

Monday August 11, 2014

Closing prices of August 8, 2014

IMPORTANT DISCLOSURES

- **THE INFORMATION PROVIDED IN THIS REPORT IS BASED ON ALL FINAL DATA AS OF THE CLOSING PRICES OF FRIDAY, August 8, 2014.**
- **FOR A DEFINITION OF ALL TECHNICAL TERMS FOUND WITHIN THE KAUFMAN REPORT PLEASE VIEW THE LEGEND FOUND AT THE END OF THIS REPORT.**
- **FOR ADDITIONAL INFORMATION AND A PROSPECTUS ON ANY MATERIAL FOUND WITHIN THIS REPORT PLEASE VIEW http://phoenixinc.com/Kaufman_Report_Prospectuses.php OR CONTACT WAYNE KAUFMAN AT (646) 681-3426.**
- **EACH SECURITY CHART IS FOLLOWED IN PARENTHESIS WITH ITS “OHLC” (OPEN, HIGH, LOW, CLOSE) AND PRICE CHANGE.**
- **PLEASE VIEW OUR ADDITIONAL “INVESTMENT SPECIFIC DISCLOSURES” FOUND TOWARDS THE END OF THIS REPORT.**
- **THE PERFORMANCE DATA QUOTED IN THE KAUFMAN REPORT REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED.**
- **THE INFORMATION PROVIDED IN THIS PUBLICATION IS FOR INFORMATIONAL PURPOSES ONLY. INVESTORS SHOULD CONSIDER THIS REPORT AS ONLY A SINGLE FACTOR IN MAKING THEIR INVESTMENT DECISION. THIS INFORMATIONAL REPORT IS NOT AN OFFER TO SELL OR A SOLICITATION TO BUY ANY SECURITY IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE ILLEGAL. THIS REPORT HAS BEEN PREPARED AS A MATTER OF GENERAL INFORMATION. IT IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF ANY SECURITY OR COMPANY MENTIONED, AND IS NOT AN OFFER TO BUY OR SELL ANY SECURITY.**
- **ALL FACTS AND STATISTICS ARE FROM SOURCES BELIEVED TO BE RELIABLE, BUT ARE NOT GUARANTEED AS TO ACCURACY. SECURITIES, FINANCIAL INSTRUMENTS OR STRATEGIES MENTIONED HEREIN MAY NOT BE SUITABLE FOR ALL INVESTORS. THIS MATERIAL DOES NOT TAKE INTO ACCOUNT YOUR PARTICULAR INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS OR STRATEGIES. BEFORE ACTING ON THE MATERIALS HEREIN, YOU SHOULD CONSIDER WHETHER IT IS SUITABLE FOR YOUR PARTICULAR CIRCUMSTANCES AND, IF NECESSARY SEEK PROFESSIONAL ADVICE.**
- **INVESTMENTS INVOLVE RISK AND AN INVESTOR MAY INCUR EITHER PROFITS OR LOSSES. TRADING AND INVESTMENT DECISIONS ARE THE SOLE RESPONSIBILITY OF THE READER.**

I, Wayne S. Kaufman, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject issuer(s) or securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Monday August 11, 2014

Closing prices of August 8, 2014

Stocks rallied to their best session since March 4th Friday after hitting new post-July lows Thursday, allowing most of our major indexes to show gains on the week. The Russell 2000 (smallcaps) led the way with a gain of 1.50%, followed by the S&P Midcap 400, up 0.86%, and the Nasdaq Composite, up 0.43%. The downside was led by the Bank of New York Mellon ADR Index, down 1.21%, followed by year-to-date leader Dow Jones Transports, down 0.35%, and the NYSE Composite Index, down a mere 0.05%. We like to see smallcaps and midcaps leading, as it shows a willingness on the part of investors to assume risk. Hopefully this was not just an oversold bounce.

Six of the ten S&P sectors traded higher last week. The leaders were Consumer Discretionary, up 1.11%, Materials, up 1.01%, and Consumer Staples, up 0.96%. The downside was led by Telecom Services, down 2.10%, Health Care, down 0.60%, and Information Technology, down 0.25%.

Thirteen of the twenty-four S&P industry groups traded higher last week. The gainers were led by Retailing, up 2.81%, Consumer Durables & Apparel, up 2.09%, and Household & Personal Products, up 1.63%. The losers were led by Telecom Services, down 2.10%, Semiconductors & Equipment, down 1.64%, and Food & Staples Retailing, down 1.11%.

Last week we said in the short-term stocks were oversold and some indicators were at a level where a bounce was certainly possible, and that positive seasonality increased the odds of seeing a bounce. We said that the needed consolidation for equities we had been discussing since the highs of 7/3 still had a way to go, there was resistance not far overhead, weekly momentum had become decidedly negative while at high levels with plenty of room to drop, and the Nasdaq 100 had printed a bearish engulfing candle on its weekly chart. We added that our proprietary options indicator was showing some pessimism at 0.965, but not yet the level we like to see that precedes strong rallies. The week started with a rally, but Monday's high became the high for the week as stocks encountered resistance. The selling continued into Thursday when the S&P 500 found support at its 100-day moving average, the Dow Industrials found support at its 200-day moving average, while the Nasdaq 100 held support at its 50-day moving average.

In the short-term stocks are rebounding from oversold and overbearish levels. Friday's rally was the first session since 7/24 where 4-week and 13-week closing price highs were greater than their counterparts of closing price lows. Unfortunately the 10-day averages are still very negative. Our proprietary options indicator hit 0.846 Wednesday and Thursday, a level showing extreme pessimism (which is good) and the lowest level since the equities bottom of April 14th. It currently reads 0.852, and at these levels sharp drops in equities are unlikely and strong rallies are certainly possible. In addition, valuations, based on the spread between equity and bond yields, are at their best levels since the equities bottom of early February. **Therefore, it is possible the current consolidation period needs more time to create a base, but at the same time with many different types of indicators at support levels we will be watching for buy signals.** We want to see broad participation like we saw Friday, where 86.57% of the S&P 1500 traded higher, the best number since 7/18, and of course we need to see resistance levels broken. More selling this week that causes the moving averages on the indexes discussed above along with support levels of other indicators to be decisively penetrated will obviously be bearish.

Longer-term we remain bullish. One indicator we will be watching is the 10-day average of advancing stocks. The extremely weak breadth has pushed this indicator under the 40% level. A very strong rebound that sends this average from under 40% to over 61.5% within ten days is known as a breadth thrust, and would be a strong buy signal.

