

Chartbook Review

(charts as of 08/14/19)

The FRED Report

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Chartbook: Stocks of Interest

Sym	Company	trkPrice	Sector ▲	Industry
ROKU	Roku Inc	130.74	Communication Services Sector	Pay TV
T	AT&T Inc	34.32	Communication Services Sector	Telecom Services
UAA	Under Armour Inc	19.04	Consumer Cyclical Sector	Apparel Manufacturing
HD	Home Depot Inc	202.71	Consumer Cyclical Sector	Home Improvement Stores
BLL	Ball Corp	76.85	Consumer Cyclical Sector	Packaging & Containers
WYNN	Wynn Resorts Ltd	104.44	Consumer Cyclical Sector	Resorts & Casinos
SBUX	Starbucks Corporation	95.68	Consumer Cyclical Sector	Restaurants
AMZN	Amazon.Com Inc	1768.80	Consumer Cyclical Sector	Specialty Retail
ETSY	Etsy Inc	53.24	Consumer Cyclical Sector	Specialty Retail
DEO	Diageo Plc Ads	163.26	Consumer Defensive Sector	Beverages - Wineries & Distilleries
MDLZ	Mondelez International Inc	53.49	Consumer Defensive Sector	Confectioners
KR	The Kroger Company	22.31	Consumer Defensive Sector	Grocery Stores
NBR	Nabors Industries Inc	1.91	Energy Sector	Oil & Gas Drilling
MRC	MRC Global Inc.	13.30	Energy Sector	Oil & Gas Equipment & Services
XOM	Exxon Mobil Corporation	67.65	Energy Sector	Oil & Gas Integrated
MPC	Marathon Petroleum Corp	44.63	Energy Sector	Oil & Gas Refining & Marketing
PSX	Phillips 66	97.82	Energy Sector	Oil & Gas Refining & Marketing
VLO	Valero Energy Corp	76.00	Energy Sector	Oil & Gas Refining & Marketing
CG	The Carlyle Group L.P.	21.60	Financial Services Sector	Asset Management
BAC	Bank Of America Corp	26.46	Financial Services Sector	Banks - Global
PYPL	PayPal Holdings Inc	103.48	Financial Services Sector	Credit Services
SIGI	Selective Insurance Group Inc	77.96	Financial Services Sector	Insurance - Property & Casualty
GBT	Global Blood Therapeutics	48.46	Healthcare Sector	Biotechnology
DXCM	DexCom Inc	153.24	Healthcare Sector	Diagnostics & Research
JNJ	Johnson & Johnson	131.21	Healthcare Sector	Drug Manufacturers - Major
PFE	Pfizer Inc	34.49	Healthcare Sector	Drug Manufacturers - Major
CVS	CVS Health Corporation	58.87	Healthcare Sector	Health Care Plans

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Sym	Company	trkPrice	Sector	Industry
BA	Boeing Co	320.42	Industrials Sector	Aerospace & Defense
RTN	Raytheon Co	179.90	Industrials Sector	Aerospace & Defense
UTX	United Technologies Corp	124.80	Industrials Sector	Aerospace & Defense
INFO	IHS Markit Ltd	63.49	Industrials Sector	Business Services
EMR	Emerson Electric Co	57.14	Industrials Sector	Diversified Industrials
GNRC	Generac Holdings Inc	72.15	Industrials Sector	Diversified Industrials
CAT	Caterpillar Inc	115.64	Industrials Sector	Farm & Construction Equipment
GTLS	Chart Industries Inc	59.19	Industrials Sector	Metal Fabrication
CNI	Canadian Natl Railway	90.93	Industrials Sector	Railroads
RCII	Rent A Center Inc	27.36	Industrials Sector	Rental & Leasing Services
CSCO	Cisco Systems Inc	50.70	Technology Sector	Communication Equipment
NOK	Nokia Corp Ads	5.14	Technology Sector	Communication Equipment
ANET	Arista Networks Inc	219.99	Technology Sector	Computer Systems
SNE	Sony Corporation ADS	54.39	Technology Sector	Consumer Electronics
TDOC	Teladoc Health Inc	61.50	Technology Sector	Health Information Services
FB	Facebook Inc	180.56	Technology Sector	Internet Content & Information
ZM	Zoom Video Communications Inc	93.22	Technology Sector	Internet Content & Information
MU	Micron Technology Inc	42.04	Technology Sector	Semiconductor Memory
AMD	Advanced Micro Devices	30.24	Technology Sector	Semiconductors
CREE	Cree Incorporated	57.45	Technology Sector	Semiconductors
XLNX	Xilinx Inc	103.20	Technology Sector	Semiconductors
RNG	RingCentral, Inc.	138.19	Technology Sector	Software - Application
MSFT	Microsoft Corp	134.69	Technology Sector	Software - Infrastructure
OKTA	Okta Inc Class A	127.81	Technology Sector	Software - Infrastructure
ZS	Zscaler Inc	81.53	Technology Sector	Software - Infrastructure
KWEB	KraneShares CSI China Internet E	39.14		
PDP	Invesco DWA Technical Leaders Pi	60.42		
PSCT	Powershs S&P Scap Inform Tech	82.10		
QQQ	Invesco QQQTrust Ser 1	183.47		
RSP	Invesco S&P 500 Equal Weight ET	102.93		

