

Chartbook Review

(charts as of 02/07/18)

The FRED Report

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Chartbook: Stocks of Interest

Sym	Company	trkPrice	Sector ▲	Industry
FMC	Fmc Corp	83.97	Basic Materials Sector	Agricultural Inputs
NTR	Nutrien Ltd	46.81	Basic Materials Sector	Agricultural Inputs
DWDP	DowDuPont Inc	70.60	Basic Materials Sector	Chemicals
EMN	Eastman Chemical Co	98.98	Basic Materials Sector	Chemicals
FCX	Freeport-McMoran Inc	17.86	Basic Materials Sector	Copper
CLF	Cleveland-Cliffs Inc	6.80	Basic Materials Sector	Industrial Metals & Minerals
SLCA	U.S. Silica Holdings	30.13	Basic Materials Sector	Industrial Metals & Minerals
SHW	Sherwin-Williams Co	403.48	Basic Materials Sector	Specialty Chemicals
X	US Steel Corp	35.33	Basic Materials Sector	Steel
VOD	Vodafone Group Plc	29.39	Communication Services Sector	Telecom Services
F	Ford Motor Co	10.76	Consumer Cyclical Sector	Auto Manufacturers
ADNT	Adient Plc	63.34	Consumer Cyclical Sector	Auto Parts
LEA	Lear Corporation	191.26	Consumer Cyclical Sector	Auto Parts
SBGI	Sinclair Broadcast Gp A	35.60	Consumer Cyclical Sector	Broadcasting - TV
HD	Home Depot Inc	191.29	Consumer Cyclical Sector	Home Improvement Stores
H	Hyatt Hotels Corporation	78.52	Consumer Cyclical Sector	Lodging
DIS	The Walt Disney Company	104.76	Consumer Cyclical Sector	Media - Diversified
GT	Goodyear Tire&Rubber Co	33.47	Consumer Cyclical Sector	Rubber & Plastics
AMZN	Amazon.Com Inc	1416.78	Consumer Cyclical Sector	Specialty Retail
VIPS	Vipshop Holdings Ltd	15.97	Consumer Cyclical Sector	Specialty Retail
KR	The Kroger Company	28.90	Consumer Defensive Sector	Grocery Stores

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Sym	Company	trkPrice	Sector	Industry
NBR	Nabors Industries Inc	7.31	Energy Sector	Oil & Gas Drilling
PTEN	Patterson-UTI Energy Inc	21.83	Energy Sector	Oil & Gas Drilling
MRO	Marathon Oil Group	16.33	Energy Sector	Oil & Gas E&P
SM	SM Energy Company	22.27	Energy Sector	Oil & Gas E&P
SLB	Schlumberger Ltd	69.75	Energy Sector	Oil & Gas Equipment & Services
XOM	Exxon Mobil Corporation	76.94	Energy Sector	Oil & Gas Integrated
ETE	Energy Transfer Equity LP	17.33	Energy Sector	Oil & Gas Midstream
KMI	Kinder Morgan Inc	17.29	Energy Sector	Oil & Gas Midstream
BK	The Bank of New York Mellon Corp	55.34	Financial Services Sector	Asset Management
CS	Credit Suisse Group AG	18.03	Financial Services Sector	Banks - Global
GHL	Greenhill & Co	18.40	Financial Services Sector	Capital Markets
TSS	Total System Services	85.37	Financial Services Sector	Credit Services
AFL	Aflac Inc	85.60	Financial Services Sector	Insurance - Life
PGR	Progressive Corp	53.40	Financial Services Sector	Insurance - Property & Casualty
AMGN	Amgen Inc	177.47	Healthcare Sector	Biotechnology
A	Agilent Technologies Inc	68.06	Healthcare Sector	Diagnostics & Research
AGN	Allergan Plc	170.39	Healthcare Sector	Drug Manufacturers - Specialty & Generic
ABT	Abbott Laboratories	58.67	Healthcare Sector	Medical Devices
MDT	Medtronic PLC	81.35	Healthcare Sector	Medical Devices
MZOR	Mazor Robotics Ltd	64.04	Healthcare Sector	Medical Devices
BDX	Becton Dickinson & Co	221.92	Healthcare Sector	Medical Instruments & Supplies

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Sym	Company	trkPrice	Sector	Industry
BA	Boeing Co	348.12	Industrials Sector	Aerospace & Defense
SPR	Spirit Aerosystems Holdings	90.34	Industrials Sector	Aerospace & Defense
UTX	United Technologies Corp	131.97	Industrials Sector	Aerospace & Defense
CMI	Cummins Inc	172.74	Industrials Sector	Diversified Industrials
GE	General Electric Co	15.25	Industrials Sector	Diversified Industrials
HUBB	Hubbell Inc	132.79	Industrials Sector	Diversified Industrials
ACM	Aecom	36.38	Industrials Sector	Engineering & Construction
TRN	Trinity Industries Inc	32.46	Industrials Sector	Railroads
UNP	Union Pacific Corp	128.96	Industrials Sector	Railroads
WM	Waste Management Inc	81.73	Industrials Sector	Waste Management
PLD	ProLogis Inc	60.04	Real Estate Sector	REIT - Industrial
AAPL	Apple Inc	159.54	Technology Sector	Consumer Electronics
WDC	Western Digital Corp	83.71	Technology Sector	Data Storage
ENR	Energizer Holdings	54.45	Technology Sector	Electronic Components
GOOGL	Alphabet Inc Class A	1055.41	Technology Sector	Internet Content & Information
TWTR	Twitter, Inc	26.91	Technology Sector	Internet Content & Information
INTC	Intel Corp	45.20	Technology Sector	Semiconductors
TSM	Taiwan Semiconductor Manufactu	41.88	Technology Sector	Semiconductors
MSFT	Microsoft Corp	89.61	Technology Sector	Software - Infrastructure
GDX	VanEck Vectors Gold Miners ETF	21.80		
GLD	SPDR Gold Trust	124.79		
XLE	SPDRs Select Sector Energy ETF	68.80		

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Note \$FMC We said would buy when the daily stochastic turns up, but the turn up is anemic. So wait for the weekly to turn up. [Chart](#) 14h

Note \$FMC This failed to move above 100 and has broken the 95 support. It is still an uptrend and support is 78 or so. Next support is 75 but we would buy this when the daily stochastic turns up. [Chart](#) 2d

Note \$FMC This has broken out of a consolidation and as long as above 95 should hit 111. Overbought but a strong pattern. [Chart](#) 34d

Note \$FMC We are ahold after locking in gains on the gap up, which has been the correct move as it goes sideways. [Chart](#) 266d

Note \$FMC This has had a big gap into resistance and we would consider sale. Much of the upside is likely gone from this name, without some consolidation. [Chart](#) 308d

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- Note \$NTR Needs to revisit 40. Avoid for now. Damaged chart. [Chart](#) 11h
- Note \$NTR This is coming out of the base and rebounded to test the breakout. Let the stochastics recyle and then buy this name. [Chart](#) 28d
- Note \$POT The daily stochastic has signaled a buy while the weekly is close to a new buy signal. We would wait for confirmation. Trying to bottom. [Chart](#) 2y
- Note \$POT Again a split. Weekly stochastic has turned up and this might test 32 but would try to buy for a move late in the fourth quarter. Note that agricultural stuff often bottoms in November, making this a bit risky in spite of the indicators. [Chart](#) 3y
- Note \$POT No change and fully testing resistance. 4y
- Note \$POT Testing layers of resistance from 57 to 60. This group is improving but is at resistance and may fail here. A hold unless below 34.. [Chart](#) 4y

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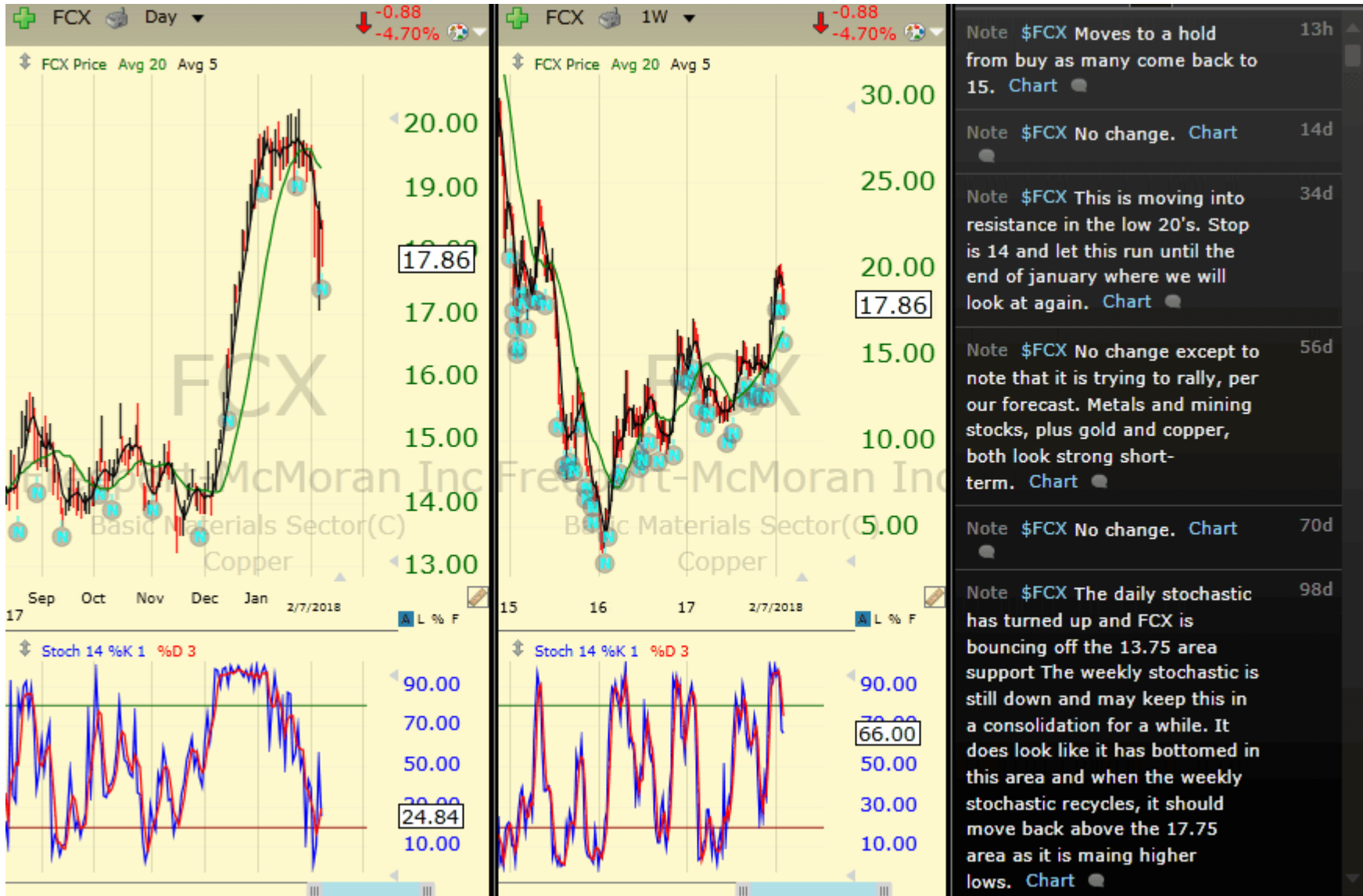
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Note \$EMN Lock in gains. Daily is oversold but weekly just starting to break. New buyers may emerge at \$90. 14h

