

# ***Chartbook Review***

*(charts as of 03/20/14)*

***By Fred Meissner, CMT***

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# Chartbook: Stocks of Interest

My Notes	Symbol	Company	trkPrice	Sector ▲	Industry
3/19/2014	CENX	Century Aluminum Company	12.88	Basic Materials Sector	Aluminum
3/19/2014	FCX	Freeport Mcmoran C&G B	31.07	Basic Materials Sector	Copper
3/19/2014	GG	Goldcorp Inc	26.69	Basic Materials Sector	Gold
3/19/2014	SIRI	Sirius XM Holdings Inc	3.39	Consumer Cyclical Sector	Broadcasting - Radio
3/19/2014	DECK	Deckers Outdoor Corp	75.43	Consumer Cyclical Sector	Footwear & Accessories
3/14/2014	HD	Home Depot Inc	79.75	Consumer Cyclical Sector	Home Improvement Stores
3/19/2014	COH	Coach Inc	50.25	Consumer Cyclical Sector	Luxury Goods
3/20/2014	DIS	The Walt Disney Company	80.52	Consumer Cyclical Sector	Media - Diversified
3/19/2014	GME	Gamestop Corp	37.61	Consumer Cyclical Sector	Specialty Retail
3/20/2014	KO	Coca-Cola Co	38.14	Consumer Defensive Sector	Beverages - Soft Drinks
3/20/2014	DEO	Diageo Plc Ads	118.60	Consumer Defensive Sector	Beverages - Wineries & Distille
3/20/2014	APOL	Apollo Education Group Inc	32.89	Consumer Defensive Sector	Education & Training Services
3/20/2014	CPB	Campbell Soup Co	43.99	Consumer Defensive Sector	Packaged Foods
3/19/2014	GIS	General Mills Inc	50.74	Consumer Defensive Sector	Packaged Foods
3/19/2014	CVS	Cvs Caremark Corp	73.51	Consumer Defensive Sector	Pharmaceutical Retailers
3/19/2014	MO	Altria Group Inc	36.02	Consumer Defensive Sector	Tobacco
3/20/2014	SD	SandRidge Energy	6.38	Energy Sector	Oil & Gas E&P
3/19/2014	PAA	Plains All Amer Pipeline	53.65	Energy Sector	Oil & Gas Midstream
3/19/2014	APO	Apollo Global Management	32.54	Financial Services Sector	Asset Management
3/19/2014	JPM	JPMorgan Chase and Co	58.30	Financial Services Sector	Banks - Global
3/19/2014	TD	Toronto Dominion Bank	45.86	Financial Services Sector	Banks - Global
3/19/2014	DB	Deutsche Bank AG	44.71	Financial Services Sector	Banks - Regional - Europe
3/19/2014	AXP	American Express Co	90.73	Financial Services Sector	Credit Services
3/19/2014	PRI	Primerica Inc	48.26	Financial Services Sector	Insurance - Life
3/20/2014	MMC	Marsh & McLennan Cos Inc	49.58	Financial Services Sector	Insurance Brokers

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3/19/2014	CBST	Cubist Pharmaceuticals	78.88	Healthcare Sector	Biotechnology
3/19/2014	JAZZ	Jazz Pharmaceuticals Inc	151.18	Healthcare Sector	Biotechnology
3/19/2014	ALGN	Align Tech Inc	54.16	Healthcare Sector	Medical Devices
3/19/2014	CNMD	Conmed Corp	45.57	Healthcare Sector	Medical Devices
3/19/2014	OCLS	Oculus Innovative Sciences Inc	5.66	Healthcare Sector	Medical Instruments & Supplies
3/19/2014	AVAV	Aerovironment Inc	38.71	Industrials Sector	Aerospace & Defense
3/19/2014	RTN	Raytheon Co	99.39	Industrials Sector	Aerospace & Defense
3/20/2014	AAL	American Airlines Group Inc	37.08	Industrials Sector	Airlines
3/19/2014	VRSK	Verisk Analytics Inc	62.83	Industrials Sector	Business Services
3/19/2014	KTOS	Kratos Defense & Sec Sol. Inc.	7.62	Industrials Sector	Security & Protection Services
3/19/2014	CXW	Corrections Corp Of Amer	32.37	Real Estate Sector	REIT - Diversified
3/19/2014	BDN	Brandywine Realty Trust	14.31	Real Estate Sector	REIT - Office
3/20/2014	DBD	Diebold Inc	40.06	Technology Sector	Computer Systems
3/20/2014	DDD	3d Systems Corp	62.68	Technology Sector	Computer Systems
3/20/2014	STX	Seagate Tech Hldgs	51.67	Technology Sector	Data Storage
3/20/2014	WDC	Western Digital Corp	85.87	Technology Sector	Data Storage
3/19/2014	NOW	ServiceNow, Inc	67.44	Technology Sector	Information Technology Services
3/19/2014	VNET	21Vianet Group, Inc.	31.55	Technology Sector	Information Technology Services
3/20/2014	GOOG	Google inc	1199.25	Technology Sector	Internet Content & Information Services
3/19/2014	YELP	Yelp, Inc.	87.82	Technology Sector	Internet Content & Information Services
3/20/2014	FLIR	Flir Systems Inc	34.39	Technology Sector	Scientific & Technical Instruments
3/19/2014	ATML	Atmel Corp	8.70	Technology Sector	Semiconductors
3/19/2014	INTC	Intel Corp	25.02	Technology Sector	Semiconductors
3/19/2014	NVDA	NVIDIA Corporation	18.56	Technology Sector	Semiconductors
3/20/2014	DATA	Tableau Software, Inc.	89.22	Technology Sector	Software - Application
3/20/2014	SPLK	Splunk Inc	87.95	Technology Sector	Software - Application
3/20/2014	ORCL	Oracle Corporation	38.55	Technology Sector	Software - Infrastructure
3/19/2014	SPWR	SunPower Corp	32.76	Technology Sector	Solar
3/20/2014	EWG	iShares MSCI Germany Index Fun	30.42		
3/20/2014	RYT	Rydex S&P Equal Wt Tech Etf	80.53		

