

Chartbook Review

(charts as of 01/20/16)

The FRED Report

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Chartbook: Stocks of Interest

Sym	Company	trkPrice	Sector ▲	Industry
NFLX	Netflix Inc	107.74	Communication Services Sector	Pay TV
UA	Under Armour Inc	67.34	Consumer Cyclical Sector	Apparel Manufacturing
LULU	Lululemon Athletica Inc.	55.95	Consumer Cyclical Sector	Apparel Stores
RACE	Ferrari NV	39.89	Consumer Cyclical Sector	Auto Manufacturers
NKE	Nike Inc Cl B	59.04	Consumer Cyclical Sector	Footwear & Accessories
FUN	Cedar Fair (L.P.)	51.55	Consumer Cyclical Sector	Leisure
DIS	The Walt Disney Company	92.54	Consumer Cyclical Sector	Media - Diversified
LVS	Las Vegas Sands	37.21	Consumer Cyclical Sector	Resorts & Casinos
WYNN	Wynn Resorts Ltd	56.33	Consumer Cyclical Sector	Resorts & Casinos
BWLD	Buffalo Wild Wings	145.69	Consumer Cyclical Sector	Restaurants
CHUY	Chuy's Holdings, Inc.	33.16	Consumer Cyclical Sector	Restaurants
AMZN	Amazon.Com Inc	571.77	Consumer Cyclical Sector	Specialty Retail
BABA	Alibaba Group Holding Ltd	68.69	Consumer Cyclical Sector	Specialty Retail
MFRM	Mattress Firm Holding Corp	40.06	Consumer Cyclical Sector	Specialty Retail
ORLY	O'reilly Automotive Inc	236.63	Consumer Cyclical Sector	Specialty Retail
CL	Colgate-Palmolive Co	62.45	Consumer Defensive Sector	Household & Personal Products
NWL	Newell Rubbermaid Inc	36.07	Consumer Defensive Sector	Household & Personal Products
PXD	Pioneer Natural Rescs Co	109.04	Energy Sector	Oil & Gas E&P
XOM	Exxon Mobil Corporation	73.18	Energy Sector	Oil & Gas Integrated
PSX	Phillips 66	76.93	Energy Sector	Oil & Gas Refining & Marketing
BAC	Bank Of America Corp	13.69	Financial Services Sector	Banks - Global
MA	MasterCard Inc	85.13	Financial Services Sector	Credit Services
V	Visa Inc	70.68	Financial Services Sector	Credit Services
ANIK	Anika Therapeutics Inc	36.78	Healthcare Sector	Biotechnology
CELG	Celgene Corp	107.49	Healthcare Sector	Biotechnology
GILD	Gilead Sciences Inc	90.55	Healthcare Sector	Biotechnology
SYN	Synthetic Biologics	1.91	Healthcare Sector	Biotechnology
XON	Intrexon Corporation	26.23	Healthcare Sector	Biotechnology
ABBV	AbbVie Inc	57.15	Healthcare Sector	Drug Manufacturers - Major
BMJ	Bristol-Myers Squibb Co	63.55	Healthcare Sector	Drug Manufacturers - Major

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Symbol	Company	trkPrice	Sector ▲	Industry
TXMD	TherapeuticsMD Inc	7.47	Healthcare Sector	Drug Manufacturers - Major
CNC	Centene Corp	62.54	Healthcare Sector	Health Care Plans
PDCO	Patterson Companies Inc	39.56	Healthcare Sector	Medical Distribution
RTN	Raytheon Co	118.40	Industrials Sector	Aerospace & Defense
GE	General Electric Co	28.00	Industrials Sector	Diversified Industrials
HON	Honeywell International	96.24	Industrials Sector	Diversified Industrials
FAST	Fastenal Company	36.53	Industrials Sector	Industrial Distribution
CMRE	Costamare Inc.	6.23	Industrials Sector	Integrated Shipping & Logistics
LECO	Lincoln Electric Hldgs	46.98	Industrials Sector	Tools & Accessories
WM	Waste Management Inc	51.92	Industrials Sector	Waste Management
DOC	Physicians Realty Trust	15.86	Real Estate Sector	REIT - Healthcare Facilities
INN	Summit Hotel Properties	9.47	Real Estate Sector	REIT - Hotel & Motel
O	Realty Income Corp	51.87	Real Estate Sector	REIT - Retail
JNPR	Juniper Networks	25.59	Technology Sector	Communication Equipment
PANW	Palo Alto Networks, Inc.	146.90	Technology Sector	Communication Equipment
QCOM	Qualcomm Inc	45.93	Technology Sector	Communication Equipment
AAPL	Apple Inc	96.79	Technology Sector	Consumer Electronics
GOOG	Alphabet Inc	698.45	Technology Sector	Internet Content & Information
TWTR	Twitter, Inc	17.39	Technology Sector	Internet Content & Information
AVGO	Avago Technologies Limited	123.83	Technology Sector	Semiconductors
ADBE	Adobe Systems Inc	87.94	Technology Sector	Software - Application
CRM	Salesforce.com Inc	70.33	Technology Sector	Software - Application
FEYE	FireEye, Inc.	14.87	Technology Sector	Software - Application
MSFT	Microsoft Corp	50.79	Technology Sector	Software - Infrastructure
EWJ	iShares MSCI Japan Index Fund E	10.84		
FRFHF	Fairfax Financial Holdings Ltd	496.230		
HEDJ	Wisdom Tree Europe Hedged Equi	48.66		