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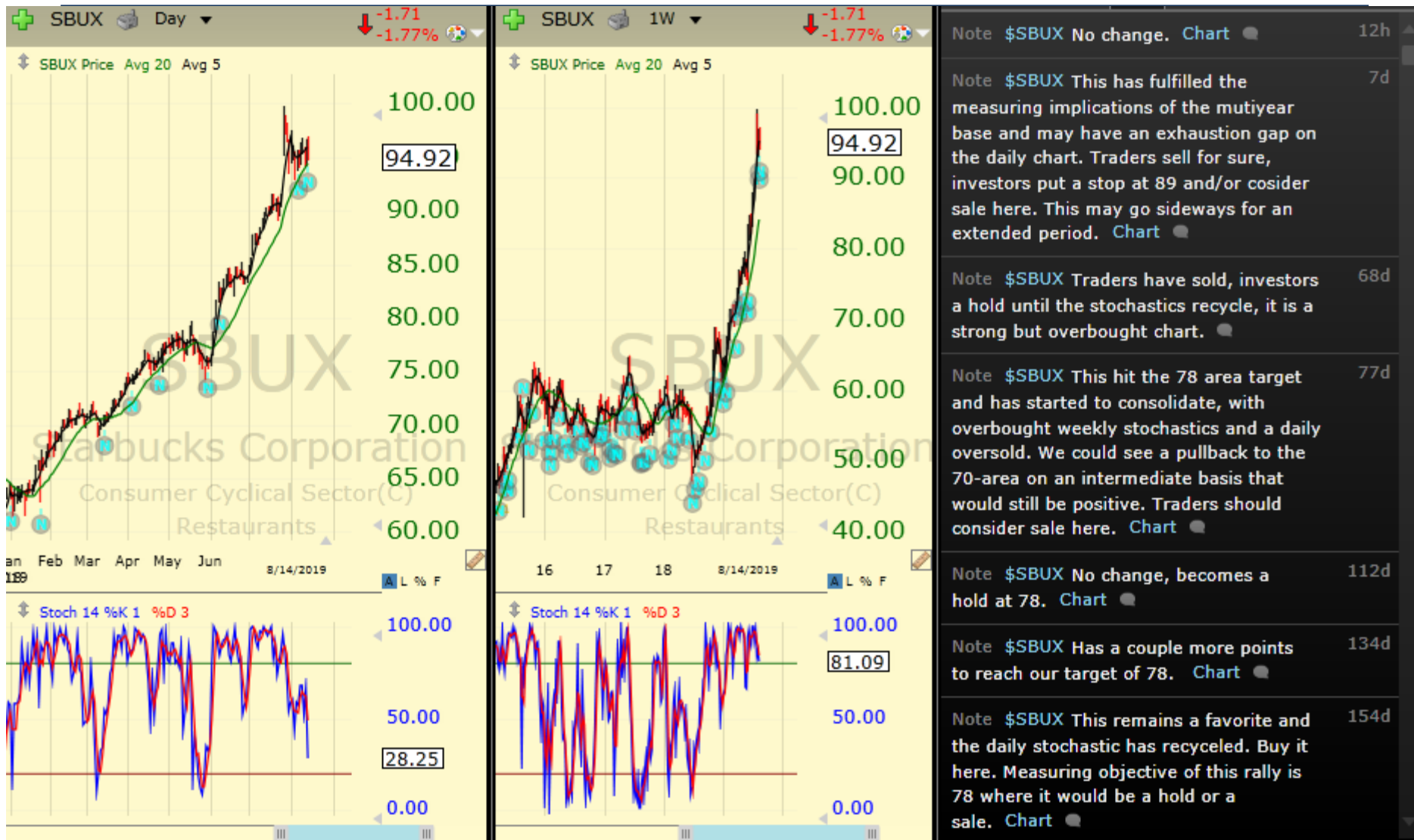
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