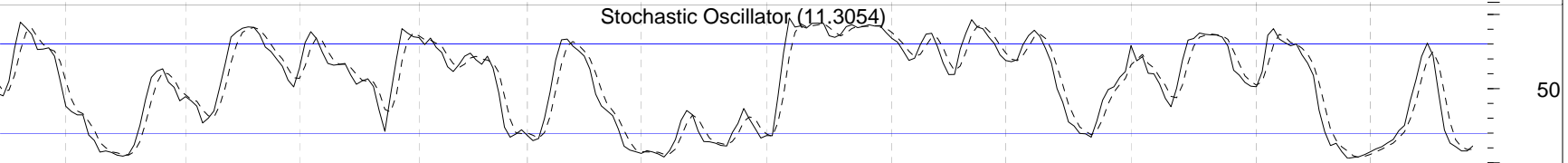
The 10-year yield broke support Tuesday and is just above another support level.

Relative Strength Index (35.3071)

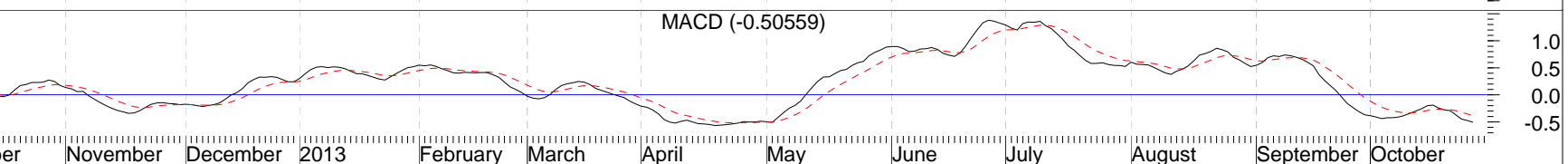


Daily momentum is at low or oversold levels.

Stochastic Oscillator (11.3054)



MACD (-0.50559)



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

10/26/2013

10 Y TSY YLD NDX (26.01, 26.20, 24.71, 25.03, -0.86)

10-Year Note Yield Weekly

Please refer to legend for explanation of technical terms

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

The 10-year yield has fallen below its 20-week average but is just above support.

Relative Strength Index (50.9513)

Stochastic Oscillator (15.6064)

MACD (1.35125)

Weekly momentum is negative but the stochastic is oversold.

'09 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

10/26/2013

US DOLLAR INDEX (79.2100, 79.3200, 78.9980, 79.1940, +0.00900), Volume (0)



Please refer to legend for explanation of technical terms

U.S. Dollar Index Daily

The U.S. Dollar Index remains in an ugly down trend as it challenges important support going back to October 2012.

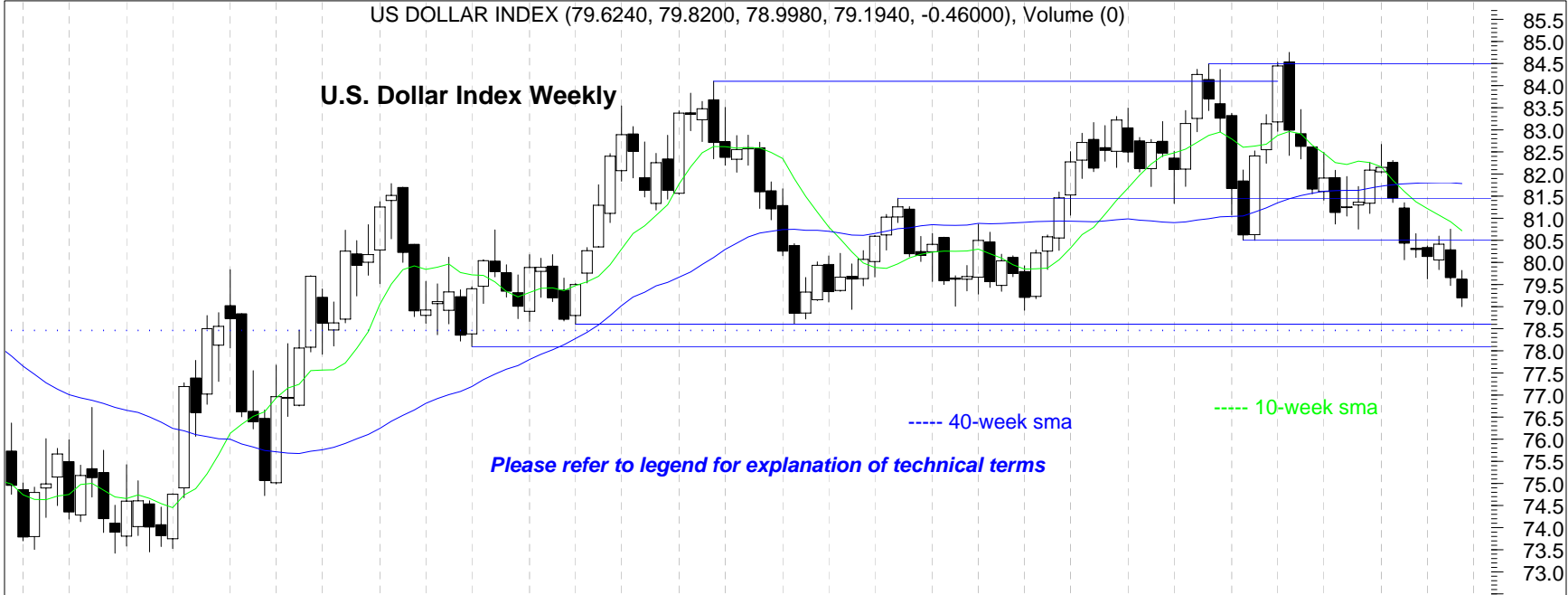
Daily momentum is oversold. There is a positive divergence on the RSI.