Chart

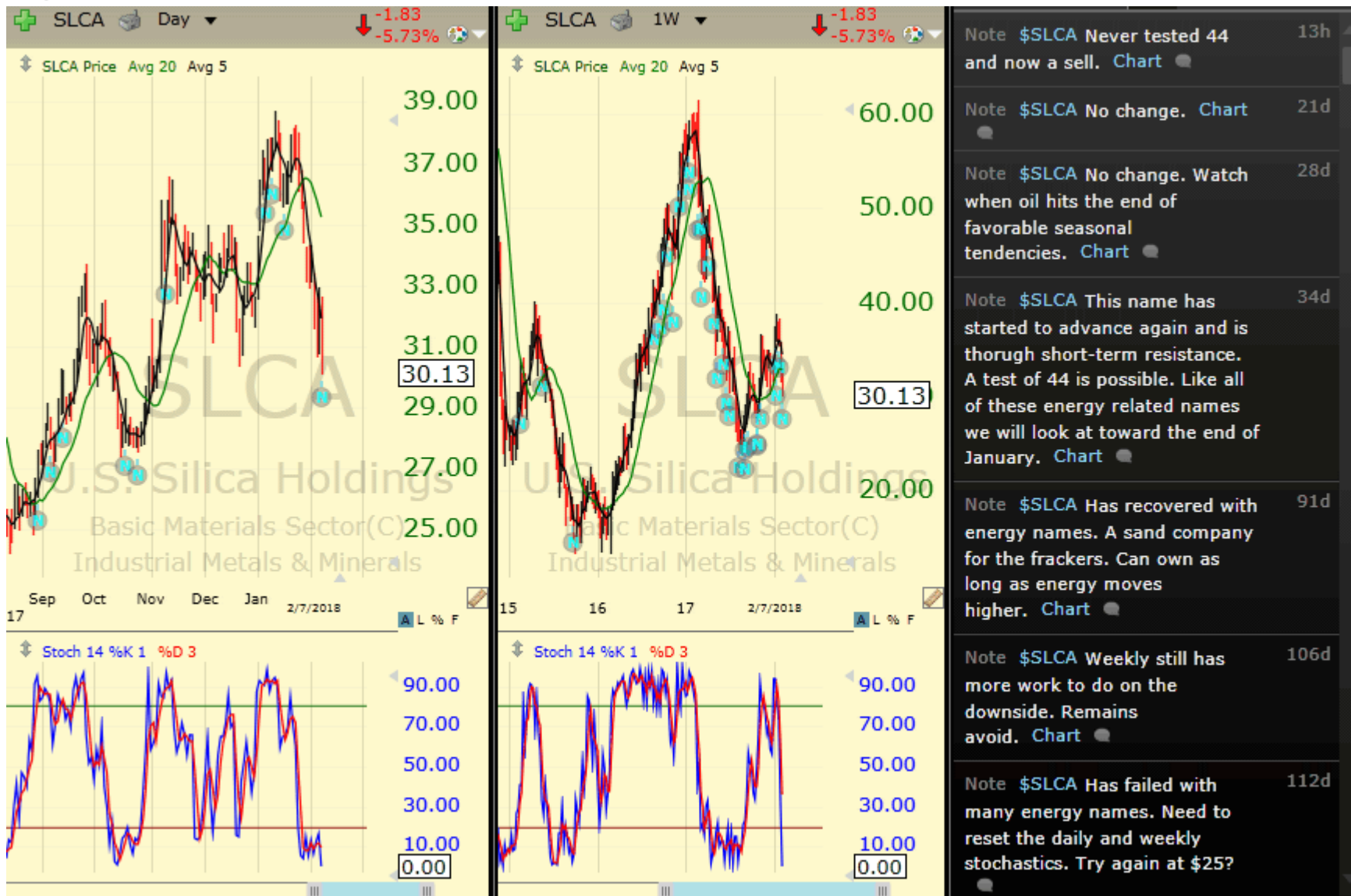
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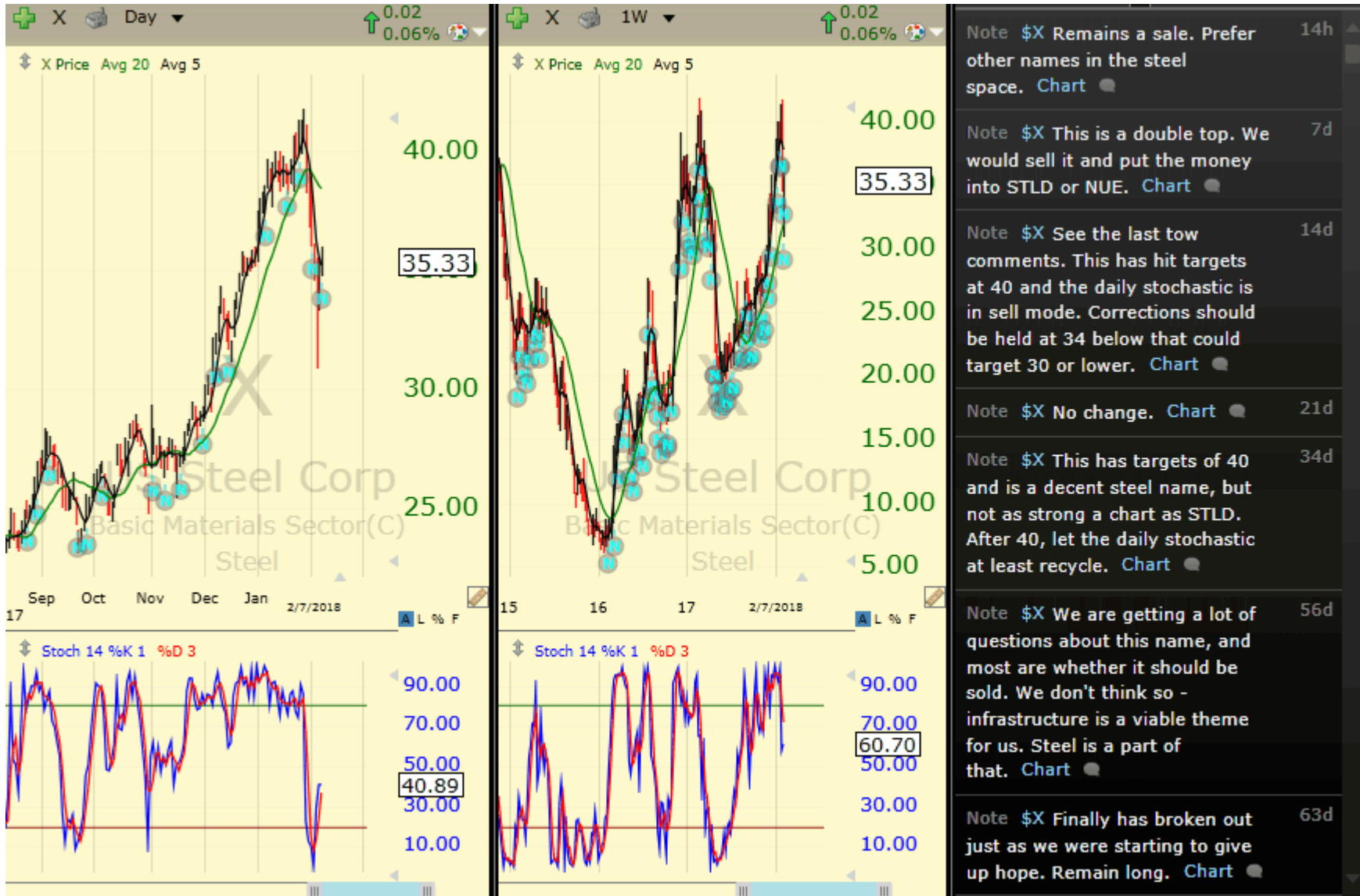
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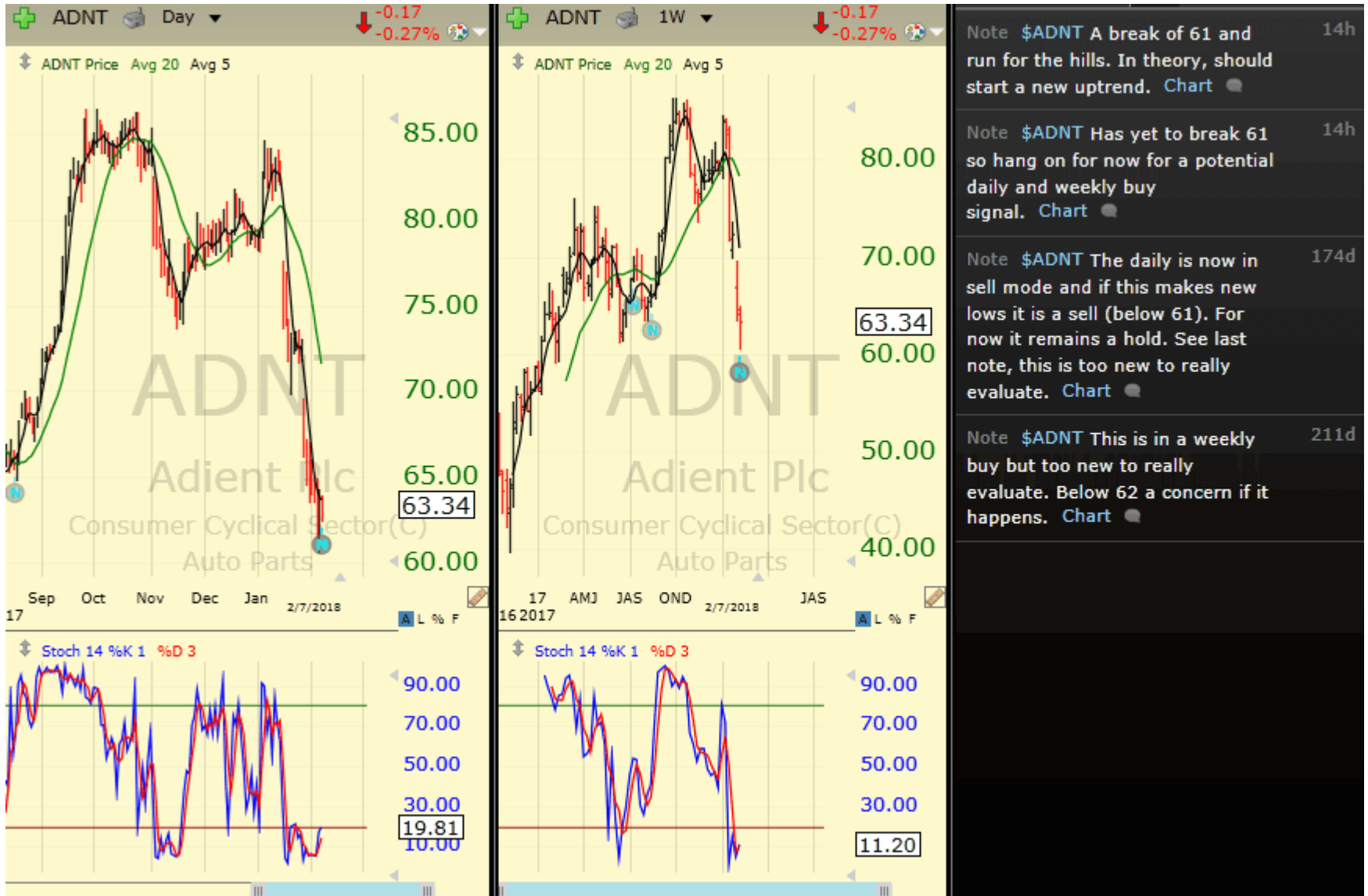
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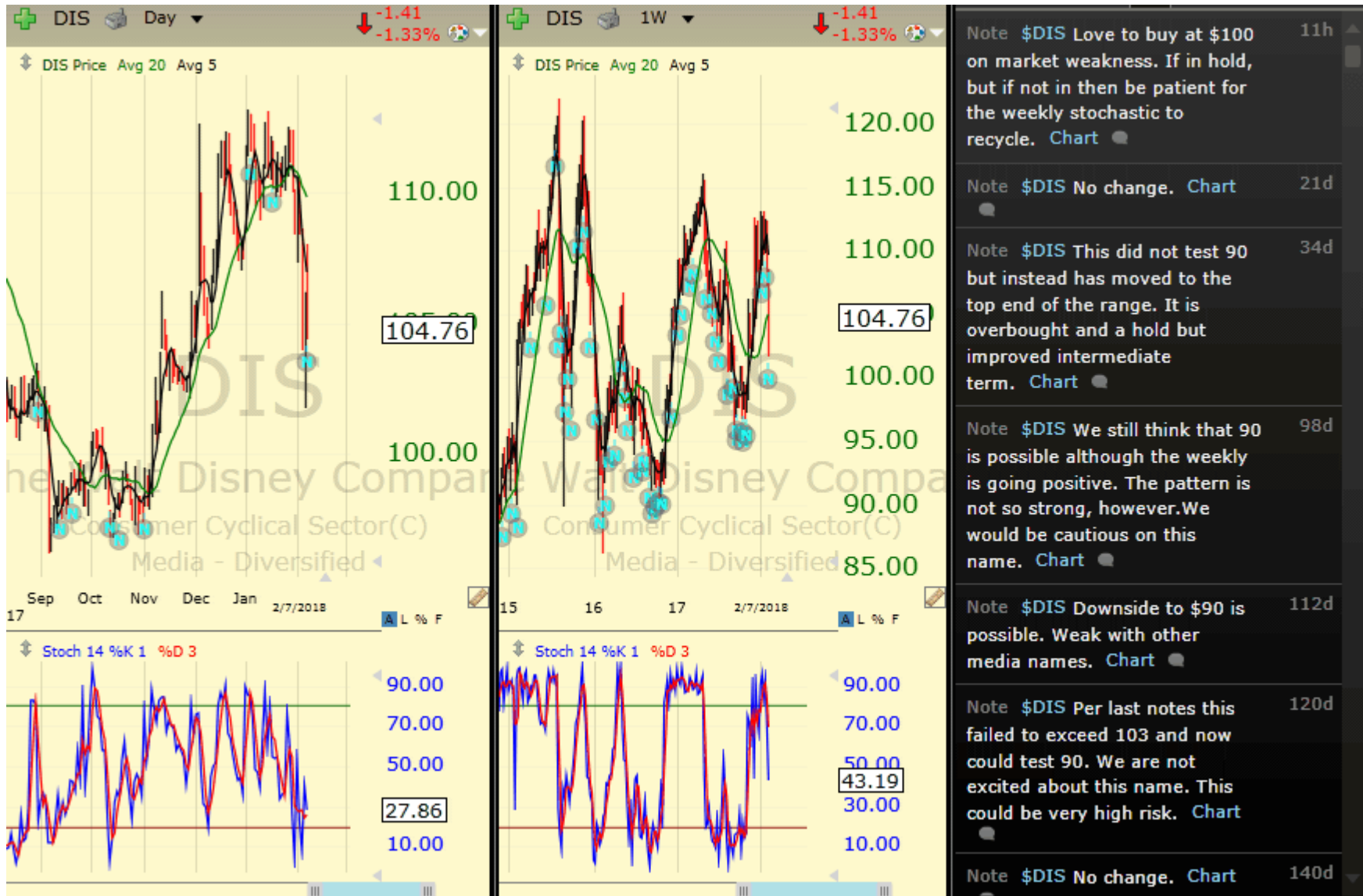
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- Note \$GT A broken record, wait for the weekly to recycle. [Chart](#) 11h
- Note \$GT 29 is being tested and if it holds, we would buy this when the daily stochastic turns up. We are not wild about this name, however. [Chart](#) 84d
- Note \$GT This was improving, but the recent gap down is a concern suggesting a test of the 29-area is possible. Buy when the daily stochastic turns up but the pattern is weakening. [Chart](#) 98d
- Note \$GT Improving from comments three weeks ago. Remain long. [Chart](#) 112d
- Note \$GT Tire stocks are rebounding. As such, we like Goodyear. It is okay to buy here. [Chart](#) 133d

