



YOUNG INVESTORS

BECOMING AN...

TODAY'S TOPIC: Technical Analysis

INFORMED INVESTOR

Let's assume you like Chipotle Mexican Grill and are considering buying the stock. Currently 25 analysts follow the company with 8 Buy, 13 Hold and 4 Sell recommendations. Analyst recommendations are based on a number of factors/assumptions that affect a company's future value. Which analyst should you follow?

Many investors believe that "technical analysis" is the first step toward determining short term price movements. Technical analysis uses charts to identify price trends and trading volume to determine investor interest in a company. Price action is viewed as an unbiased and important confirmation to an analyst's assumptions and recommendations.

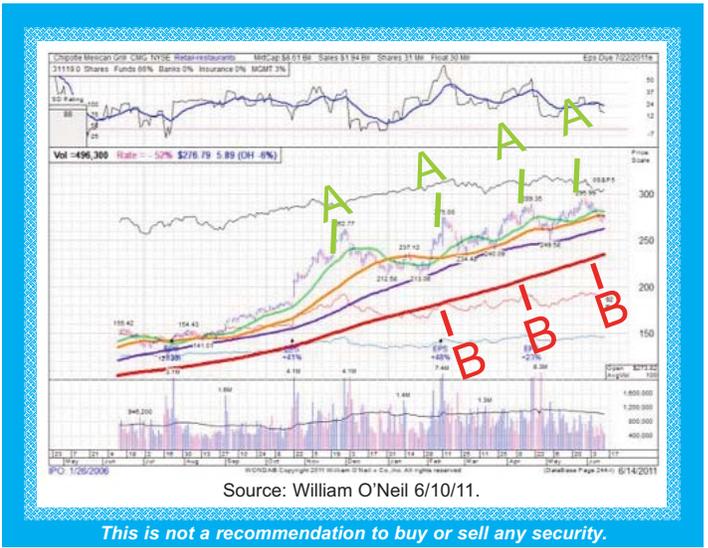
As shown in the stock chart, Chipotle has been in an upward price trend since September 2010. The upward price trend has continued to be intact as the stock trades at new highs (A) and higher lows (B). This price action favors those analysts with a "buy" recommendation.

Remember there are no magic formulas to picking stocks, you have to do your homework, follow market trends and know when to cut your losses.

Chipotle



As a guideline, a good buy is achieving an objective of earning one to two times your investment over a six to eighteen month period. A bad investment should be trimmed/sold when you lose 10 to 15% of your investment.

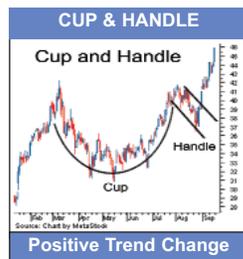


Congratulations to Benson from Blue Ridge, GA, last quarter's Online Challenge Winner of a \$25 Target Gift Card!

THINGS TO KNOW

What is Technical Analysis

Technical Analysis is the forecasting of future financial price movements based on an examination of past price movements. Like weather forecasting, technical analysis does not result in absolute predictions about the future. Instead, technical analysis can help investors anticipate what is "likely" to happen to prices over time. A technician believes that stock price reflects all known information about a company at a point in time. By focusing on price, the focus is on "what" is happening and not the "why" that fundamental analysts are concerned with. Technical analysis uses a wide variety of charts that show price movement over time. The most popular chart patterns are as follows:



Technical analysis can be as complex or as simple as you want it. Not all technical signals and patterns work. Chart patterns can help identify short-term trends, but ultimately it's company earnings and growth prospects that create long-term value.

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What did the fisherman give to the IRS?

His net profits.

Who tells the best chicken jokes?

Comed-hens.

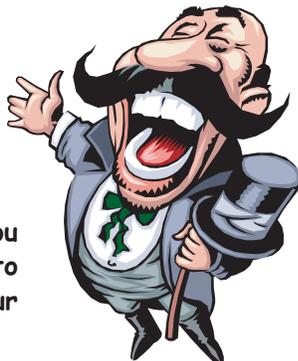
Why don't elephants ever get rich?

Because they work for peanuts.

How do you know the ocean is friendly?

It waves.

Kids, if you have a joke that you would like to submit, please send it to info@monetta.com. If we use your joke we'll send you a special prize!



According to Newsweek Magazine 2010 Green Rankings, Whole Foods ranked 67th based on environmental impact, green policies and reputation.



Whole Foods' mission statement includes the phrase "quality is a state of mind at Whole Food Markets."



Company founder, John Mackey, started in 1978 with a natural food store in Austin, Texas, earning a salary of \$50 per week.



Company policy includes directing 5% of profits to non-profit groups and paying employees when they do community service.

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GAME STUDIO

Win A Surprise!

ACROSS

2. What type of analysis is focused on "what" is happening?

5. This chart is in the shape of a "U" followed by a "handle."

6. A financial professional who has expertise in evaluating investments.

DOWN

1. The first and third peaks are shoulders, and the second peak forms the head.

3. A term used to describe the rise of a stock, a drop, another rise to the same level as the original rise and then another drop.

4. What type of analysis is concerned about the "why" of stock price movement.

Words Used:
 Head&Shoulders
 Technical Analyst
 Fundamental
 Double Top
 Cup&Handle

SUMMER Puzzler

OBJECTIVE:
 Fill in the puzzle with the correct words.

Name _____
 Address _____
 City _____ State _____ Zip _____
 Phone _____
 E-mail _____
 Age _____

Mail Or Email To: info@monetta.com

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