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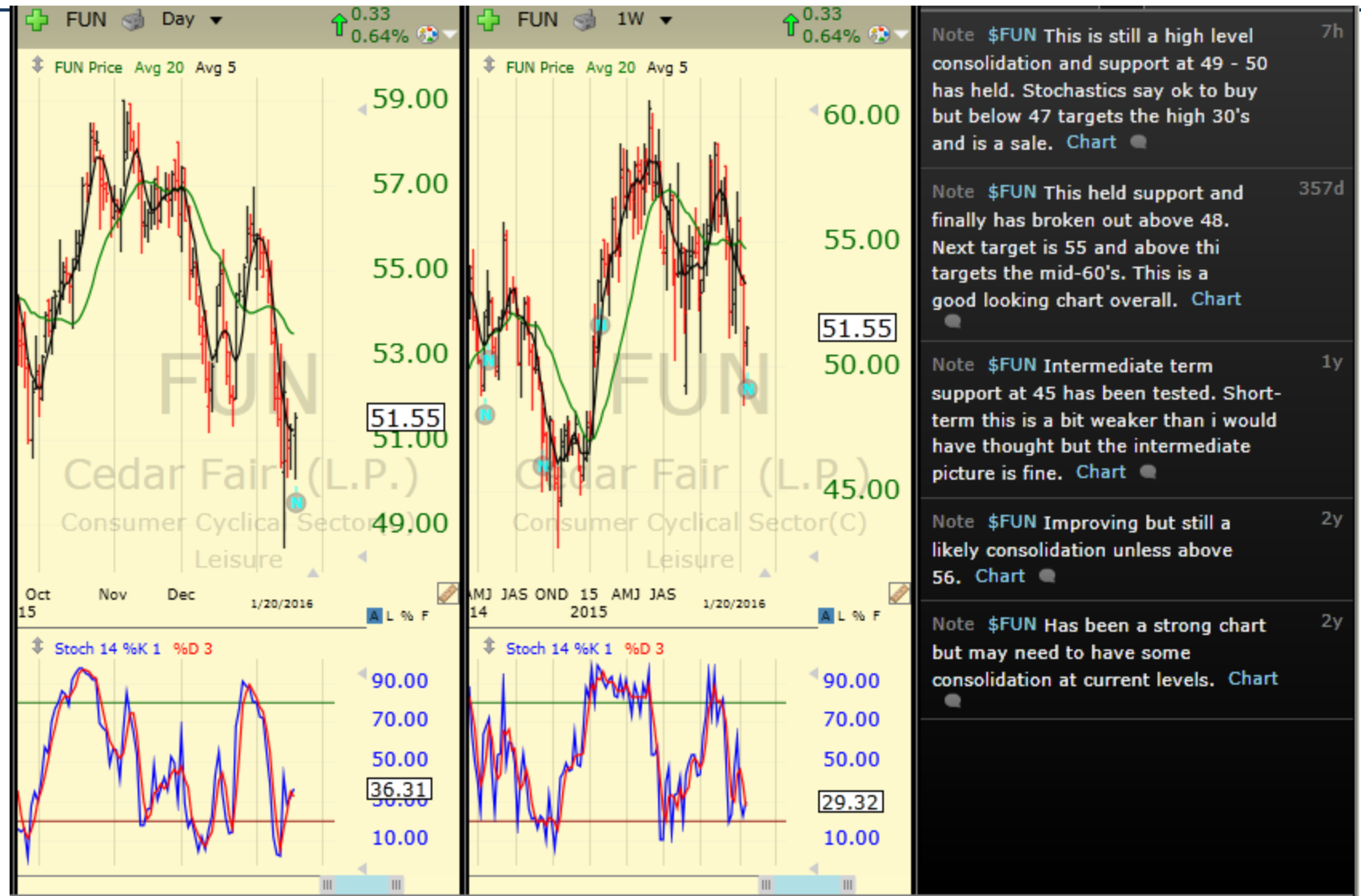
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Note \$FUN This is still a high level consolidation and support at 49 - 50 has held. Stochastics say ok to buy but below 47 targets the high 30's and is a sale. [Chart](#) 7h

