

Chartbook Review

(charts as of 10/15/14)

By Fred Meissner, CMT

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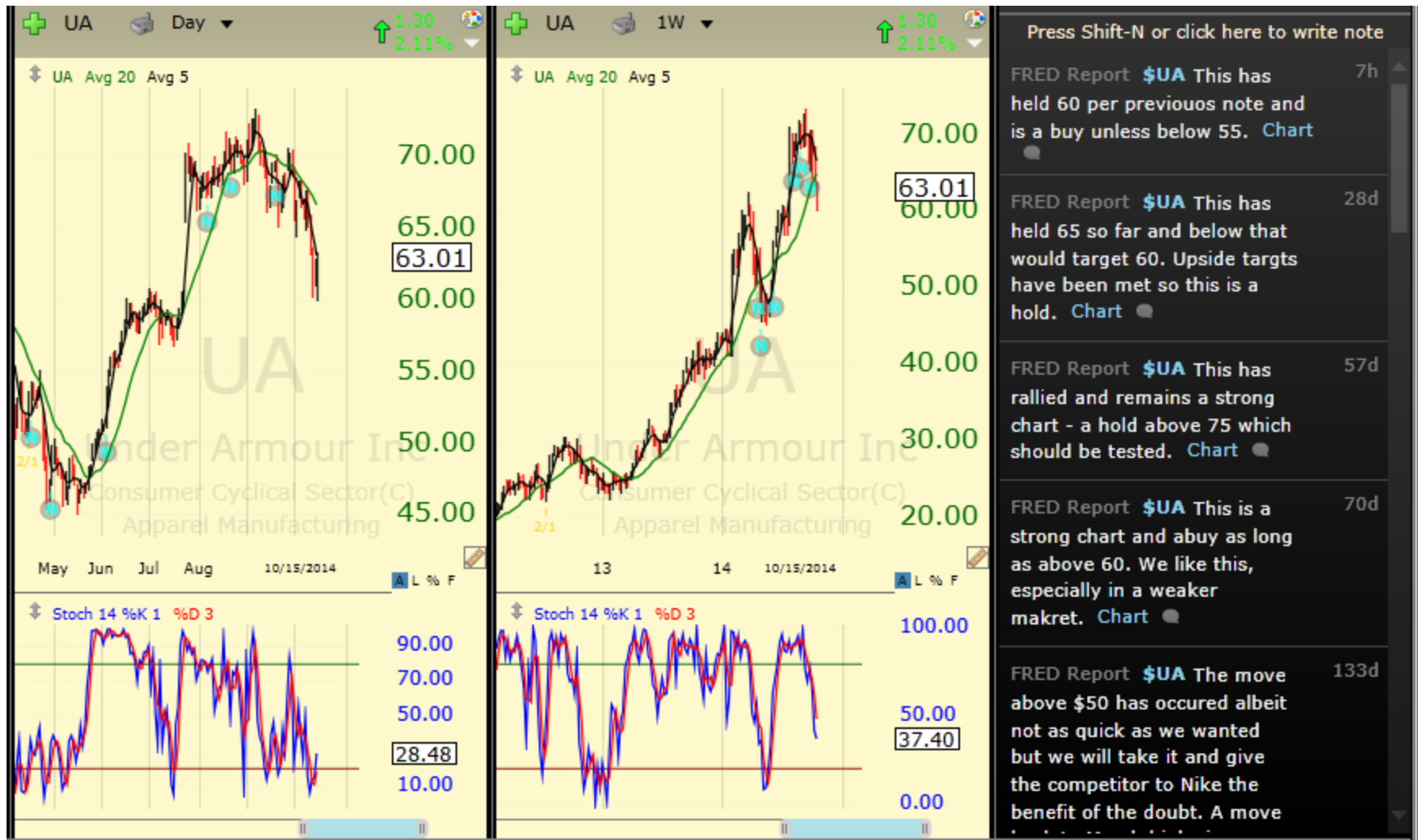
Chartbook: Stocks of Interest

Symbol	Company	trkPrice	Sector ▲	Industry
UA	Under Armour Inc	63.08	Consumer Cyclical Sector	Apparel Manufacturing
TEN	Tenneco Inc	48.83	Consumer Cyclical Sector	Auto Parts
HD	Home Depot Inc	87.84	Consumer Cyclical Sector	Home Improvement Stores
DIS	The Walt Disney Company	82.08	Consumer Cyclical Sector	Media - Diversified
IP	International Paper Company	45.72	Consumer Cyclical Sector	Packaging & Containers
BUD	Anheuser-Busch InBev	105.54	Consumer Defensive Sector	Beverages - Brewers