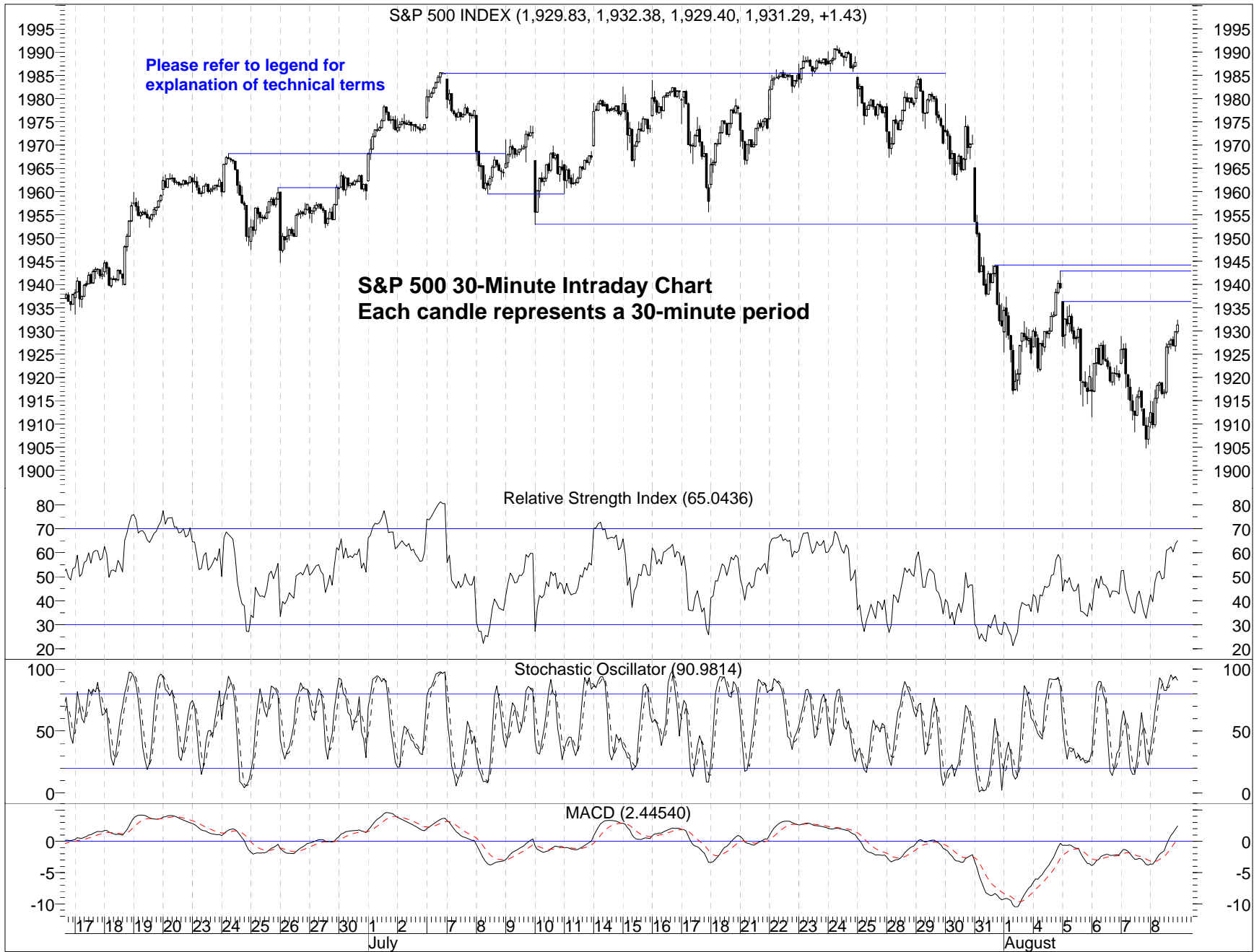
Valuation, based on spreads between equity and bond yields, remains at levels where stocks are attractive versus bonds. The spreads widened last week to the best levels since early February, which was an important bottom for stocks. The spreads remain in the range they have been in since June 2013, which is also the range of pre-August 2011. On a historical basis these are levels where stocks should be very attractive versus bonds. P/E ratios have dropped from their recent multi-year highs, and with reported earnings rising major indexes can make new highs without P/E ratios doing so.

So far 451 of the S&P 500 have reported Q2 earnings. 67.6% beat estimates, 11.6% were in line, and 20.8% missed. In Q1 after 455 companies reported 71.7% beat, 8.8% were in line, while 19.4% missed. The final Q1 tally showed 70.4% beat estimates, 9.1% were in line, and 20.5% missed. The final tally for the fourth quarter was 67.2% beat, 12.9% were in line, and 19.9% missed.

In summary, we are 90% through second quarter earnings season, so that catalyst will be in the rear view mirror soon. Earnings have generally been positive, but some of the news has been mixed, and geopolitical events continue to concern investors. Many indicators are at support levels, so the near-term action is important. Valuations are at their best levels since early February as P/E ratios have dropped from their recent highs. Worries about the Fed and the taper are back in the spotlight, but bull markets have historically continued for quite a while after the beginning of a rate tightening cycle, and we have not even seen the first rate increase. Longer-term we remain bullish due to an improving economy, attractive valuations for equities, and strong recent market breadth.

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

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



Please refer to legend for explanation of technical terms

Friday's rally left the S&P 500 under multiple resistance levels.

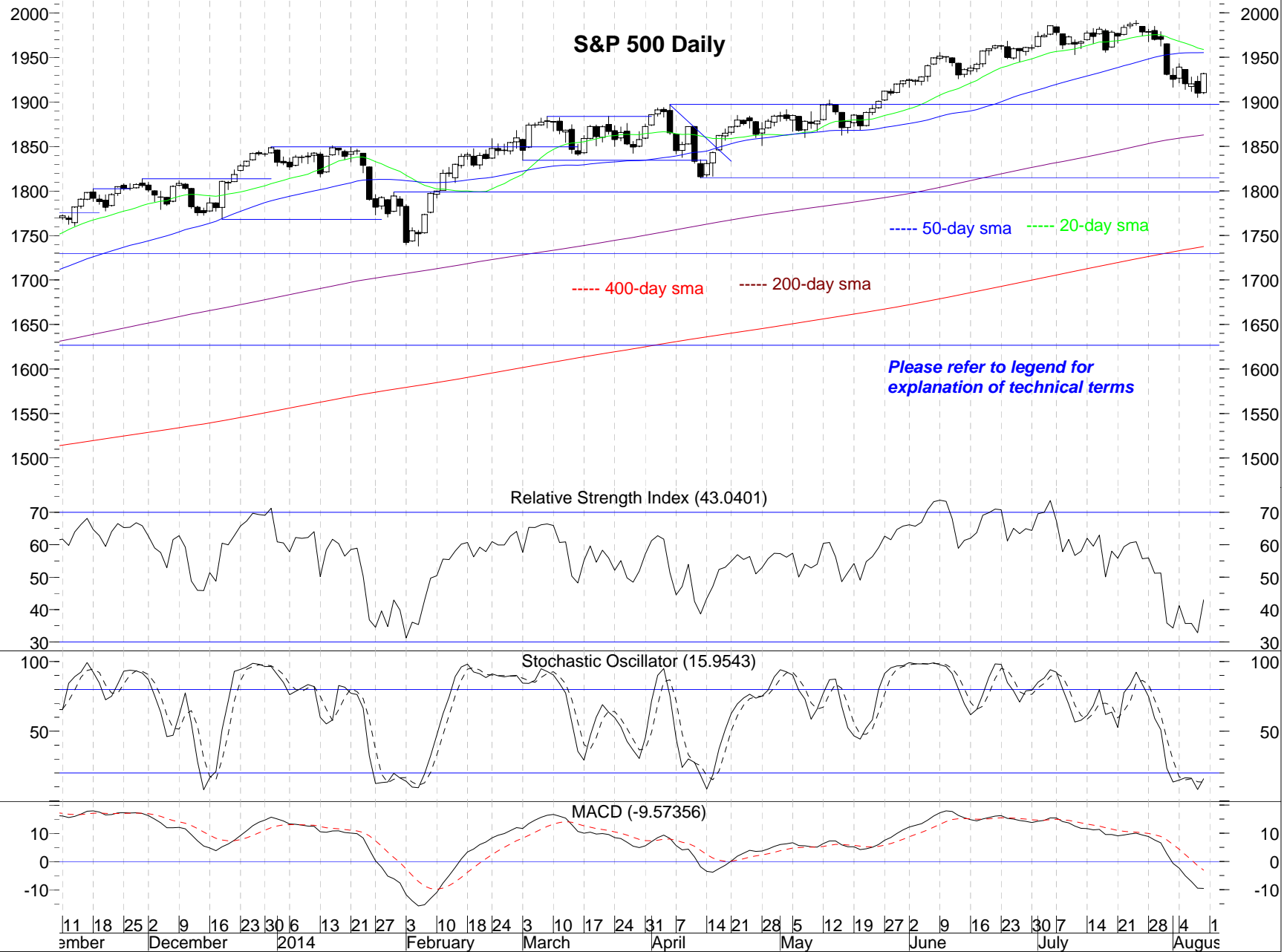
30-minute momentum is positive.

