

Chartbook Review

(charts as of 07/29/15)

By Fred Meissner, CMT

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Chartbook: Stocks of Interest

Sym	Company	trkPrice	Sector ▲	Industry
NFLX	Netflix Inc	107.19	Communication Services Sector	Pay TV
NSR	NeuStar Inc	29.09	Communication Services Sector	Telecom Services
LB	L Brands Inc	82.74	Consumer Cyclical Sector	Apparel Stores
LULU	Lululemon Athletica Inc.	63.65	Consumer Cyclical Sector	Apparel Stores
PSG	Performance Sports Group Ltd	16.45	Consumer Cyclical Sector	Leisure
GEF	Greif Brothers Corp A	31.72	Consumer Cyclical Sector	Packaging & Containers
PII	Polaris Industries Inc	137.57	Consumer Cyclical Sector	Recreational Vehicles
SBUX	Starbucks Corporation	57.64	Consumer Cyclical Sector	Restaurants
PSMT	Pricesmart Inc	97.16	Consumer Defensive Sector	Discount Stores
WBA	Walgreens Boots Alliance Inc	96.56	Consumer Defensive Sector	Pharmaceutical Retailers
MRO	Marathon Oil Group	21.77	Energy Sector	Oil & Gas E&P
WFT	Weatherford International PLC	11.02	Energy Sector	Oil & Gas Equipment & Services
VLO	Valero Energy Corp	66.03	Energy Sector	Oil & Gas Refining & Marketing
FMER	Firstmerit Corp	18.50	Financial Services Sector	Banks - Regional - US
ONB	Old National Bancorp In	14.35	Financial Services Sector	Banks - Regional - US
