

Chartbook Review

(charts as of 03/13/14)

By Fred Meissner, CMT

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Chartbook: Stocks of Interest

Symbol	Company	trkPrice	Sector ▲	Industry
CF	CF Industries Holdings Inc	255.74	Basic Materials Sector	Agricultural Inputs
DOW	Dow Chemical Co	49.03	Basic Materials Sector	Chemicals
FOE	Ferro Corp	13.75	Basic Materials Sector	Specialty Chemicals
NFLX	Netflix Inc	436.58	Communication Services Sector	Pay TV
TEF	Telefonica Sa	15.63	Communication Services Sector	Telecom Services
VOD	Vodafone Group Plc	37.96	Communication Services Sector	Telecom Services
HBI	Hanesbrand Inc	73.96	Consumer Cyclical Sector	Apparel Manufacturing
TSLA	Tesla Motors Inc	241.49	Consumer Cyclical Sector	Auto Manufacturers
JCI	Johnson Controls Inc	46.88	Consumer Cyclical Sector	Auto Parts
OI	Owens Illinois Inc	32.70	Consumer Cyclical Sector	Packaging & Containers
THO	Thor Industries Inc	58.69	Consumer Cyclical Sector	Recreational Vehicles
CACQ	Caesars Acquisition Company	16.19	Consumer Cyclical Sector	Resorts & Casinos
WYNN	Wynn Resorts Ltd	239.54	Consumer Cyclical Sector	Resorts & Casinos
MELI	Mercadolibre Inc.	99.65	Consumer Cyclical Sector	Specialty Retail
DPS	Dr Pepper Snapple Group, Inc.	52.99	Consumer Defensive Sector	Beverages - Soft Drinks
BF.B	Brown-forman Corp Cl B	87.04	Consumer Defensive Sector	Beverages - Wineries & Distilleries
PSMT	Pricesmart Inc	108.14	Consumer Defensive Sector	Discount Stores
VIPS	Vipshop Holdings Ltd	155.19	Consumer Defensive Sector	Discount Stores
SJM	Jm Smucker	97.98	Consumer Defensive Sector	Packaged Foods
RAI	Reynolds American Inc	53.76	Consumer Defensive Sector	Tobacco
APA	Apache Corp	79.19	Energy Sector	Oil & Gas E&P
APC	Anadarko Petroleum Corp	81.60	Energy Sector	Oil & Gas E&P
GPOR	Gulfport Energy Corp	63.34	Energy Sector	Oil & Gas E&P
GTE	Gran Tierra Energy Corp	6.82	Energy Sector	Oil & Gas E&P
KMI	Kinder Morgan, Inc.	31.29	Energy Sector	Oil & Gas Midstream
WMB	Williams Companies Inc	41.18	Energy Sector	Oil & Gas Midstream
HFC	HollyFrontier Corporation	48.95	Energy Sector	Oil & Gas Refining & Marketing
VLO	Valero Energy Corp	54.04	Energy Sector	Oil & Gas Refining & Marketing

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Symbol	Company	trkPrice	Sector	Industry
BX	The Blackstone Group L.P	34.27	Financial Services Sector	Asset Management
FIG	Fortress Investment Group Llc	8.37	Financial Services Sector	Asset Management
IFN	India Fund	21.47	Financial Services Sector	Asset Management
SAN	Banco Sntndr Cen Hsp Ads	9.09	Financial Services Sector	Banks - Global
EVR	Evercore Partners Inc	57.68	Financial Services Sector	Capital Markets
MS	Morgan Stanley	31.44	Financial Services Sector	Capital Markets
MKL	Markel Corp	581.80	Financial Services Sector	Insurance - Property & Casualty
MMC	Marsh & McLennan Cos Inc	49.27	Financial Services Sector	Insurance Brokers
ARNA	Arena Pharmaceuticals	7.14	Healthcare Sector	Biotechnology
CELG	Celgene Corp	157.92	Healthcare Sector	Biotechnology
ECYT	Endocyte, Inc	13.42	Healthcare Sector	Biotechnology
QCOR	Questcor Pharmaceuticals	63.93	Healthcare Sector	Biotechnology
PFE	Pfizer Inc	31.98	Healthcare Sector	Drug Manufacturers - Major
BEAV	Be Aerospace Inc	86.08	Industrials Sector	Aerospace & Defense
AAL	American Airlines Group Inc	36.74	Industrials Sector	Airlines
HA	Hawaiian Hldgs Inc	13.75	Industrials Sector	Airlines
ADP	Automatic Data Processing Inc.	77.01	Industrials Sector	Business Services
IEP	Icahn Enterprise Lp	110.24	Industrials Sector	Conglomerates
CAT	Caterpillar Inc	96.82	Industrials Sector	Diversified Industrials
MIDD	Middleby Corporation	279.32	Industrials Sector	Diversified Industrials
FLR	Fluor Corp (New)	76.45	Industrials Sector	Engineering & Construction
FDX	Fedex Corp	137.79	Industrials Sector	Integrated Shipping & Logistics
GTLS	Chart Industries Inc	85.07	Industrials Sector	Metal Fabrication
PRLB	Proto Labs, Inc.	68.21	Industrials Sector	Tools & Accessories
WM	Waste Management Inc	40.59	Industrials Sector	Waste Management