TAP	Molson Coors Brewing Co	68.35	Consumer Defensive Sector	Beverages - Brewers
CCE	Coca-Cola Enterprises	40.01	Consumer Defensive Sector	Beverages - Soft Drinks
STZ	Constellation Brands Inc	83.05	Consumer Defensive Sector	Beverages - Wineries & Distilleries
HSY	The Hershey Company	92.57	Consumer Defensive Sector	Confectioners
DVN	Devon Energy Corp	55.14	Energy Sector	Oil & Gas E&P
EOG	Eog Resources Inc	88.25	Energy Sector	Oil & Gas E&P
BHI	Baker Hughes Inc	53.65	Energy Sector	Oil & Gas Equipment & Services
CVX	Chevron Corp	109.27	Energy Sector	Oil & Gas Integrated
KMI	Kinder Morgan, Inc.	35.30	Energy Sector	Oil & Gas Midstream
MPLX	MPLX LP	53.60	Energy Sector	Oil & Gas Midstream
TSO	Tesoro Corp	58.69	Energy Sector	Oil & Gas Refining & Marketing
BAC	Bank Of America Corp	15.76	Financial Services Sector	Banks - Global
AMGN	Amgen Inc	130.88	Healthcare Sector	Biotechnology
GSK	GlaxoSmithKline	43.13	Healthcare Sector	Drug Manufacturers - Major
ICPT	Intercept Pharmaceuticals	198.57	Healthcare Sector	Drug Manufacturers - Major
MRK	Merck & Co	54.73	Healthcare Sector	Drug Manufacturers - Major

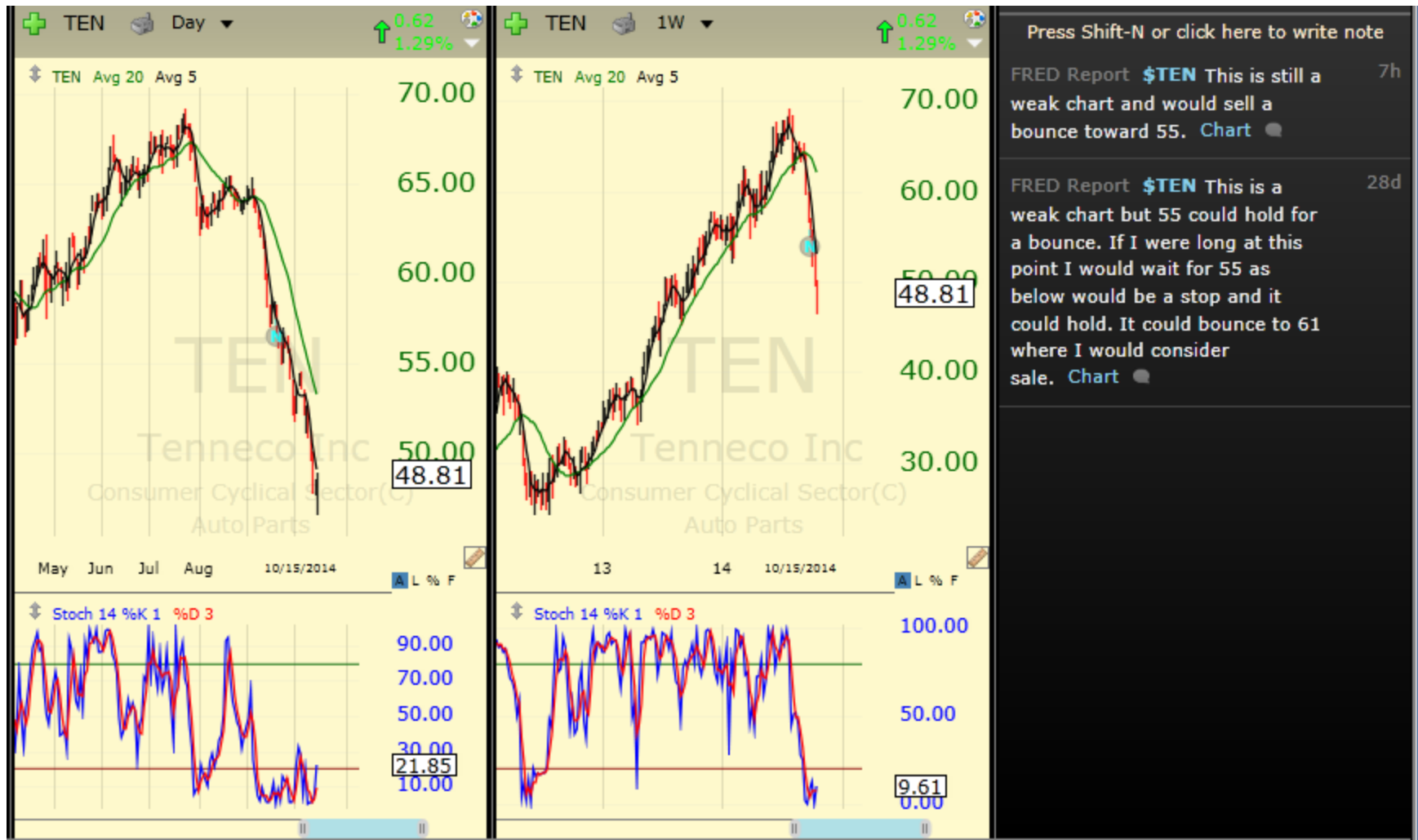
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Symbol	Company	trkPrice	Sector ▲	Industry
UTX	United Technologies Corp	99.17	Industrials Sector	Aerospace & Defense
CMI	Cummins Inc	128.45	Industrials Sector	Diversified Industrials