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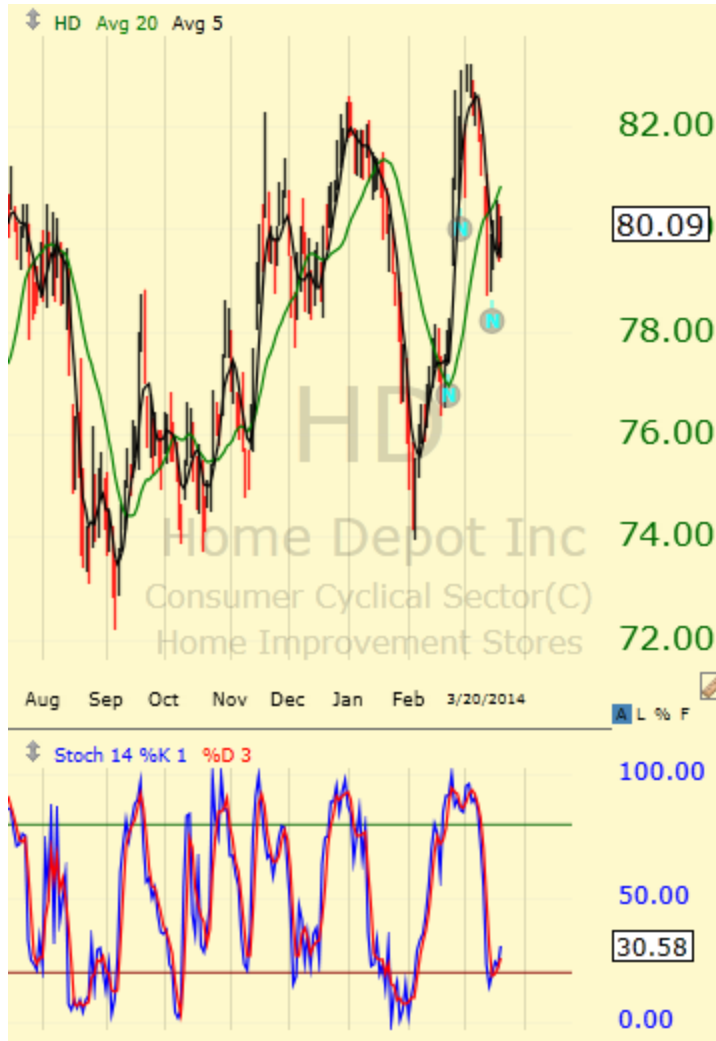
FRED Report **\$SIRI A**  
 A triple bottom looks to be in place daily and weekly putting in a bottom. Stock is moving around on what Liberty Media will try to do with stock. [Chart](#)

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FRED Report **\$HD** 6

Still a range and can be bought. Previous coment applies. [Chart](#)

FRED Report **\$HD** 22

This is weakening but is still in an intermediate consolidation. 77 area and slightly below is intermediate support, and is being tested. A turn up of the weekly stochastic has been a signal to add this stock. This should hold 74 intermediate-term. [Chart](#)

FRED Report **\$HD** 28

This is weakening but is still in an intermediate consolidation. 77 area and slightly below is

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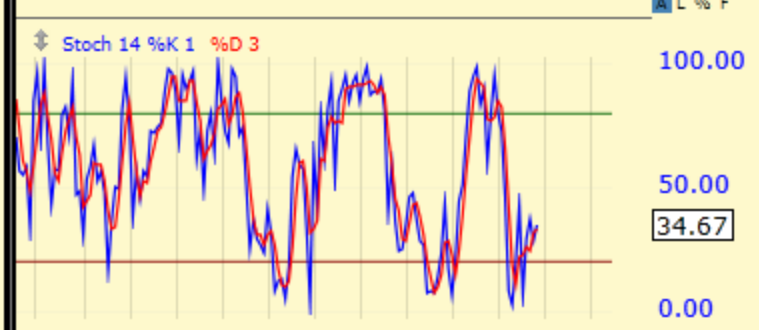
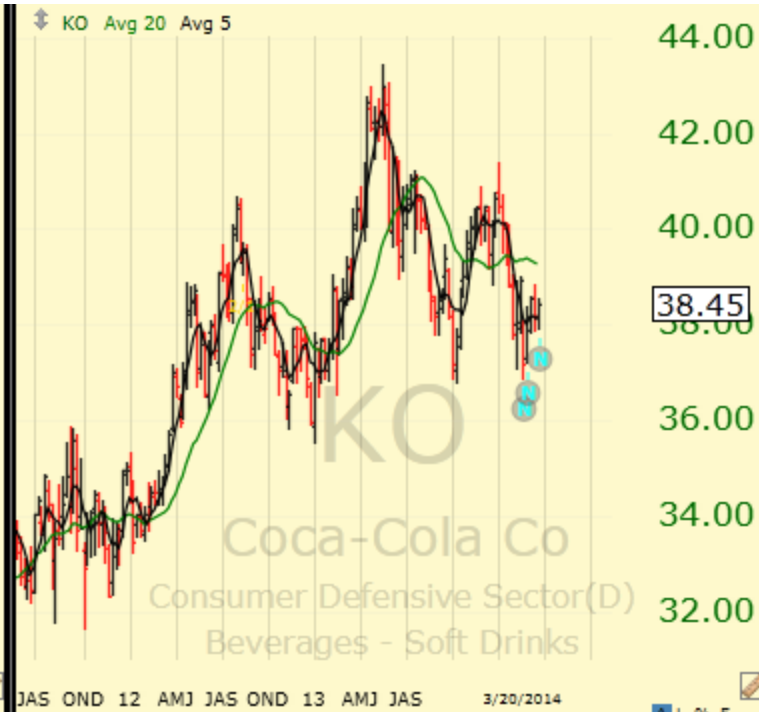
FRED Report **\$DIS**  
No change. [Chart](#)

FRED Report **\$DIS**  
Support at 75 - 70 could be tested, and we would look at this if weekly stochastic moves down towards 50. Daily stochastic is just turning positive. Overall, this is a hold for us, but would buy if this moves into support. [Chart](#)

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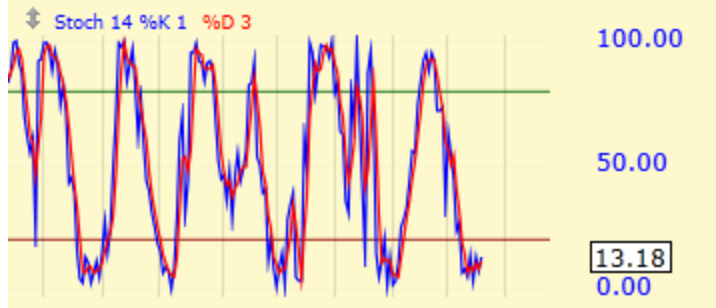


FRED Report **\$KO**  
Slowly trying to rally but remains a hold at best. We would consider sale if the weekly stochastic becomes overbought. [Chart](#)