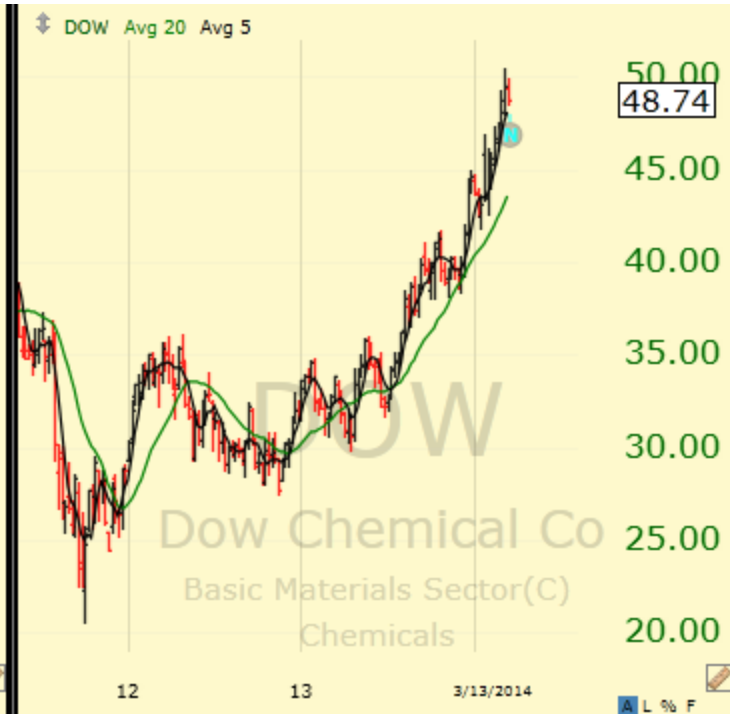
Chartbook: Stocks of Interest

Symbol	Company	trkPrice	Sector ▲	Industry
DDD	3d Systems Corp	61.58	Technology Sector	Computer Systems
SSYS	Stratasys Inc	114.64	Technology Sector	Computer Systems
SNE	Sony Corporation ADS	17.84	Technology Sector	Consumer Electronics
EMC	Emc Corp	27.10	Technology Sector	Data Storage
PLUG	Plug Power Inc	6.80	Technology Sector	Electronic Components
CTSH	Cognizant Tech Sol Cp A	51.59	Technology Sector	Information Technology Services
QIHU	Qihoo 360 Technology Co	116.73	Technology Sector	Information Technology Services
FB	Facebook, Inc.	70.88	Technology Sector	Internet Content & Information
OPEN	Opentable Inc	82.03	Technology Sector	Internet Content & Information
TWTR	Twitter, Inc	53.56	Technology Sector	Internet Content & Information
YY	YY Inc.	82.28	Technology Sector	Internet Content & Information
BRKR	Bruker Corp	23.92	Technology Sector	Scientific & Technical Instruments
AMBA	Ambarella, Inc.	28.68	Technology Sector	Semiconductor Equipment & Materia
AMD	Advanced Micro Devices	3.91	Technology Sector	Semiconductors
CREE	Cree Incorporated	58.70	Technology Sector	Semiconductors
HIMX	Himax Technologies Inc	14.72	Technology Sector	Semiconductors
TSM	Taiwan Semiconductor Manufactu	19.43	Technology Sector	Semiconductors
MDRX	Allscripts Healthcare Solution	18.73	Technology Sector	Software - Application
NQ	NQ Mobile Inc	18.62	Technology Sector	Software - Application
WDAY	Workday, Inc.	102.63	Technology Sector	Software - Application
PEG	Public Service Enterprise Group In	35.79	Utilities Sector	Utilities - Diversified
AMJ	JP Morgan Alerian MLP Index ETN	45.79		
DXJ	WisdomTree Japan Hedged Equity	47.17		
EPI	WisdomTree India Earnings Fund I	17.91		
EWX	SPDR S&P Emerging Markets Sma	46.36		
RYT	Rydex S&P Equal Wt Tech Etf	80.13		
TRF	Templeton Russia And East Euro	12.31		
XLI	SPDRs Select Sector Industrial ET	52.29		

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FRED Report 13h

\$DOW Strong up chart with 47 area support. Daily stochastic is coming down. This could consolidate, but there are layers of support 47 - 45. We would buy this on weakness, although we prefer DD right now. [Chart](#)

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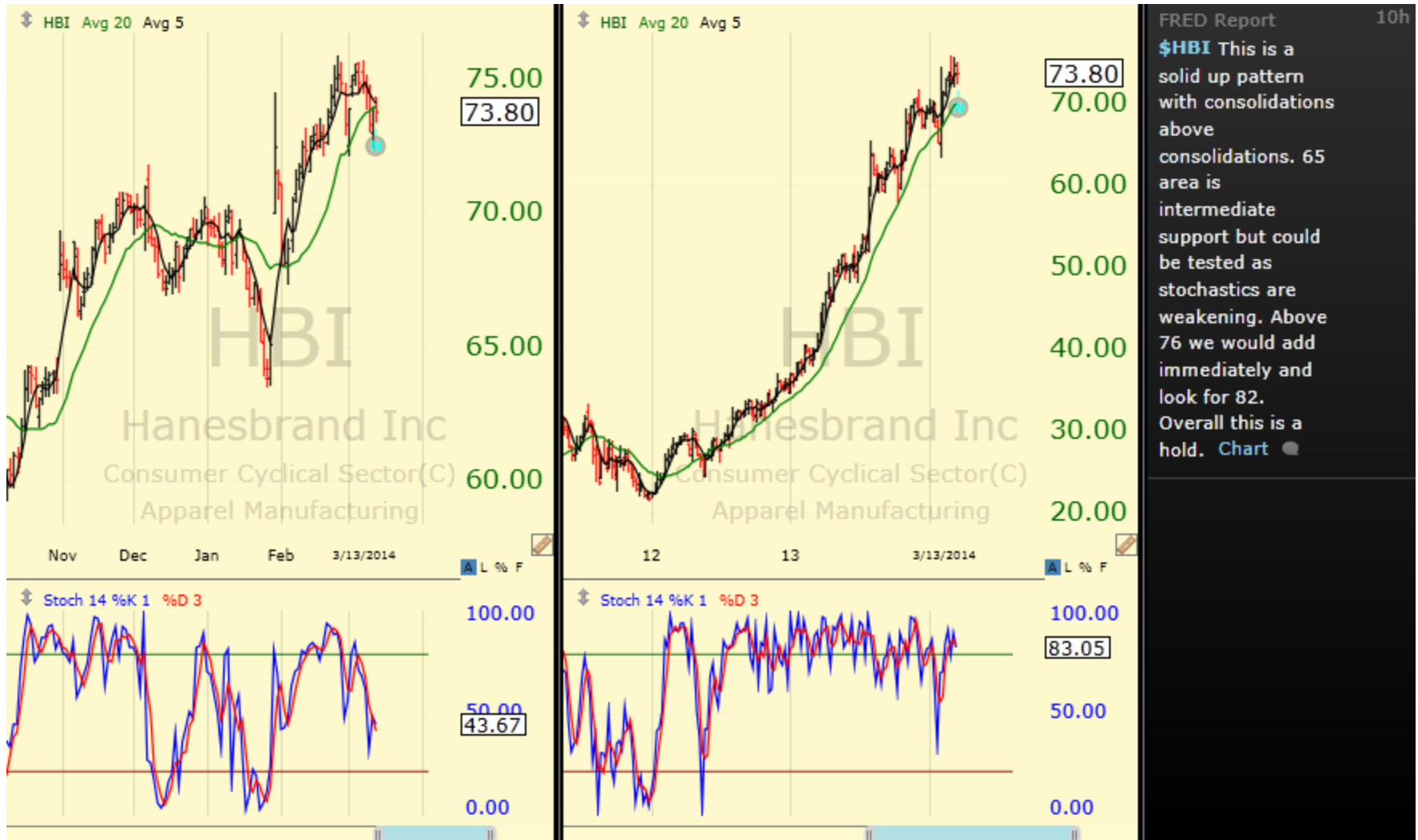
FRED Report 9h

\$NFLX NFLX has quite possibly started to roll over, and this could test the lower end of support at 420 - 400. Weekly stochastic has just started to turn over. A sharp move above 460 would improve this pattern but we doubt that this could occur. [Chart](#)

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FRED Report 9h

\$MELI This is a weakening pattern and daily stochastics are negative, with faltering weeklies. Another test of 90 might occur, and below that would be a concern. This is a sell as there are better looking charts. [Chart](#)