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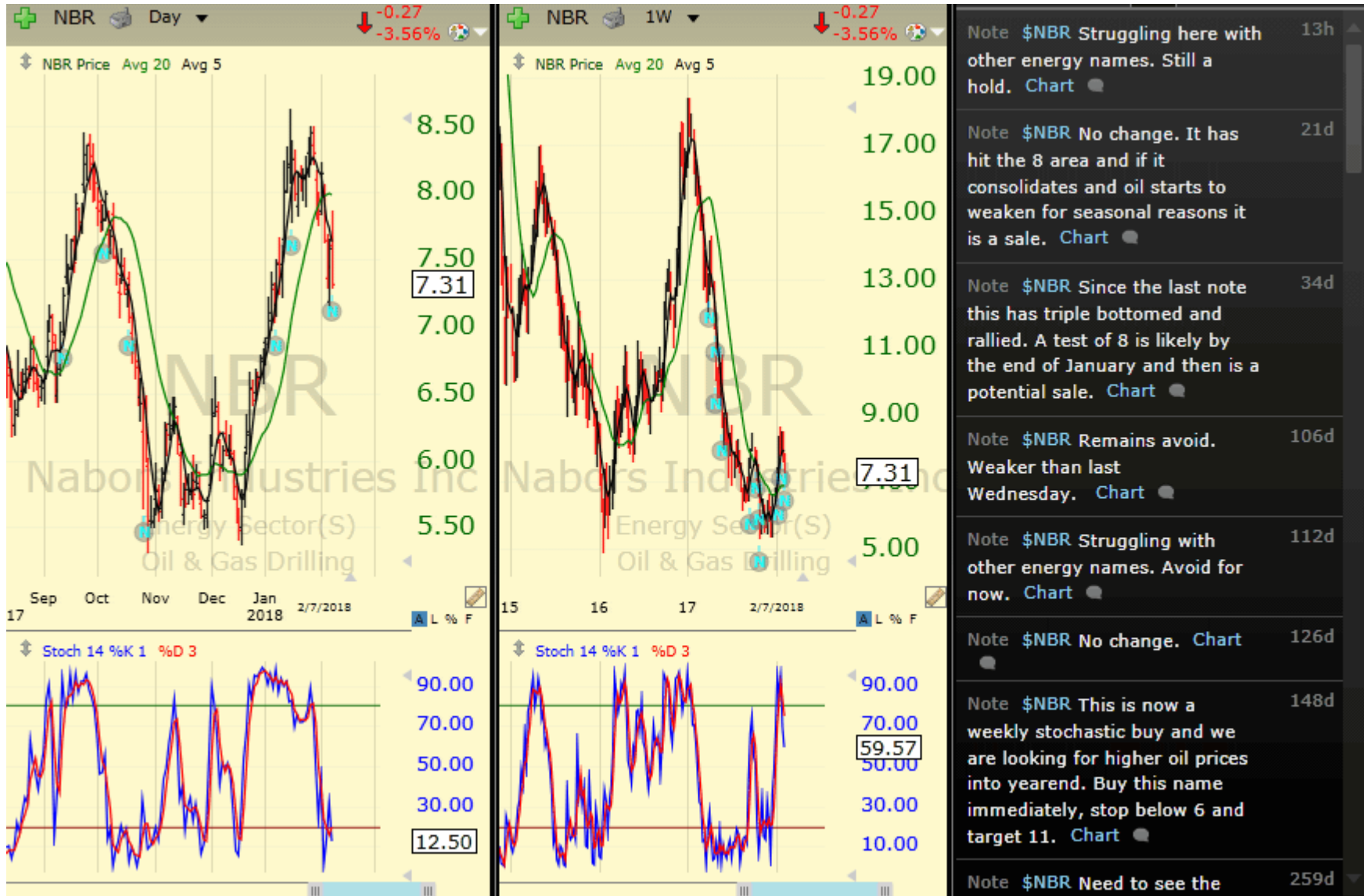
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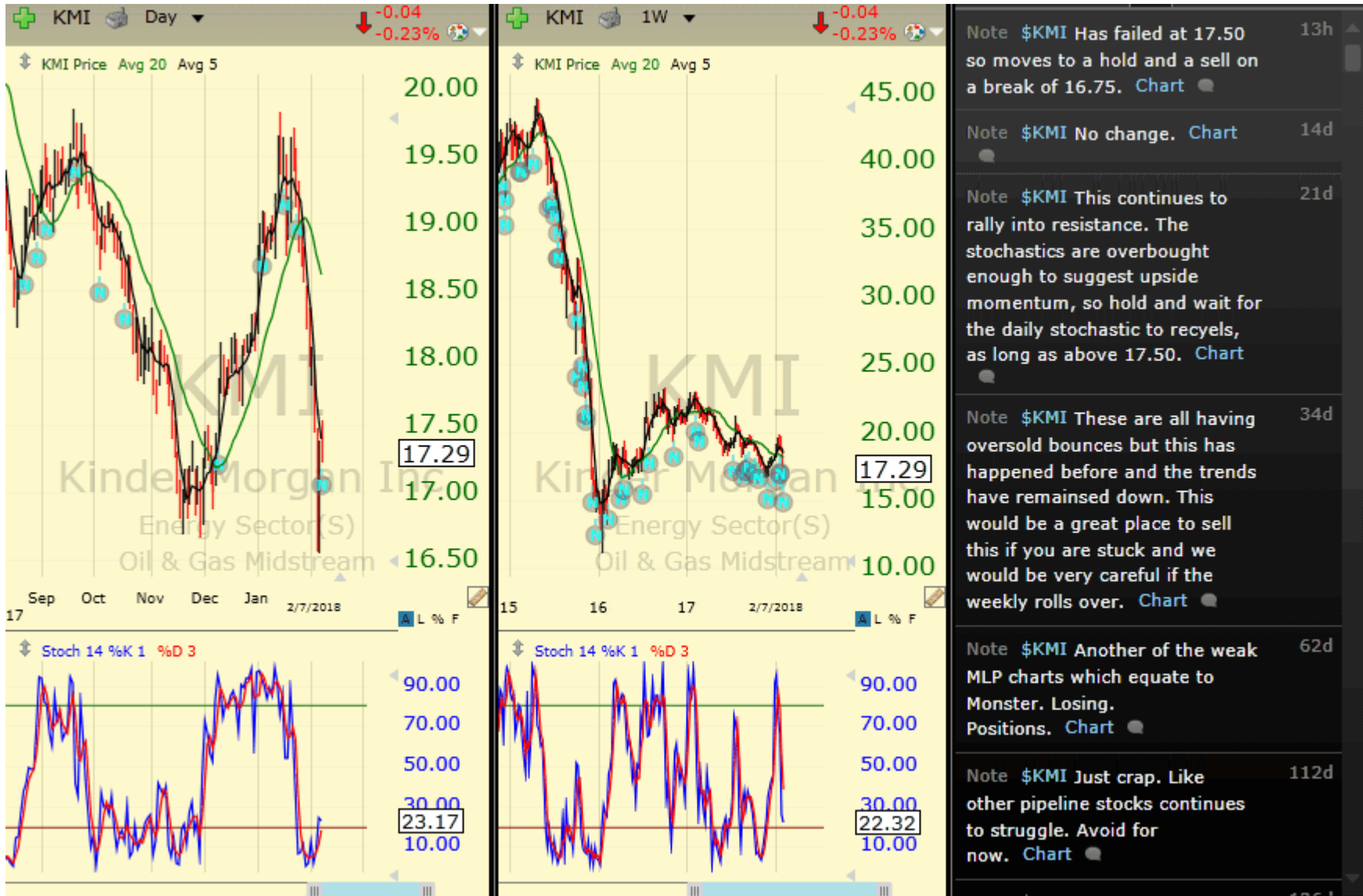
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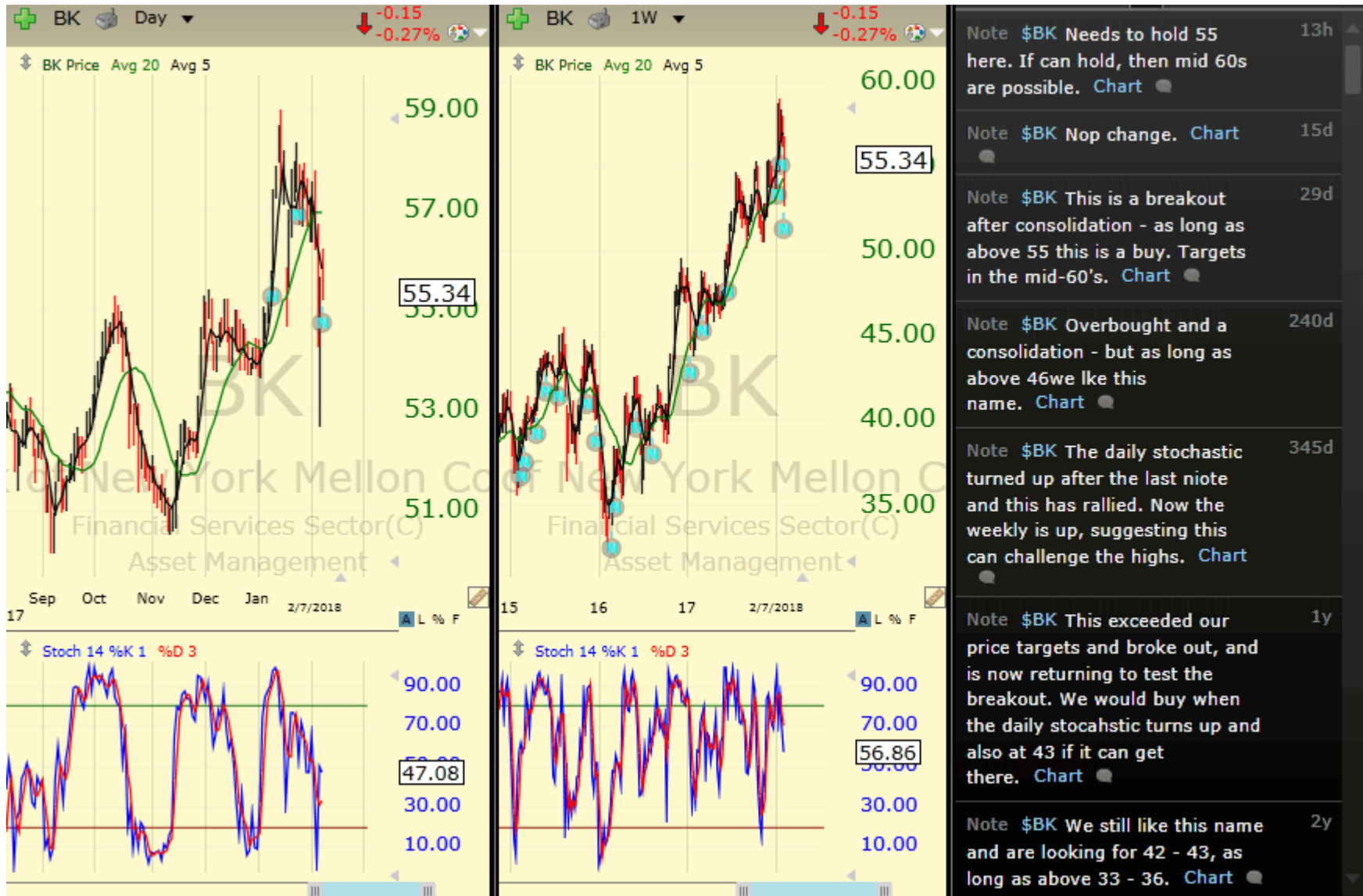