FRED Report **\$KO**  
Like Pepsi, there is no fizz to either the daily or weekly chart. Consider a source of funds. Sensitive to currencies. A hold at best. [Chart](#)

FRED Report **\$KO**  
Like Pepsi, there is no fizz to either the daily or weekly chart. Consider a source of funds. Sensitive to currencies. A hold at best. [Chart](#)

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FRED Report [\\$DEO](#)  
No change. [Chart](#)

FRED Report [\\$DEO](#)  
This is still a consolidation, and previous comment is more or less applicable. 116 is support and if weekly stochastic turns up again, this is likely a buy as long as 116 holds. [Chart](#)

FRED Report [\\$DEO](#)  
Weekly stochastic is up and not overbought and 115 area support has held. While there are layers of resistance from here to 132 or so this is strong enough to buy. [Chart](#)

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FRED Report **\$APOL**  
Same as last note, but the weekly has not yet come down. It may on the next pullback and we would buy. Now a hold for us. [Chart](#)

FRED Report **\$APOL**  
This intermediate chart is bottoming as long as this is above 30 but more choppiness is likely. As long as this stays above 27 area gap it is ok. Ideally the daily stochastic will come down and move into buy territory and the weekly will move down to the 50 area. [Chart](#)

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FRED Report **\$CPB**  
Support is at 40 area as in the last note. Stochastics are overbought but this is a strong long-term patytern that could test 48 from here. It is in our favored stocks in its' sector. [Chart](#)

FRED Report **\$CPB**  
Support is 37 to 40 and it has held and stock has gapped up. This could test 47 area resistance, or even exceed it. This is a stock we have used in our liked sectors and it is still favorable. [Chart](#)



# Chartbook: Stocks of Interest



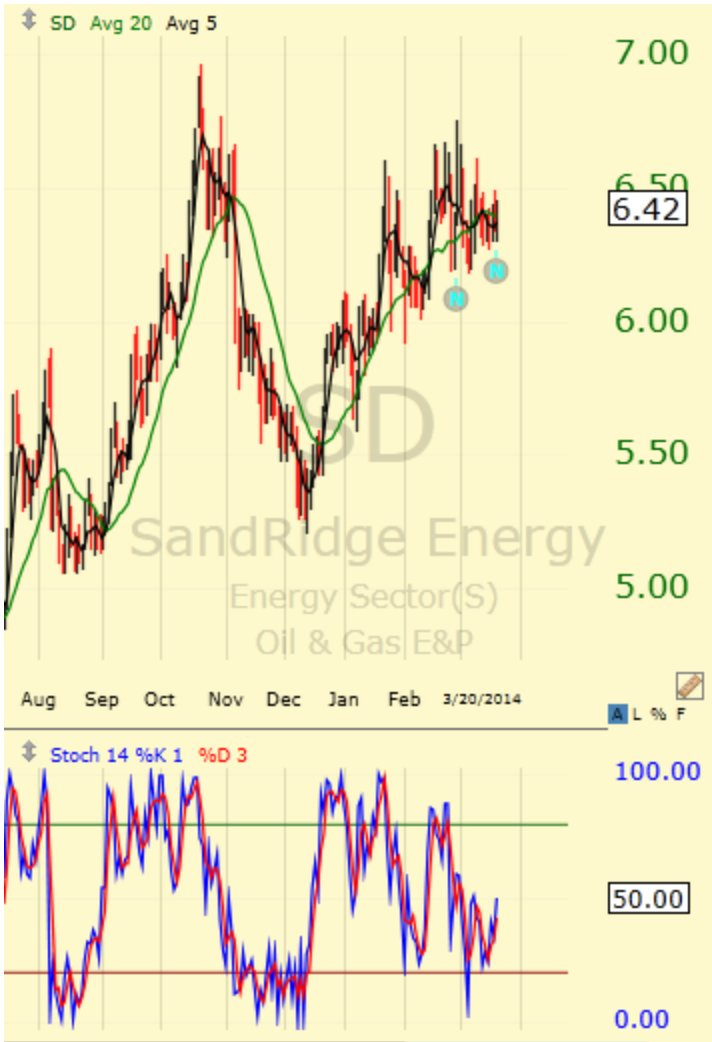
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FRED Report [\\$SD](#)  
Stochastics have flipped since the last comment. Now the weekly is a sell which is a bit more of a concern. This is still a base and a hold. Below 6 would be a concern. [Chart](#)

FRED Report [\\$SD](#)  
Short-term stochastic neutral, and the intermediate is still up suggesting this should still advance to test 7-area resistance. We are a bit cautious on Energy stocks after January 31, however - but this looks better than many of these. [Chart](#)

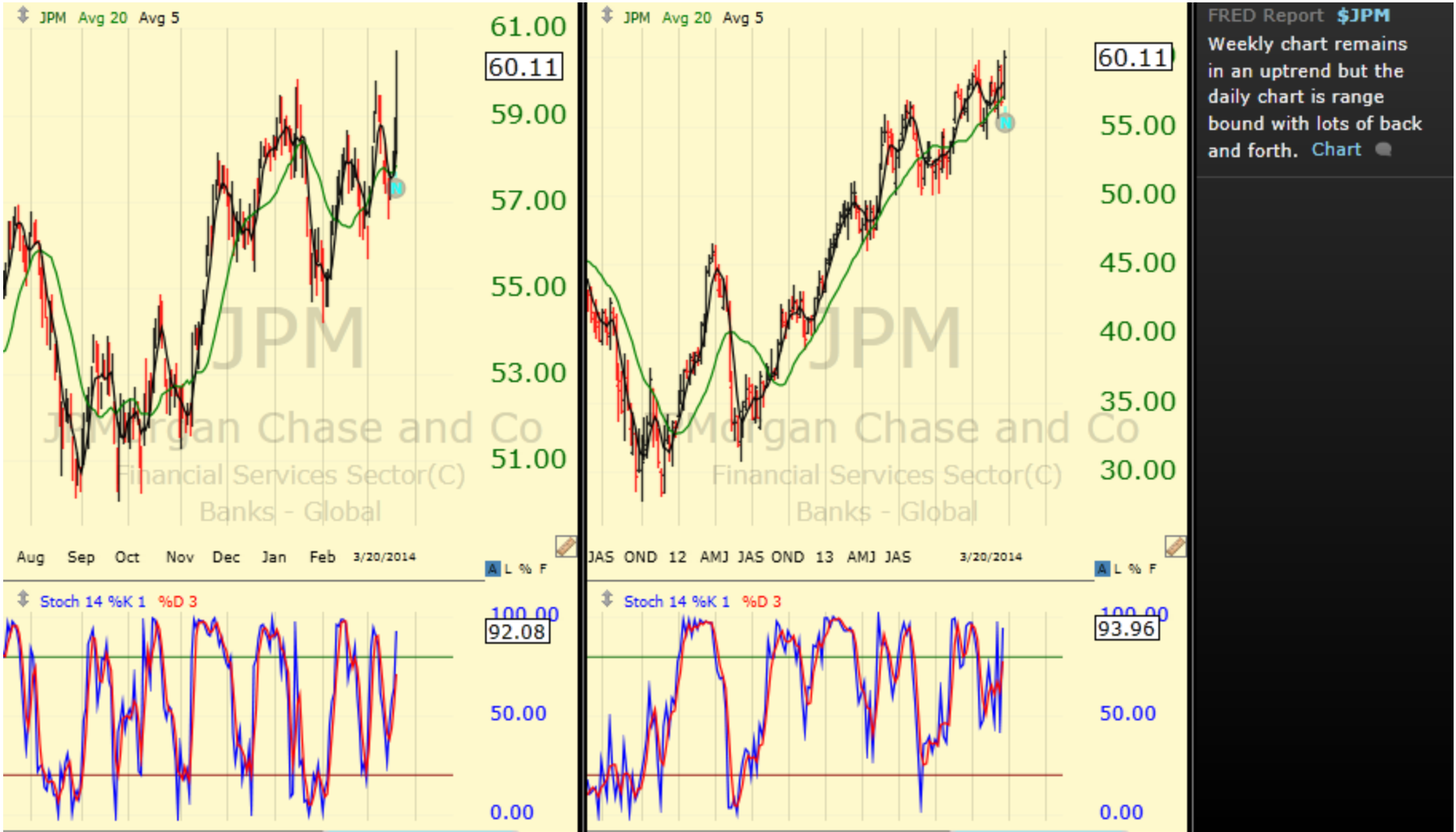
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FRED Report **\$TD**  
 Strong looking chart that remains in good shape and weekly looks like it could breakout to a new high. [Chart](#)