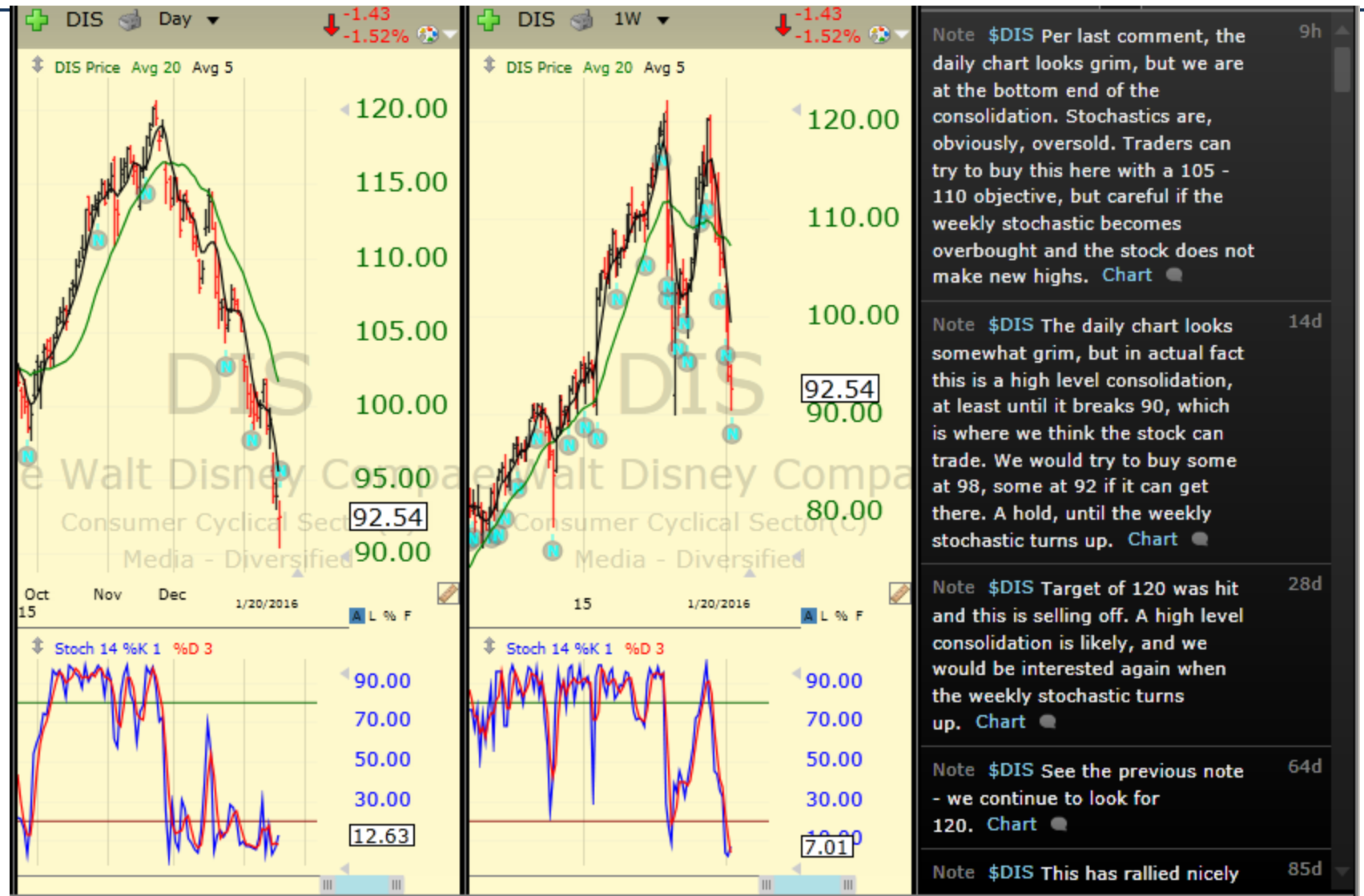
Note \$FUN This held support and finally has broken out above 48. Next target is 55 and above thi targets the mid-60's. This is a good looking chart overall. [Chart](#) 357d

Note \$FUN Intermediate term support at 45 has been tested. Short-term this is a bit weaker than i would have thought but the intermediate picture is fine. [Chart](#) 1y