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,910.35, 1,932.38, 1,909.01, 1,931.59, +22.02)

S&P 500 Daily



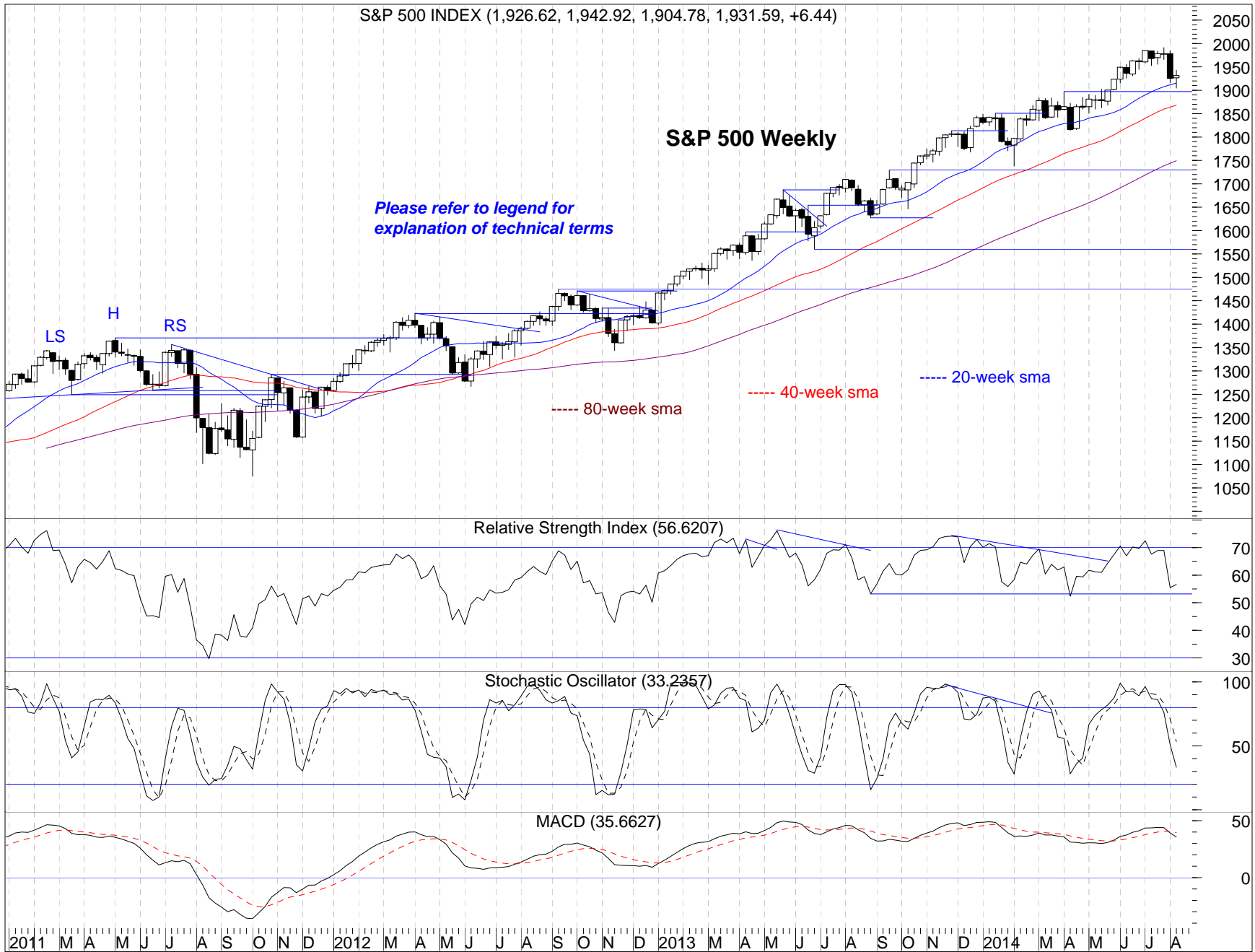
The S&P 500 rebounded Friday with a gain of 1.15%, its best session since 3/4.

Daily momentum is starting to rebound from oversold levels.

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,926.62, 1,942.92, 1,904.78, 1,931.59, +6.44)



Please refer to legend for explanation of technical terms

S&P 500 Weekly

----- 80-week sma

----- 40-week sma

----- 20-week sma

Relative Strength Index (56.6207)

Stochastic Oscillator (33.2357)

MACD (35.6627)

The S&P 500 found support just above a prior resistance level and its 20-week sma.

Weekly momentum remains mostly negative. The RSI did bounce near prior support. The MACD and stochastic are not far above their prior supports.

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P 500 INDEX (1,929.80, 1,942.92, 1,904.78, 1,931.59, +0.92)

Please refer to legend for explanation of technical terms

S&P 500 Monthly

----- 12-month sma

----- 3-month sma

Relative Strength Index (73.4907)

Stochastic Oscillator (78.0151)

MACD (133.919)

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

8/9/2014

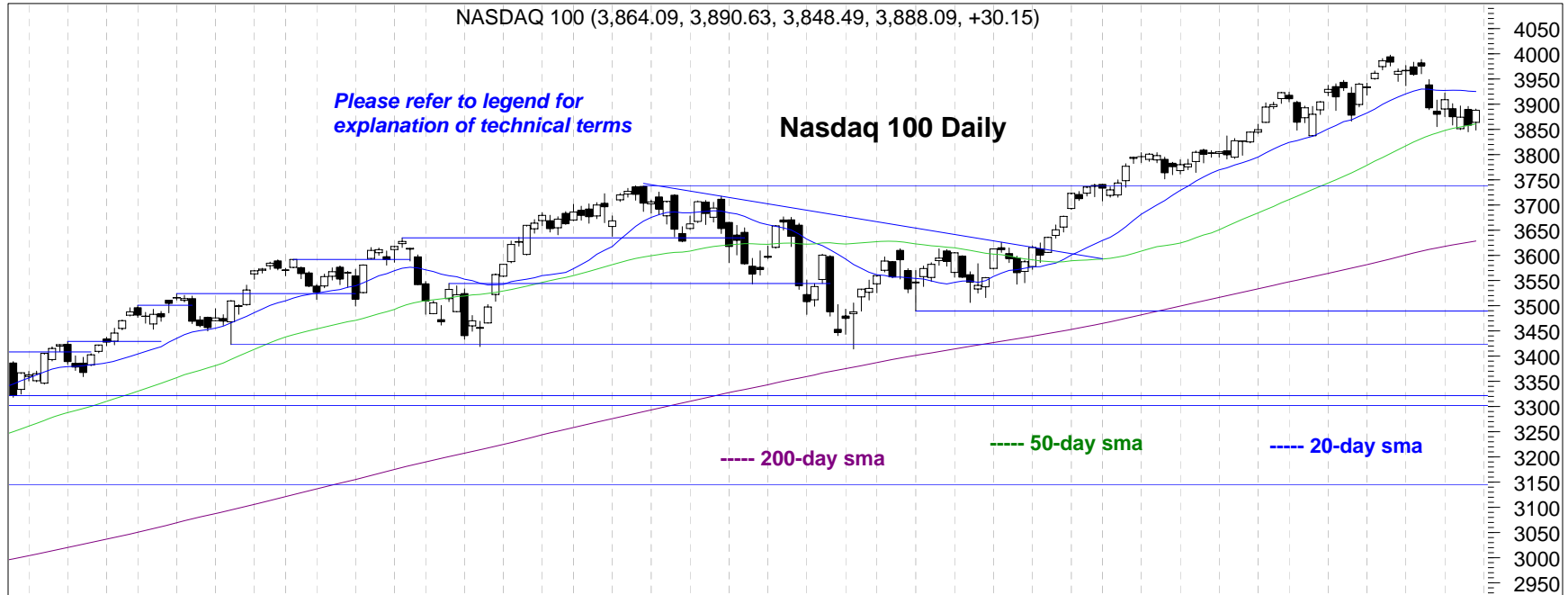
The S&P 500 is trying to remain in the ascending price channel it has been in since mid-2012. July was a key reversal month as it made a new high but closed down on the month. July was the first down month since January. It is early in August but the index is currently below its 3-month sma.

Monthly momentum is threatening to roll over from overbought levels.

NASDAQ 100 (3,864.09, 3,890.63, 3,848.49, 3,888.09, +30.15)

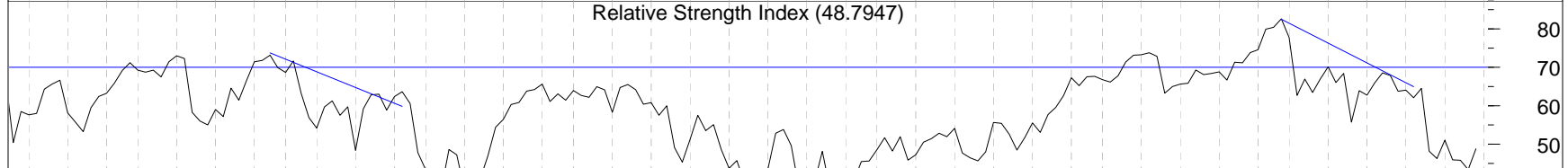
Please refer to legend for explanation of technical terms

Nasdaq 100 Daily



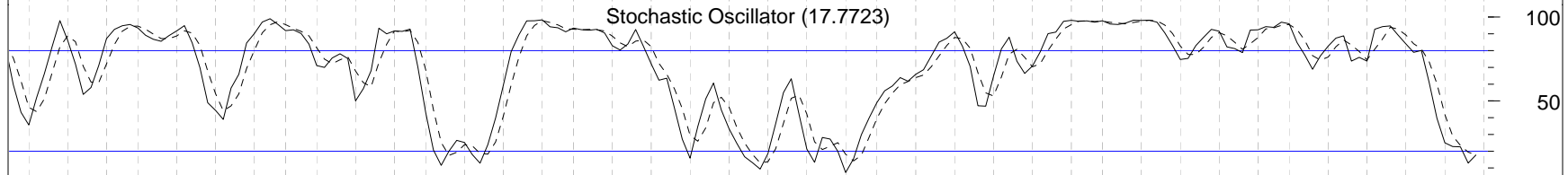
The Nasdaq 100 is holding its 50-day sma. It is not far under its 20-day sma, which was resistance on 8/4.

