

ROMANIAN MARKET REPORT

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

January 1st – 31st 2010

Technical Analysis – SIF3



SIF 3 titles are currently traded around 0.79 level. SIF3 titles are in a strong upward trend since the beginning of 2009, a trend indicated by a long term trend line which acted as support 3 times already in the last year. Intra-week bias for SIF3 titles remains on the upside with consolidations to be seen around 0.80 level. Even in case of deeper correction, the downside is likely to be contained above 0.70 level.

Further increases for the stock are expected in the following period, as the price recently broke September 2009' high at 0.75 level, re-tested at the middle of the month, and 0.75 area would most likely act like support. On the upside, SIF 3 shares could continue the upwards momentum in the following period to 0.82, 0.85 and 0.88 levels.



At this point, SIF3 bias remains on the upside. The titles are in a strong upwards trend, confirmed by the RSI indicator which stayed above its 50 level since October 2009. The Average Directional Index indicates also a bullish direction, with the +DI above de -DI, well separated.

Stochastic indicator also points upwards, signaling that this is a good moment to enter long on SIF3 titles. Also the 200 Simple Moving Average (SMA200) and 50 Simple Moving Average (SMA50) are pointing upwards, have a good angle of separation, are parallel to each other, with no crossovers in the last 6 month, which are valid signals that we are in a strong bull market.



If we apply a Fibonacci Projection function during the same period in 2009 (January 1st – February 1st 2010 – blue area), in order to project the Fibonacci Retracement levels of one retracement onto another point in time, we notice that SIF3 titles respected the 100.0 level during April 2009, reached the 161.8 projection level and consolidated around it during April-June 2009 period, broke the 261.8 level in August 2009 and now touched the 423.6 projection level. This represents a major area of resistance for SIF 3 titles, indicating a period of possible consolidation around 0.78 – 0.85 levels, or even a correction, back to the lows of this year, at around 0.67.

- SIF3 trade plan -

Our recommendation: LONG positions above 0.80 level with targets at 0.82, 0.85 and 0.90 levels.