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

10/26/2013

US DOLLAR INDEX (79.6240, 79.8200, 78.9980, 79.1940, -0.46000), Volume (0)

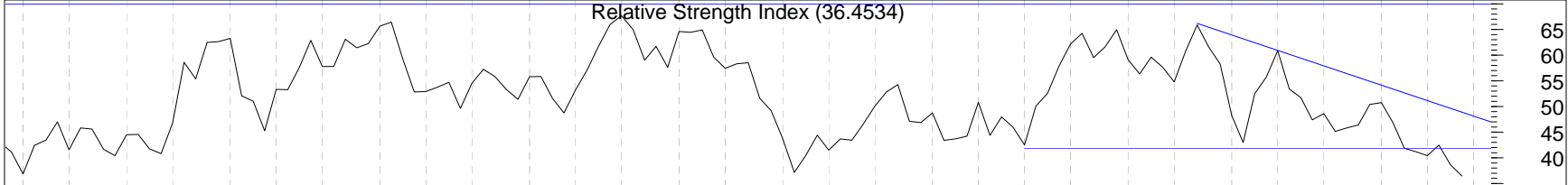
U.S. Dollar Index Weekly



Please refer to legend for explanation of technical terms

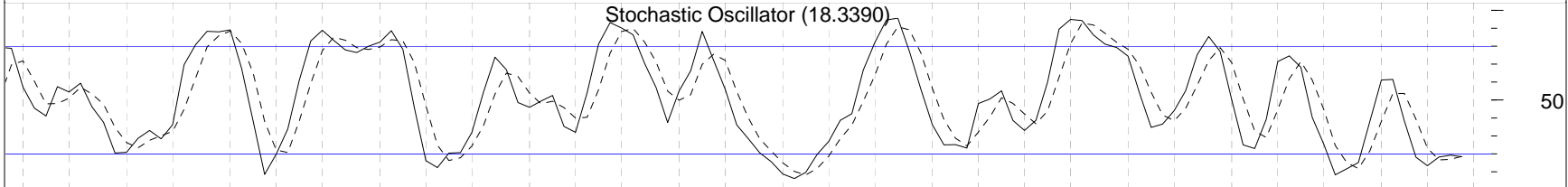
The U.S. Dollar Index has almost completed a "measured move" down from the high in July. The exact measurement targets 78.672, a mere 0.326 points below Friday's low.

Relative Strength Index (36.4534)

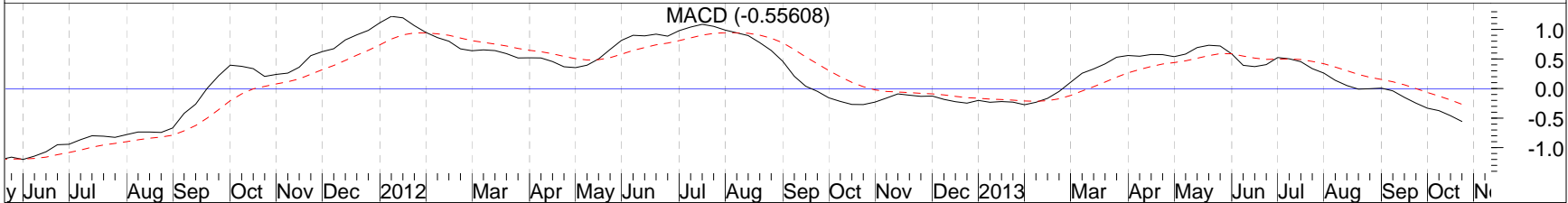


Weekly momentum is mostly negative but there is a positive divergence on the stochastic.

Stochastic Oscillator (18.3390)



MACD (-0.55608)



10/26/2013

SPDR GOLD TRUST (129.5300, 130.9200, 129.4600, 130.4600, +0.5600)

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

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

GLD is back over its 50-day moving average.

Relative Strength Index (58.9187)

Daily momentum is positive with only the stochastic overbought.

Stochastic Oscillator (91.4042)

MACD (0.09292)

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

10/26/2013

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SPDR GOLD TRUST (127.1300, 130.9200, 126.7900, 130.4600, +3.6100)

GLD Weekly

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

40-week sma

10-week sma

GLD closed back over its 10-week moving average and is not far under the down sloping 40-week average.

Relative Strength Index (47.1269)

Weekly momentum is positive and at low levels.

Stochastic Oscillator (44.2255)