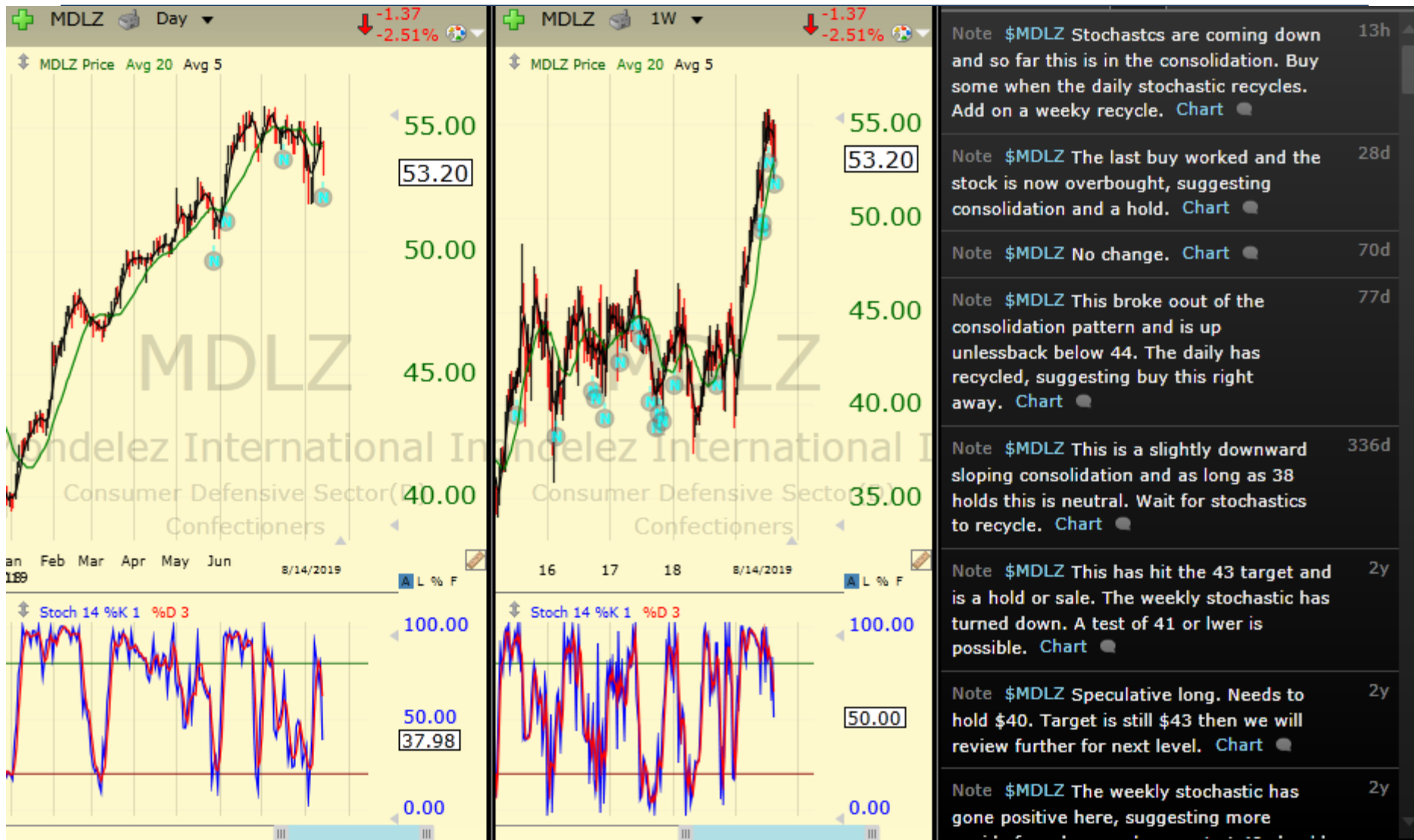
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