GE	General Electric Co	24.28	Industrials Sector	Diversified Industrials
ACM	Aecom Technology Corporation	28.34	Industrials Sector	Engineering & Construction
URI	United Rentals Inc	93.50	Industrials Sector	Rental & Leasing Services
WM	Waste Management Inc	46.28	Industrials Sector	Waste Management
AMT	American Tower Corp	91.95	Real Estate Sector	REIT - Diversified
PANW	Palo Alto Networks, Inc.	97.41	Technology Sector	Communication Equipment
SSYS	Stratasys Inc	113.90	Technology Sector	Computer Systems
GOOGL	Google Inc Class A	540.58	Technology Sector	Internet Content & Information
INTC	Intel Corp	31.28	Technology Sector	Semiconductors
MBLY	Mobileye NV	45.23	Technology Sector	Software - Application
DUK	Duke Energy Corp	78.89	Utilities Sector	Utilities - Diversified
CMS	Cms Energy Corp	30.70	Utilities Sector	Utilities - Regulated Electric
FEX	First Trust Large Cap Core AlphaD	40.96		
GURU	Global X Top Guru Holdings Index	24.16		
SCJ	iShares MSCI Japan Small Cap Inc	50.95		
VNQ	Vanguard Reit Etf	74.44		

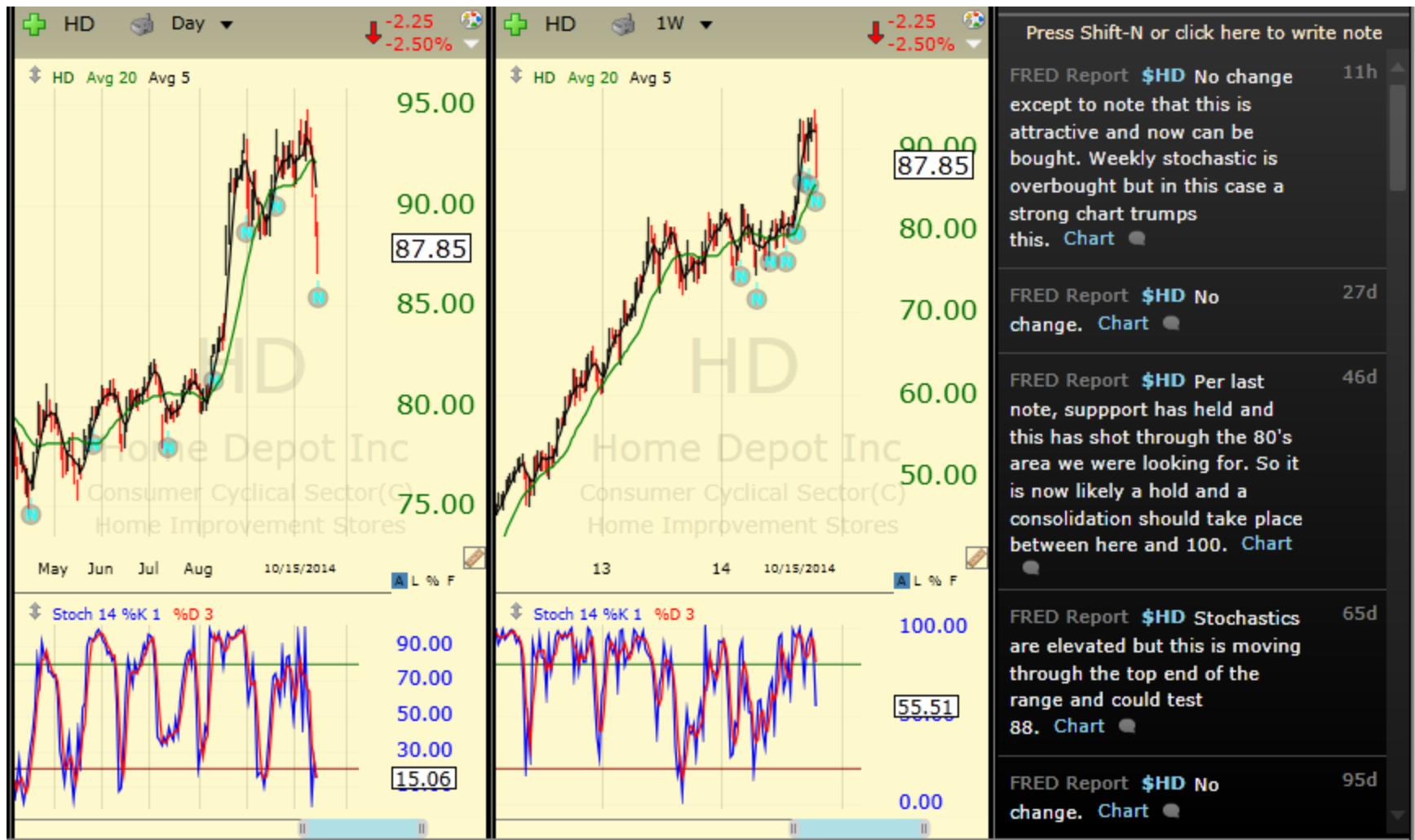
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Press Shift-N or click here to write note

FRED Report **\$HD** No change 11h
 except to note that this is attractive and now can be bought. Weekly stochastic is overbought but in this case a strong chart trumps this. [Chart](#)

FRED Report **\$HD** No change. 27d
 change. [Chart](#)