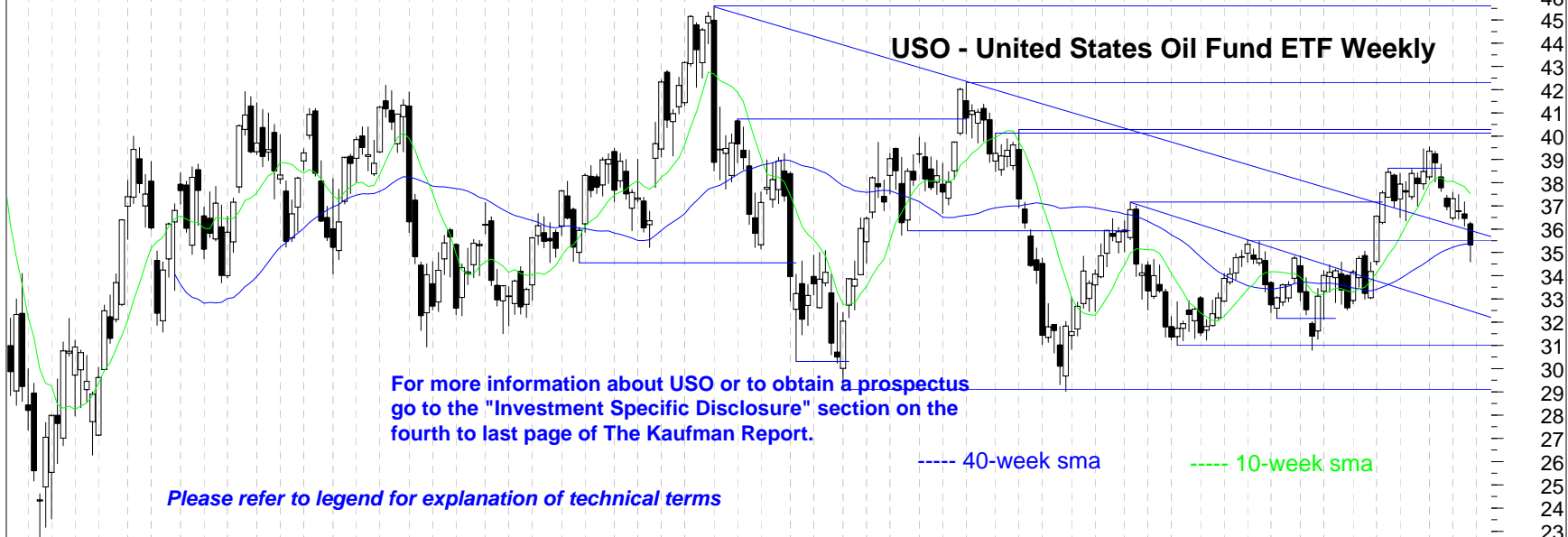
MACD (-3.53174)

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

10/26/2013

UNTD ST OIL FUND (36.2300, 36.3100, 34.5900, 35.3200, -1.1300)

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.

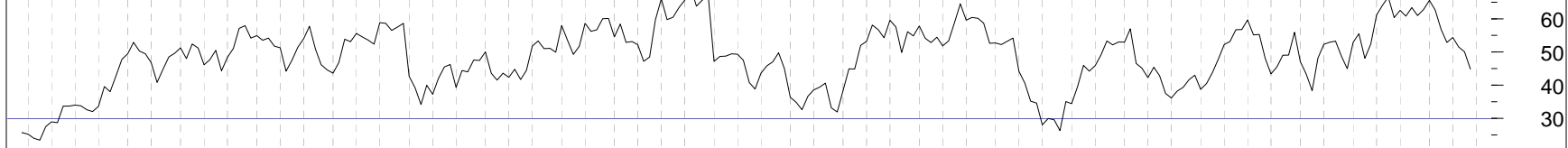
Please refer to legend for explanation of technical terms

----- 40-week sma

----- 10-week sma

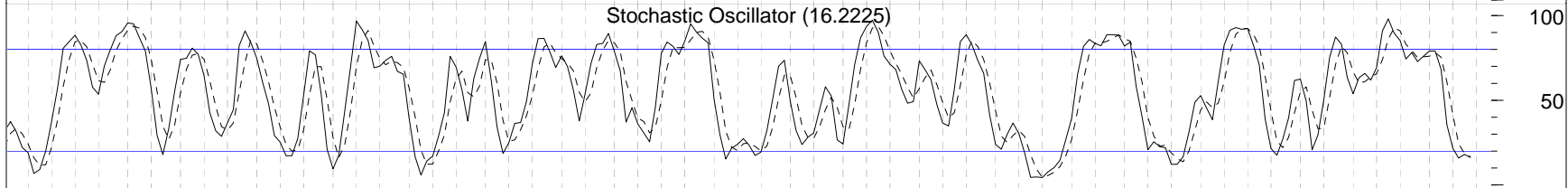
The oil ETF fell under multiple support levels and closed just under its 40-week moving average.

Relative Strength Index (44.8536)

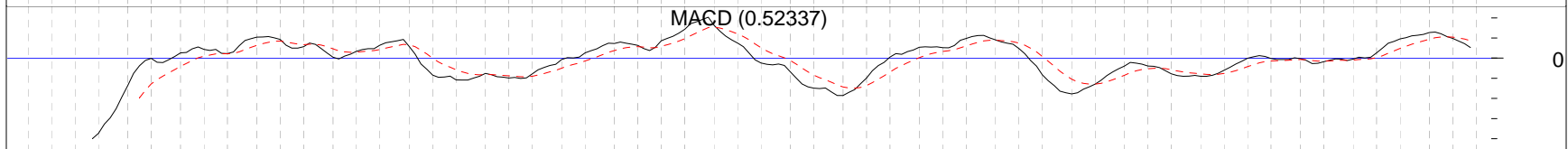


Weekly momentum is negative but the stochastic is oversold.

Stochastic Oscillator (16.2225)



MACD (0.52337)



2009 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

10/26/2013

UNTD ST OIL FUND (35.0600, 35.3500, 35.0100, 35.3200, +0.3300)

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

The oil ETF followed through on its recent breakdown and fell under its 200-day moving average. It bounced after entering a support zone.