Relative Strength Index (48.7947)

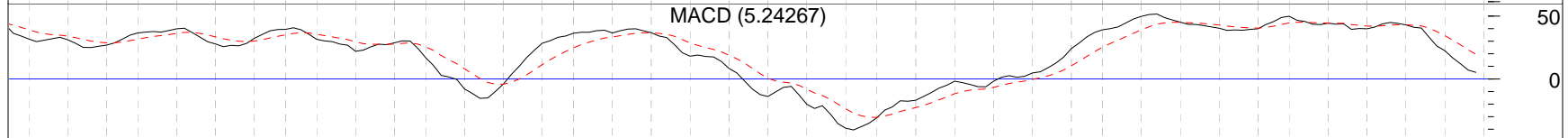


Daily momentum is trying to turn positive from low levels.

Stochastic Oscillator (17.7723)



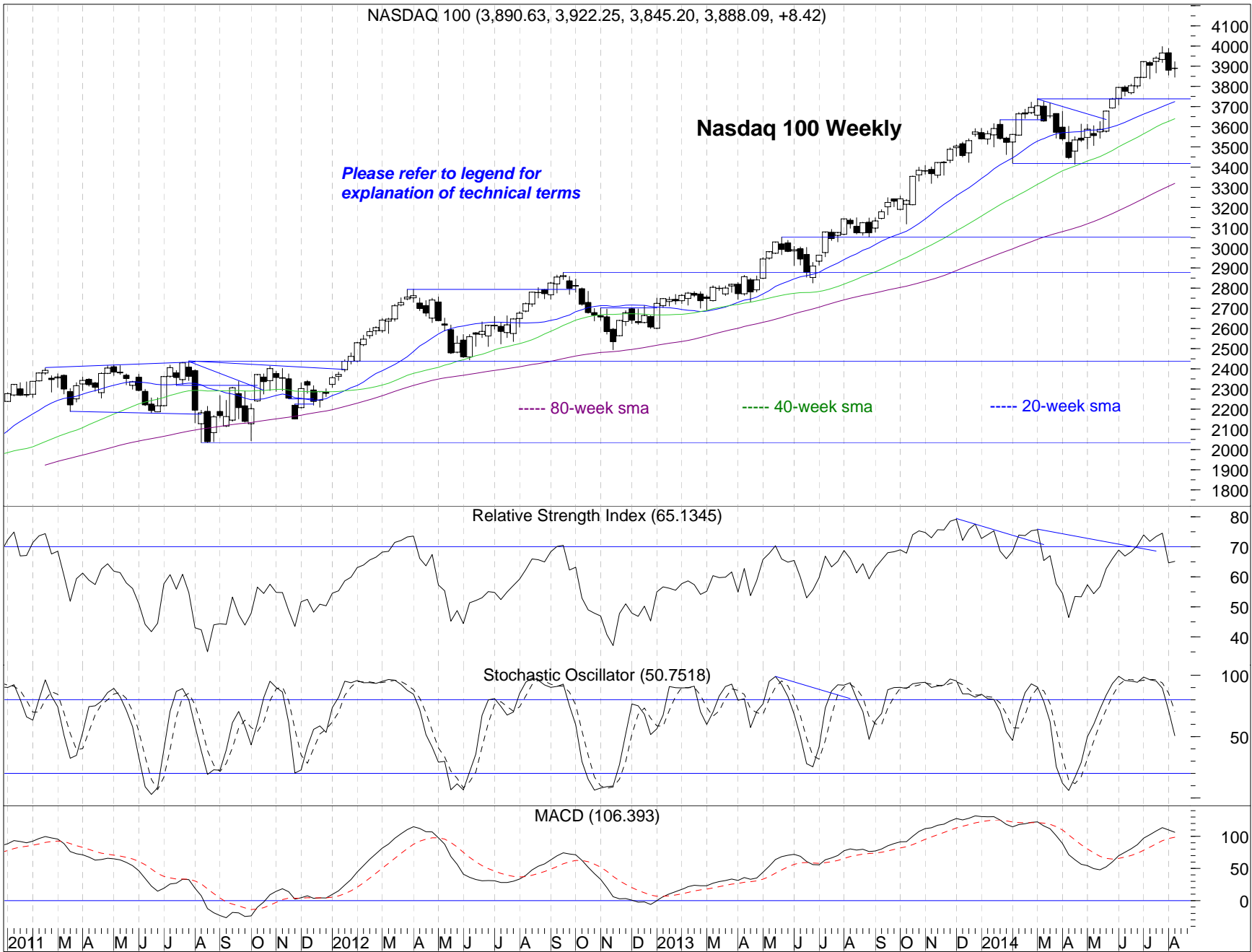
MACD (5.24267)



11 18 25 2 9 16 23 30 6 13 21 27 3 10 18 24 3 10 17 24 31 7 14 21 28 5 12 19 27 2 9 16 23 30 7 14 21 28 4
 vember December 2014 February March April May June July August

8/9/2014

NASDAQ 100 (3,890.63, 3,922.25, 3,845.20, 3,888.09, +8.42)