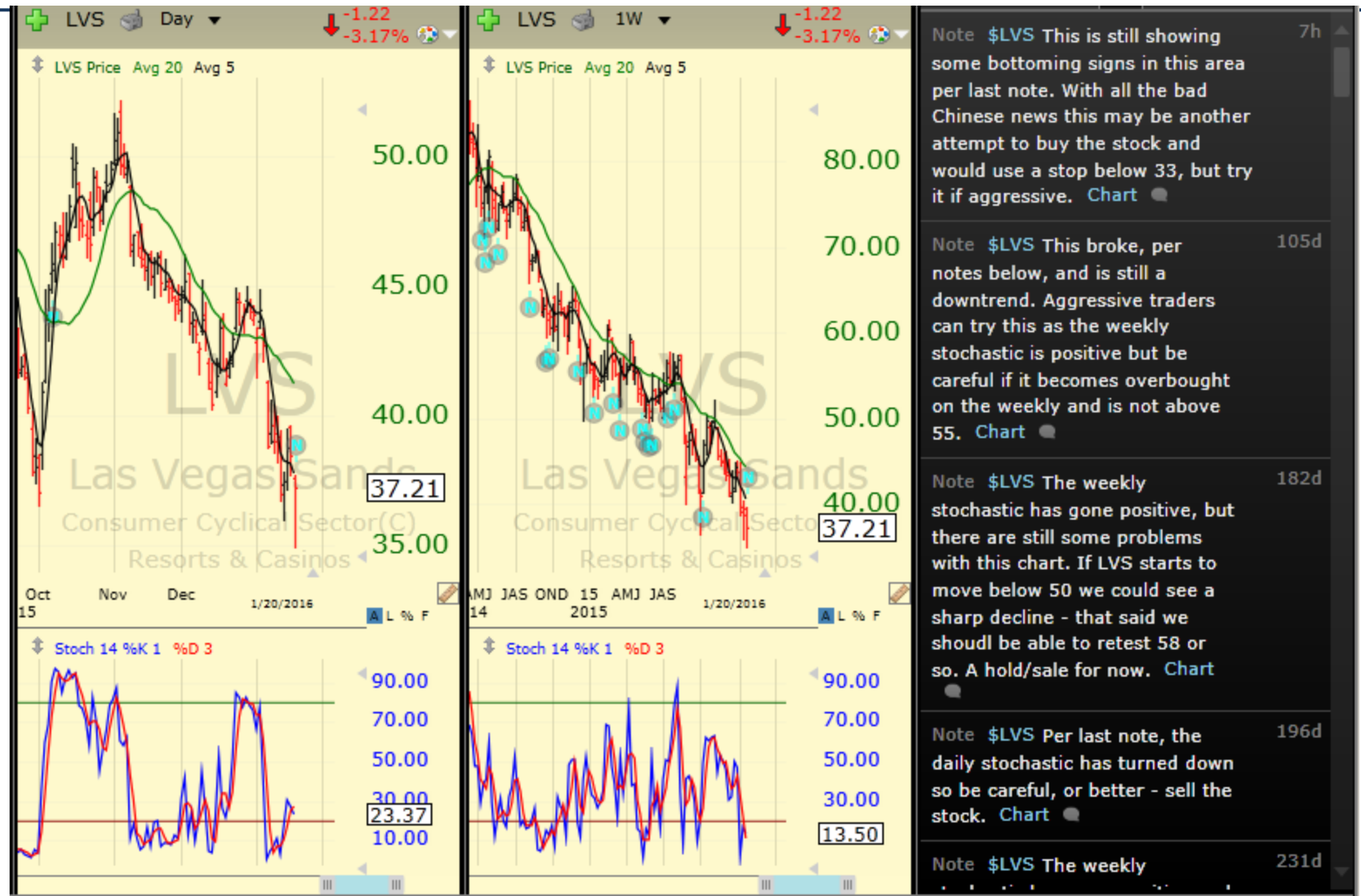
Note \$FUN Improving but still a likely consolidation unless above 56. [Chart](#) 2y

Note \$FUN Has been a strong chart but may need to have some consolidation at current levels. [Chart](#) 2y