Relative Strength Index (36.2030)

Stochastic Oscillator (16.2818)

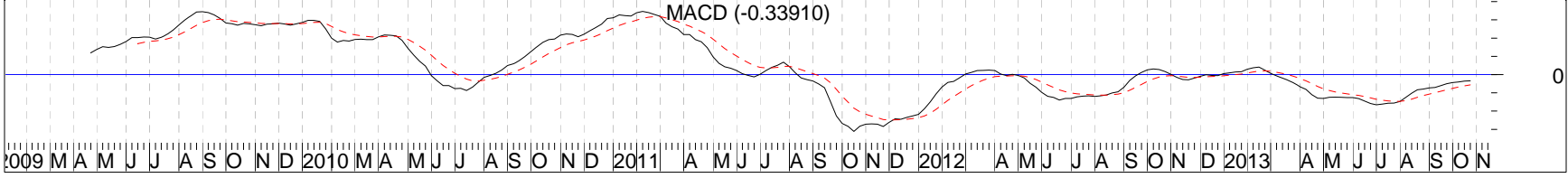
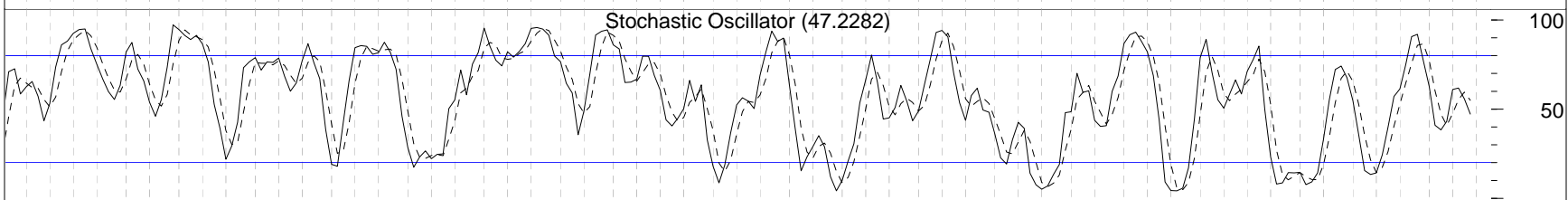
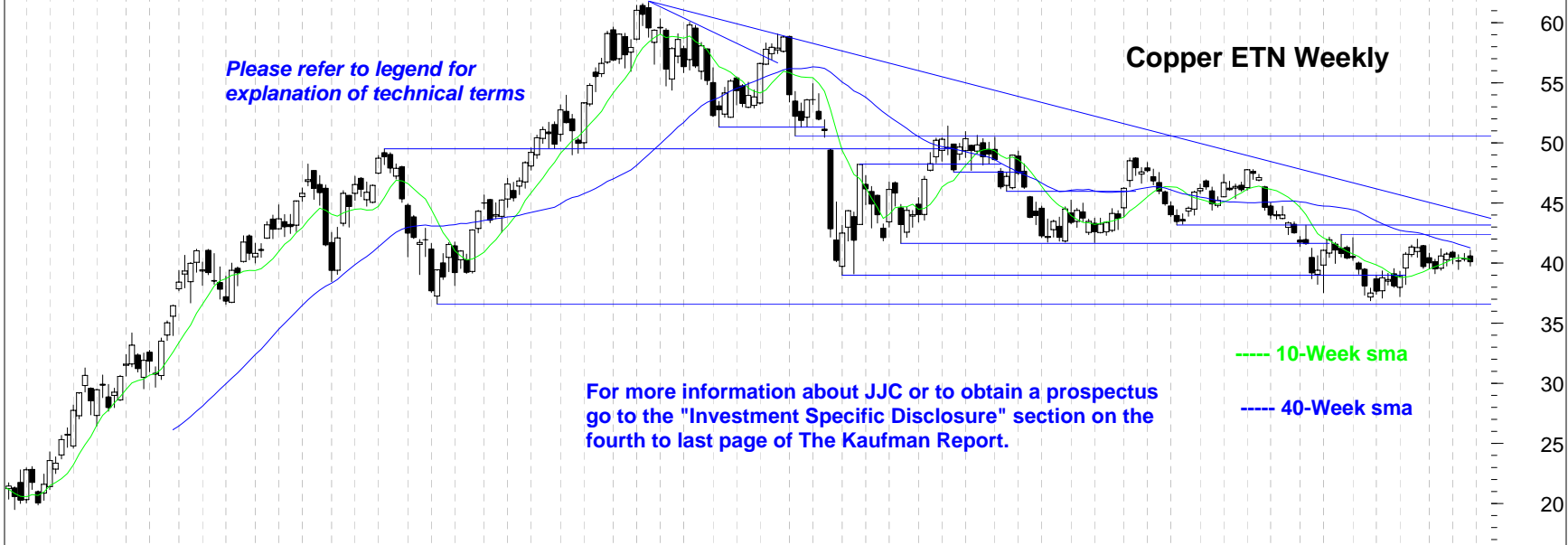
MACD (-0.58439)

Daily momentum is trying to turn positive from low levels.

11 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 2
 ary March April May June July August September October

10/26/2013

BAR IPA UBS COPR (40.59, 41.08, 39.75, 40.10, -0.22)



10/26/2013

BAR IPA UBS COPR (39.7500, 40.1120, 39.7500, 40.1000, +0.0200)

Copper ETN Daily

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.