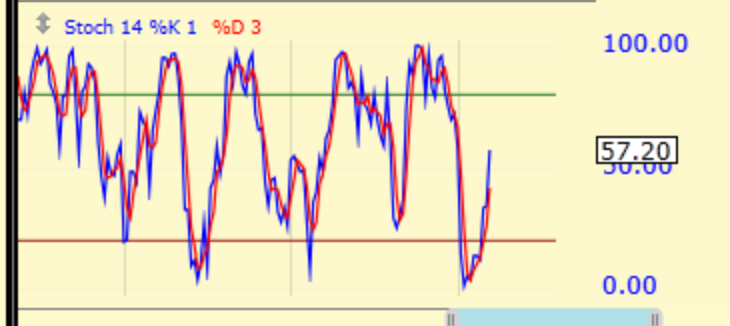
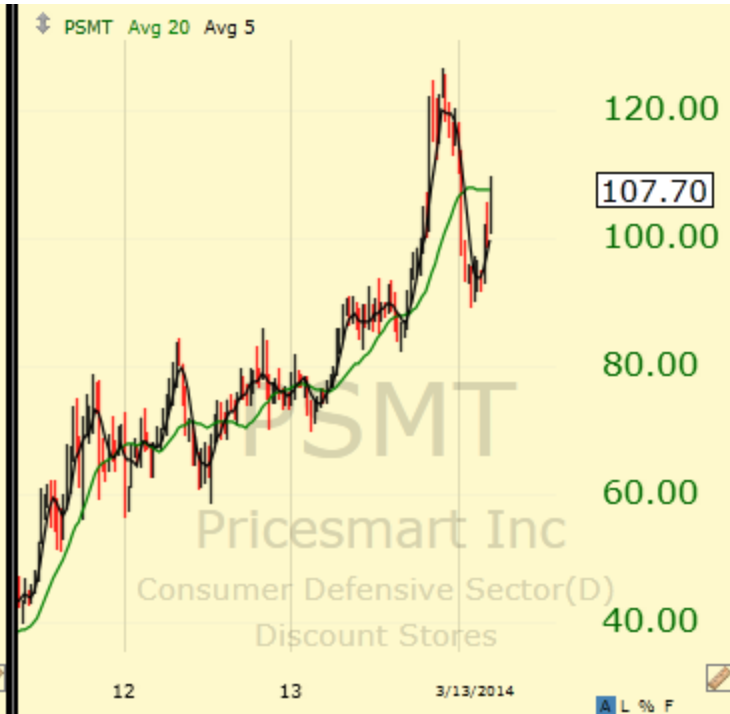
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FRED Report 8h

\$PSMT The support at 90 has held this stock, and now resistance in the 110 area is being challenged. Stochastics are in good configurations, with the weekly in buy mode and the daily elevated but not in a sell pattern. Above 112 suggests a test of 119. A buy for us. [Chart](#)

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Chartbook: Stocks of Interest



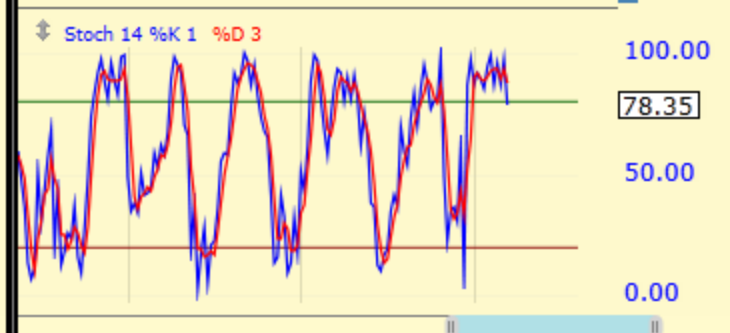
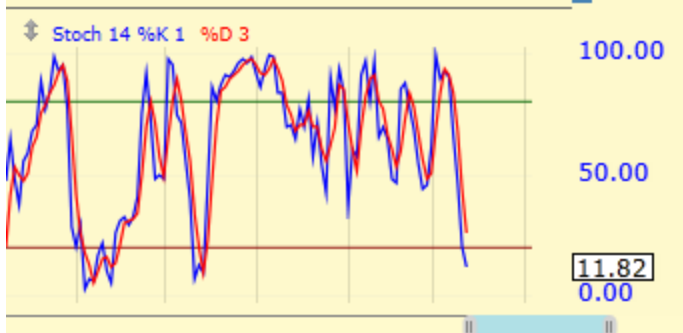
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FRED Report 7h

\$WMB Breakout is holding with an oversold short-term stochastic as long as this is above 38. Attractive although energy area is a concern. This is a favorable stock in our sector review. [Chart](#)

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FRED Report **\$VLO** 7h
 This is an energy stock we like, and is trading well. There are layers of support from 50 - 46. A buy for us with a target of low 60's. [Chart](#)

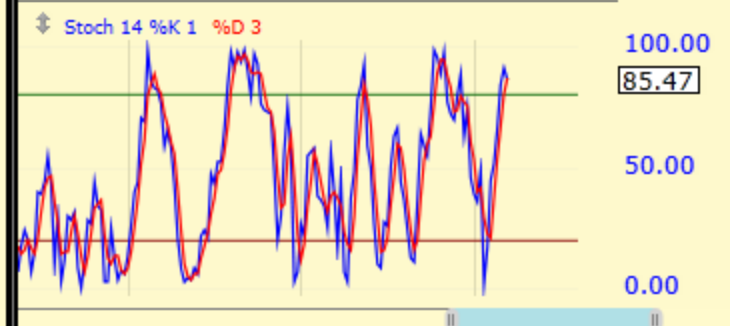
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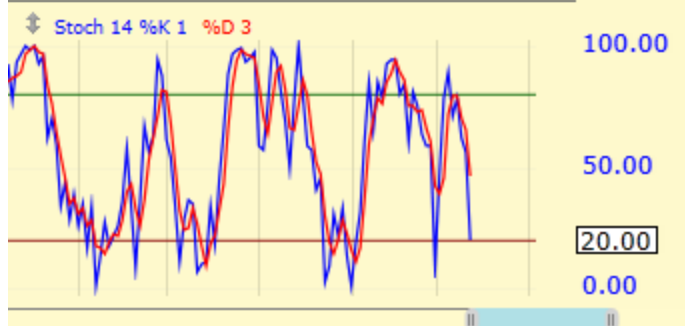
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FRED Report **\$IFN** 9h

Daily pattern has improved although daily stochastic suggests some consolidation. Intermediate stochastics and the price pattern is also improving. A hold or aggressive buy for us and a sign EEM may do better in the second part of 2014. [Chart](#)