FRED Report **\$HD** Per last note, support has held and this has shot through the 80's area we were looking for. So it is now likely a hold and a consolidation should take place between here and 100. [Chart](#)

FRED Report **\$HD** Stochastics are elevated but this is moving through the top end of the range and could test 88. [Chart](#)

FRED Report **\$HD** No change. 95d
 change. [Chart](#)

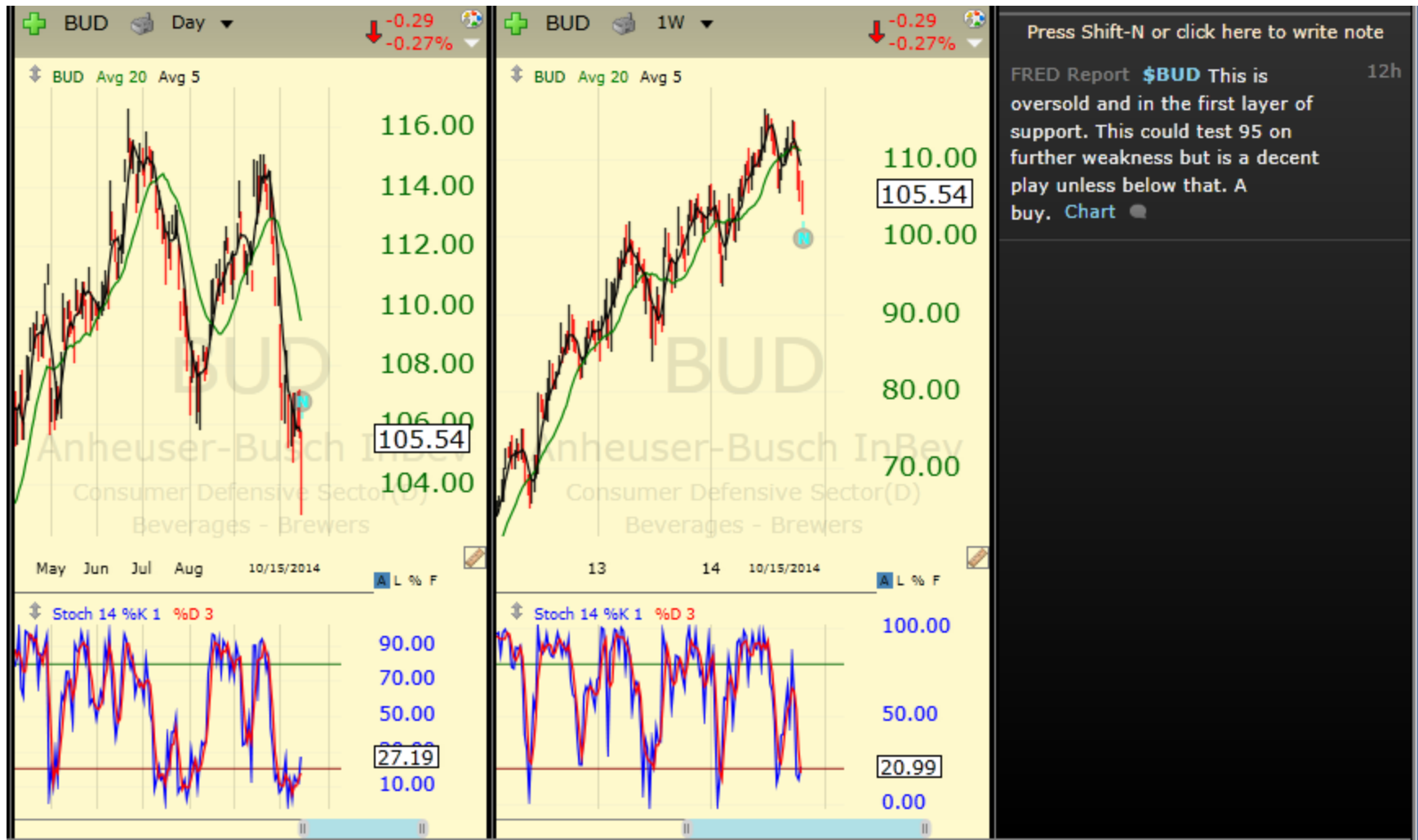
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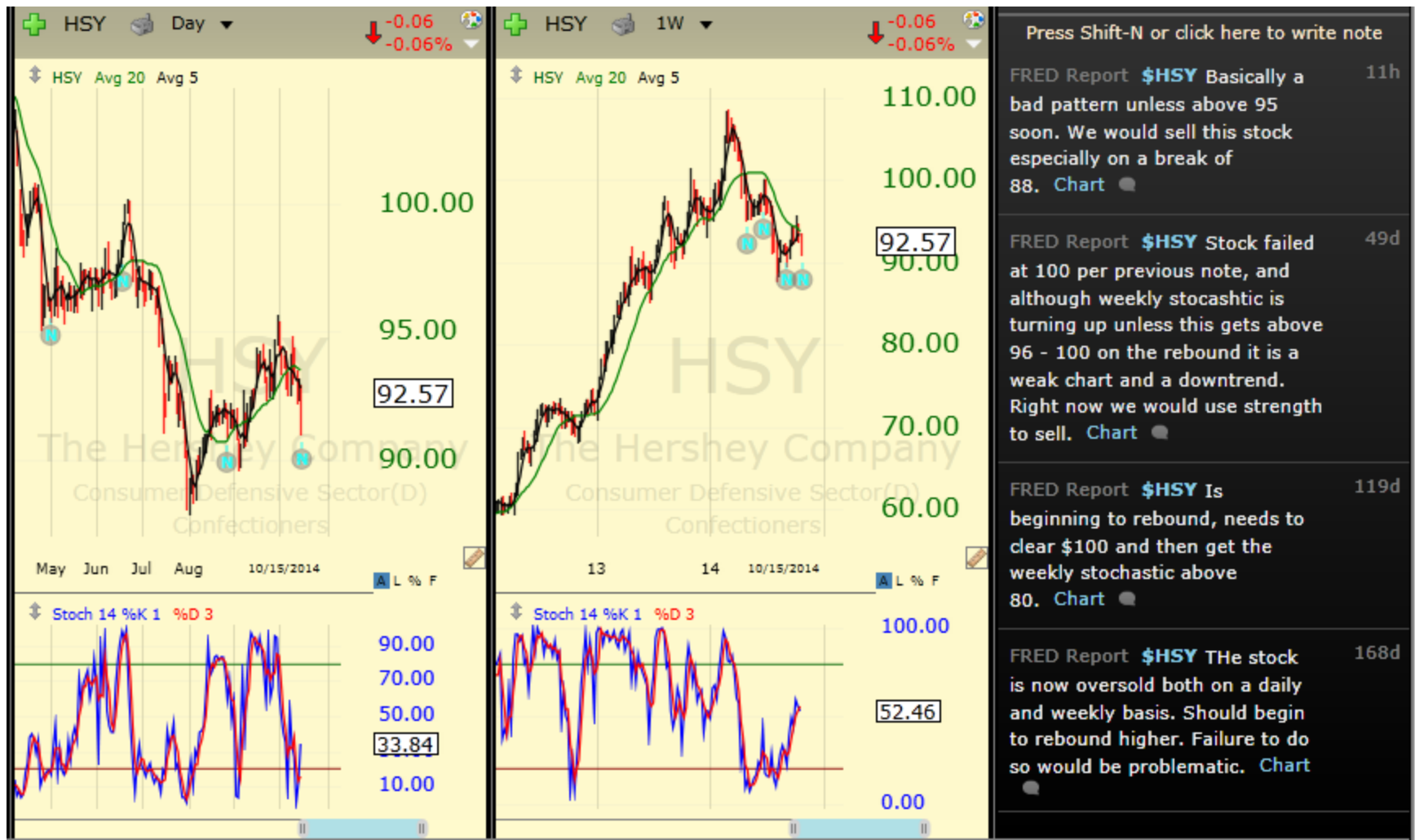
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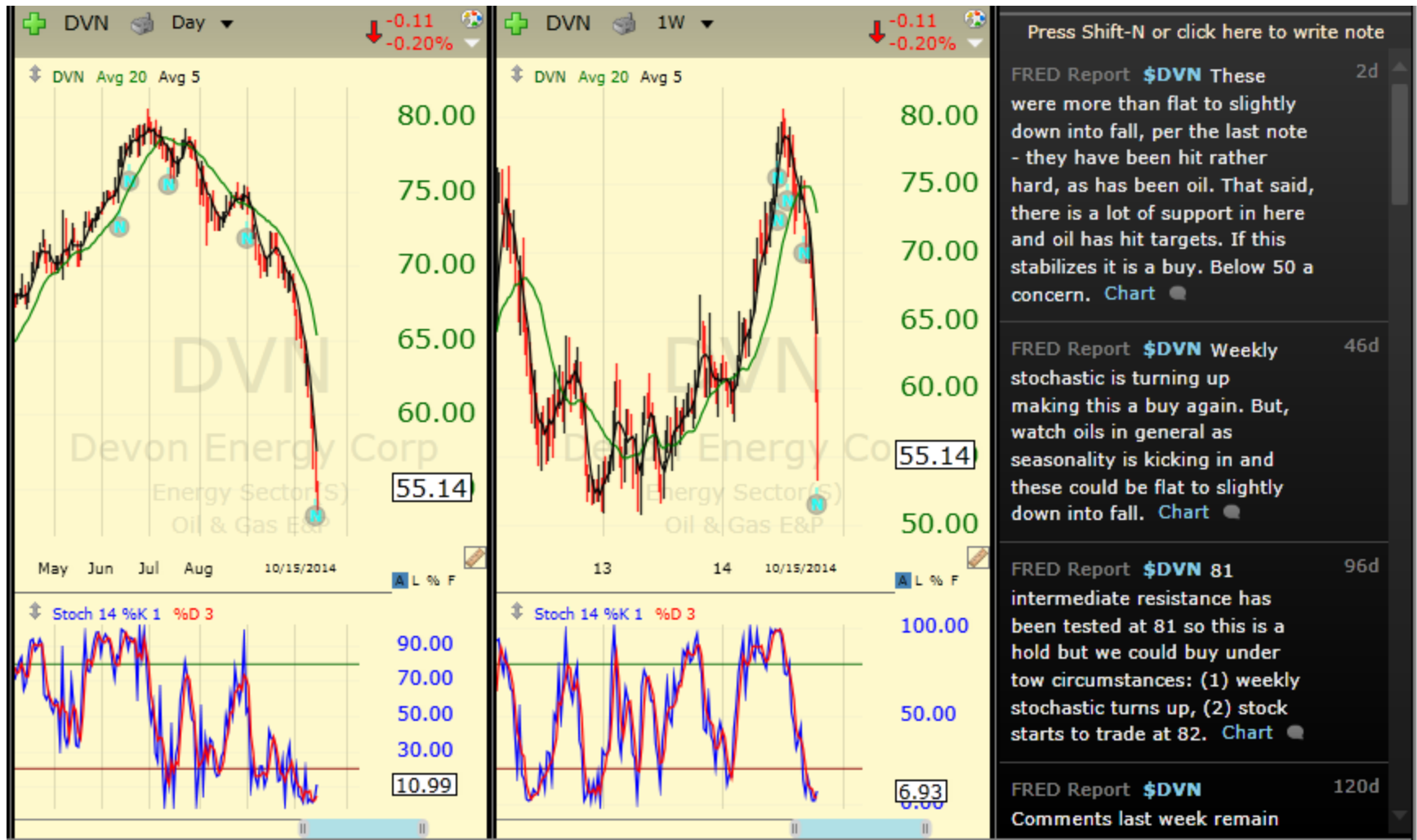
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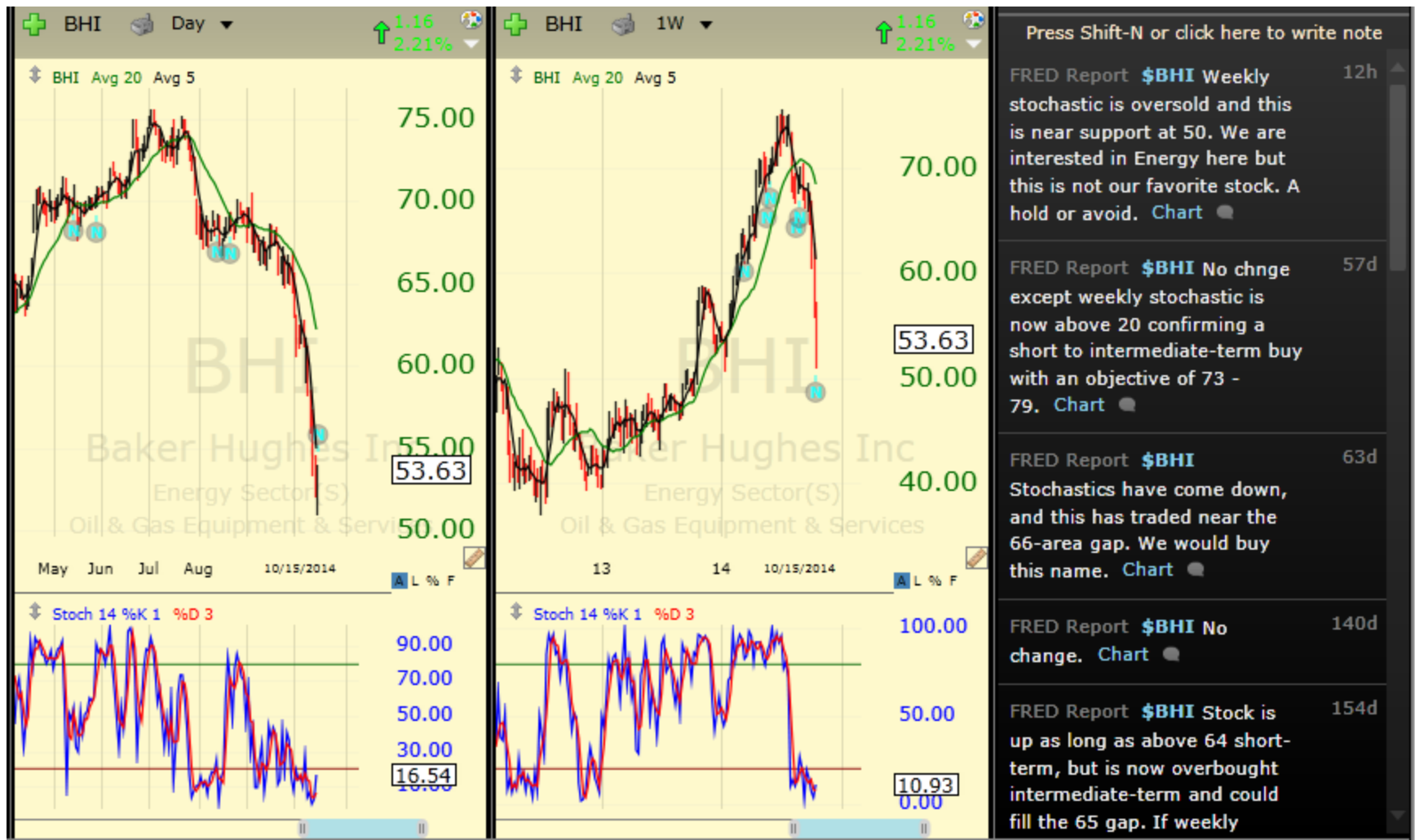