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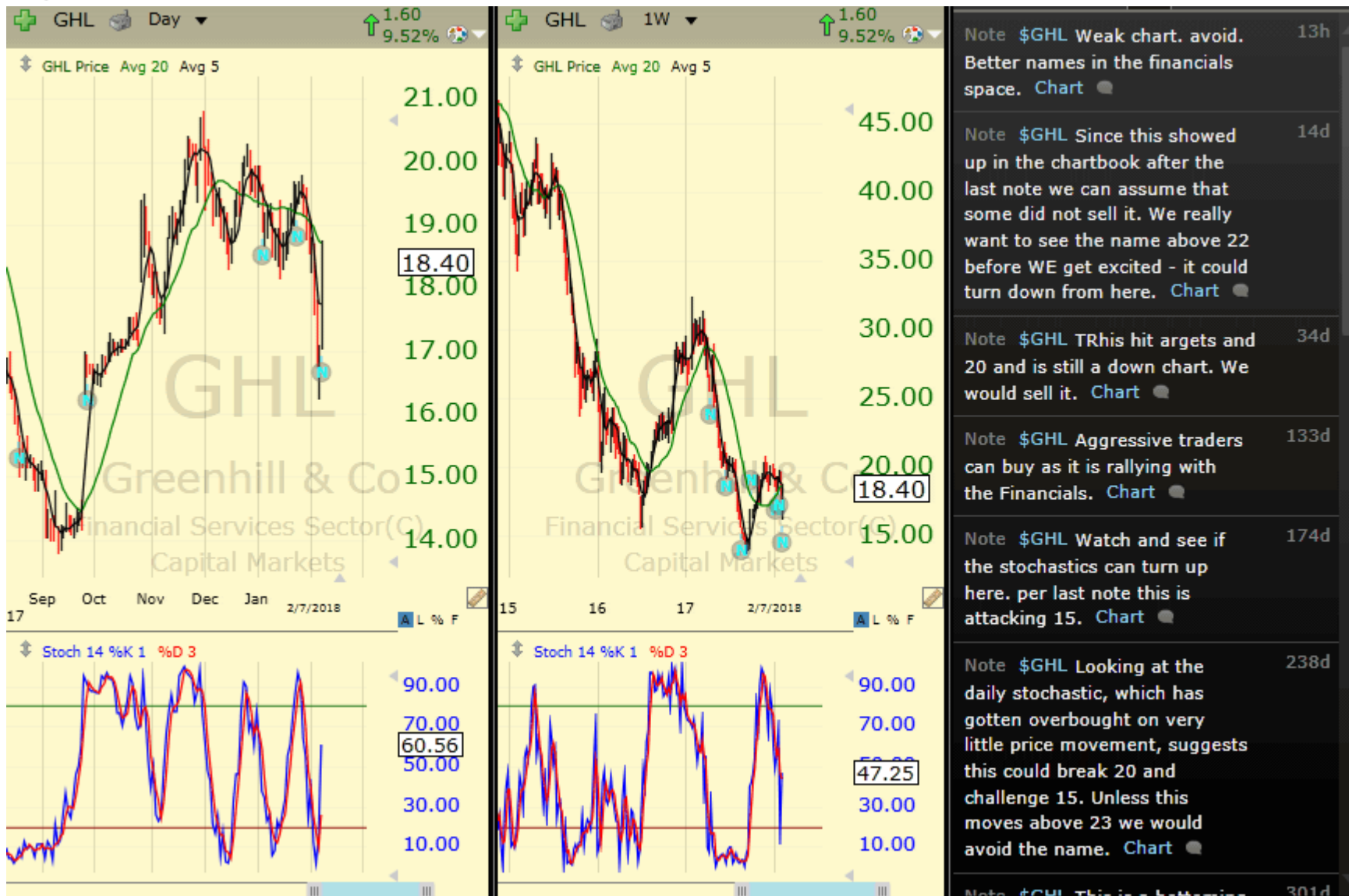
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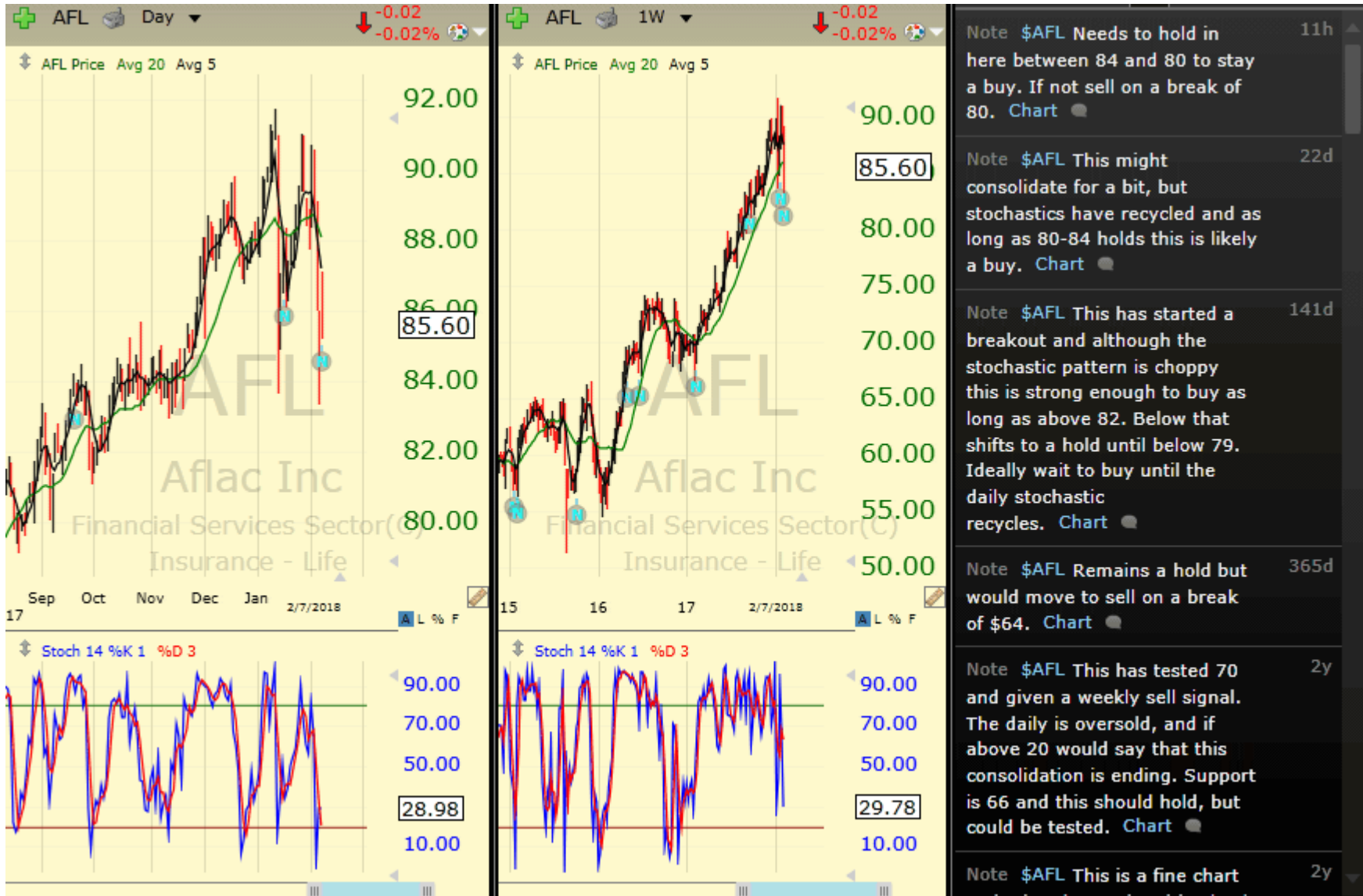
