

# Technical Review of Stocks

Update — 27 June 2016

## CIO Wealth Management Research

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*This report provides technical analysis on stocks that, we believe, are of a wide interest. This list is not a template for the construction of your personal portfolio. You should discuss investment decisions with your Financial Advisor. For more information about this report, see Description and Methodology in the Appendix.*

*We would like to thank Venkat Badri, an employee of Cognizant Group, for his assistance in preparing this research report. Cognizant staff provides research support services to UBS.*



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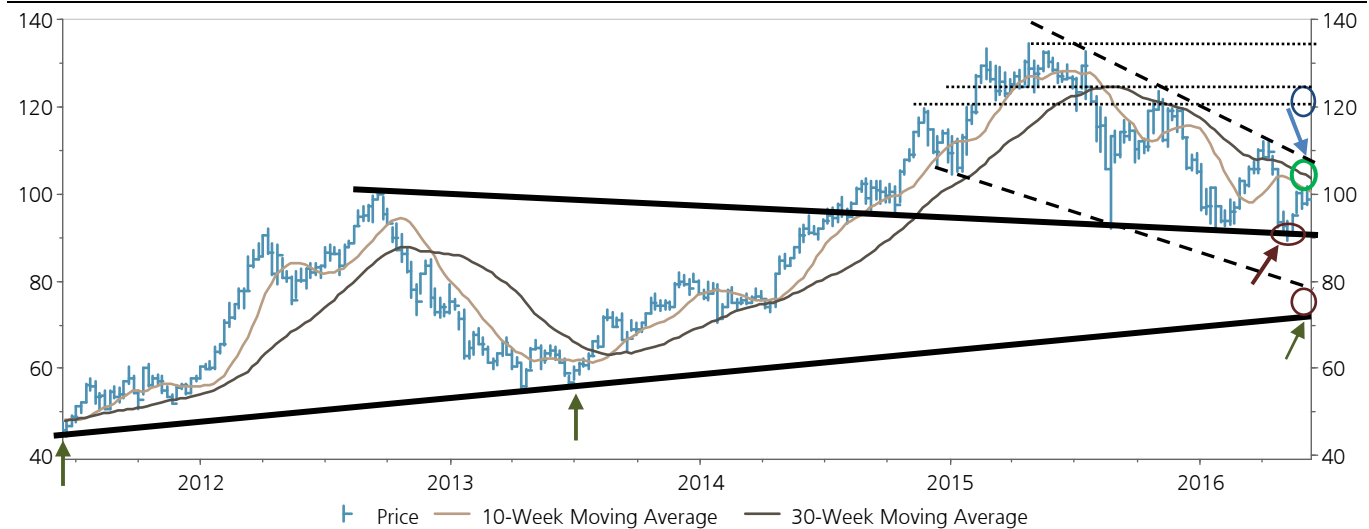
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The last update on these stocks was published on 25 May 2016. Going forward, our previously published rating for these stocks should not be relied upon.



## Apple Inc (AAPL)

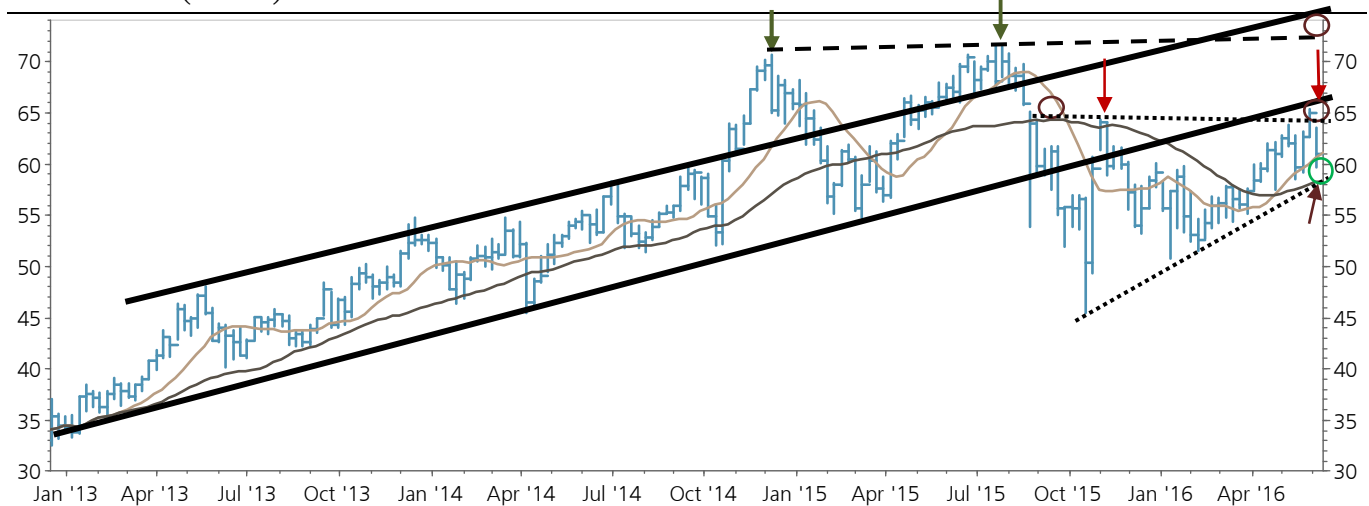


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Technology
89.5-91	85-87.5	73-75	101-104	107-112	120-125/134.5	Last Sale Price	\$93.40

**Rationale:** A negative outside month (Jul '15), seven negative outside weeks (2015-2016), a weekly death cross sell signal (Aug '15), violations of key supports at 121-123/103-104 and the Apr '16 gap down have weakened the near-to-medium term trends as evidenced by a 1-plus year downtrend channel. Violation of key initial support at 89.5-91 or Aug '15/May '16 lows and the extension of the 2014 triangle breakout warn of deeper decline toward the mid-80s and below this to the low-to-mid 70s. Key resistances are 101-104 (30-wk ma) and 107-112 (top of its downtrend).

## AbbVie Inc (ABBV)

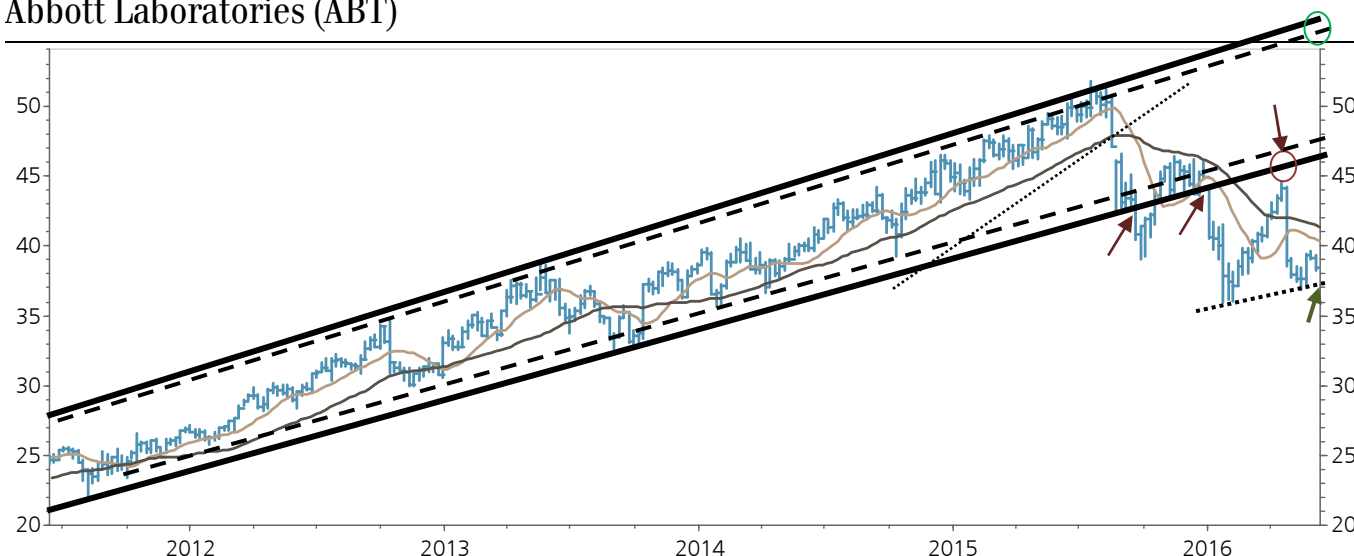


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Healthcare
58-59	54-55/50.71-	51.60/45.45	65-67	70.76-71.60	76-77	Last Sale Price	\$59.86

**Rationale:** The Aug '15 uptrend breakdown at 59.5 (Sep '15) coupled with a weekly death cross sell and negative outside weeks (7/24/15 and 8/21/15) confirm a top. After declining 36.5% the ability of ABBV to find key support at 45.46 (Oct '15) or near its 61.8% retracement (47.44) from its 2013-2015 rally has triggered an oversold rally. However, this rally has now stalled at key resistance along 65-67 or the extension of the 2013 uptrend, 76.4% retracement from 2015 decline and the Aug '2015 gap down. Key support is 58-59 (30-wk ma and uptrend) and then mid-to-low 50s.

## Abbott Laboratories (ABT)



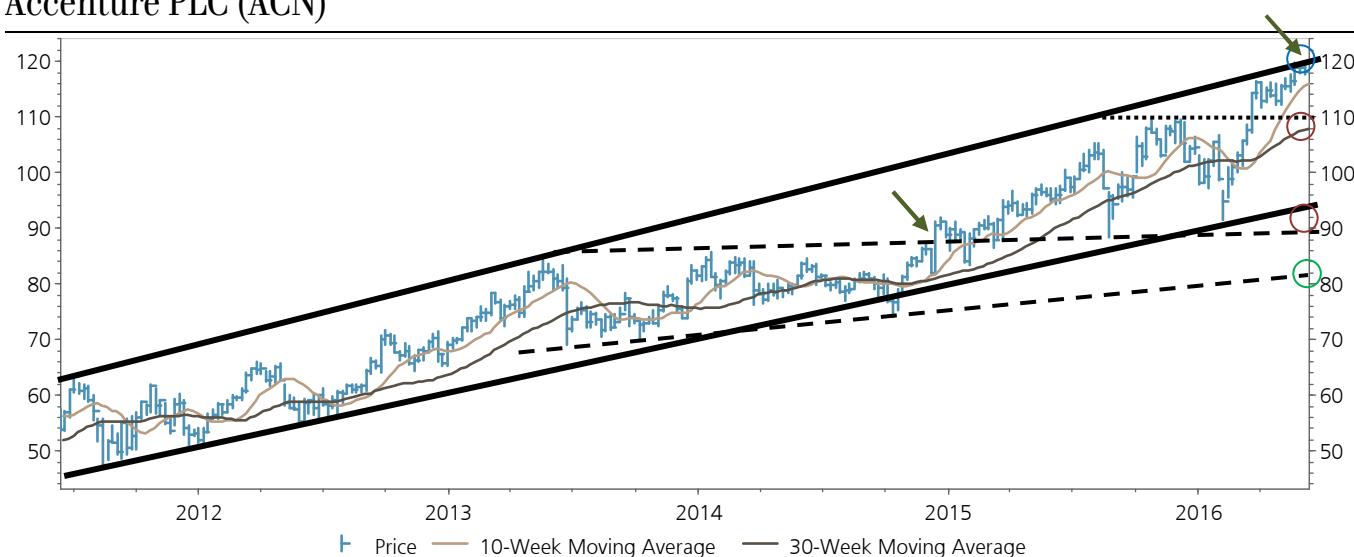
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
36-36.89	34/32	29-27	40.5-41.5	43.5-44.5	46.5-47.5/52

Technical rating	Neutral
Sector	Health Care
Last Sale Price	\$37.91

**Rationale:** A negative outside week on 8/14/15, coupled with a large gap down on 8/24/15 and a weekly death cross sell signal led to a sharp 30.42% correction from its Jul '15 high (51.74) to its Jan '16 low (36). A deeply oversold condition soon triggered a technical oversold rally that has now failed to clear above medium-term resistance near its prior 1/4/16 gap down breakdown (44.05-44.90), extension of the 2011 uptrend channel (46) and the 50-61.8% retracements from its 2015-2016 decline (43.87-45.73). Key support remains at 36-36.89 or Jan/Feb/May/Jun '16 lows.

## Accenture PLC (ACN)



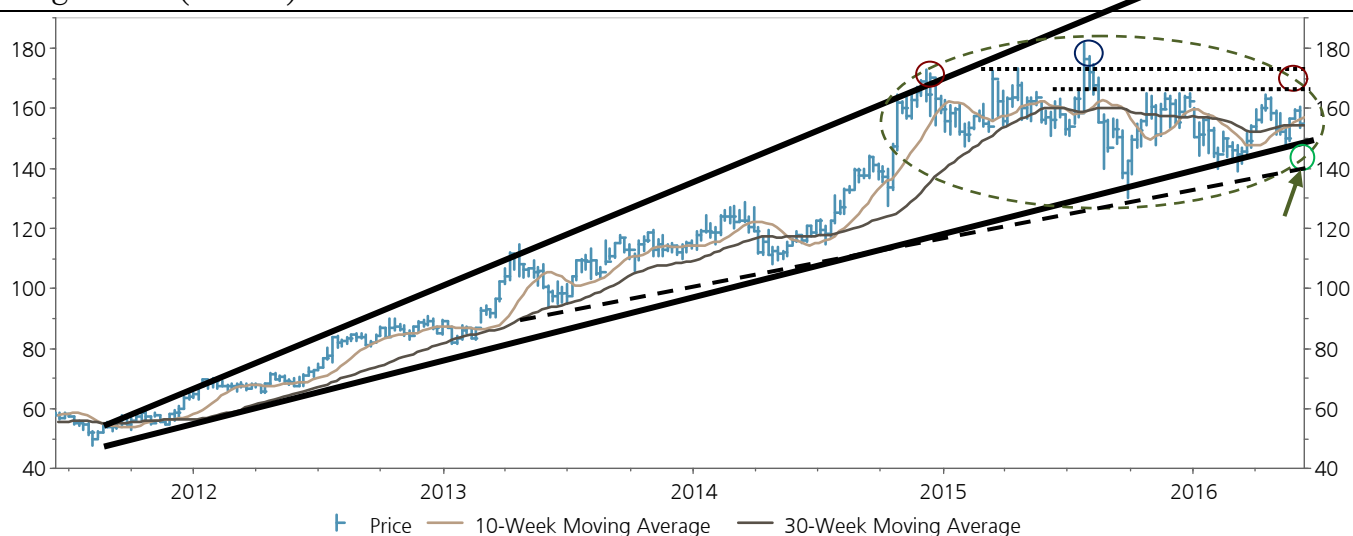
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
108-110	100-102	91-94	120-123	131-133	141-143

Technical rating	Bullish
Sector	Technology
Last Sale Price	\$108.61

**Rationale:** We retain a Bullish outlook on Accenture as evidenced by recent technical breakout above the prior all-time highs of 109-110 (Oct/Nov/Dec '15 highs). This suggests upside technical targets to the low-120s (near-term), 131-133 (medium-term), and 141-143 (long-term). Although the recent rally has been impressive an overbought condition coupled with a negative outside week on 6/24/16 and failure to clear above the top of its 2011-2012 uptrend channel warn of a correction. The 30-wk ma and the recent Mar '16 breakout at 108-110 offers key initial support.

## Amgen Inc. (AMGN)

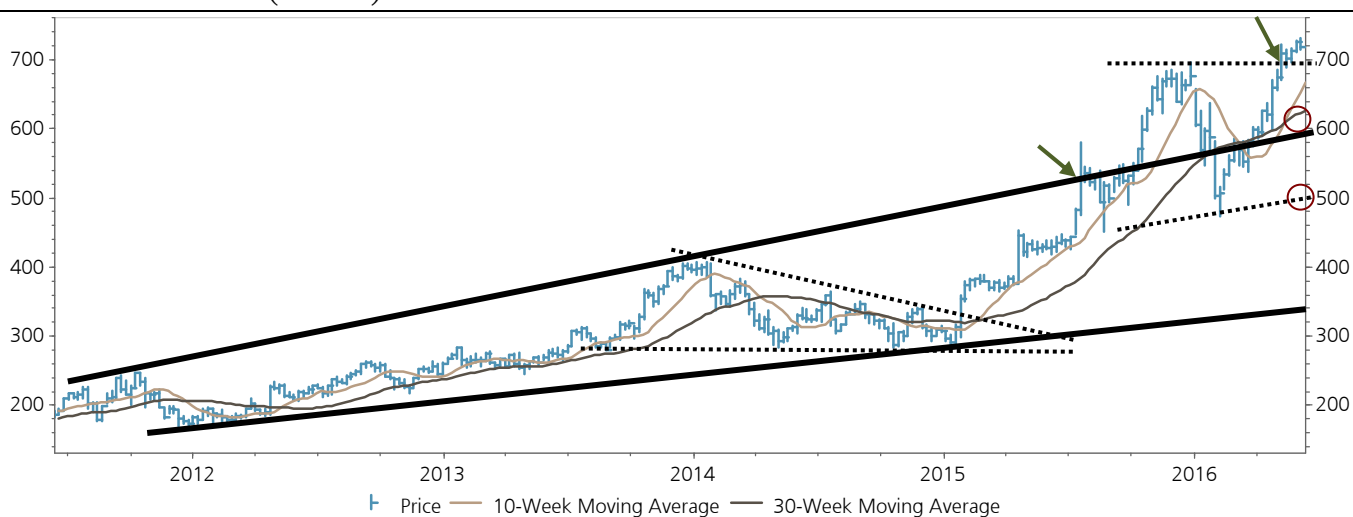


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	HealthCare
145-147	139-141/130-	128/110-115	160-165	170-173	181.81	Last Sale Price	\$146.45

**Rationale:** A Neutral technical stance remains intact for this Biotech name as the recent failure to surpass key resistance at 165-175 warns of an intermediate term top. Although a large broadening wedge/top dating back to 2011 and a potential head/shoulders top from 2015 warn of a top it has managed to retain key support at 130/139 (Oct '15/Mar '16 lows) creating a higher low and a technical base. Nonetheless, a neutral risk/reward profile, deteriorating relative strength (vs SPX) and uncertain technical patterns hint of continued volatility for this Biotech name.

## Amazon.com Inc. (AMZN)

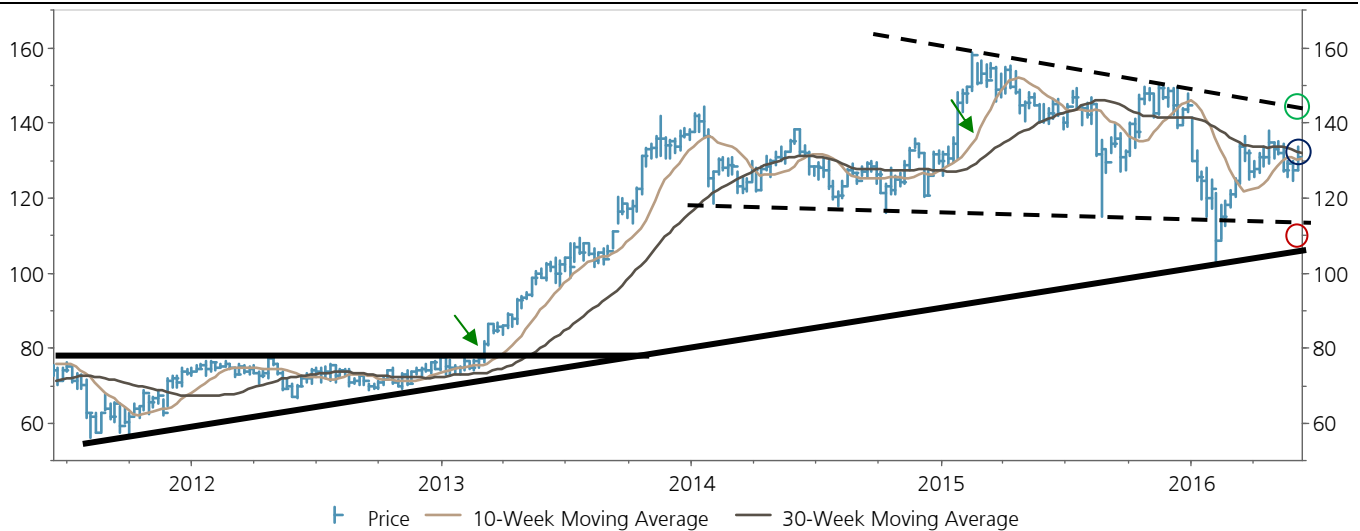


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	C. Discretionary
686-694.5	627-638/585-	600/540-560	731.5	870-885	919	Last Sale Price	\$698.96

**Rationale:** The ability to trade above its prior Jan '16 all-time high of 696.44 via two large gaps during Apr/May '16 as well as two positive outside weeks (Mar/Apr '16) have led to a rally to marginally new record highs (731.50 - 6/06/16). We recommend waiting for a pullback to allow for a better risk/reward entry point. Initial support is at 686-694.5 coinciding with the May '16 gap up, Feb '16 uptrend and the 10-wk ma. Secondary support is also available at 627-638 or the late-Apr '16 breakout and 30-wk ma.