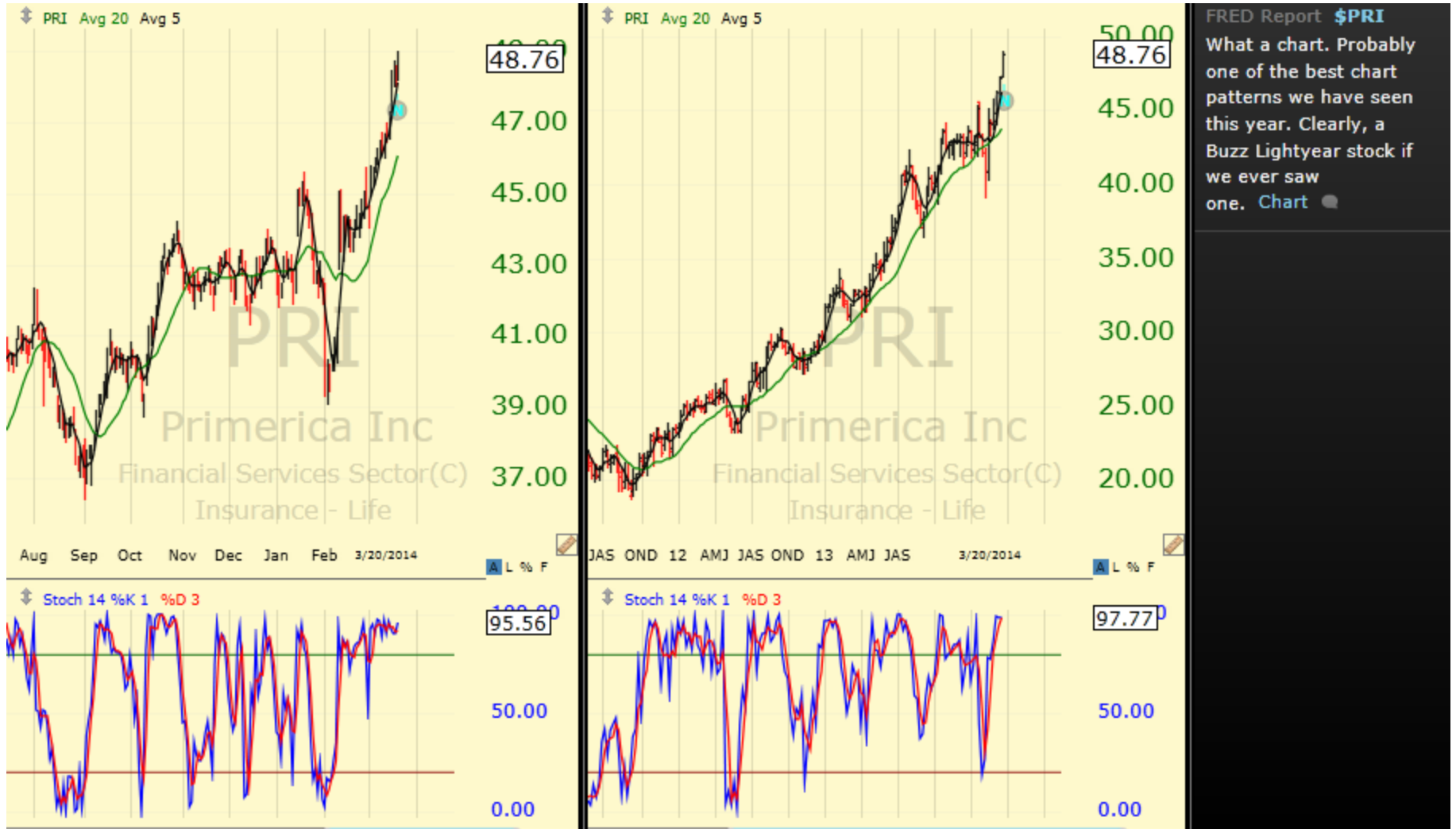
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FRED Report **\$CBST**  
 Another of the very strong biotech charts. If you have seen one biotech chart, then you have seen them all. [Chart](#)