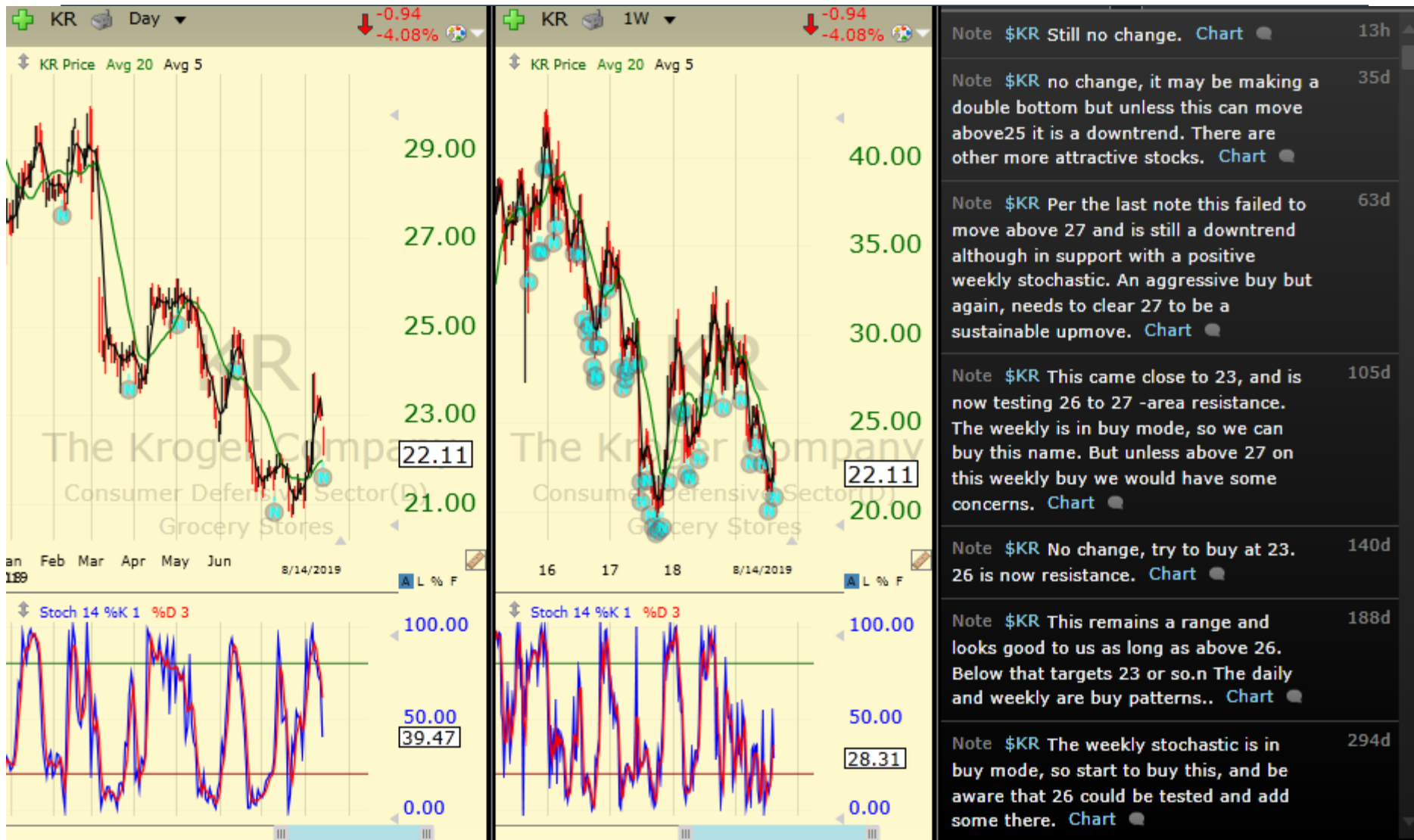
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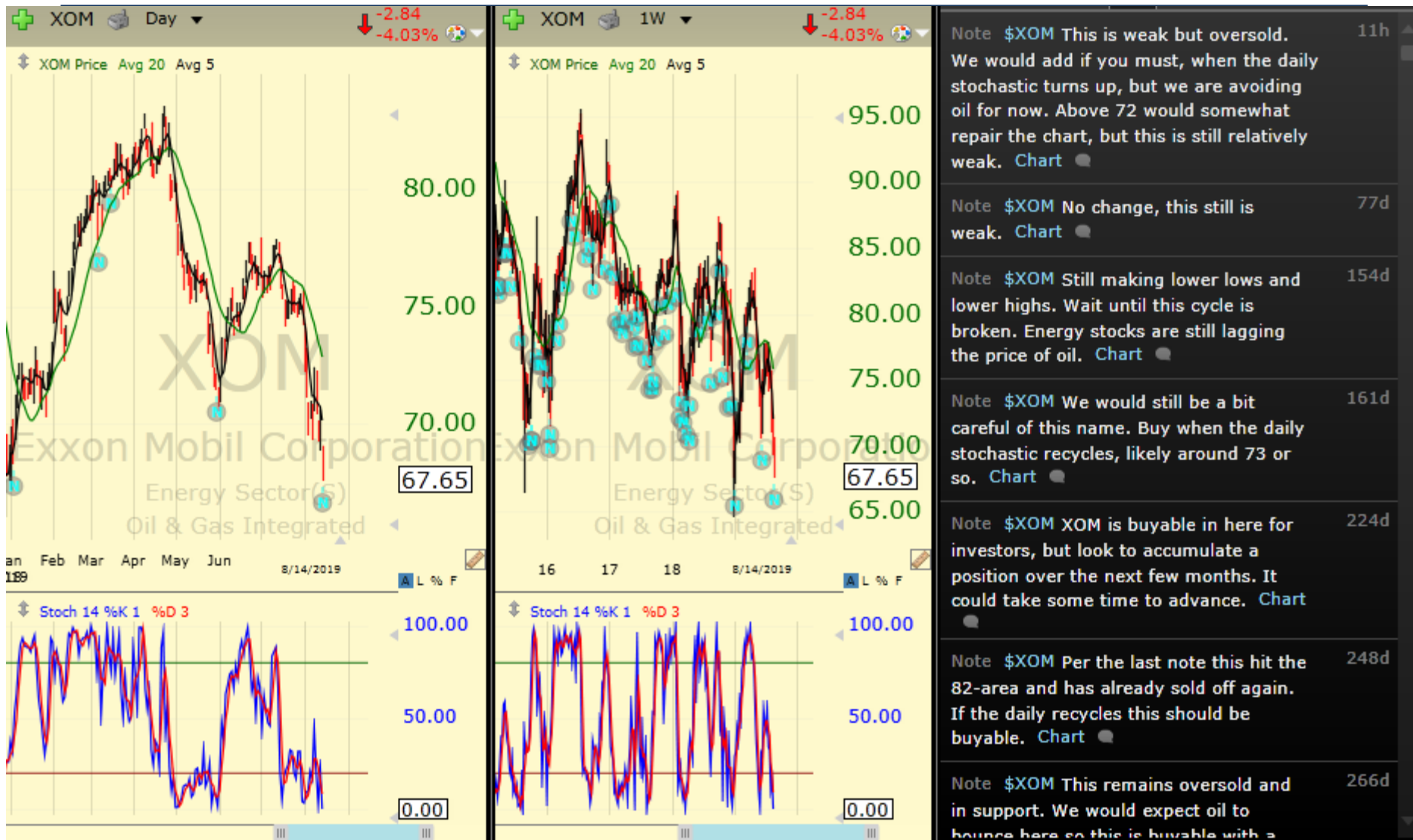