## Boeing (BA)

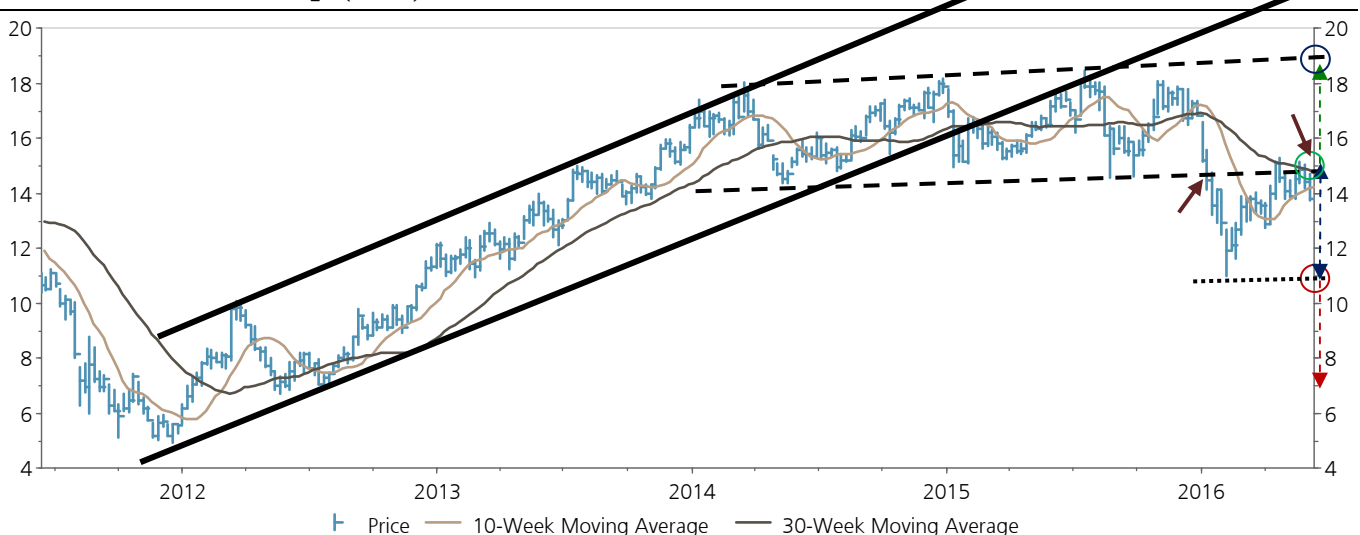


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Industrials
120-125	112-115	102-104/90-94	138-139	145-150.5	158.83	Last Sale Price	\$126.52

**Rationale:** Although the long-term trend remains favourable and higher prices are possible, over the time, a 447% rally over the past 7 years has created an overbought condition prompting a 2-year consolidation. In addition, a complex 2-year head/shoulders top pattern and negative outside week (6/24/16) warns of selling. The ability of BA to find support along its 2009 uptrend in Feb '16 prevented a deeper setback. Key resistance remains at 138-145 or near the Mar/Apr '16 highs and the 2015 downtrend. Initial support moves up to 120-125 and then to 112-115.

## Bank of America Corp (BAC)

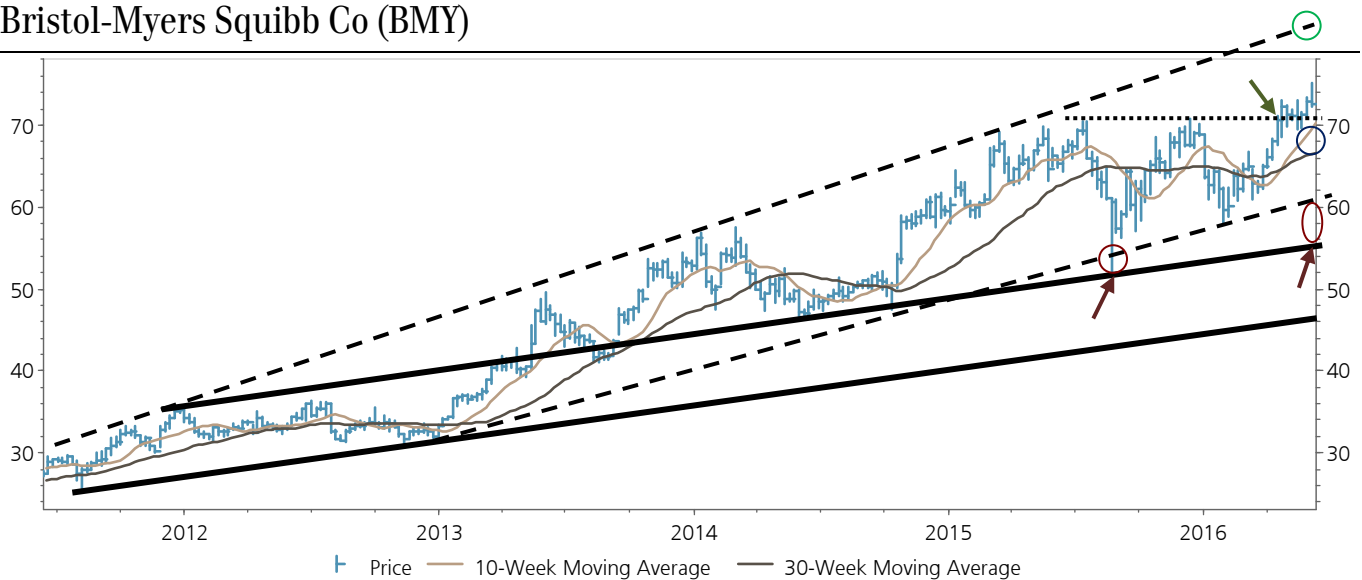


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Financials
12.75-13.02	10.99-11.65	10/8.06	14.75-15.5	16.5-16.75	18-18.5	Last Sale Price	\$13.00

**Rationale:** We retain a Neutral technical stance as BAC has violated the bottom of a well-defined 5-year uptrend channel (16-16.5) as well as traded below the bottom of its 2-year trading range (14.5-15). The Aug '15 to Feb '16 correction of 40.53% decline from Jul '15 high has led to a deeply oversold condition prompting the recent technical oversold rally. The rally from the Feb '16 lows at 10.99 has stalled along 14.5-15.62 corresponding to the 50-61.8% retracement from Jul '15 to Feb '16 decline, 30-wk ma and the Jan '16 breakdown. Key initial support is 12.75-13.02.

## Bristol-Myers Squibb Co (BMY)

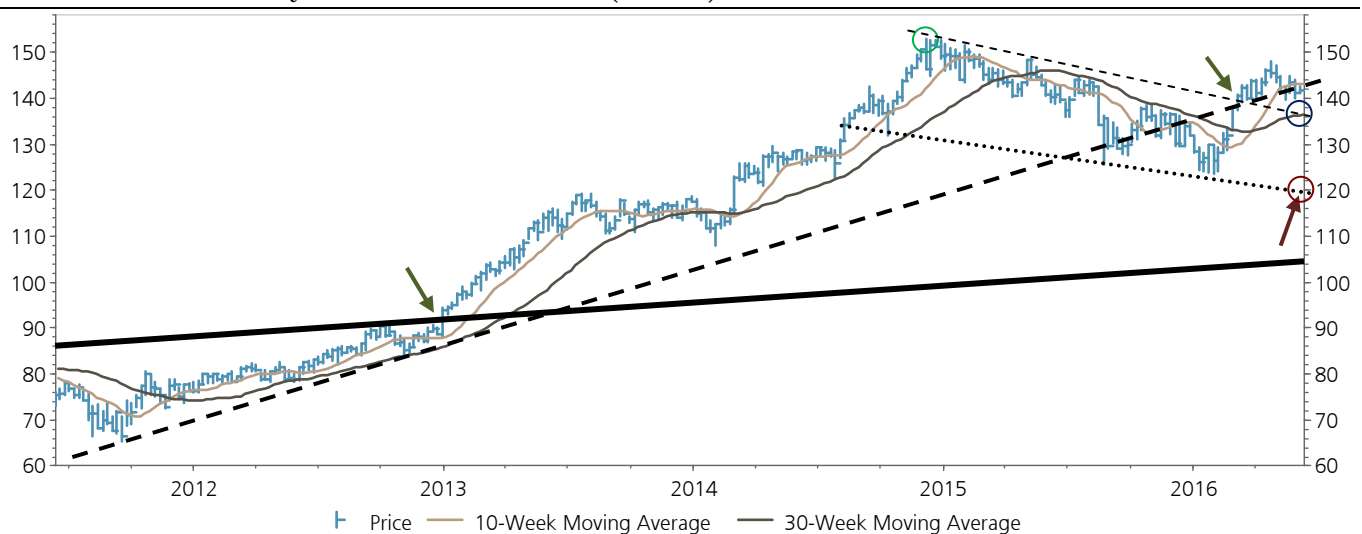


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	HealthCare
67-70	62-63/57-58	49-51.83/46.3	73-74	83-85	89-91	Last Sale Price	\$70.61

**Rationale:** After rallying 341% rally from its 2008 bottom (16) to its Jul '15 high (70.54) an overbought condition prompted a consolidation back to the low-50s (Aug '15). A nearly 1-year consolidation is constructive as this alleviates an overbought condition setting the stage for the recent Apr '16 breakout above the low-70s. This breakout confirms a bullish ascending triangle breakout and renders next upside targets to the mid-70s (near term), 83-85 (medium term), and then 89-91 (longer-term). Initial trading support moves up to 67-70 or 30-wk ma and then the low-60s.

## Berkshire Hathaway Inc. – Class B stock (BRK.B)



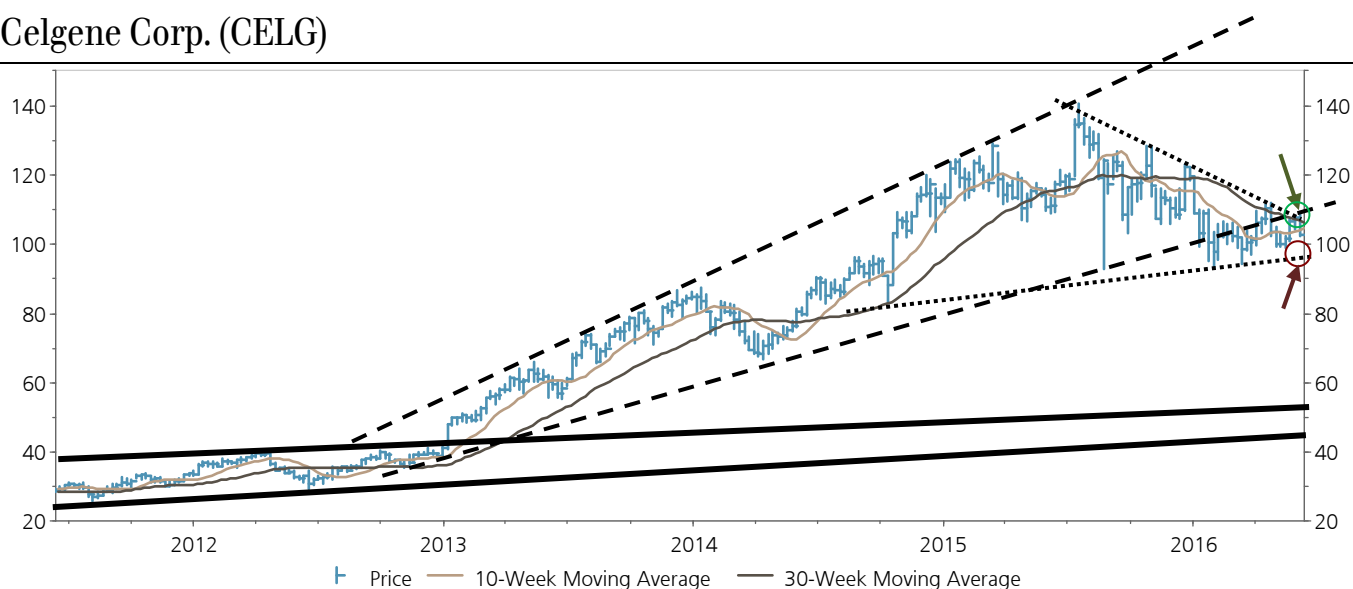
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Financials
137-138	123-125.5	116-119/106	148-148.5	153/156-160	175-180	Last Sale Price	\$139.71

**Rationale:** The Aug '15 violation of the 2013 uptrend at 141-144 and a subsequent weekly death cross signal warn of a correction. However, the longer-term trend is still favourable and relative strength against SPX remains positive. This suggests that the 19.22% setback over the past year is a correction within a primary uptrend. A recent downtrend channel breakout above 138-141 or above its Oct/Nov '15 highs and the 50-61.8% retracement from 2014-2016 decline signal a retest of its all-time highs (152.04). On the downside, key initial supports are 137-138 and then 123-125.



## Celgene Corp. (CELG)

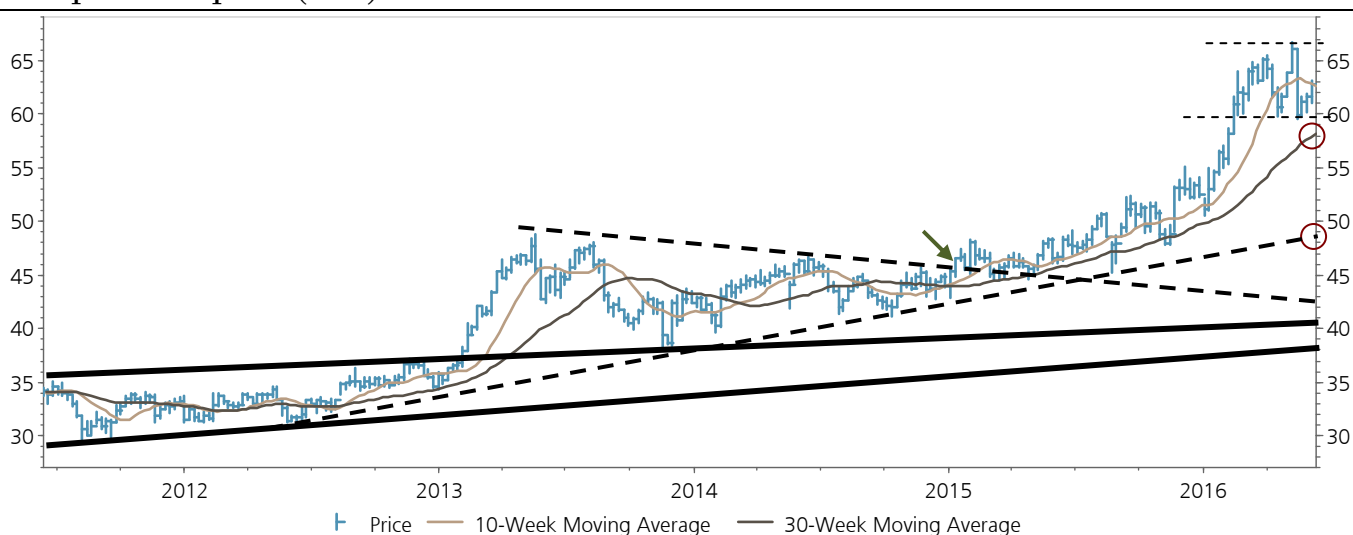


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	HealthCare
93-94	83-87/79.5	71-74/65-67	105-108.5/110-	112/122-128	136.4/140.72	Last Sale Price	\$96.29

**Rationale:** We continue to recommend a defensive technical stance on CELG as the 2012 uptrend trend breakdown below the low-100s (Jan '16) warns of a major top. Next key support is near neckline support at 93-94 (2015/2016 lows) and the 38.2% retracement (94.01) from 2009-2015 rally. Recent negative outside weeks (Apr/Jun '16) also reaffirms deteriorating conditions. Violation of 93-94 suggests downside risks to 79.5-83 (50% retracement/Oct '14 lows) and below this to 65-67 (61.8% retracement/Apr '14 lows). Key initial resistance resides near 105-108.5 and 110-112.

## Campbell Soup Co. (CPB)

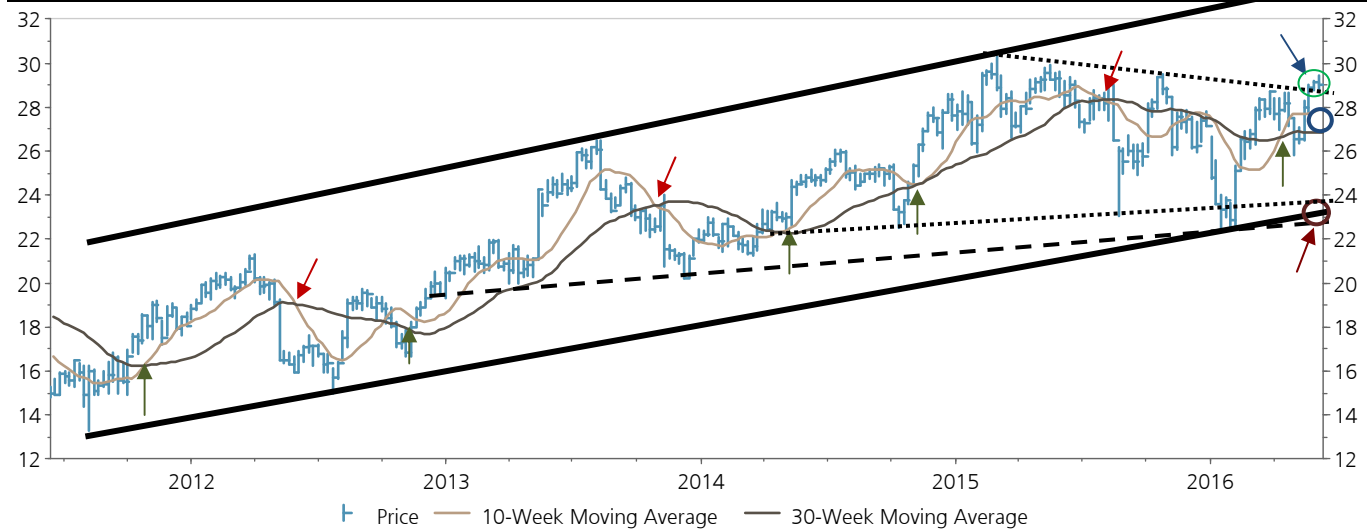


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Cons. Staples
59-60	55-57.25/52-53	48-50.5/45.25	65.5-66.75	69-70	74-76	Last Sale Price	\$62.40

**Rationale:** An ascending triangle breakout (above high-30s in early-2013), a subsequent breakout above a two and half year accumulation pattern (above high-40s in mid-2015) and the 2001 channel breakout (above 52 in late-2015) still renders upside technical targets toward the mid-70s, over time. However, the recent sharp rally to 66.75 (5/12/16) has created an overbought condition. In addition, a daily gap down (5/20/16) and negative outside month (May '16) hint of a consolidation to the high-50s (57-59.5) or the 30-wk/10-mo ma before the resumption of primary uptrend.