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

Please refer to legend for explanation of technical terms

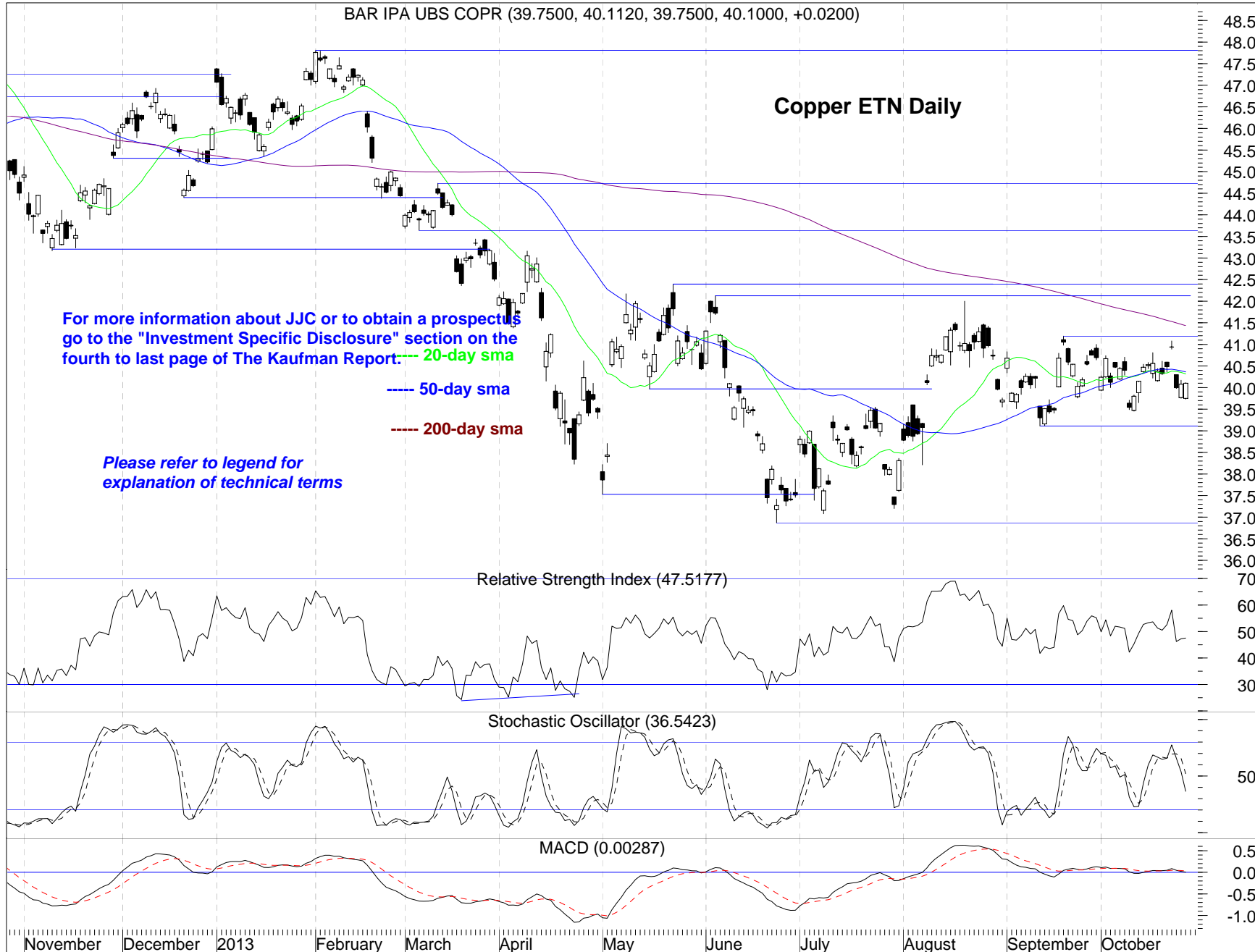
Relative Strength Index (47.5177)

Stochastic Oscillator (36.5423)

MACD (0.00287)

The ETN for copper, the metal with a Ph.D. in economics, is below its 20 and 50-day averages but remains within a sideways channel.

Daily momentum is mixed.



10/26/2013

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 Transportation	7009.05	-0.20%	2.61%	2.61%	6.48%	6.48%	32.08%	7031.92	10/24/2013	4838.10	11/16/2012
Dow Jones Industrials	15570.28	0.39%	1.11%	1.11%	2.91%	2.91%	18.82%	15709.58	9/18/2013	12471.49	11/16/2012
Nasdaq 100	3383.83	0.64%	0.89%	0.89%	5.15%	5.15%	27.17%	3400.04	10/25/2013	2494.38	11/16/2012
S&P 500	1759.76	0.44%	0.87%	0.87%	4.65%	4.65%	23.39%	1759.82	10/25/2013	1343.35	11/16/2012
S&P 1500	409.05	0.41%	0.82%	0.82%	4.61%	4.61%	24.04%	409.06	10/25/2013	309.69	11/16/2012
Nasdaq Composite	3943.36	0.37%	0.74%	0.74%	4.56%	4.56%	30.60%	3961.10	10/25/2013	2810.80	11/16/2012
NYSE Composite	10051.95	0.23%	0.67%	0.67%	4.48%	4.48%	19.05%	10083.46	10/22/2013	7841.76	11/16/2012
Bank of New York Mellon ADR	150.23	-0.01%	0.43%	0.43%	4.42%	4.42%	12.12%	151.73	10/22/2013	121.24	11/16/2012
Russell 2000	1118.34	-0.05%	0.32%	0.32%	4.15%	4.15%	31.67%	1121.92	10/25/2013	763.55	11/16/2012
S&P Midcap 400	1294.18	0.22%	0.28%	0.28%	4.05%	4.05%	26.83%	1302.41	10/22/2013	940.92	11/15/2012

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Industrials	421.71	0.49%	2.21%	2.21%	5.24%	5.24%	28.28%	421.75	10/25/2013	305.04	11/16/2012
Utilities	199.34	1.14%	2.01%	2.01%	5.00%	5.00%	12.20%	210.47	4/30/2013	170.87	11/15/2012
Consumer Discretionary	501.55	0.69%	1.98%	1.98%	4.42%	4.42%	33.37%	502.32	10/25/2013	353.16	11/16/2012
Materials	278.78	0.24%	1.52%	1.52%	5.20%	5.20%	17.32%	279.10	10/22/2013	216.73	11/16/2012
Telecom Services	158.21	0.98%	1.41%	1.41%	5.97%	5.97%	8.33%	168.85	4/23/2013	139.93	11/16/2012
Consumer Staples	432.23	0.28%	1.32%	1.32%	5.36%	5.36%	19.80%	434.66	5/15/2013	349.65	11/15/2012
Information Technology	541.52	0.42%	0.75%	0.75%	4.29%	4.29%	16.75%	544.64	10/25/2013	432.80	11/16/2012
Health Care	610.88	0.14%	0.33%	0.33%	4.24%	4.24%	31.95%	613.19	10/24/2013	445.01	11/15/2012
Energy	629.82	0.41%	-0.07%	-0.07%	4.13%	4.13%	18.17%	634.73	10/22/2013	506.16	11/16/2012
Financials	280.94	0.42%	-0.35%	-0.35%	4.68%	4.68%	26.98%	283.34	10/22/2013	202.39	11/16/2012