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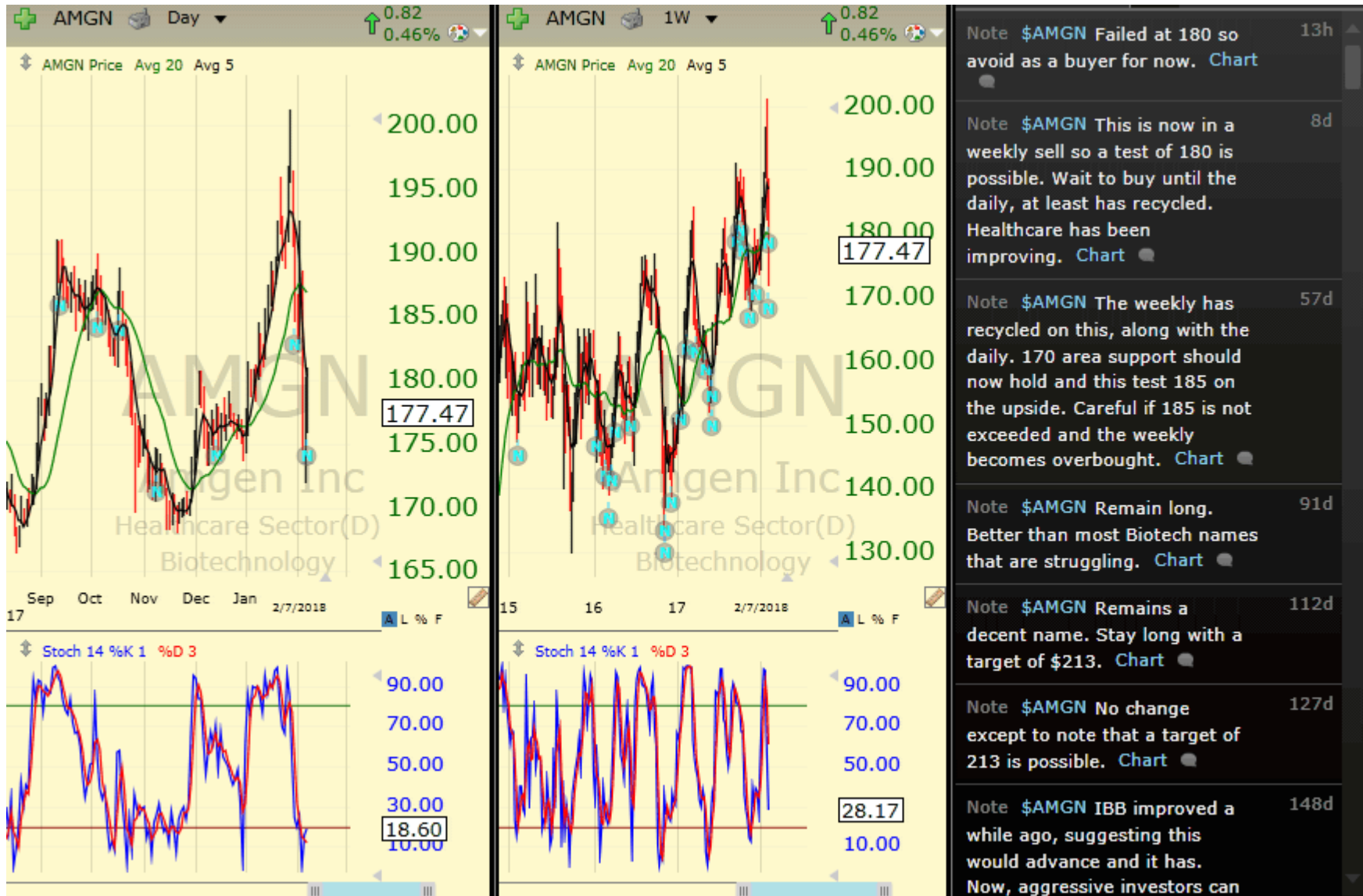
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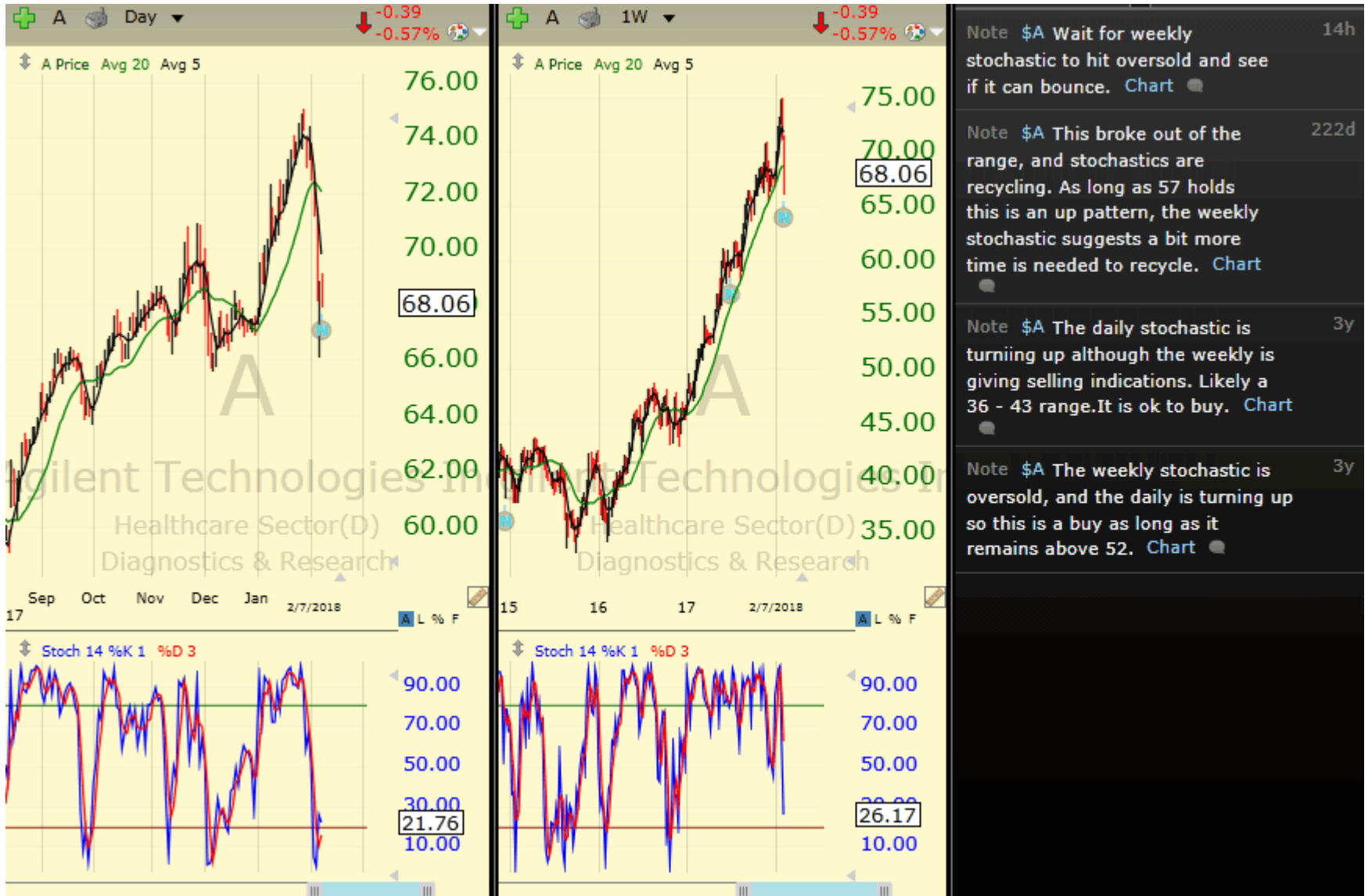
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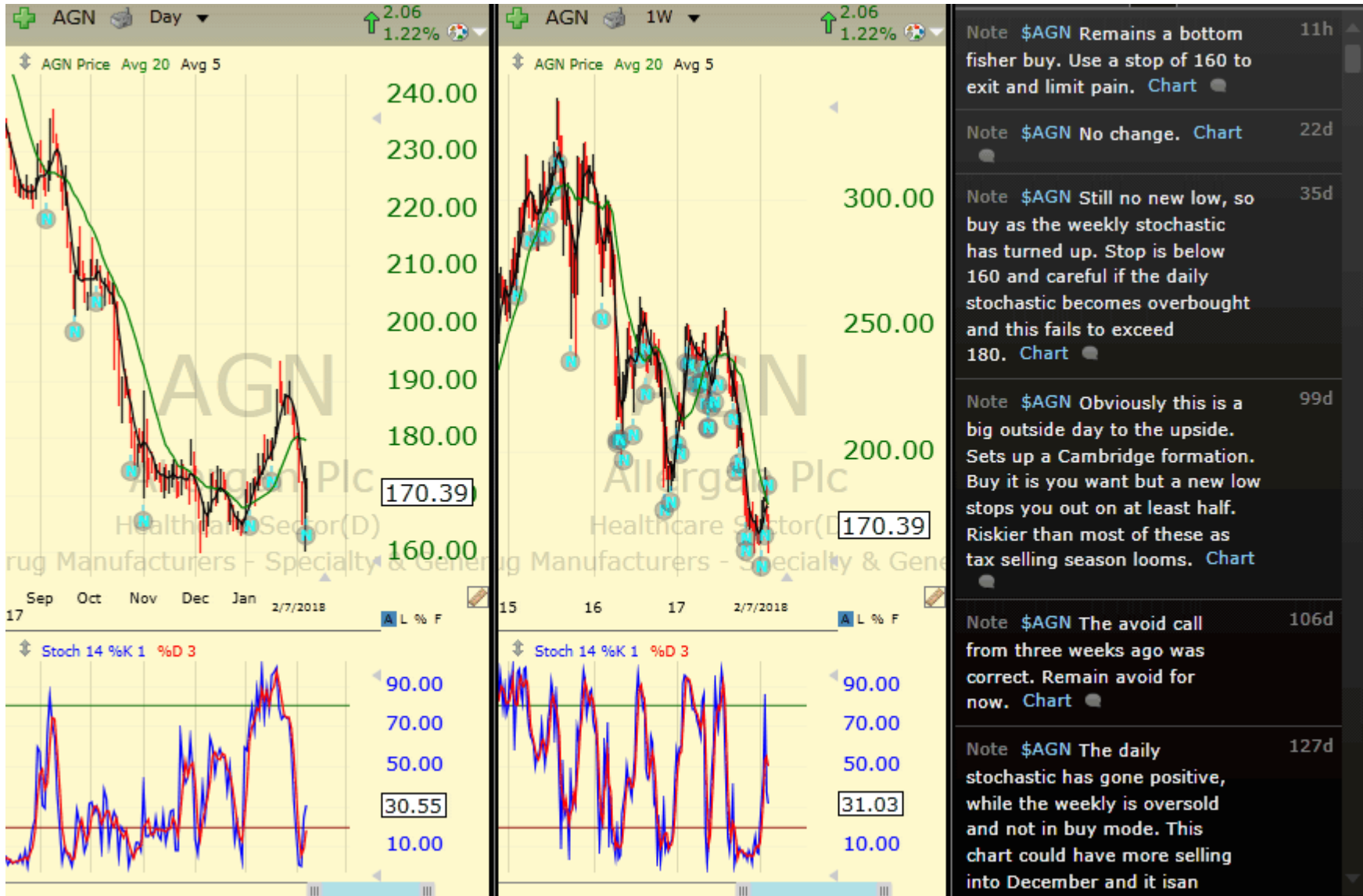