## Cisco Systems Inc (CSCO)



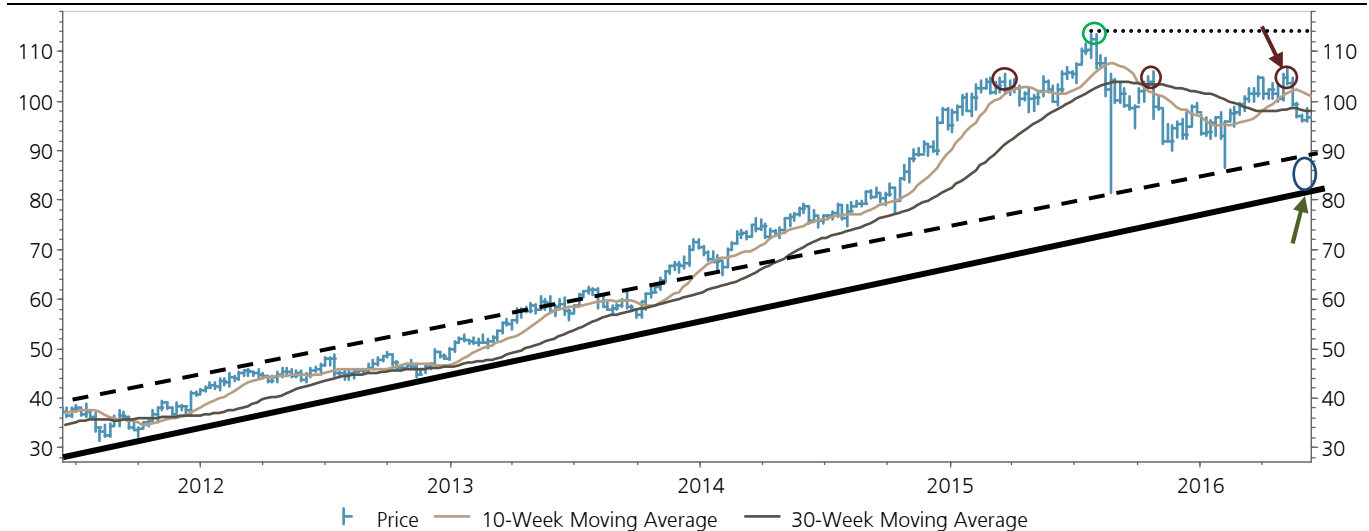
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
27-28/25-25.75	23.13-24.09	21.5-22.5/20.2	29-29.5/30.31	33.6-34.24	36-37/43-45

Technical rating	Bullish
Sector	Technology
Last Sale Price	\$27.75

**Rationale:** A symmetrical triangle has developed over the past 2-years. The recent gap on 5/19/16 and a convincing move above 29-29.5 confirm a key technical breakout and renders next targets toward the Mar '15 highs at 30.31 (near-term), 33.6-34.24 (medium-term), 36-37 (intermediate term), and then to 43-45 (long-term). On the downside, initial support now rises to as high as 27-28 coinciding with the 5/19/16 gap and the 30-wk ma. Secondary support also moves up to 25-25.75 or May '16 lows and below this to 22.5-23 corresponding to the late-2014/2015/2016 lows and 2011 uptrend.

## CVS Caremark Corp. (CVS)



Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
90-92	85-87/81-82	76-77.5	99-100/105-	106.5/113.65	119-120

Technical rating	Neutral
Sector	Cons. Staples
Last Sale Price	\$93.54

**Rationale:** A breakout above the top of its 2012 channel at 89-90 and a gap up on 1/8/15 led to a record high of 113.65 on Aug '15. Since the peak the trend has reversed direction, as CVS fell 28.4% in a series of multiple gap downs. The selling soon stabilized at 81.37 (Aug '15 low) or just above its 38.2% retracement (80.49) from the 2010-2015 rally. Although a higher-low pattern on 86.5 (Feb '16 low) remain intact, it may have also reinforced a one-plus year head/shoulders top pattern. Key neckline support is visible at 90-92 and the left/right shoulders are 105-107.

## Chevron Corp (CVX)



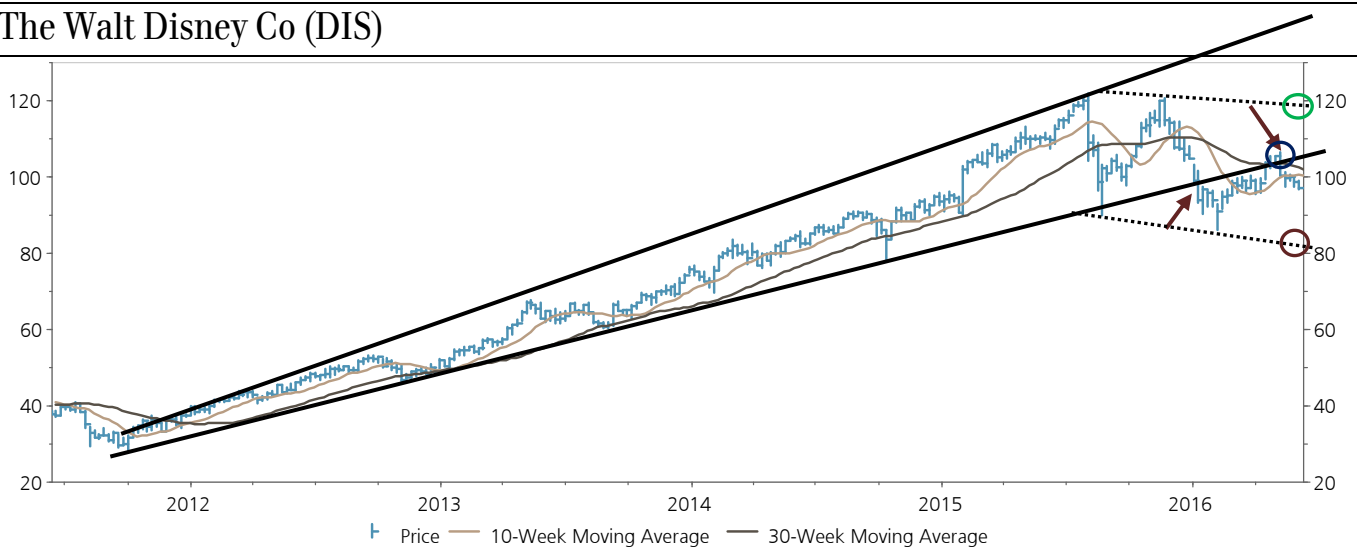
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
98-99/92-94	81-83/75-76	69.58/66.83	110-112	118-120/127-	128/135.10

Technical rating	Neutral
Sector	Energy
Last Sale Price	\$101.90

**Rationale:** The ability to find key support at 69.58 (Aug '15) coupled with a higher-low pattern at 75.33 (Jan '16) hint of the potential for a major bottom. The recent breakout above key resistance at 98.5-102.5 coinciding with the 2015 breakdown and the 50% retracement from its 2014-2015 decline) confirm the 2015-2016 lows and reaffirm an intermediate-term recovery. The relative strength (against SPX) and price momentum have improved over the past few months. Upside to 110-112 is possible, medium-term. Initial support moves up to 98-99 and then to 92-94.

## The Walt Disney Co (DIS)



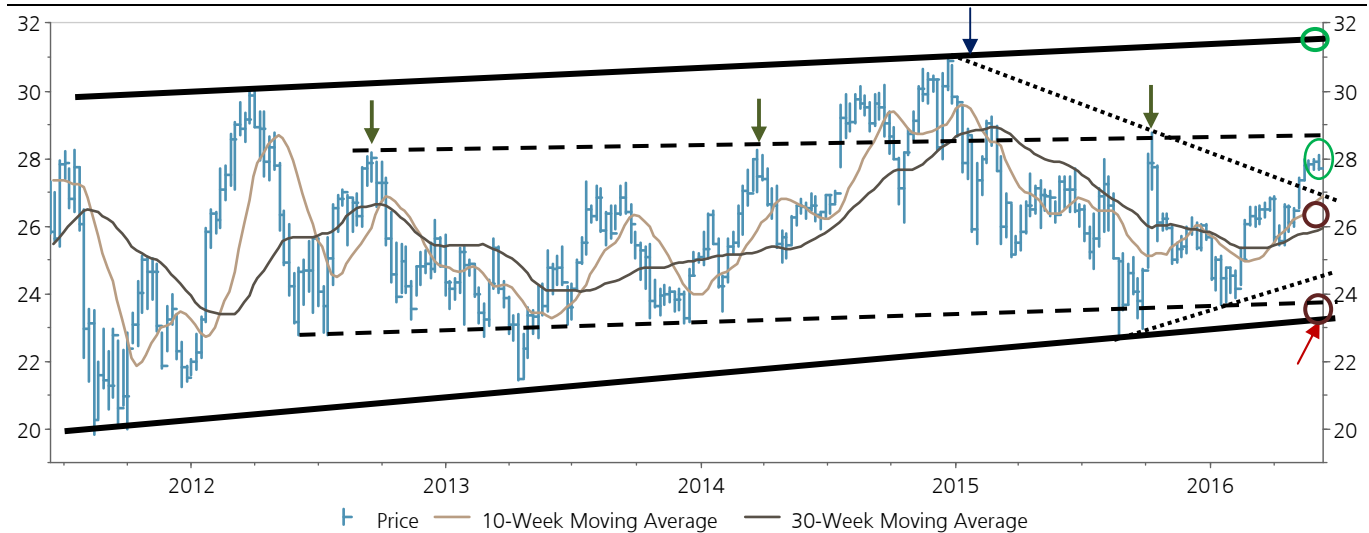
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
95-97	90-93/86.25	75-78.5/64-68	101-103	105-107.5/112-	115/120-122

Technical rating	Neutral
Sector	Cons. Disc.
Last Sale Price	\$95.72

**Rationale:** Although the longer-term trend remains favourable, this Consumer Discretionary name has weakened as evidenced by a negative outside month (Aug '15), gap downs (Dec '15/Jan '16), negative outside weeks (8/7/15, 12/18/15, and 5/13/16) and a bearish ascending broadening wedge formation. A 3-month head/shoulders top also warns of distribution/selling pressures. Key initial support is at 95-97 or the Mar/Apr/May '16 lows (neckline support). Breakdown here suggests 90-93 and below this to the Feb '16 lows at 86.25. Key initial resistance is at 101-103.

## EMC Corp (EMC)

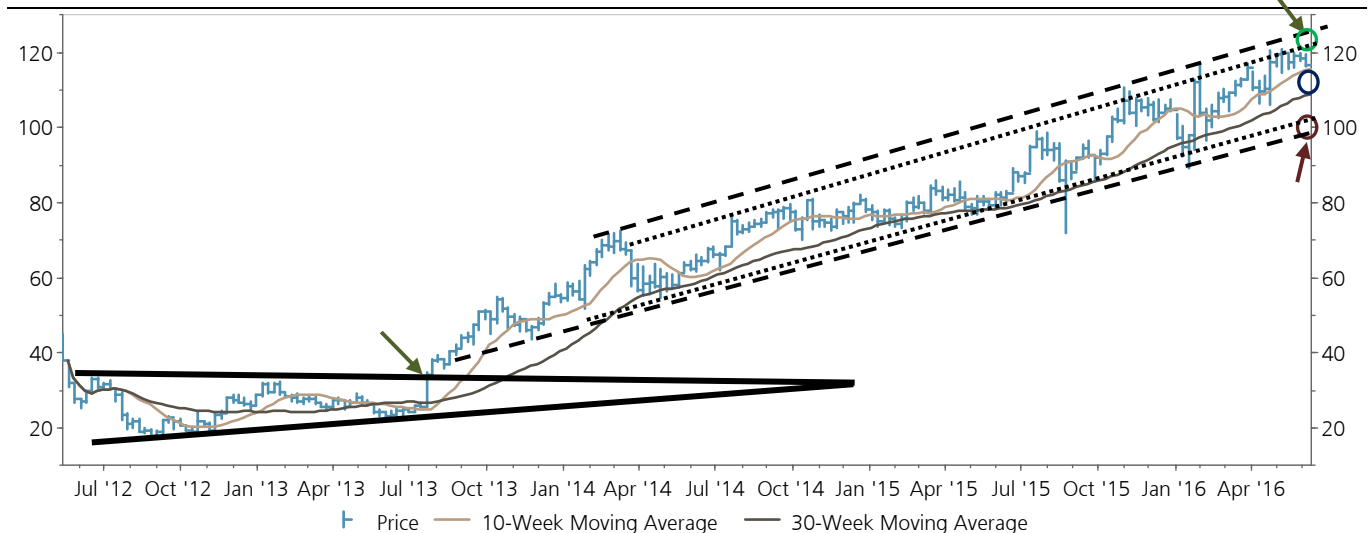


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Technology
25.5-26.5	23.5-24.5	22.66/20	27-29	30.92-32	34-36	Last Sale Price	\$27.29

**Rationale:** Our Neutral technical stance on this Technology name is based primarily on the large trading range over the past 5-years. Since 2011, EMC has been confined to a 10-point trading range between 23 +/- 1 on the downside and 31 +/- 1 on the upside. The ability to maintain above 23 during the 26.71% decline in 2015 prevented a deeper downturn and allows for the recent rally, which is now challenging key supply at the 2015 downtrend (27.5) and left/right shoulders of a head/shoulders top pattern at 28-29. A breakout here renders a retest of the top of the band (low-30s).

## Facebook Inc. (FB)

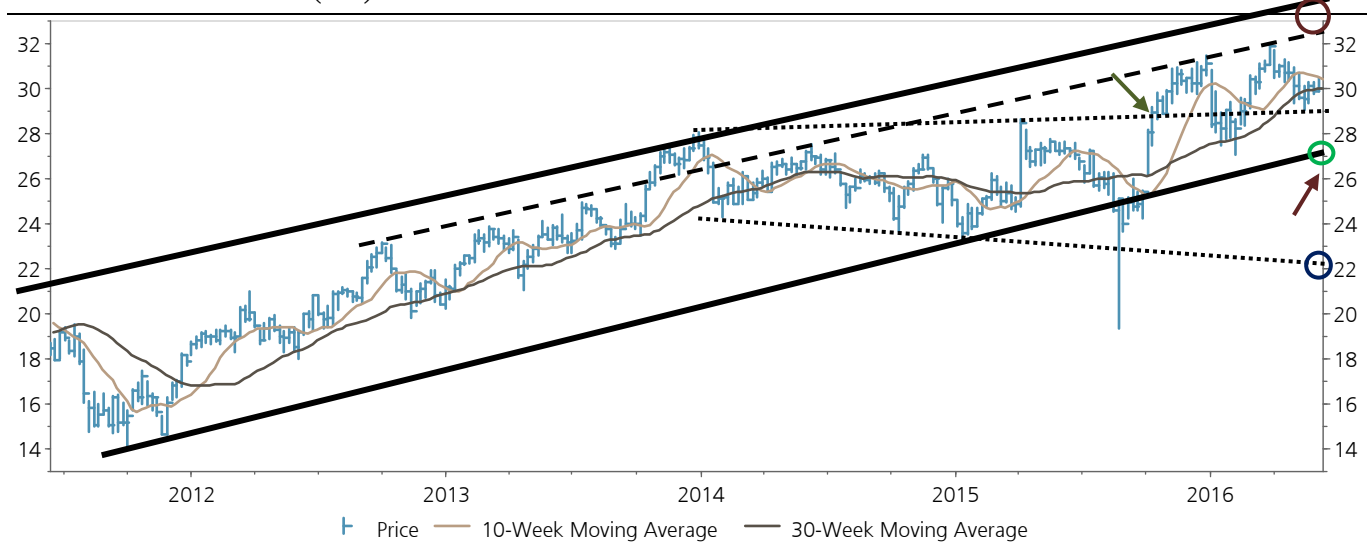


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Technology
106-109	94-96	90-92/86	116.99-117.59	121/125-127	135-137/145	Last Sale Price	\$112.08

**Rationale:** The primary trend (starting from May '12) remains bullish and a breakout above 45 during Sep '14 led to a steeper uptrend channel between the mid-to-high 90s and the low-to-mid 120s. A convincing breakout above the upper end of its range renders next upside targets to the mid-130 and then to the mid-140s. Initial support is at 106-109 or Apr '16 lows and 30-wk ma and then the low-to-mid 90s. On a near-term basis, a daily gap down on 6/13/16 warns of a consolidation that may close the large 4/28/16 gap up (109). Key resistance is at 117-117.5 and then 120-121.

## General Electric Co (GE)

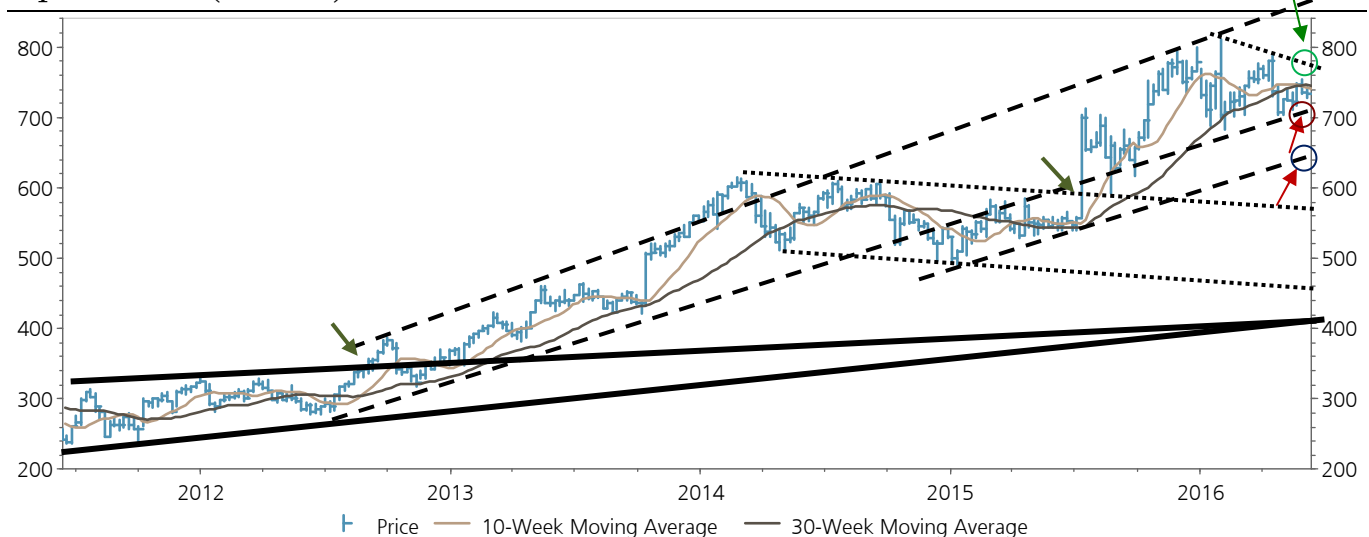


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Industrials
28.4-29/27.10	25.49-26.22	23.5-24/21-22	32-33.5	37.75-38.5	39.5/42.08	Last Sale Price	\$29.82

**Rationale:** The 2000 breakout above 26.5 in Nov '13 (not shown) and the surge above its 61.8% retracement (28.19) from the 2007-2009 decline signalled a longer-term GE recovery. Nonetheless, GE also declined 26.4% during the broad Aug '15 market correction falling to a low of 19.37. Despite this setback, GE still retains a well-defined 5-year uptrend channel. Key resistance is at 32-33.5 or the top of the channel, 2008 breakdown and 76.4% retracement from 2007-2009 decline. Key support is at 26.22-27.10 or bottom of its channel, Oct '15 gap up and the Feb '16 lows.

