

Technical Analysis

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Intraday bias for OLT titles remains on the upside for the moment. The price extended at the beginning of 2012 to as high as 1.45 so far and further rise could still be seen to 1.85 resistance zone, the retest of this area being expected.

Although the price action in the last year formed an ascending triangle, which could be interpreted as a consolidation period, we are near the upper trendline of the triangle, and a break of this area, respectively 1.60 could bring further increases.

If the 1.60 resistance will be broken, retested and will become support, we expect upside movements to be continue, being limited in the first phase at 1.85.



OLT titles started the year with a firm upside movement, as the price broken the 50 and the 100 moving averages, which are now expected to act as a strong support. The SMA50, indicating the medium term potential, passed above the SMA100, suggesting a possible resuming of the uptrend started in Q2 2010. The breakout was confirmed also by the RSI indicator, which passed above its 50 level, signaling the bullish momentum.

The ADX indicator also suggests a continuation of the trend, with the +DI above the -DI, being well separated at the same time. Also, the +DI has broken the 20 level, indicating the start of a possible upside trend.



In the bigger picture, OLT titles are still in an uptrend, despite the recent correction at the end of 2011, which could be interpreted as a complex retracement in an uptrend, with a strong support at 0.92 level, around the 38.2% Fibonacci level. Currently, the price is testing the 61.8% Fib level. If this area will be confirmed, we can project into the future the previous upside wave, from the lowest point of the correction, a possible target being 2.25 – 2.30 area, which coincides with 2011's high.

- OLT trade plan -

Our recommendation: BUY positions above 1.20 level with targets at 1.84 and 2.25 levels.