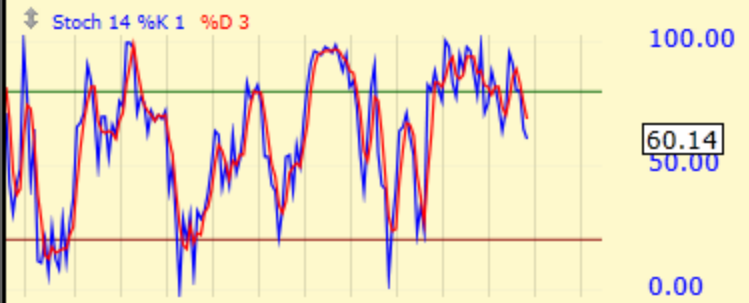
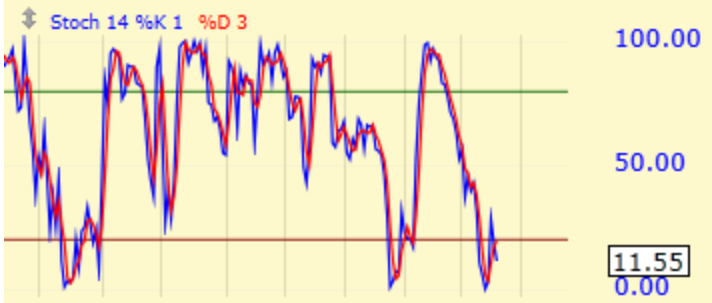
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FRED Report **\$CNMD**  
 Looks lke a Biotech chart even though it is a Health Care Equipment name. Need to see daily improve and if this does not happen then weekly chart is at risk to pull back more. [Chart](#)



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FRED Report **\$OCLS**

Daily chart has improved nicely but weekly still needs more work.

Speculative names at this juncture. [Chart](#)

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FRED Report [\\$RTN](#)

Great looking chart. May need some consolidation at this point in time. [Chart](#)

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FRED Report **\$AAL**

Still a hold. [Chart](#)

FRED Report **\$AAL**

This has continued up since our last comment, and short-term support is 32 - 34. A break of this targets 30 - 27 intermediate support. This is a hold for us. [Chart](#)

FRED Report **\$AAL**

Support is 27.50 to 25, and this and all of the airlines are overextended enough to use our "three week stop loss" rule. They are fine for now and good trades. We like this the least of all airline charts but it remains an up chart. [Chart](#)

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FRED Report **\$BDN A**  
 strong REIT that  
 almost looks like a  
 Biotech chart. One of  
 the more impressive  
 REIT patterns. [Chart](#)



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FRED Report 10  
**\$DBD** Stock has advanced since the last comment and now this is a hold although 42 could be tested. [Chart](#)

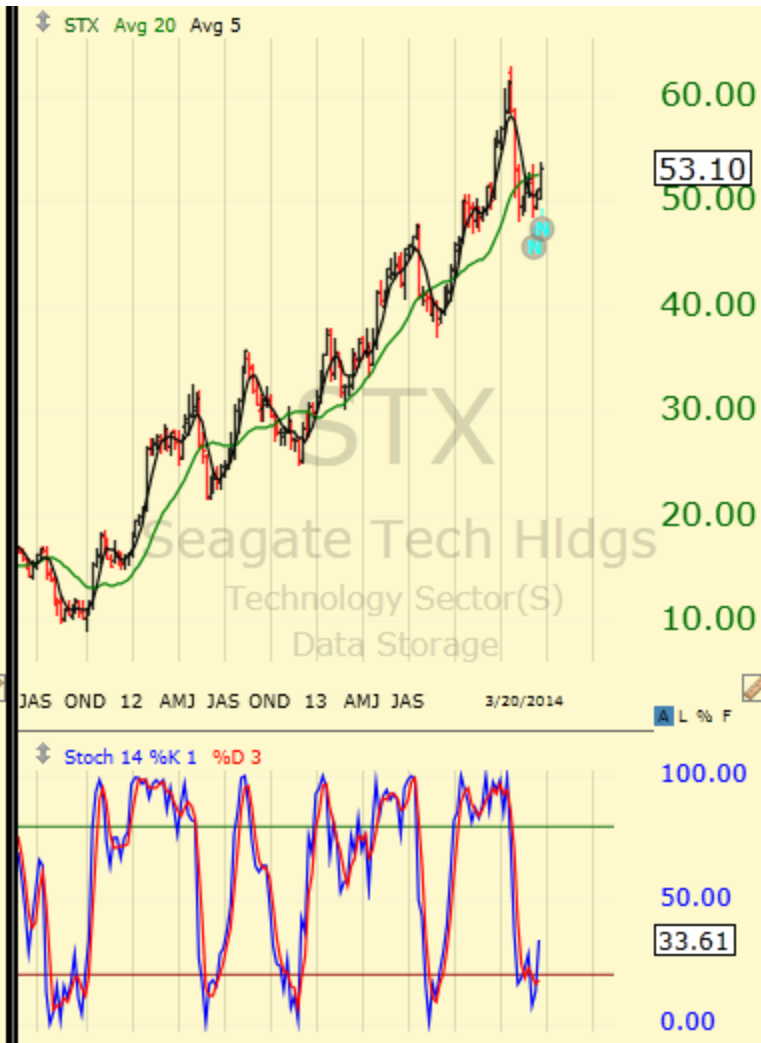
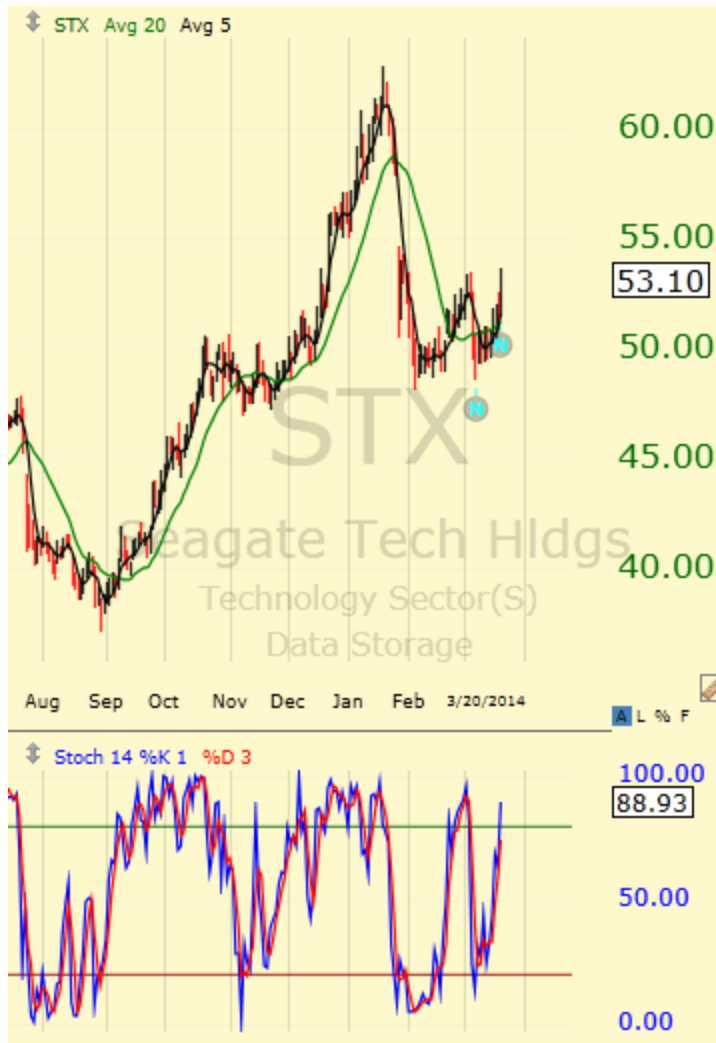
FRED Report 22  
**\$DBD** Short and intermediate patterns are up with overbought stochastics, but these charts are favorable as long as DBD can stay through 36. 33 is short-term support and 31 intermediate support, and this is a hold or buy for us. [Chart](#)

