

# ***Chartbook Review***

*(charts as of 12/07/18)*

The FRED Report

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# Chartbook: Stocks of Interest

Sym	Company	trkPrice	Sector ▲	Industry
DWDP	DowDuPont Inc	53.80	Basic Materials Sector	Chemicals
RGLD	Royal Gold Inc	78.45	Basic Materials Sector	Gold
STLD	Steel Dynamics Inc	32.38	Basic Materials Sector	Steel
TJX	TJX Companies Inc	45.24	Consumer Cyclical Sector	Apparel Stores
LVS	Las Vegas Sands	53.37	Consumer Cyclical Sector	Resorts & Casinos
WYNN	Wynn Resorts Ltd	104.66	Consumer Cyclical Sector	Resorts & Casinos
CMG	Chipotle Mexican Grill	467.21	Consumer Cyclical Sector	Restaurants
AMZN	Amazon.Com Inc	1632.13	Consumer Cyclical Sector	Specialty Retail
HOME	At Home Group	20.38	Consumer Cyclical Sector	Specialty Retail
STZ	Constellation Brands Inc	189.22	Consumer Defensive Sector	Beverages - Wineries & Distilleries
EL	Estee Lauder Companies Inc (The)	137.18	Consumer Defensive Sector	Household & Personal Products
PG	Procter & Gamble Co	92.56	Consumer Defensive Sector	Household & Personal Products
MO	Altria Group Inc	54.25	Consumer Defensive Sector	Tobacco
OXY	Occidental Petro Cp	66.52	Energy Sector	Oil & Gas E&P
BHGE	Baker Hughes, a GE company	21.64	Energy Sector	Oil & Gas Equipment & Services
PUMP	ProPetro Holding Corp	14.79	Energy Sector	Oil & Gas Equipment & Services
CVX	Chevron Corp	115.44	Energy Sector	Oil & Gas Integrated
XOM	Exxon Mobil Corporation	77.62	Energy Sector	Oil & Gas Integrated
MMLP	Martin Midstream Partners Lp	11.61	Energy Sector	Oil & Gas Midstream
MPC	Marathon Petroleum Corp	61.56	Energy Sector	Oil & Gas Refining & Marketing
PSX	Phillips 66	90.38	Energy Sector	Oil & Gas Refining & Marketing
AB	Alliance Bernstein Holding LP	28.17	Financial Services Sector	Asset Management
BLK	Blackrock Incorporated	392.83	Financial Services Sector	Asset Management
BAC	Bank Of America Corp	25.42	Financial Services Sector	Banks - Global
BBT	Bb&T Corp	47.70	Financial Services Sector	Banks - Regional - US
RF	Regions Financial Corp	14.90	Financial Services Sector	Banks - Regional - US
MS	Morgan Stanley	41.29	Financial Services Sector	Capital Markets
MA	Mastercard Incorporated	197.00	Financial Services Sector	Credit Services
PYPL	PayPal Holdings Inc	82.63	Financial Services Sector	Credit Services
CB	Chubb Corp	130.93	Financial Services Sector	Insurance - Property & Casualty

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Sym	Company	trkPrice	Sector	Industry
AMGN	Amgen Inc	191.78	Healthcare Sector	Biotechnology
BIIB	Biogen Inc	317.25	Healthcare Sector	Biotechnology
BLUE	Bluebird Bio Inc	102.54	Healthcare Sector	Biotechnology
CELG	Celgene Corp	70.20	Healthcare Sector	Biotechnology
GWPH	GW Pharmaceuticals Plc	124.24	Healthcare Sector	Drug Manufacturers - Major
AGN	Allergan Plc	152.51	Healthcare Sector	Drug Manufacturers - Specialty & Generic
CRON	Cronos Group Inc	12.80	Healthcare Sector	Drug Manufacturers - Specialty & Generic
CNC	Centene Corp	132.93	Healthcare Sector	Health Care Plans
CVS	CVS Health Corporation	74.04	Healthcare Sector	Health Care Plans
ALGN	Align Tech Inc	209.89	Healthcare Sector	Medical Devices
BDX	Becton Dickinson & Co	234.40	Healthcare Sector	Medical Instruments & Supplies
COO	Cooper Companies Inc	242.85	Healthcare Sector	Medical Instruments & Supplies
BA	Boeing Co	322.30	Industrials Sector	Aerospace & Defense
AVY	Avery Dennison Corp	91.62	Industrials Sector	Business Equipment
HCSG	Healthcare Services Group Inc	41.76	Industrials Sector	Business Services
MMM	3M Company	198.34	Industrials Sector	Diversified Industrials
CAT	Caterpillar Inc	123.64	Industrials Sector	Farm & Construction Equipment
GBX	Greenbrier Companies Inc	43.41	Industrials Sector	Railroads
WM	Waste Management Inc	91.39	Industrials Sector	Waste Management
HRS	Harris Corporation	139.40	Technology Sector	Communication Equipment
AAPL	Apple Inc	168.83	Technology Sector	Consumer Electronics
ENR	Energizer Holdings	46.00	Technology Sector	Electronic Components
ACN	Accenture Ltd	157.33	Technology Sector	Information Technology Services
ADI	Analog Devices Inc	86.57	Technology Sector	Semiconductors
AVGO	Broadcom Inc	229.20	Technology Sector	Semiconductors
TSM	Taiwan Semiconductor Manufactu	36.32	Technology Sector	Semiconductors
CRM	Salesforce.com Inc	135.65	Technology Sector	Software - Application
SQ	Square	60.88	Technology Sector	Software - Application