Please refer to legend for explanation of technical terms

Nasdaq 100 Weekly

----- 80-week sma

----- 40-week sma

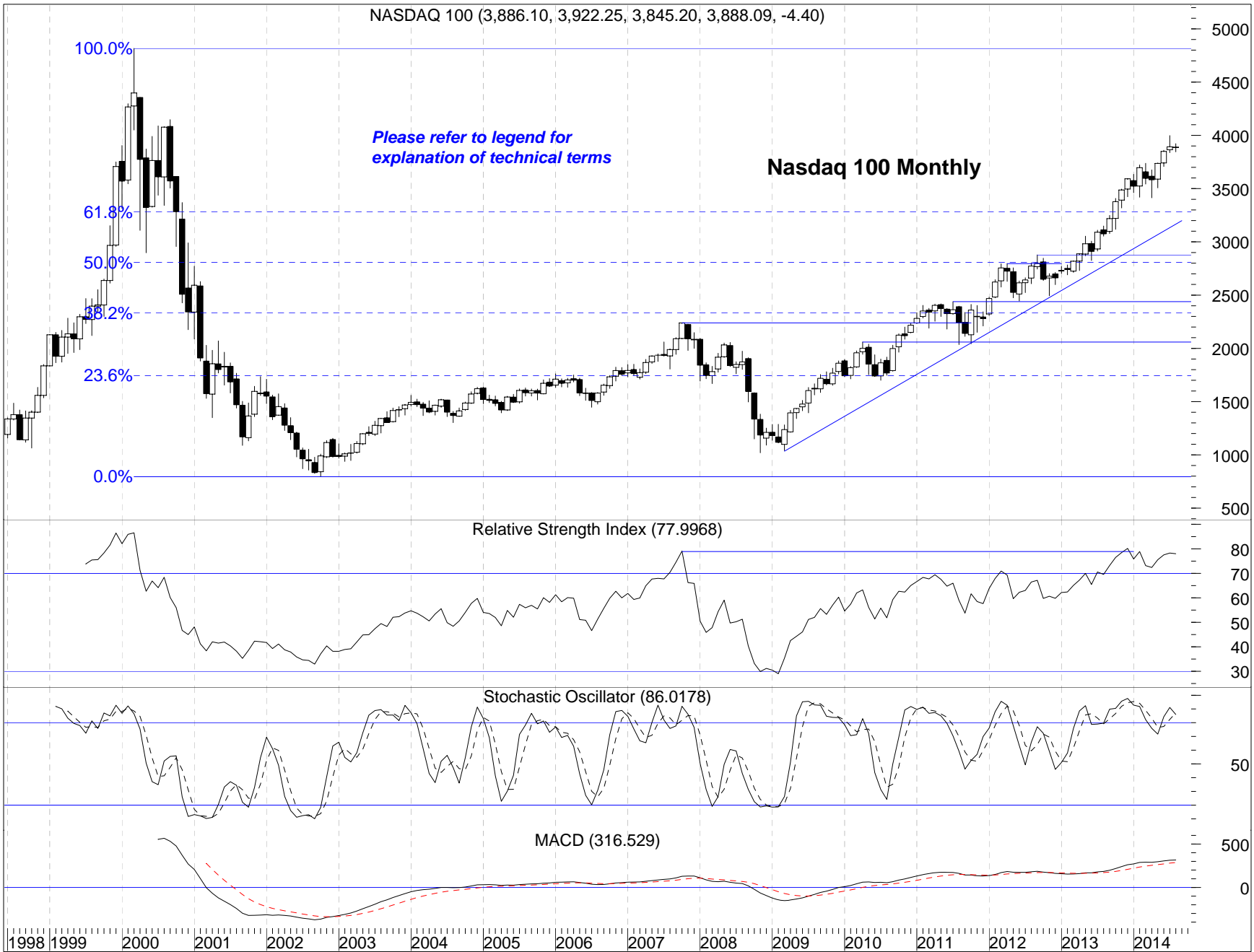
----- 20-week sma

The Nasdaq 100 printed a doji candle on its weekly chart following the bearish engulfing candle of the week before. Doji are signs of indecision.

Weekly momentum is not far from turning negative.

8/9/2014

NASDAQ 100 (3,886.10, 3,922.25, 3,845.20, 3,888.09, -4.40)



Please refer to legend for explanation of technical terms

Nasdaq 100 Monthly

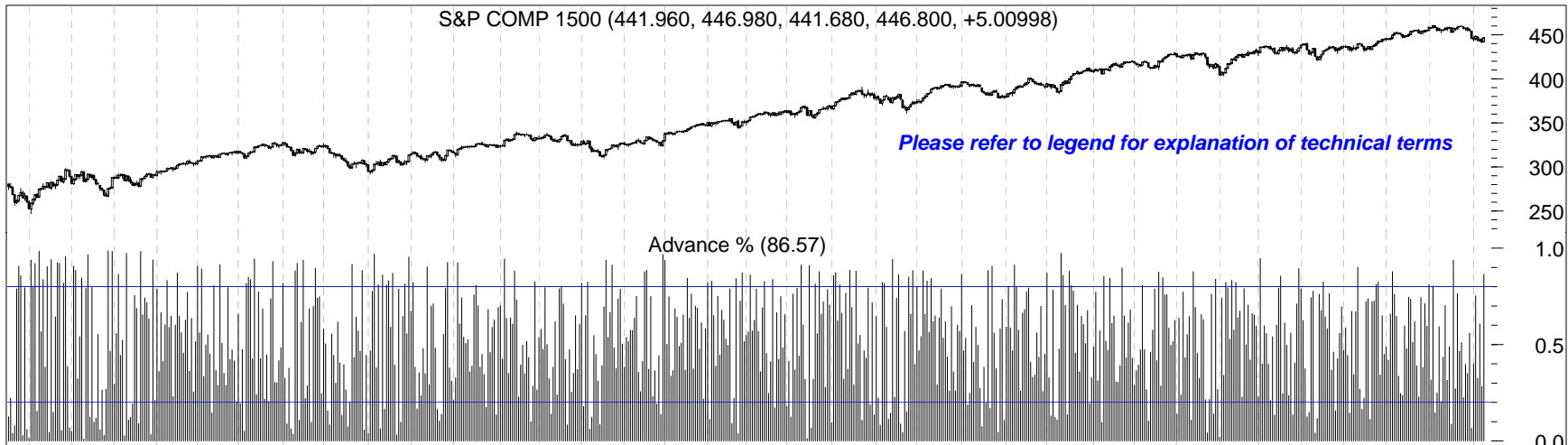
In July the Nasdaq 100 printed a bearish shooting star candle on its monthly chart.

Monthly momentum is overbought.

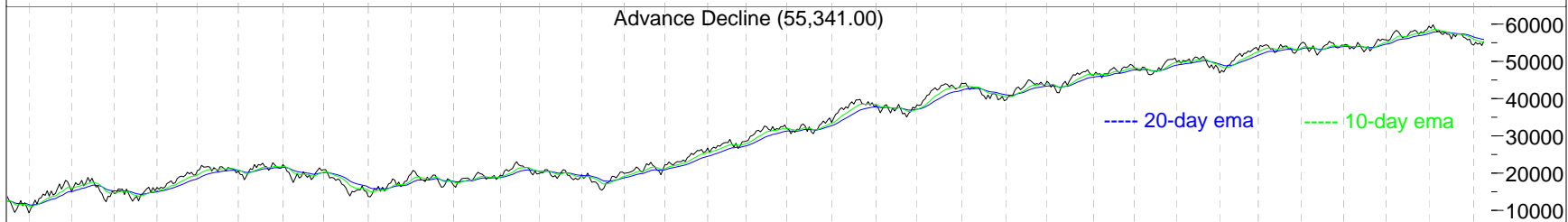
8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

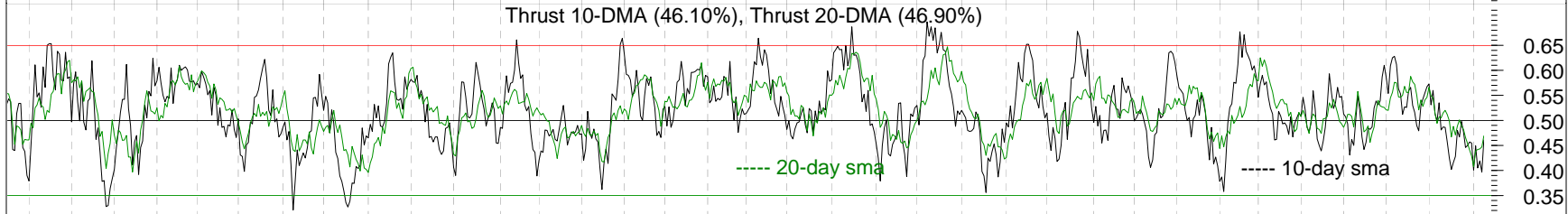
S&P COMP 1500 (441.960, 446.980, 441.680, 446.800, +5.00998)



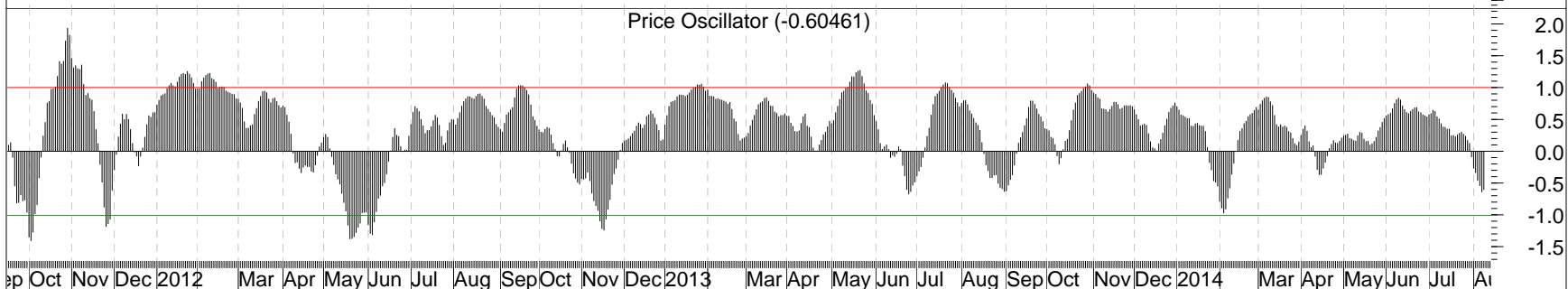
Friday's rally had 86.57% of the S&P 1500 up on the day, the best since 7/18. At 56.7%, the 5-day average of advancers is over 50% for the first time since 7/24.



The AD line is back above its 10-day ema but just under its 20-day.