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Note \$MRC Multiyear intermediate range with oversold stochastic means try and buy some when the daily turns up again. This could test 12 or so, bt that would not be a huge concern. [Chart](#)

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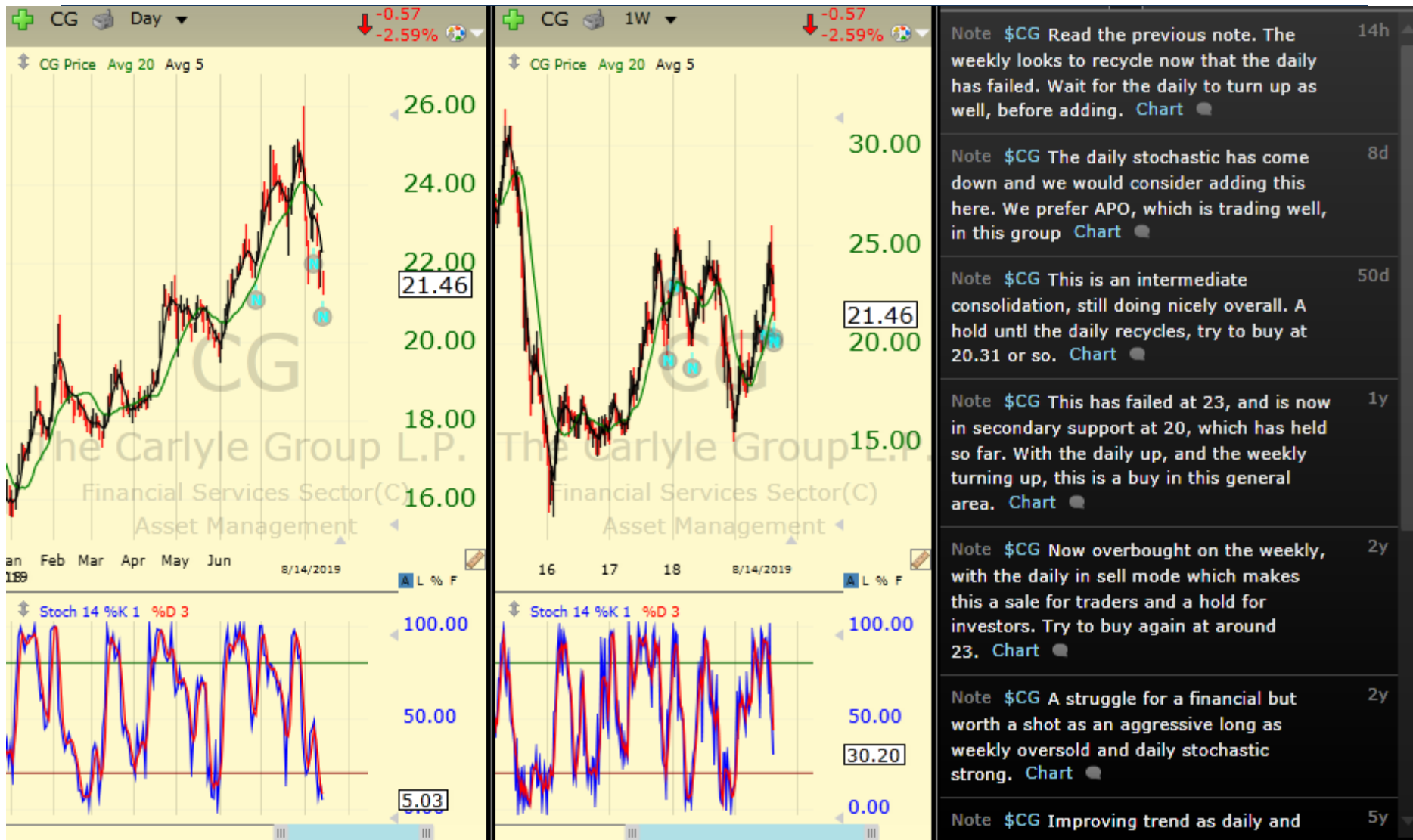
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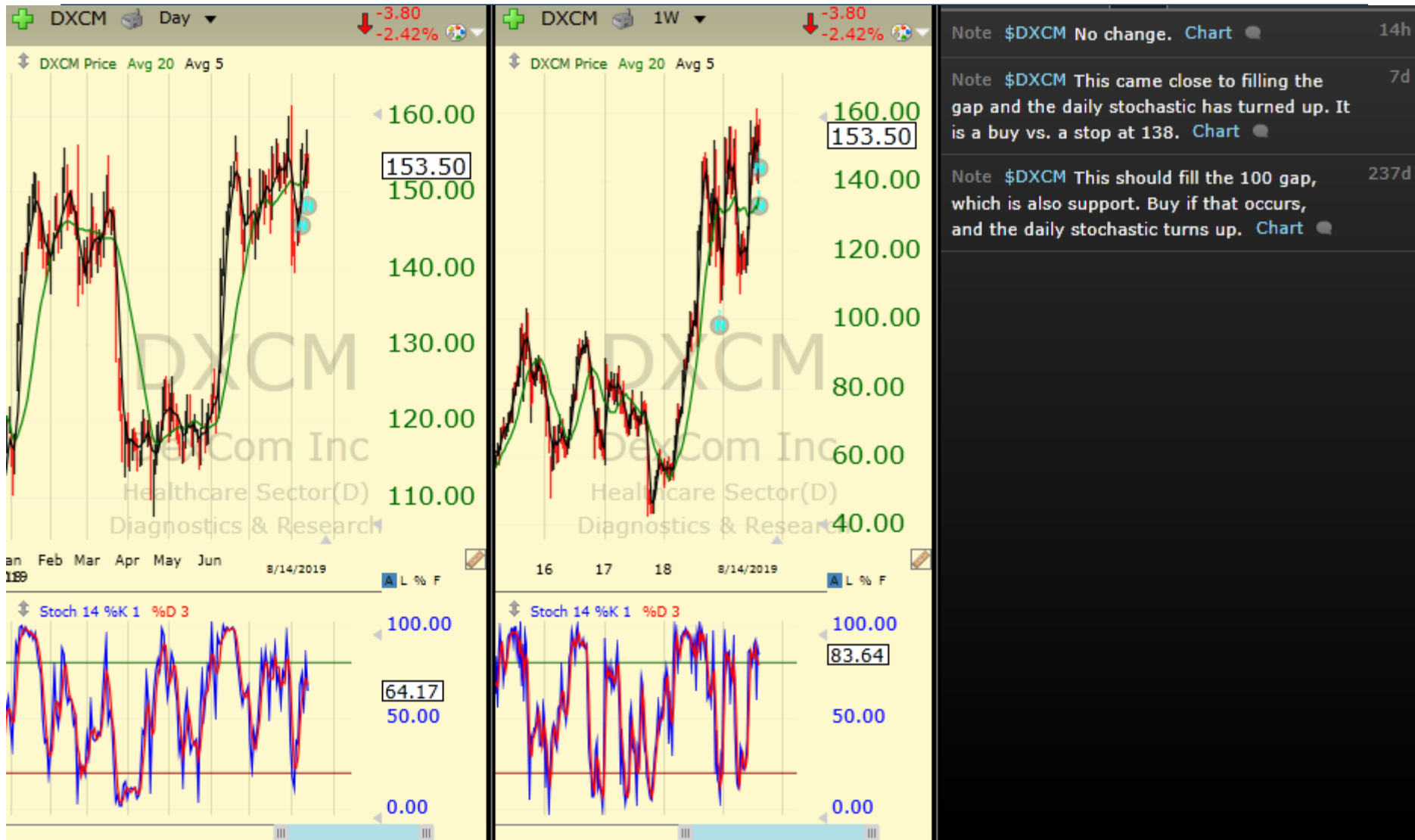
Note \$SIGI This is up strongly and the daily stochastic is now in sell mode. If the market get much worse, this could test 75 to 70, but unless that breaks on the downside, we are not concerned on this chart. A hold, but when the daily recycles. Chart