FRED Report 28  
**\$DBD** Short and intermediate patterns are up with overbought

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FRED Report **\$STX**  
Still looking to fill the gap. Careful after March 31. Tech could weaken. [Chart](#)

FRED Report **\$STX**  
This could fill the gap, and the weekly stochastic has turned up, on support, but the overall pattern is weak and a concern. [Chart](#)

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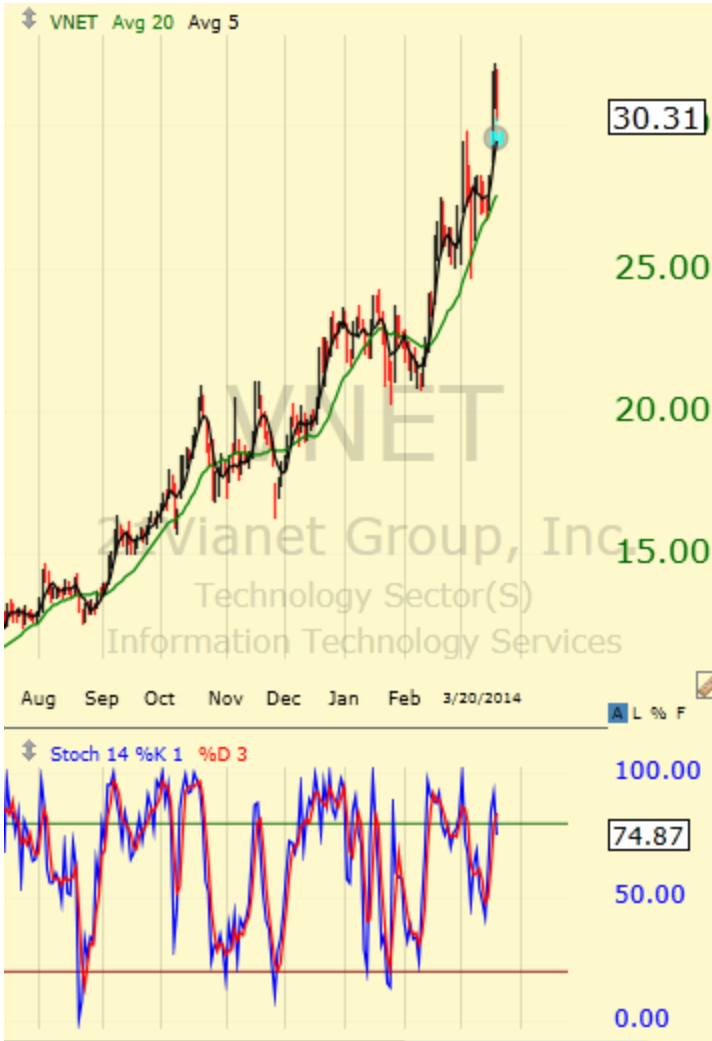
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FRED Report **\$NOW**

The daily chart has run into resistance at \$72 so many need some more time before it breaks out to a new high. [Chart](#)

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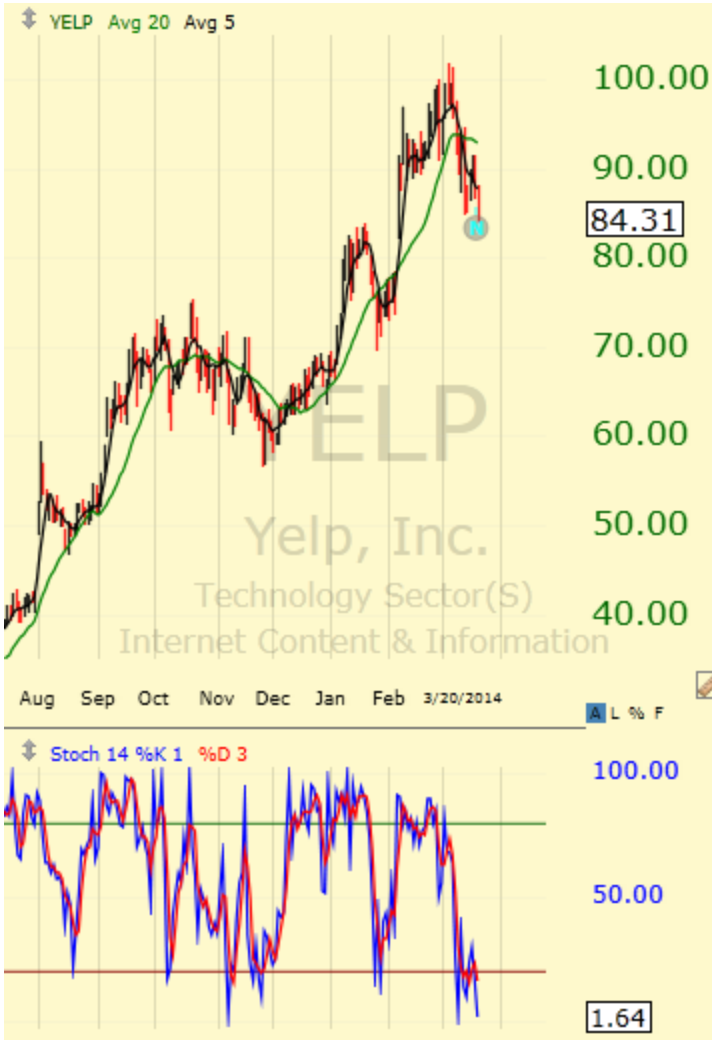


FRED Report **\$VNET**  
 One of the better patterns we have seen for a software stock. [Chart](#)