The 10 and 20-day averages of advancing stocks remain below 50%.



Our price oscillator, a good indicator of trends, remains in negative territory after entering it 7/31.

ep Oct Nov Dec 2012 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2013 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Mar Apr May Jun Jul Ai

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P COMP 1500 (441.960, 446.980, 441.680, 446.800, +5.00998)

Please refer to legend for explanation of technical terms

% Over 10-Sma (48.30%)

Kaufman Options Indicator (0.852)

4-Week Closing Highs (140), 4-Week Closing Lows (59)

10-SMA 4-Week Closing Highs (72.20), 10-SMA 4-Week Closing Lows (369.10)

13-Week Closing Highs (65), 13-Week Closing Lows (36)

10-sma 13-Week Highs (44.90), 10-sma 13-Week Lows (168.00)

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

8/9/2014

After hitting oversold levels the percentage of S&P 1500 stocks over their own 10-day sma has rebounded to 48.3%. Thursday's 26.0% was a positive divergence.

Our proprietary options indicator is at 0.852, a level showing extreme pessimism, which we like to see. It hit 0.846 Thursday, a level where sharp moves lower for stocks are unlikely and where good rallies can begin.

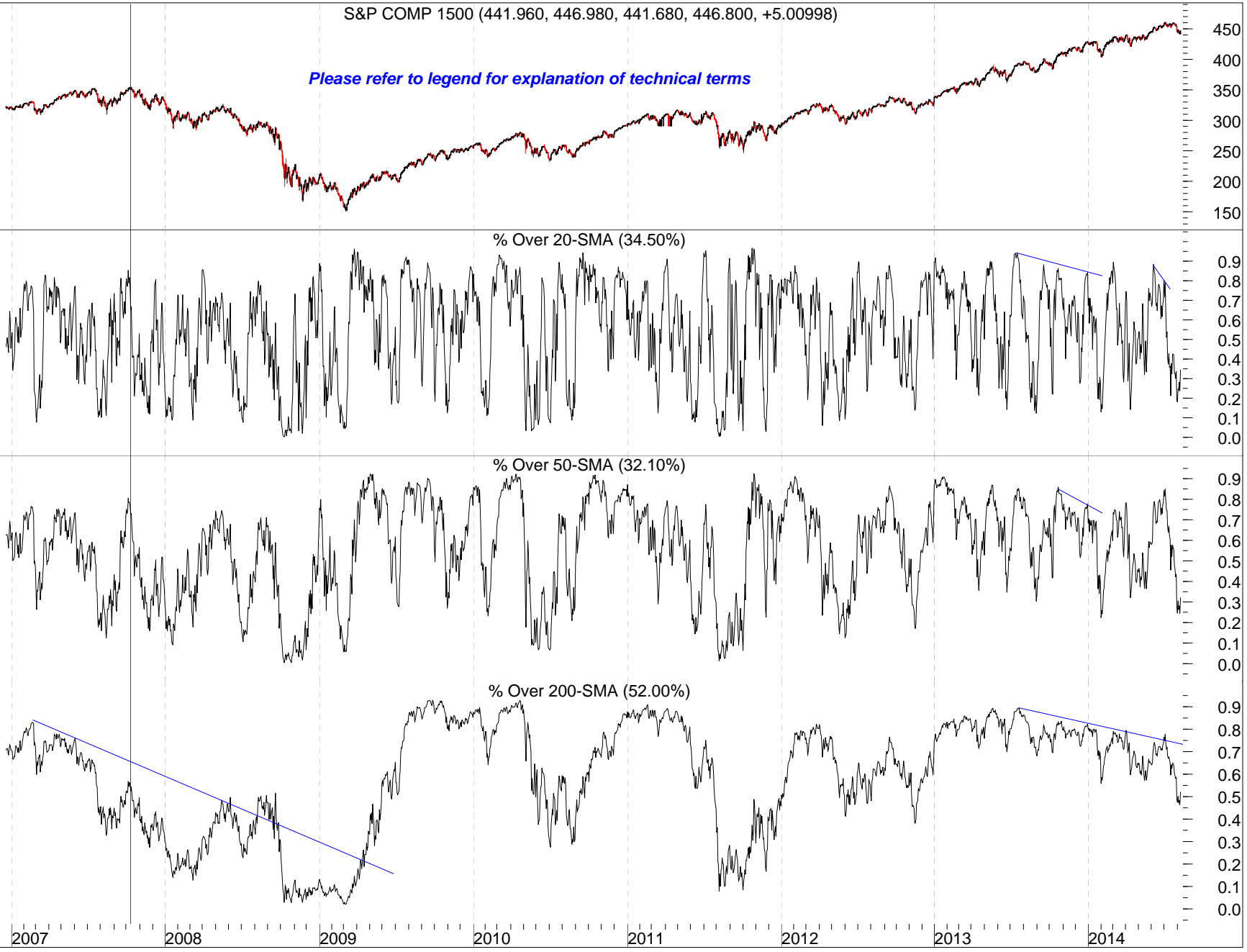
On Friday the number of 4 and 13-week closing price highs exceeded the number of lows for the first time since 7/24.

The 10-day averages of closing price lows are still well above their counterparts of closing highs.

The Kaufman Report - Wayne S. Kaufman, CMT

S&P COMP 1500 (441.960, 446.980, 441.680, 446.800, +5.00998)

Please refer to legend for explanation of technical terms



These breadth numbers improved last week but they are still at very low levels. Last week's numbers had the percent over 200-day sma at the worst level since 11/20/2012.

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

S&P COMP 1500 (441.960, 446.980, 441.680, 446.800, +5.00998)

Please refer to legend for explanation of technical terms

10 Y TSY YLD NDX (23.9500, 24.2600, 23.7000, 24.1500, -0.09000)

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

PE Cont Ops (17.92)

FPE (16.47)

PE TNX Spread % (116.000)

FPE TNX Spread % (151.410)

EPS (23.31), EPS Cont Ops (24.9300), Est EPS (27.13)

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

8/9/2014

The 10-year note yield remains at very low levels, helping stock valuations.

As stocks dropped P/E ratios have pulled back from their recent multi-year highs.

Spreads between equity and bond yields have widened to their best levels since February. These are levels where stocks are very attractive versus bonds.

Aggregate reported and estimated earnings have been rising.

10 Y TSY YLD NDX (23.95, 24.26, 23.70, 24.15, -0.09)

Please refer to legend for explanation of technical terms

10-Year Note Yield Daily

----- 200-day sma

----- 50-day sma

----- 20-day sma

The 10-year note yield broke May's support last week.

Relative Strength Index (36.6688)

Stochastic Oscillator (43.8429)

MACD (-0.25265)

Daily momentum is mostly negative.