## Alphabet Inc (GOOGL)

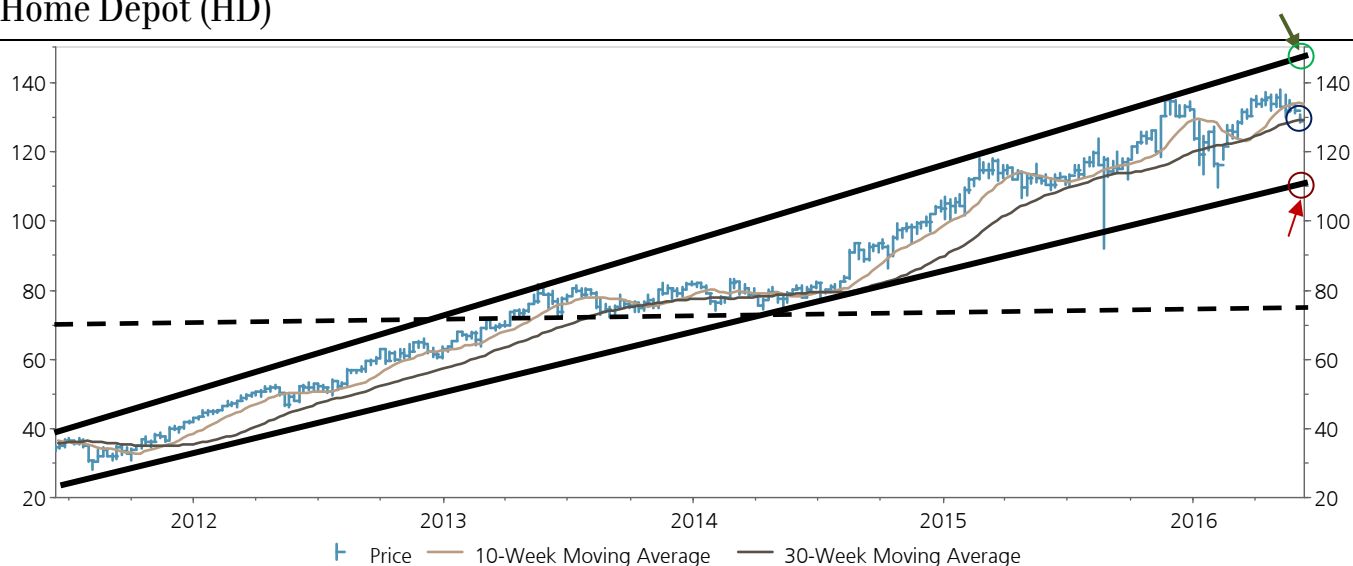


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Technology
682-703	651/613-618	585-593/566	740-753	791-810/840-	850/905-910	Last Sale Price	\$685.20

**Rationale:** A 2-year downtrend channel breakout in Jul '15 confirmed the re-emergence of a Tech leader. This strong rally has stalled during the week of 2/5/16 near 810.35 or at the top of the 2012 uptrend channel. A negative outside week (2/5/16) and a negative outside months (Feb/Apr '16) warned of a correction. The consolidation quickly found key support at 682.01 (2/8/16) as three positive outside weeks during Feb/Mar/Apr '16 triggered another rally. However, a negative outside week/month during 4/22/16 now warns a trading range between 682-703 and 791-810.

## Home Depot (HD)



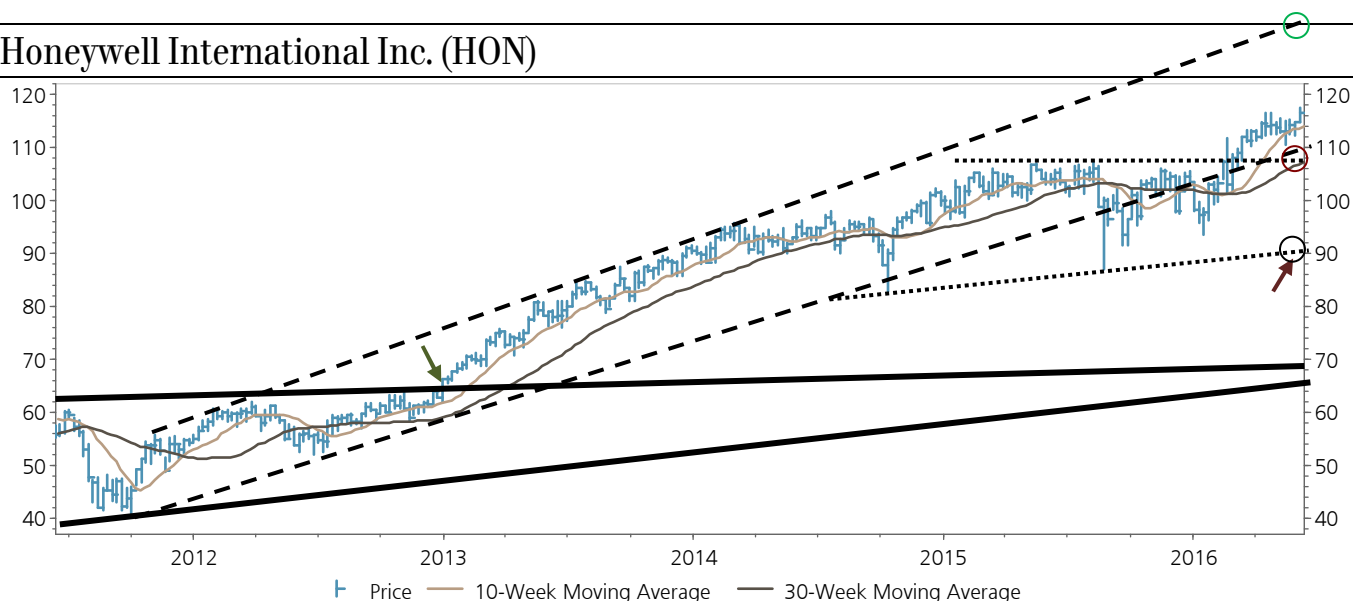
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
124-125	116.5-118/110-	112/92.17	135.5-138	145-150	160-162

Technical rating	Bullish
Sector	C. Discretionary
Last Sale Price	\$126.40

**Rationale:** HD remains in a longer-term uptrend as long as it retains above the 2011 uptrend channel (111). Nonetheless, the rally since 2008 has appreciated 689% over the past 7 years. This is similar to the 1995-2000 rally (+757%). Based on the 2013 breakout above 70, HD has already exceeded its technical target of 123 trading to a high of 137.82 (5/10/16). Although higher prices to 145-150 (top of channel) is still possible, a negative outside week (5/13/16) coupled with a convincing break of its 10-wk/30-wk ma (134/129) warns of a correction to 124-125 and then 116.5-118.

## Honeywell International Inc. (HON)



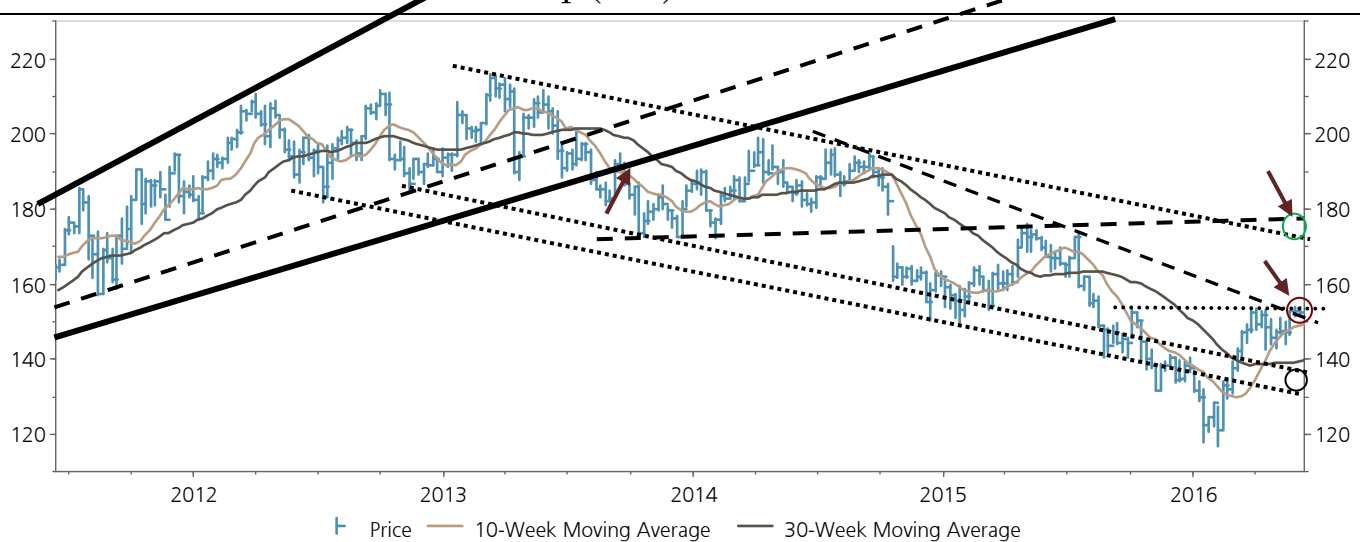
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
107.5-111	98-100/92-94	87-90/82.89	116.56-118.5	121-122	127-129

Technical rating	Bullish
Sector	Industrials
Last Sale Price	\$112.98

**Rationale:** We maintain a Bullish technical view on this Industrials name due to its large 13-year breakout at 63/69 during the late-2012/early-2013 (not shown). This breakout renders upside targets to 118.5. A recent ascending triangle breakout above 107 also renders upside targets to 121-122 and then to 127-129, longer-term. Nonetheless, an overbought condition and a negative outside week (6/24/16) suggest a correction to initial support at 107.5-111 (May '16 lows, Feb '16 breakout and the 30-wk ma). Secondary support is 98-100 (Aug '15 uptrend and 1/29/16 gap up).

## International Business Machines Corp (IBM)

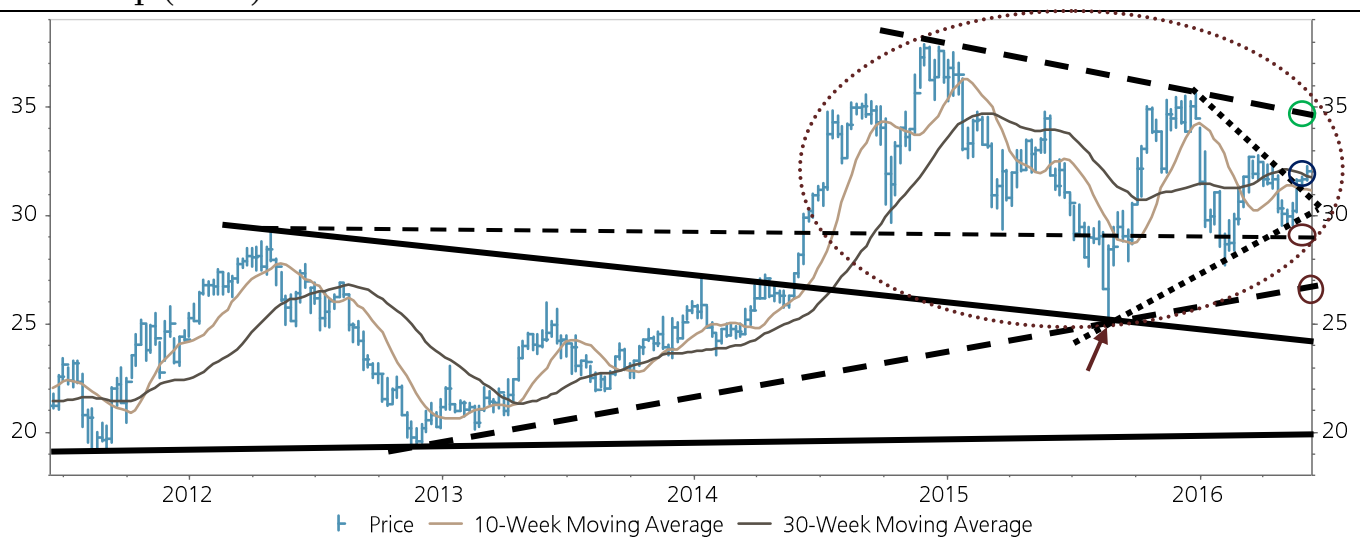


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Technology
140-143	130-132/126-	127/117-118	153-155/164-	166.5/172-176	192.5-199/216	Last Sale Price	\$146.59

**Rationale:** A 45.83% decline from the Mar '13 highs (215.82) to a recent Feb '16 lows (116.9) basically achieved crucial downside support coinciding with the 2010 breakout (128) and 61.8% retracement (125) from 2008-2013 rally. The ability to maintain this support coupled with a large gap up on 2/18/16 triggered a technical recovery that is now approaching key resistance at 153-155 or the Oct '15 high, Sep '14 downtrend and 38.2% retracement from 2013-2016 decline. Failure to breakout here suggests a pullback to 140-143 (30-wk ma/Apr/May lows) and below this to 130.

## Intel Corp (INTC)



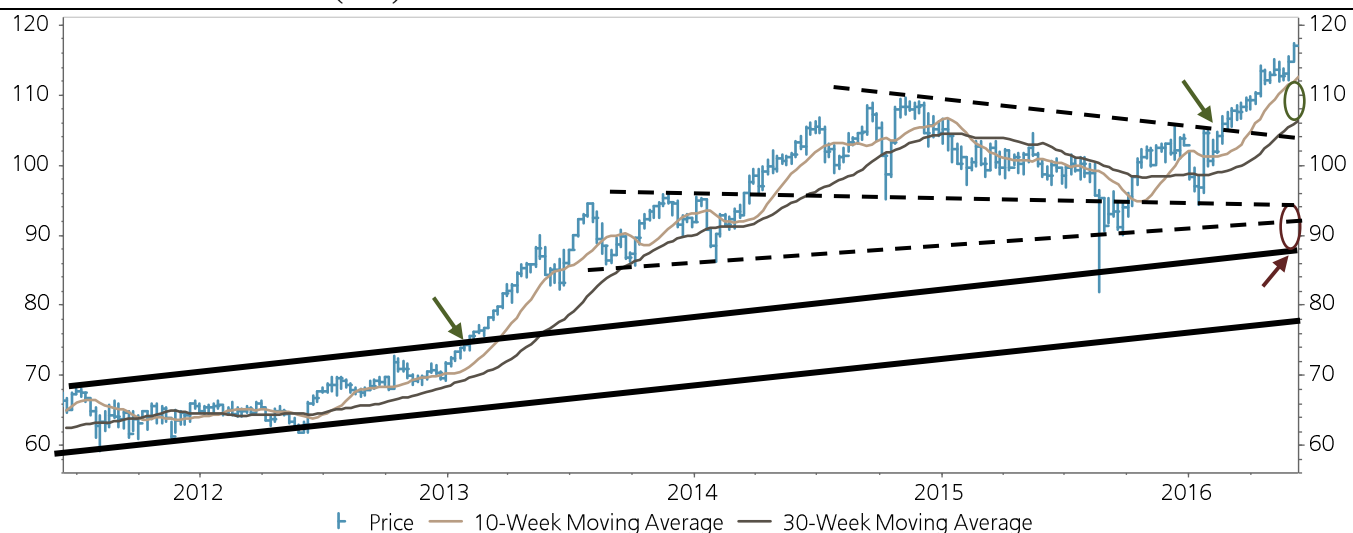
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Technology
28.5-29	27-27.68/26	24.87/23	32.75-33	34-35.5/36.35-	37.9/44-46	Last Sale Price	\$31.55

**Rationale:** A 12-year head-and-shoulders bottom breakout (29.5) on Jun '14 suggests an upside target to 45.5. The ensuing rally stalled at 37.9 (Dec '14) as an overbought condition led to a consolidation over the past 2-years between mid-to-high 20s and mid-to-high 30s. The triangle is currently converging toward its apex. A breakout above 34-35.5 (top of the triangle) suggests 36.35-37.9 (2002/2014 highs/38.2% retracement from 2000-2009 decline) and above this to 44-46 (50% retracement/target). Key support is at 29.5-30/27.68 (bottom of triangle and Feb/May '16 lows).



## Johnson and Johnson (JNJ)



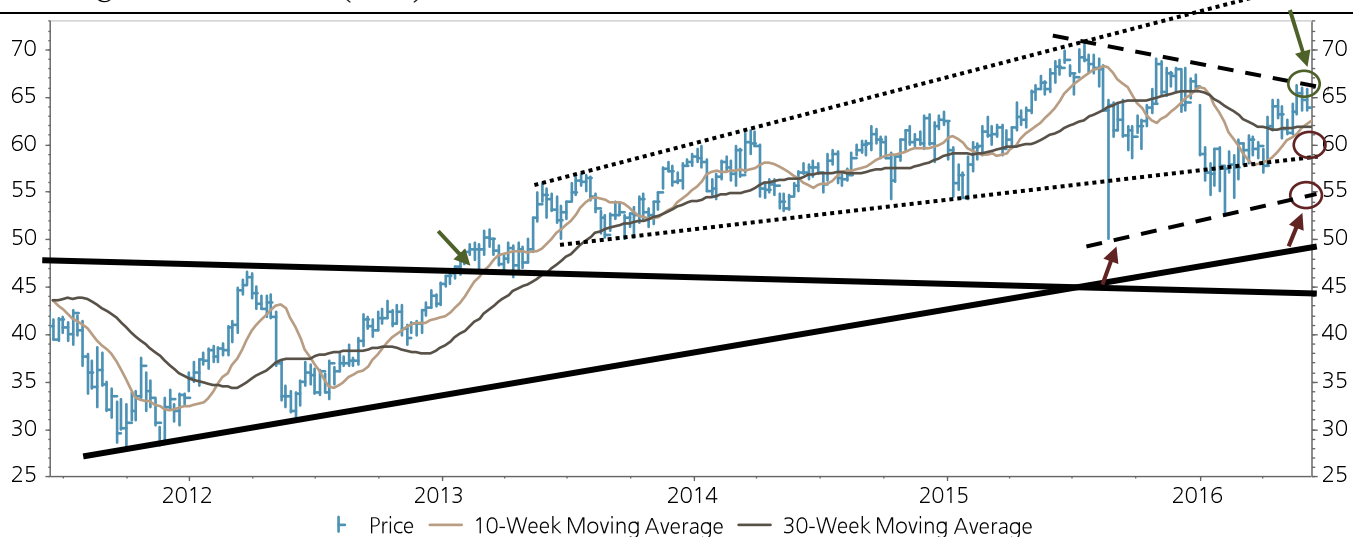
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
112-114/107-	109/103-105	94-97/90-91/82	117.74	130-133	137-139

Technical rating	Bullish
Sector	Healthcare
Last Sale Price	\$115.63

**Rationale:** We retain a Bullish technical outlook on JNJ as a large multi-year channel breakout above the mid-to-high 70s during 2013 signals the start of a major rally. This leadership Healthcare name quickly achieved its medium term technical targets in the low-110s (Nov '14 - 109.5). An overbought condition coupled with a weekly death cross sell signal promptly led to a 25.3% correction that found a bottom at 81.79 (Aug '15). Recent breakout above 105 in late-Feb '16 suggests upside to 132-133. Key initial support moves up to 10-wk/30-wk ma at 111.5-114 and 107-109.

## JPMorgan Chase & Co (JPM)



Source: FactSet, UBS, as of 24 June 2016

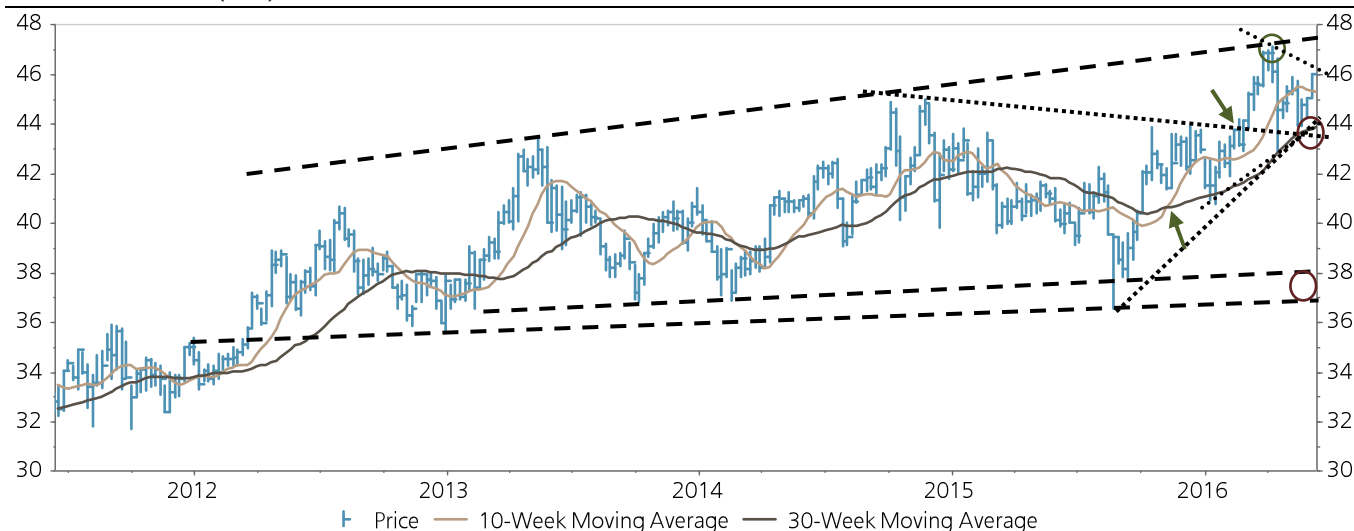
Support levels			Resistance levels		
First	Second	Third	First	Second	Third
59-61/54-55	50-52.5	42-45	64-66	68-70.5	83-85/90-92

Technical rating	Neutral
Sector	Financials
Last Sale Price	\$59.60

**Rationale:** The longer-term trend is Bullish and the medium-term trend remains Neutral as a symmetrical triangle pattern is not yet resolved. A multi-year breakout above 53.29 during mid-2013 still renders upside targets to the mid-80s to the low-90s, longer-term. Nonetheless, a large downside gap on 1/4/16 (64-66) and the top of the triangle at (65.75) provide formidable resistance. An island reversal pattern during 2/11/16 (54-55) and the bottom of the triangle (54.5) hint of a bottom. Shorter-term, there is key initial support at 59-61 (4/13/16 gap up and the May/Jun '16 lows).