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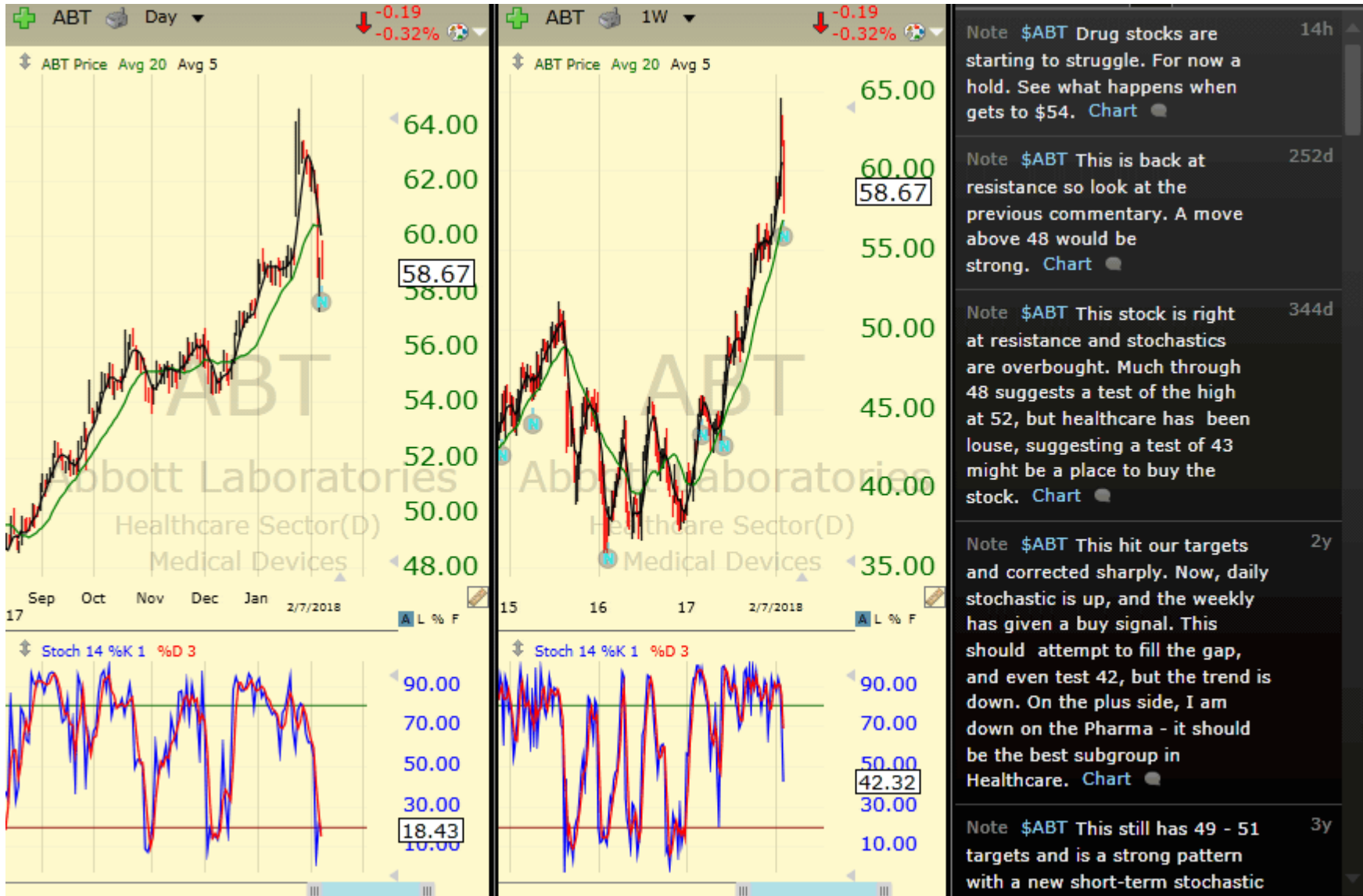