COF	Capital One Financial Cp	79.54	Financial Services Sector	Credit Services
MA	MasterCard Inc	96.87	Financial Services Sector	Credit Services
UIHC	United Insurance Holdings Corp	16.07	Financial Services Sector	Insurance - Property & Casualty
PN	Patriot National Inc	17.68	Financial Services Sector	Insurance Brokers
BIIB	Biogen Inc	314.00	Healthcare Sector	Biotechnology
GILD	Gilead Sciences Inc	115.86	Healthcare Sector	Biotechnology
ISIS	ISIS Pharmaceuticals Inc	53.11	Healthcare Sector	Biotechnology
RVNC	Revance Therapeutics Inc	31.84	Healthcare Sector	Biotechnology
ZIOP	Ziopharm Oncology Inc	12.99	Healthcare Sector	Biotechnology
ABBV	AbbVie Inc	70.77	Healthcare Sector	Drug Manufacturers - Major
GSK	GlaxoSmithKline	42.68	Healthcare Sector	Drug Manufacturers - Major
UNH	UnitedHealth Group Inc.	121.35	Healthcare Sector	Health Care Plans
CAH	Cardinal Health Inc	84.32	Healthcare Sector	Medical Distribution
ILMN	Illumina Inc	217.86	Healthcare Sector	Medical Instruments & Supplies

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Symbol	Company	trkPrice	Sector ▲	Industry
ADP	Automatic Data Processing Inc	82.39	Industrials Sector	Business Services
ETN	Eaton Corporation, PLC	61.85	Industrials Sector	Diversified Industrials