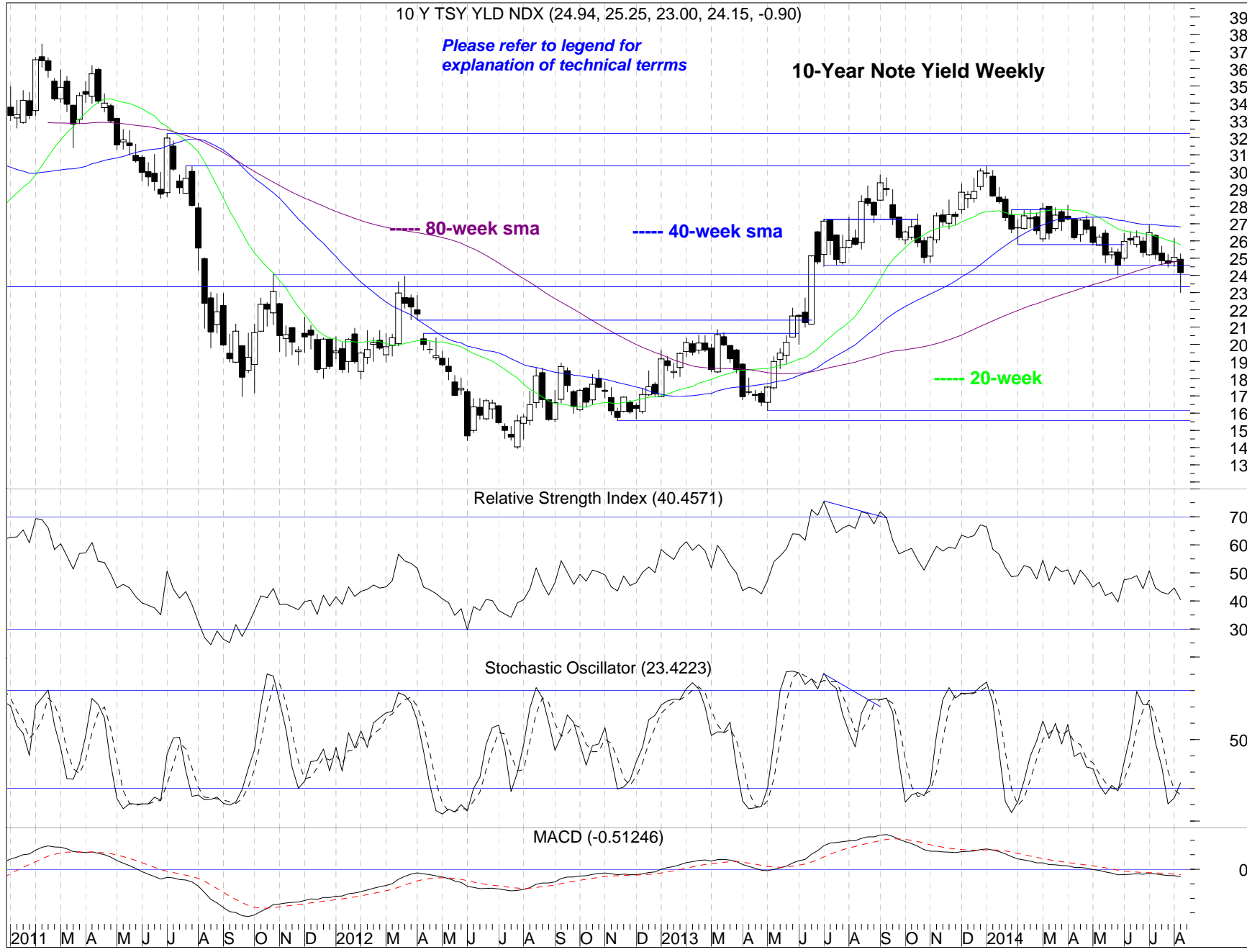
11 18 25 2 9 16 23 30 6 13 21 27 3 10 18 24 3 10 17 24 31 7 14 21 28 5 12 19 27 2 9 16 23 30 7 14 21 28 4 11
mber December 2014 February March April May June July August

8/9/2014

10 Y TSY YLD NDX (24.94, 25.25, 23.00, 24.15, -0.90)

Please refer to legend for explanation of technical terms

10-Year Note Yield Weekly



39
38
37
36
35
34
33
32
31
30
29
28
27
26
25
24
23
22
21
20
19
18
17
16
15
14
13

The 10-year note yield rebounded from the bottom of a support zone on its weekly chart and printed a hammer candle. Hammers are bottoming candles. A break of the low of the hammer would show more weakness and would be very concerning. The yield is below its long-term moving averages.

Relative Strength Index (40.4571)

70
60
50
40
30

Weekly momentum is still mostly negative but the stochastic is turning up at the oversold zone.

Stochastic Oscillator (23.4223)

50

MACD (-0.51246)

0

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

8/9/2014

10 Y TSY YLD NDX (25.82, 25.91, 23.00, 24.15, -1.41)

10-Year Note Yield Monthly

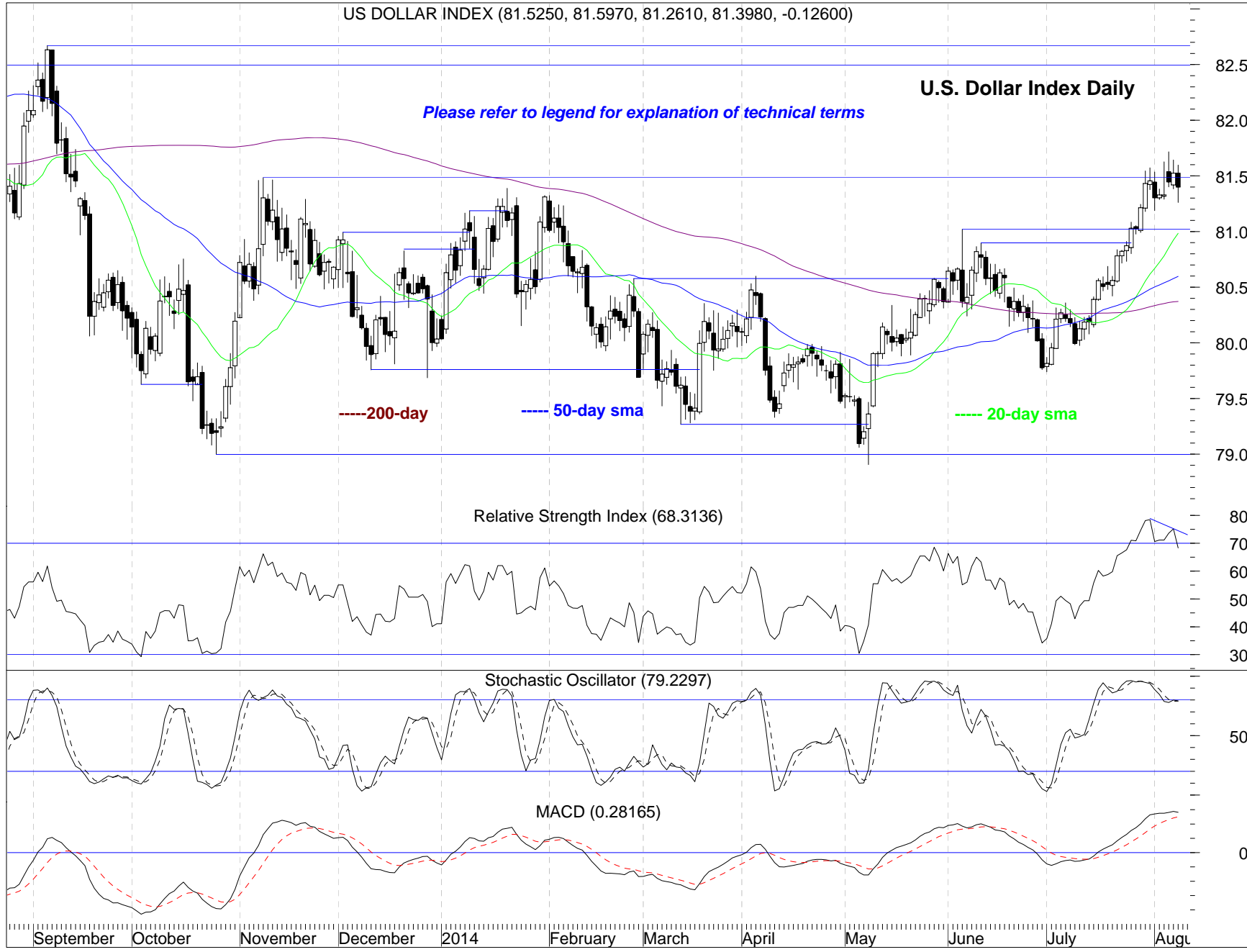


The 10-year note yield is trying to hold support on its monthly chart. It is below its 3 and 12-month sma.

Monthly momentum is slightly negative but the stochastic is turning positive from the oversold zone.

8/9/2014

US DOLLAR INDEX (81.5250, 81.5970, 81.2610, 81.3980, -0.12600)



U.S. Dollar Index Daily

Please refer to legend for explanation of technical terms

-----200-day

-----50-day sma

-----20-day sma

Relative Strength Index (68.3136)

Stochastic Oscillator (79.2297)

MACD (0.28165)

The U.S. Dollar Index rallied above its November resistance but printed a bearish shooting star candle Wednesday.

Daily momentum is rolling over from high levels.

8/9/2014

The Kaufman Report - Wayne S. Kaufman, CMT

US DOLLAR INDEX (81.3030, 81.7160, 81.2610, 81.3980, +0.09600)



U.S. Dollar Index Weekly

Please refer to legend for explanation of technical terms

---- 40-week sma

---- 10-week sma

The U.S. Dollar Index broke through resistance on its weekly chart but closed below it.

Weekly momentum is positive but the stochastic is overbought.