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Sym	Company	trkPrice	Sector	Industry
ARKG	ARK Genomic Revolution Multi-Se	27.98		
GLD	SPDR Gold Trust	118.09		
IEI	iShares Barclays 3-7 Year Treasur	120.25		
IYG	iShares Dow Jones US Financial S	119.97		
KWEB	KraneShares CSI China Internet E	42.03		
RSP	Invesco S&P 500 Equal Weight ET	97.39		
RVT	Royce Value Trust Inc	13.43		
RYE	Invesco S&P 500 Equal Wt Energy	48.92		
SBIO	ALPS Medical Breakthroughs ETF	31.75		
SPLV	Invesco S&P500 Low Volatility Por	49.25		
UNG	US Nat Gas FD ETF	36.43		
VT	Vanguard Total World Stock ETF	68.38		
XLP	SPDRs Select Sector Consumer St	54.75		
XLRE	Real Estate Select Sector SPDR Fl	34.01		
XRLV	Invesco S&P 500 ex-Rate Sensitiv	33.89		

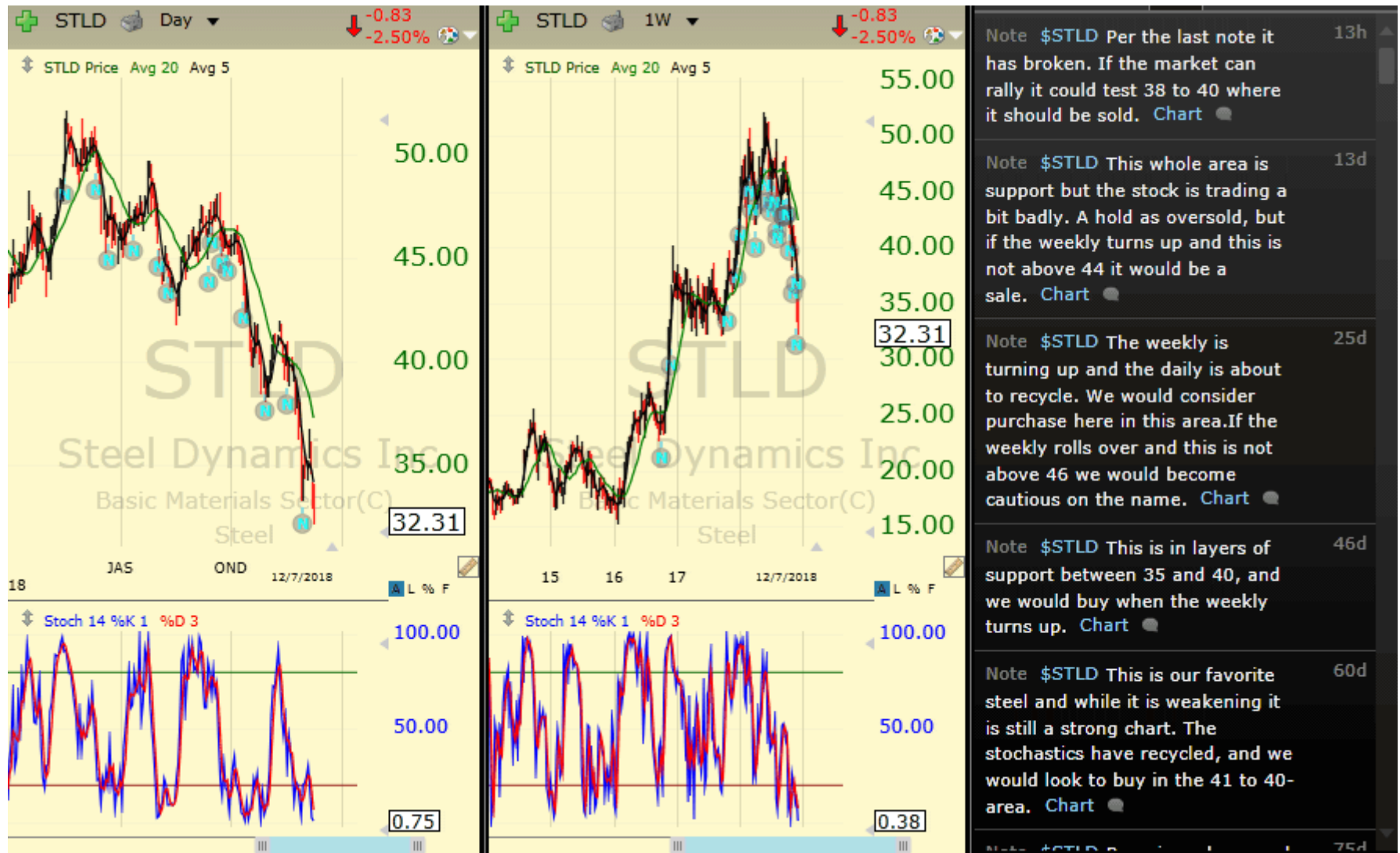
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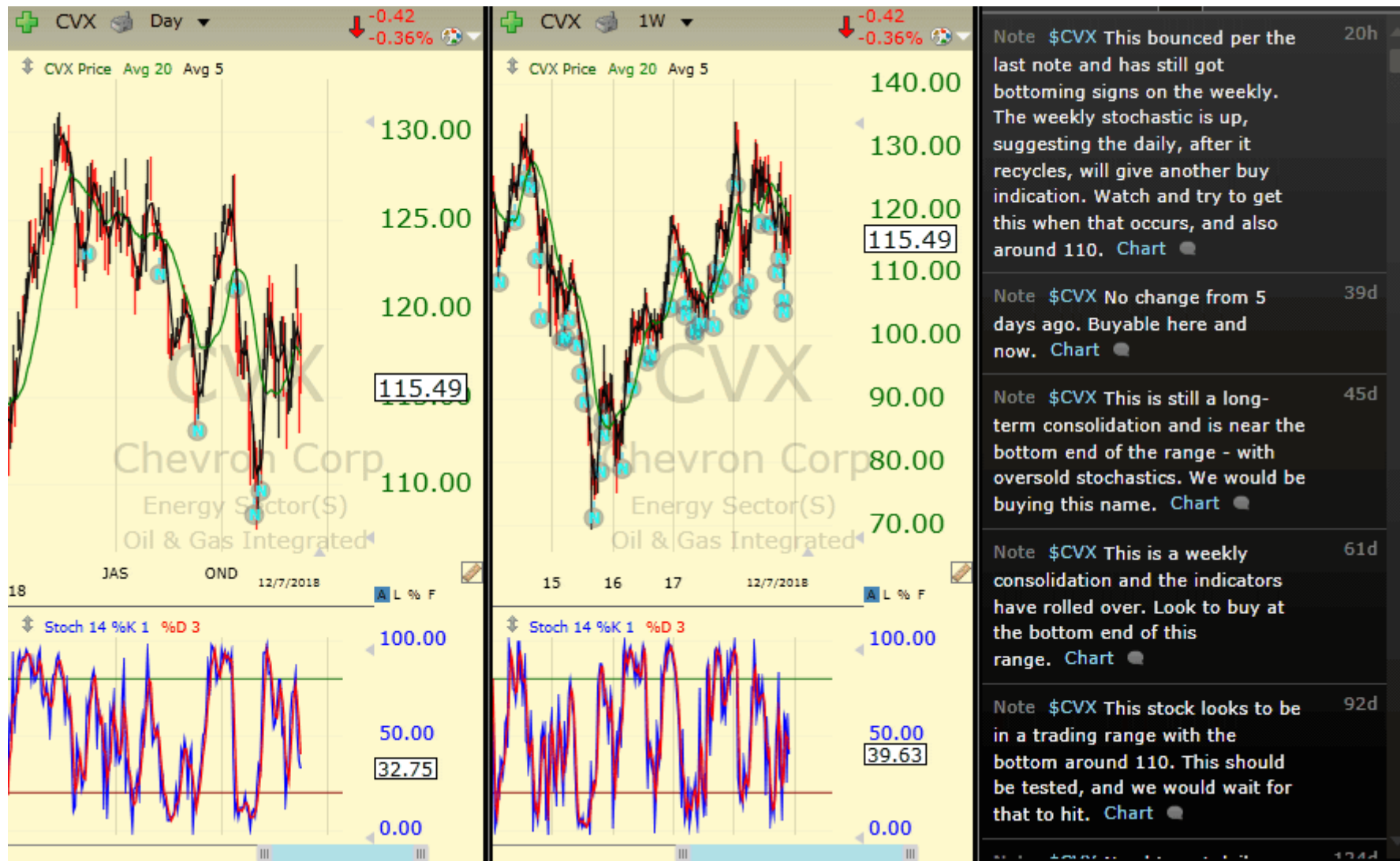
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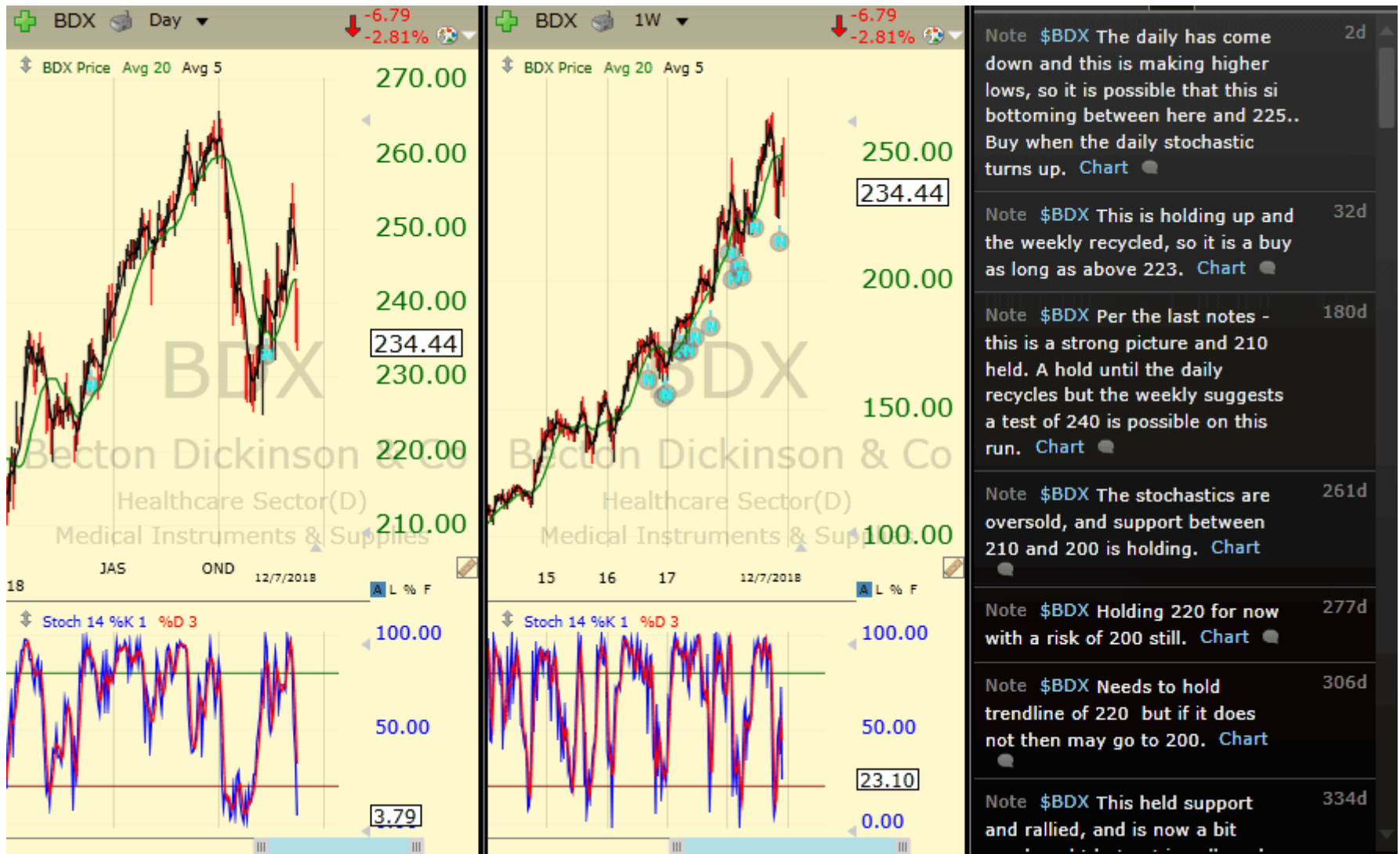
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Note \$RVT This has failed to do much on stochastic buys and is a negative pattern. If 13 fails to hold, a test of 12 to 11 is likely. [Chart](#) 13h

Note \$RVT Decent chart pattern but lower highs and lows are a concern. Stochastics suggest a rally above 16 could occur which could repair this chart, below 14.50 a concern suggesting rally failure. [Chart](#) 4y

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Note \$XLRE This is testing the resistance going all the way back to 2016. We are underweight the sector as it has made no net progress since 2016, but it is a good defensive play. We have been buying in the middle to lower end of the range for income oriented advisors. This is a good income play but the only real chance for outperformance is if the market has further decline.. [Chart](#) 12h

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# 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 the website: [Education and Training Center](#).

# Technicals 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.

