

# ROMANIAN MARKET REPORT

*“To speculate is human, to hedge is ... divine”*

*December 21<sup>st</sup> – 24<sup>th</sup> 2009*

## Technical Analysis – OLT



Intraweek bias for OLT shares remain neutral, as choppy sideways trading is still in progress. More consolidation could be seen with risk of another fall but after all, upside is expected to be limited by 0.3621 resistances, which were tested 4 times already, and bring fall resumption. The price is in a visible range, a period of consolidation after a massive drop in 2008, stuck since February 2009 until present between support 0.1981 and resistance 0.3621.



Mixed signals for OLT shares, as the price is unable to break either downside or upside, reflecting the market's indecision. RSI indicates a weak sell signal, as the line crossed below the 50 level, confirmed also by the ADX, with the  $-DI$  above the  $+DI$ . Stochastic indicator also shows a possible downside momentum. However, traders must be careful in taking any short positions as a strong support is near and 2009 year will end soon. Also, a possible explanation for the last few days' downside move was the positive divergence visible on the stochastic indicator.



Simple moving averages of 100 and 200 also reveal market indecision and the choppy momentum, as the SMA 100 slope, indicating the medium term, is moving downwards and SMA 200, indicating the long term, indicates a possible upside move. The price of OLT shares oscillated between these moving averages, now breaking both SMAs, indicating a possible downside direction.

Mixed signals are visible if we apply a Fibonacci study. Since December 2008, we are in a weak upward trend. 50%FIB level was a strong support in May 2009, the 61.8%FIB level stopped the downside move in August and September 2009 and now the 38.2% level seems to provide support.

Our recommendation is to hold OLT titles and try to buy in small lots around support at 0.2075, with a tight stop loss, and to take quick profits, and sell at the next resistance, around 0.3275.