## Coca Cola Co (KO)

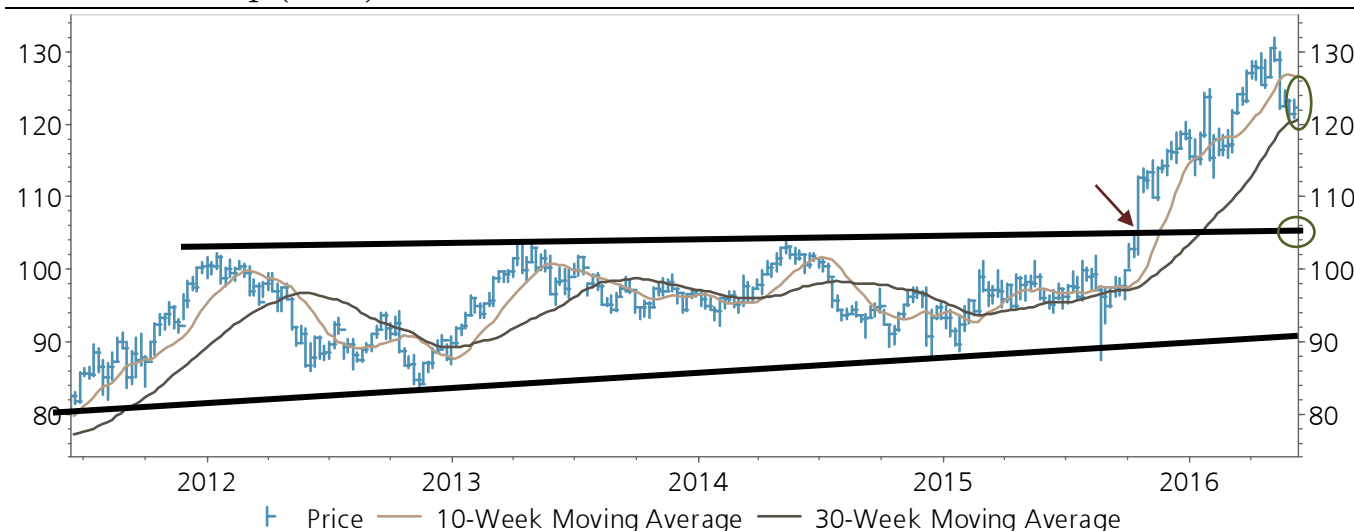


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Cons Staples
43.4-44	40.75/39-39.5	36-37	47.13	50-51/53.5-55	58-60/68-70	Last Sale Price	\$43.93

**Rationale:** We maintain a bullish technical view on this consumer staples name as a recent breakout above 43.5-44 may be confirming a major breakout of a long-term technical base dating back to 1998 (not shown) as well as medium-term triangle formation (shown). On a shorter-term basis, a 3-mo symmetrical triangle pattern between 43 and 47 is converging sharply. A confirmed breakout above 46-47 would reaffirm the next bull rally to upside targets near the low-to-mid 50s, medium term. Key support is at 43-45 or the Apr/May/Jun '16 lows, 30-wk ma, and prior breakout.

## McDonald's Corp (MCD)

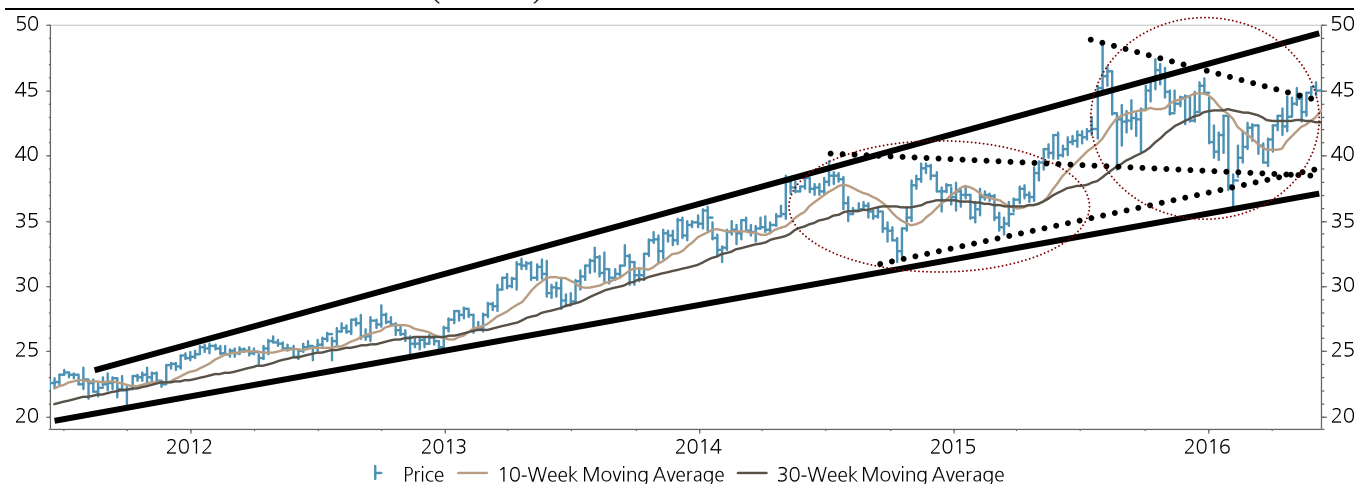


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	C. Discretionary
118-121	113-116/105-	107/102/91	131.96	132-133	140/150	Last Sale Price	\$119.44

**Rationale:** A breakout above 105-107 confirms a breakout above the top of a well-established 5-year ascending triangle. This breakout as well as a subsequent late 1990s internal channel breakout above 118-119 (not shown) during late-Dec '15 render next upside targets to 122.5-125 (near-term), 131.96 (intermediate), and 140-150 (longer-term). MCD has quickly achieved two of our technical targets. An overbought condition and a negative outside month (May '16) signal a correction to initial support at 118-121 (30-wk ma) and below this to 113-116 (Jan/Feb/Mar 2016 lows) and 105-107.

## Mondelez International Inc (MDLZ)



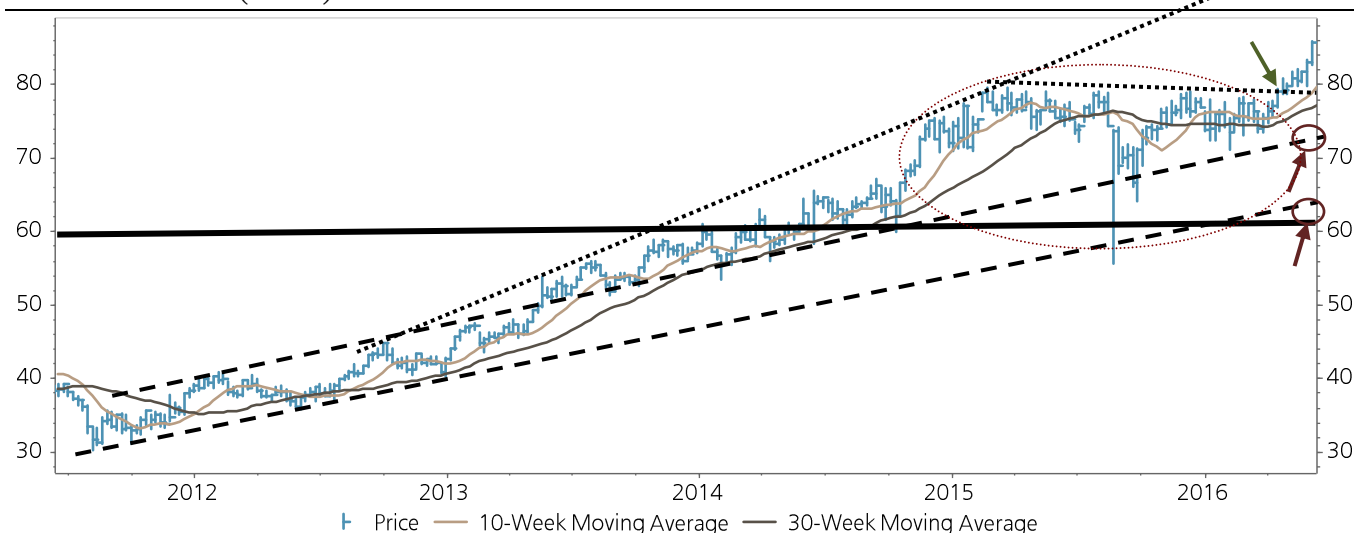
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
42-42.5/38-40	35-35.88	31-33	45-46	47.42-48.58	53-55/59

Technical rating	Bullish
Sector	Cons. Staples
Last Sale Price	\$42.27

**Rationale:** We remain cautiously optimistic on MDLZ. A key breakout of an 11-year technical base in Mar '13 above 28.76 (not shown) confirms a long-term Bullish trend. The stock has then transitioned to a steady uptrend channel over the past few years before consolidating its gains between Jul '14 and May '15. The mid-May '15 breakout above 39.25-39.5 triggered a sharp rally to new all-time highs (48.58-Aug '15). However, Aug '15 negative outside month and the ensuing four Jan '16 gap downs warn of a consolidation between the high-30s and the mid-to-high 40s.

## Medtronic Inc. (MDT)



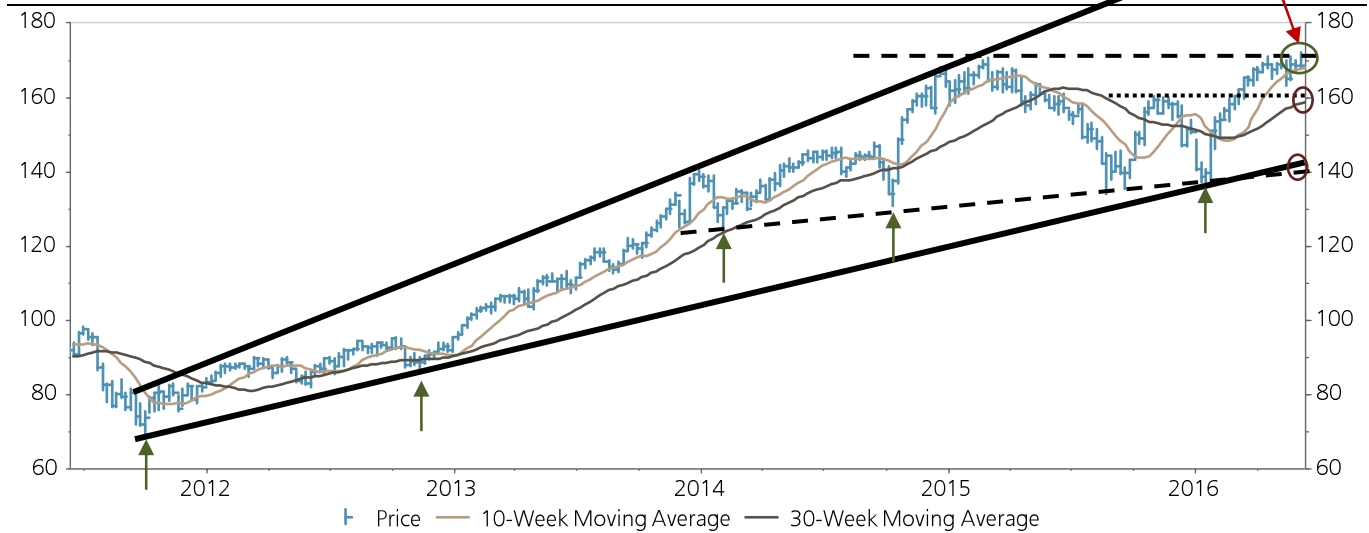
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
80-82/77-78	71-73/64-66	60-62/55-56	85-87	93-95	100-102

Technical rating	Bullish
Sector	HealthCare
Last Sale Price	\$83.26

**Rationale:** This leadership Healthcare name confirmed a major technical breakout (not shown) above its 2000/2006 highs (60-62) during Jan/Apr '14. This breakout coupled with a recent 1-plus year technical breakout above 78.5 during Apr '16 renders upside targets to 85-87 (near-term), 93-95 (medium-term) and 100-102 (long-term). Initial trading support now moves up to as high as 80-82 corresponding to the 30-wk ma. Key secondary support also rises to 77-79 or the recent Apr '16 breakout. The prior major 2014 breakout at 60-62 crucial longer-term investment-term support.

## 3M Co (MMM)

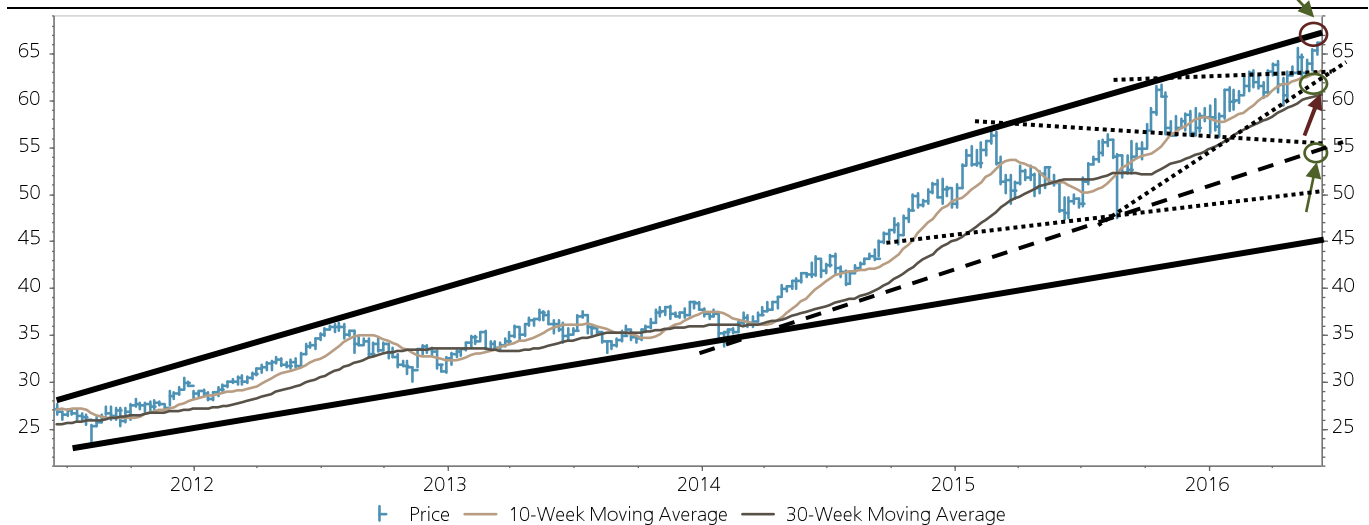


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Industrials
165-170/160	151-155/146-	147/131-135	170.5-171.27	175-179	185/210	Last Sale Price	\$169.12

**Rationale:** An inverse head and shoulder pattern breakout above 97 (Jan '13) dating back to 2004 (not shown) led to a sharp rally to new all-time high at 170.5 (Mar '15). Soon after, a weekly death cross sell signal (May '15) led to a 21.4% decline to its Aug '15 low of 134. A gap up (10/5/15) and a positive outside week (10/23/15) reaffirm key support igniting recent rally to marginally new highs (170.5/171.27-Mar/May '16). Despite an overbought condition the current breakout above 171.27 can extend rally to 175-170/185 and then 210. Key initial support is 158-160/151-155.

## Altria Group Inc. (MO)

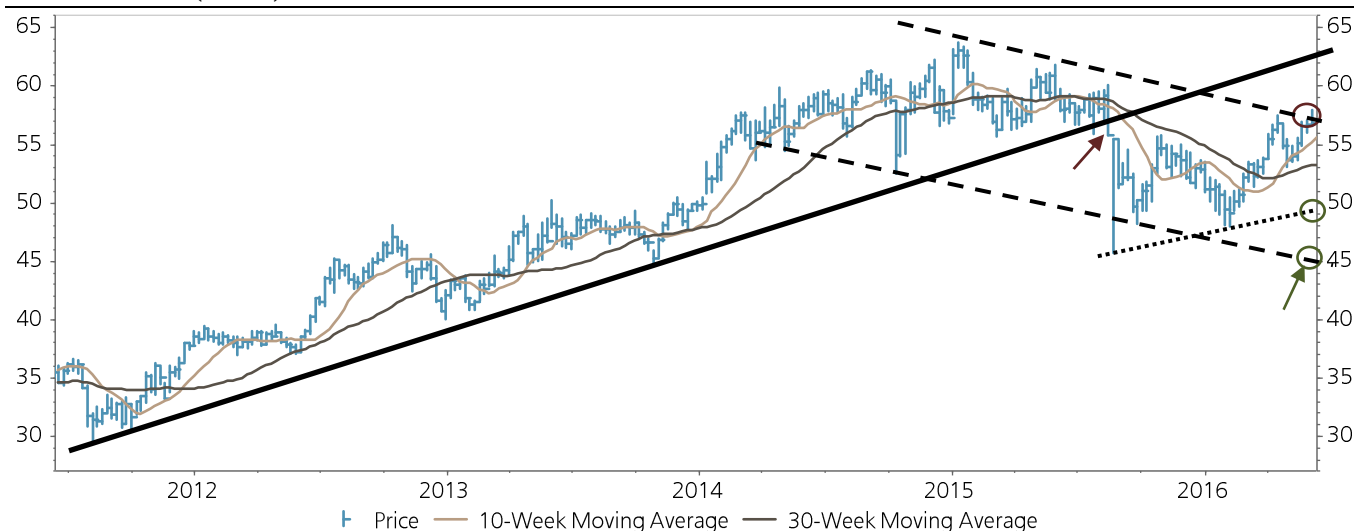


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Cons Staples
63-64/59.5-61	54-56/51-52	47.31-47.41	66-67	70-72	78-80/85	Last Sale Price	\$67.02

**Rationale:** This total return consumer staples name has been stellar outperformer against peers and SPX. However, it is now approaching key resistance associated with the top of its 2010/2011 channels along 66-67. This key resistance also corresponds to the upside target (66-67) based on the Oct '15 breakout above 56-57. Although higher prices are possible to low-to-mid 70s, repeated failures to clear above the mid-60s may trigger a high-level consolidation. The 10-wk/30-wk ma (64/61) offers key initial support. Violation here suggests a deeper correction toward the low-to-mid 50s.

## Merck &amp; Co (MRK)



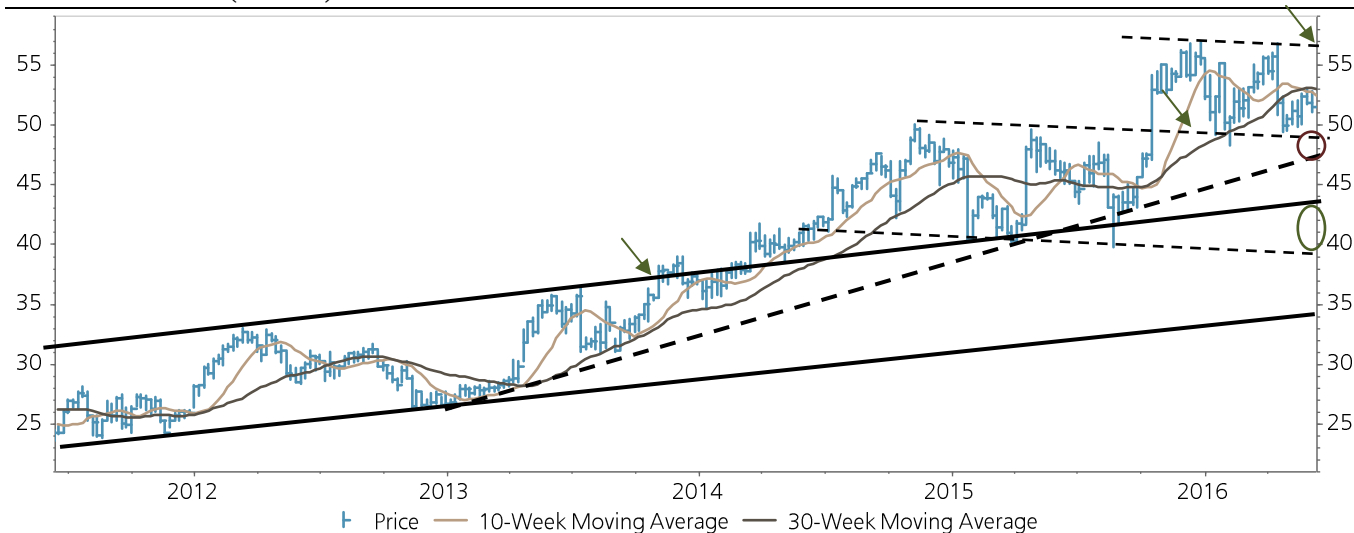
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
52.5-53	48-50/45.69	40-41	57-59	61.5-63.5	75-77

Technical rating	Neutral
Sector	Healthcare
Last Sale Price	\$55.88

**Rationale:** The breakout of the 2000/2007 downtrend (not shown) above low-40s signals a longer-term recovery. However, the violation of the 2011 uptrend channel (56-57) on Oct '15 and negative outside months (Jun/Aug '15) have weakened the medium-term technical outlook. Nonetheless, Aug '15/Feb '16 higher lows, 10/16/15 positive outside week and the ability to maintain above key support along the mid-40s near its 2009 uptrend reaffirm a recovery to key initial resistance at 57-59. A breakout here suggests upside to 61.5-63.5. Key initial support is at 52.5-53/46-48.