8/9/2014

US DOLLAR INDEX (81.4440, 81.7160, 81.1880, 81.3980, -0.05800)

Please refer to legend for explanation of technical terms

U.S. Dollar Index Monthly

----- 3-month sma

----- 12-month sma

Relative Strength Index (53.3141)

Stochastic Oscillator (74.8797)

MACD (0.13223)

The U.S. Dollar Index remains in the narrow sideways range it has been in since late 2011.

Monthly momentum is not far from turning all positive.

8/9/2014



INVESTMENT SPECIFIC DISCLOSURES

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

http://phoenixinc.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
Russell 2000	1131.56	1.05%	1.50%	1.50%	1.03%	-5.15%	-2.76%	1213.55	7/1/2014	1009.00	9/3/2013
S&P Midcap 400	1378.98	1.00%	0.86%	0.86%	0.60%	-3.77%	2.72%	1452.01	7/1/2014	1170.62	9/3/2013
Nasdaq Composite	4371.15	0.83%	0.43%	0.43%	0.03%	-0.84%	4.66%	4485.93	7/3/2014	3573.57	8/27/2013
S&P 1500	446.80	1.13%	0.41%	0.41%	0.13%	-1.76%	4.12%	460.50	7/24/2014	377.60	8/30/2013
Dow Jones Industrials	16553.93	1.13%	0.37%	0.37%	-0.06%	-1.62%	-0.14%	17151.56	7/17/2014	14719.43	10/9/2013
S&P 500	1931.17	1.13%	0.31%	0.31%	0.03%	-1.48%	4.48%	1991.39	7/24/2014	1627.47	8/28/2013
Nasdaq 100	3888.34	0.79%	0.22%	0.22%	-0.11%	1.01%	8.25%	3997.50	7/24/2014	3053.26	8/27/2013
NYSE Composite	10686.33	0.97%	-0.05%	-0.05%	-0.37%	-2.67%	2.75%	11105.85	7/3/2014	9246.89	8/30/2013
Dow Jones Transportation	8092.47	1.26%	-0.35%	-0.35%	-0.61%	-1.34%	9.35%	8515.04	7/23/2014	6237.14	8/30/2013
Bank of New York Mellon ADR	152.23	0.50%	-1.21%	-1.21%	-1.56%	-2.91%	0.11%	159.35	7/3/2014	134.71	8/30/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Consumer Discretionary	526.11	1.56%	1.11%	1.11%	0.75%	-0.63%	-0.75%	540.21	7/3/2014	453.83	8/28/2013
Materials	310.44	1.07%	1.01%	1.01%	1.06%	-0.96%	6.45%	317.83	7/28/2014	253.08	8/29/2013
Consumer Staples	451.20	0.99%	0.96%	0.96%	1.73%	-1.77%	1.94%	468.07	7/14/2014	402.20	8/29/2013
Energy	703.50	1.68%	0.81%	0.81%	0.09%	-3.32%	7.95%	738.72	6/23/2014	583.15	8/21/2013
Industrials	449.47	1.40%	0.77%	0.77%	0.69%	-3.47%	-0.66%	479.63	6/9/2014	378.75	8/30/2013
Financials	301.01	0.97%	0.60%	0.60%	-0.28%	-1.83%	2.14%	310.81	7/3/2014	260.33	8/28/2013
Utilities	210.12	1.98%	-0.07%	-0.07%	0.35%	-6.59%	8.75%	225.35	6/30/2014	184.47	9/4/2013
Information Technology	637.14	0.70%	-0.25%	-0.25%	-0.65%	0.74%	8.82%	658.50	7/23/2014	503.37	8/27/2013
Health Care	699.99	1.14%	-0.60%	-0.60%	-0.62%	-0.64%	8.98%	722.36	7/30/2014	564.13	8/28/2013
Telecom Services	157.42	0.49%	-2.10%	-2.10%	-3.01%	-0.53%	1.22%	172.45	7/29/2014	143.28	2/3/2014

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Retailing	902.84	1.85%	2.81%	2.81%	2.26%	1.60%	-3.93%	944.66	12/27/2013	806.34	8/27/2013
Consumer Durables & Apparel	270.54	1.85%	2.09%	2.09%	1.63%	-1.78%	-5.10%	285.53	1/3/2014	237.31	8/28/2013
Household & Personal Products	505.91	1.06%	1.63%	1.63%	3.91%	0.43%	-0.72%	530.20	11/26/2013	469.34	10/3/2013
Food, Beverage & Tobacco	525.60	0.93%	1.61%	1.61%	1.94%	-2.42%	3.55%	549.34	6/20/2014	466.32	8/29/2013
Automobiles & Components	137.35	1.58%	1.52%	1.52%	0.43%	-4.26%	-1.17%	146.81	7/14/2014	123.37	8/28/2013
Diversified Financials	462.70	1.39%	1.38%	1.38%	0.75%	-0.33%	3.17%	473.30	7/24/2014	387.97	8/28/2013
Commercial & Professional Service	202.01	1.79%	1.38%	1.38%	1.05%	-0.52%	4.71%	204.91	7/1/2014	164.93	9/3/2013
Capital Goods	479.31	1.42%	1.03%	1.03%	1.01%	-3.92%	-3.12%	518.39	6/9/2014	414.28	8/30/2013
Materials	310.44	1.07%	1.01%	1.01%	1.06%	-0.96%	6.45%	317.83	7/28/2014	253.08	8/29/2013
Energy	703.50	1.68%	0.81%	0.81%	0.09%	-3.32%	7.95%	738.72	6/23/2014	583.15	8/21/2013
Insurance	282.23	0.91%	0.72%	0.72%	0.26%	-3.96%	-2.38%	299.15	7/3/2014	247.74	8/30/2013
Real Estate	171.10	0.73%	0.54%	0.54%	0.37%	0.77%	14.87%	174.23	7/30/2014	142.12	8/19/2013
Software & Services	868.93	0.71%	0.25%	0.25%	-0.49%	1.24%	4.26%	902.43	4/3/2014	701.61	9/4/2013
Utilities	210.12	1.98%	-0.07%	-0.07%	0.35%	-6.59%	8.75%	225.35	6/30/2014	184.47	9/4/2013
Banks	213.20	0.74%	-0.09%	-0.09%	-1.64%	-3.03%	1.91%	228.93	3/21/2014	185.00	10/9/2013
Consumer Services	686.04	0.78%	-0.33%	-0.33%	-0.28%	-3.53%	0.08%	720.69	7/3/2014	615.18	10/9/2013
Transports	516.90	1.19%	-0.43%	-0.43%	-0.64%	-2.73%	7.77%	546.11	7/23/2014	397.27	8/30/2013
Pharmaceuticals, Biotech & Life Sci	680.14	1.13%	-0.48%	-0.48%	-0.68%	-0.72%	8.95%	704.97	7/7/2014	542.85	8/28/2013
Technology Hardware & Equipmen	665.94	0.66%	-0.52%	-0.52%	-0.60%	0.54%	13.81%	691.09	7/29/2014	511.96	9/16/2013
Media	450.01	1.50%	-0.56%	-0.56%	-0.65%	-0.11%	4.59%	466.99	7/16/2014	356.76	8/28/2013
Health Care Equip & Services	628.53	1.16%	-0.85%	-0.85%	-0.50%	-0.48%	9.03%	650.09	7/24/2014	514.86	8/29/2013
Food & Staples Retailing	320.19	1.05%	-1.11%	-1.11%	-0.64%	-2.23%	0.77%	336.85	6/6/2014	277.52	8/29/2013
Semiconductors & Equipment	494.11	0.75%	-1.64%	-1.64%	-1.48%	-0.85%	16.93%	528.58	7/23/2014	356.76	8/30/2013
Telecom Services	157.42	0.49%	-2.10%	-2.10%	-3.01%	-0.53%	1.22%	172.45	7/29/2014	143.28	2/3/2014

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

Kaufman Report Legend

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Equity Yield - same as earnings yield.

EPS - Earnings Per Share.

EPS Cont Ops – Earnings per share from continuing operations

Est EPS – Estimated earnings per share

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

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

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

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

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

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

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

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

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

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

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

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

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

Low - the lowest price traded during the defined session.

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

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

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

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

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

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

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

Open - the first price trading occurred during a session.

PE Cont Ops – PE ratio from continuing operations

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

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

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

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

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

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

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

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

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

Price Oscillator – The difference between two moving averages.

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

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

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

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

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

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

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

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

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

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

TNX – The 10-year note yield.

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

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

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

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

Wick - see shadow.