Chartbook: Stocks of Interest



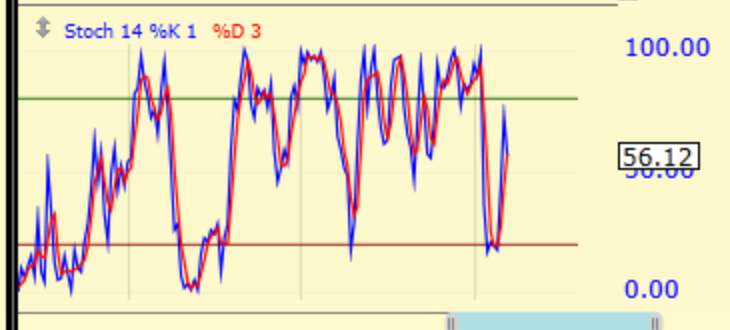
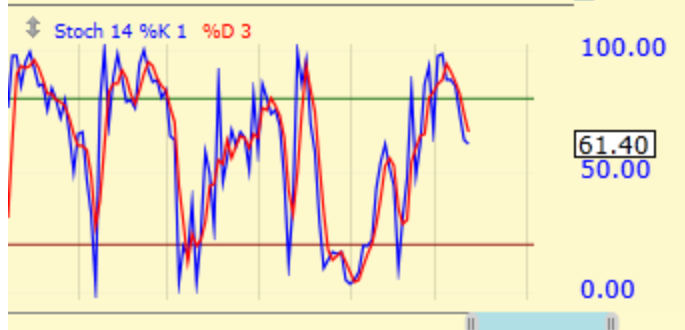
FRED Report **\$SAN** 8h
 Stochastic hsa come down as in the last note, so this is a buy when it turns up. Improving chart. [Chart](#)

FRED Report 21d
\$SAN Stronger bank pattern as long as above 8.25. Daily stochastic can come down a bit and weekly is basically positive but more consolidation is likely. A hold but if daily stochastic moves down to 50 would be a buy as long as 8 area support holds. [Chart](#)

Chartbook: Stocks of Interest



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FRED Report **\$MS** 9h

FRED OWNS THIS NAME: A LONG-TERM HOLD.

This is weakenng and daily stochastic suggests another test of 29 or so is possible. the 30 area might also hold. This has the potential to be a strong intermediate chart. [Chart](#)

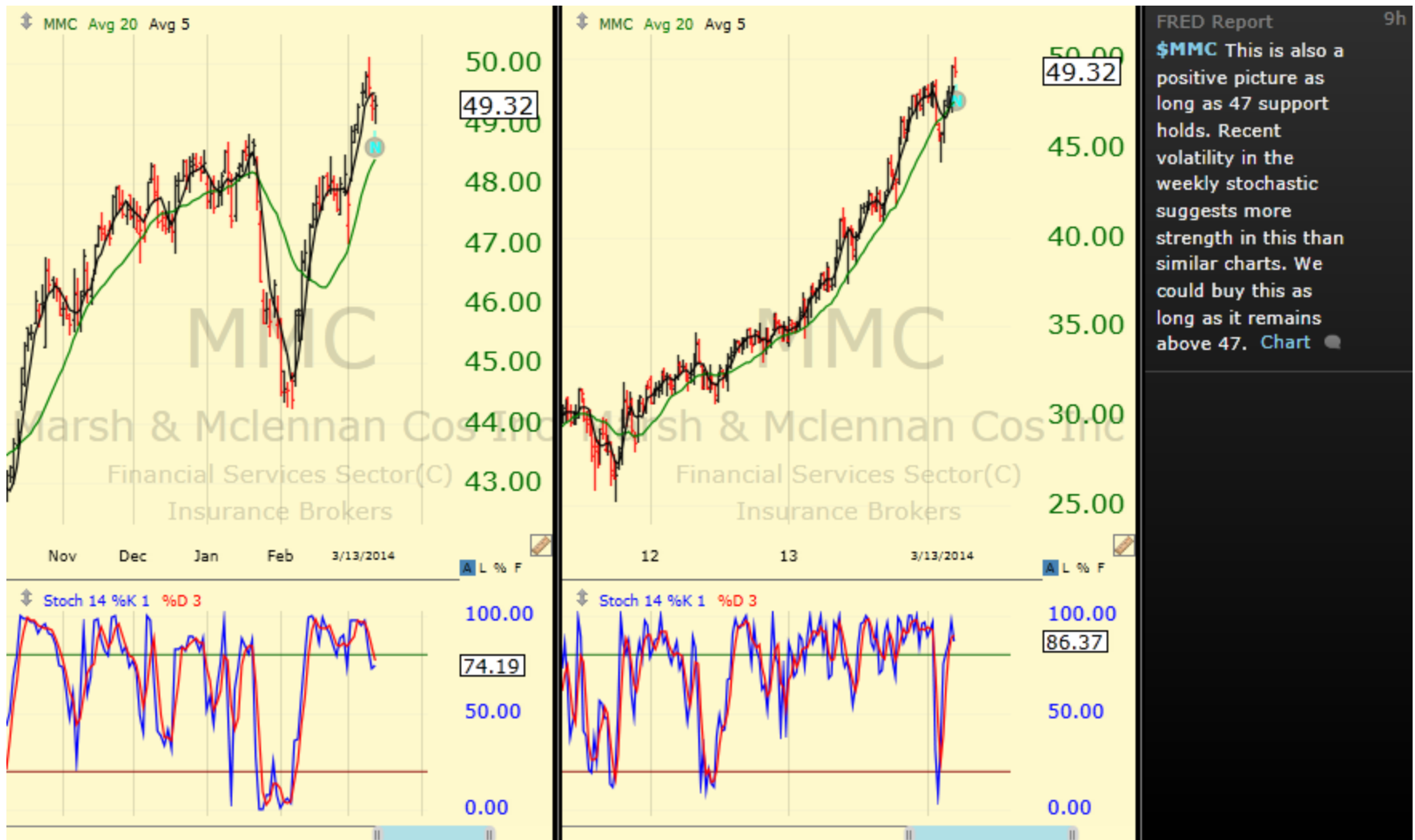
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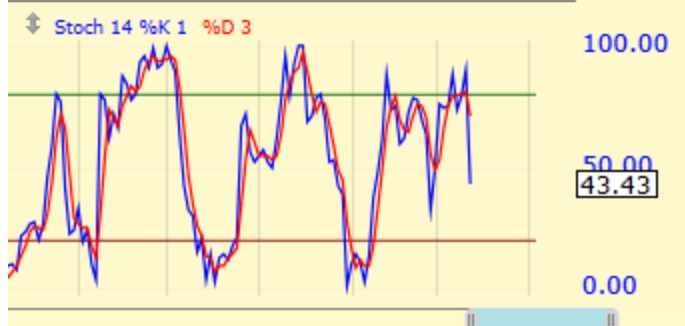
FRED Report **\$MKL** 9h

