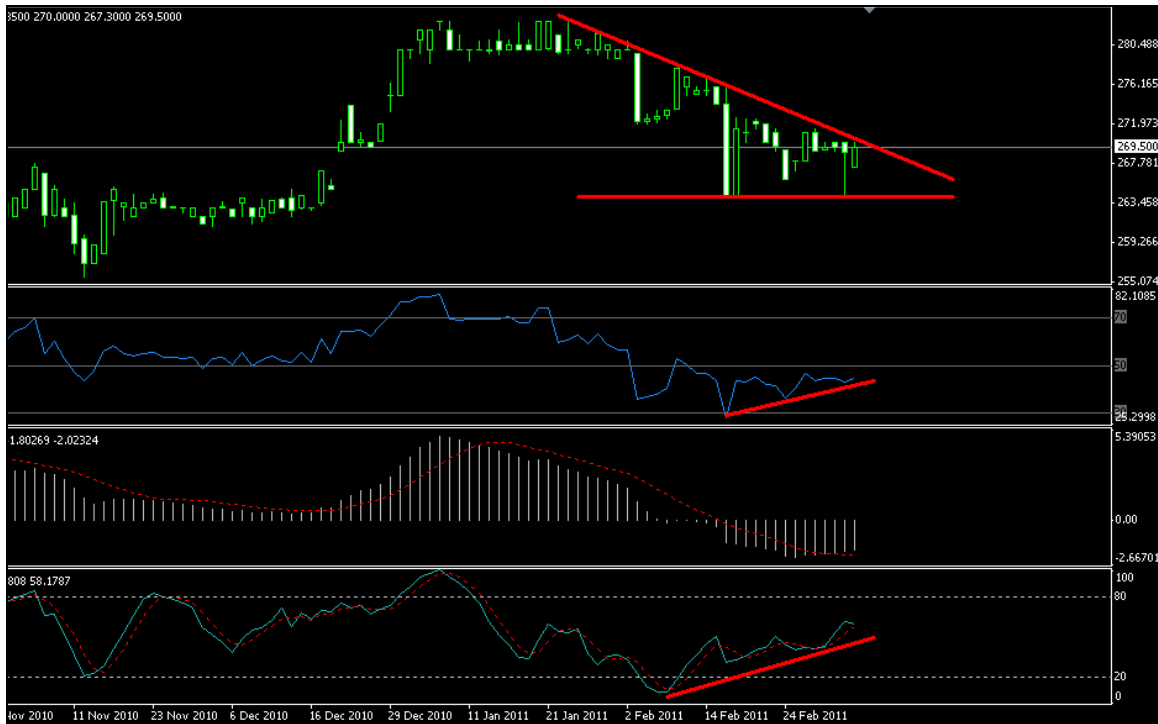


TGN analysis (March 8th 2011)



Intraweek bias for TGN titles remains neutral and more consolidations could be seen below 282.20 temporary top. Even in case of deeper correction, the downside is likely to be contained above 255.50 level.

Although we are currently in a strong uptrend, the price fell recently below the SMA50 (medium-term dynamic area of support) which could add more sell pressure for TGN titles. Considering that the price fell below VIDYA20 (Volatility Index Dynamic Average), we now take into account the ADX low for market entries, which currently is in a bearish mode.



At this point, TGN bias remains neutral. The titles recorded since the November 2010 a strong upwards trend, confirmed by the RSI indicator which stayed above its 50 level, but since the beginning of the year, the price made lower lows and lower highs. We can see on the chart that during the last downwards move, the low didn't have the power to break the previous low at 264.00, and formed a double bottom. Also, we can clearly observe on the chart a "flag" formation, the break of 272.50 suggesting that the uptrend might resume.

Divergences are observed on Stochastic and RSI indicators, with the MACD being in bearish mode, below 0, which could also bring further downwards pressure.



We expect strong resistance at 38.2% Fibonacci retracement level of 266.50 to limit the downside movement and bring uptrend resumption. On the downside, below 264.00 support will be the first signal that more downwards moves could take place.

- TGN trade plan -

Our recommendation: LONG positions above 272.50 with targets at 278.00 and 282.20.

Alternative scenario: The downside breakout of 264.00 will open the way to 260.50 and further to 255.50 level