- Note \$A Wait for weekly stochastic to hit oversold and see if it can bounce. [Chart](#) 14h
- Note \$A This broke out of the range, and stochastics are recycling. As long as 57 holds this is an up pattern, the weekly stochastic suggests a bit more time is needed to recycle. [Chart](#) 222d
- Note \$A The daily stochastic is turning up although the weekly is giving selling indications. Likely a 36 - 43 range. It is ok to buy. [Chart](#) 3y
- Note \$A The weekly stochastic is oversold, and the daily is turning up so this is a buy as long as it remains above 52. [Chart](#) 3y

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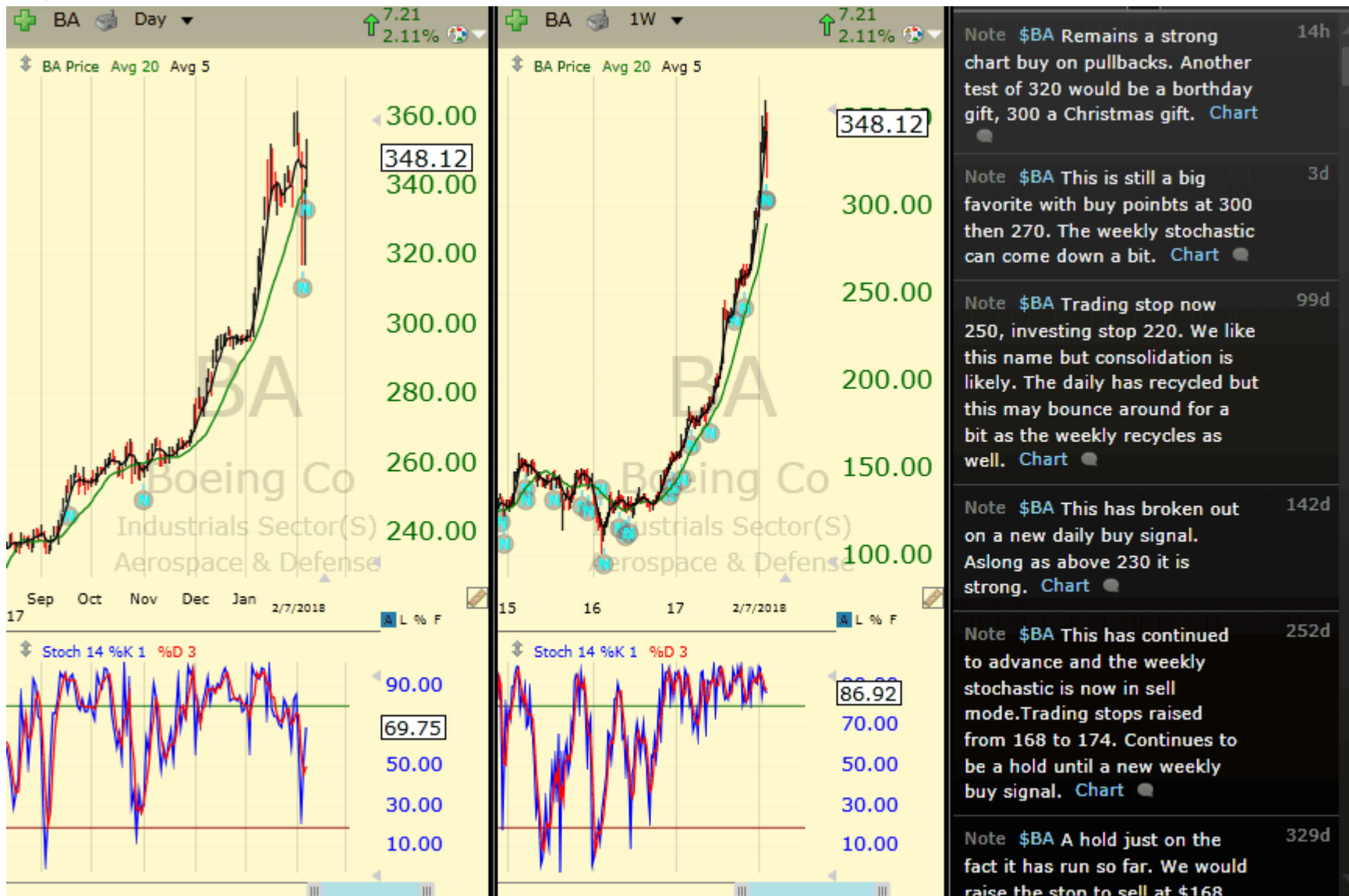
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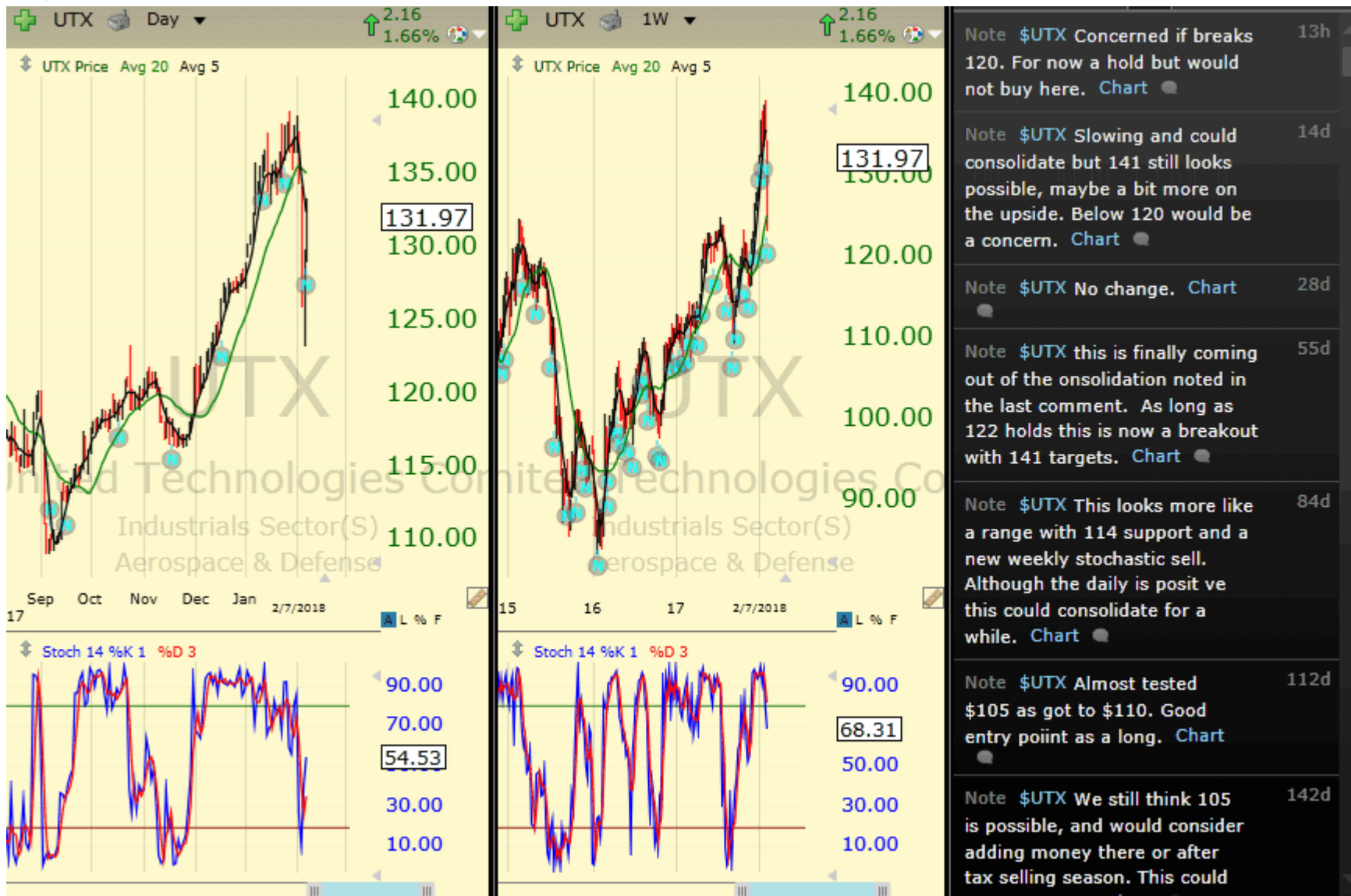
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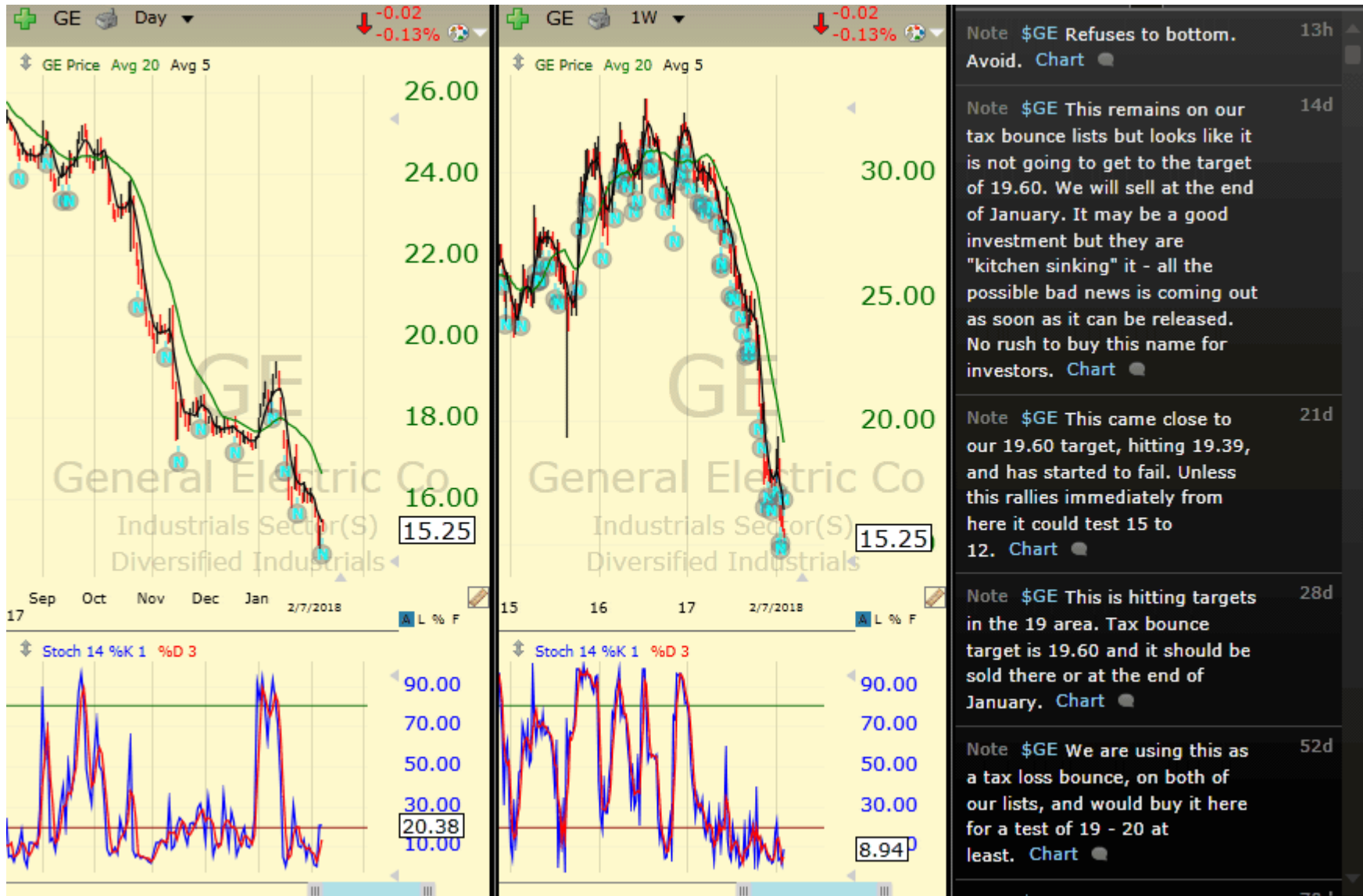
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Note \$HUBB A hold for now. Watch to see if weekly can become oversold on the stochastic. [Chart](#) 14h