This is still up short and intermediate-term. Daily stochastic pattern is a bit weak but overall this is positive as long as 570 holds short-term. Below that 530 - 500 could be tested. [Chart](#)

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FRED Report 14h

\$ARNA The recent test of 4-area support and daily stochastic pattern suggests a bit more consolidation is likely. We would buy a test of 5.80, now a hold for us. [Chart](#)

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FRED Report 13h

\$ECYT This has consolidated since the last comment, and the daily stochastic is turning up. A buy for us as long as above 10. [Chart](#)

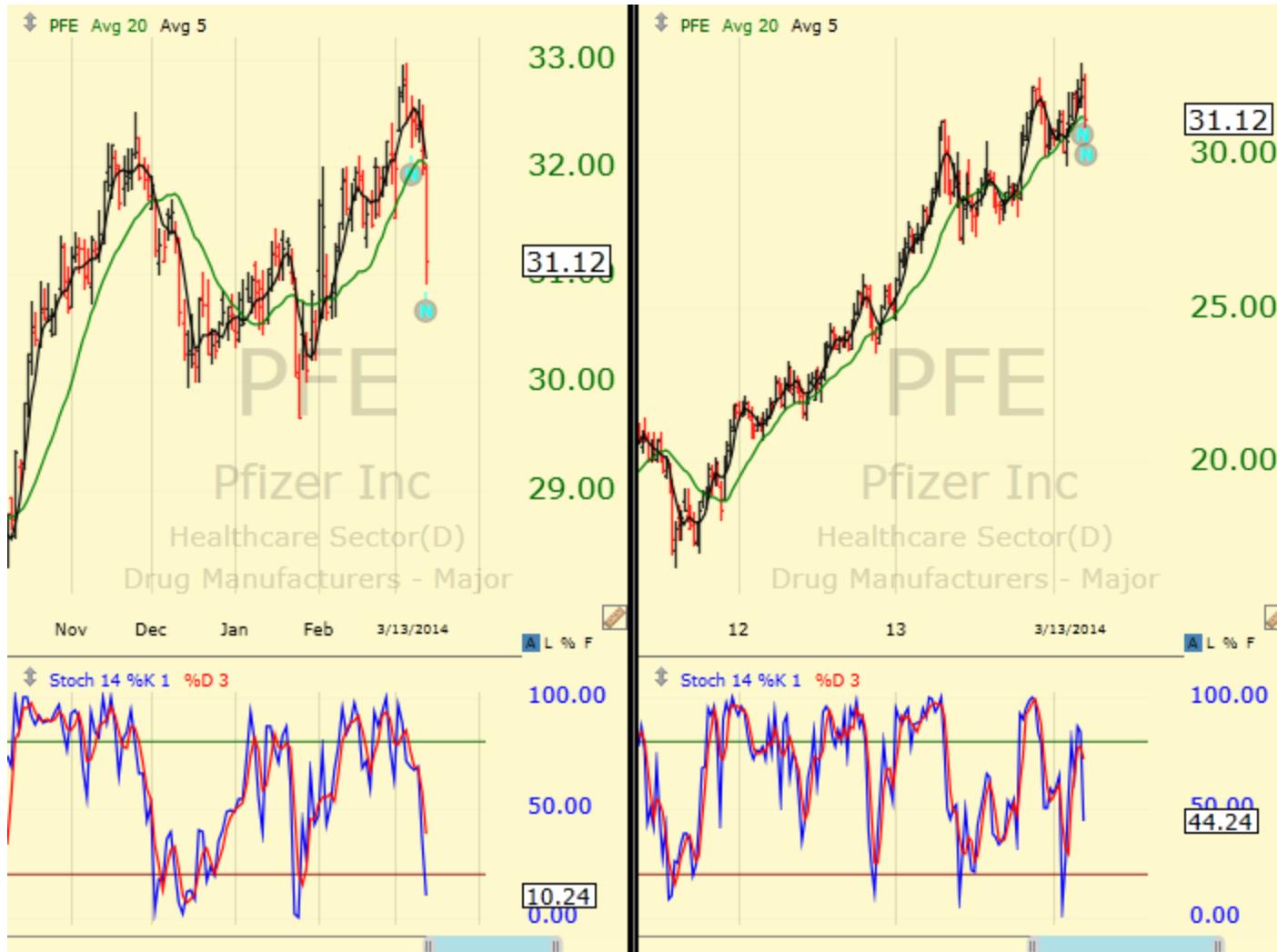
FRED Report 15d

\$ECYT Neutral to slightly negative chart as stochastics are negative and the spike and resistance at 17.50 should hold this name. A hold unless above 18. Let's see what happens when the daily stochastic recycles. [Chart](#)

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FRED Report **\$PFE** 8h
 Recent trading action is why we moved this to a hold in the last chartbook. A test of 30 is possible, but this should hold. [Chart](#)

FRED Report **\$PFE** 7d
 PFE held the 29 - 30 area support and stochastics have rallied. Last week this was a buy for us as stochastics turned up. Now it is a hold but should trend a bit higher. [Chart](#)