## Microsoft Inc. (MSFT)



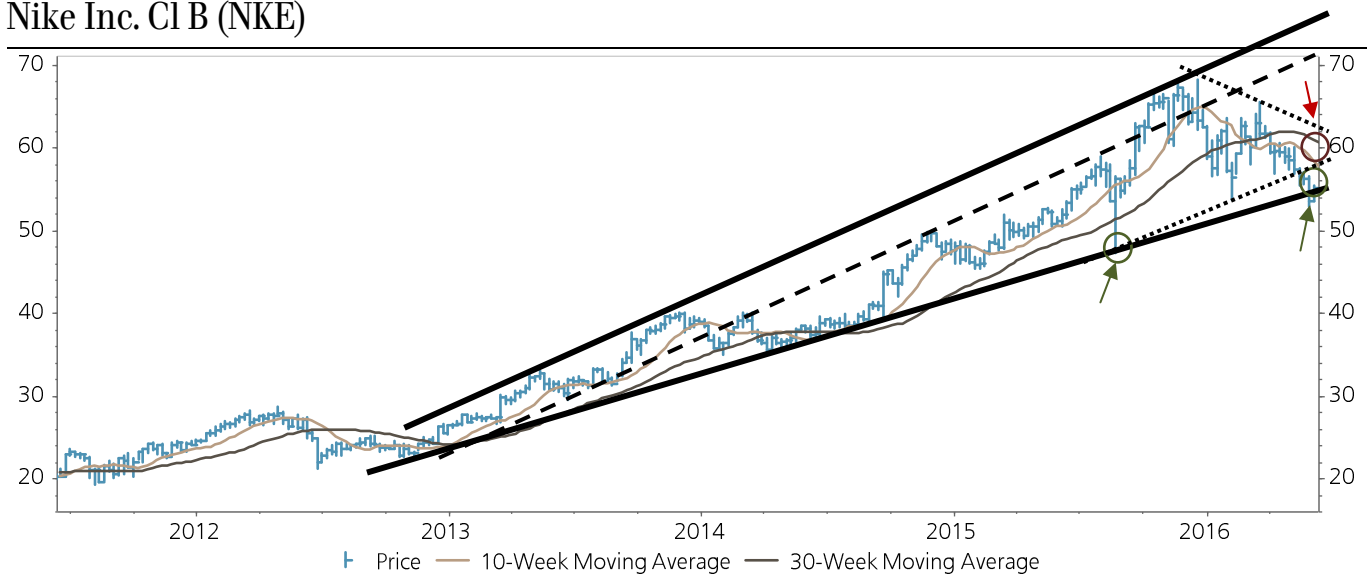
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels		
First	Second	Third	First	Second	Third
48-49	45-46/43-43.5	39-40/36-37	56.77-56.85	59-60	65-66/70-71

Technical rating	Bullish
Sector	Technology
Last Sale Price	\$49.83

**Rationale:** A breakout of a large 13-plus year head-and-shoulders bottom pattern above neckline resistance at 37-38 (in 2013 – not shown) suggests a 21-point technical base or upside targets to 59-60, longer-term. Note that this is also the Jan '00 record high (59.97). In addition, the 2014-2015 10-point technical base breakout above 49-50 on Oct '15 also renders upside to 59-60. However, two negative outside weeks (12/18/15 and 4/22/16) and a large gap down on Apr '16 warn of new trading range between 48-49 (Oct '15 breakout/2016 lows) and 56.5-57 (2015/2016 highs).

## Nike Inc. Cl B (NKE)

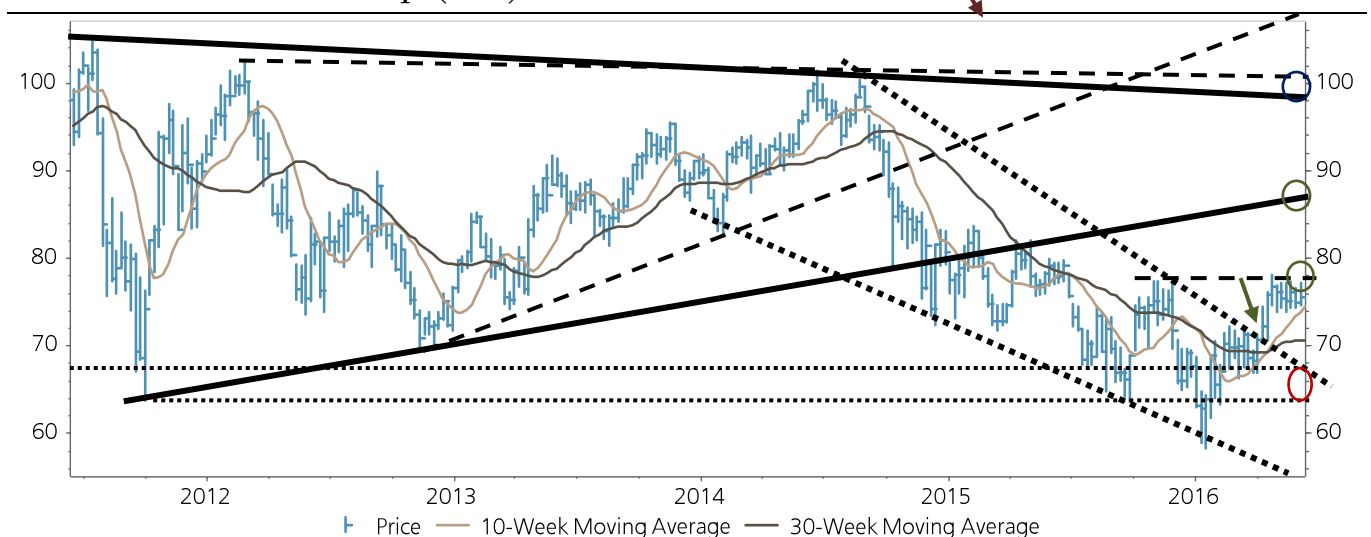


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	C. Discretionary
53-54	45.35-47.25	39-41	55.5-57/59-60	64-65.5/68-70	75/80	Last Sale Price	\$52.59

**Rationale:** Retail sector has come under very strong selling. Although we retain a favorable longer-term technical outlook on this retail name, the 22.37% decline from Dec '15 high (68.19) and the rolling over of the 10-wk/30-wk ma warn of a top. Negative outside weeks (12/25/15, 2/5/16 and 5/13/16) also warn of strong distribution/selling. Next key support is 53-54 coinciding with the 2012 uptrend and Feb/Jun '16 lows. Violation here confirms a top and renders downside risks to 45.35-47.25. Key initial resistance is at 55.5-57 (10-wk ma) and 59-60 (30-wk ma/May '16 highs).

## Occidental Petroleum Corp. (OXY)

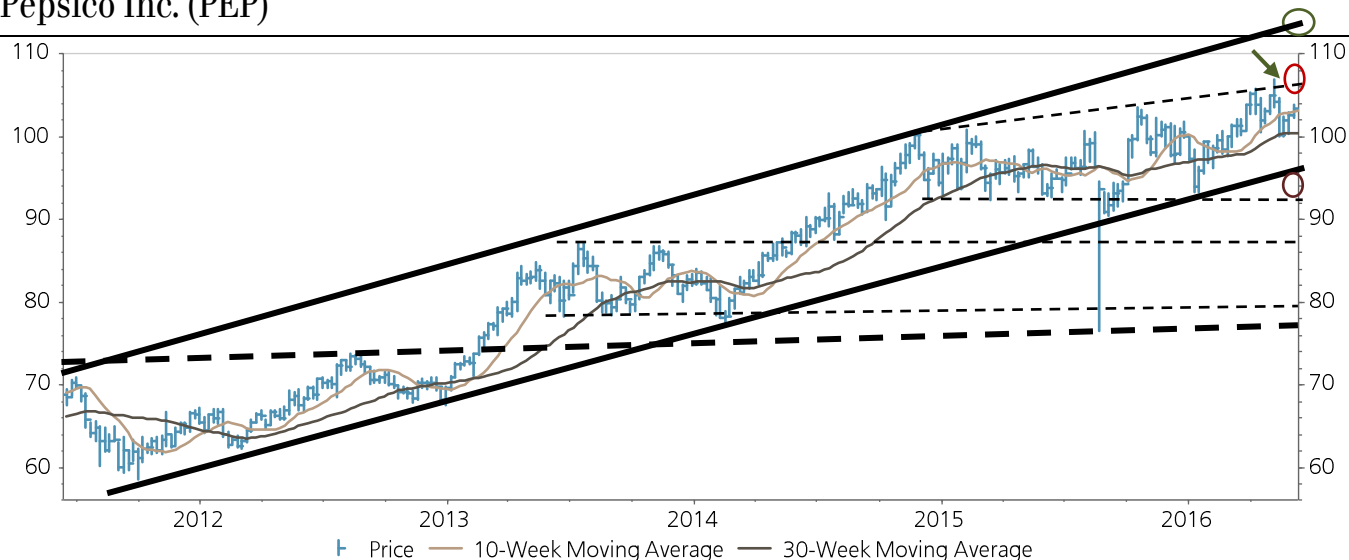


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Energy
74/70.5-72	64-66/58.21-	58.79/49-50	75-78	80-82/85-87	90-91/101.38	Last Sale Price	\$75.27

**Rationale:** A breakdown from two symmetrical triangles below 90 in Sep/Oct '14 and again below the low-80s during the Nov/Dec '14 led to a 42.58% bear decline in 82 weeks. Since then, a large falling wedge pattern has developed. A breakout above the top of its wedge (71-72) during Apr '16 and a weekly golden cross buy signals a medium-term recovery. Next key challenge is the 38.2-50% retracement (74.72/79.81) from its 2014-2015 decline as well as the respective Nov/Dec '15 and Apr '16 highs (77-78). Key support is 74 (May/Jun '16 lows) and then 70.5-72 (30-wk ma).

## Pepsico Inc. (PEP)

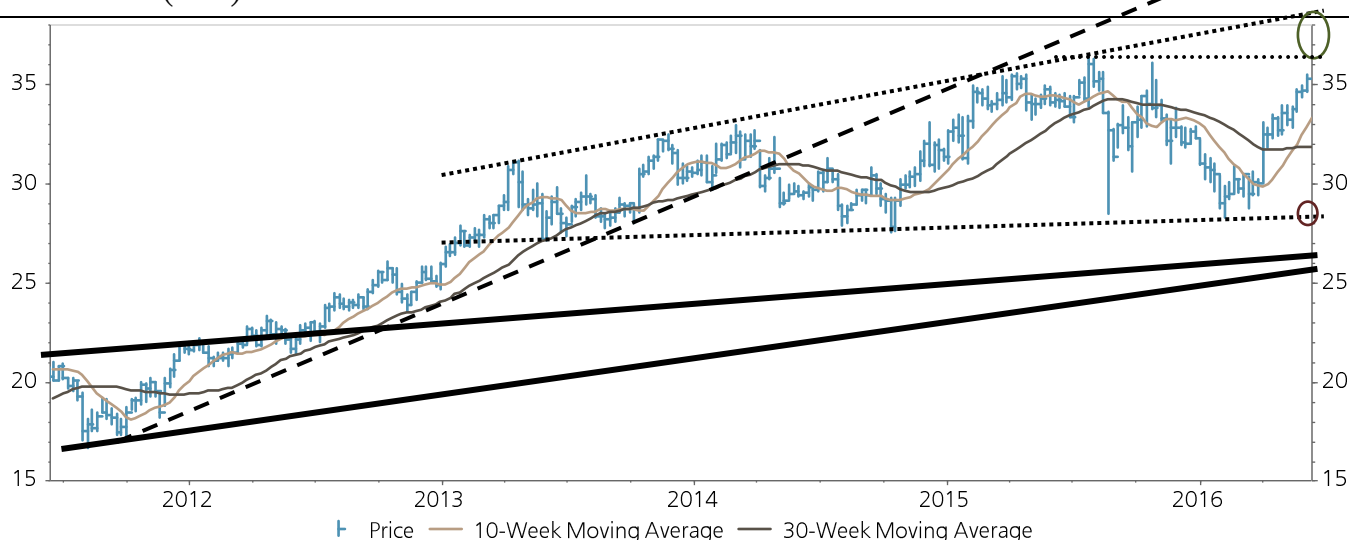


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Cons Staples
100-101	93-95	85-87/77-80	110-113	115-117/125-	127/135-136	Last Sale Price	\$101.98

**Rationale:** A surge above 79.79 during Apr '13 confirms a multi-year breakout and renders upside targets to as high as 135-136, longer-term. However, on a medium term basis, the 38.87% rally from its Feb '14 lows has created a moderately overbought condition suggesting a consolidation before the resumption of the primary uptrend. Initial support remains at 100-101 or the 30-wk ma and Apr/May '16 lows. Secondary support is also visible at 93-95 or the 2011/2012 uptrend. The ability to find support here can trigger the next sustainable rally to 110-113 (top of channel).

## Pfizer Inc. (PFE)

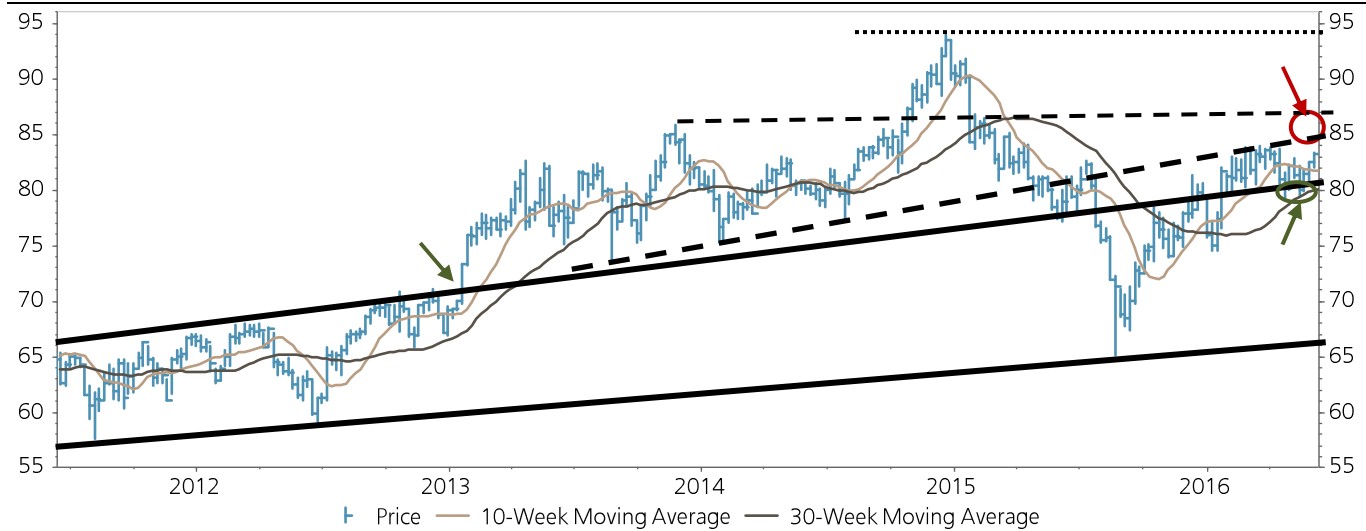


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Healthcare
30.5-32	27.12-28.25	26/24	33-34	35.5-36.46	39-41	Last Sale Price	\$33.97

**Rationale:** A 10-year downtrend breakout above 19 +/- 1 during 2011 (not shown) ignited a major recovery. However, the 2009 to present rally stalled near its 61.8% retracement (35.36) from its 1999-2009 decline. Although the Jul '15 positive outside month pattern is constructive, a 22.5% decline from its Jul '15 high to Feb '16 low has created a potential head/shoulders top pattern. Key neckline support is 27.12-28.25. A breakdown confirms a top and warns of risks to the low-to-mid 20s. To negate a top, PFE needs to surge above left/right shoulders (33-34) and head (36.46).

## Procter & Gamble Co (PG)

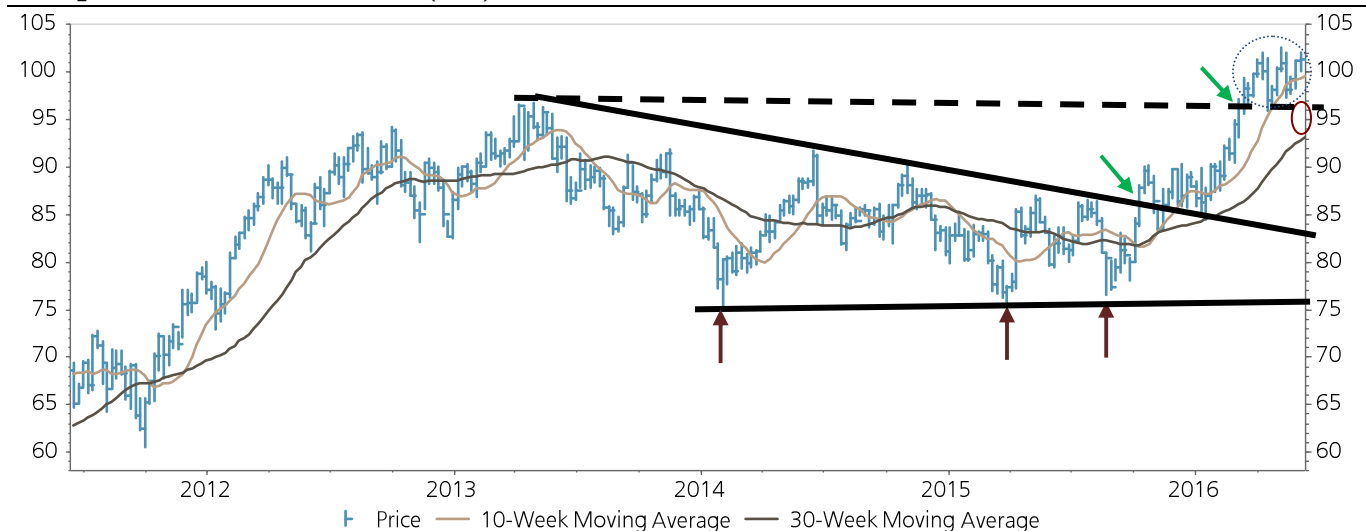


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Cons. Staples
79-80	74-76	70-72/65-67	83-87	92-94	100	Last Sale Price	\$82.26

**Rationale:** The volatile market over the past year has benefited many of the Consumer Staples as evidenced by PG recovering from its -30.75% from its Dec '14 highs of 93.89 to a recent low of 65.02 during Aug '15. The ability of this stock to find key support near the bottom of the 2011/2012 uptrend channel and the 61.8% retracement from its 2009-2015 rally near 63-65 led to the recent recovery. It is now approaching key resistance along 84-87 or the 61.8-76.4% retracement from its 2014-2015 decline and the Mar/Apr '16 and 2013 highs, Key support is 79-80/74-75.