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Transportation	445.48	0.02%	3.49%	3.49%	6.18%	6.18%	30.86%	447.02	10/25/2013	316.47	11/16/2012
Retailing	888.65	1.54%	3.06%	3.06%	4.89%	4.89%	36.07%	890.14	10/25/2013	630.83	10/26/2012
Media	403.79	0.27%	2.19%	2.19%	5.69%	5.69%	39.19%	404.88	10/25/2013	268.05	11/16/2012
Utilities	199.34	1.14%	2.01%	2.01%	5.00%	5.00%	12.20%	210.47	4/30/2013	170.87	11/15/2012
Capital Goods	461.32	0.58%	1.98%	1.98%	5.10%	5.10%	28.39%	461.36	10/25/2013	333.22	11/16/2012
Real Estate	160.47	1.21%	1.66%	1.66%	6.88%	6.88%	6.09%	177.55	5/22/2013	141.02	11/16/2012
Materials	278.78	0.24%	1.52%	1.52%	5.20%	5.20%	17.32%	279.10	10/22/2013	216.73	11/16/2012
Household & Personal Products	503.43	-0.14%	1.49%	1.49%	6.64%	6.64%	20.12%	510.24	5/28/2013	408.39	11/15/2012
Consumer Durables & Apparel	265.70	0.40%	1.47%	1.47%	3.42%	3.42%	24.82%	266.35	10/25/2013	196.40	11/15/2012
Commercial & Professional Service	180.71	0.85%	1.44%	1.44%	4.31%	4.31%	20.86%	180.71	10/25/2013	138.06	11/16/2012
Food, Beverage & Tobacco	495.15	0.67%	1.42%	1.42%	4.69%	4.69%	17.23%	509.40	5/16/2013	411.98	11/15/2012
Telecom Services	158.21	0.98%	1.41%	1.41%	5.97%	5.97%	8.33%	168.85	4/23/2013	139.93	11/16/2012
Technology Hardware & Equipment	548.53	-0.15%	1.11%	1.11%	5.52%	5.52%	9.00%	552.73	10/22/2013	439.29	4/19/2013
Food & Staples Retailing	307.66	-0.17%	0.93%	0.93%	5.71%	5.71%	25.73%	308.43	10/24/2013	230.53	11/16/2012
Software & Services	764.31	0.73%	0.83%	0.83%	3.98%	3.98%	21.56%	769.70	10/25/2013	588.85	11/16/2012
Consumer Services	654.63	0.37%	0.81%	0.81%	2.74%	2.74%	20.50%	657.43	9/18/2013	515.82	11/16/2012
Pharmaceuticals, Biotech & Life Sci	597.33	0.26%	0.72%	0.72%	4.62%	4.62%	35.49%	598.51	10/24/2013	425.01	11/15/2012
Banks	197.17	0.35%	-0.04%	-0.04%	3.90%	3.90%	24.65%	203.69	8/5/2013	146.65	11/14/2012
Energy	629.82	0.41%	-0.07%	-0.07%	4.13%	4.13%	18.17%	634.73	10/22/2013	506.16	11/16/2012
Automobiles & Components	135.55	-0.40%	-0.46%	-0.46%	2.32%	2.32%	36.75%	137.22	9/19/2013	81.52	11/16/2012
Insurance	274.27	0.09%	-0.49%	-0.49%	4.77%	4.77%	37.33%	278.47	10/22/2013	187.92	11/16/2012
Health Care Equip & Services	541.22	-0.12%	-0.49%	-0.49%	3.44%	3.44%	25.23%	549.37	10/17/2013	412.26	11/15/2012
Semiconductors & Equipment	389.73	0.81%	-0.75%	-0.75%	1.81%	1.81%	23.07%	395.36	10/21/2013	291.35	11/16/2012
Diversified Financials	417.92	0.37%	-0.88%	-0.88%	4.40%	4.40%	29.90%	424.00	8/1/2013	284.52	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
Switzerland EWL	32.72	0.09%	2.80%	4.60%	4.60%	22.09%	32.75	10/25/2013	24.35	11/16/2012
Germany EWG	29.68	0.17%	2.43%	6.72%	6.72%	20.16%	29.73	10/25/2013	21.49	11/16/2012
Malaysia EWM	16.31	1.30%	1.87%	8.44%	8.44%	7.80%	16.85	5/8/2013	13.77	8/28/2013
United Kingdom EWU	20.50	-0.10%	1.84%	4.49%	4.49%	14.27%	20.53	10/24/2013	16.64	11/16/2012
Netherlands EWN	25.13	-0.20%	1.72%	5.59%	5.59%	22.53%	25.23	10/22/2013	18.20	11/16/2012
Sweden EWD	35.33	-0.34%	1.35%	3.15%	3.15%	16.98%	35.70	9/19/2013	26.26	11/16/2012
Indonesia IDX	25.38	2.84%	0.95%	10.64%	10.64%	-11.38%	33.39	5/22/2013	20.54	8/27/2013
Belgium EWK	16.29	0.06%	0.93%	5.85%	5.85%	17.62%	16.35	10/22/2013	12.16	11/16/2012
United States SPY	175.95	0.46%	0.90%	4.73%	4.73%	23.55%	176.00	10/25/2013	134.70	11/16/2012
France EWQ	28.23	0.04%	0.66%	5.02%	5.02%	19.67%	28.35	10/22/2013	20.60	11/16/2012
Australia EWA	27.05	0.45%	0.56%	7.04%	7.04%	7.60%	28.15	4/30/2013	22.02	7/3/2013
Canada EWC	29.32	0.27%	0.48%	3.57%	3.57%	3.24%	29.57	10/22/2013	25.61	6/24/2013
Turkey TUR	59.86	1.01%	0.47%	8.52%	8.52%	-10.36%	77.40	5/22/2013	47.27	8/28/2013
Greece GREK	23.04	1.72%	0.44%	19.38%	19.38%	27.57%	23.22	10/22/2013	14.11	6/24/2013
Singapore EWS	13.86	0.14%	0.36%	3.82%	3.82%	1.24%	14.71	5/9/2013	12.26	8/27/2013
Chile ECH	51.63	-0.19%	0.21%	2.91%	2.91%	-18.36%	68.02	2/13/2013	45.84	8/28/2013
Mexico EWW	65.72	1.56%	0.20%	2.86%	2.86%	-6.82%	76.80	4/11/2013	57.69	6/21/2013
Austria EWO	19.89	-0.05%	0.05%	2.95%	2.95%	9.35%	20.02	10/22/2013	15.58	11/13/2012
South Africa EZA	67.34	0.40%	-0.07%	6.50%	6.50%	-5.92%	71.72	1/2/2013	53.37	6/24/2013
Latin America ILF	40.00	0.78%	-0.35%	4.52%	4.52%	-8.76%	46.00	1/17/2013	34.38	6/24/2013
Vietnam VNM	19.26	0.84%	-0.36%	7.54%	7.54%	7.00%	23.59	2/11/2013	15.35	11/28/2012
Israel EIS	47.34	0.66%	-0.46%	2.20%	2.20%	12.98%	48.00	10/22/2013	39.45	11/16/2012
Russia RSX	29.72	0.64%	-0.70%	5.46%	5.46%	-0.60%	31.16	1/28/2013	23.94	6/20/2013
Brazil EWZ	50.24	0.50%	-0.91%	4.86%	4.86%	-10.19%	57.76	3/7/2013	40.68	7/5/2013
India IFN	20.65	-0.29%	-1.01%	8.18%	8.18%	-0.92%	22.15	1/30/2013	16.83	8/28/2013
Taiwan EWT	14.45	-0.14%	-1.30%	3.81%	3.81%	6.09%	14.77	10/22/2013	12.48	6/24/2013
Emerging Markets EE	42.75	0.46%	-1.30%	4.88%	4.88%	-3.62%	45.33	1/2/2013	36.16	6/24/2013
Spain EWP	38.04	-0.86%	-1.37%	9.47%	9.47%	25.71%	38.96	10/22/2013	26.75	11/13/2012
Italy EWI	15.52	-1.27%	-1.40%	9.92%	9.92%	15.39%	15.94	10/22/2013	11.54	4/4/2013
South Korea EWY	64.45	-0.34%	-1.63%	4.80%	4.80%	1.73%	66.07	10/22/2013	49.56	6/24/2013
Japan EWJ	11.84	-1.46%	-1.99%	-0.67%	-0.67%	21.44%	12.43	5/22/2013	8.75	11/14/2012
Hong Kong EWH	20.31	0.15%	-2.03%	1.40%	1.40%	4.58%	21.02	5/21/2013	17.81	6/24/2013
Thailand THD	80.50	0.91%	-2.23%	7.96%	7.96%	-2.42%	96.11	5/8/2013	65.56	8/27/2013
BRIC EEB	36.37	-0.33%	-2.44%	3.18%	3.18%	0.97%	37.70	10/22/2013	28.86	6/24/2013
China 25 FXI	36.43	-0.12%	-4.51%	-1.75%	-1.75%	-9.94%	41.97	1/3/2013	31.35	6/25/2013