Chartbook: Stocks of Interest



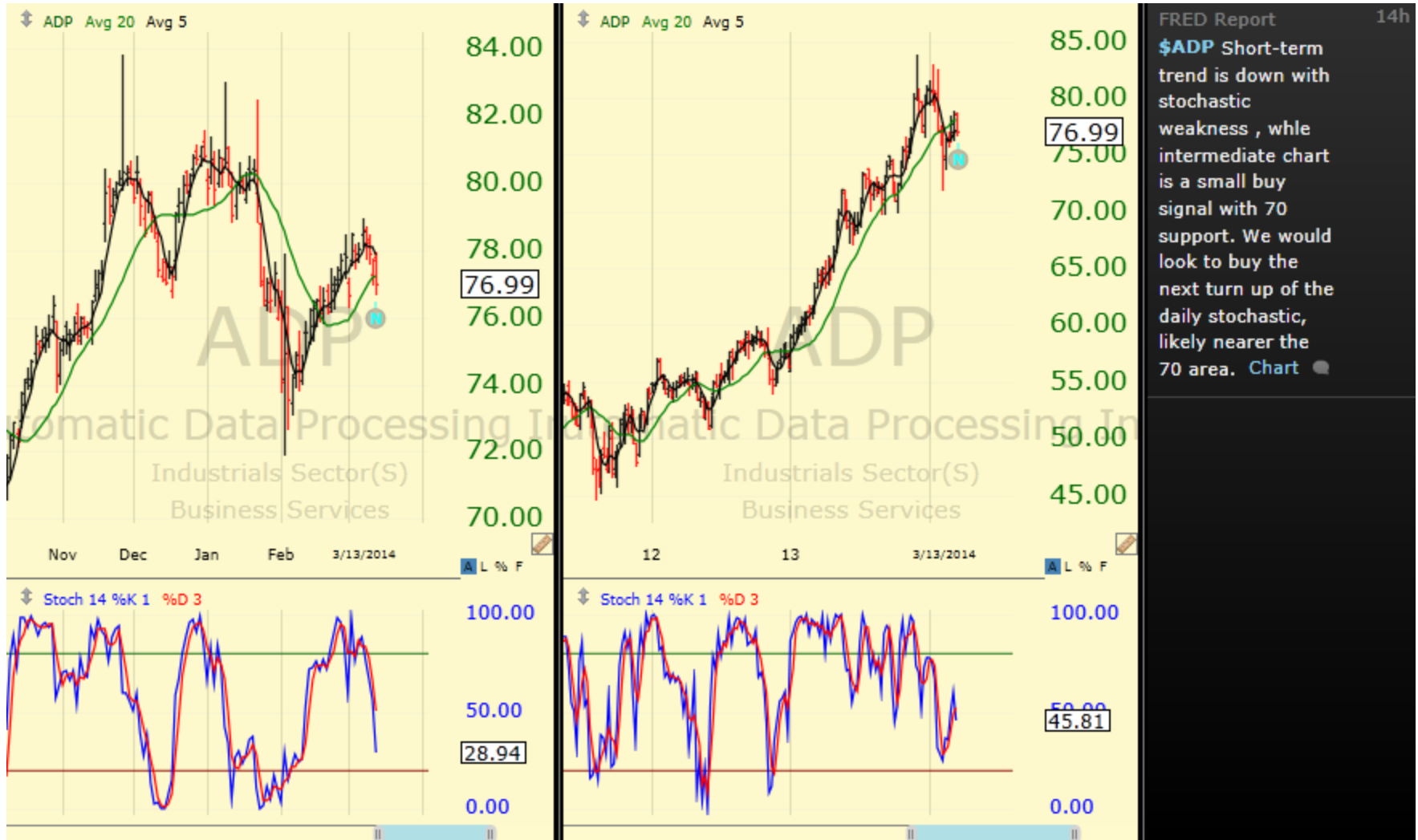
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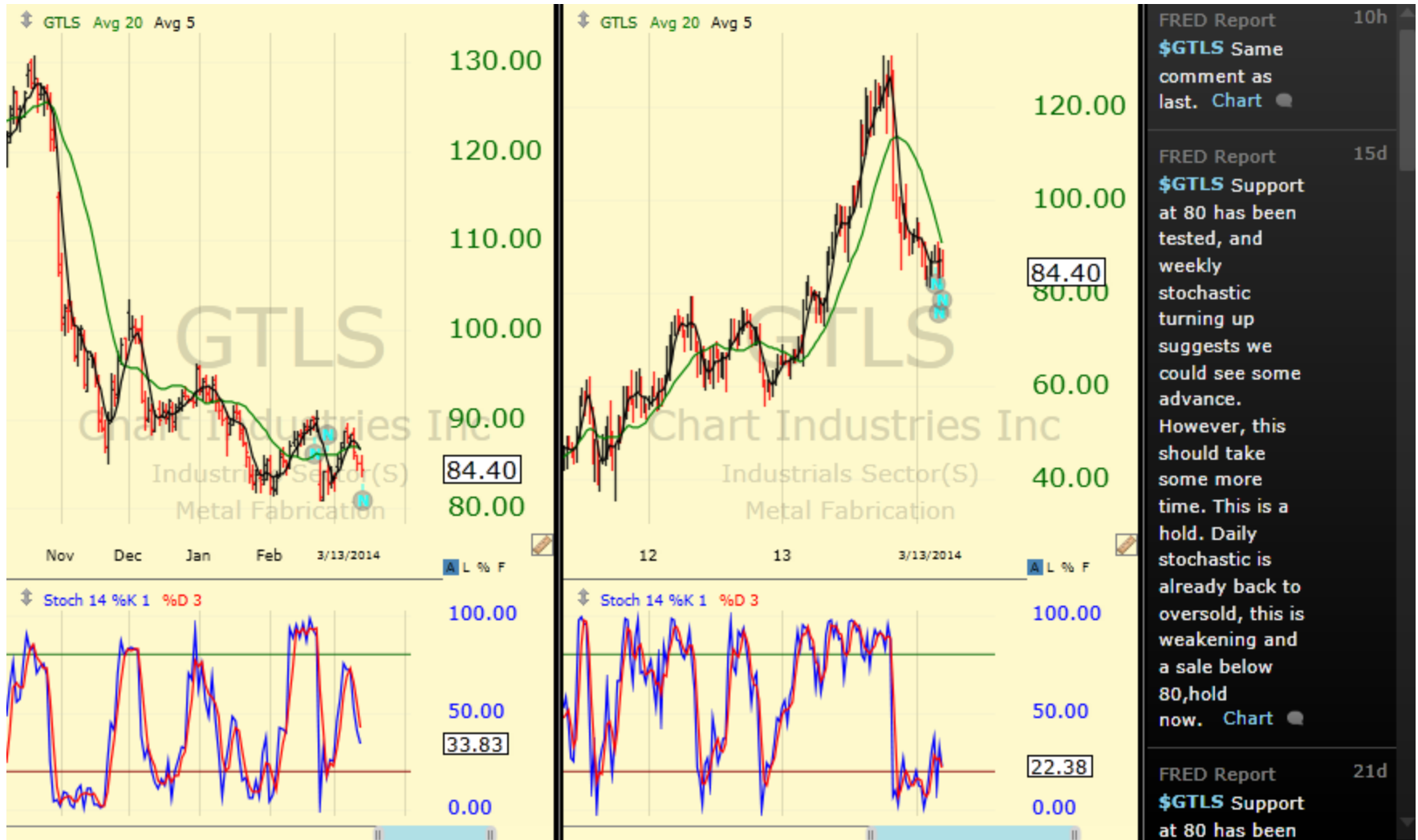
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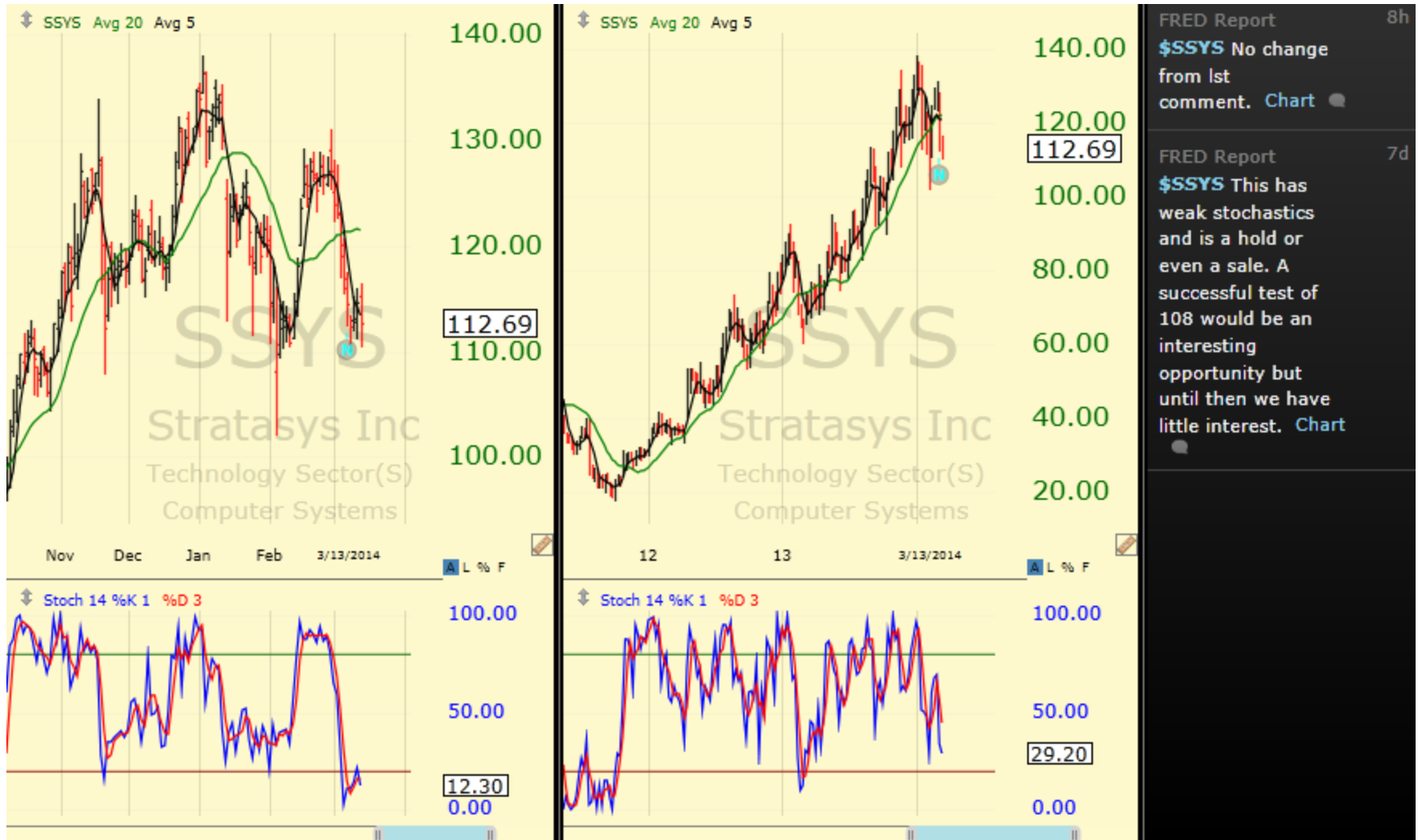