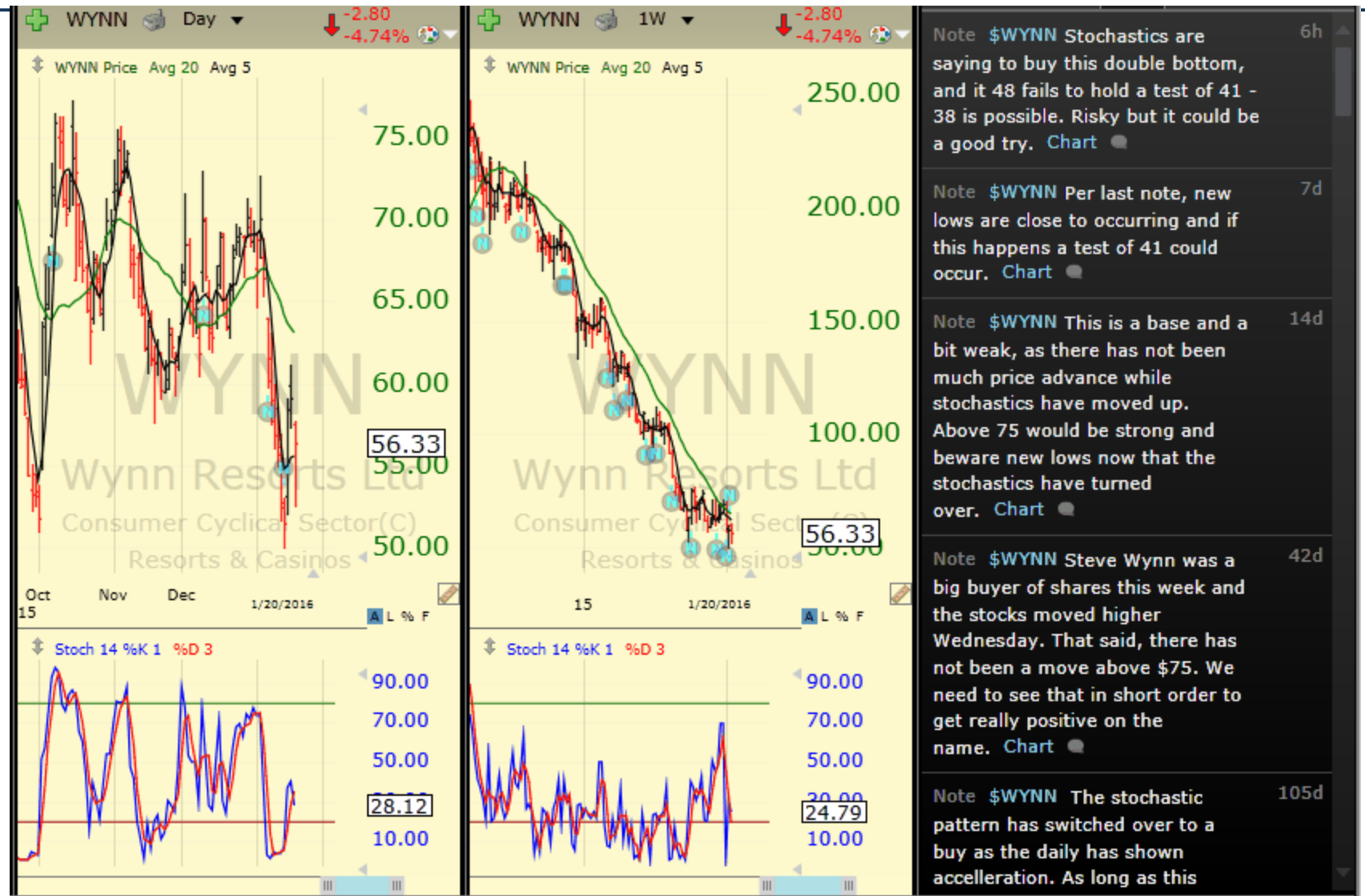
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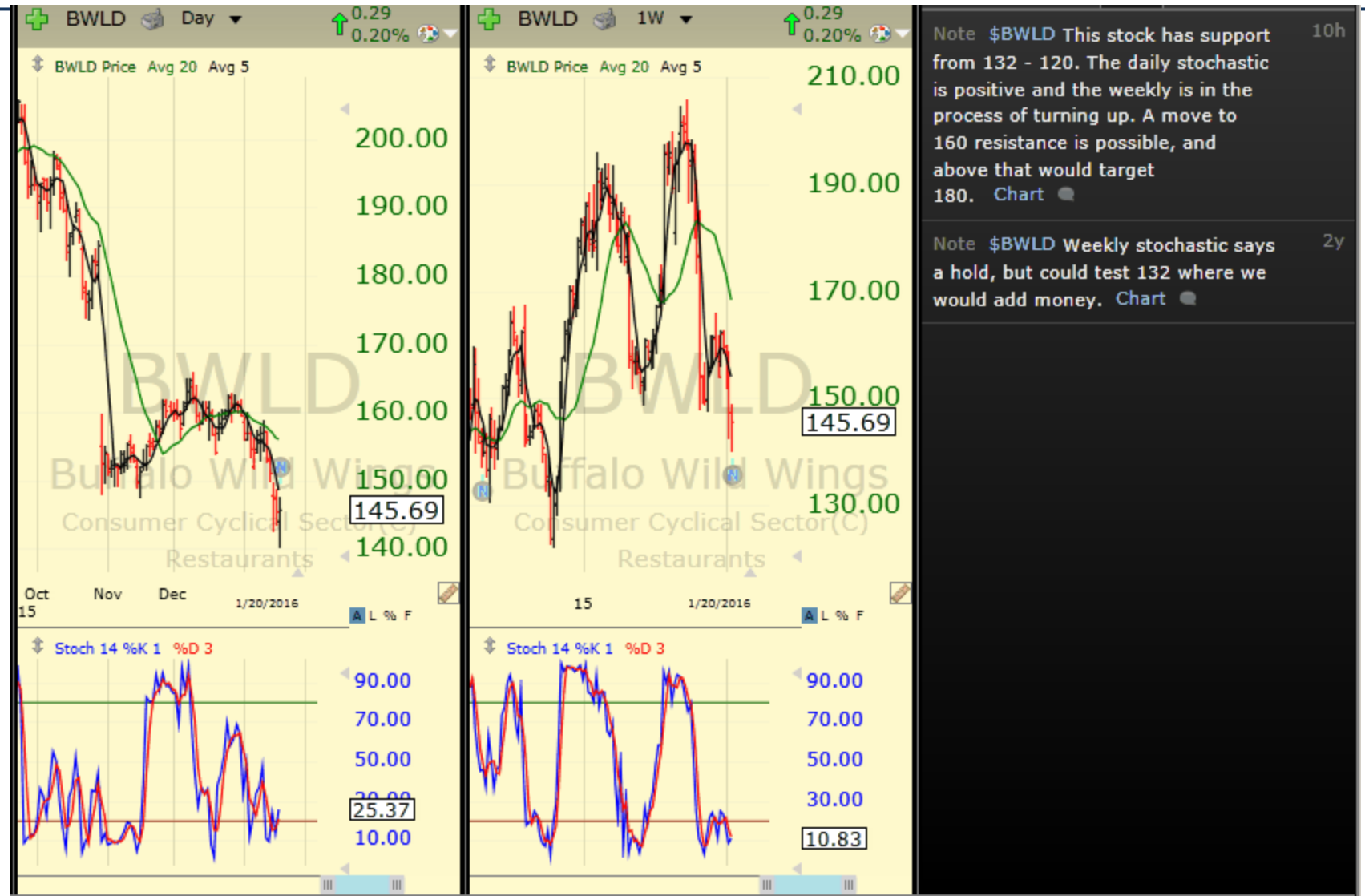
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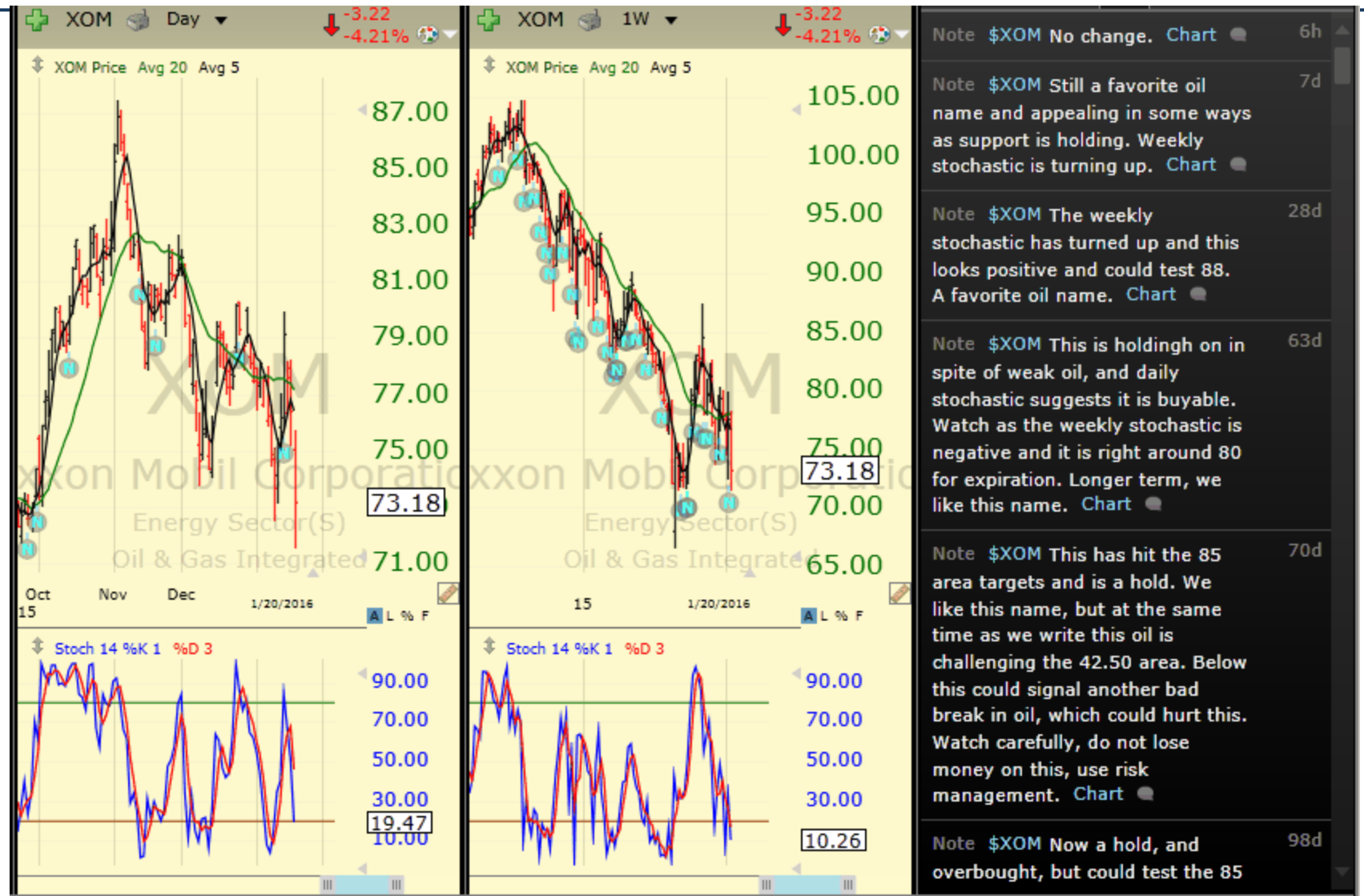
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Note \$CNC The weekly stochastic is elevated and in sell mode, but in this market that is actually a sign of strength. The daily stochastic is in buy mode and we could try and buy this with a stop below 50 for investors, 57 for traders. [Chart](#)