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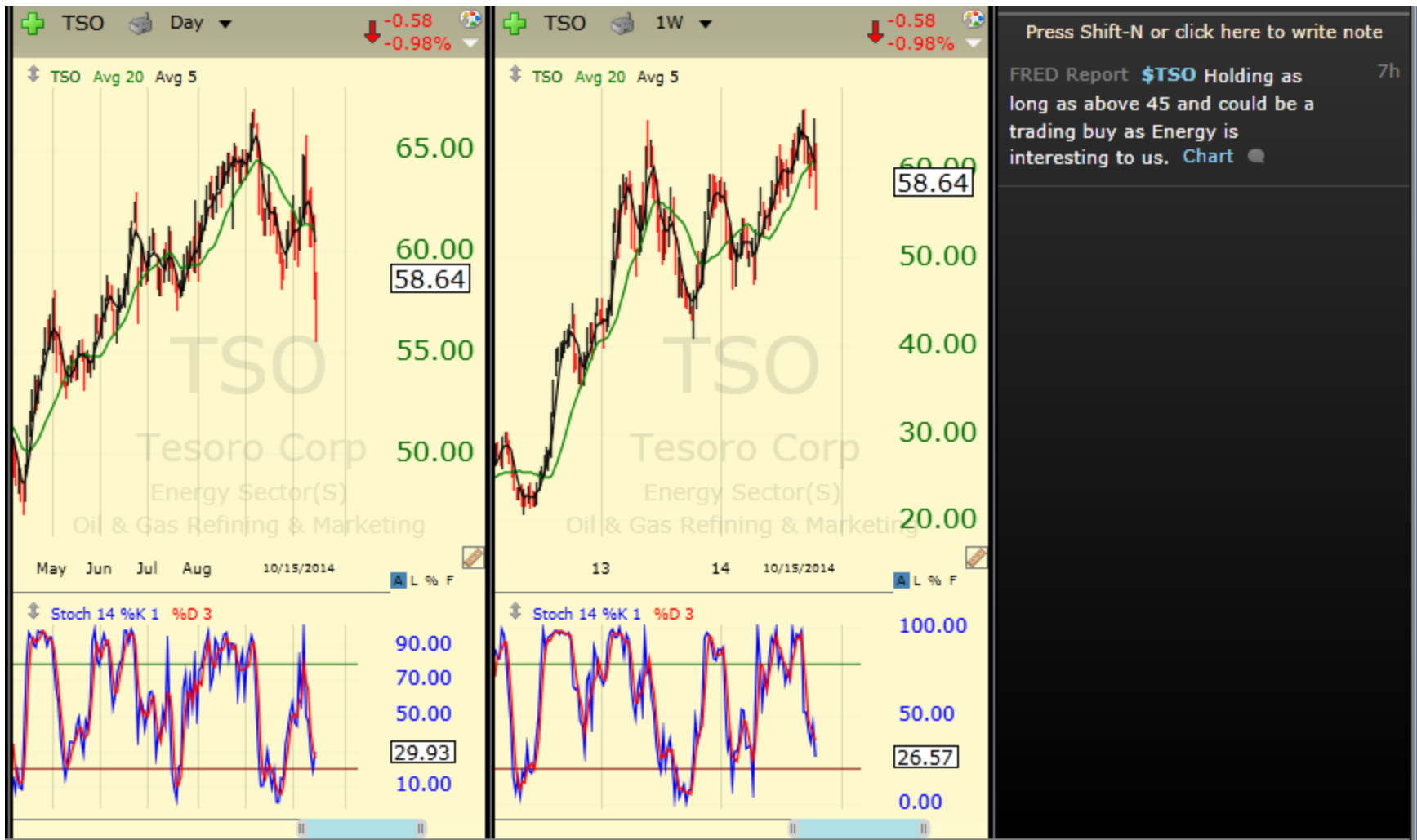
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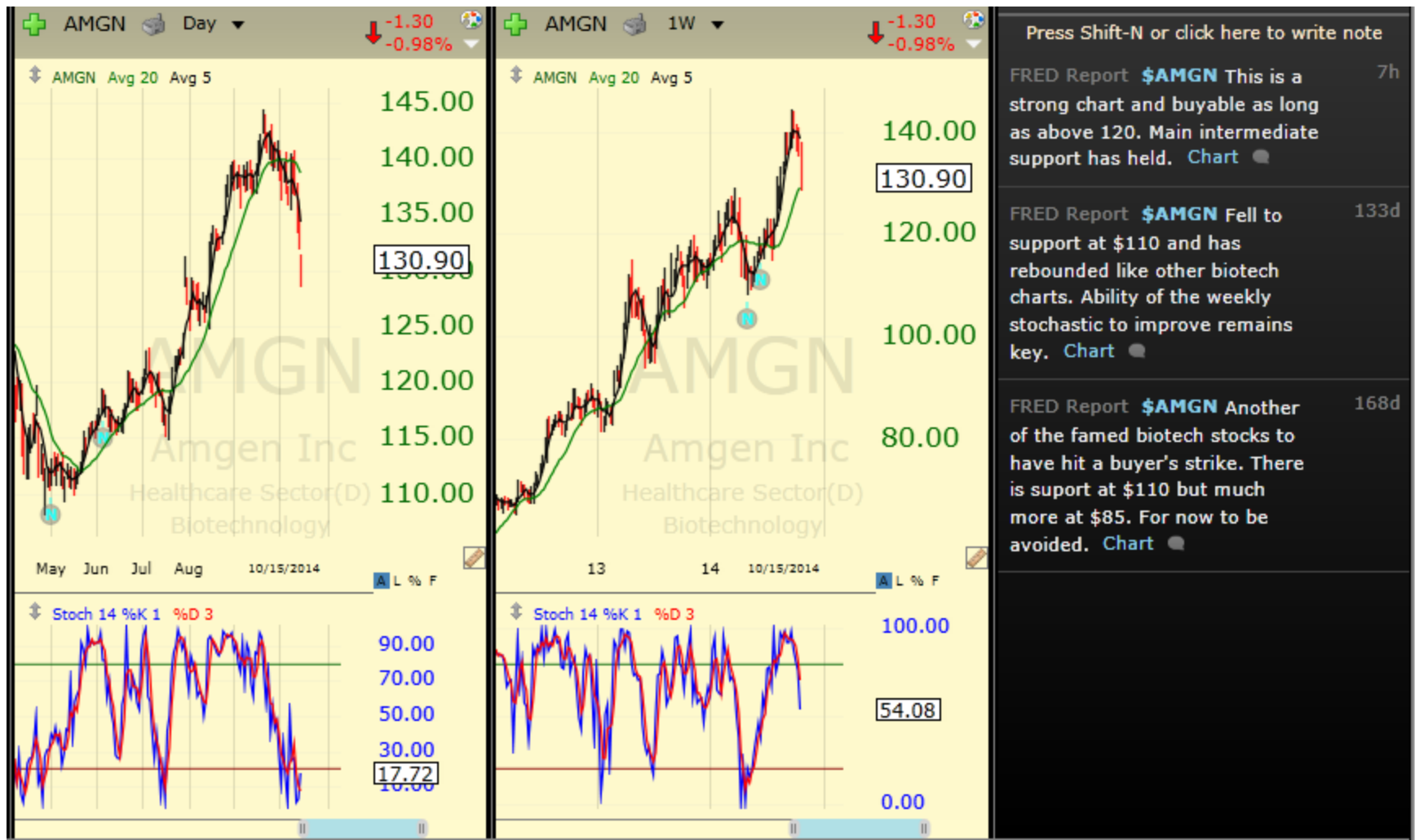
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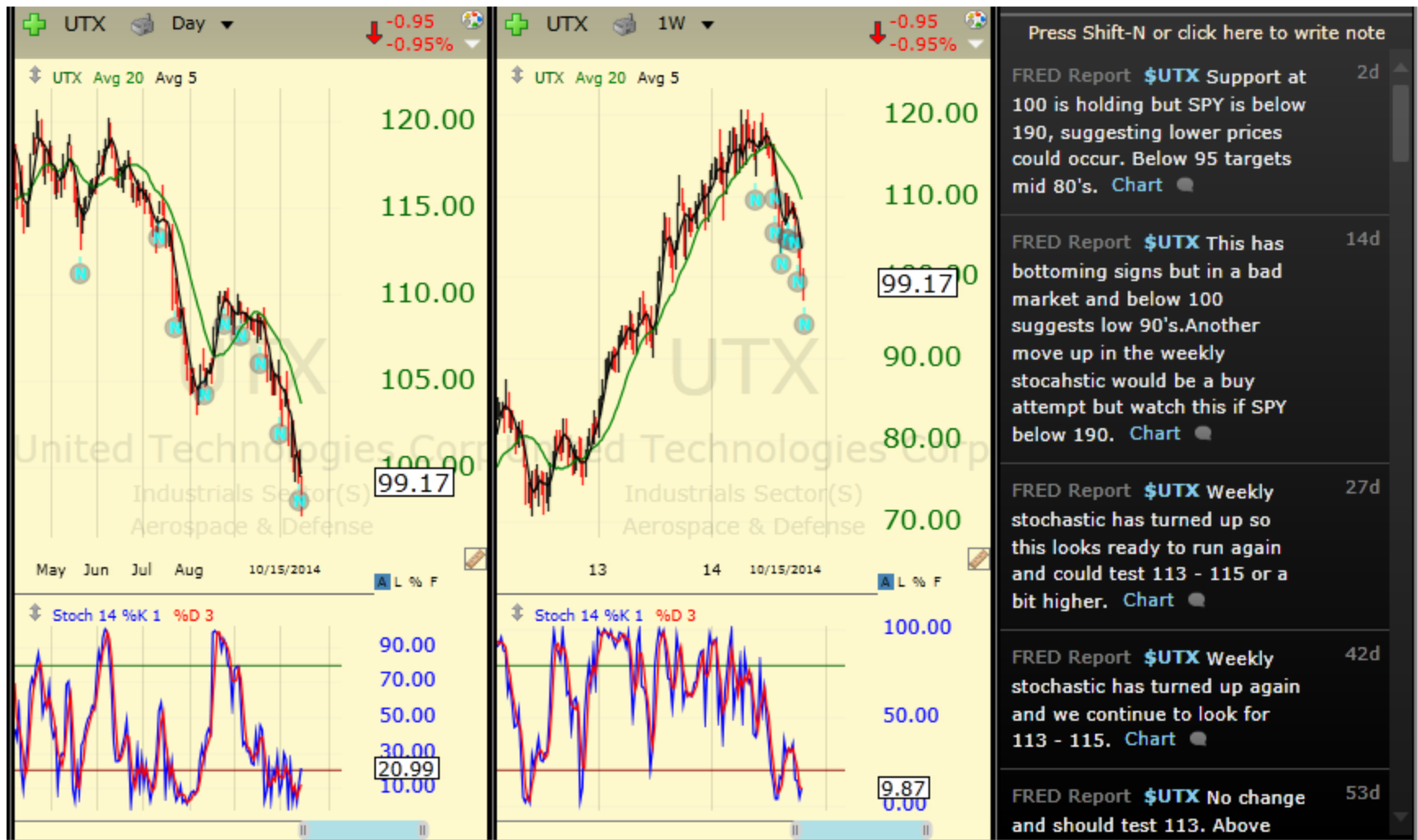
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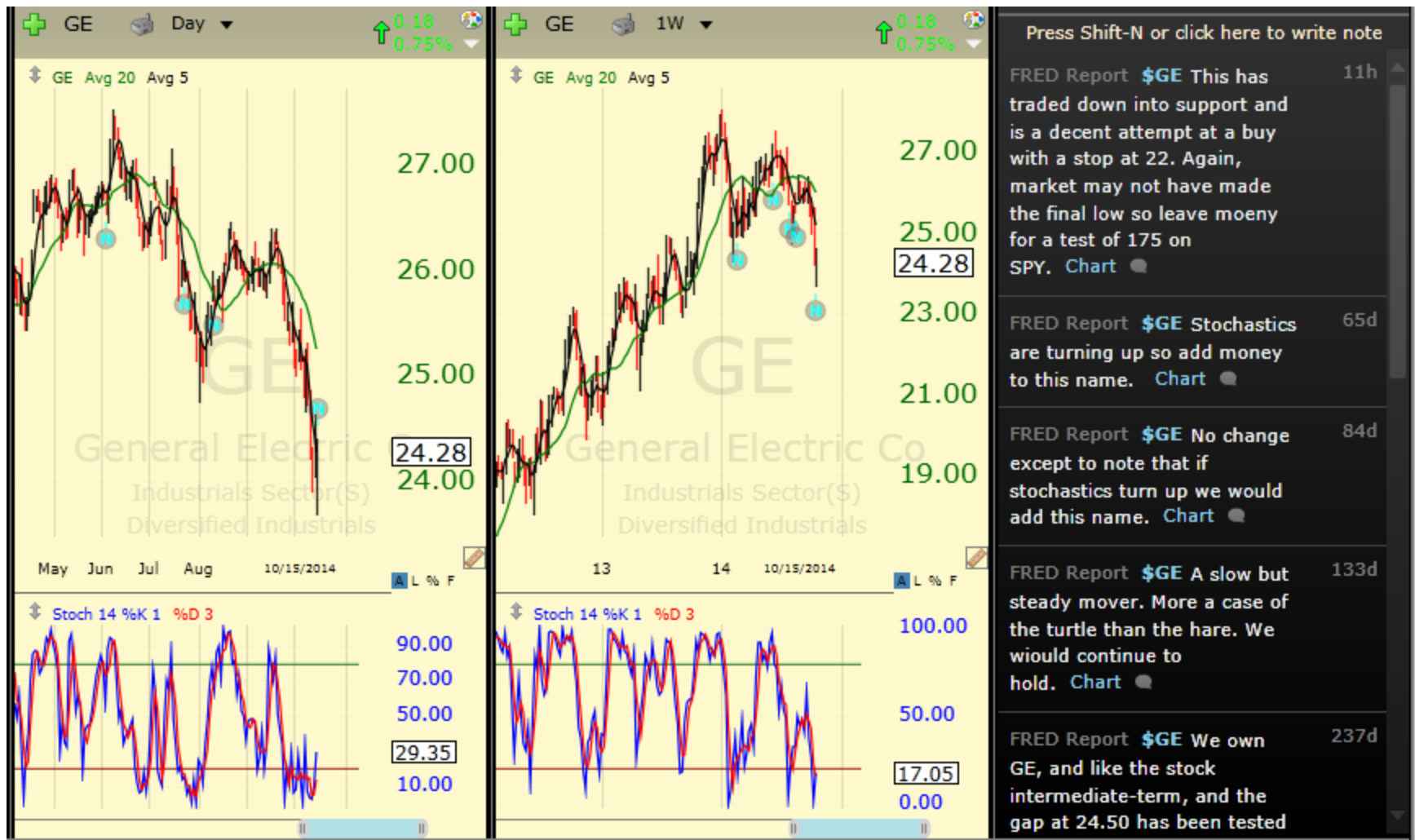
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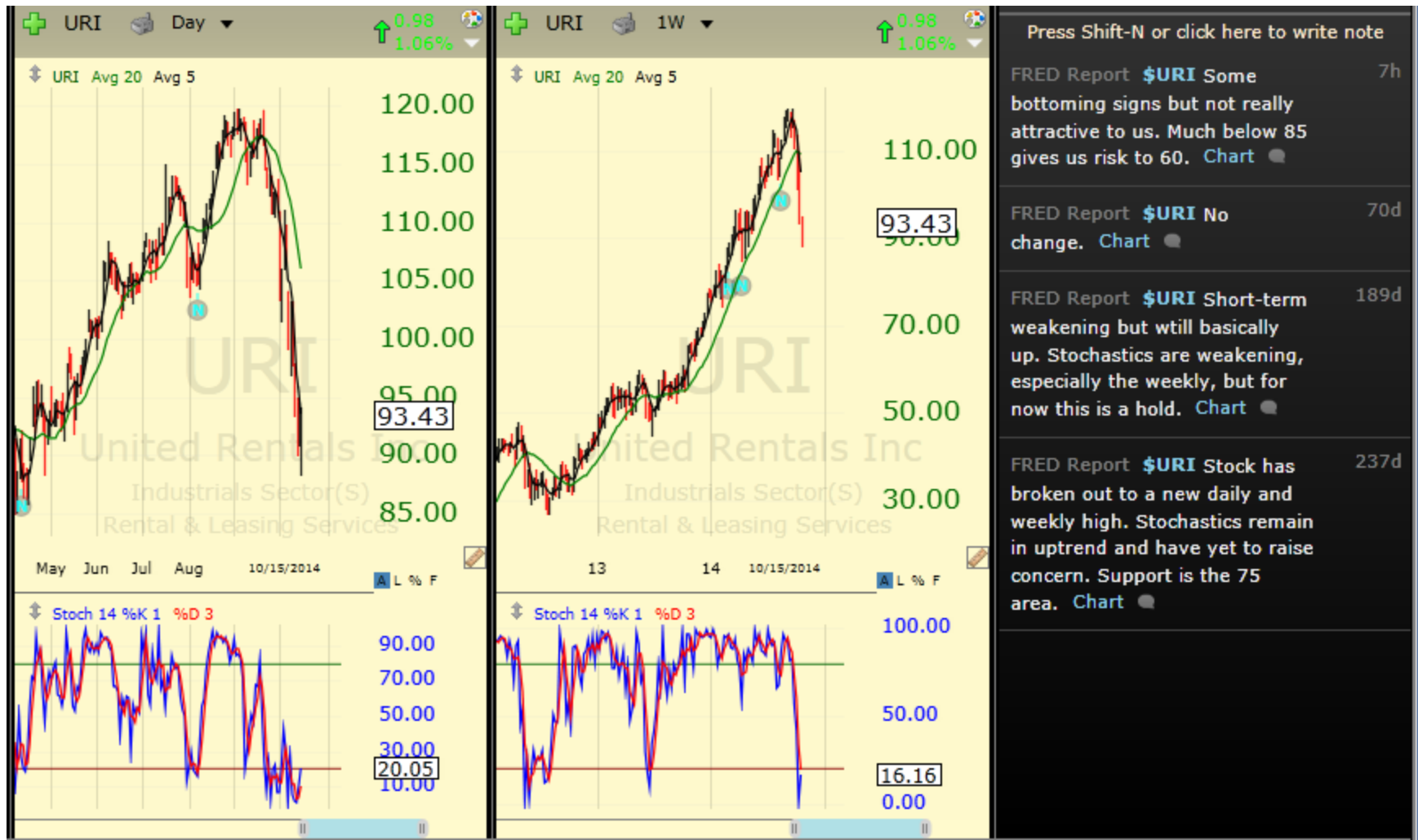
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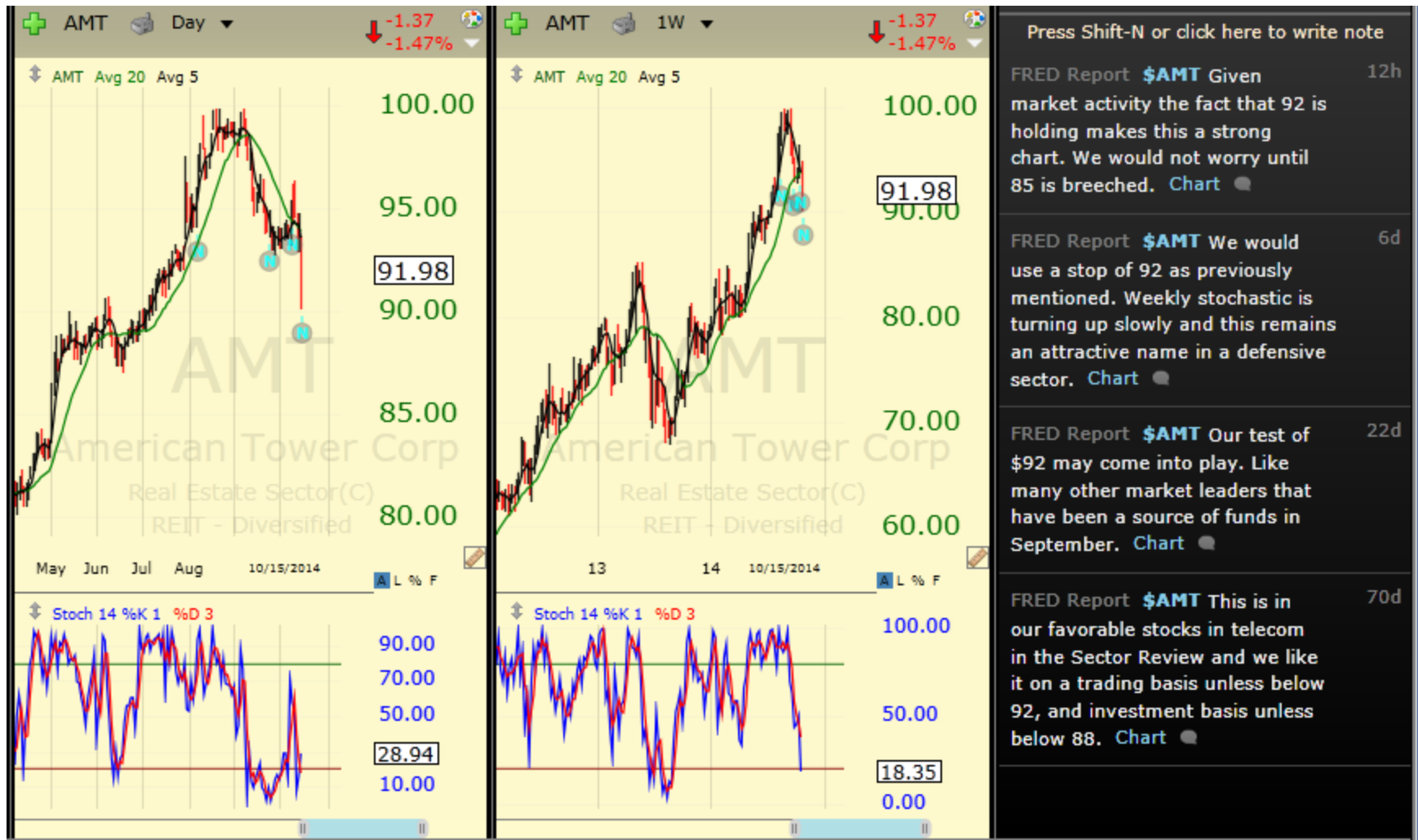
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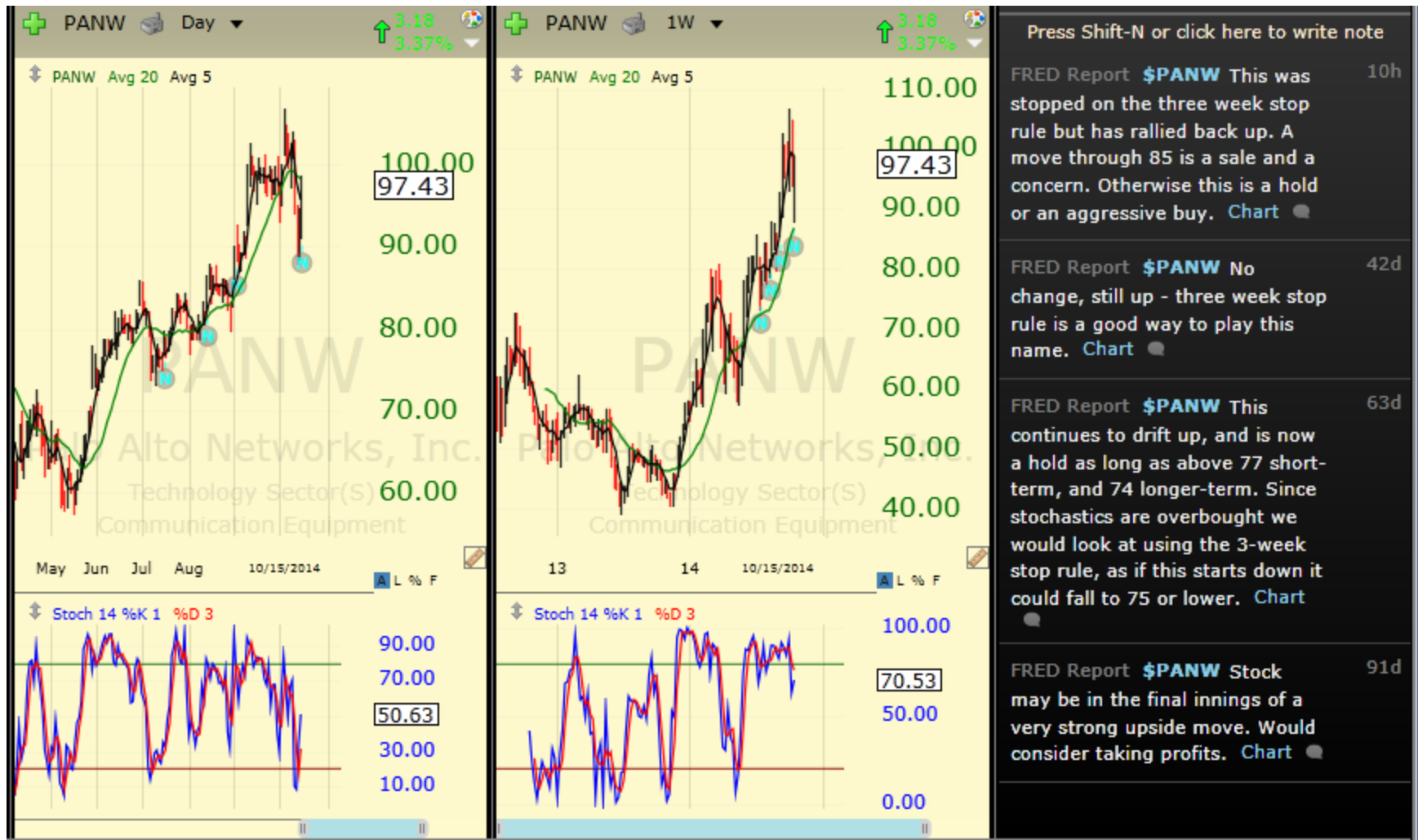