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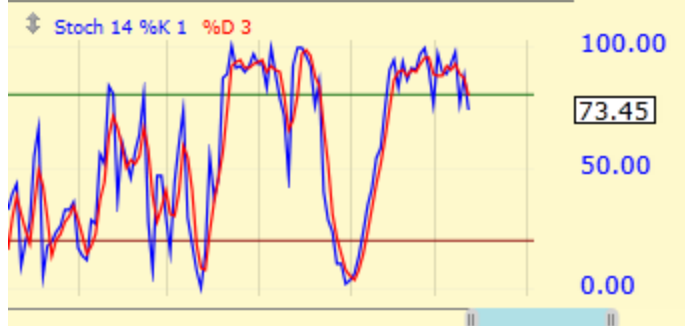
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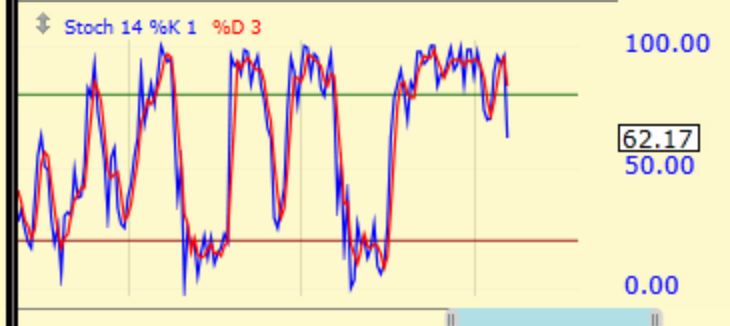
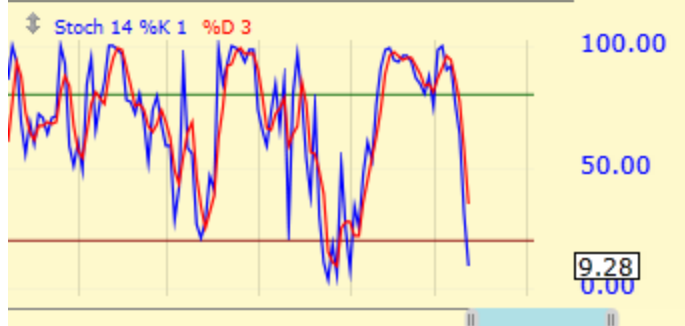
FRED Report 13h