Note \$CNC Volatile but our last note still makes some sense. Below 61 suggests a retest of 52 - 53 is possible. Daily stochastic is in sell configuration, and if this goes positive CNC is buyable as the weekly is up. [Chart](#)

Note \$CNC This had a false breakout above 71 - 72, and a break below support. It is already close to the next support at 61 to 60, and below this it should be sold as a prolonged period of consolidation should result. Weekly is negative, and this further weakens the chart. A weak hold or a sale. [Chart](#)

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Note \$RTN The defense type stocks are better looking than other groups. As long as this holds 114 it is a hold. Weekly stochastic says more pullback and choppiness. If weekly comes down and then turns up you can try and buy this name. [Chart](#) 6h

Note \$RTN Per last note 97 was tested and has held. WE would look at a pullback to 100 as an opportunity to enter this name. [Chart](#) 180d

Note \$RTN This is another possible false breakout chart and below 104 targets 97 or possibly lower. [Chart](#) 294d

Note \$RTN No change. [Chart](#) 1y

Note \$RTN There is some start to consolidation although a bit higher than anticipated. 112 still possible. A hold. [Chart](#) 1y

Note \$RTN No change. [Chart](#) 1y

Note \$RTN Per last note this held support and weekly stochastic went positive. Now overbought and could consolidate 106 - 100 but