## Philip Morris International (PM)



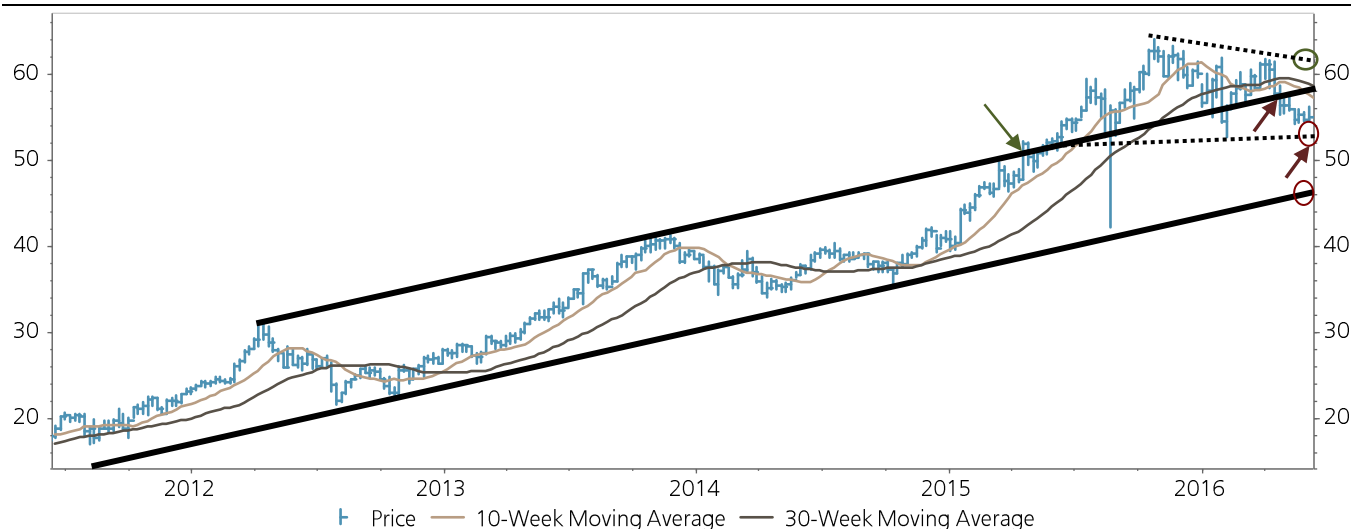
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Cons Staples
94-96	90-92/85-87	75-76/72	100-102.55	107-108	116-118	Last Sale Price	\$97.71

**Rationale:** This Consumer Staples has broken above two key resistance zones including the 2013 downtrend (86) during Oct '15 and its prior May '13 all-time high (96.73) on Mar '15. A successful test of its prior breakout during Apr/Ma '16 bodes well for higher prices, over time. However, a near-term overbought condition and a potential negative outside week (6/24/16) warn of a near-term consolidation between the mid-90s coinciding with the prior Mar '16 breakout and the low-100s corresponding to the May '16 all-time highs. Key initial support is the low-to-mid 90s.



## Starbucks Corp. (SBUX)

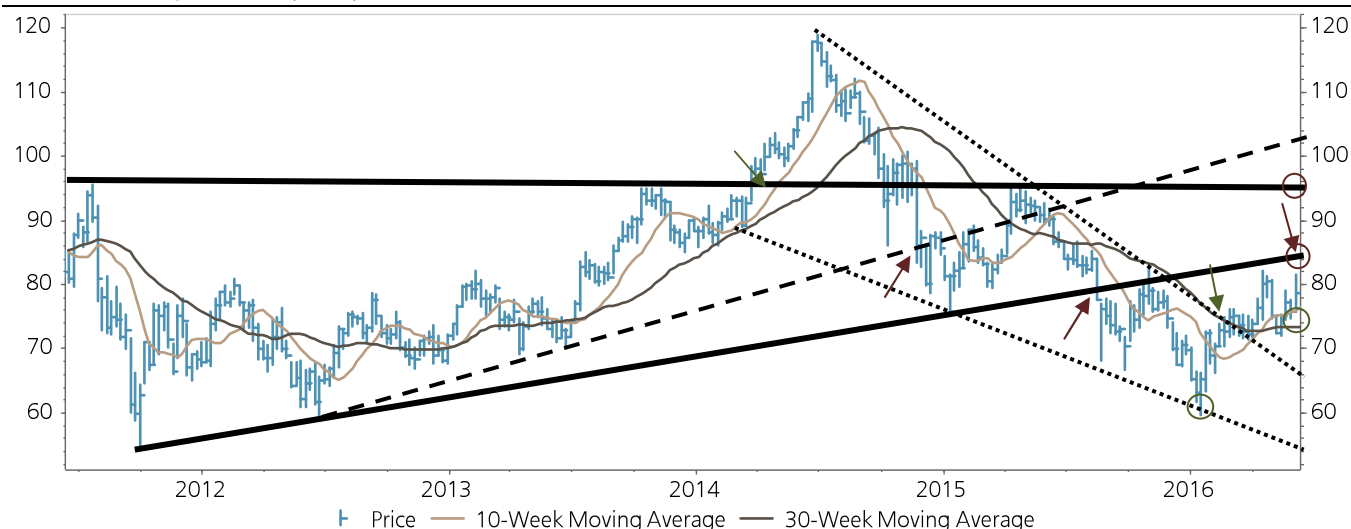


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	C. Discretionary
52.63-53.07	46-47.5	41-42	61.64-61.79	63.5-64	67-68/70-71	Last Sale Price	\$54.68

**Rationale:** We retain a Bullish longer-term technical outlook as long as it maintains above the bottom of its primary uptrend channel from 2008/09 bottom (mid-40s). However, a negative outside month (Apr '16) coupled with the failure to maintain above the top of its uptrend channel breakout (57-58) and the rolling of its 10-wk/30-wk ma warns of a consolidation. In addition, a negative outside week on 6/24/16 warns of continued volatility. Key support is at 52.63-53.07 or the Feb '16 lows and the 38.2% retracement from its 2014-2015 rally. Breakdown suggests retest of mid-40s.

## Schlumberger Ltd (SLB)



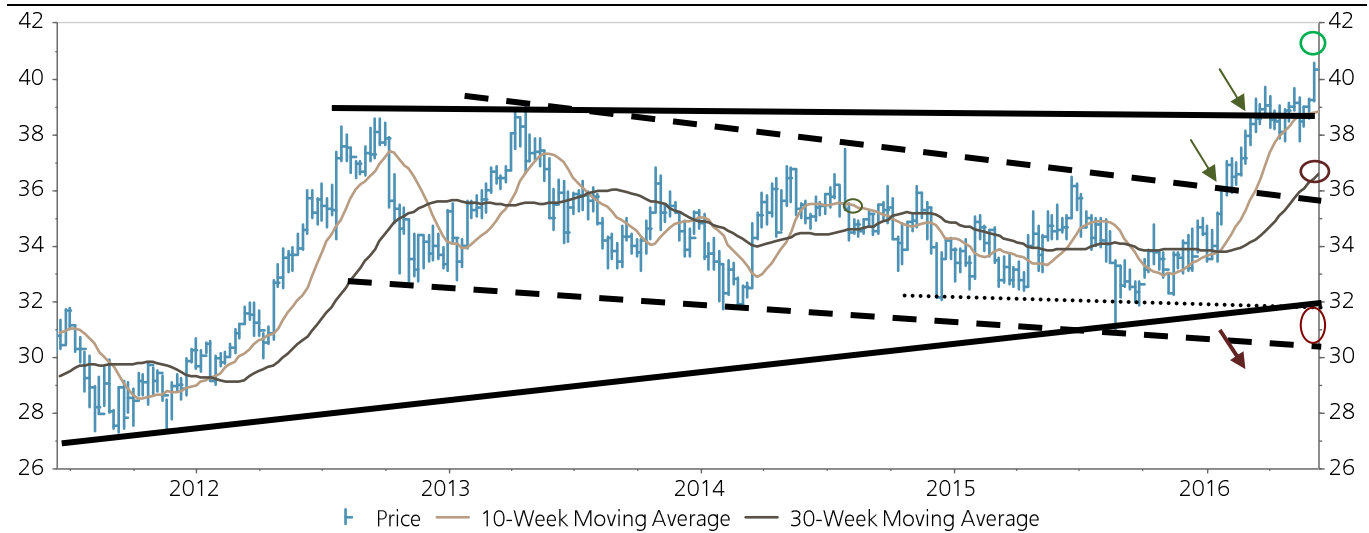
Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Energy
71-73	66-68/59.6-	61.71/53-55	81-82	87-89	93-96	Last Sale Price	\$72

**Rationale:** From their respective 2014 highs, WTI Crude Oil has fallen 75.82% to 26.05 and SLB has declined 49.81% to 59.60. An extreme oversold condition and a successful test of major support along the bottom of its falling wedge at 59.6 (Jan '16) hint of a major bottom. A subsequent breakout above its key resistance at 74-76 confirms a technical recovery. This rally is now challenging key medium-term resistance at 81-82 or the top of its 2007 downtrend and the 38.2% retracement from its 2014-2016 decline. A near-term trading range is now likely between 71-73 and 81-82.



## AT&T Inc. (T)

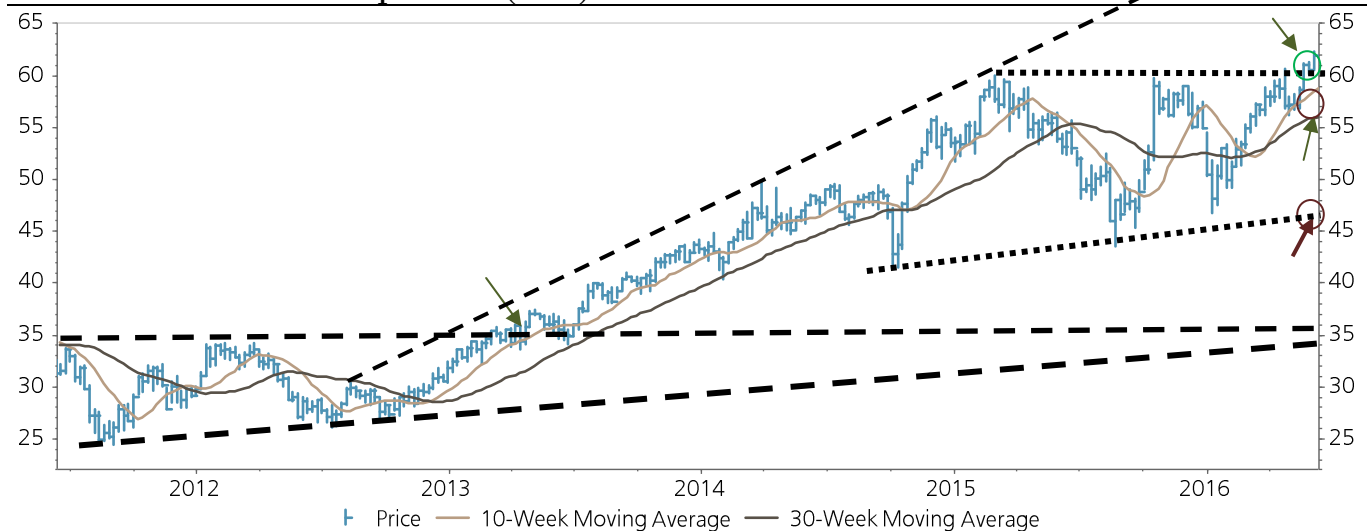


Source: FactSet, UBS, as of 24 June 2016

Support Levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Comm. Services
39-39.5	37.73-37.77	34-35/31-32	39-41	43-44/47.5	50-51/59-60	Last Sale Price	\$41.

**Rationale:** A 3-year downtrend channel breakout above 36 earlier in the year (Feb '16) is technically significant as this signals the start of a sustainable intermediate term recovery. This breakout renders an upside target to 39-41 (near-term) or the 50% retracement from its 1999-2003 decline and the May '08 highs. Above this supply suggests 43-44 (medium-term) and then to low-50s (long-term). An overbought condition is likely to develop into the low-to-mid 40s opening the door a near-term consolidation to 39-39.5 or Jun '16 breakout and then 37.73-37.77 (Apr/May '16 lows).

## Texas Instruments Incorporated (TXN)

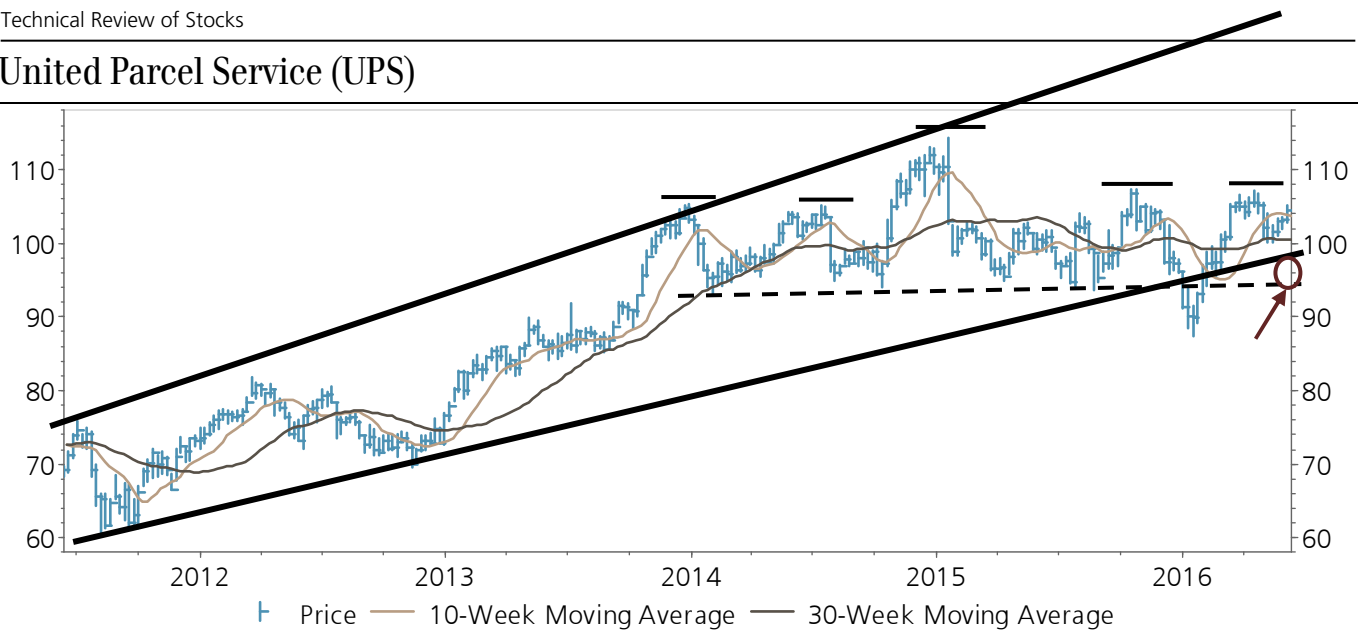


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Technology
59-60/55-56	52-53/47-48	43.5-45/40-41	60-62	66-67/76.5-79	85-90	Last Sale Price	\$60.54

**Rationale:** The 2013 breakout above 39.63 (2007 highs) or the neckline resistance of a large 2002 head/shoulders bottom pattern still renders upside targets to the mid-60s (near-term), the mid-to-high 70s (medium-term) and then 85-90 (long-term). An overbought condition coupled with a negative outside week (6/24/16) may trigger a near-term consolidation back to initial support along the late-Apr '16 breakout and the 10-wk ma at 59-60. Secondary support is also available near the mid-50s (55-56) or the 30-wk ma and below this to the bottom of its 2014 uptrend (47-48).

## United Parcel Service (UPS)

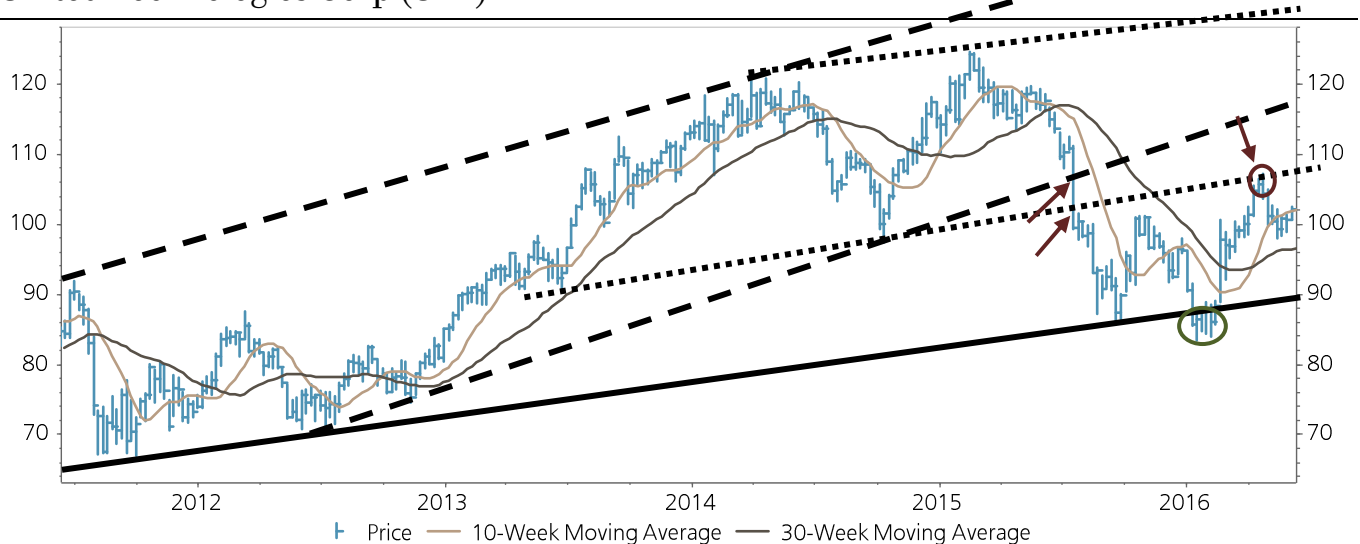


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Industrials
100-103	94-96/87-90	79-81/76-77	105-107.58	114.4-116	125-130	Last Sale Price	\$104.41

**Rationale:** The ability to find support near the mid-to-high 80s has stabilized the strong selling. Despite the recent improvements a large 2-year head/shoulders top pattern still warns of heightened volatility. To negate this distribution, UPS needs to clear convincingly above key initial resistance at 105-107.58 (left/right shoulders) and preferably above its head (114.40 – Jan '15 high). A breakout here signals the resumption of the long-term uptrend. However, failure to breakout and subsequent violation of its key initial support at 100-103 renders a retest of neckline support at 94.96.

## United Technologies Corp (UTX)

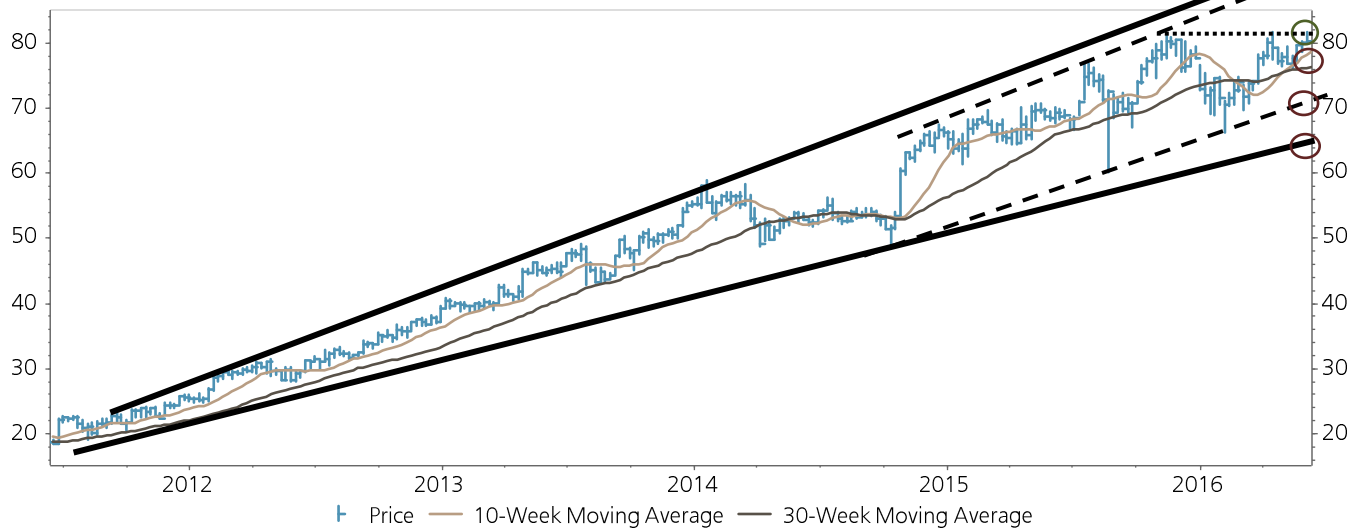


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Industrials
96.5-98	91-92/87-88	83-85.5/70-71	105-107	109-111/115	120.33-124.45	Last Sale Price	\$98.89

**Rationale:** Although the longer-term still remains favourable, the intermediate-term technical outlook has weakened due to the 2009 uptrend breakdown at 101-102 during Jul '15. An extensive technical basing effort is needed to repair the damages incurred. The recent rally appears to have encountered key initial resistance along 104-109 coinciding with the extension of the 2009/2013 uptrends as well as the 50-61.8% retracement from 2015-2016 decline. Two negative outside weeks during Apr/Jun '16 further suggests a wide trading range is likely between 84-86 and 107-109.

