

# ROMANIAN MARKET REPORT

## TECHNICAL ANALYSIS

### TEL outlook



TEL titles are currently traded at 15.60/share. TEL titles are in a strong upward trend since the beginning of 2009, a trend indicated by a long term trend line which was confirmed 3 times already in the last year.

The weekly bias for BRD titles remains on the upside and further increases are expected as the stock broke the 14.78 level, suggesting that a further rally upwards is possibly in place.

On the upside, major resistance is the upper trend line of the channel formed in 2009 around 16.70 level. Around this trend line, downside correction is expected.



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

Stochastic indicator also started to point upwards, signaling that this is a good moment to enter long on TEL titles. If we analyze the previous signal on Stochastic, we can clearly see that the price of TEL titles recorded a nice upwards wave, touching the upper trend line of the channel.



In the bigger picture, TEL titles are still in an uptrend, with a strong resistance at 16.80. After the recent bullish period, a short term consolidation or downwards trend is possible and should bring retreat to the next support level at 14.70.

On the long term we can clearly see that price stood above SMA 200 since the middle of 2009 and the moving average slope is upwards, indicating that the long term trend for TEL shares is on the upside. Also, since November 2009 the price consolidated above SMA 100, indicating also an upwards trend on the medium term.

However, if we apply a Fibonacci study, we can observe that the 61.2% FIB level acted as a strong resistance 2 times already, and only the break of this retracement level will bring higher highs. Major support is expected around 14.60 level, as the previous broken resistance will act as a strong support.

**Our recommendation is to buy TEL shares with the first target at 16.60 and the second target at 18.50, which coincides with the 50% Fib retracement level.**