Note \$HUBB Has pulled back and looks to be at a good entry point as a new buy. Remains an existing buy. [Chart](#) 260d

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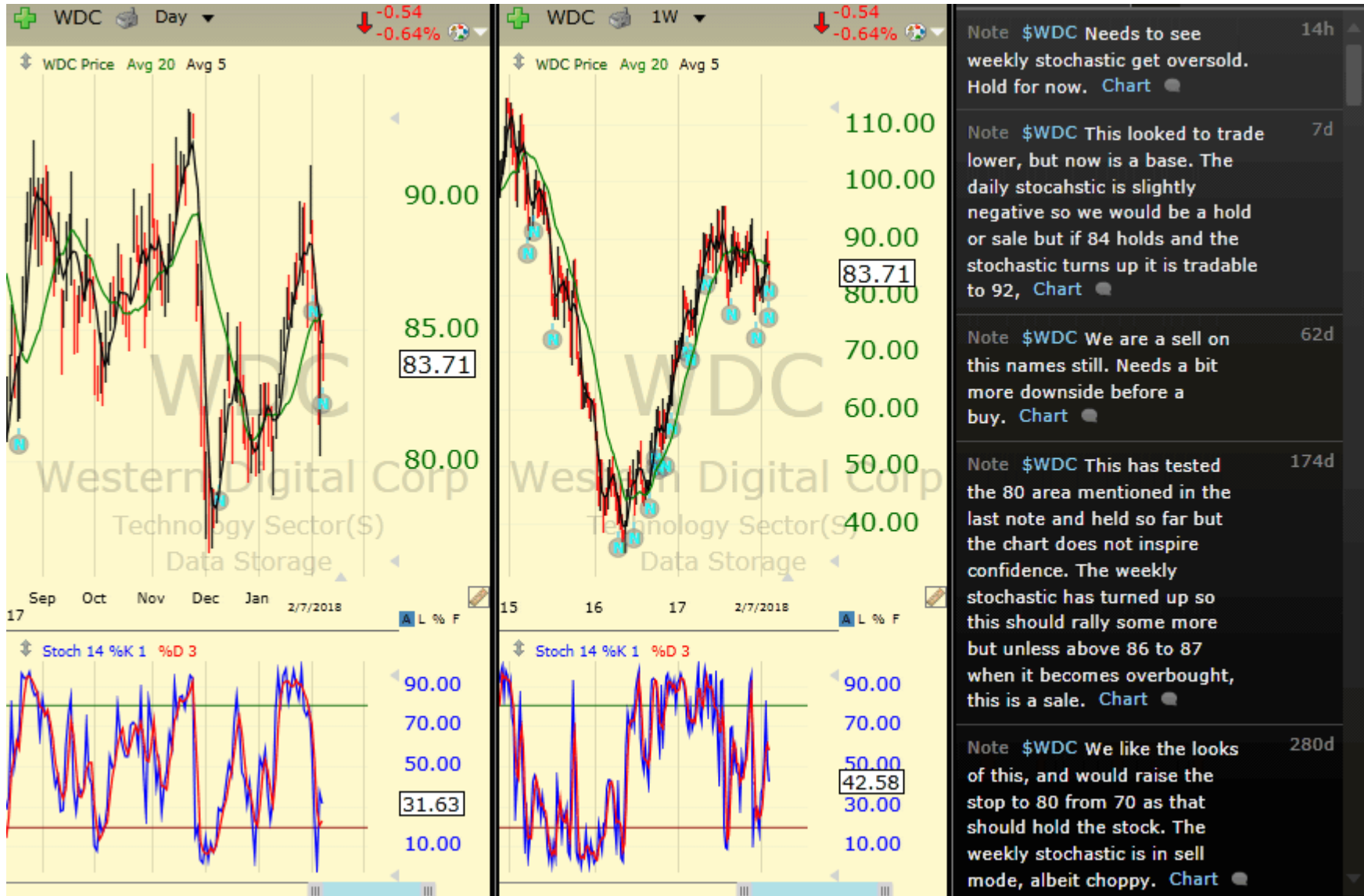
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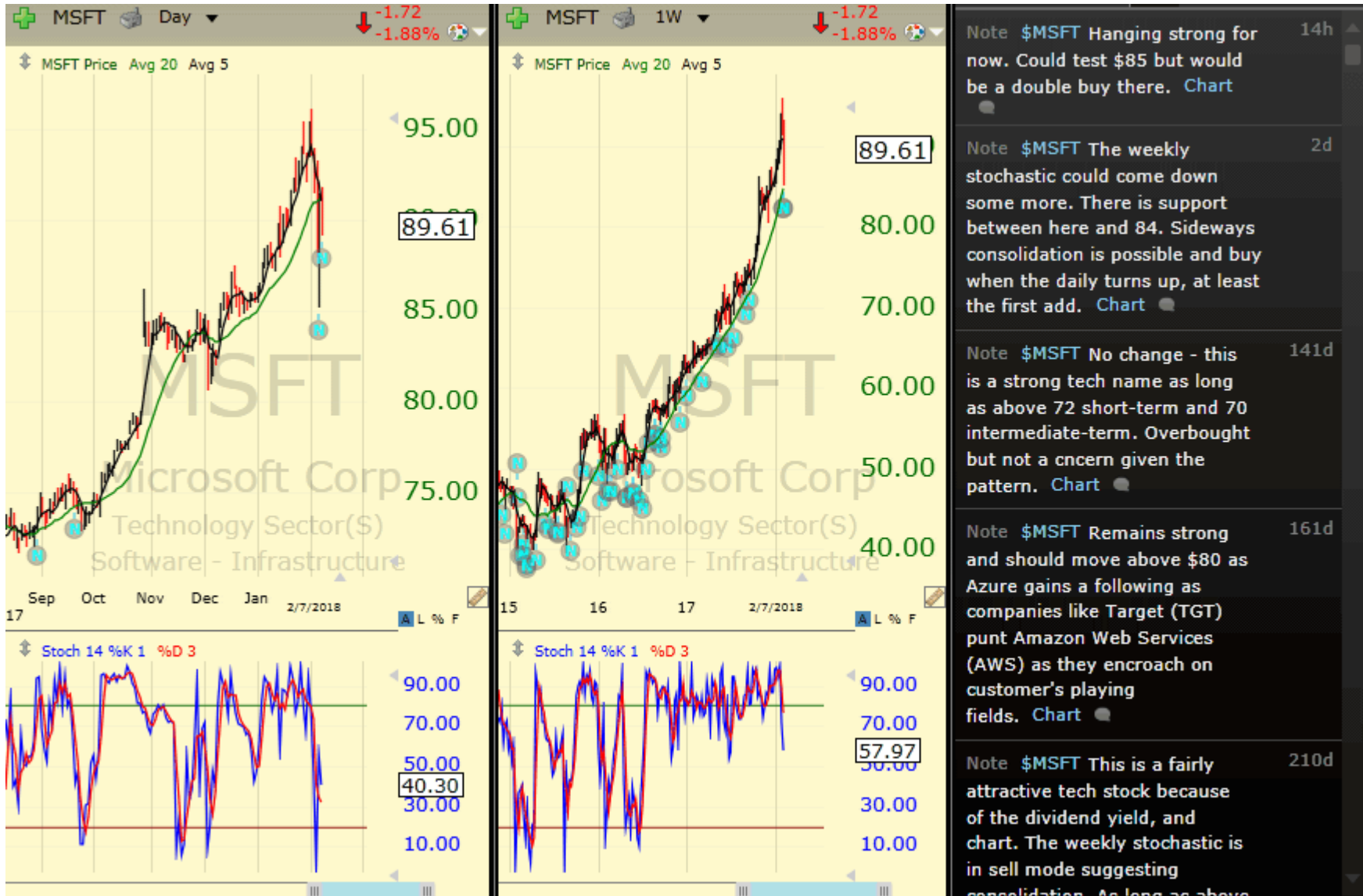
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Technical Indicators

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.