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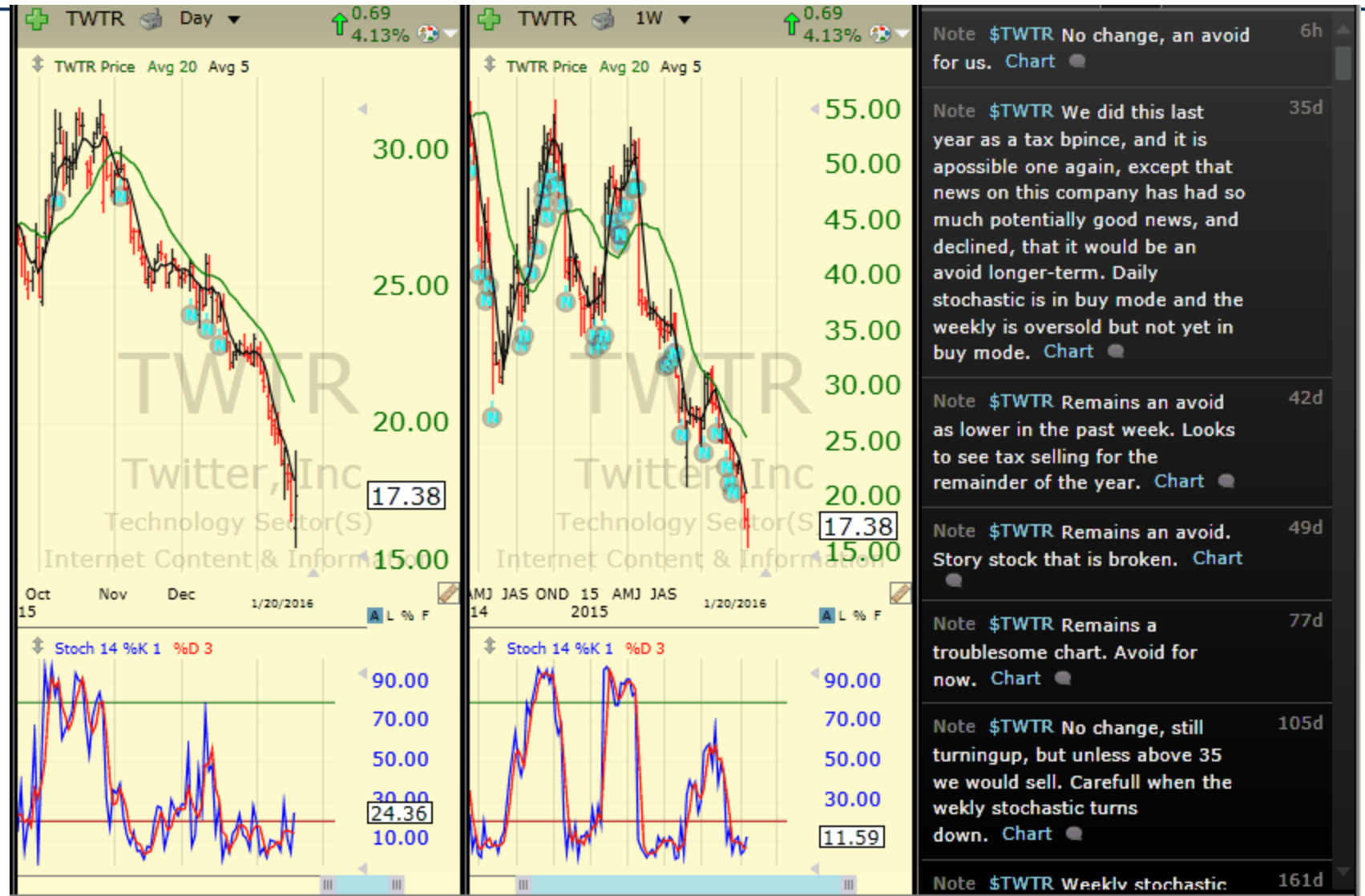
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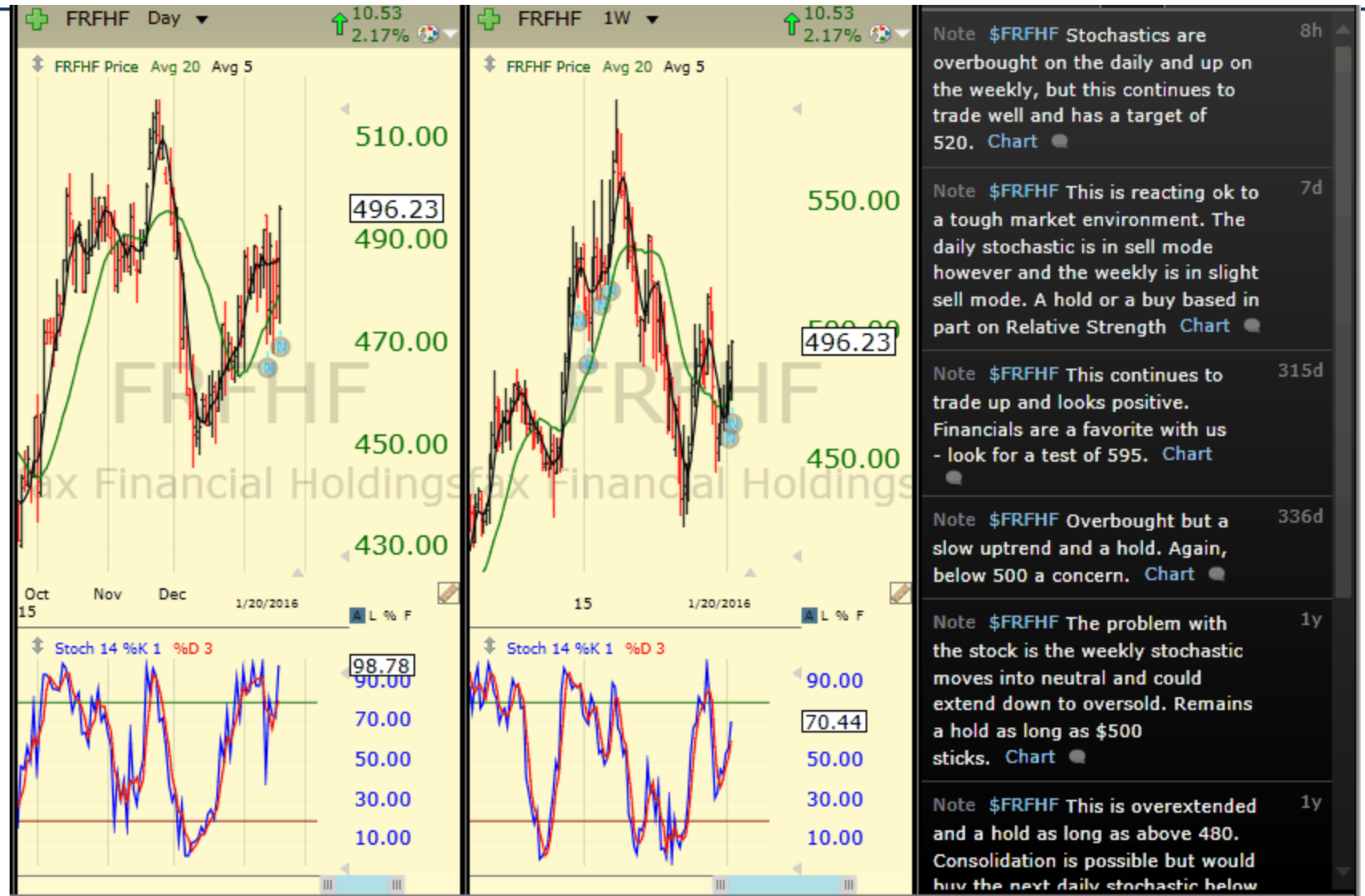
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Technical Indicators

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.