UNP	Union Pacific Corp	98.50	Industrials Sector	Railroads
PANW	Palo Alto Networks, Inc.	183.70	Technology Sector	Communication Equipment
DBD	Diebold Inc	33.57	Technology Sector	Computer Systems
DDD	3d Systems Corp	15.28	Technology Sector	Computer Systems
CLS	Celestica Inc	13.45	Technology Sector	Contract Manufacturers
CERN	Cerner Corp	72.40	Technology Sector	Health Information Services
FB	Facebook Inc	96.94	Technology Sector	Internet Content & Information
GRPN	Groupon, Inc.	4.85	Technology Sector	Internet Content & Information
INTC	Intel Corp	29.02	Technology Sector	Semiconductors
MLNX	Mellanox Technologies Ltd	44.87	Technology Sector	Semiconductors
NXPI	NXP Semiconductors NV	92.07	Technology Sector	Semiconductors
FEYE	FireEye, Inc.	47.55	Technology Sector	Software - Application
PFPT	Proofpoint Inc	65.95	Technology Sector	Software - Application
SPLK	Splunk Inc	69.00	Technology Sector	Software - Application
IWC	iShares Russell Microcap Index Fu	77.91		

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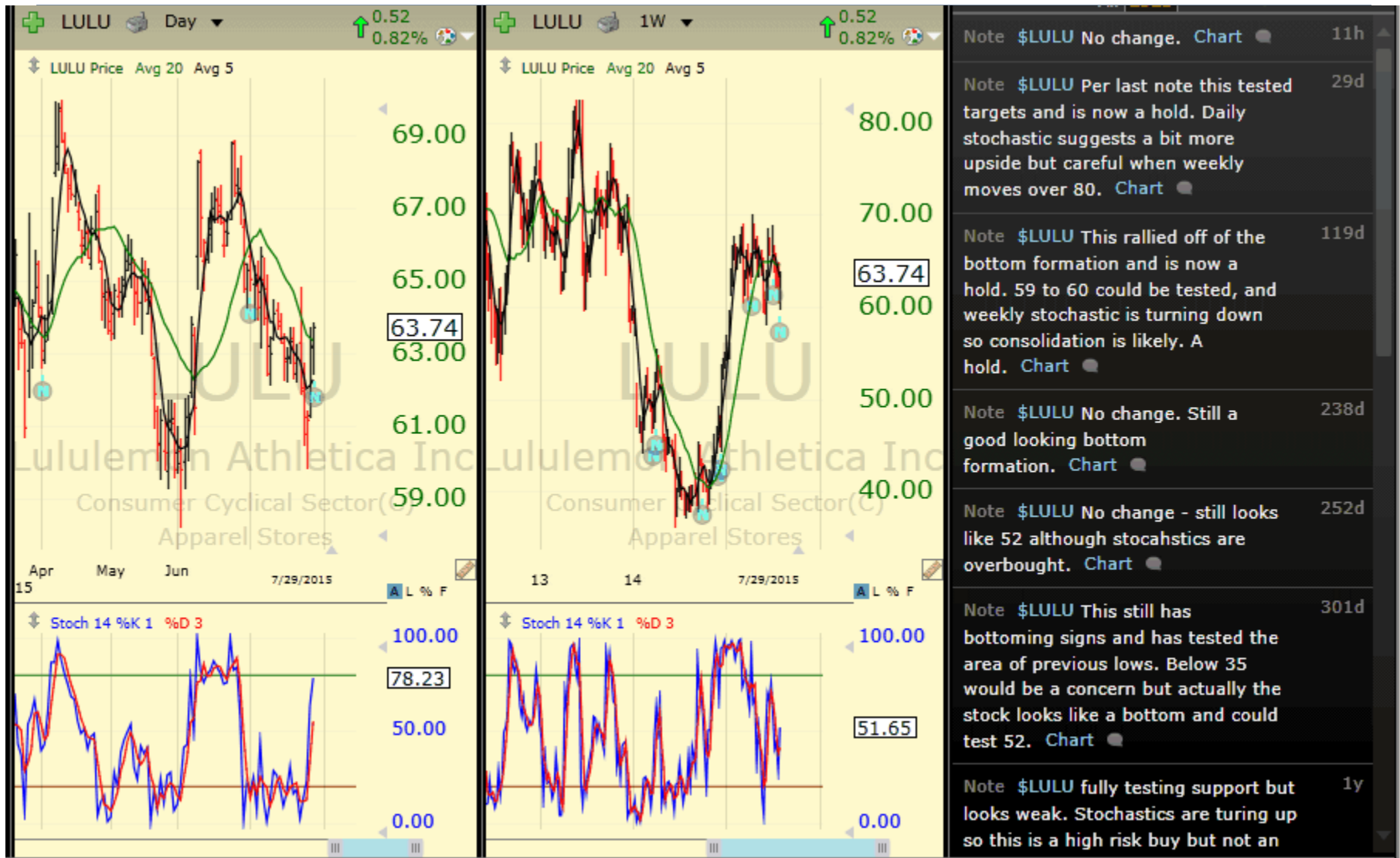
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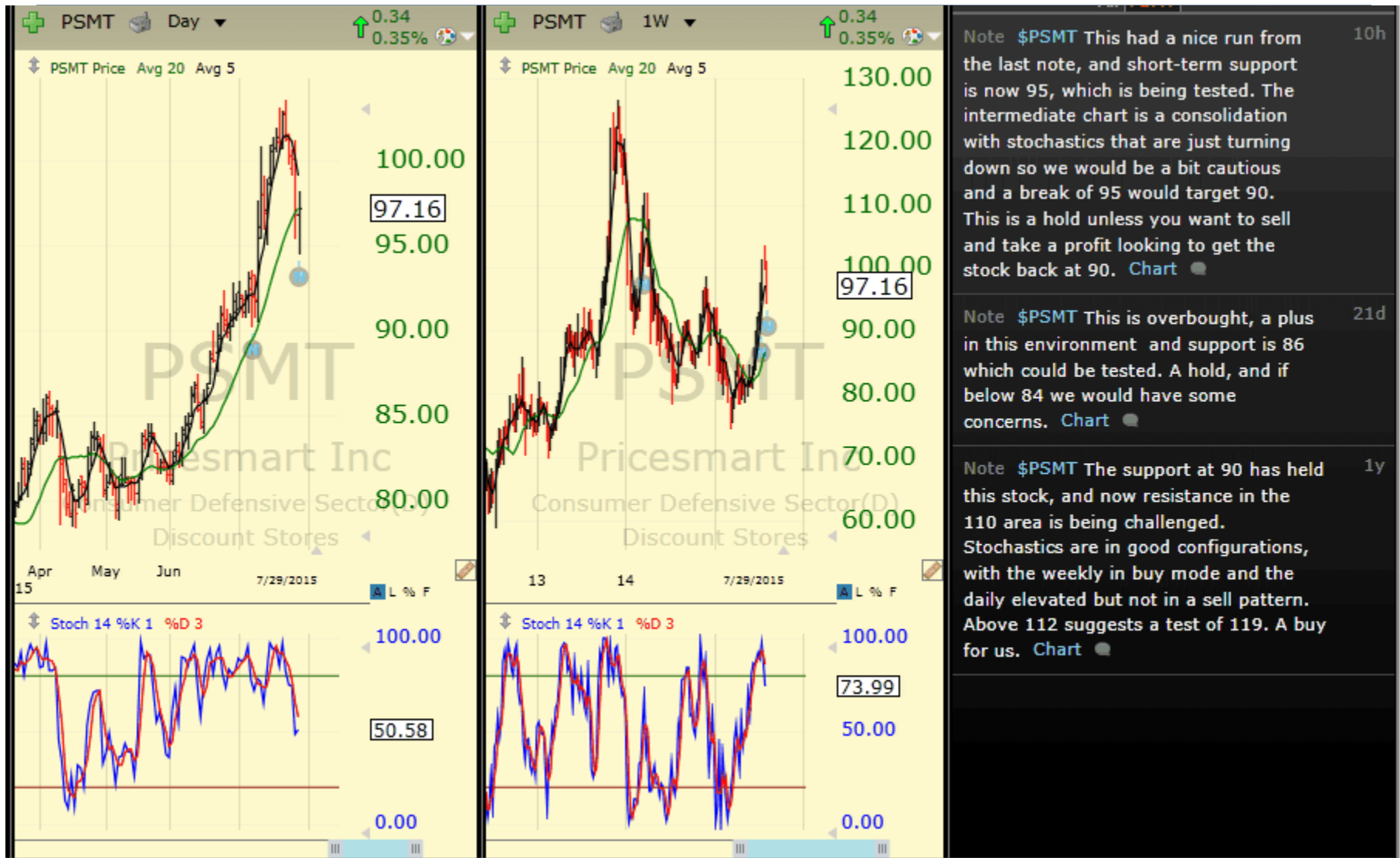
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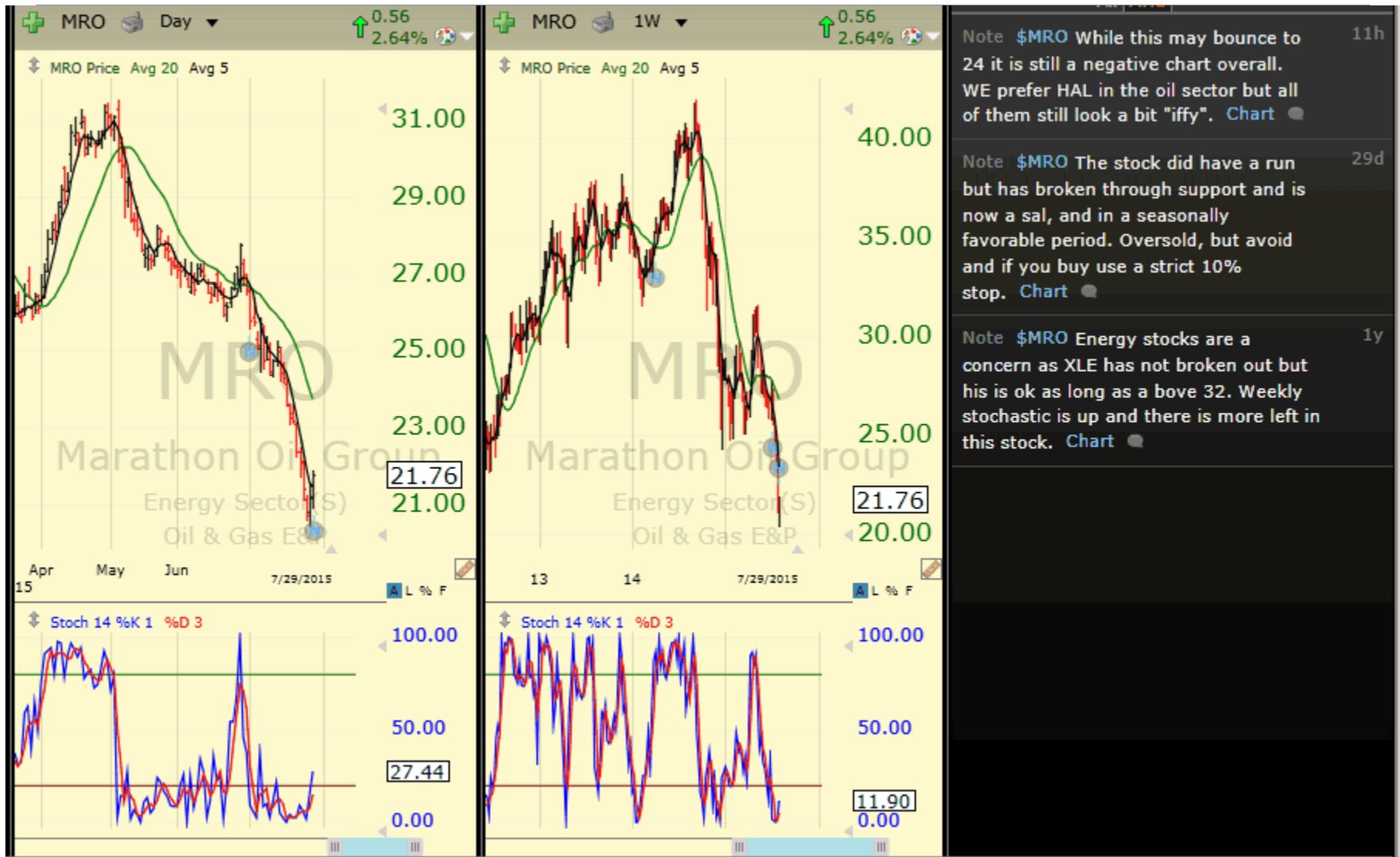
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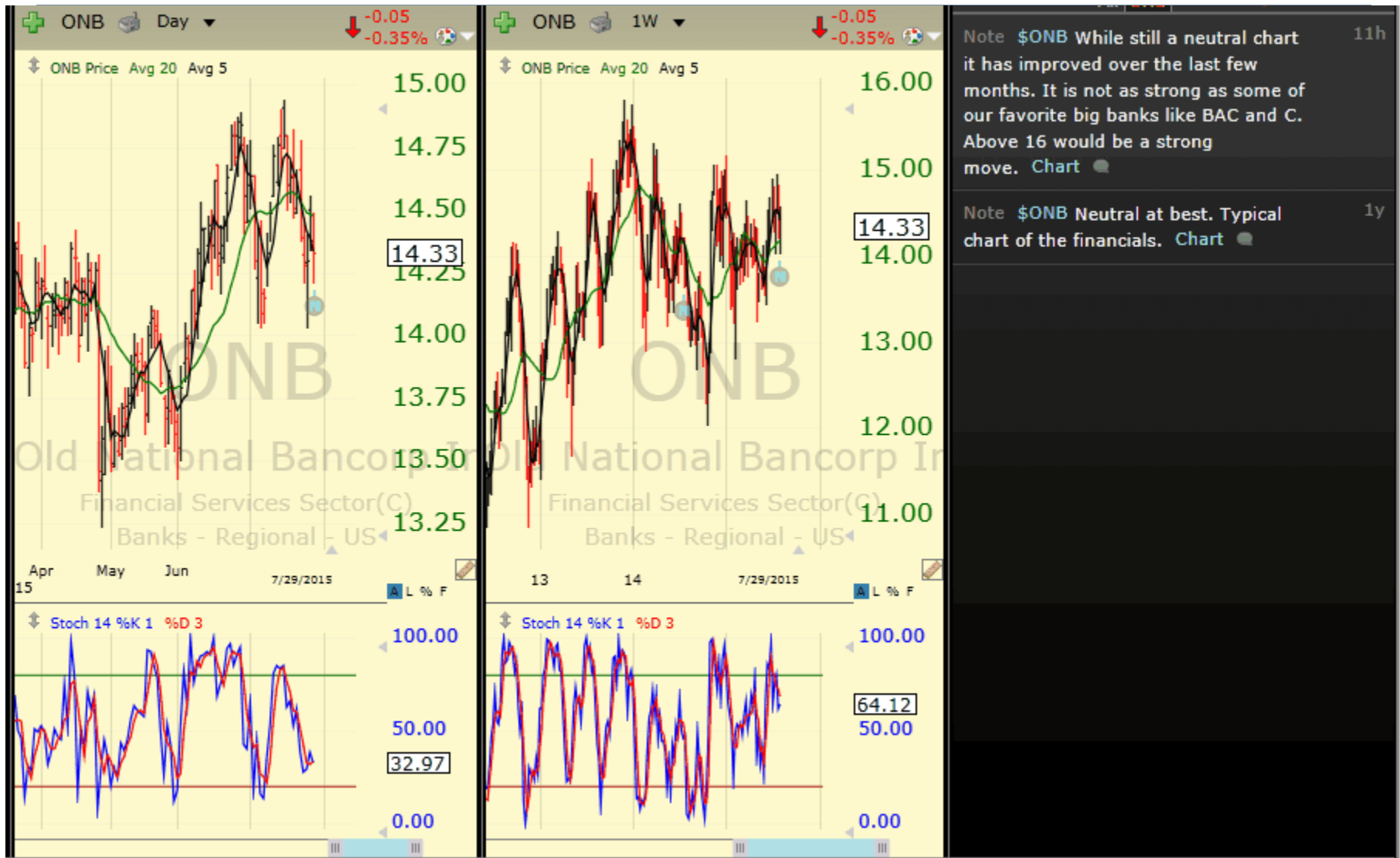
