

Technical Perspectives on Analyst's Rating Changes

CHK - case study
06-21-2008

CHK – The TPARC report for January 5, 2007 called attention to what appeared to be a major top and a downside breakout that coincided with the analyst's downgrade. The downside breakout was reversed in a few months thereafter and a new uptrend began. The failure of the trend to follow through probably occurs no more than 20% of the time but it does happen. The investor needs to remain flexible and remain willing to buy the stock back when the new up trend becomes evident. This stock probably doubled from the point of the reversal of the trend.

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