12h

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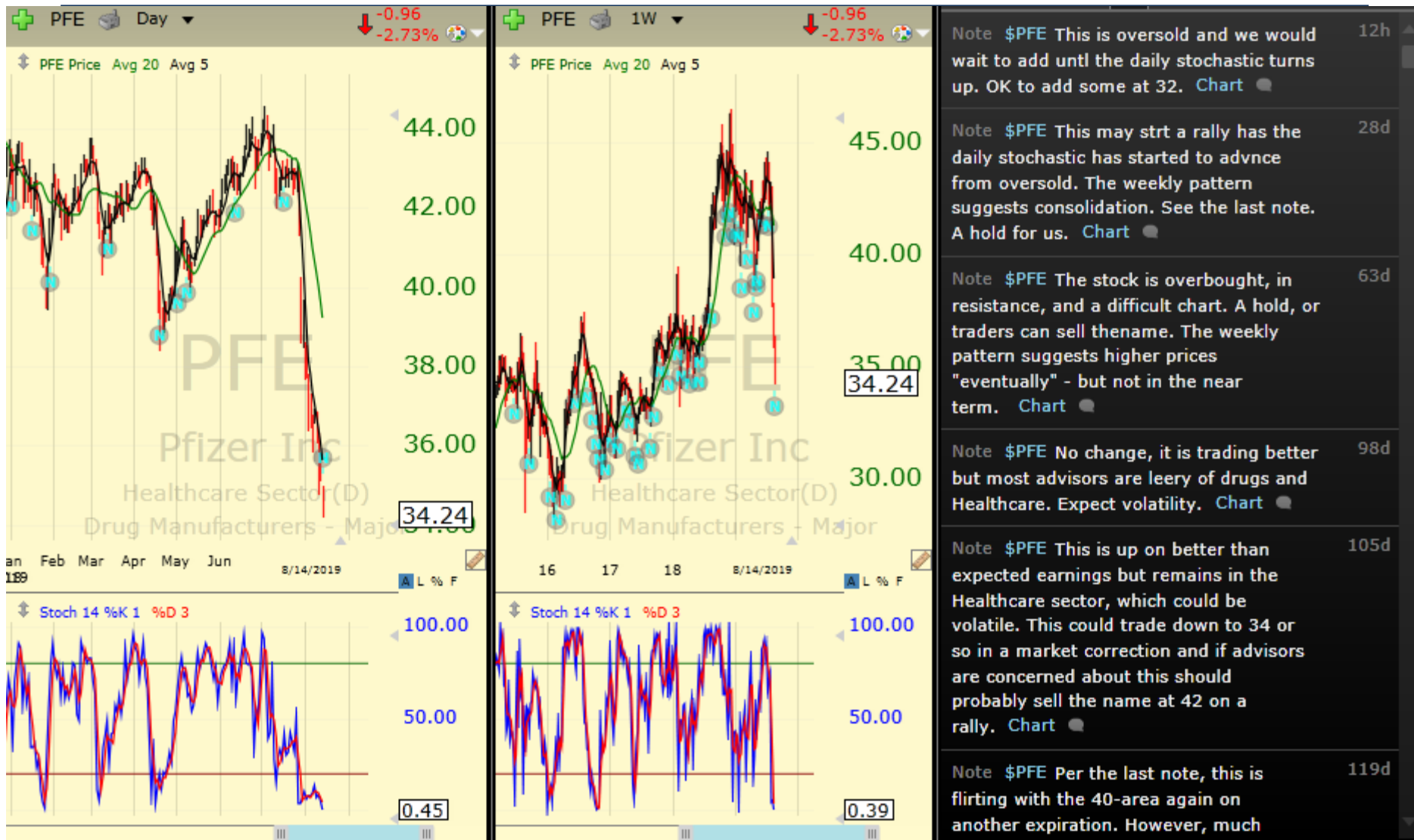


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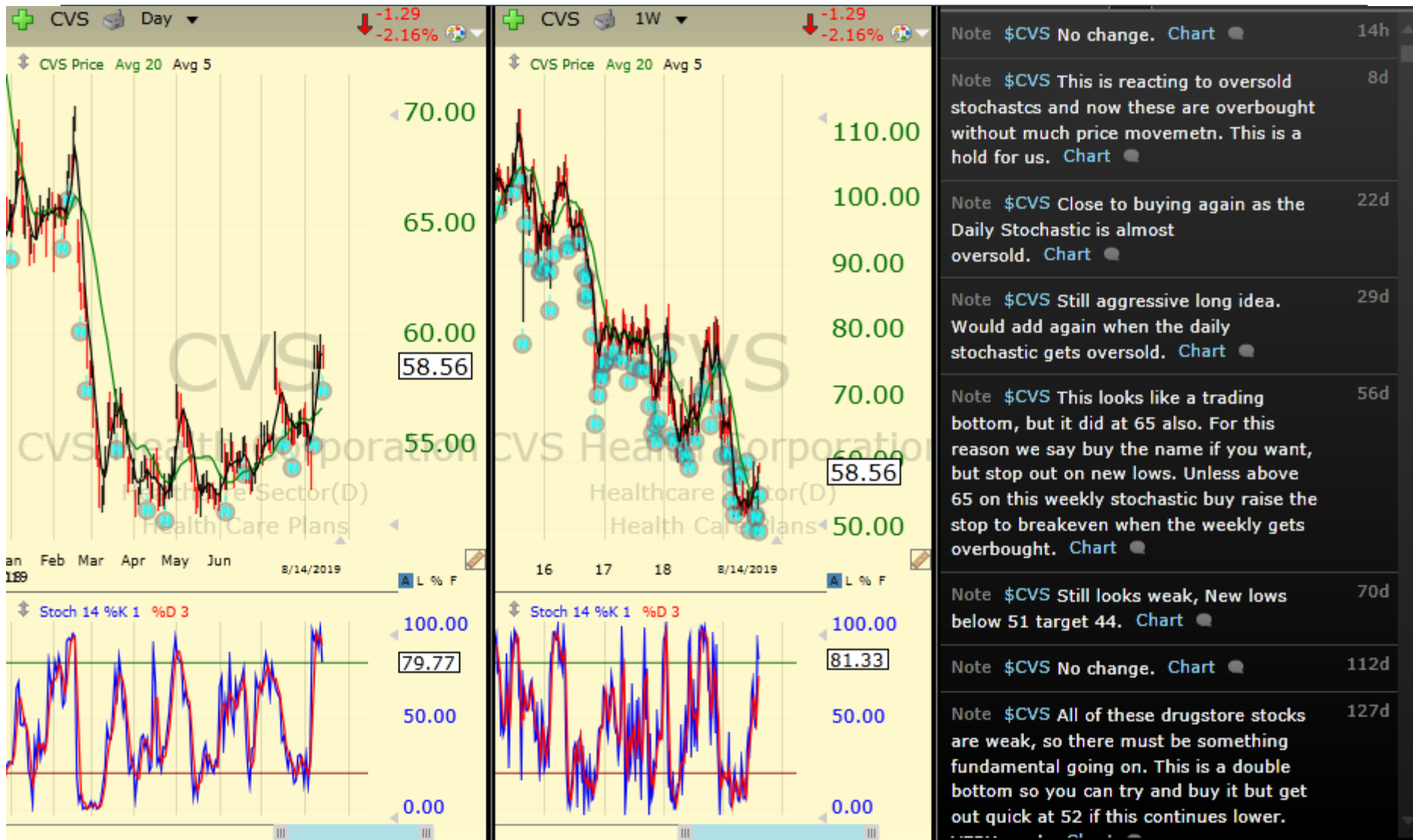