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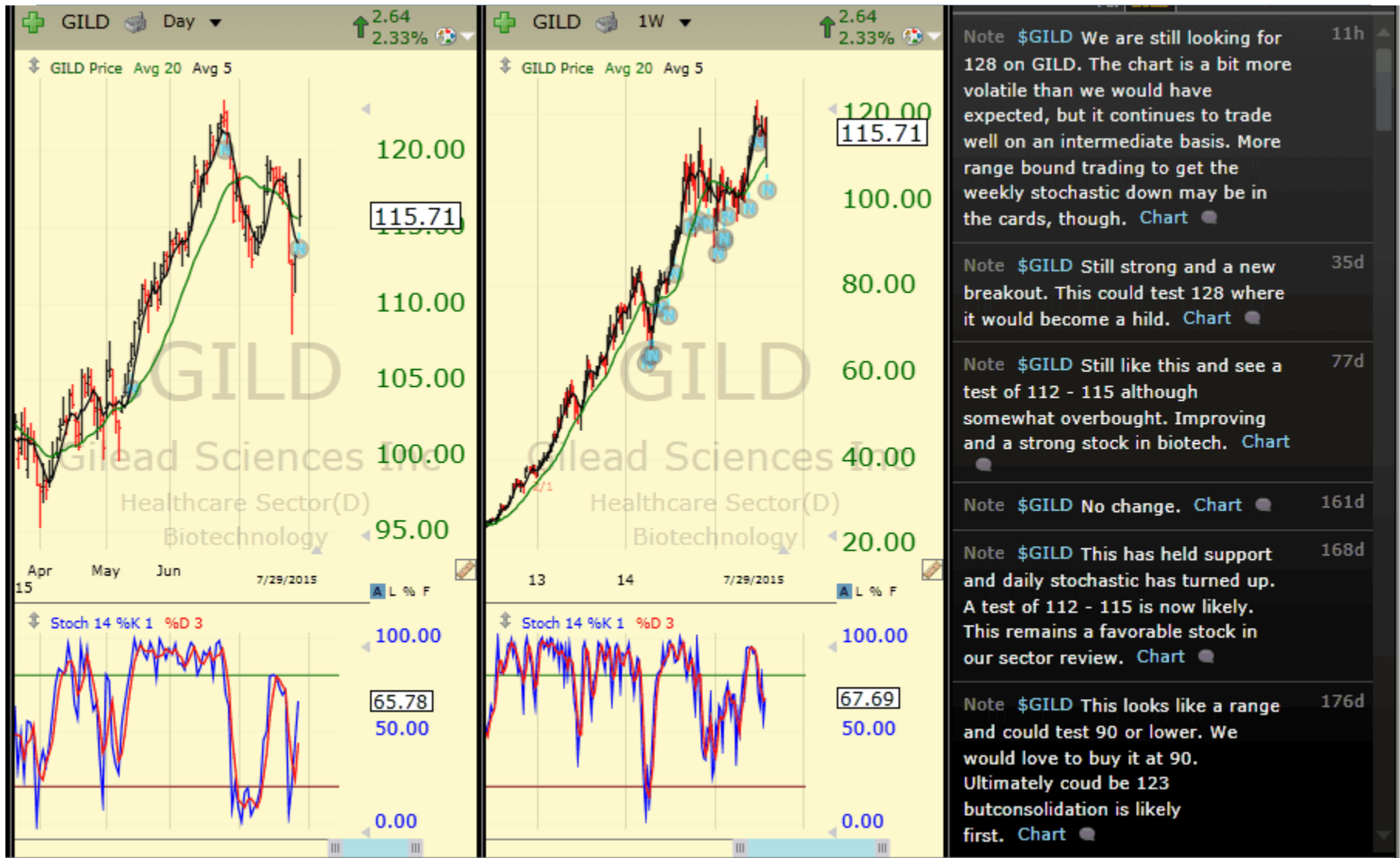
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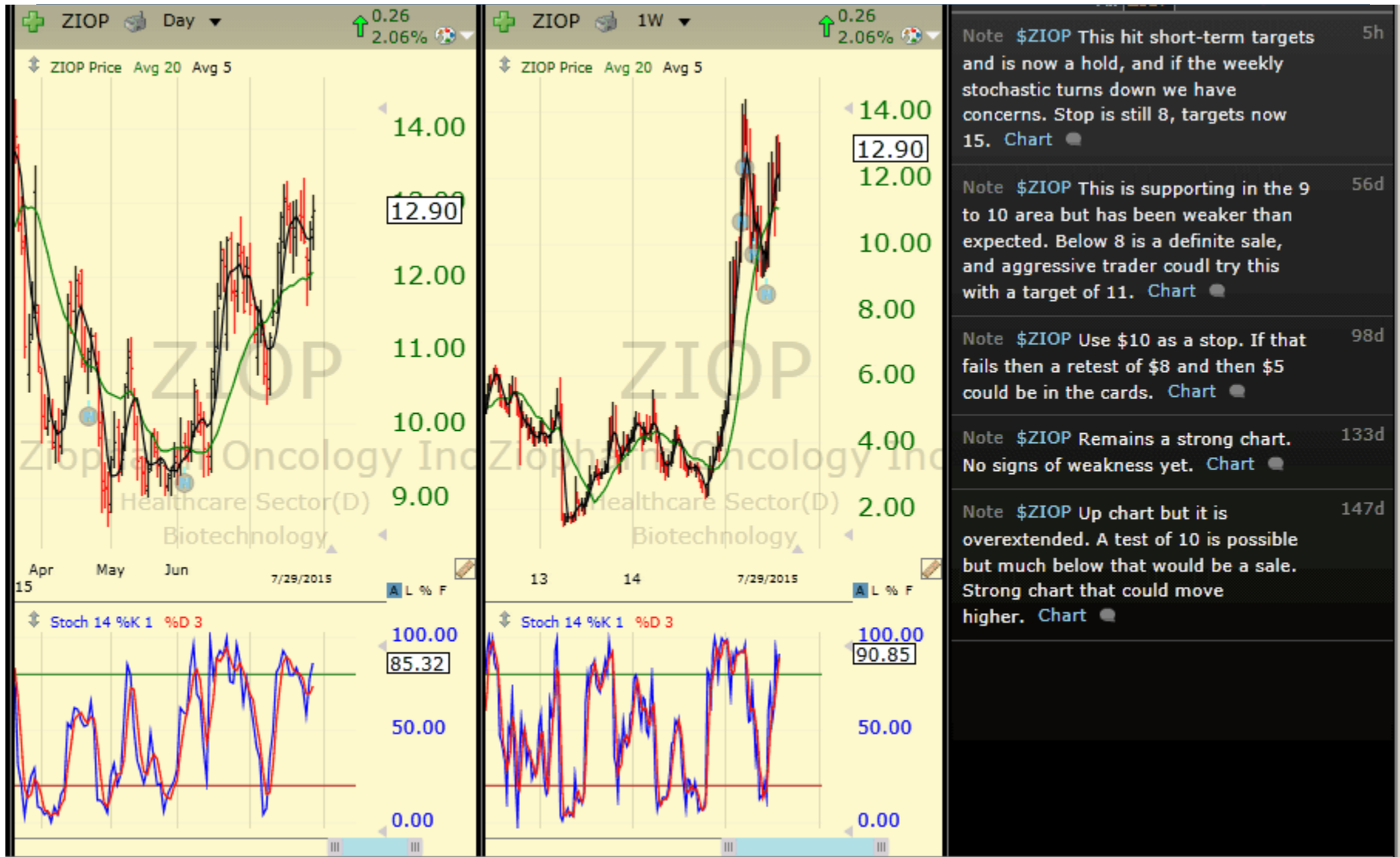


Note \$RVNC Now a hold as daily stochastic has turned down. Concern is that it did not make a new high before this happened, per the last note. [Chart](#)

Note \$RVNC This has tested resistance so will go to a hold when the daily stochastic ets overbought once again. Traders note this should make a new high as part of that process. [Chart](#)

