

In our second Special Report we will study Baby Boomer stocks that are trading, going sideways. Most of the stocks that we have recommended are trading. We will cover the bearish stocks in the next Special Report; even these are basically going sideways.

The list below includes the stocks that are in trading ranges:

SYMBOL	CRNT	SPRT	RSTNC	STOCHAST	PATTERN	COMMENTS
TRADING						
HON	39.55	39 - 40	42.8	<u>32.89</u>	H & S	3 STEP BULLISH MOVE
SDY	45.47	45	47.5	<u>31.86</u>	H & S	HOLDING SUPPORT
ADP	40.61	39.5	44.5	<u>38.80</u>	TRADING RANGE	2ND STEP
GE	14.38		17	<u>11.00</u>	TRADING RANGE	2ND STEP
PWE	19.08	17.5	21	<u>47.00</u>	TRADING RANGE	3rd STEP
PGH	9.42	9	10.5	<u>51.00</u>	TRADING RANGE?	2ND STEP

Let's review SDY, the S & P dividend ETF. Because the majority of the Baby Boomer portfolio is dividend stocks, SDY is a close proxy.

Here is the SDY chart:



Let's review the chart:

- SDY did pullback close to 14%, a concern
- The long spike down was the May 6th "Flash Crash"
- Prices have formed a topping head & shoulders pattern

The right shoulder is higher than the left shoulder, a slightly good sign as it shows buying was stronger than the left shoulder

- Prices dropped below the 50-day moving average (black trendline), and is trending downward

Prices have rallied and are testing the average

-Prices did go below the 200-day moving average, the red trendline, but prices have moved above that trend line, a positive

-SDY has good long-term support at the \$45 area

If prices stabilize here, they could trade from \$45 to \$48.