DATA QUOTED REPRESENTS PAST PERFORMANCE.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

INTERNATIONAL ETFs Standard Performance

	-----PRICE-----			-----NAV-----			Expense Ratio%	Premium % to NAV	
	Price	1-Year	5-Year	10-Year	1-Year	5-Year			10-Year
Australia EWA	27.05	28.02			28.29			0.07	0.08
Austria EWO	19.89	40.70			41.95			0.03	0.09
Belgium EWK	16.29	32.89			33.94			0.06	0.18
Brazil EWZ	50.24	-11.84			-12.23			0.05	-0.10
BRIC EEB	36.37	-0.62			-2.79			0.03	0.01
Canada EWC	29.32	7.27			7.87			0.04	0.03
Chile ECH	51.63	20.35			20.27			0.03	-0.18
China 25 FXI	36.43	0.98			0.98			-0.02	-0.10
Emerging Markets EE	42.75	26.16			23.47			0.05	-0.04
France EWQ	28.23	6.90			7.54			0.05	0.20
Germany EWG	29.68	15.71			15.91			0.07	0.20
Greece GREK	23.04	27.48			27.88			0.19	0.28
Hong Kong EWH	20.31	7.80			8.56			0.01	0.05
India IFN	20.68	6.20			6.67			0.08	-0.01
Indonesia IDX	25.38	16.59			15.99			0.58	-1.97
Israel EIS	47.34	10.72			11.65			0.02	0.13
Italy EWI	15.52	-14.95			-14.79			0.10	0.15
Japan EWJ	11.84	32.49			32.28			-0.01	0.21
Latin America ILF	40.00	10.87			9.97			0.05	-0.09
Malaysia EWM	16.31	31.04			34.57			0.08	0.08
Mexico EWW	65.72	32.69			32.17			0.03	-0.07
Netherlands EWN	25.13	27.14			26.98			0.06	0.23
Russia RSX	29.72	32.86			32.93			0.05	-0.01
Singapore EWS	13.86	34.16			35.17			0.04	0.01
South Africa EZA	67.34	4.99			5.66			0.07	-0.06
South Korea EWY	64.45	-3.78			-3.82			0.05	0.02
Spain EWP	38.04	-3.94			-3.56			0.09	0.26
Sweden EWD	35.33	9.95			10.53			0.03	0.17
Switzerland EWL	32.72	22.16			20.50			0.05	0.22
Taiwan EWT	14.45	17.05			16.38			0.04	0.06
Thailand THD	80.50	4.74			5.99			0.08	-0.02
Turkey TUR	59.86	-0.14			1.30			0.09	-0.10
United Kingdom EWU	20.50	2.12			2.46			0.04	0.14
United States SPY	175.95	12.02			14.00			0.05	0.24
Vietnam VNM	19.26	35.32			35.08			0.08	0.07