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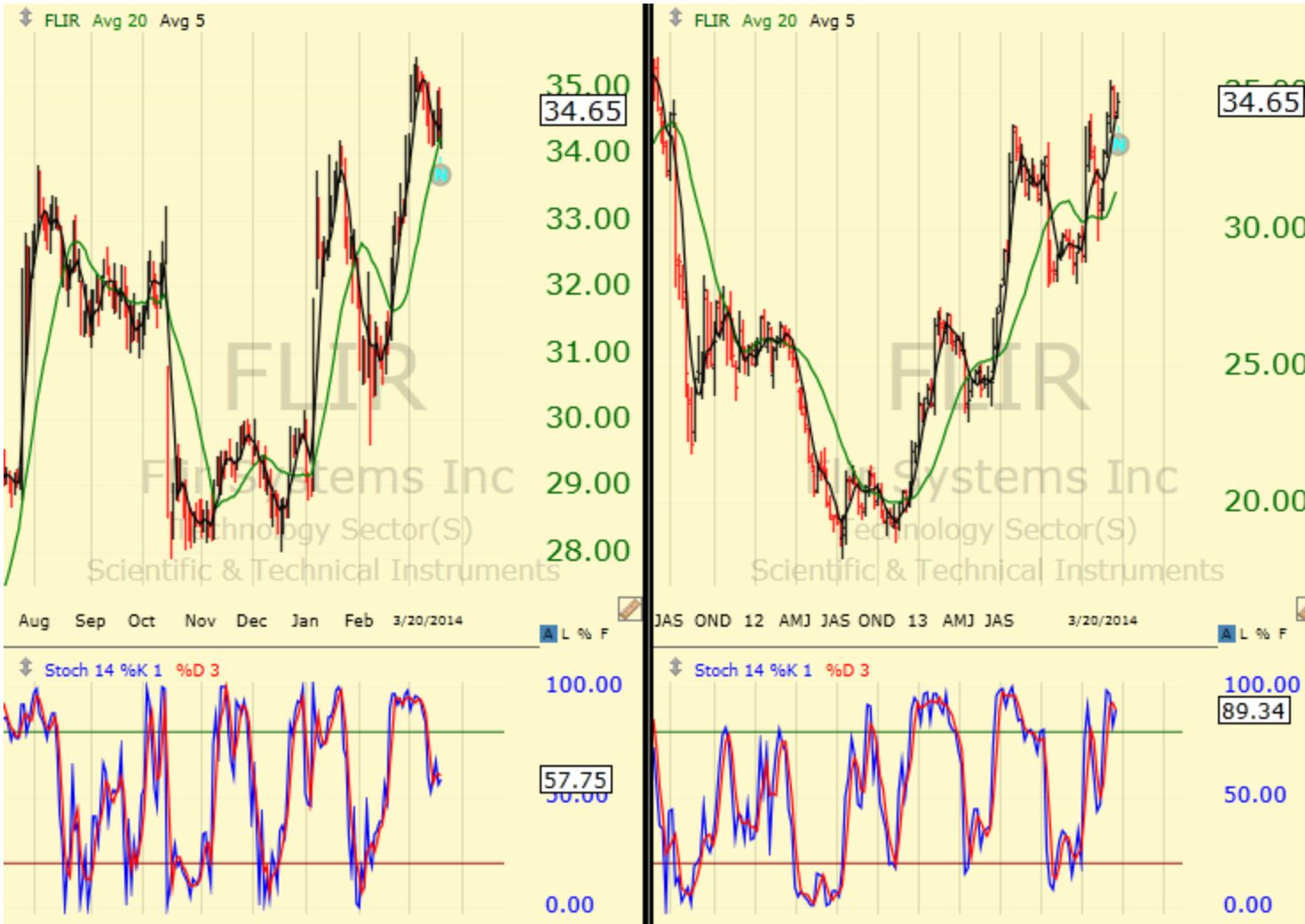


FRED Report **\$YELP**

May be forming a head and shoulders pattern on a weekly basis. Would be concerned if trying to buy here. [Chart](#)



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FRED Report [\\$FLIR](#)

This has a good chart pattern although overextended. Daily stochastic pattern is a potential sell, so if below 33.50 this is a sell for us. [Chart](#)

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FRED Report **\$ATML**

Impressive looking charts on a daily basis that is beginning to show on a weekly basis. One of the favorite semiconductor charts we have seen recently. [Chart](#)