- Note **\$JNJ** The weekly is down, and the daily is coming down as well. Buy some at 128, and more when the daily stochastic recycles. [Chart](#) 13h
- Note **\$JNJ** The daily has buy recycled, and this has tested 145 making it a hold, per the last note. Unless this gets above there on this recycle it is a hold. [Chart](#) 35d
- Note **\$JNJ** Per the last note the weekly has turned up, and this is a sharp bounce already. Should test 145. Careful when the weekly becomes overbought. [Chart](#) 68d
- Note **\$JNJ** JNJ is in the healthcare area and trading badly. We would not consider this until the weekly turns up as it has failed on this latest daily buy signal. [Chart](#) 77d
- Note **\$JNJ** The daily is close to recycled, and this should hold 134. Buy with a stop below that and look for a test of 140 a least. [Chart](#) 126d
- Note **\$JNJ** The daily is recycling and this is holding on rather well - Although the weekly is overbought, we would buy this when the daily stochastic recycles. [Chart](#) 147d

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- Note \$RTN This is a difficult short-term chart, and the intermediate is at resistance, so it is a hold until the daily at least, turns up. We are not big on this name. [Chart](#) 12h
- Note \$RTN This is a strange chart, but the weekly has buy recycled, suggesting it is ok to add money. [Chart](#) 25d
- Note \$RTN This is still a buy, but the weekly stochastic is almost overbought, suggesting caution. [Chart](#) 56d
- Note \$RTN Hanging tough. Remains a buy in the Industrials. [Chart](#) 70d
- Note \$RTN No change except the daily has moved into sell mode, suggesting a bit more consolidation. This is improving as long as above 170, and we would add money. [Chart](#) 80d
- Note \$RTN The daily is up and the weekly has come down but not yet recycled, so this may be poised for an advance. Buy with a stop below 170. [Chart](#) 84d
- Note \$RTN Per the last note, this is a hold as stochastics are turning down. Could test 175, below that would be a concern. [Chart](#) 112d

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Note \$INFO This is up enough to buy
recycles in the daily stochastic. A retest of
58 is possible. We like this name. Chart

13h

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Note \$GNRC No change. Chart 14h

Note \$GNRC Obviously this has been a breakout above 60 and it is overbought. We would hold until the daily comes down, and below 65 would be a concern. Chart 8d

Note \$GNRC This has tested the 42 - 40 area support, and weekly stochastic is turning up. This should rally - maybe not extremely strong, but a test of 50 - 52 support should occur. Chart 5y

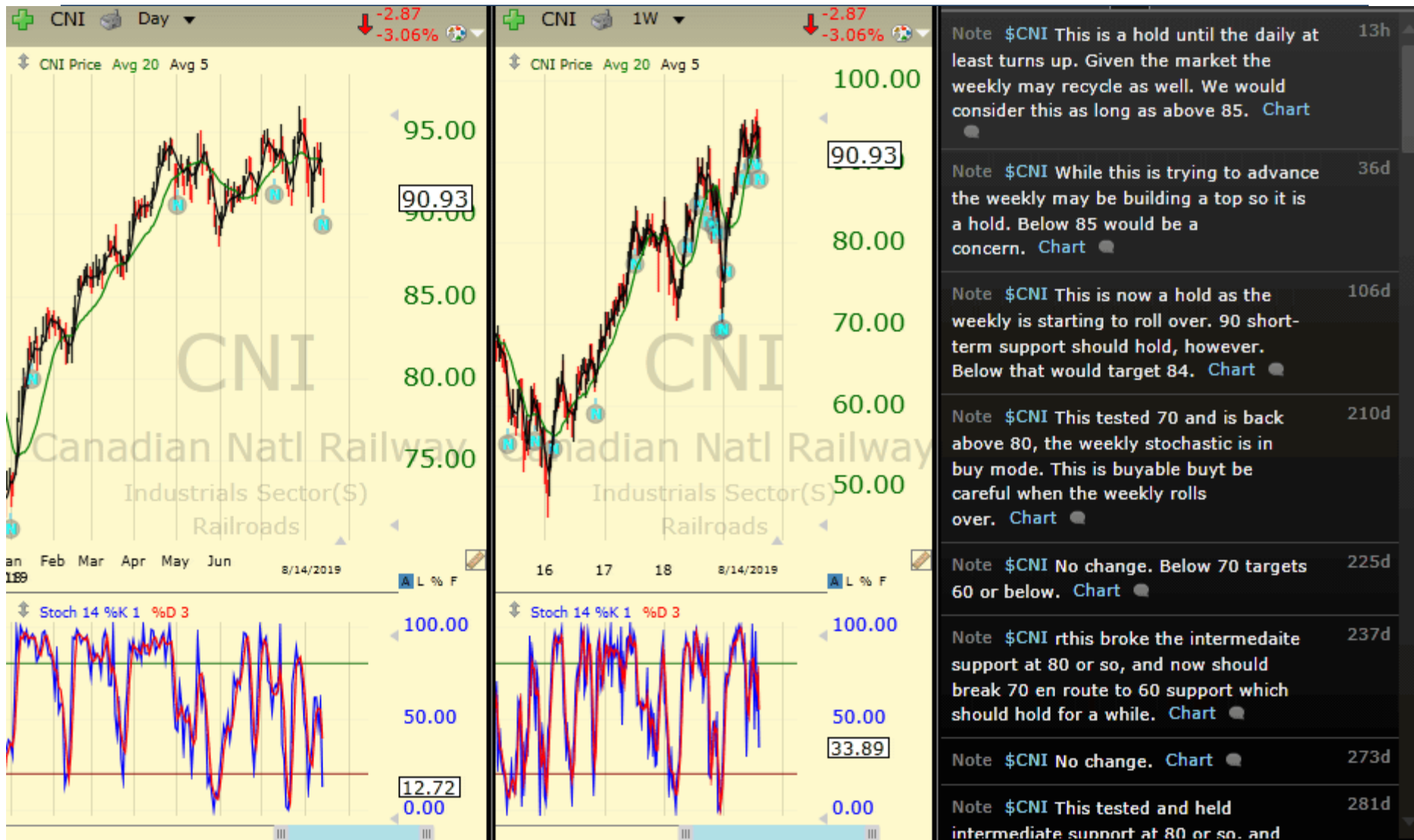
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Note \$RCII This is overbought, with a weekly sell and testing intermediate resistance. A hold that could pull bck if the market get worse, as the stochastics recycle. Chart 12h