Note \$RVNC Chart is in great shape. Both the daily and weekly stochastic are strong and in good overbought. [Chart](#)

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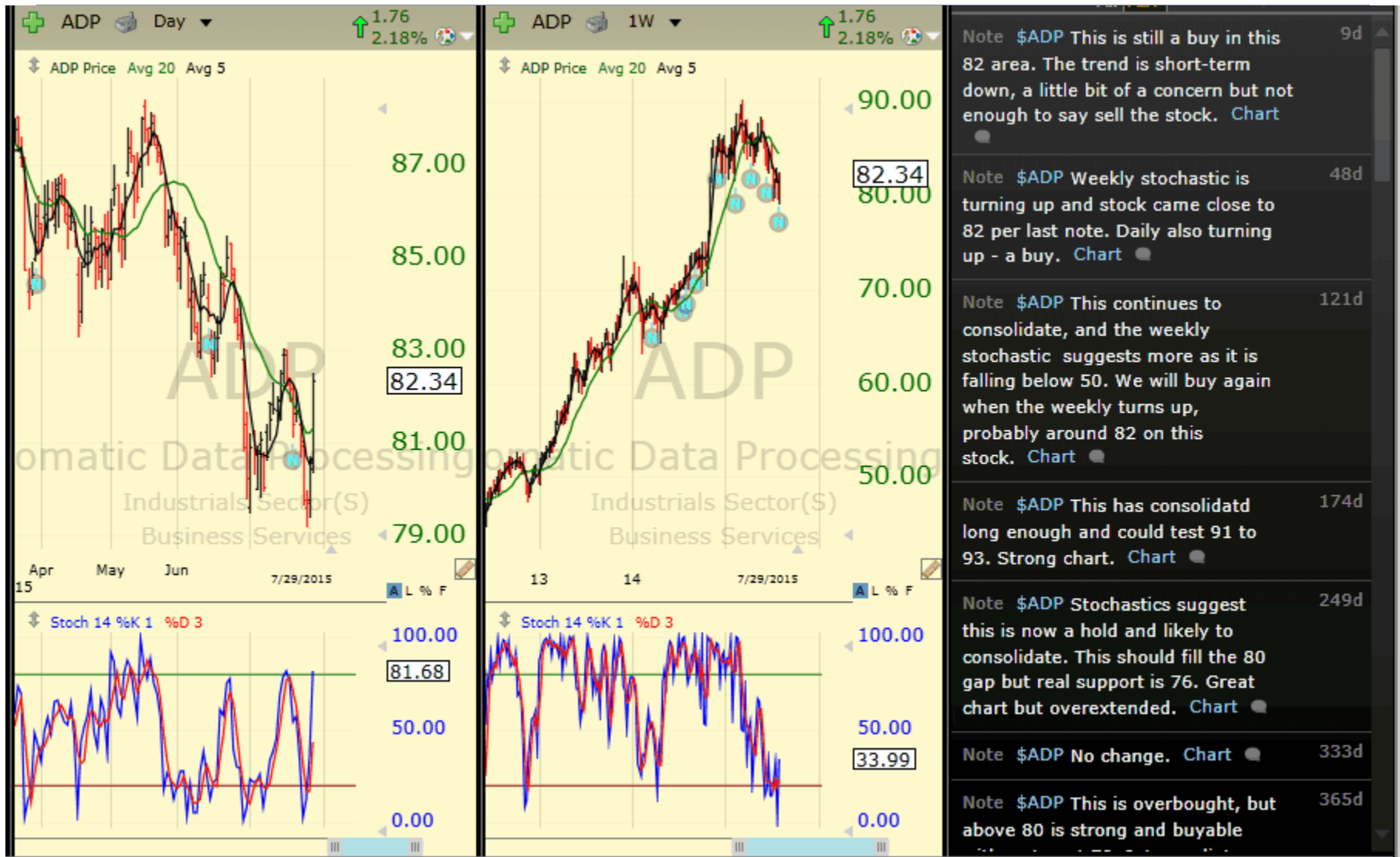
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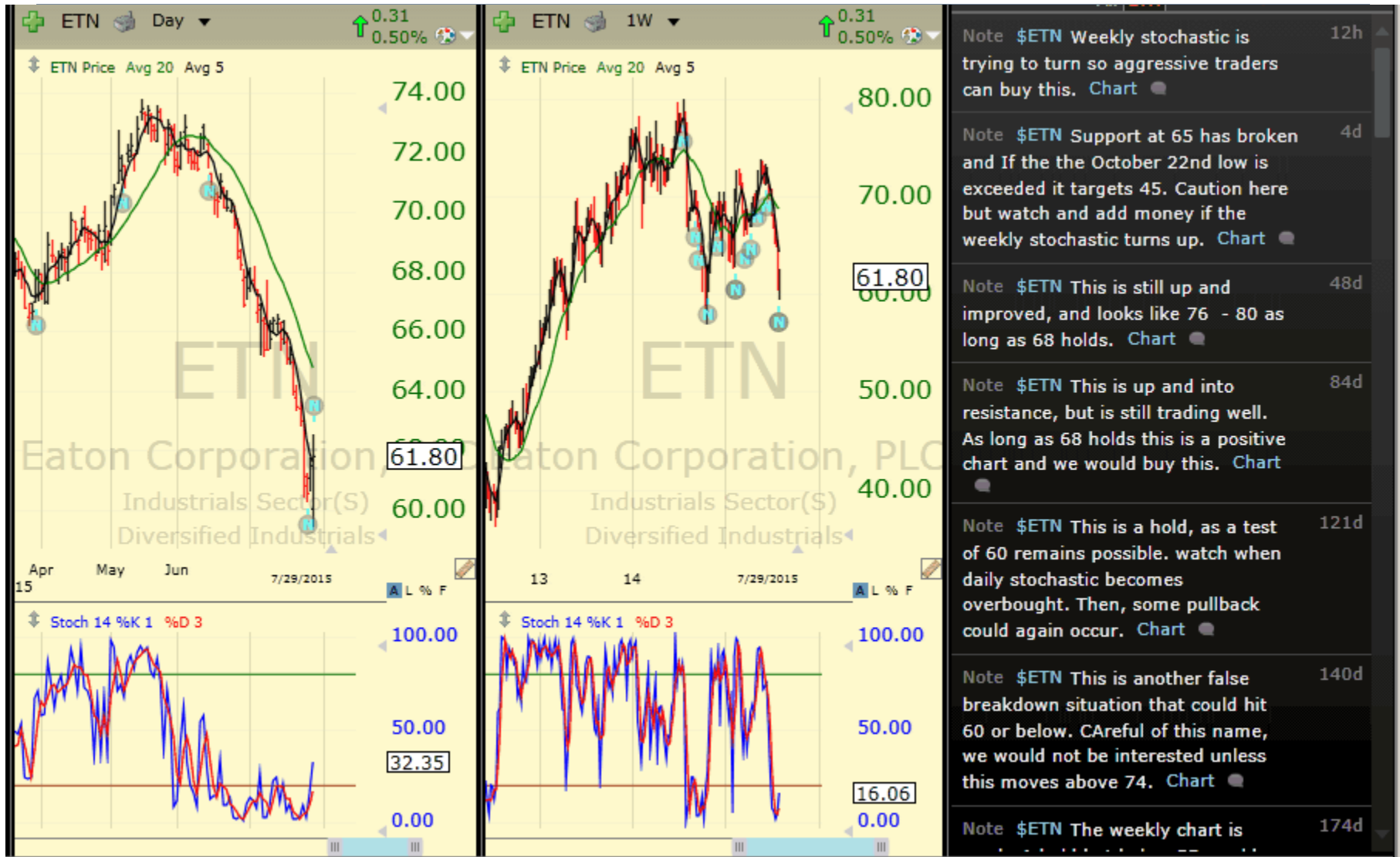
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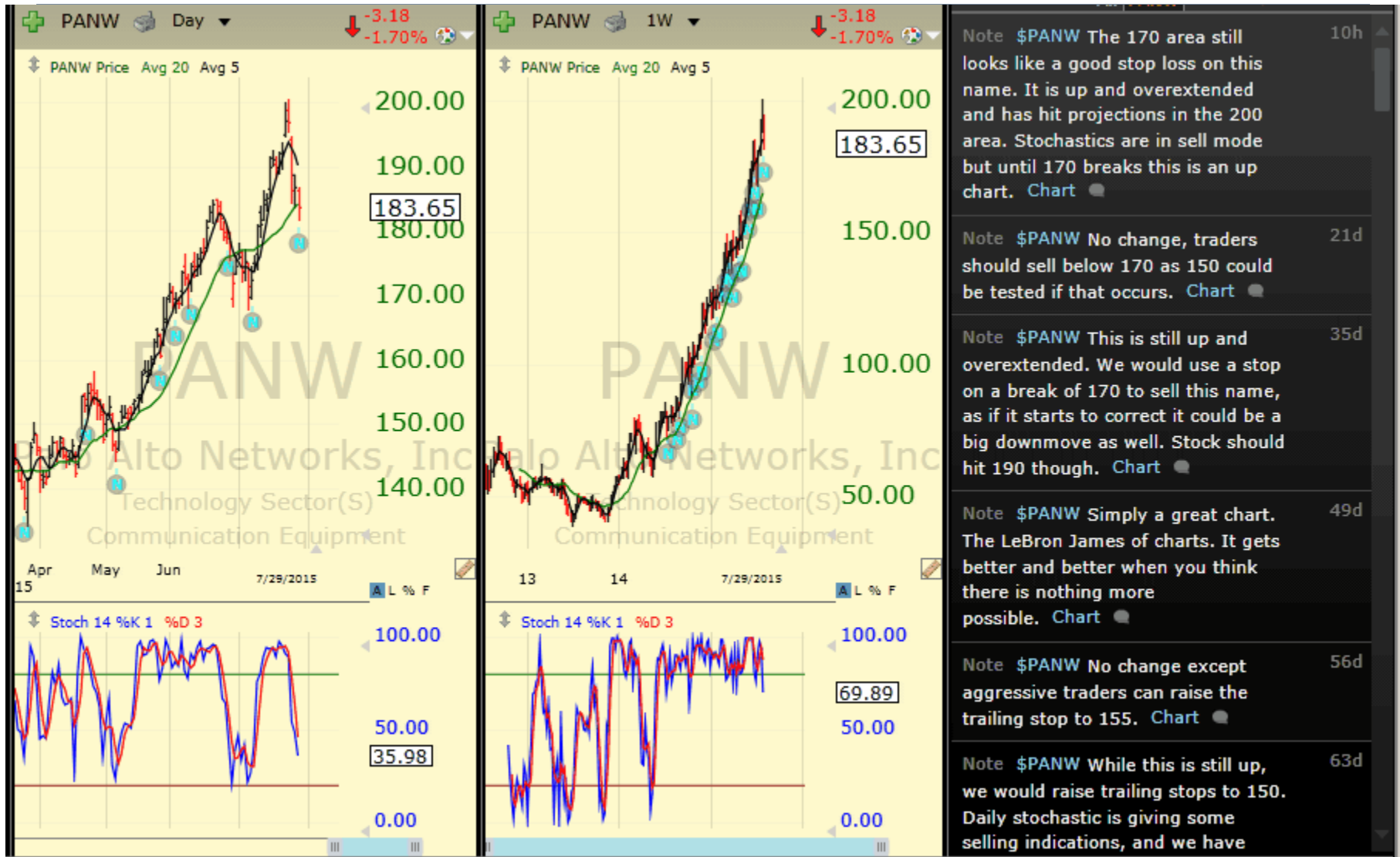
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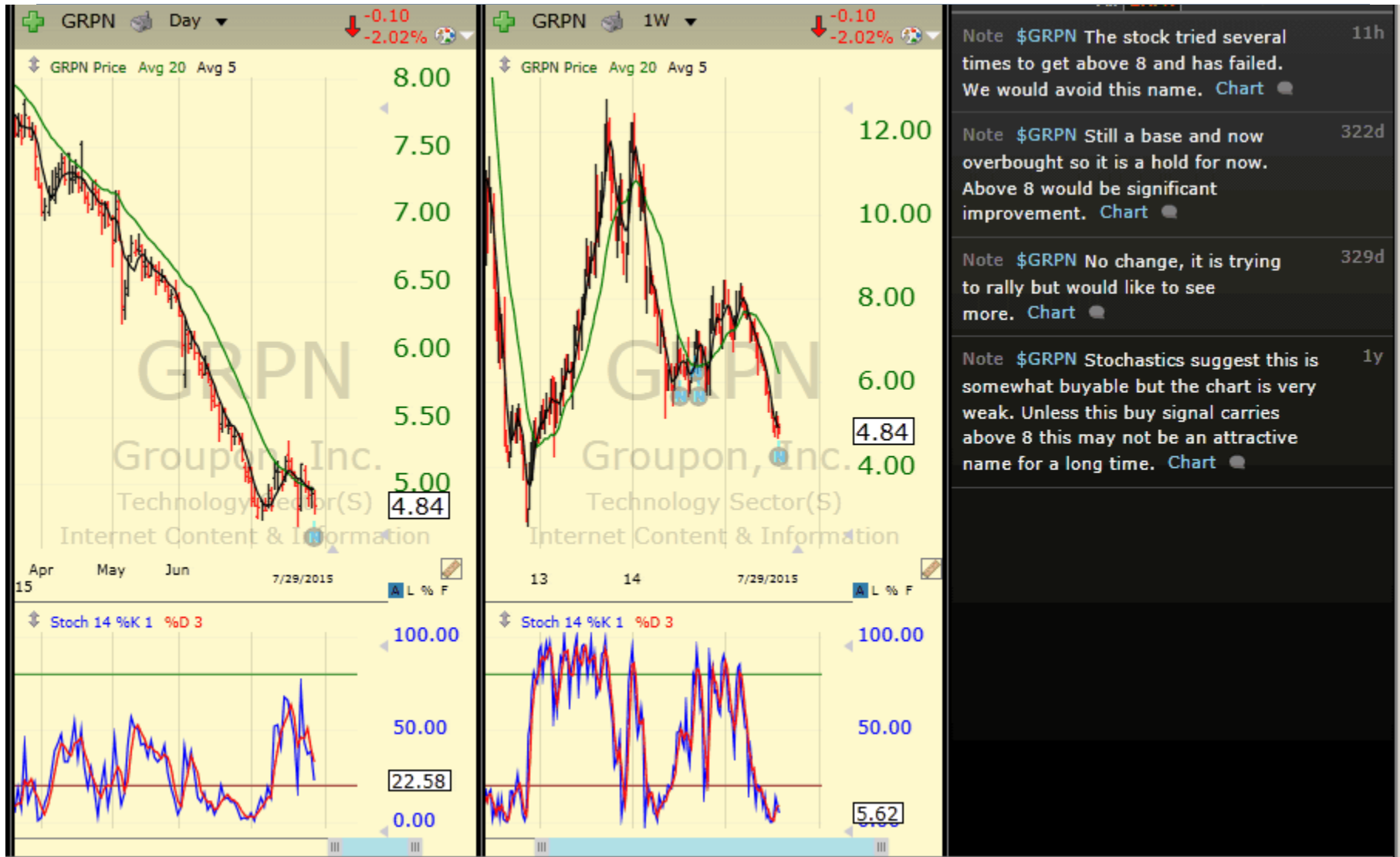
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Technical Indicators

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.

Technical 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.