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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
Gold GLD	130.46	0.43%	2.85%	1.78%	1.78%	-19.48%	170.01	11/23/2012	114.68	6/28/2013
Silver SLV	21.71	-0.73%	2.84%	3.88%	3.88%	-26.08%	33.31	11/29/2012	17.75	6/27/2013
Tin JJT	52.36	0.31%	1.67%	-1.34%	-1.34%	-2.78%	58.28	1/17/2013	41.89	7/2/2013
Livestock COW	28.33	0.39%	1.62%	2.50%	2.50%	-0.70%	29.16	11/26/2012	25.41	4/15/2013
Aluminum JJU	20.05	1.05%	1.31%	0.11%	0.11%	-17.08%	25.34	1/2/2013	18.03	6/21/2013
Platinum PPLT	142.20	0.21%	1.19%	3.55%	3.55%	-6.05%	170.78	2/7/2013	127.34	6/26/2013
Coal KOL	20.33	0.74%	0.99%	7.00%	7.00%	-19.13%	26.38	1/7/2013	17.16	6/24/2013
Cocoa NIB	36.30	1.34%	0.41%	3.15%	3.15%	19.80%	37.09	10/22/2013	27.47	3/6/2013
Palladium PALL	72.38	-0.58%	-0.03%	2.32%	2.32%	4.57%	77.20	3/8/2013	58.41	10/26/2012
Copper JJC	40.10	0.05%	-0.55%	-1.45%	-1.45%	-12.81%	47.80	2/1/2013	36.87	6/24/2013
Grains JJG	46.39	-0.71%	-0.60%	1.29%	1.29%	-12.36%	59.39	10/25/2012	44.37	8/7/2013
Timber CUT	25.47	-0.39%	-0.62%	4.47%	4.47%	24.61%	25.76	10/21/2013	18.00	11/16/2012
Grains GRU	6.25	-0.32%	-0.64%	1.46%	1.46%	-12.78%	7.97	10/25/2012	5.41	8/15/2013
Corn CORN	33.21	-0.36%	-0.66%	-1.07%	-1.07%	-25.07%	48.61	11/1/2012	32.72	10/14/2013
Natural Gas UNG	18.93	1.72%	-2.02%	3.56%	3.56%	0.16%	24.09	4/18/2013	16.60	8/8/2013
Heating Oil UHN	31.49	0.90%	-2.47%	-1.93%	-1.93%	-6.64%	36.27	2/8/2013	29.66	4/17/2013
Sugar SGG	64.57	1.11%	-2.51%	5.35%	5.35%	-8.22%	72.20	11/20/2012	55.56	7/16/2013
OIL USO	35.32	0.94%	-3.10%	-4.15%	-4.15%	5.84%	39.54	9/6/2013	30.79	4/17/2013
Coffee JO	22.08	-1.43%	-5.07%	-4.75%	-4.75%	-31.79%	37.76	10/25/2012	22.01	10/25/2013
Cotton BAL	50.28	-0.49%	-5.27%	-9.87%	-9.87%	2.32%	60.53	3/15/2013	45.34	11/8/2012

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	20.05	-12.68	-8.80		-12.98	-8.43		0.75	-0.25
Coal KOL	20.33	-17.11	7.35		-17.35	7.51		0.59	-0.50
Cocoa NIB	36.30	10.64	2.87		9.64	2.75		0.75	0.00
Coffee JO	22.08	-41.45	-9.03		-40.28	-8.95		0.75	0.38
Copper JJC	40.10	-10.93	10.90		-11.41	10.85		0.75	0.26
Corn CORN	33.21	-30.46			-31.08			1.49	0.15
Cotton BAL	50.28	4.60	11.39		5.53	11.93		0.75	0.03
Gold GLD	130.46	-21.42	12.54		-21.52	13.09		0.40	0.09
Grains GRU	6.25	-20.79	2.59					0.75	
Grains JGG	46.39	-20.94	3.99		-21.43	4.16		0.75	0.15
Heating Oil UHN	31.49	-7.50	0.16		-7.18	0.30		0.91	-0.59
Livestock COW	28.33	1.36	-4.21		0.45	-4.40		0.75	0.10
Natural Gas UNG	18.93	-14.61	-38.74		-16.53	-39.05		0.60	0.27
OIL USO	35.32	11.14	-7.79		10.67	-7.80		0.45	-0.04
Palladium PALL	72.38	21.73			24.08			0.60	-0.56
Platinum PPLT	142.20	-7.77			-8.79			0.60	0.34
Silver SLV	21.71	-30.24	18.89		-29.41	20.01		0.50	0.13
Sugar SGG	64.57	-8.55	11.78		-9.26	11.58		0.75	-0.84
Timber CUT	25.47	37.75	21.86		38.46	21.78		0.70	-0.10
Tin JJT	52.36	12.36	14.33		11.88	14.83		0.75	0.61

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.

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.