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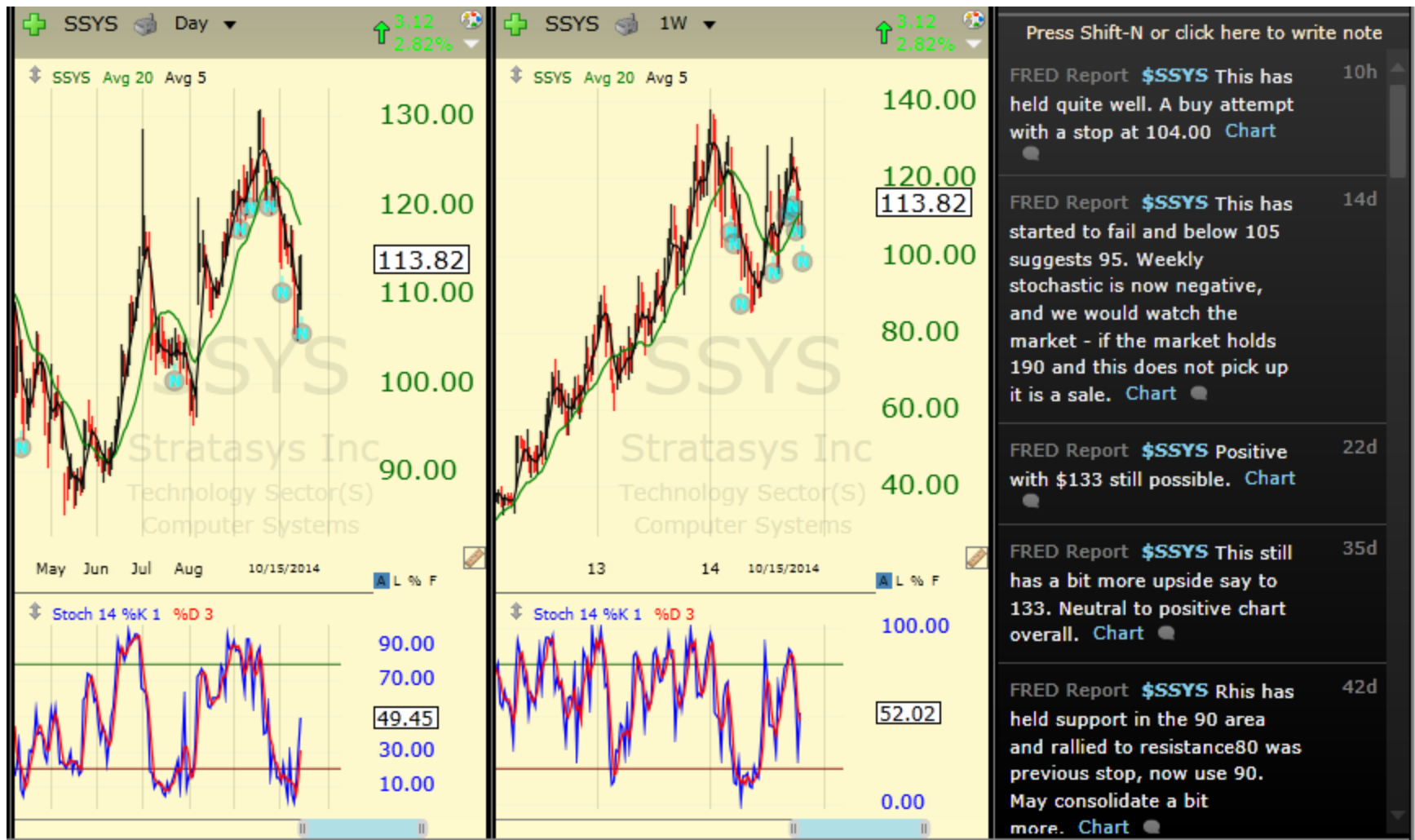
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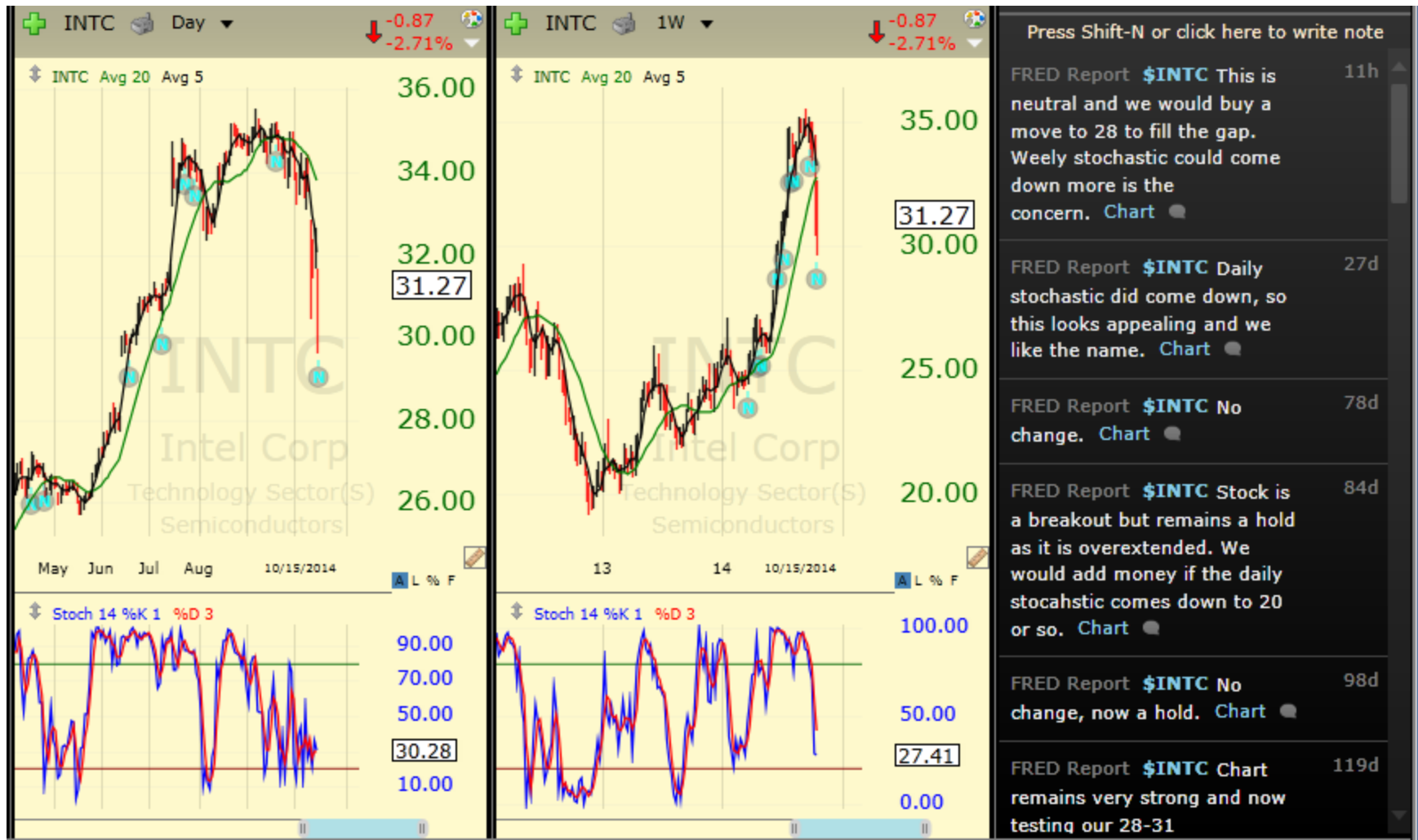
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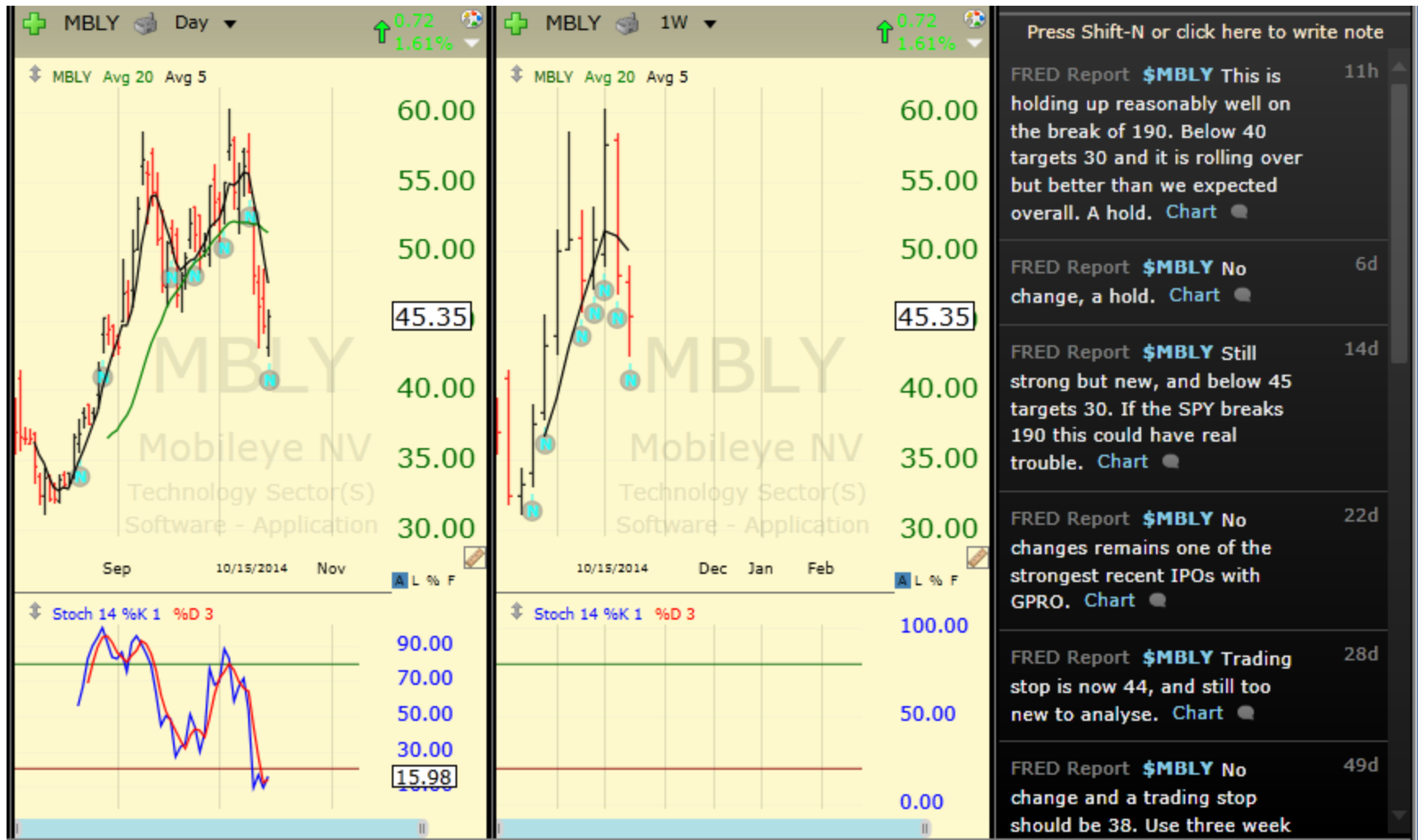
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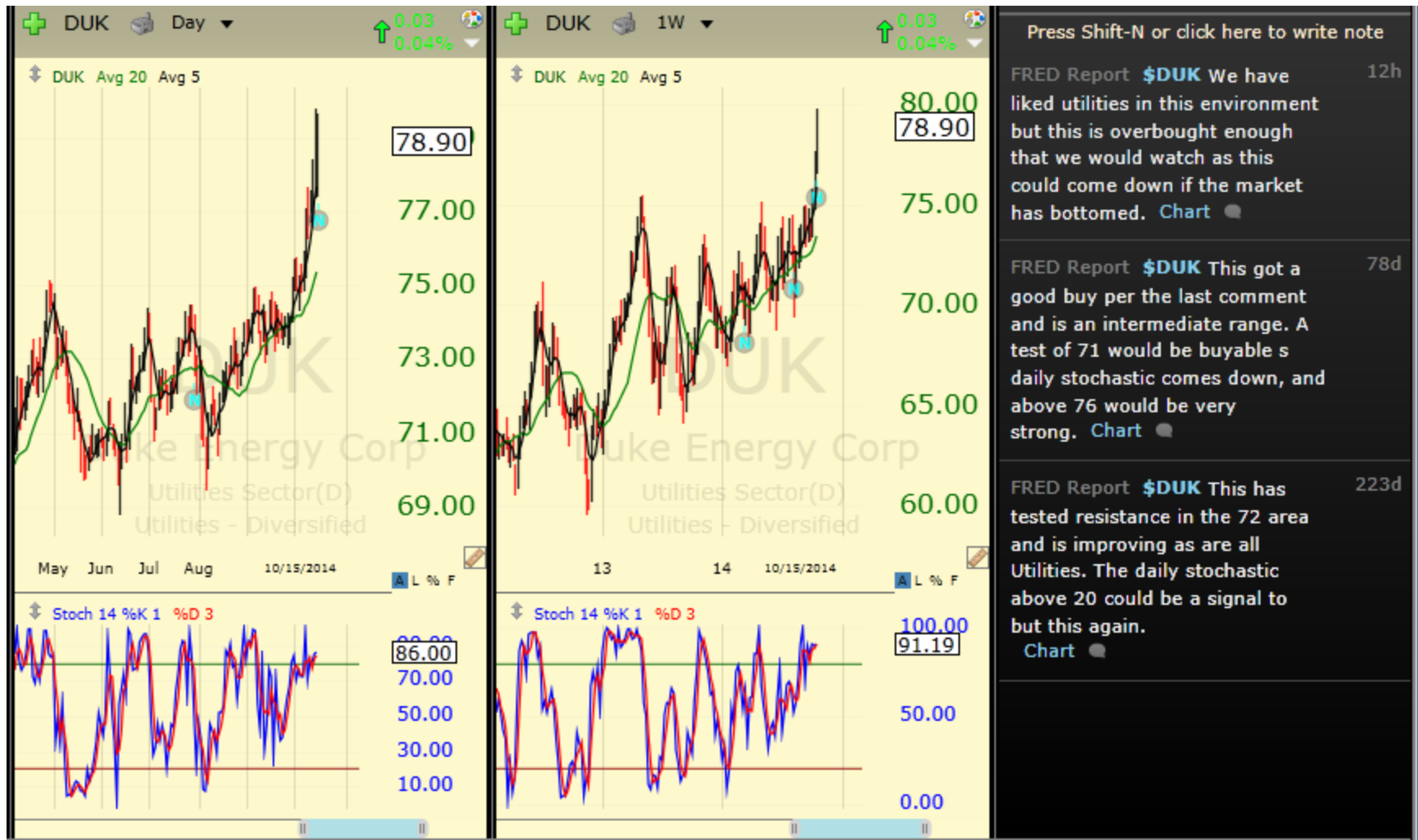
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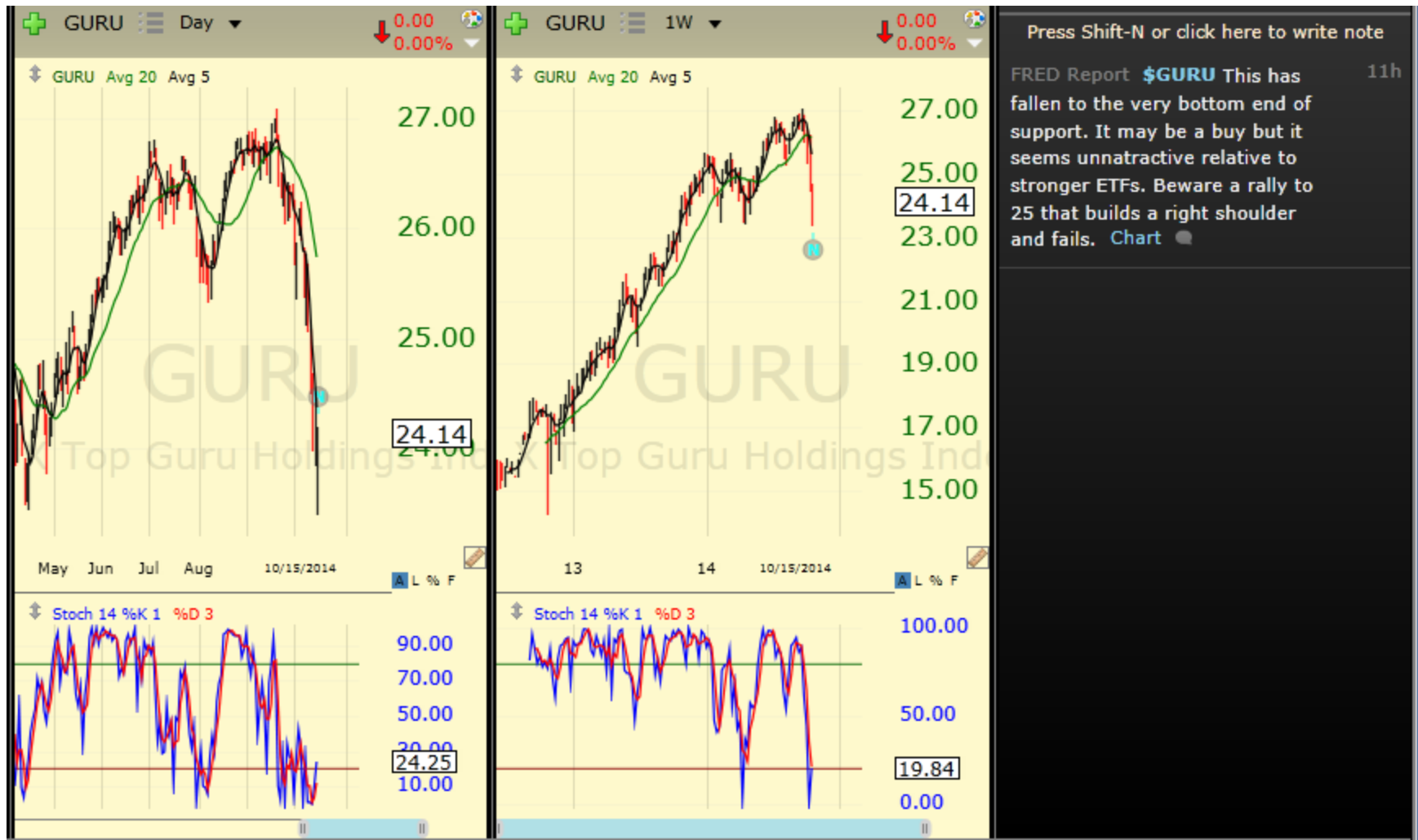
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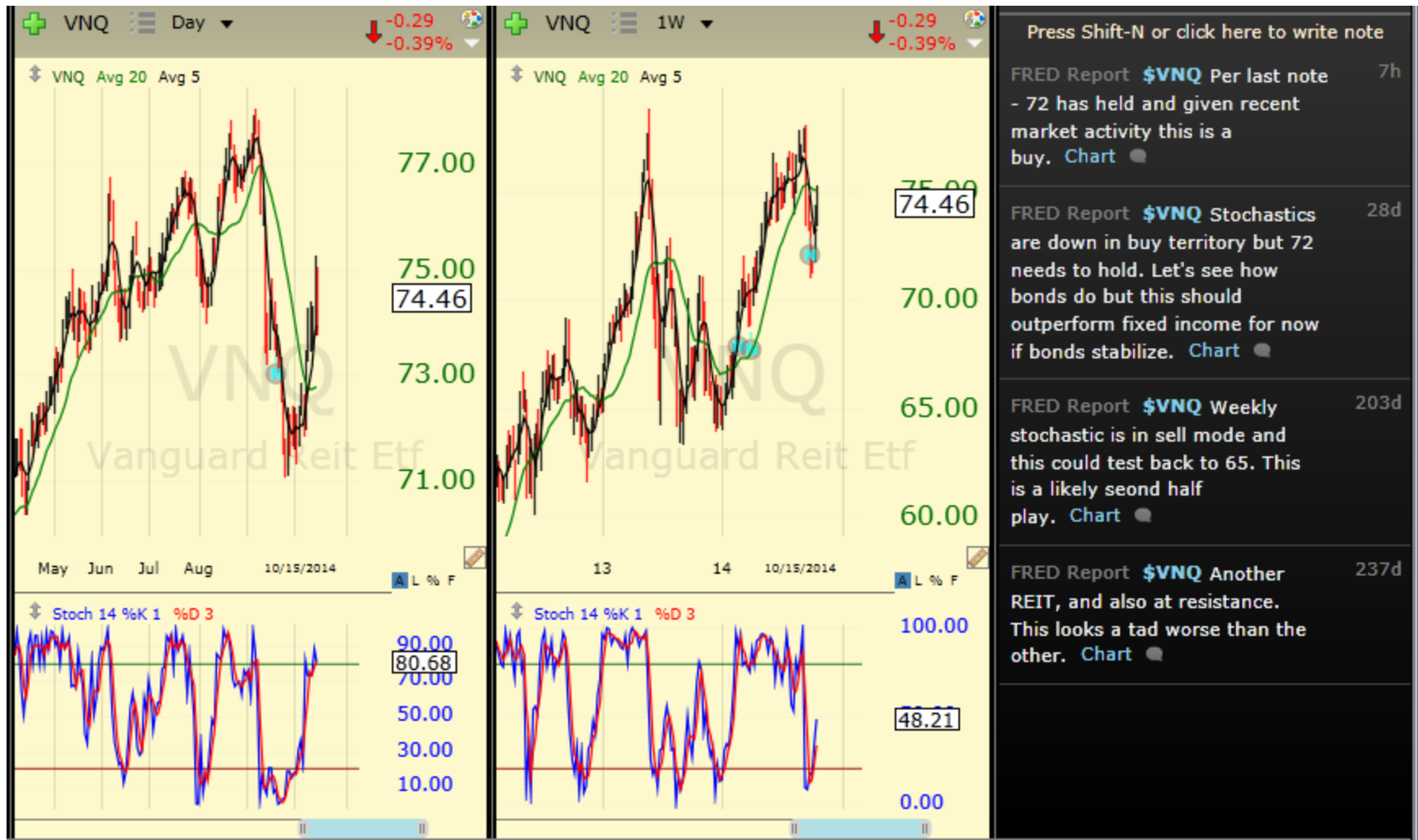
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Technical Indicators

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.