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Note \$ZM This is too new to analyze. Below 80 would be a concern., and imply a test of 60 is at least possible. We would avoid this for now, unless you have a compelling fundamental reason to own the stock. [Chart](#) 12h

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Note \$ZS No change, it could test 75 as the weekly recycles. A hold, add to when the daily recycles. [Chart](#) 12h

Note \$ZS No change, this is still up and an aggressive buy but could test 75 on a correction. [Chart](#) 21d

Note \$ZS This keeps building consolidation above consolidation. The daily stochastic is in sell mode and coul recycle. Try to get this when that happens, probably around 75. [Chart](#) 25d

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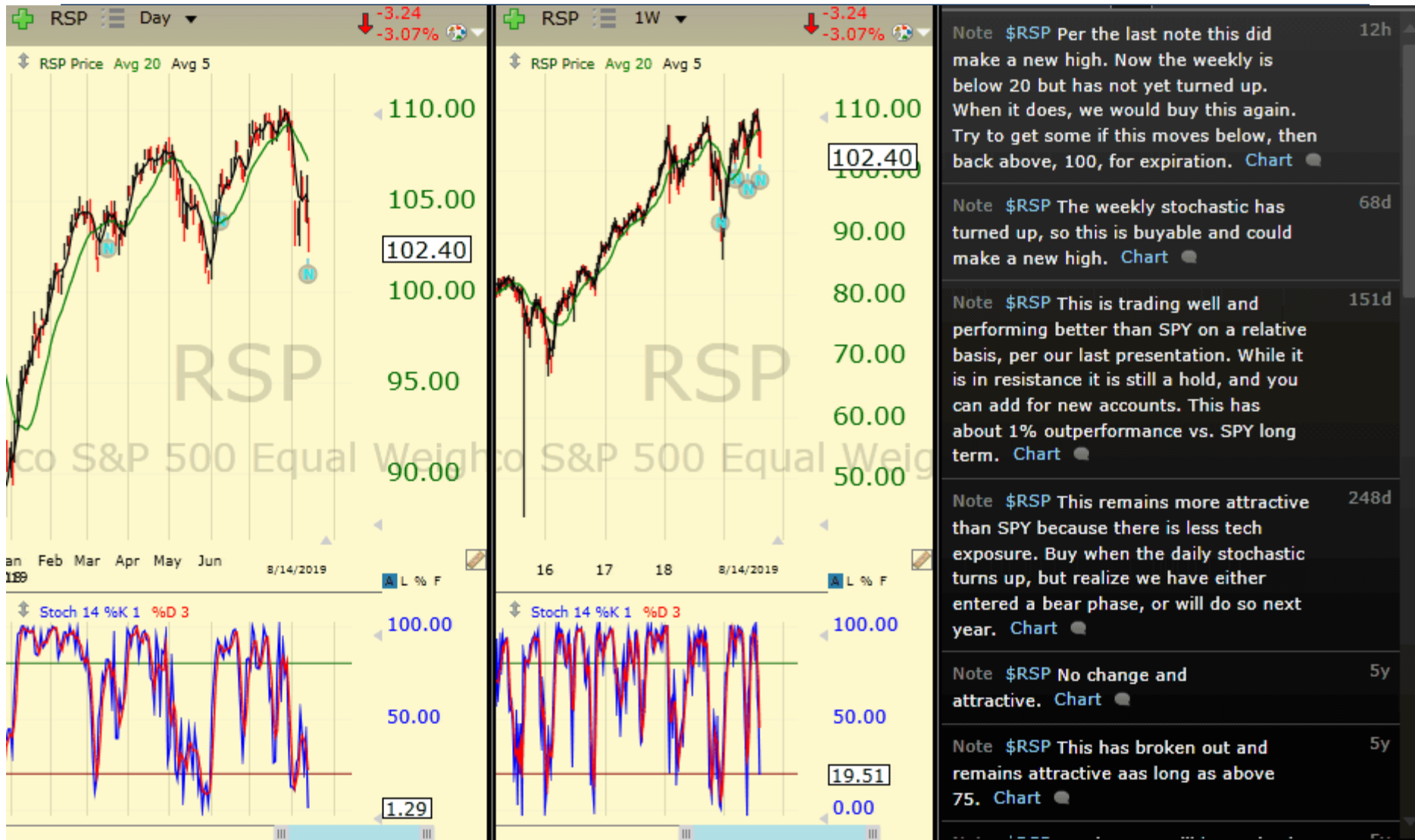
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Technical Indicators

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

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.