\$EMC Still a roughly 23 - 28 range. Stochastics are turning over and so this should test the bottom end of the range. Intermediate pattern is neutral. Chart ●

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FRED Report 13h

CTSH This looks to have split vis-a-vis the older comment. Intermediate stochastic has just turned down, and stock is already testing 50 support. A break of this suggests 44. Pattern is basically good but stock is weakening. [Chart](#)

FRED Report 15d

CTSH Breakout above 102 looks strong and this could test 112. Stochastic pattern is favorable and we still like the stochastic pattern. Tech should be strong into the end of March. [Chart](#)

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FRED Report 14h

\$AMD

Intermediate consolidation with a positive weekly stochastic makes this a trading buy with an objective of 4.30. Intermediate improving. Chart

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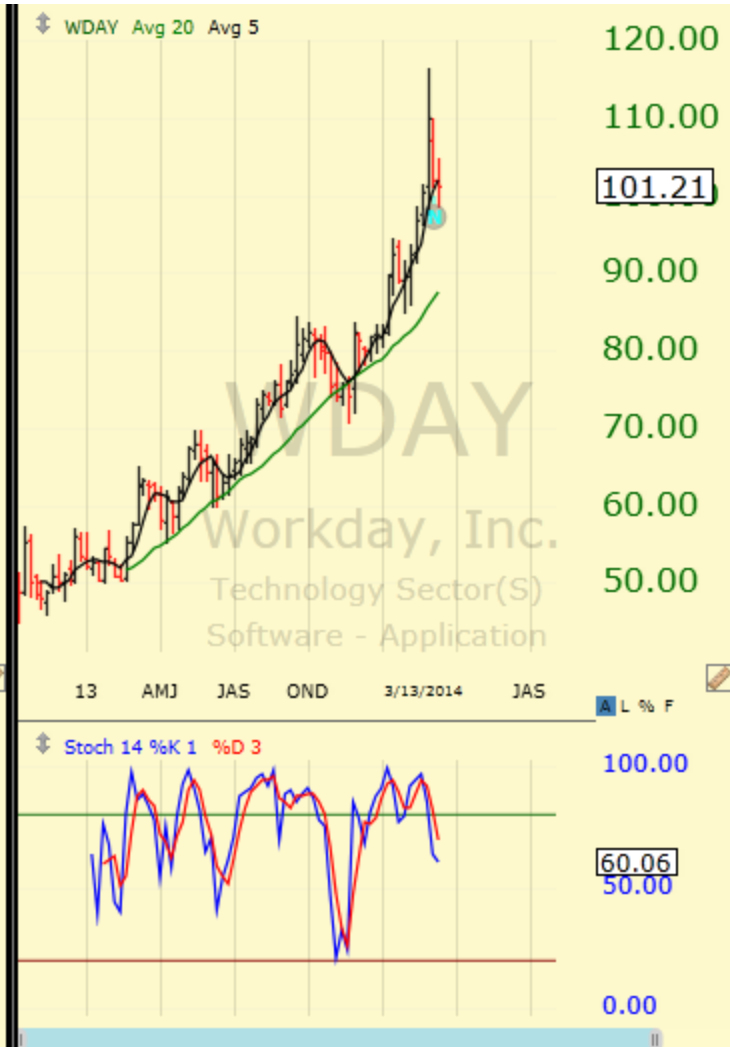
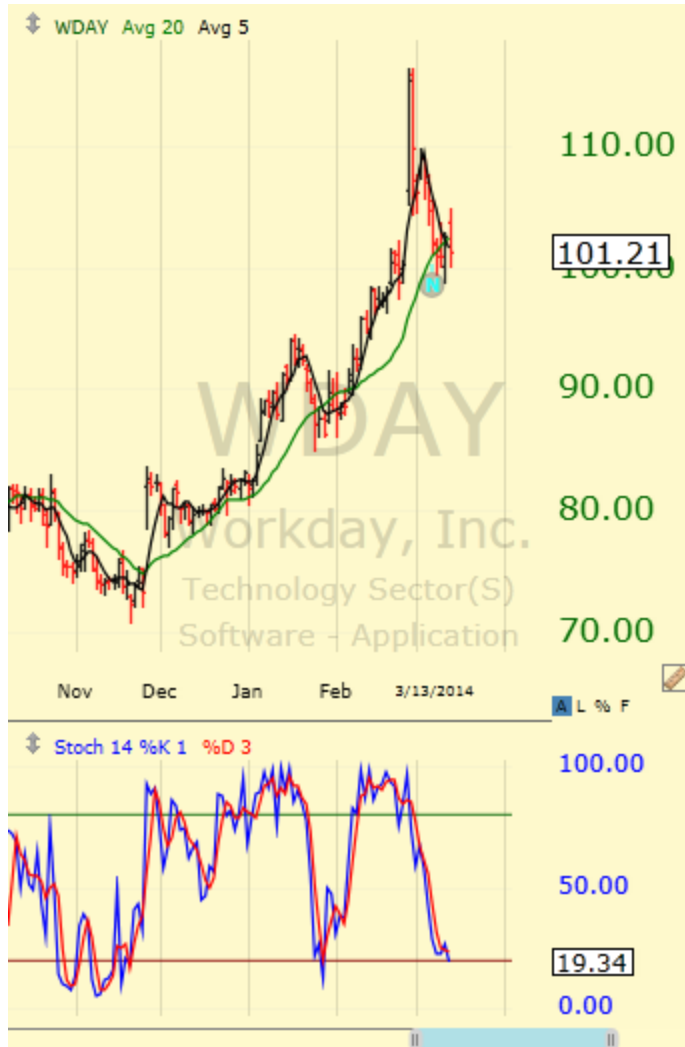
FRED Report 9h

\$MDRX This has rallied into resistance and the daily stochastic pattern is weakening slightly, suggesting the gap at 17.50 could fill. A hold for us. [Chart](#)

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FRED Report 7h

\$WDAY No change in prior comment, although this is probably sideways until weekly stochastic comes down into oversold territory. [Chart](#)

FRED Report 7d

\$WDAY Short and intermediate up as long as above 85 and measuring objective of short-term head and shoulders bottom was around 99 to 101 which has been exceeded. A hold now as long as 100 holds. [Chart](#)

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Technical Indicators

Readers will note that we use the same indicators on all of the charts in this presentation. We append definitions of these indicators and are available via email (fred@thefredreport.com) to answer questions about this methodology.

Technicals Defined

Moving Averages:

Moving averages are one of the building blocks of Technical Analysis, and there are almost as many ways to use this indicator as there are technicians.

At the FRED report we teach and use a dual moving average crossover system to determine trend. Our favorites are the 5 period and 20 period moving averages. We consider the trend to be up if the 5 is above the 20, and down if below it.

Stochastics:

The Stochastic Oscillator is one of the commonly used momentum oscillators and is standard on charting programs. There are two lines on the chart below, %K and %D.

%K is the faster of the two lines, and represents a mathematical formula that *measures where the current close is in relation to the trading range of the last "X" periods of time*. We use a 14 period look-back, so in plain English %K says where the current close is in the trading range of the last 14 days, expressed as a %.

At the FRED report we use it somewhat differently than is commonly taught. The standard way to use the indicator is to register a buy signal when it moves below, and then above, 20 (the lowest 20% of closing prices in the last 14 days). A sell signal is when the indicator moves above, and then below 80 (the highest 80% of closes over the last 14 days).

The other line, %D, is a 3 period moving average of %K. We have found that the Stochastic is sensitive, so we advocate taking signals only in the direction of the trend. When looking at the standard FRED report chart, this would mean taking buy signals when the 5 is above the 20, and sell signals when the 5 is below the 20, but using a different technique to exit positions. The reason for this is the Stochastic is quite sensitive, and can give early indications, especially in new trends. It also can get "stuck" in the direction of trends, which connotes strength and not weakness. Another, preferred interpretation, is to use the indicator to measure risk. An example: buy in an uptrend, not when the stochastic is at 90% but rather wait until it falls below 50%, This way, even if a stock, commodity, or ETF does not give one of the "classic" signals, you can still use the indicator to assess risk, and leg into positions.

The FRED Report

Financial Research, Education & Data

The FRED Report (www.theFREDreport.com) was started to provide Financial Advisors and investors access to unbiased market research. The President of The Fred Report, **Fred Meissner, CMT** has been practicing Technical Market Analysis since 1983 and has worked in the research departments of Merrill Lynch and Robinson – Humphrey /Smith Barney. In addition he has served the public as a portfolio manager and financial advisor. We know the problems investors face and have devoted our career to helping find the best possible investments in all environments. Interested readers can also see his work every week at www.thestreet.com.

