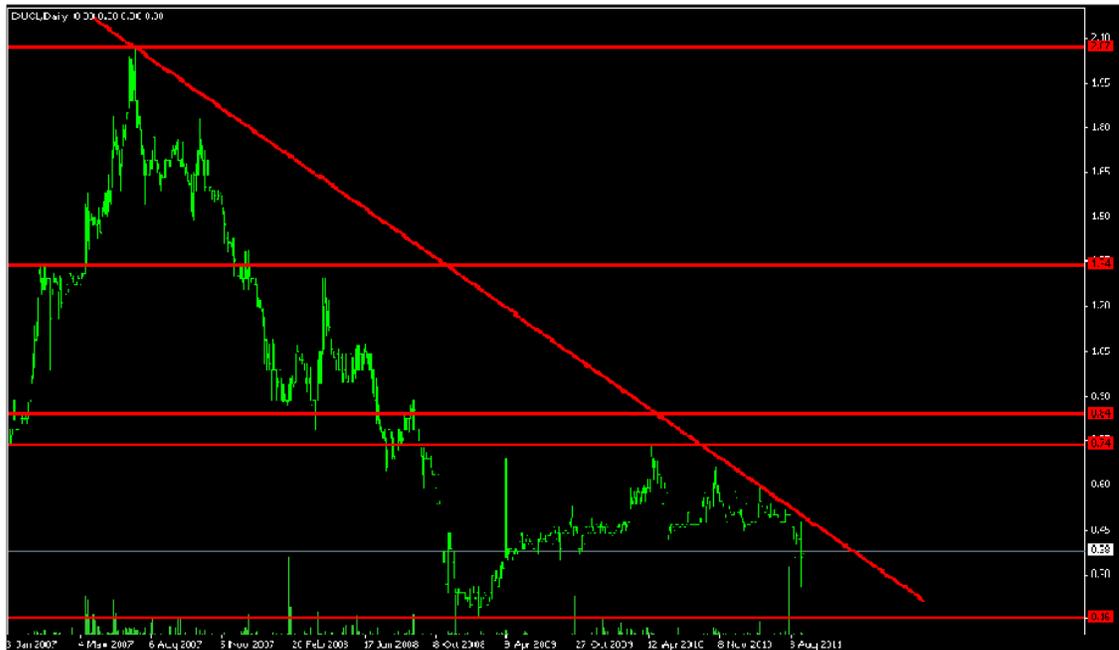


ROMANIAN MARKET REPORT

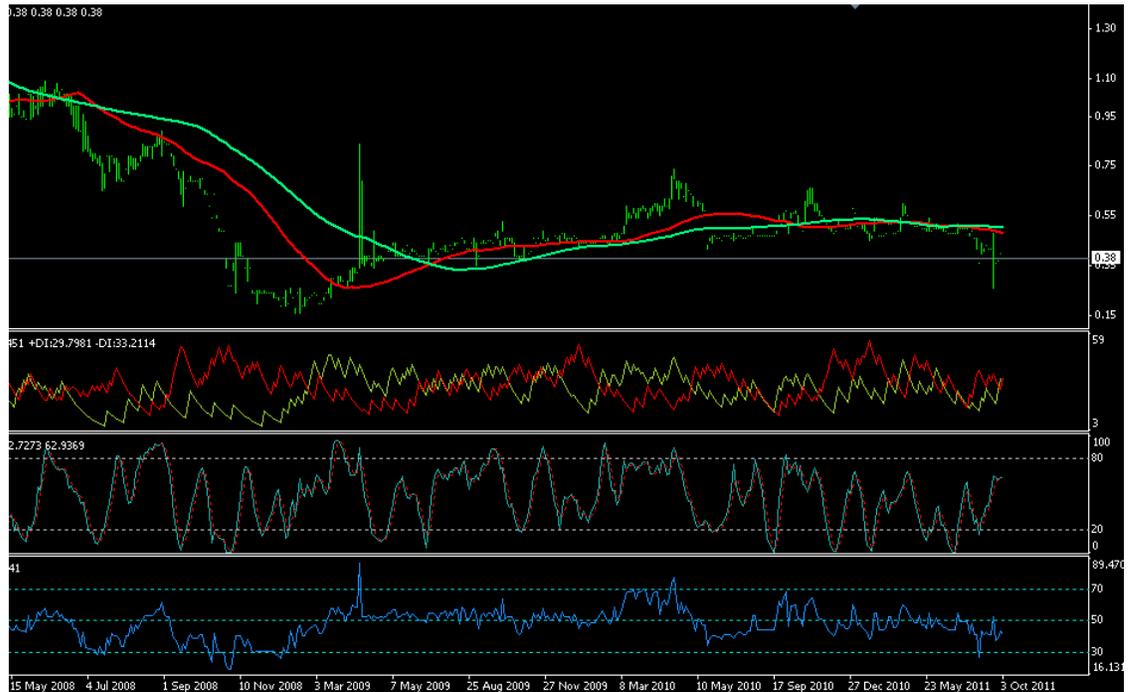
"To speculate is human, to hedge is ... divine"

October 12th 2011

Technical Analysis – DUCL



Intraweek bias for DUCL shares remain on the downside, as following the choppy sideways trading during this year, the price broke below 0.40 level. More consolidation could be seen with risk of another move downwards. Upside correction is expected to be limited around 0.50. After passing through the 0.40 level, the rebound stalled after hitting 0.45-0.48 area, which acted as support during the last year, now becoming a potential area of resistance. On the upside, above 0.50, a short term uptrend could form towards 0.60 area, or 0.75 level, which is an important level of resistance, representing 2009' high. Near term outlook remains bearish as long as 0.60 level holds, and the downward trend is expected to resume.



At this point, DUCL bias remains on the downside. The titles are in consolidation since 2009, after strong downwards trend. The RSI indicator stays below its 50 level, which confirms the bearish momentum. The Average Directional Index indicates also a downwards direction, with the -DI above de +DI.

Stochastic indicator started to point downwards, near its 60-70 area, with a hidden divergence forming in the last couple of months.

Simple moving averages of 50 and 100 reveal market indecision and the choppy momentum in the last 2 year, as the SMA 50 slope, indicating the medium term, has formed in the last period a downwards slope, while SMA 100, indicating the long term, is flat. The price of DUCL shares broke both SMAs in the last 6 months, indicating a possible downside direction.



In the bigger picture, DUCL titles are still in a downtrend, with a strong resistance at 0.61 level, representing the 61.8% Fibonacci retracement level, already tested and confirmed 2 times during this year. After the bullish period in 2009, the price came close to the 38.2% Fib level in 2009, tested the 50% Fib level in 2010, while this year it seems that the 61.8% retracement level could represent an important area of resistance.

On the downside, major support is expected around 0.26 level, representing this 2011' low.

- DUCL trade plan -

Our recommendation: SHORT positions below 0.40 level with targets at 0.26 and 0.15 levels.

Alternative scenario: The upside breakout of 0.60 area will open the way to 0.75 level.