## Visa Inc Cl A (V)

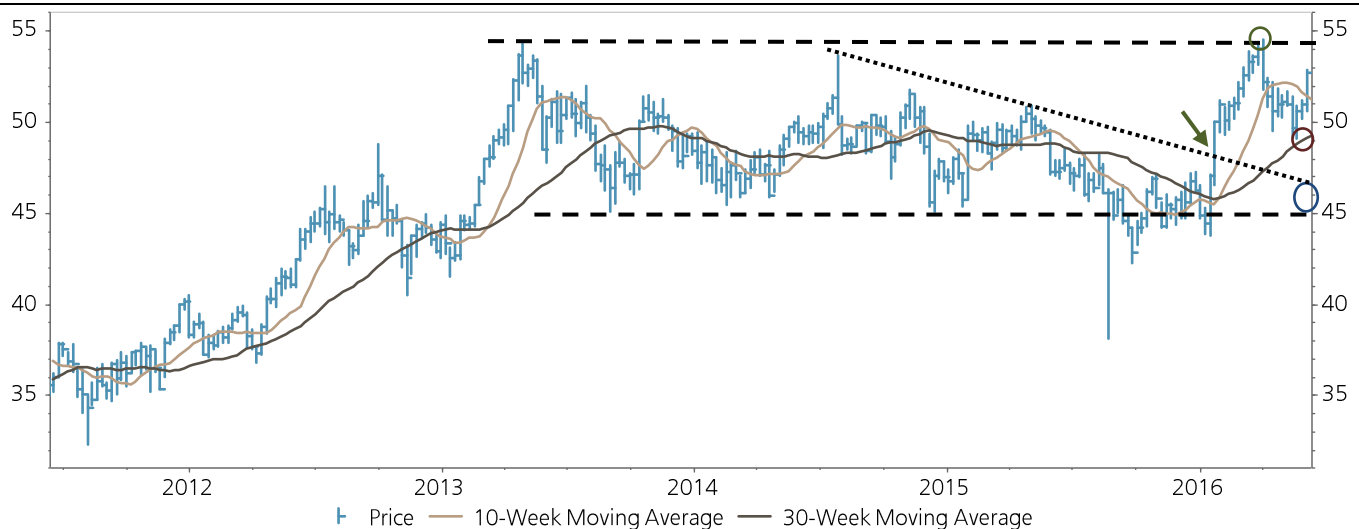


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Technology
75-76	66-68/63-64	60/54.5-56	81-82	89-93	96-98	Last Sale Price	\$75.05

**Rationale:** The longer-term primary trend starting from 2008-09 lows continues to trend higher and the relative strength trend in relationship to SPX remains positive. However, this trend may have slowed as it encountered formidable near-term resistance near the low-80s (81-82) on Nov '15, Apr '16 and again on Jun '16. Negative outside weeks during 12/11/15 and 4/22/16 as well as tow gaps downs during Jun '16 wan of a consolidation between the low-70s and the low-80s. A breakout above 81-82 render upside targets to 89-92 (medium-term) or the top of its uptrend channels and then to 96-7 (secondary target).

## Verizon Communications Inc. (VZ)

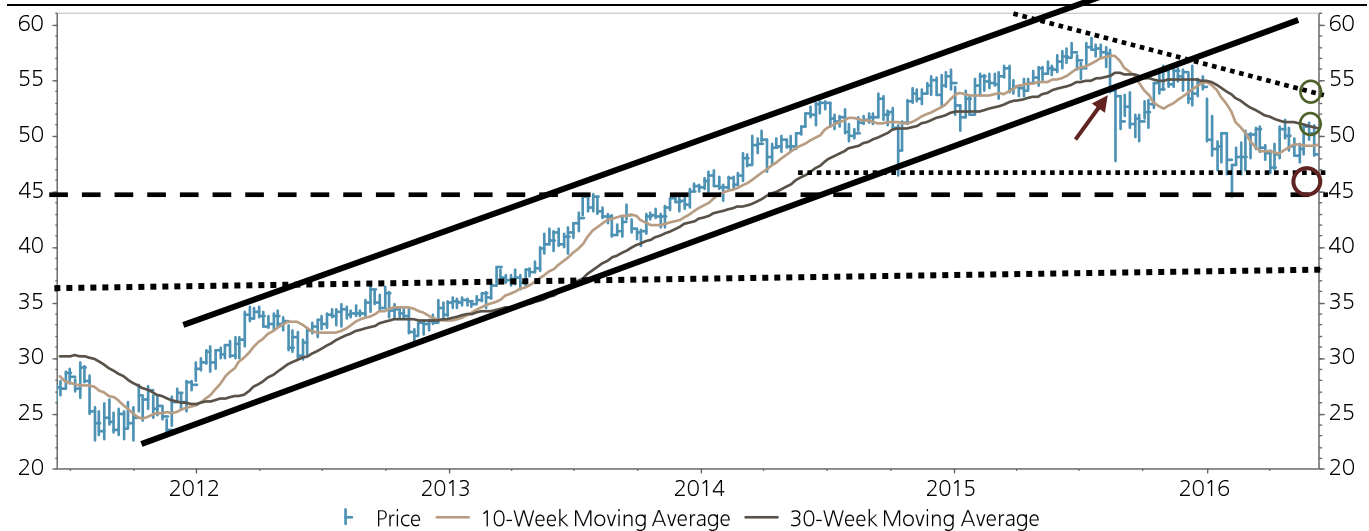


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Bullish
First	Second	Third	First	Second	Third	Sector	Comm. Services
49-51.5	45-47/41-42	36.8-38.06	54-55	59-60	62.3-64.5	Last Sale Price	\$54.43

**Rationale:** A multi-year breakout above 2007 highs (43.01) in late-2012 (not shown) still renders an upside target to 62.3-64.5. However, a 3-year trading range remains intact between the mid-40s and the mid-50s. The Oct '15 positive outside month, the 11/20/15, 12/4/15, 12/18/15 and 1/22/16 positive outside weeks and the recent 2014 downtrend breakout above 48 triggered a rally that is now nearing key resistance along its trading range at 54-55. A negative outside week (4/8/16) and failure to breakout suggests a pullback to 49-51.5 (10-wk/30-wk ma) and below this to 45-47.

## Wells Fargo & Co (WFC)

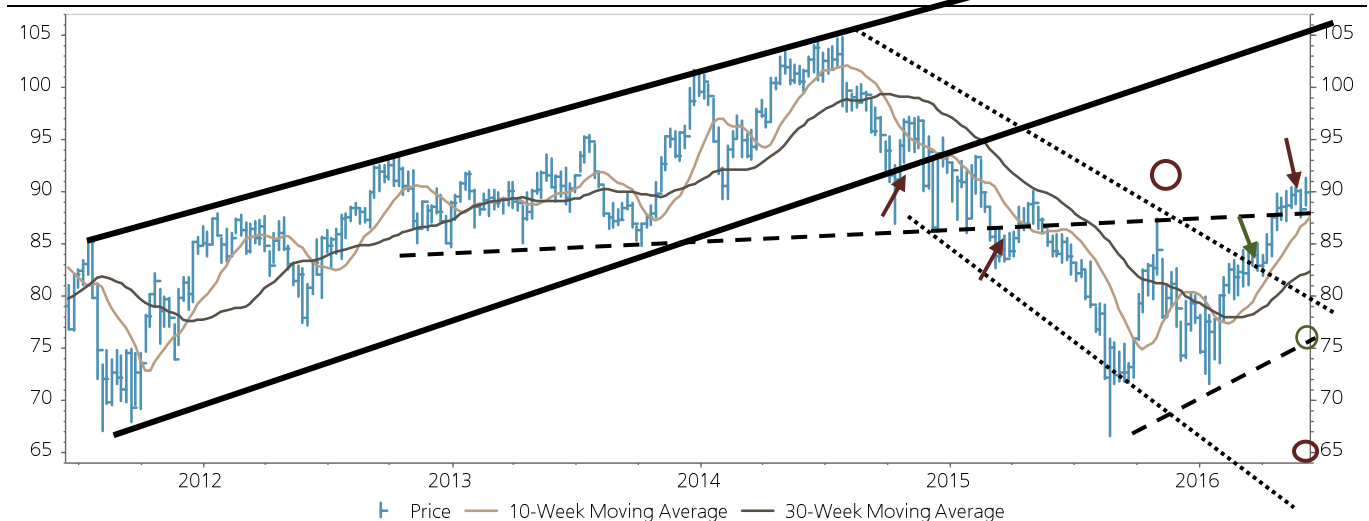


Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Financials
44.5-46.5	40-41/37-38	31.5-33	51.5-53.5	55-56.5	58-59	Last Sale Price	\$45.71

**Rationale:** A breakout above 44.69 (Sep '08 highs) ignited a rally as evidenced by a 4-year uptrend channel between the mid-50s and the mid-60s. However, the Aug-Sep '15 correction led to a violation of the bottom of its 2012 uptrend channel. A subsequent technical oversold late last year also failed to surpass above the extension of 2012 uptrend (mid-50s). The Jan '16 gap down and a potential head/shoulders top pattern still warn of a major top. Violation of key neckline support at 44.5-46.5 or Oct '14/Feb and Apr '16 lows confirms top. Key resistance is at 51.5-53.5.

## Exxon Mobil Corp (XOM)



Source: FactSet, UBS, as of 24 June 2016

Support levels			Resistance levels			Technical rating	Neutral
First	Second	Third	First	Second	Third	Sector	Energy
87-89	82-83/76-79	71-73.5/66.55	90-93.5	96-97	101.74-104.76	Last Sale Price	\$89.39

**Rationale:** This energy name remains the relative strength leader within the Energy sector. After sustaining a 36.47% bear decline a recovery has developed as the result of the Mar '16 breakout of its 2014 downtrend and 2015 technical breakdown at 83-85. This breakout suggests a rally to 90.16-93.5 and above this to 96-97 coinciding with the 76.4% retracement from its 2010 to 2014 rally. On the downside, we recommend moving up initial support to 87-89 or the May/Jun '16 lows and the 10-wk ma. Secondary support is also available at 82-83 or the 30-wk ma and 10-mo ma.

## Appendix

### Description and Methodology

This report provides technical analysis on a dynamic list of stocks that, we believe, are of a wide interest.

Please note that technical views are highly variable and will change with market conditions. Accordingly, these ratings are only valid as of the publication date.

Because CIO WMR equity sector analysts and WMR technical analysts employ different analytical methodologies, technical recommendations are, at times, contradictory to fundamental recommendations for the same security. For the latest company ratings by WMR sector analysts, please refer to the most recent equity sector research reports, located in the Equity Section on the Online Services Research website.

For more background on the content of this report, please see Technical Analysis Research Primer, 18 February 2010.

## Appendix

Term / Abbreviation	Description / Definition
% +or- Moving Avg (DMA)	The percentage above or below the moving average (see Moving Average) is used to help measure an overbought or oversold condition and is a component of risk management. It is calculated by taking the difference between the group price and its 30-week moving average (see below), and then dividing by the 30-week moving average times 100.
30-Week Moving Average	Also known as the 30-week line or 150-day line), this is one of the most popular and respected moving average indicators (see Moving Average) in technical circles. It is calculated by totaling the latest 30 weekly (usually Friday closing) prices and dividing by 30 to arrive at the average. Each week, the most recent week's figure is added to the total, and the price level from 30 weeks ago is subtracted – hence the term “moving.” Please note that a breakout above or breakdown below this line does not, in and of itself, constitute a buy or sell signal.
Adjusted Relative Strength (ARS)	Number gives a 50% weighting to the 1-month relative strength, 30% to the 3-month, and 20% to the 6-month numbers to arrive at a single weighted number.
Base	A chart pattern marking a period of accumulation following a downtrend. The larger the base, the greater the upside potential following its completion. A base can take many forms.
Beta	A measure of volatility of a security as it relates to the market as a whole. Beta is often calculated using regression analysis. A beta is basically the tendency of a security's returns to respond to swings in the market. A beta of 1 indicates that the security's price will move with the market. A beta of less than 1 means the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.
Blow off stage to a major rally	This is often the last stage of a speculative bubble to a major rally. The blow off phase tends to be steep, but short-lived that often affords little opportunity for investors/traders to exit their positions. As price of a security or an asset advanced to an unsustainable level via a parabolic uptrend this give rise to the bursting of the speculative bubble resulting a quick and dramatic decline as investors/traders try to exit the market/security at the same time.
Breakdown	A technical term indicating a downside resolution of a chart pattern. Its significance is determined by the same factors governing a breakout.
Breakout	A technical term indicating an upside resolution of a chart pattern. Breakouts can take many forms, and their degree of importance is determined by the significance of the chart pattern which preceded it.

## Appendix

Broadening Top Formation	The Broadening top is a rare technical formation that resembles an inverted triangle pattern. It is formed by price swings that are increasingly widening and expanding volume. The most common of these broadening top patterns are the three ascending peaks and two descending troughs. The combination of wide price swings and increasing volume often convey an increasingly volatile and emotional market that's basically out of control. This pattern is often associated with market tops rather than market bottoms. The confirmation of the Broadening top occurs when the price violates the second of these two troughs.
Channel	A chart pattern comprised of two parallel trend lines, which form a trading band. Channels take the form of uptrend, downtrend and horizontal.
Death Cross	The opposite of a golden cross, this is a crossover on the chart resulting from a security's shorter-term moving average falling below its longer-term moving average. Technicians often see this as a bearish technical sign indicating the market has turned negative on the security.
Downtrend Line	A trend line connecting successively lower peaks for a stock (or market). Its technical significance is determined by the same factors governing an uptrend line.
Fan reversal pattern	The fan formation is a technical pattern that is based on the use of multiple trend lines to denote a major trend reversal. The fan pattern gets its name as it basically resembles a "fan". It should have a minimum of three trend lines (uptrends or downtrends). The break out/break down of the third downtrend/uptrend often completes the fan pattern and signals the start of a major trend reversal. The starting point of these trend lines should come from a significant peak or a significant trough.
Fibonacci Retracement Level	A technical analysis term used to describe potential areas of support (price stops declining) or resistance (price stops rising) on the charts. After a strong rally or decline there is a tendency for a security to retrace a certain portion of its prior move (up or down). Fibonacci retracements use horizontal lines to indicate areas of support or resistance at the key Fibonacci levels before continuing in the original direction. These levels are computed by taking the two extreme points and then dividing the vertical distance by the key Fibonacci ratios of 23.6%, 38.2%, 50%, 61.8% and 100%.
FSR	Forecast Stock Return is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.
Gap	An open space in a chart created when a stock (or market) opens either higher than its highest level attained during the prior session (referred to as a gap up or an upside chart gap) or lower than its lowest level reached during the prior day (called a gap down or a downside chart gap). Some gaps are caused by events and should be ignored: ex-dividend gaps, new share issues, and expiration of futures contracts.
Golden Cross	A crossover on the chart that involves a security's shorter-term moving average (such as the 50-day moving average) crossing above its longer-term moving average (such as the 150-day or 200-day moving average). Technicians often interpret this crossing of two moving averages as a bullish technical sign that suggests the market has turned in favor of the security.
Head-and-Shoulders Pattern	This technical formation is one of the best known of the reversal patterns. There are two types of head-and-shoulders patterns that often appear on the charts – H/S top and H/S bottom. Both of these patterns often denote the process of a reversal either from a bullish or bearish trend. Head-and-shoulders formation often is comprised of a left shoulder, a head, and a right shoulder, and a line drawn across its shoulders defines its neckline. The breaking of the neckline to the upside confirms a head-and-shoulders bottom breakout, which signals the start of a bullish reversal favoring higher prices. The violation of neckline to the downside validates a head-and-shoulders top, reaffirming a bearish reversal of lower prices.
Internal Trend Line	A single trend line connecting at least several high and low points for a stock (or market) over time.
Linear Regression Band	A common statistical technique often used by investors/traders to better forecast values by utilizing the least squares fit method to plot a trend line. A linear regression band consists of upper and lower bands. These bands are calculated by computing the number of standard deviations above or below of the regression line.

# Appendix

Moving Average (m.a.)	This is a technical indicator frequently used in technical analysis to show the average value of a security's price over a set period of time. This tool is designed to smooth out a stock's (or market's) shorter-term fluctuations to provide a better picture of an underlying trend. Moving averages generally are used to measure momentum and define areas of possible support and resistance. Moving averages can be helpful as they emphasize the direction of the dominant or prevailing trend and also tend to smooth out price and volume fluctuations, or "noise," giving the trader or investor a clearer picture of the security in question. Many moving averages exist.
MRA	Market Return Assumption is defined as the one-year local market interest rate plus 5% (a proxy for the equity risk premium and not a forecast).
Neckline Support/Resistance	This is a trend line that is drawn across the bottoms or tops of the left shoulder, the head and the right shoulder of a potential head-and-shoulders bottom or top pattern. When prices break through this neckline support level and continue falling after forming the right shoulder, it confirms a head-and-shoulders top formation. Conversely, neckline resistance is a trend line drawn across the tops of the left shoulder, the head and the right shoulder. When prices break above this neckline resistance level and keep on rising, it typically completes the head-and-shoulders bottom pattern.
Overbought	A technical condition in which the price of a security has risen to such a degree that the price becomes overvalued or has reached the upper band of its trading range resulting in a potential pull-back in price.
Oversold	Opposite of Overbought. A technical condition that occurs when the price of a security has fallen to such a degree that the price becomes undervalued or has reached the lower band of its trading range prompting a potential rally.
Positive/Negative "Outside" Day	When one day's range (high and low) exceeds the prior day's range, and the stock (or market) in question closes near its daily peak, this is referred to as a positive "outside" day. A negative "outside" day would be recorded if the stock (or index) finished near its daily low after having a wider range than the prior session. The same rule can be applied on a weekly and monthly basis as well.
Relative Strength	Relative strength is a performance comparison between a sector, group, or stock and the S&P 500 Index over a specified time frame. Our time frame is often a one-, three-, and six-month basis but does vary according to investment orientation.
RRD	Rating/Return Divergence is automatically appended to the rating when stock price movement has caused the prevailing rating to differ from that which would be assigned according to the rating system and will be removed when there is no longer a divergence, either through market movement or analyst intervention.
Support	An area where increased buying interest is likely to develop during a decline. These points, which can take several forms (minor, major, etc.), often provide downside protection for an issue in a primary uptrend, but only temporary relief to an issue in a primary uptrend, during which time many support levels are often broken.
Top	A chart pattern marking a period of distribution following an uptrend. The larger the top, the greater the downside potential following its completion. It, too, can take many forms.
Triangle Patterns	There are three different types of Triangle patterns – Symmetrical, Descending and Ascending. Symmetrical Triangle is considered to be a continuation pattern that often signals a period of consolidation in a trend followed by a resumption of the prior trend. It is formed by the convergence of a descending trend and an ascending trend. An Ascending Triangle is a bullish pattern, which is denoted by two trend lines – a flat trend line and an ascending uptrend line. A Descending Triangle is a bearish pattern. It is the opposite of the Ascending Triangle in that there is a flat trend line and a downward sloping downtrend line.



## Appendix

### Statement of Risk

#### Statement of Risk

**Equities** - Stock market returns are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions and other important variables.

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N/A		Not enough historical data to make an evaluation.

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## Appendix

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## Appendix

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