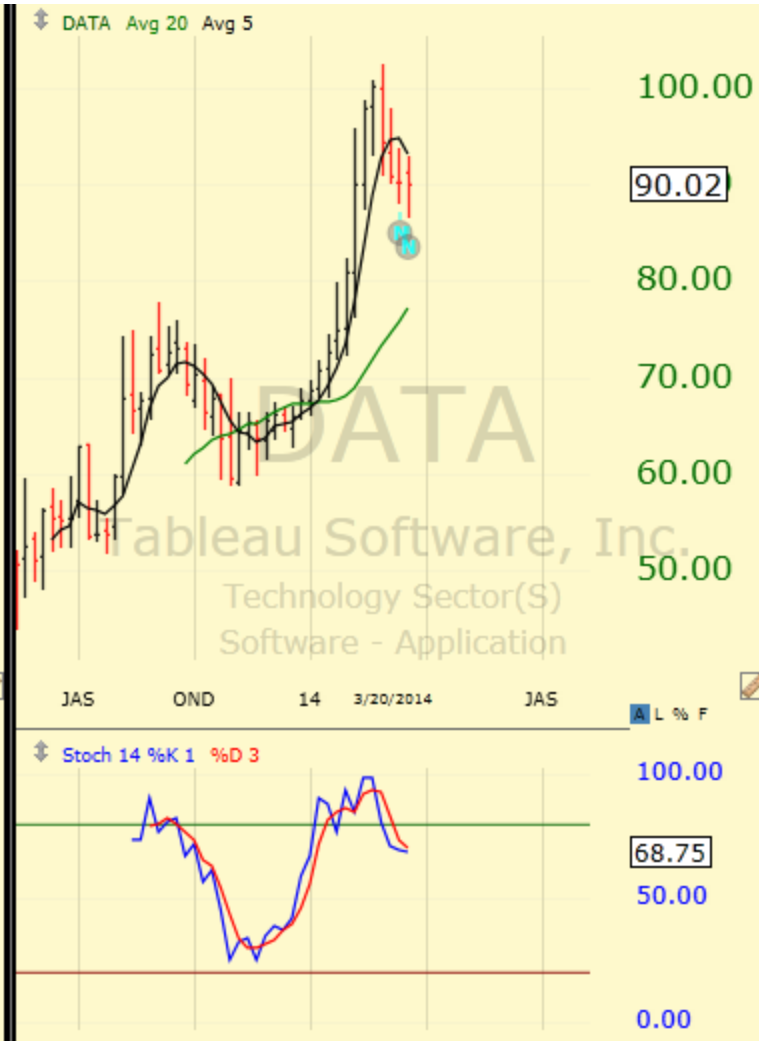
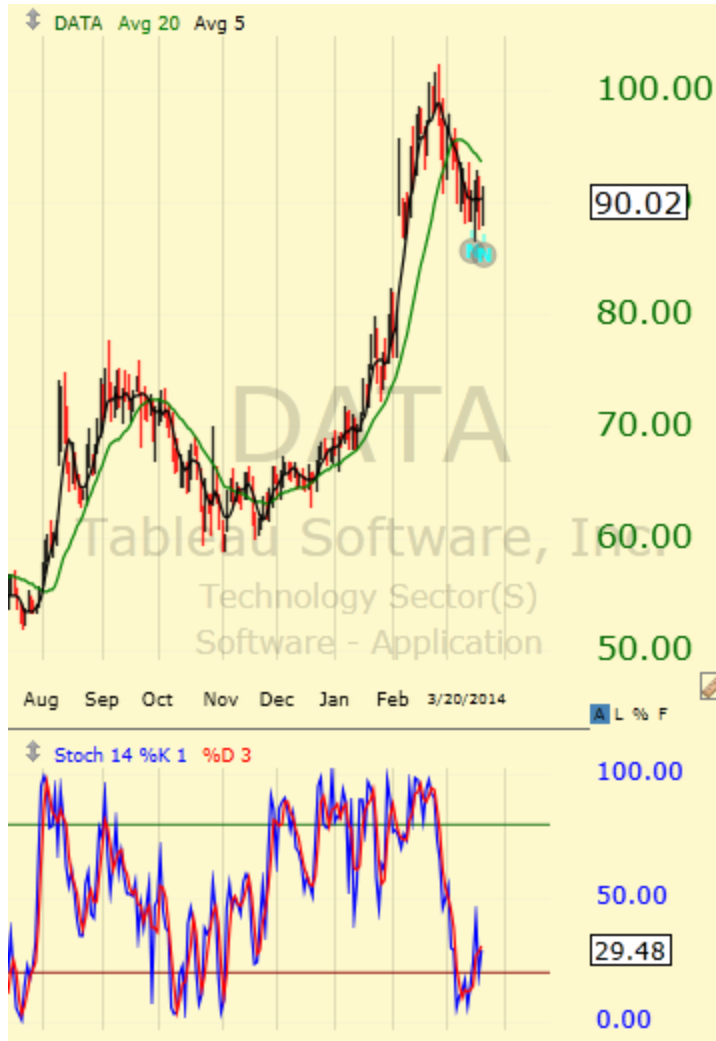
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FRED Report [\\$DATA](#)  
No change. [Chart](#)

FRED Report [\\$DATA](#)  
New chart so this has limited history. Weekly stochastic has turned down so this could fill the gap at 80 at a minimum. If daily stochastic turns up this would be interesting. Risky hold. [Chart](#)

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## FRED Report \$ORCL

In spit of bad earnings news this is holding. Previous comment applies except we are more cautious on tech after March 31. [Chart](#)

## FRED Report \$ORCL

Solid pattern and daily stochastic is turning up, making this buyable with a 42 objective. [Chart](#)

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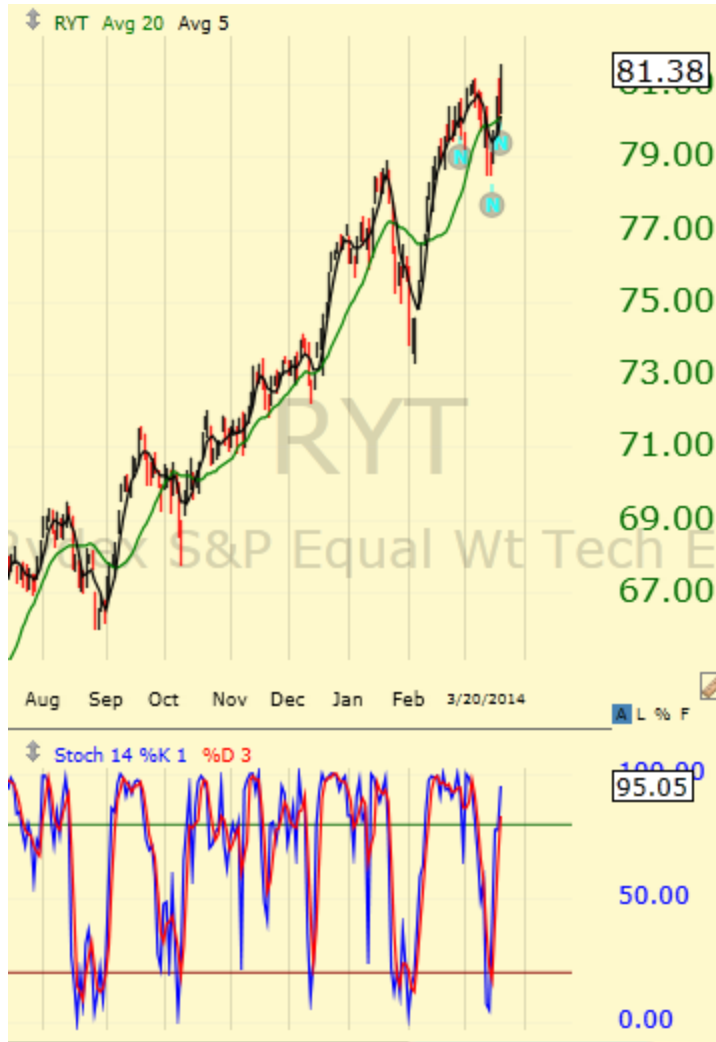




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FRED Report **\$RYT**

We did downgrade tech mid-month, and this should be strong into the end of march. oberbought but careful after end of March. [Chart](#)

FRED Report **\$RYT**

This remains an is no longer overbought and is holding support short-term but tech overall is faltering. We will likely downgrade tech to an equal weight in the mid-march Sector Review. [Chart](#)

FRED Report **\$RYT**

This is up but overbought, and a buy unless below 75. It is a hold if below 72. [Chart](#)

# Technical Indicators

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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](mailto:fred@thefredreport.com)) to answer questions about this methodology.

# Technical Defined

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## 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

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**The FRED Report** ([www.theFREDreport.com](http://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](http://www.thestreet.com).

